AMENDED IN ASSEMBLY JUNE 1, 2009

california legislature—2009–10 regular session

ASSEMBLY BILL No. 1320

Introduced by Assembly Member Fong

February 27, 2009

An act to add Chapter 6 (commencing with Section 14550) to Division 7 of the Unemployment Insurance Code, relating to workforce development.

legislative counsel's digest

AB 1320, as amended, Fong. Workforce development: lifelong learning pilot program.

The federal Workforce Investment Act of 1998 provides for workforce investment activities, including activities in which states may participate. Existing law, the California Workforce Investment Act, establishes the California Workforce Investment Board, as prescribed, and requires the board to assist the Governor in performing specified duties relating to the development, implementation, and promotion of various workforce development activities, job training, and employment investment, including work incentive programs, as specified.

This bill would, beginning January 1, 2012, create the Lifelong Learning Accounts Pilot Program, for the purpose of providing grants to employers and employees to be used to establish individual lifelong learning accounts, as defined, for the deposit of funds to be used by those employees and employers for purposes related to lifelong education and training. The bill would require the board to establish a grant program and implement and administer the program, as specified. The bill would require the board to prepare and submit a report to specified legislative fiscal and policy committees, evaluating the effectiveness of the program, as prescribed. The bill would provide that its provisions shall only be implemented if the Director of Finance makes a written determination that there are sufficient ~~state~~ funds *from sources other than the General Fund* available for that purpose.

Vote: majority. Appropriation: no. Fiscal committee: yes. State-mandated local program: no.

The people of the State of California do enact as follows:

SECTION 1. Chapter 6 (commencing with Section 14550) is added to Division 7 of the Unemployment Insurance Code, to read:

CHAPTER 6. LIFELONG LEARNING ACCOUNTS PILOT PROGRAM

14550. The Lifelong Learning Accounts Pilot Program is hereby created in the department for the purpose of providing grants to employers and employees to be used to establish individual lifelong learning accounts for the deposit of funds to be used by those employers and employees for purposes related to lifelong education and training.

14550.1. For purposes of this chapter, the following terms have the following meanings:

(a) "Board" means the California Workforce Investment Board.

(b) "Employee" means a California resident who works at least 20 hours or more a week, on average, for an employer in this state.

(c) "Employer" means a person, partnership, corporation, limited partnership, or limited liability ~~corporation~~ *company* that retains at least one eligible employee for six months.

(d) "Grant funds" ~~mean~~ *means* any award, donation, or gift from an individual, foundation, business, or any assistance provided to this state by the federal government.

(e) "Lifelong Learning Account" means an account held by a trustee, custodian, fiduciary, or other person approved by the department to be used for the deposit of funds to pay for qualified expenses such as fees, tuition, or other materials relating to job training and education.

(f) "Match" means moneys that will be supplied in an amount equal to the total contributed by the employee and employer.

(g) “Qualified expense” means “qualified higher education expenses” as defined in Section 529(e) of the Internal Revenue Code.

14550.2. (a) The board shall establish a grant program to provide grants to employees and employers to encourage those employees and employers to save for lifelong education and training. Under this program, an employee shall be eligible to receive a grant fund match of up to 50 percent of the first five hundred dollars ($500) that the employee contributes into his or her Lifelong Learning Account for a maximum amount not to exceed two hundred fifty dollars ($250). An employee may also be eligible for a match of up to 50 percent of the first five hundred dollars ($500) contributed, on the employee’s behalf, by his or her employer, for a maximum not to exceed two hundred fifty dollars ($250). The maximum total amount of the grant fund match that could be received by an individual employee, during a single tax year, is five hundred dollars ($500).

(b) The board may contract with an individual, nonprofit organization, or other business to administer and implement the grant program.

(c) Any employer or employee who enters into an agreement with the board under this program may designate the account established, pursuant to the agreement, as a Lifelong Learning Account. The board shall ensure that the grant program complies with the applicable requirements of Article 19 (commencing with Section 69980) of Chapter 2 of Division 5 of Part 42 of the Education Code.

(d) The board shall make education and career advising and other support services available to employees under the program, and shall provide technical assistance to employers to implement the grant program. The board may use grant funds to offset the costs of support services, technical assistance, and program administration.

(e) There shall be established in the State Treasury, a Lifelong Learning Program Fund to receive contributions~~, in the form of a match of grant funds~~ from individuals, foundations~~, nonprofits,~~ *nonprofit organization* businesses, and the federal government to be used for the program.

(f) The board shall prepare and submit a report to the Assembly Committee on Budget and the Senate Committee on Budget and

Fiscal Review, and the appropriate legislative policy committees evaluating the effectiveness of this chapter. The report shall be submitted to those committees at least 20 days prior to the date that the Legislature convenes the second year of the 2011–12 Regular Session.

(g) The board shall, after consultation with the Treasurer and the Scholarshare Investment Board, adopt ~~any~~ rules and ~~administrative regulations that are necessary~~ *regulations that are necessary or appropriate* to ensure the proper implementation and administration of the program.

14550.3. This ~~section~~ *chapter* shall become operative on January 1, 2012.

14550.4. The Lifelong Learning Accounts Pilot Program shall only be implemented if the Director of Finance makes a written determination that there are sufficient ~~state funds available~~ *funds available from sources other than the General Fund* for that purpose.

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