

AMENDED IN ASSEMBLY APRIL 12, 2010

AMENDED IN ASSEMBLY MARCH 22, 2010

CALIFORNIA LEGISLATURE—2009–10 REGULAR SESSION

ASSEMBLY BILL

No. 2030

Introduced by Assembly Member Yamada

February 17, 2010

An act to add and repeal Article 2.2 (commencing with Section 1301) of Chapter 5 of Part 1 of Division 1 of the Unemployment Insurance Code, relating to unemployment insurance, and making an appropriation therefor.

LEGISLATIVE COUNSEL'S DIGEST

AB 2030, as amended, Yamada. Unemployment: Self-Employment Assistance Program.

Existing law provides for the payment of unemployment compensation benefits during the period that a person is unemployed. Existing law imposes various requirements on the payments of benefits, including work search requirements. Existing law also establishes retraining programs for unemployed workers. Prior law, enacted in 1994 and repealed in 2005, established the Self-Employment Assistance Program for displaced workers.

This bill would reestablish the Self-Employment Assistance Program, to be administered by the Director of the Employment Development Department. The bill would provide for a weekly allowance for participants equal to regular unemployment benefits, subject to various limits, and would waive requirements relating to job search and self-employment, as specified. The bill would impose various eligibility requirements upon participants and would require the director to review

the implementation of the program and ~~provide a summary of submit information summarizing its operation and effectiveness at an informational public hearing before the Legislature to the Assembly Insurance Committee and the Senate Labor and Industrial Relations Committee.~~ The bill would remain effective until January 1, 2017.

Since the benefits would be payable from the continuously appropriated Unemployment Fund, the bill would make an appropriation.

The self-employment program provisions of the bill would apply to weeks beginning after approval of the United States Department of Labor.

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

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

1 SECTION 1. Article 2.2 (commencing with Section 1301) is
2 added to Chapter 5 of Part 1 of Division 1 of the Unemployment
3 Insurance Code, to read:

4
5 Article 2.2. Self Employment Assistance Program
6

7 1301. As used in this article:

8 (a) "Full-time basis" means 40 hours each week.

9 (b) "Regular benefits" means benefits payable to an individual
10 under this part, including benefits payable to federal civilian
11 employees and to ex-service members pursuant to Chapter 85
12 (commencing with Section 8501) of Title 5 of the United States
13 Code, other than additional and extended benefits.

14 (c) "Self-employment assistance activities" means activities
15 approved by the director in which an individual, identified through
16 a worker profiling system as likely to exhaust regular benefits,
17 participates for the purpose of establishing a business and becoming
18 self-employed. These ~~may~~ shall include, but are not limited to,
19 entrepreneurial training, business counseling, and technical
20 assistance.

21 (d) "Self-employment assistance allowance" means an allowance
22 payable in lieu of regular benefits and from the Unemployment
23 Fund established under Section 1521 to an individual participating
24 in self-employment assistance activities who meets the
25 requirements of this article.

1 (e) “Self-Employment Assistance Program” means the program
2 that enables an unemployed individual approved under this article
3 to engage in self-employment *assistance* activities on a full-time
4 basis that will lead to establishing a business and becoming
5 self-employed.

6 1302. The weekly allowance payable under this article to an
7 individual shall be equal to the weekly benefit amount for regular
8 benefits otherwise payable under Article 2 (commencing with
9 Section 1275). The sum of the allowance payable under this section
10 and the regular benefits paid under this part with respect to any
11 benefit year shall not exceed the maximum benefit amount as
12 established by Section 1281 with respect to that benefit year.

13 1303. The allowance described in Section 1302 shall be payable
14 to an individual at the same interval, on the same terms, and subject
15 to the same conditions as regular benefits under this part, except
16 as follows:

17 (a) The requirements relating to availability for work, active
18 search for work, and refusal to accept work shall not apply to any
19 week that the individual is in training or engaged in
20 self-employment activities as approved by this article.

21 (b) Income earned by an individual while engaged in
22 self-employment activities as approved under this article shall not
23 be construed to be wages or compensation for personal services
24 under this division, and benefits payable under this division shall
25 not be denied or reduced because of those payments.

26 (c) An individual who fails to participate in self-employment
27 assistance activities or who fails to actively engage on a full-time
28 basis in activities, which may include training, relating to the
29 establishment of a business and becoming self-employed shall be
30 disqualified for the week the failure occurs.

31 1304. An individual is eligible to be paid a self-employment
32 assistance allowance if he or she meets all of the following
33 conditions:

34 (a) Is eligible to receive regular unemployment compensation
35 under state law.

36 (b) Has been identified pursuant to an automated profiling
37 system as likely to exhaust regular unemployment compensation.

38 (c) Has been approved for participation in the Self-Employment
39 Assistance Program by the director.

1 (d) Is engaged on a full-time basis in ~~activities, which may~~
2 ~~include training, self-employment assistance activities, which may~~
3 ~~include, but not be limited to, entrepreneurial training, business~~
4 ~~counseling, and technical assistance~~ related to establishing a
5 business and becoming self-employed.

6 1305. The aggregate number of individuals receiving the
7 allowance under this article at any time shall not exceed 5 percent
8 of the number of individuals receiving regular benefits. The director
9 shall, through regulations, prescribe those actions necessary to
10 ensure the requirements of this section are met.

11 1306. Self-employment assistance allowances paid under this
12 section shall be charged to employers as provided under provisions
13 of this part relating to the charging of regular benefits. Costs of
14 administering the self-employment assistance allowances are
15 payable from grants received by the department for the
16 administration of California's unemployment insurance law under
17 Title III of the federal Social Security Act. Costs of providing
18 self-employment assistance activities, such as business training,
19 business counseling, and technical assistance are payable from
20 federal Workforce Investment Act funds and other federal grants.

21 1307. An individual is prohibited from participating in the
22 Self-Employment Assistance Program if his or her prior employer
23 is the primary user of the new business services. No employer shall
24 coerce an employee into participating in the Self-Employment
25 Assistance Program.

26 1308. The provisions of this article shall apply to weeks
27 beginning after the effective date of this article or weeks beginning
28 after any plan required by the United States Department of Labor
29 is approved by the United States Department of Labor, whichever
30 date is later. Immediately upon enactment of this article, the
31 director shall develop such a plan and seek approval from the
32 United States Department of Labor.

33 1309. On or after January 1, 2015, and before January 1, 2017,
34 the director shall review the implementation of this article, and
35 ~~shall provide a summary of its operation and effectiveness at an~~
36 ~~informational public hearing before the Legislature. shall submit~~
37 ~~information summarizing its operation and effectiveness to the~~
38 ~~Assembly Insurance Committee and the Senate Labor and~~
39 ~~Industrial Relations Committee.~~

1 1310. This article shall remain in effect only until January 1,
2 2017, and as of that date is repealed, unless a later enacted statute,
3 that is enacted before January 1, 2017, deletes or extends that date.

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