

AMENDED IN ASSEMBLY MARCH 29, 2012

CALIFORNIA LEGISLATURE—2011–12 REGULAR SESSION

ASSEMBLY BILL

No. 2602

Introduced by Assembly Member Furutani

February 24, 2012

An act to amend Section 3553 10205 of the Unemployment Insurance Code, relating to unemployment insurance.

LEGISLATIVE COUNSEL'S DIGEST

AB 2602, as amended, Furutani. ~~Unemployment insurance: filing: extended duration benefits.~~ *Employment Training Panel: duties: annual report: Governor: Internet Web site.*

Existing law establishes the Employment Training Panel (ETP) in the Employment Development Department, and prescribes the membership and functions and duties of the ETP with regard to the development and implementation of specified employment training programs. Existing law requires the ETP to report annually to the Legislature on projects during the previous fiscal year, and requires the annual report to provide separate summaries of specified information on projects.

This bill would additionally require the ETP to report that same project information annually to the Governor and would require the ETP to post the report on its Internet Web site for inspection by the public.

~~Existing law provides that the filing of a valid primary claim by an exhaustee constitutes an election to claim extended duration benefits, excluding the exhaustee from filing a new claim for normal benefits for any week of unemployment subsequent to the filing of the primary claim for which extended duration benefits are payable to the exhaustee.~~

~~This bill would make nonsubstantive, technical changes to those provisions.~~

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

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

1 SECTION 1. Section 10205 of the Unemployment Insurance
2 Code is amended to read:

3 10205. The panel shall do all of the following:

4 (a) Establish a three-year plan that shall be updated annually,
5 based on the demand of employers for trained workers, changes
6 in the state's economy and labor markets, and continuous reviews
7 of the effectiveness of panel training contracts. The updated plan
8 shall be submitted to the Governor and the Legislature not later
9 than January 1 of each year. In carrying out this section, the panel
10 shall review information in the following areas:

11 (1) Labor market information, including the state-local labor
12 market information program in the Employment Development
13 Department and other relevant regional or statewide initiatives and
14 collaboratives.

15 (2) Evaluations of the effectiveness of training as measured by
16 increased security of employment for workers and benefits to the
17 California economy.

18 (3) The demand for training by industry, type of training, and
19 size of employer.

20 (4) Changes in skills necessary to perform jobs, including
21 changes in basic literacy skills.

22 (5) Changes in the demographics of the labor force and the
23 population entering the labor market.

24 (6) Proposed expenditures by other agencies of federal
25 Workforce Investment Act funds and other state and federal
26 training and vocational education funds on eligible participants.

27 (b) Maintain a system to continuously monitor economic and
28 other data required under this plan. If this data changes significantly
29 during the life of the plan, the plan shall be amended by the panel.
30 Each plan shall include all of the following:

31 (1) The panel's objectives with respect to the criteria and
32 priorities specified in Section 10200 and the distribution of funds
33 between new-hire training and retraining.

1 (2) The identification of specific industries, production and
2 quality control techniques, and regions of the state where
3 employment training funds would most benefit the state's economy
4 and plans to encourage training in these areas, including specific
5 standards and a system for expedited review of proposals that meet
6 the standards.

7 (3) A system for expedited review of proposals that are
8 substantially similar with respect to employer needs, training
9 curriculum, duration of training, and costs of training, in order to
10 encourage the development of proposals that meet the needs
11 identified in paragraph (2).

12 (4) The panel's goals, operational objectives, and strategies to
13 meet the needs of small businesses, including, but not limited to,
14 those small businesses with 100 or fewer employees. These
15 strategies proposed by the panel may include, but not be limited
16 to, pilot demonstration projects designed to identify potential
17 barriers that small businesses may experience in accessing panel
18 programs and workforce training resources, including barriers that
19 may exist within small businesses.

20 (5) The research objectives of the panel that contribute to the
21 effectiveness of this chapter in benefiting the economy of the state
22 as a whole.

23 (6) A priority list of skills or occupations that are in such short
24 supply that employers are choosing to not locate or expand their
25 businesses in the state or are importing labor in response to these
26 skills shortages.

27 (7) A review of the panel's efforts to coordinate with the
28 California Workforce Investment Board and local boards to achieve
29 an effective and coordinated approach in the delivery of the state's
30 workforce resources.

31 (A) The panel will consider specific strategies to achieve this
32 goal that include the development of initiatives to engage local
33 workforce investment boards in enhancing the utilization of panel
34 training resources by companies in priority sectors, special
35 populations, and in geographically underserved areas of the state.

36 (B) Various approaches to foster greater program integration
37 between workforce investment boards and the panel will also be
38 considered, which may include marketing agreements, expanded
39 technical assistance, modification of program regulations and
40 policy, and expanded use of multiple employer contracts.

(c) Solicit proposals and write contracts on the basis of proposals made directly to it. Contracts for the purpose of providing employment training may be written with any of the following:

(1) An employer or group of employers.

(2) A training agency.

(3) A local workforce investment board with the approval of the appropriate local elected officials in the local workforce investment area.

(4) A grant recipient or administrative entity selected pursuant to the federal Workforce Investment Act of 1998, with the approval of the local workforce investment board and the appropriate local elected officials.

These contracts shall be in the form of fixed-fee performance contracts. Notwithstanding any provision of law to the contrary, contracts entered into pursuant to this chapter shall not be subject to competitive bidding procedures. Contracts for training may be written for a period not to exceed 24 months for the purpose of administration by the panel and the contracting employer or any group of employers acting jointly or any training agency for the purpose of providing employment training.

(d) Fund training projects that best meet the priorities identified annually. In doing so, the panel shall seek to facilitate the employment of the maximum number of eligible participants.

(e) Establish minimum standards for the consideration of proposals, which shall include, but not be limited to, evidence of labor market demand, the number of jobs available, the skill requirements for the identified jobs, the projected cost per person trained, hired, and retained in employment, the wages paid successful trainees upon placement, and the curriculum for the training. No proposal shall be considered or approved that proposes training for employment covered by a collective bargaining agreement unless the signatory labor organization agrees in writing.

(f) Ensure the provision of adequate fiscal and accounting controls for, monitoring and auditing of, and other appropriate technical and administrative assistance to, projects funded by this chapter.

(g) Provide for evaluation of projects funded by this chapter. The evaluations shall assess the effectiveness of training previously funded by the panel to improve job security and stability for workers, and benefit participating employers and the state's

economy, and shall compare the wages of trainees in the 12-month period prior to training as well as the 12-month period subsequent to completion of training, as reflected in the department's unemployment insurance tax records. Individual project evaluations shall contain a summary description of the project, the number of persons entering training, the number of persons completing training, the number of persons employed at the end of the project, the number of persons still employed three months after the end of the project, the wages paid, the total costs of the project, and the total reimbursement received from the Employment Training Fund.

(h) (1) Report annually to the *Governor and the Legislature*, by November 30, on projects operating during the previous state fiscal year. These annual reports shall provide separate summaries of all of the following:

(1)

(A) Projects completed during the year, including their individual and aggregate performance and cost.

(2)

(B) Projects not completed during the year, briefly describing each project and identifying approved contract amounts by contract and for this category as a whole, and identifying any projects in which funds are expected to be disencumbered.

(3)

(C) Projects terminated prior to completion and the reasons for the termination.

(4)

(D) A description of the amount, type, and effectiveness of literacy training funded by the panel.

(5)

(E) Results of complete project evaluations.

(6)

(F) A description of pilot projects, and the strategies that were identified through these projects, to increase access by small businesses to panel training contracts.

(7)

(G) A listing of training projects that were funded in high unemployment areas and a detailed description of the policies and procedures that were used to designate geographic regions and municipalities as high unemployment areas.

1 (2) *The panel shall post the annual report on its Internet Web*
2 *site for inspection by the public.*

3 In addition, based upon its experience in administering job
4 training projects, the panel shall include in these reports policy
5 recommendations concerning the impact of job training and the
6 panel's program on economic development, labor-management
7 relations, employment security, and other related issues.

8 (i) Conduct ongoing reviews of panel policies with the goal of
9 developing an improved process for developing, funding, and
10 implementing panel contracts as described in this chapter.

11 (j) Expedite the processing of contracts for firms considering
12 locating or expanding businesses in the state, in accordance with
13 the priorities for employment training programs set forth in
14 subdivision (b) of Section 10200.

15 (k) Coordinate and consult regularly with business groups and
16 labor organizations, the California Workforce Investment Board,
17 the State Department of Education, the office of the Chancellor of
18 the California Community Colleges, and the Employment
19 Development Department.

20 (l) Adopt by regulation procedures for the conduct of panel
21 business, including the scheduling and conduct of meetings, the
22 review of proposals, the disclosure of contacts between panel
23 members and parties at interest concerning particular proposals,
24 contracts or cases before the panel or its staff, the awarding of
25 contracts, the administration of contracts, and the payment of
26 amounts due to contractors. All decisions by the panel shall be
27 made by resolution of the panel and any adverse decision shall
28 include a statement of the reason for the decision.

29 (m) Adopt regulations and procedures providing reasonable
30 confidentiality for the proprietary information of employers seeking
31 training funds from the panel if the public disclosure of that
32 information would result in an unfair competitive disadvantage to
33 the employer supplying the information. The panel may not
34 withhold information from the public regarding its operations,
35 procedures, and decisions that would otherwise be subject to
36 disclosure under the California Public Records Act (Chapter 3.5
37 (commencing with Section 6250) of Division 7 of Title 1 of the
38 Government Code).

1 (n) Review and comment on the budget and performance of any
2 program, project, or activity funded by the panel utilizing funds
3 collected pursuant to Section 976.6.

4 ~~SECTION 1. Section 3553 of the Unemployment Insurance~~
5 ~~Code is amended to read:~~

6 ~~3553. The filing of a valid primary claim by an exhaustee shall~~
7 ~~constitute an election by him or her to claim extended duration~~
8 ~~benefits to the exclusion of filing a new claim for normal benefits~~
9 ~~for any week of unemployment subsequent to the filing of that~~
10 ~~primary claim for which extended duration benefits are payable~~
11 ~~to him or her.~~