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SB-275 Eligible training provider list. (2025-2026)



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CALIFORNIA LEGISLATURE — 2025-2026 REGULAR SESSION

SENATE BILL NO. 275

> Introduced by Senator Smallwood-Cuevas (Coauthor: Senator Limón)

> > February 04, 2025

An act to amend Section 14020 of the Unemployment Insurance Code, relating to workforce development.

LEGISLATIVE COUNSEL'S DIGEST

SB 275, Smallwood-Cuevas. Eligible training provider list.

Existing law provides that the California Workforce Development Board is responsible for assisting the Governor in the development, oversight, and continuous improvement of California's workforce investment system, including the development of a state plan to serve as a framework for, among other things, training programs to address the state's economic, demographic, and workforce needs. Existing law, in order to support the plan, requires the board to, among other things, establish initial and subsequent eligibility criteria for an eligible training provider list, in accordance with specified federal law.

This bill would prohibit an approved training provider from being removed from the eligible training provider list if the provider has submitted verification of completion of continued eligibility requirements through a local workforce development board, except as provided. The bill would require continued eligibility review to be conducted once every 2 fiscal years, in a manner determined by the Employment Development Department.

Vote: majority Appropriation: no Fiscal Committee: yes Local Program: no

THE PEOPLE OF THE STATE OF CALIFORNIA DO ENACT AS FOLLOWS:

- **14020.** (a) The California Workforce Development Board, in collaboration with state and local partners, including the Chancellor of the California Community Colleges, the State Department of Education, other appropriate state agencies, and local workforce development boards, shall develop the State Plan to serve as a framework for the development of public policy, employment services, fiscal investment, and operation of all state labor exchange, workforce education, and training programs to address the state's economic, demographic, and workforce needs. The strategic workforce plan shall be prepared in a manner consistent with the requirements of the federal Workforce Innovation and Opportunity Act of 2014.
- (b) Consistent with the federal Workforce Innovation and Opportunity Act, the State Plan shall provide a framework for state workforce policies and support sector strategies.
- (c) The California Workforce Development Board shall work collaboratively with state and local partners to identify ways to eliminate systemwide barriers and better align and leverage federal, state, and local Workforce Innovation and Opportunity Act funding streams, and other funding streams, and policies to develop, support, and sustain regional alliances of employers and workforce and education professionals who are working to improve the educational pipeline, establish well-articulated career pathways, provide industry-recognized credentials, certificates, and recognized postsecondary credentials, and address the career advancement needs of current and future workers in competitive and emergent industry sectors and clusters. The California Workforce Development Board and its partners shall work collaboratively to maximize state and local investments and pursue other resources to address the skills-gap needs identified pursuant to paragraph (3) of subdivision (d).
- (d) In order to support the requirement of the plans in subdivision (a), the California Workforce Development Board shall do all of the following:
 - (1) Identify industry sectors and industry clusters that have a competitive economic advantage and demonstrated economic importance to the state and its regional economies. In developing this analysis, the California Workforce Development Board shall consider the expertise of local workforce development boards in the state's respective regional economies and shall encourage the local workforce development boards to identify industry sectors and industry clusters that have a competitive economic advantage and demonstrated economic importance in their respective local workforce development areas.
 - (2) Identify new dynamic emergent industry sectors and industry clusters with substantial potential to generate new jobs and income growth for the state and its regional economies. In developing this analysis, the California Workforce Development Board shall consider the expertise of local workforce development boards in the state's respective regional economies and shall encourage the local workforce development boards to identify new dynamic emergent industry sectors and industry clusters with substantial potential to generate new jobs and income growth in their respective local workforce development areas.
 - (3) Provide a skills-gap analysis enumerating occupational and skills shortages in the industry sectors and industry clusters identified as having strategic importance to the state's economy and its regional economies. In developing this analysis, the California Workforce Development Board shall consider the expertise of local workforce development boards in the state's respective regional economies and shall encourage the local workforce development boards to conduct skills-gap analysis for their respective local workforce development areas. Skills-gap analysis for the state and its regional economies shall use labor market data to specify a list of high-priority, in-demand occupations for the state and its regional economies. This list shall be used to inform investment decisions and eligible training provider policies.
 - (4) Establish, with input from local workforce development boards and other stakeholders, initial and subsequent eligibility criteria for the federal Workforce Innovation and Opportunity Act of 2014 eligible training provider list that effectively directs training resources into training programs leading to employment in high-demand, high-priority, and occupations that provide economic security, particularly those facing a shortage of skilled workers. The subsequent eligibility criteria, to the extent feasible, shall use performance and outcome measures to determine whether a provider is qualified to remain on the list. At a minimum, initial and subsequent eligibility criteria shall consider all of the following:
 - (A) The relevance of the training program to the workforce needs of the state's strategic industry sectors and industry clusters.
 - (B) The need to plug skills gaps and skills shortages in the economy, including skills gaps and skills shortages at the state and regional level.
 - (C) The need to plug skills gaps and skills shortages in local workforce development areas.
 - (D) The likelihood that the training program will lead to job placement in a job providing economic security or job placement in an entry-level job that has a well-articulated career pathway or career ladder to a job providing economic security.

- (E) The need for basic skills in combination with programs that provide occupational skills training for individuals with barriers to employment and those who would otherwise be unable to enter occupational skills training.
- (F) To the extent feasible, utilize criteria that measure training and education provider performance, including, but not limited to, the following:
 - (i) Measures of skills or competency attainment.
 - (ii) Measures relevant to program completion, including measures of course, certificate, degree, licensure, and program of study rate of completion.
 - (iii) For those entering the labor market, measures of employment placement and retention.
 - (iv) For those continuing in training or education, measures of educational or training progression.
 - (v) For those who have entered the labor market, measures of income, including wage measures.
- (G) The division of labor for making initial and subsequent eligibility determinations under this division shall be modeled on the division of labor envisioned in the federal Workforce Innovation and Opportunity Act of 2014.
- (H) If the state receives a waiver from the federal subsequent eligibility provisions specified in the federal Workforce Innovation and Opportunity Act of 2014, the state workforce development board shall establish its own subsequent eligibility criteria that take into account all of the criteria specified in subparagraphs (A) to (G), inclusive.
- (e) (1) (A) An approved training provider who has submitted verification of completion of continued eligibility requirements through a local workforce development board shall not be removed from the eligible training provider list, as specified in paragraph (4) of subdivision (d), until a determination has been made that the provider or program does not meet eligibility requirements.
 - (B) Continued eligibility review shall be conducted once every two fiscal years in a manner determined by the Employment Development Department.
 - (2) It is the intent of the Legislature in enacting this subdivision to streamline the continued eligibility process for trainees, trainers, local workforce development boards, and the Employment Development Department.