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Title 22@ Social Security

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Division 1@ Employment Development Department

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Subdivision 1@ Director of Employment Development

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Division 3@ Employment Services Programs

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Part 1@ Employment and Employability Services

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Chapter 1.5@ Employment Training Panel

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Article 2@ Proposal Process

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Section 4429@ High Unemployment Areas

4429 High Unemployment Areas

(a) The Panel may apply special funding criteria to High Unemployment Area (HUA) training projects. To qualify for this type of funding, the employer or participating employer must be located in the HUA. The trainees in a HUA must earn at least the ETP Minimum Wage and complete the standard retention period except as identified in subsections (c) and (d) below.

(b)

An HUA may be a county or portion of a county, or some other distinct region. To be designated as an HUA, the region must have an unemployment rate (Regional Rate) exceeding the state average rate (Benchmark Rate). When the Benchmark Rate is less than 10%, the Regional Rate must be higher by a differential of at least 25%. When the Benchmark Rate is at or higher than 10%, the Regional Rate must be higher by a differential of at least 15%.

(c)

The Panel may also adjust the differential between Benchmark Rate and Regional Rate on a case-by-case basis for good cause shown. Good cause may include the longevity of unemployment in the region, and whether unemployment has had a particularly adverse effect on the industry sector or occupation being considered for training funds.

(d)

The Benchmark Rate and Regional Rate will be based on the unemployment rates set by the Labor Market Information Division (LMID) of the Employment Development Department. In determining HUA status, the Panel will abide by the Benchmark Rate set by LMID. The Panel will also abide by the Regional Rate listing posted on its website at www.etp.ca.gov or the most recent information published by LMID on its website at www.edd.ca.gov. In so doing, the Panel will follow the Benchmark Rate(s) and Regional Rate(s) that favor designation as an HUA as updated by LMID.

(e)

For HUA projects, the Panel may reduce the ETP Minimum Wage requirement at Section 10201(f) of the Unemployment Insurance Code by up to 25 percent, on a case-by-case basis. Retraining projects will only qualify for this reduction if post-retention wages exceed pre-retention wages. This reduction shall not apply to wages governed by a collective bargaining agreement. A new-hire project will qualify for the 25-percent reduction, without regard to a wage differential, for post-retention wages.

(f)

For HUA projects, the Panel may modify the retention period at Section 10209(f) of the Unemployment Insurance Code (See Section 4400(h).) For these projects, the Panel may choose to make a special modification, and designate a retention period of a minimum of 90 out of 120 consecutive days with up to three employers pursuant to Section 10214.5(c) of the Unemployment Insurance Code. Any retention modification shall be made on a case-by-case basis.

(g)

The Panel may make additional waivers for trainees in a HUA project who qualify as "working poor" under Section 4400(hh), on a per-trainee basis. In particular,

the Panel may waive the limitations under Section 4420 and fund the same number of basic skills and literacy training hours as are funded for vocational skills training, on a per-trainee basis.