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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 4401.5@ Employer Eligibility

## 4401.5 Employer Eligibility

(a) An employer is eligible for Panel funding for purposes of retraining or new hire placement of trainees if it is subject to payment of the California Unemployment Insurance (UI) tax.

### (b)

A public entity or nonprofit organization that has elected an alternate method of funding its liability for unemployment insurance benefits is only eligible as a "participating employer" for the placement of new hire trainees under a Multiple Employer Contract (MEC). This limited eligibility is for the purpose of "incidental placements" as part of a training project designed to meet the needs of one or more eligible employers. These incidental placements will be capped at 20% of the total trainee population. This cap will be applied by ETP to the number of trainees who have completed training and retention and reached the applicable Minimum Wage, at the time of fiscal closeout for the training project as a whole.

### (c)

The Panel may modify the 20% cap on a case-by-case basis, for good cause shown.

### (d)

The MEC contracting entity is responsible for ensuring that each participating employer is either subject to payment of the California UI tax as set forth in

Subsection (a), or is within the 20% cap in Subsection (b), of this regulation.

**(e)**

The MEC contracting entity cannot consider incidental placements in evaluating the new-hire training needs of an occupation or industry. Instead, it must design a training project that will address the shortage of workers identified by an employer advisory board, as set forth in Section 4406.

**(f)**

Federal agencies are eligible as participating employers for incidental placements.