



**WORKFORCE
INVESTMENT BOARD**
MERCED COUNTY

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September 23, 2010

The Honorable Arnold Schwarzenegger
Governor of California
State Capitol
Sacramento, CA 95814

RE: REQUEST FOR SIGNATURE ON Assembly Bill 2058 (BLOCK): California Training Benefits

Dear Governor Schwarzenegger,

On behalf of the Merced County Workforce Investment Board, I respectfully request your signature on AB 2058 (Block), a bill that will break down barriers for unemployed Californians so they may access training and retraining programs that increase their skills and job-readiness while still receiving unemployment insurance benefits.

The Problem

California is faced with unprecedented job loss and a historic 12.3% unemployment rate in July 2010. Due to the shortage of jobs, job seekers are spending longer periods of time searching for work. Over 34% of the unemployed have been looking for work for over 6 months, up nearly 170.5% since 2008. Merced County has the third-highest unemployment rate in California and currently is set at 17.4 percent. Surrounding cities in the County include South Dos Palos with 40% unemployment and the City of Planada at 37.9%.

The Solution

In May 2009, the U.S. Department of Labor issued a guidance letter to state agencies such as the EDD that administer the UI Program. Specifically, Training and Employment Guidance Letter No. 21-08 encourages states to widen the types of training and the conditions under which education and training are considered "approved training" for purposes of the state's UI law. States are also asked to reconsider their laws and regulations, and applicable administrative requirements, to determine if their approved training requirements are appropriate to the current economy. That guidance letter strongly encourages states to broaden their definition of approved training for UI beneficiaries during economic downturns.

The Current Reality

Currently, until a determination of eligibility for retraining benefits is complete, the EDD will suspend a person's UI benefits. With the current severe recession, many unemployed Californians are trying to regain competitive job skills by participating in the California Training

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Benefits (CTB) Program. Unfortunately, the UI benefits of many Californians who indicate on an EDD form that they have enrolled in training have their UI benefits suspended for a period of four to eight weeks while the EDD verifies their eligibility. As a result, many people decide to drop out of job training in fear of losing their eligibility for UI benefits. This is contrary to the direction of the federal Department of Labor, which has encouraged states to streamline their administrative procedures and laws, if necessary, to assist unemployed people to regain competitive job skills for the current economy. In fact, many people who experience a suspension of UI benefits are found to have been eligible for both UI and retraining benefits.

What AB 2058 Does

AB 2058 will break down the barriers for unemployed Californians so they may access training and retraining programs that will increase their skills and job-readiness while still receiving unemployment insurance benefits.

AB 2058 modernizes the approval list to allow unemployed workers to automatically enroll in training programs that are listed on the Eligible Training Provider List (ETPL) without losing their eligibility to receive unemployment insurance benefits. The ETPL is a state-sanctioned list of training providers in California.

For all of these reasons, we urge you to sign AB 2058 into law.

Sincerely,



Alfonse Peterson
WIB Chair

cc: Marty Block, Member, California State Assembly
Jennifer Mitchell, Policy Director, California Workforce Association

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