



**REPORT TO THE CALIFORNIA LEGISLATURE**

**CALIFORNIA TRAINING BENEFITS PROGRAM  
OVERVIEW AND RECOMMENDATIONS**

**AS MANDATED BY ASSEMBLY BILL 2058,  
CHAPTER 591, STATUTES OF 2010**

Prepared by the

**EMPLOYMENT DEVELOPMENT DEPARTMENT**

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## EXECUTIVE SUMMARY

In accordance with Assembly Bill (AB) 2058, Chapter 591, Statutes of 2010, which amended Division 1, Part 1, Chapter 5, Article 1.5 of the California Unemployment Insurance Code, hereafter referred to as the UI Code, the Employment Development Department (EDD) is pleased to present this report to the Legislature on the California Training Benefits (CTB) program.

### A. REPORT DATA REQUIREMENTS

This legislative report presents CTB program data from calendar years (CY) 2007 through 2014, as required under Section 1274.5 of the UI Code, as well as more recent program data from CY 2015 through May 31, 2016. The following statutorily required data elements are provided in this report:

- ◆ The number of individuals determined to be eligible for the program as of December 31, 2015 ([Appendix • Table 2 • Page 29](#)).
- ◆ The number of individuals determined to be eligible for the program for pre-approved school or training programs under each subdivision of Section 1269 ([Appendix • Table 1 • Page 28](#)).
- ◆ The number of individuals determined to be eligible for the program for self-arranged school or training programs under Section 1269.1 ([Appendix • Table 1 • Page 28](#)).
- ◆ The number of individuals who participated in the program and earned subsequent wages in the following calendar year ([Chapter 4 • Section D • Page 19](#)).

In addition, the report includes the EDD's recommendations to improve the effectiveness and efficiency of the program, as mandated by Section 1274.5(e) of the UI Code.

### B. BRIEF DESCRIPTION OF THE PROGRAM

As a component of California's Unemployment Insurance (UI) program, the CTB program assists unemployed workers who are pursuing additional education or training while they collect UI benefits. Typically, claimants must meet certain ongoing eligibility requirements each week in order to receive benefits. For example, claimants are required to be available for work, to look for work, and to be willing to accept suitable work in order to maintain their eligibility for benefits.

The CTB program removes these standard UI eligibility requirements while claimants are attending a state-approved school or training program. This enables claimants to focus on their school or training attendance and upgrade their skills, while they continue to receive their UI benefits to pay for basic necessities. The CTB program also provides claimants the opportunity to receive training extension (TE) benefits beyond their regular UI claim to help ensure they have the financial assistance they need to complete longer-term school or training programs.

The CTB program benefits both claimants and employers. As claimants obtain more skills through CTB approved training, they are more likely to remain gainfully employed, which means that they require less of future UI benefits and reduce the overall costs to the UI Trust Fund. The CTB program also helps to develop a skilled workforce that is necessary for employers to stay competitive in a global economy.

### C. PROGRAM OUTCOMES

The CTB program has proven to be a valuable component of the state's UI program for thousands of UI claimants. Approximately 137,970 total eligible UI claimants participated in the program from CY 2007 through 2014. Eligibility rates for the CTB program have also shown an overall upward trend since 2007, which can be attributed to eligibility changes granted through legislative actions and administrative enhancements that streamlined the approval process.

In CY 2015, approximately 64 percent of all CTB applicants who received an eligibility determination were eligible for the program. This represents a 20 percent increase from the number of approved applicants in 2007, when only 44 percent were determined eligible to participate in the CTB program.

Although the percentage of individuals found eligible to participate in the CTB program has increased, it does not necessarily mean there is a corresponding increase in benefits paid from the UI trust fund. Individuals who are not eligible to participate in the CTB program often drop their training in order to continue receiving their UI benefits.

### D. RECOMMENDATIONS FOR IMPROVING EFFECTIVENESS AND EFFICIENCIES

Since AB 2058 was signed into law in 2010, the EDD has made a number of enhancements to the CTB program. These enhancements included pre-approval for claimants who are journey-level members of trade associations, individuals in employer-sponsored training, and claimants who attend apprenticeship programs, which required legislative changes sponsored by the EDD. These enhancements provide faster approval for eligible claimants and avoid unnecessary UI benefit payment delays.

The EDD has also improved processes for training attendance verification by no longer requiring a teacher, instructor, or administrator to certify the claimant's attendance by signing the back of a bi-weekly certification form. This change allows CTB-approved claimants to certify for benefits using EDD's new UI Online<sup>SM</sup> system, which provides many new self-help features, avoids common processing errors, and allows for faster payment of UI benefits.

As a result of the enhancements that the EDD has already made, the Department has two key recommendations to improve access to this critical component of the UI program:

- 1. The EDD recommends a legislative change to make the CTB program a permanent component of the UI program by repealing the existing sunset date.** Currently, the CTB program is authorized by statute through January 1, 2019. As a requirement of federal UI law, the EDD supports making the CTB program a permanent provision of state law.
- 2. The EDD also recommends providing additional resources to continue a robust education and outreach campaign to key stakeholders.** This campaign can inform organizations, such as trade associations, unions, employer associations, and workforce partners about the benefits of the CTB program for individuals who need training or who are seeking to upgrade their skills in order to obtain gainful, long-term employment.

## CHAPTER 1 • PROGRAM OVERVIEW

California's economy has proven to be fast-changing due to advancements in technology and automation that require a highly-skilled labor force to meet labor market demands. Unemployed individuals often have difficulty competing in today's evolving economy, as a result of outdated skills, and many individuals are in need of additional education or training to help them qualify for advanced jobs and respond to industry changes.

Many UI claimants take steps to improve their job skills and future employment opportunities by pursuing additional occupational and career training. However, as these claimants concentrate on their studies, they may have limited time to search for work, or they may restrict their availability for work, which may cause them to lose their eligibility for UI benefits. The EDD recognizes the importance and value in providing these benefits to eligible unemployed individuals, who are often out of work through no fault of their own. The CTB program provides the statutory authority for the EDD to temporarily remove several program requirements while claimants are attending school or training to improve their skills.

The administration of the CTB program also supports and aligns with EDD's mission and strategic goals. The Department's mission is to enhance California's economic growth and prosperity by collaboratively delivering valuable and innovative services to meet the evolving needs of employers, workers, and job seekers. The EDD has developed five strategic goals that it works towards to support its mission and assist in strengthening the economic vitality of Californians and their community:

1. Responsible fiscal stewardship
2. Building a skilled workforce
3. Maintaining sustainable operations
4. Enabling innovation
5. Providing responsible service

The EDD has continuously taken steps to administer and enhance the CTB program in support of and in alignment with the Department's strategic goals. This has led to a successful social insurance program that provides uninterrupted UI benefits to claimants while they pursue additional training to improve their job skills. In turn, these enhanced skills assist workers in returning to long-term financially gainful employment. The EDD's programs help to build a better-trained and more competitive workforce for California employers, which ultimately contributes to a stronger economy.

### A. CTB PROGRAM BASICS

The national UI system was established by the federal Social Security Act of 1935 and is administered through a federal-state partnership. While federal law provides the basic framework for the UI system, each state is allowed to establish its own UI program and has significant latitude to set its own statutory requirements, provided it conforms to the basic federal framework.

The CTB program is a critical component of California's UI program. In order to receive UI benefits, claimants are typically required to meet standard eligibility requirements, including being able and available for work, actively looking for work, and accepting suitable offers of employment. Claimants who are attending a state-approved school or training may be unable to meet these UI program requirements, especially if they attend school or training on a full-time basis.

Individuals who are not eligible for the CTB program may still be eligible to collect UI benefits as long as they are attached to a substantial portion of the labor market, available for work, and actively seek work while attending training, pursuant to the requirements of Sections 1253(c) and 1253.9 of the UI Code.

If the CTB program did not exist, claimants who are not available for work or seeking work while they attend school or training would be forced to choose to continue their attendance and forfeit their benefits, or end their attendance in order to continue to receive benefits. However, the CTB program provides the EDD with the statutory authority to waive these UI program requirements so that claimants can attend school or training that increases their job skills and employability, while they continue to receive UI benefits to pay for their basic necessities.

## **B. TRAINING EXTENSIONS**

As part of the CTB program, eligible claimants also have the opportunity to receive up to 26 additional weeks of benefit payments under the TE legal provision for a total of 52 weeks of benefit payments. Initial eligibility for TE benefits is determined at the same time as CTB eligibility. These TE benefits are potentially available to eligible claimants who have exhausted their regular UI claim and continue to participate in an EDD approved training course. The intent of providing TE benefits is to financially assist claimants and support the successful completion of longer-term school or training programs.

In order to be potentially eligible for TE benefits, a claimant must be approved for the CTB program and contact the EDD with their interest in training or the CTB program before the 16th week of UI benefits are paid, or before their regular claim is exhausted, whichever comes first. The intent of this provision is to encourage claimants to apply for CTB early on during their claim duration. This avoids situations where their training attendance exceeds the duration of their UI benefits and minimizes the risk of claimants dropping their training before the completion of the program.

In order to qualify under this provision, claimants can specifically inquire about the CTB program, or they may take another qualifying action that indicates their interest in training. This includes notifying the EDD of participation in training when claiming or certifying for benefits, contacting the Department by phone, submitting a question through UI Online<sup>SM</sup>, or attending an EDD Personalized Job Search Assistance (PJSA) workshop, Reemployment Services and Eligibility Assessment, (RESEA) or Initial Assistance Workshop (IAW) at a local America's Job Center of California<sup>SM</sup> (AJCC) office.

California is one of only sixteen states nationwide that provides this type of additional state-funded UI benefits to claimants in state-approved training. The state's CTB program is designed to assist a wide range of individuals in training programs with varying durations.

## **C. ELIGIBILITY REQUIREMENTS**

In general, training authorized under the CTB program falls into two categories: (1) pre-approved training, and (2) self-arranged training. The EDD must verify a claimant's training attendance before a claimant may be eligible, regardless of the category of training.

Section 1269 of the UI Code provides a list of training programs that qualify for pre-approval. This means that claimants who participate in these programs are automatically approved for the CTB program after the EDD verifies the claimant's enrollment and attendance in the approved training. Historically, these programs have included:

- ◆ Training authorized by the federal Workforce Innovation and Opportunity Act (WIOA), which superseded the former Workforce Investment Act (WIA) of 1998.
- ◆ Training authorized by the California Employment Training Panel (ETP).
- ◆ Training authorized by the Trade Adjustment Assistance (TAA) program, under the federal Trade Act of 1974, as amended.
- ◆ Training authorized under the California Work Opportunity and Responsibility to Kids (CalWORKs) program.

In addition, pre-approved training currently includes the following training types which were added by later statutes (these changes are discussed in **Chapter 2 • Legislative History**):

- ◆ Training with a provider on the California Eligible Training Provider List (ETPL).
- ◆ Training for a single subject credential in math, science, or special education with an institution accredited by the California Commission on Teacher Credentialing (CCTC) that is taken within three years of layoff from a permanent or probationary position as a public school teacher.
- ◆ Training taken by an active journey-level member of a union or trade association, or employer sponsored training programs that are designed to meet industry demands, changes in technology, or retain employment.
- ◆ State or federally approved apprenticeship programs.

Section 1269.1 of the UI Code provides CTB eligibility criteria for claimants who attend self-arranged training. These criteria have only had minor legislative changes to refine some of the eligibility provisions since the program's creation in 1984 (these changes are also discussed further in **Chapter 2 • Legislative History**). In order to be eligible for the CTB program under the self-arranged method, claimants must meet all of the following eligibility criteria, in addition to verification of their training attendance:

- ◆ The claimant must be fully or partially unemployed for four or more continuous weeks. However, this requirement is waived for claimants who are unemployed due to a plant closure, a substantial reduction in work force, a reduction in work due to technological advancements or job automation, an employer's relocation out of the local area, or mental or physical disabilities.
- ◆ The claimant must be unemployed due to a lack of demand for his or her current skills in the local labor market. If the claimant's employment is seasonal, he or she must have no other skills in demand.
- ◆ The training must relate to an occupation or skill which is in demand in the labor market in California where the claimant intends to seek work. When federal extension claims are in effect in California, this includes certain pre-requisite or remedial training.
- ◆ The training must be taken at an approved and accredited training facility.
- ◆ The training must be completed within a reasonable period of time, which cannot exceed 24 months. When federal extensions are in effect in California, the reasonable period of time cannot exceed 48 months.
- ◆ The training must be full-time, which is typically considered to be at least 20 hours per week, or 12 semester or quarter units.



- ◆ The individual must reasonably be expected to complete the training successfully, even if UI benefits are not sufficient to cover the entire period of training.
- ◆ The beginning date of the training must be more than three years from the beginning date of the claimant's last CTB participation.

#### **D. FINANCING UI BENEFITS FOR CTB PARTICIPANTS**

California employers are required to pay taxes per employee that fund all UI benefit payments, including benefits authorized while a claimant is participating in the CTB program. The UI benefits provided as part of the CTB program support claimants as they improve their job skills, which contributes to a more competitive and qualified workforce that California employers can rely on when hiring workers. As stated previously, individuals who obtain new and in-demand skills are more likely to obtain long-term and gainful employment. This increase in employability makes workers less reliant on the UI program, and therefore reduces the long-term costs to the UI Trust Fund.

#### **E. FEDERAL STATUTORY REQUIREMENTS**

Administration of the CTB program is required for California to remain in conformity with federal UI laws. Specifically, Section 3304(a)(8) of the United States Federal Unemployment Tax Act (FUTA) prohibits states from denying UI benefits to any claimant for failure to be available for work, actively seeking work, or refusal to accept work due to participation in state agency approved training. Conformity to this federal statute is one way the EDD qualifies for its annual federal UI administrative grant that funds the operation of California's UI program. Furthermore, conforming to this federal law also ensures California's tax-rated employers receive a significant tax credit that reduces the amount of federal taxes paid annually on their employees' wages.



## CHAPTER 2 • LEGISLATIVE HISTORY

California established a retraining program in 1964 entitled the “Demonstration Project”, which became the “California Training Benefits” program in 1984. The first significant change to the CTB program, aside from extensions on the program’s sunset date, occurred in July 2011, when AB 2058 became operative. Since then, several other significant bills have been enacted to improve and streamline the administration of the CTB program. These bills are discussed in further detail below.

### A. ASSEMBLY BILL 2058, CHAPTER 591, STATUTES OF 2010

This bill expanded the list of pre-approved training categories for the CTB program, which allows expedited approval for a greater percentage of eligible claimants. The bill also provided pre-approval to participate in the CTB program for individuals whose enrollment can be verified in a training program with a provider on California’s ETPL and individuals who are active journey-level union members in industry-related, union-approved training programs.

In order to receive federal WIOA funding, training providers must apply and meet the criteria for their training programs to be listed on the ETPL. Prior to AB 2058, claimants attending WIOA-funded training received pre-approved eligibility for the CTB program, while claimants who paid out-of-pocket for the exact same program had to meet the self-arranged training criteria. This change allowed individuals who pay for their own training from a program listed on the ETPL to have pre-approved eligibility for the CTB program, which significantly increased the percentage of claimants who were eligible for the CTB program through the pre-approval categories.

This bill amended the eligibility criteria for self-arranged training by removing the restrictions on school or training courses primarily intended to lead to a college degree, as long as the training is in an in-demand occupation. Previously, training courses primarily intended to meet college degree requirements did not meet the self-arranged training criteria for CTB eligibility.

Assembly Bill 2058 also extended the time allowed to complete self-arranged training from one year to a “reasonable period of time”, which the EDD defines as two years, unless federal extended unemployment benefits are in effect. When extended benefits are in effect in California, claimants have up to four years during that time to complete training and claimants may participate in a community college or accredited postsecondary education program, including remedial training, which leads to a credential or certificate for a specific occupation. Previously, remedial training courses would not qualify under the CTB program.

### B. SENATE BILL 1291, CHAPTER 278, STATUTES OF 2012

This bill extended the CTB program’s sunset date to January 1, 2019, and added a pre-approved eligibility category for public school teachers obtaining certain high-demand single subject teaching credentials, effective January 1, 2014. California school districts are required to determine the number of layoffs needed for a given school year and initially notify teachers who are to be laid off. Senate Bill (SB) 1291 assists those teachers that are laid off and choose to enter a credentialing program to obtain an additional certification in math, science, or special education by providing pre-approved eligibility for the CTB program.

This bill has benefited both schools and teachers by allowing teachers to receive UI benefits while obtaining additional teaching credentials, thereby expanding their ability to obtain a teaching position. Additionally, schools benefit by having more teachers with the credentials to fill high-demand teaching positions in subject areas such as math and science.

### **C. ASSEMBLY BILL 1556, CHAPTER 377, STATUTES OF 2014**

This bill provided that unemployed individuals who meet all UI eligibility requirements while certifying for continued UI benefits cannot be scheduled for eligibility determinations solely on the basis that they are participating in school or training. The bill also retained the EDD's authority to schedule and conduct an eligibility determination if their participation in school or training conflicts with any UI eligibility requirements, such as not being available for work, not looking for work, or refusing an offer of suitable work.

### **D. ASSEMBLY BILL 1514, CHAPTER 224, STATUTES OF 2015**

This bill was sponsored by the EDD and made various enhancements to the CTB program. Assembly Bill 1514 replaced references to the federal WIA of 1998, which was superseded by the WIOA of 2014 as a pre-approved category of training. This bill also allowed the EDD to approve CTB participation for apprentices in long-term training through a streamlined determination process, which removes the requirement to provide a separate paper completion slip with each two-week claim form and reduces potential delays in benefit payments.

This bill added a category of pre-approved eligibility for the CTB program for non-union journey-level members of a trade association and individuals in employer-sponsored training. Previously, journey-level union members were automatically approved for the CTB program, while similar members of trade associations or employer-sponsored training participants could only be approved for CTB under the self-arranged training criteria. This change allowed these individuals to be approved using an expedited process and provided certainty that they would qualify for the CTB program.

Finally, AB 1514 removed the requirement that a teacher, instructor, or administrator sign a paper continued claim form used to certify for benefits under the CTB program. This change allowed claimants who participate in the CTB program to use all the features and certify for benefits through the EDD's Tele-Cert<sup>SM</sup> and UI Online<sup>SM</sup> systems, including the UI Online Mobile<sup>SM</sup> solution. This online system allows claimants to manage their claim, provides a variety of self-help features, helps avoid common errors that are typical with paper certifications, and issues UI benefit payments faster and more efficiently.

## CHAPTER 3 ■ PROGRAM IMPROVEMENTS

Since the enactment of AB 2058 in 2011, the EDD has made many improvements to enhance the effectiveness and efficiency of the CTB program. As noted throughout this chapter, many of these enhancements were also aligned with the EDD’s strategic goals and furthered the Department’s overall mission to increase California’s economic growth and prosperity.

The attached *Timeline of Significant Enhancements and Statutory Changes* also provides a visual overview and narrative details of the key programmatic changes to the CTB program from 2007 through 2016, beginning on page 24 in the **Appendix**.

### A. CTB STREAMLINE PROCESS

When eligibility issues arise during an individual’s claim, the EDD schedules telephone interviews to determine whether UI benefit payments can continue to be authorized. These eligibility issues can arise when claimants complete their biweekly certification, when employers or third parties report a potential eligibility issue, or through a variety of other channels. Based on federal UI provisions, school attendance generally raises an eligibility issue related to a claimant’s availability for work, seeking work, or accepting suitable work.

Historically, the EDD would schedule a telephone eligibility interview when a claimant certified for UI benefits and indicated the start of school or training. This allowed the Department to determine if the claimant was eligible for the CTB program or otherwise qualified under the availability for work statutes to continue receiving UI benefits. This determination process required the suspension of UI benefit payments pending the eligibility decision. This process caused delays in UI benefit payments for claimants who were available for work, willing to accept work, and seeking work while attending training.

In 2007, the start of the Great Recession created unprecedented workload levels for the Department that caused further delays in many claimants’ UI benefit payments. In 2010, the EDD paid a record amount of benefits—\$22.9 billion in total, as compared to approximately \$5 billion in regular years. The EDD has continuously strived to improve services and provide timely benefits to UI claimants. As a result, the Department began a multi-year project to enhance and expedite the CTB approval process and reduce delays in UI payments that individuals were experiencing during the Great Recession.

#### EDD STRATEGIC GOALS

GOAL 3 - SUSTAINABLE OPERATIONS

GOAL 4 - ENABLING INNOVATION

GOAL 5 - RESPONSIBLE SERVICE

Improving CTB eligibility processes ensured the EDD’s sustainable operations by providing more efficient and flexible methods of service delivery. The improvements reduced delays in UI benefit payments and provided faster, more responsible customer-focused services.

The EDD implemented the CTB streamline approval process in March 2010, with separate phases for the training categories. The CTB streamline process allows the Department to obtain the required school or training information and verification of enrollment through completed questionnaires instead of through the regular phone interview procedure.

This streamline process is a more efficient means of obtaining training information and eliminates the wait time for the Department to schedule a phone interview. The streamline process also prevents numerous phone attempts to reach claimants, who are often attending school and unavailable during scheduled interview times, thereby reducing claimant appeals.

The process also avoids problems obtaining information from training providers, who often refuse to provide confidential information out of a concern for privacy. Claimants are responsible for returning the required questionnaires, including a signed verification from the

training provider. If these forms are submitted timely, the streamline process can expedite the Department’s eligibility decision. In preparation for statewide roll-out of each phase of the new CTB streamline process, the EDD created separate informational documents and questionnaires for the different training authorization categories. In addition, all necessary EDD staff received the training and resources needed to implement the new procedures before the streamline implementation.

**CTB Streamline Phases I & II • WIA and TAA Authorized Training**

The CTB streamline process was initially implemented for specific pre-approved CTB eligibility categories. Phase I of the CTB streamline process began in March 2010, for all claimants attending WIA authorized training. In December 2010, phase II of the CTB streamline process was implemented for claimants attending training authorized under the TAA program.

The AJCC offices provide individuals interested in future training with information on the federal WIA and TAA programs. Local partner staff provide case management for the WIA program, while EDD staff administer the TAA program. If an unemployed individual is attending WIA or TAA training, the WIA case manager or TAA specialist is responsible for initiating the CTB streamline process. These staff provide the claimant with informational documents on the program, including a CTB fact sheet and a training provider letter, and review the claimant’s rights and responsibilities.

**EDD STRATEGIC GOALS**

**GOAL 3 - SUSTAINABLE OPERATIONS**  
**GOAL 5 - RESPONSIBLE SERVICE**

Collaborating with partner staff and TAA specialists at local AJCC offices allows the EDD to sustain operations by working together to provide efficient and responsible service to our mutual clients.

Once the claimant begins attending the WIA or TAA training, the case manager or TAA specialist completes and returns a training enrollment verification form with all the information required to determine the claimant’s eligibility for the CTB program. The WIA staff fax the CTB form to a confidential EDD fax number and the TAA training specialists submit the form by email. The EDD’s UI program staff then use this training information to verify the claimant’s enrollment and attendance in training and determine CTB program eligibility.

Staff at the AJCC offices received training prior to full roll-out of the CTB streamline process in each office. The EDD also developed separate online training presentations that were delivered to an estimated 1,200 WIA partner staff, who authorize training in 250 locations within the 49 Local Workforce Investment Areas (LWIAs) in California, and approximately 120 TAA specialists who authorize training in 29 AJCC offices.

In June 2011, the EDD designated CTB Single Points of Contact (SPOCs) who provide ongoing support to determination staff in each field office that completes CTB determination interviews. The EDD also organized bi-weekly conference calls between field office staff and the UI central office to address questions and concerns about CTB determinations and to ensure staff properly apply policies and procedures. These conference calls are still currently in effect.

In August 2011, the EDD delivered two training webinars to LWIA and EDD Workforce Services Branch staff to provide an overview of programmatic changes after implementation of AB 2058 and training on the CTB streamline process, which included a review of the CTB streamline forms and information on claimants’ rights and responsibilities.

**EDD STRATEGIC GOALS**

**GOAL 2 – SKILLED WORKFORCE**

Ensuring staff involved with the CTB streamline process received updated procedural training, including staff at the AJCC offices, supported the EDD’s goal of developing a well-trained workforce.

### **CTB Streamline Phase III • ETP, CalWORKs, and Self-Arranged Training**

Phase III of the CTB streamline process was implemented in December 2011 as a pilot for training authorized by the ETP and CalWORKs programs and for claimants in self-arranged training. This trial period provided the EDD the opportunity to evaluate the effectiveness of the newly created documents and process prior to a full statewide release.

In the phase III process, claimants are initiated in the CTB streamline process if they report they are unavailable for work, not looking for work, or refused an offer of work while certifying for benefits. The EDD mails a CTB streamline information packet to these claimants, which includes a cover letter with instructions and explanation of the CTB streamline eligibility process, a CTB fact sheet, a training provider letter, and questionnaires for the claimant and training provider to complete and return to the EDD.

The CTB streamline package meets the Department's legal obligation to provide due process to the claimant and UI benefits are suspended pending the 10-day return period. The claimant is responsible for ensuring the training provider questionnaire is completed, signed, and returned to the EDD along with their claimant questionnaire. Once the information is received by mail or fax, EDD staff verify the claimant's training enrollment and determine CTB program eligibility, along with the claimant's eligibility under availability statutes. Claimants are also informed that, if the questionnaires are not returned during the required timeframe, the EDD issues an eligibility decision based on available information. However, the EDD may still redetermine a claimant's eligibility based on the receipt of a late questionnaire.

Since the initial implementation of the CTB streamline process in 2010 through May 31, 2016, the EDD has processed over 146,000 CTB applicants through the CTB streamline process. This has enabled the Department to serve customers more effectively and has made the overall experience more seamless and efficient. In addition, the overall quality of the determination process was improved by receiving all the necessary training information by questionnaires, rather than having EDD staff directly contact the training providers via the telephone interview process, where training providers were often unavailable or reluctant to provide confidential information by phone. In turn, the EDD can issue timely and accurate eligibility decisions to more CTB applicants with less staff intervention, thereby reducing the number of decisions appealed by UI claimants.

## **B. SCHOOL ATTENDANCE SCHEDULING POLICY CHANGES**

In recent years, the increased opportunity for alternative and flexible school schedules, such as night classes and online courses, has allowed claimants to remain available for work and to continue seeking work while they attend school or training. While the CTB streamline process provided expedited approval for many UI claimants, some claimants who began school while remaining available for work and actively seeking work continued to be scheduled for determinations, which caused delays in their benefits payments. As a result, the Legislature resolved to change state UI laws to prevent UI benefit payment delays caused by scheduled determinations for claimants attending school or training.

In December 2013, the EDD began working with the Legislature to implement these changes administratively in advance of a final legislative action. The Department issued a procedural change to only schedule eligibility interviews and suspend UI benefit payments for claimants who certified that they are unavailable for work or not looking for work while they attend school or training. This allowed claimants who remained available for work to continue to receive uninterrupted UI benefit payments regardless of their CTB status.



As part of the implementation of this new procedure, the EDD revised the phase III CTB streamline package specifically for claimants who reported being available for work and actively seeking work, with no other eligibility issues. Beginning in 2014, the EDD mails a revised CTB streamline package that includes a voluntary CTB application to these claimants. The intent of the voluntary application is to inform claimants of the CTB program, the availability of TE benefits, and to encourage program participation without suspending UI benefit payments. These claimants are no longer scheduled for a determination interview unless other eligibility issues arise during the life of their UI claim. Nevertheless, the EDD wants to ensure these individuals are informed of the CTB program and the benefits of participating in it.

#### EDD STRATEGIC GOALS

##### GOAL 5 - RESPONSIBLE SERVICE

The distribution of the CTB voluntary application helps to promote the program's benefits to claimants and supports EDD's goal of providing responsible service by providing valuable information about the CTB program to all potentially eligible UI claimants.

As previously discussed, the EDD's procedural change for scheduling school attendance determinations was later codified through AB 1556, effective January 2015. As a result of this change in statutes, the EDD may schedule eligibility interviews only if there is enough information available to show that the claimant's school attendance conflicts with availability to work or efforts to seek work.

### C. CLAIM FILING AND CERTIFICATION CHANGES

Following the enactment of AB 1514 in 2015, the EDD incorporated additional clarifying questions for claimants to complete when they file for UI benefits online using the eApply4UI application or the UI Online<sup>SM</sup> system. These additional questions were intended to improve the quality of CTB eligibility determinations by providing all the pertinent school and training information to the EDD upfront, which assists the Department in making timely and accurate eligibility decisions.

Legislative changes from AB 1514 also provided CTB participants with a more streamlined certification process by removing the previously required signature on the back of the paper **Continued Claim Form (DE 4581)** from a responsible person connected with their training program. This signature was intended to confirm the claimant made satisfactory progress and attendance during the period claimed. The EDD is currently developing a separate process to determine training progress that will take the place of the training provider's signature.

The EDD updated the internal UI payment system as a result of implementation of AB 1514. Prior to these updates, staff manually reviewed and processed system generated work items for each biweekly certification. This process was required only to verify the training provider's signature on the back of the paper certification form and required more staff resources to process CTB claimants' continued claim forms. Removing this requirement allowed the Department to fully automate the CTB benefit payment process.

#### EDD STRATEGIC GOALS

##### GOAL 3 - SUSTAINABLE OPERATIONS GOAL 4 - ENABLING INNOVATION GOAL 5 - RESPONSIBLE SERVICE

Providing CTB claimants with access to self-service options through UI Online<sup>SM</sup> allows the EDD to sustain operations by providing more efficient and responsible services through innovative solutions.

After the implementation of this change, CTB participants now have the opportunity to certify using EDD Tele-Cert<sup>SM</sup>, UI Online<sup>SM</sup>, and UI Online Mobile<sup>SM</sup>. Use of these telephone and online channels has significantly expedited the payment authorization process for CTB claimants by providing the necessary certification information faster than mailed forms. On average, when claimants meet all eligibility criteria, it takes approximately one to two business days to authorize and process benefit payments when certifying via UI Online<sup>SM</sup> or EDD Tele-Cert<sup>SM</sup>, in comparison to seven to 10 days to process paper certification forms.

## D. MARKETING AND EDUCATION OUTREACH CAMPAIGN

In October 2009, the EDD issued a one-time notification of the Federal Initiative for Job Training and Education and expanded eligibility for Pell Grants and other student aid. The one-time mailing of the Pell Grant letter, was sent to an estimated 745,000 claimants who were identified as having recent UI claim activity.

The Pell Grant letter included links to the Free Application for Federal Student Aid (FAFSA) and more information about student aid. The Pell Grant notification letter supported the federal initiative to enable more workers to obtain training and develop skills during economic recovery and efforts to promote training and education for the unemployed. In addition, the Department published a companion article online on the EDD's [UI Overview webpage](#).

In October 2009, the EDD also published an updated [Tips for Qualifying for the California Training Benefits Program \(DE 2332\)](#). This tip sheet provides a quick overview of the eligibility and approval process for the CTB program for claimants considering school or training. It was included as an insert with the Pell Grant letter and was provided as a link in the UI News article on the EDD web page. The tip sheet continues to serve as a helpful tool to educate claimants on the CTB program eligibility and determination process and is available online and at AJCC offices.

### EDD STRATEGIC GOALS

#### GOAL 4 - ENABLING INNOVATION GOAL 5 - RESPONSIBLE SERVICE

The use of YouTube videos and social media posts are ways the EDD is using current technology to distribute valuable and current CTB Program information to its customers. By offering these resources, the EDD continues providing responsible service to claimants through enabling innovative techniques.

### EDD STRATEGIC GOALS

#### GOAL 5 - RESPONSIBLE SERVICE

The EDD provided responsible service to all potentially eligible claimants by including updated CTB program and Pell Grant information via mass-mailings.

It also helped to ensure all potentially eligible claimants have the resources they need to make informed decisions about their participation in the CTB program.

The EDD created new CTB marketing materials in preparation for departmental implementation of AB 2058. In February 2011, the EDD released a YouTube video, entitled *Learn about California Training Benefits*, to inform the public of the CTB program and how to obtain additional information about the eligibility criteria, including the expanded eligibility under AB 2058.

In June 2011, the EDD revised the [California Training Benefits Program Fact Sheet \(DE 8714U\)](#) to provide information on the new eligibility criteria authorized under AB 2058. The fact sheet became the primary source of CTB eligibility information and is provided to claimants through the CTB streamline processes, at the AJCC offices, as an insert with school related telephone eligibility interview appointment notices, and on the EDD website.

Most recently, the Department began a CTB marketing campaign with an emphasis on providing self-service educational materials online. In June 2016, the EDD published a dedicated [California Training Benefits \(CTB\) program webpage](#), which provides pertinent information about CTB eligibility, methods to inquire about the benefits, training types, information on the CTB training extensions, how to report school attendance, and other helpful CTB program resources. This webpage will continue to be updated with current program content in the future. Additional future marketing efforts include updating the CTB YouTube video to provide current program information and postings on social media sites to keep CTB participants updated on program changes.



## CHAPTER 4 ■ PROGRAM OUTCOMES AND STATISTICS

The EDD tracks the outcomes of CTB and TE eligibility determinations completed through both the regular telephone eligibility interviews and the CTB streamline process. The following data covers program outcomes and statistics for CTB applicants, participation by training type, eligibility rates, CTB benefits paid, and subsequent wages earned after program participation for CY 2007 through May 31, 2016.

From CY 2007 through May 31, 2016, over 156,000 UI claimants have been determined to be eligible for the CTB program. A majority of these claimants have been eligible under the WIOA and ETPL pre-approved training category. As mandated by AB 2058, the full statistics on CTB program eligibility and types of training approved are contained in the following tables:

- ◆ **TABLE 1 ■ CTB Eligible Claimants by UI Code Provision** presents the full data for the total number of claimants eligible for CTB participation in each training category in the **Appendix**, on page 28.
- ◆ **TABLE 2 ■ CTB Eligible and Disqualified Claimants** provides the full data for the total number of individuals determined to be eligible and disqualified for the CTB program in the **Appendix**, on page 29.

### A. PROGRAM APPLICANTS BY DETERMINATION PROCESS

The table below, **Comparison of Scheduled and Streamlined CTB Determinations**, provides the total number of CTB applicants processed by telephone interview in comparison to the number of CTB streamline applications processed in each CY. This chart includes data from January 1, 2007 through May 31, 2016.

COMPARISON OF SCHEDULED AND STREAMLINED CTB DETERMINATIONS					
Calendar Year	Scheduled School Attendance Determinations		CTB Streamline Applications		Total CTB Applicants
	# of Claimants Scheduled	% of Total CTB Applicants	# of Streamline Applications	% of Total CTB Applicants	
2007	126,822	100%	(N/A)	(N/A)	126,822
2008	191,764	100%	(N/A)	(N/A)	191,764
2009	282,448	100%	(N/A)	(N/A)	282,448
2010	250,501	97%	7,227	3%	257,728
2011	202,441	95%	9,762	5%	212,203
2012	170,684	91%	16,145	9%	186,829
2013	129,892	80%	31,594	20%	161,486
2014	69,455	82%	15,272	18%	84,727
2015	47,927	51%	45,361	49%	93,288
2016*	11,356	35%	21,499	65%	32,855
<b>Grand Total</b>	<b>1,483,290</b>	<b>91%</b>	<b>146,860</b>	<b>9%</b>	<b>1,630,150</b>

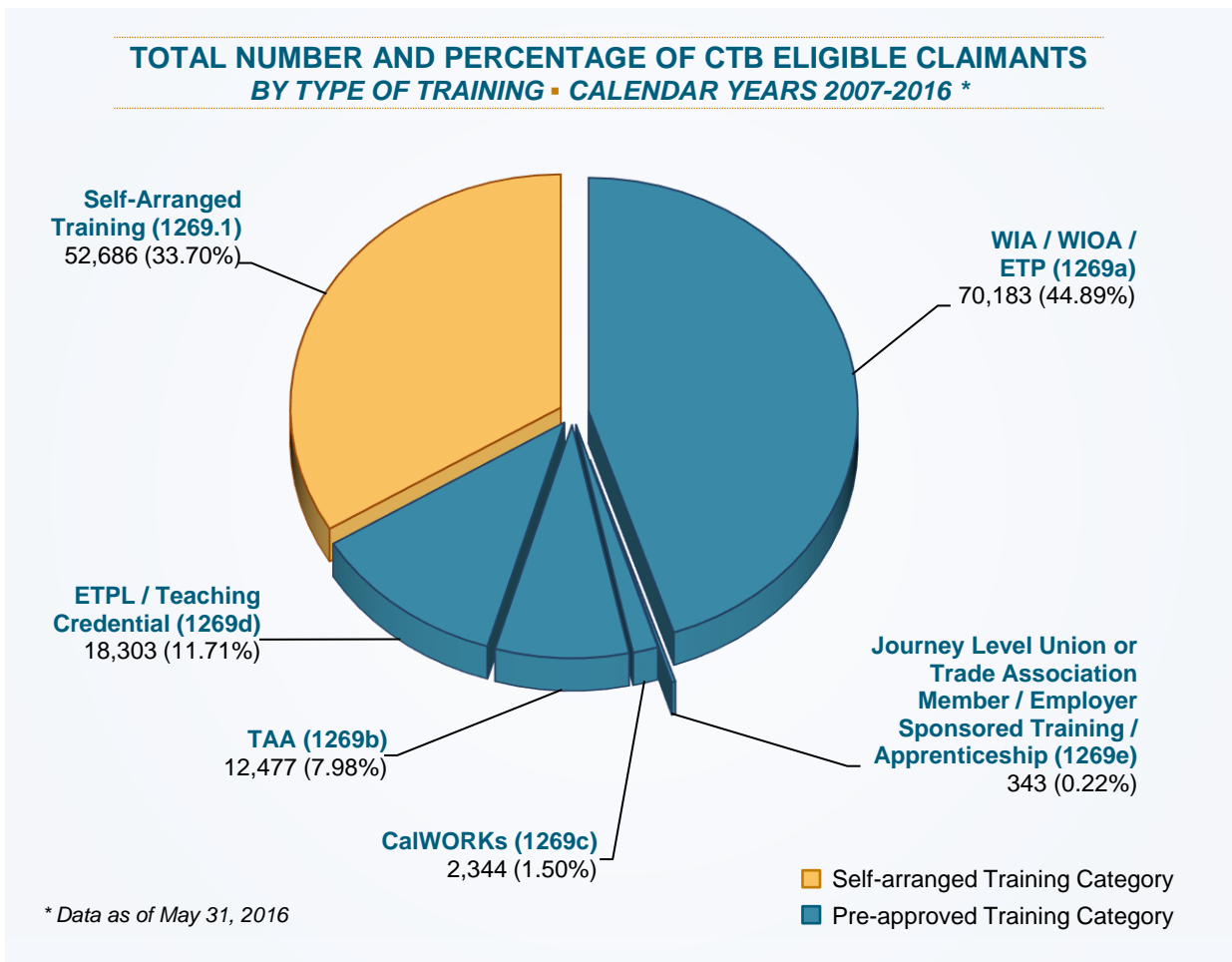
\* Data as of May 31, 2016

As noted in the previous table, the number and percent of CTB streamline applications that are used to conduct eligibility determinations without a telephone interview has steadily increased over the past six years. Today, 65 percent of CTB applicants have their CTB program eligibility determination conducted using the streamline process.

The EDD no longer schedules claimants to an eligibility determination solely on the basis that they began attending school or training. These claimants are scheduled to a determination only if they report not being available for work or not looking for work. This change is a contributing factor to the lower number of total CTB applicants, along with the improving economy and lower number of total overall UI claimants.

**B. PARTICIPANTS BY TRAINING TYPE AND PROGRAM ELIGIBILITY RATES**

The following chart, *Total Number and Percent of CTB Eligible Claimants by Type of Training*, provides a breakdown of the number of claimants that were determined to be eligible to participate in the CTB program under the different categories, including both the pre-approved training categories and self-arranged training.

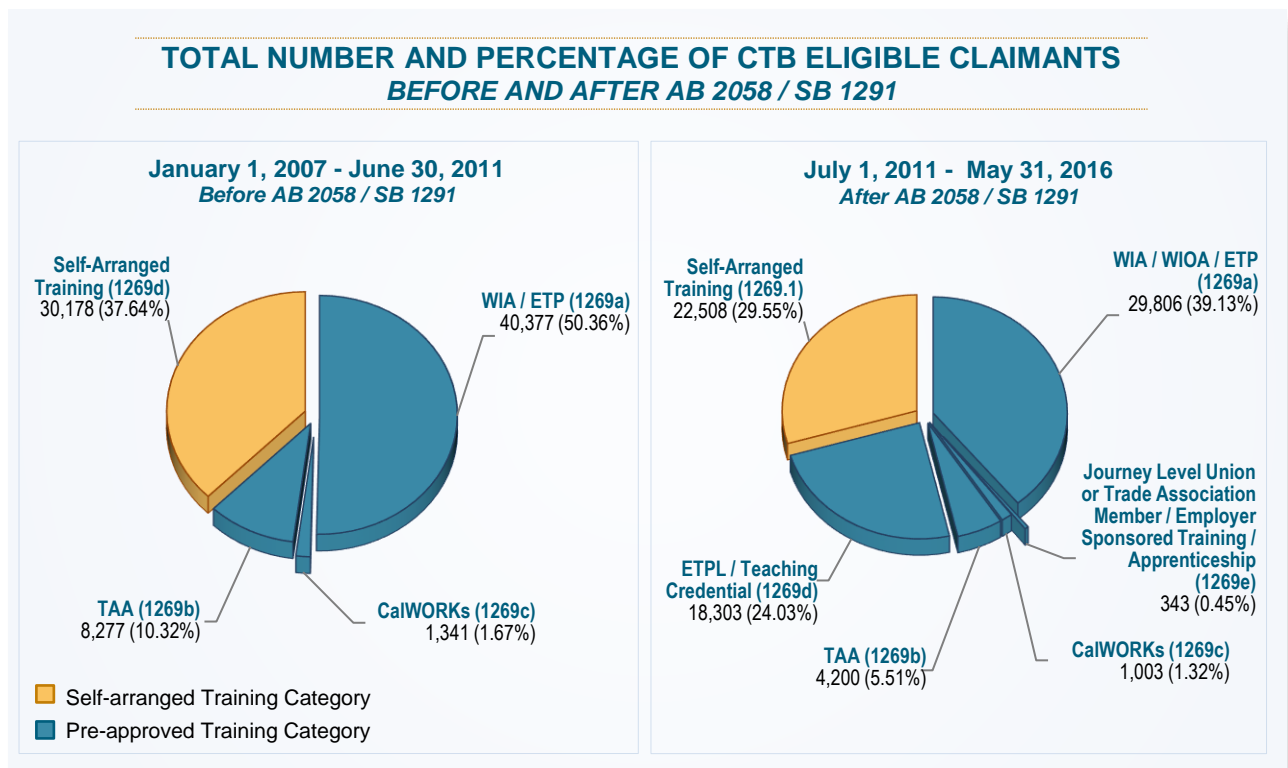


The chart above shows that approximately two-thirds of all CTB participants were determined to be eligible for the program under the pre-approved training category and one-third of all CTB participants were eligible under the self-arranged training criteria.

As discussed in **Chapter 2 • Legislative History**, AB 2058 added Section 1269(d) to the UI Code, which allowed claimants attending training listed on the ETPL to receive pre-approved eligibility for the CTB program. Assembly Bill 2058 also added Section 1269(e) to the UI Code, which allows claimants who are journey-level union members taking industry-related training under specified circumstances to also be pre-approved for participation in the CTB program.

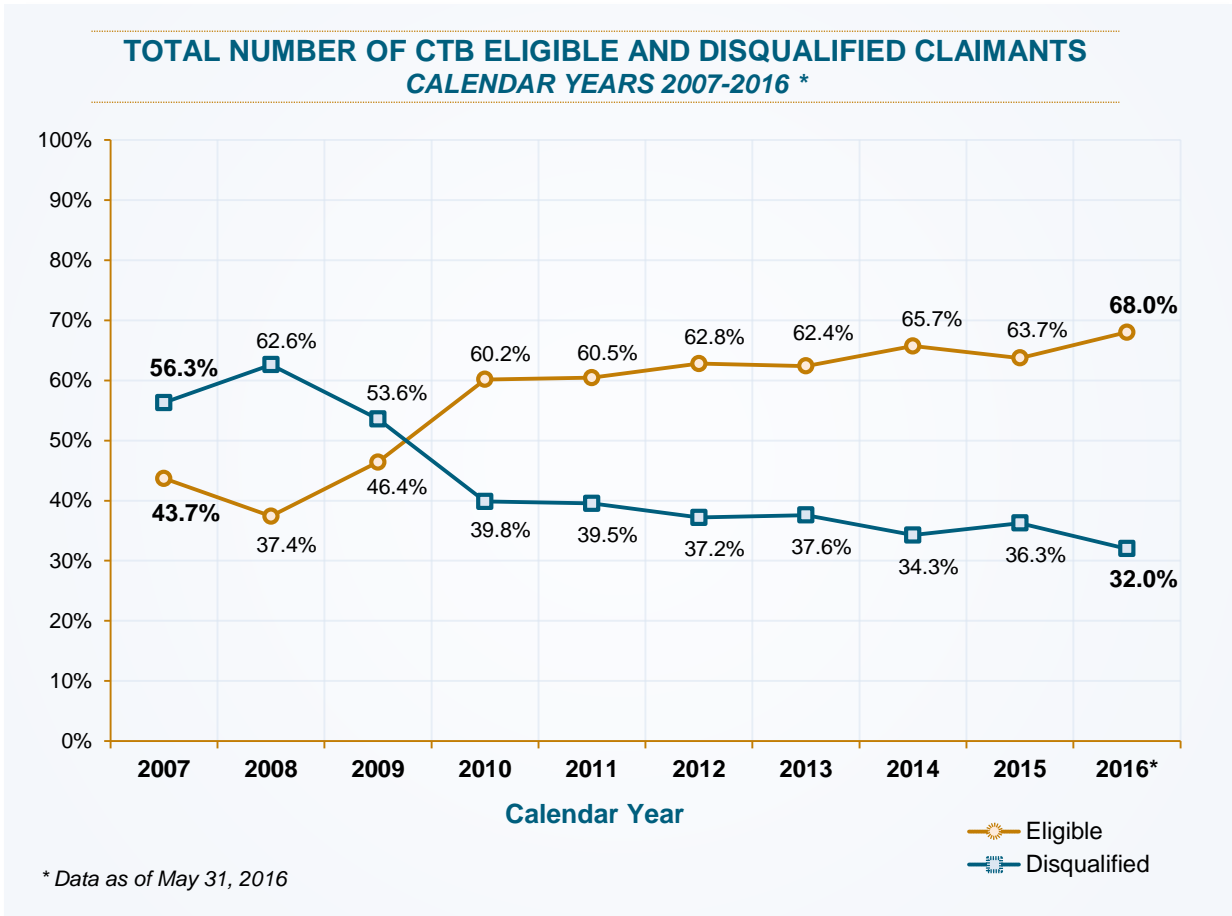
Senate Bill 1291, which subsequently amended Section 1269(d) of the UI Code, also added teachers that are laid off and choose to enter a credentialing program to obtain an additional certification in a specified high-demand subject, such as math, science, or special education, as a pre-approved training category for the CTB program. While the EDD does not have specific data broken down by this training category, anecdotal reports indicate that these claimants make up only a small fraction of all claimants approved under Section 1269(d) of the UI Code.

The charts below, **Total Number and Percentage of CTB Eligible Claimants Before and After AB 2058 / SB 1291**, shows the change in participation by program type before and after the implementation of AB 2058 on July 1, 2011 and SB 1291 on January 1, 2014.



Claimants approved under the new pre-approved training categories added by AB 2058 and SB 1291 account for almost 25 percent of all CTB participants. The percentage of CTB participants eligible under the self-arranged training criteria declined from almost 38 percent before AB 2058 to approximately 30 percent after AB 2058. These statistics indicate that a substantial number of claimants are being approved for the CTB program using the more streamlined pre-approved training category, which also provides more certainty that they will be eligible for the program.

The graph below, **Total Number of CTB Eligible and Disqualified Claimants**, presents the percentage of CTB claimants determined to be eligible or disqualified for the program from CY 2007 through May 31, 2016.



The CTB eligibility rate had remained relatively stable in the years prior to 2009. However, a 13.8 percent increase in the eligibility rate occurred from CY 2009 to 2010 when 60.2 percent of claimants were determined eligible. Eligibility rates continued to increase after 2010, which can be attributed primarily to the additional eligibility provisions authorized by AB 2058 in July 2011, as well as other legislative changes that provided additional eligibility opportunities. In CY 2015, approximately 64 percent of all CTB applicants were determined eligible, a 20 percentage point increase from 2007, when only about 44 percent were determined eligible.

Senate Bill 1291 provided pre-approved CTB eligibility for public school teachers pursuing an additional teaching credential in certain high-demand areas in 2015. Assembly Bill 1514 streamlined the pre-approved eligibility provision to include non-union journey-level members of a trade association, employer-sponsored training, and state or federally approved apprenticeship programs in 2016.

As a result of the legislative changes, economic conditions, and the EDD’s marketing efforts to direct claimants to enroll in training programs under the ETPL and other pre-approved training categories, there has been an overall downward trend in disqualification rates under the self-arranged training eligibility provisions.

### C. CTB AND TE BENEFIT PAYMENTS

In addition to receiving their regular UI benefit payments while participating in the CTB program, TE eligible claimants who continue their training programs may also receive extended benefits after their regular UI claim is exhausted. The following table, **Total Number of TE Eligible and Disqualified Claimants**, provides the number of individuals who received initial eligibility or disqualification for TE benefits from CY 2007 through May 31, 2016.

TOTAL NUMBER OF TE ELIGIBLE AND DISQUALIFIED CLAIMANTS					
Calendar Year	TE Eligible Claimants		TE Disqualified Claimants		Total TE Claimants
	# of Eligible Claimants	% of Total TE Claimants	# of Disqualified Claimants	% of Total TE Claimants	
2007	15,540	94.1%	971	5.9%	16,511
2008	16,494	92.1%	1,414	7.9%	17,908
2009	15,963	83.9%	3,065	16.1%	19,028
2010	13,141	71.5%	5,249	28.5%	18,390
2011	12,400	71.1%	5,039	28.9%	17,439
2012	14,279	71.2%	5,773	28.8%	20,052
2013	14,166	72.9%	5,260	27.1%	19,426
2014	8,255	89.6%	961	10.4%	9,216
2015	11,522	92.2%	969	7.8%	12,491
2016*	5,491	93.5%	384	6.5%	5,875
<b>Grand Total</b>	<b>127,251</b>	<b>81.4%</b>	<b>29,085</b>	<b>18.6%</b>	<b>156,336</b>

\* Data as of May 31, 2016

It is important to note that the eligible TE claimants displayed does not represent the *actual* number of claimants who received TE benefit payments, and only represents the number of *potentially eligible* claimants. In order for TE benefit payments to take effect, an eligible claimant needs to exhaust their regular UI claim and any extension payments, and continue attending an authorized CTB training program. Claimants are only eligible to continue receiving TE benefits while attending EDD approved training.

Overall, the majority of claimants who expressed interest in CTB participation have been eligible for TE benefits. In 2015, 92 percent of claimants were determined eligible for TE benefits, a 21 percentage point increase from 2011 when 71 percent of claimants were determined eligible. A decrease in eligibility rates occurred from CY 2010 through 2012, which may be attributed to the federal EUC payments issued during this time period. These benefit payments supersede the California's TE benefits and must be exhausted before TE payments begin.

An additional table, **TABLE 3 • Benefits Paid through the CTB Program**, provides the total CTB and TE benefits paid by the EDD from CY 2007 through May 31, 2016 in the **Appendix**, on page 30. These benefit payments are provided as a percentage of all UI benefits paid by the EDD, including regular UI and federal EUC payments.

During CY 2007, at the beginning of the Great Recession, the EDD paid a total of \$191 million in combined CTB and TE benefits to eligible claimants. This total declined over time as UI workload decreased and the school attendance scheduling policy changed. In 2014, this scheduling policy change had a significant effect on the number of CTB applicants and as a result, the total amount paid to eligible CTB claimants decreased to \$86 million.

In 2015, more claimants began to apply for CTB through the streamline process, which increased the overall CTB applicant totals and resulting benefits paid under the CTB program to eligible claimants. During CY 2015, the EDD paid approximately \$123 million total CTB and TE benefits to eligible claimants representing 2.25 percent of the approximate \$5.5 billion total benefits paid through the UI program. However, as previously noted, these benefit payments did not reflect an overall additional cost to the UI trust fund, as claimants were often determined to be eligible under availability statutes or otherwise ended their training attendance in order to continue receiving UI benefits.

The percentage of total CTB and TE benefits compared to total UI program benefits paid varied significantly over the period from CY 2007 to May 31, 2016, due to the operation of the federal EUC program from July 2008 through December 2013. In 2010, the total \$145 million CTB and TE benefits paid represented less than one percent of the approximately \$23 billion total UI benefits paid, including regular UI and federal EUC payments. This percentage has slowly increased since the end of the EUC program in December 2013. During CY 2015, the total \$123 million in CTB and TE benefits paid represented 2.25 percent of the total \$5.5 billion in all UI benefits paid.

#### **D. SUBSEQUENT WAGES AFTER CTB PROGRAM PARTICIPATION**

The table on the following page, *CTB Participants with Subsequent Wages*, provides the number of individuals who participated in the CTB program and earned subsequent wages in the following CY from 2007 to 2016. The EDD does not have the specific occupation associated with the subsequent wages earned as employers do not report this level of data to the EDD when reporting quarterly wages.

It is important to note that the wages earned by these individuals may not correspond to the occupation training completed while they participated in the CTB program. The amount of earnings may also not be significant, as a claimant was counted if there were any earnings over one dollar. Therefore, this data is a representation only of the number of claimants who returned to the labor force in any occupation and who earned any amount of money after receiving UI benefits through the CTB program.

The number of claimants who returned to work remained relatively stable from CY 2007 through 2013. During CY 2014, a decrease in the subsequent wage totals occurred, which may be related to the overall decrease in CTB applicants and eligible CTB claimants during that year. These decreases can be attributed to the overall decreases in UI workload as the economy improved and the policy change for scheduling school attendance eligibility issues.

In CY 2012, over 14,000 CTB participants earned subsequent wages, representing the largest total amount since CY 2007. From CY 2007 through 2014, approximately 94,000 CTB participants earned subsequent wages, representing 68 percent of the approximately 138,000 eligible CTB claimants during that same time period.



**CTB PARTICIPANTS WITH SUBSEQUENT WAGES**

<b>Calendar Year <sup>1</sup></b>	<b>Number of CTB Participants Who Earned Wages in the Subsequent Calendar Year <sup>2</sup></b>
<b>2007</b>	11,276
<b>2008</b>	11,075
<b>2009</b>	12,753
<b>2010</b>	12,808
<b>2011</b>	12,225
<b>2012</b>	14,535
<b>2013</b>	13,750
<b>2014</b>	5,874
<b>2015</b>	(N/A)
<b>2016</b>	(N/A)
<b>Grand Total</b>	<b>94,296</b>

<sup>1</sup> Number of claimants who earned wages in the subsequent CY was unavailable for CY 2015 and 2016 due to the limitations on the quarterly wage files available at the time the report was prepared.

<sup>2</sup> Data fulfills report requirement under Section 1274.5(d), "the number of individuals who participated in the program and earned subsequent wages in the following CY".



## CHAPTER 5 ■ ENHANCEMENTS AND RECOMMENDATIONS

In addition to specific data elements, Section 1274.5(e) of the UI Code requires the EDD to report recommendations to improve the effectiveness and efficiency of the CTB program. While the EDD has worked to improve and enhance the CTB program throughout the years, the Department has two key recommendations to improve the effectiveness and efficiency of the program: (1) obtain a legislative change to make the CTB program a permanent component of state UI laws and (2) engage with additional stakeholders who can assist the EDD in marketing the CTB program to mutual customers who would benefit from participating in the program.

### A. PROGRAM ENHANCEMENTS AND FUTURE RECOMMENDATIONS

Over the past seven years, the EDD has been working on multiple enhancements to the CTB program in partnerships with the Legislature and as part of the Department's continuing efforts to enhance customer service. Those enhancements included implementing the CTB streamline process, educating claimants about program eligibility requirements, improving marketing and outreach to stakeholders, and providing ongoing training to EDD staff to ensure they have the full knowledge and understanding of the CTB program.

Currently, the CTB program is authorized through January 1, 2019, under state law in Section 1274.10 of the UI Code. However, as California's economy slowly rebuilds after the recent Great Recession, the availability of the CTB program will continue to benefit UI claimants for years to come. The EDD recommends the legislature take action to make the CTB program a permanent provision of state law. This will ensure that unemployed individuals continue to have the opportunity to improve their job skills in training courses while receiving valuable UI benefits and will help California build a stronger competitive labor force for today's economy and will guarantee that the state has mechanisms in place if and when future economic recessions occur.

The state will not have an effective, coordinated system to financially support UI claimants through school or training unless legislation is enacted to make the CTB program a permanent provision of the UI Code. The CTB program ensures that individuals will not lose eligibility for their UI benefits while attending an approved training program, which will strengthen their job skills and aid in their return to long-term employment.

The administration of the CTB program meets federal requirements and aligns with the EDD's mission and goals. Federal law requires state UI laws to contain a provision that UI benefits cannot be denied to an otherwise eligible individual who is attending a state-approved training course. The CTB program has fulfilled this requirement for California since 1964. Conforming to federal statutes allows the EDD to qualify for an annual federal UI administrative grant that funds the operation of California's UI program. This also ensures that California's tax-rated employers receive a significant tax credit that reduces the amount of federal taxes paid annually on their employees' wages.

As a pre-approved category of CTB eligibility, the federal WIOA is an important component that strengthens the state's public workforce system and aligns investments in workforce, education, and economic development with regional, in-demand jobs. Like other existing federal and state training programs, such as the federal WIOA, the CTB program is a complementary effort that should become a permanent component of California's workforce development system.

Federal and state workforce development programs also focus on the importance of providing customers with access to high-quality services at statewide AJCC office locations that connect them with the full range of services available in their communities. The EDD's goal is to continue to coordinate with AJCC partners and educate them on EDD services, including the CTB program, to serve our mutual customers. The CTB program has proven to be a valuable asset for thousands of UI claimants and the EDD will continue to collaborate with other organizations to educate them about the CTB program and to assist claimants to apply for CTB approval, including:

- ◆ Trade associations
- ◆ Unions
- ◆ Employers
- ◆ Claimant advocacy groups
- ◆ Other federal and state training programs (e.g., WIOA, ETP, etc.)

The EDD can ensure successful participation in the CTB program by working closely with these partners. The EDD's collaboration with these other organizations will also keep key stakeholders informed of changes that occur to the CTB program and provide the necessary outreach to strengthen successful partnerships. The EDD also continues to work with UI program staff through bi-weekly conference calls and ongoing training reminders to ensure our staff are properly trained on the CTB program. These continual efforts provide opportunities to review CTB determination procedures, discuss CTB eligibility scenarios, receive feedback on program administration, and ensure staff are correctly applying laws and policies related to the CTB program.

## **B. CONCLUSION**

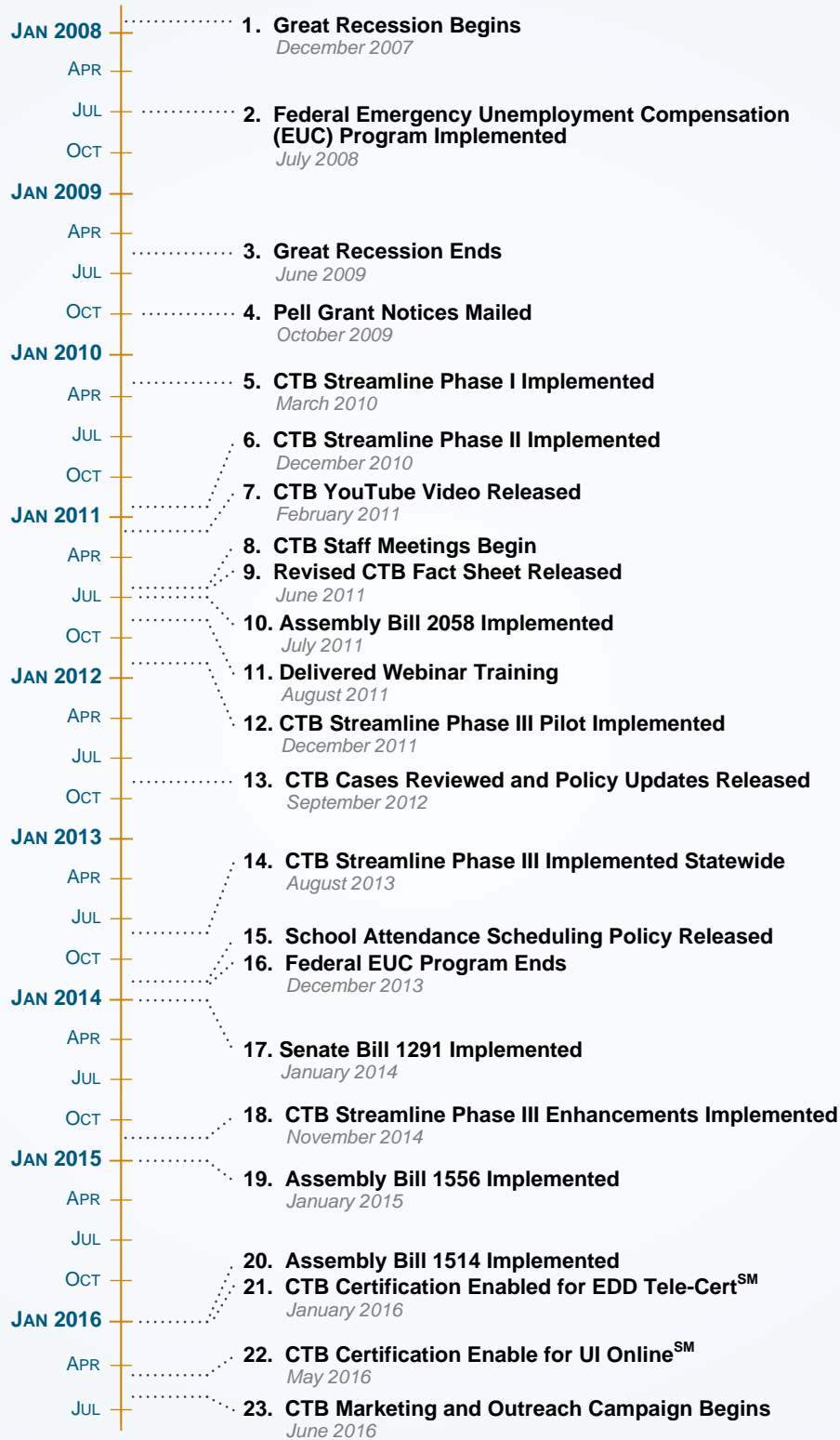
The EDD is proud to demonstrate the significant process improvements and enhancements achieved within the CTB program over the past eight years. The EDD's vision is to strengthen the economic vitality of Californians and their communities and the Department's mission is to enhance California's economic growth and prosperity by collaboratively delivering valuable and innovative service to meet the evolving needs of employers, workers, and job seekers. The enhancements and continued operation of the CTB program align with the Department's vision and mission and boost California's growth and prosperity by providing necessary UI benefits to claimants while they improve their job skills and employability. The EDD helps to build a better-trained and more competitive workforce for California employers and the national economy by providing these critical benefits through the CTB program.

The CTB program allows unemployed workers to receive the UI benefits they need to pay for basic necessities while they attend state-approved school or training programs. These workers are more likely to remain gainfully employed, rely less on future UI claims, and reduce overall costs to the UI Trust Fund. As a requirement of federal laws and a key component of the state's UI program, the EDD recommends legislative actions to make the CTB program a permanent part of state law. The EDD will also continue to market the program to UI claimants and stakeholder groups and supports providing additional resources to this effort in order to ensure that unemployed Californians can receive the necessary job skills and training they need to succeed in an ever-changing global economy.

## APPENDIX

ACRONYMS	
<b>AB</b>	Assembly Bill
<b>AJCC</b>	America's Job Center of California <sup>SM</sup>
<b>CalWORKs</b>	California Work Opportunity and Responsibility to Kids
<b>CCTC</b>	California Commission on Teacher Credentialing
<b>CTB</b>	California Training Benefits
<b>CY</b>	Calendar Year
<b>DOL</b>	Department of Labor
<b>EDD</b>	Employment Development Department
<b>ETP</b>	Employment Training Panel
<b>ETPL</b>	Eligible Training Provider List
<b>EUC</b>	Emergency Unemployment Compensation
<b>FUTA</b>	Federal Unemployment Tax Act
<b>IAW</b>	Initial Assistance Workshop
<b>LWIA</b>	Local Workforce Investment Area
<b>PJSA</b>	Personalized Job Search Assistance
<b>RESEA</b>	Reemployment Services and Eligibility Assessment
<b>SB</b>	Senate Bill
<b>SPOC</b>	Single Point of Contact
<b>TAA</b>	Trade Adjustment Assistance
<b>TE</b>	Training Extension
<b>UI</b>	Unemployment Insurance
<b>WIA</b>	Workforce Investment Act
<b>WIOA</b>	Workforce Innovation and Opportunity Act

**TIMELINE OF SIGNIFICANT ENHANCEMENTS AND STATUTORY CHANGES**



– Refer to the following pages for a narrative description of the timeline events –

**1. December 2007** ▪ *Great Recession Begins*

The recession officially began in December 2007.

**2. July 2008** ▪ *Federal EUC Program Implemented*

The federal EUC program was signed into law on June 30, 2008, and implemented in July 2008. This program provided extended federally-financed UI payments to qualifying claimants who exhausted their regular UI benefits.

**3. June 2009** ▪ *Great Recession Ends*

The recession officially ended in June 2009.

**4. October 2009** ▪ *Pell Grant Notices Mailed*

The Department mass-mailed an informational notice to an estimated 745,000 claimants on October 26, 2009, regarding expanded eligibility for Pell Grants, in support of the federal initiative to enable more workers to obtain training and develop skills during the economic recovery. While this mailing was not part of the CTB program, the EDD used this opportunity to include information about the CTB program.

**5. March 2010** ▪ *CTB Streamline Phase I Implemented*

The EDD implemented phase I of the CTB streamline process in March 2010 for claimants attending WIA authorized training. This process began expediting CTB approvals to reduce delays in UI benefit payments, with the assistance of local WIA partner staff located throughout the state in AJCC offices.

**6. December 2010** ▪ *CTB Streamline Phase II Implemented*

The EDD implemented phase II of the CTB streamline process in December 2010 for claimants attending TAA authorized training.

**7. February 2011** ▪ *CTB YouTube Video Released*

The Department released a YouTube video in February 2011 to inform the public of the CTB program, provide the expanded eligibility effective July 1, 2011, under AB 2058, and explain how to apply for CTB benefits.

**8. June 2011** ▪ *CTB Staff Meetings Begin*

The EDD began ongoing biweekly staff meetings on the legal, policy, and procedural changes to the CTB program. The ongoing training provides updates, clarifies policies and procedures, answers staff questions, and solicits feedback and process improvement ideas to assist in CTB determinations.

**9. June 2011** ▪ *Revised CTB Fact Sheet Released*

The CTB program fact sheet was revised in June 2011 to provide updated program eligibility criteria under AB 2058. The fact sheet became the primary source of CTB eligibility information and is provided to claimants through the streamline processes, at AJCC offices, as an insert with school related telephone eligibility interview appointment notices, and on the EDD website.

**10. July 2011** ▪ *Assembly Bill 2058 Implemented*

The most recent and substantial modifications were enacted on July 1, 2011, with AB 2058, which created two new types of training with pre-approved CTB eligibility and significantly modified the self-arranged training eligibility requirements for the CTB program.

**11. August 2011** ▪ *Delivered Webinar Training*

Two training webinars were delivered to LWIA partner staff and EDD Workforce Services Branch staff on August 11, 2011, and August 17, 2011, on the changes to the CTB program after implementation of AB 2058. This training was delivered in conjunction with CTB streamline refresher training and included the forms revised as a result of AB 2058 that are provided to all claimants in the streamline process, in order to help these staff provide services to UI claimants and to inform all AJCC customers about the CTB program.

**12. December 2011** ▪ *CTB Streamline Phase III Pilot Implemented*

The CTB streamline phase III pilot began December 2011, for claimants attending self-arranged training, or training authorized by the ETP or CalWORKs programs. The trial period gave the EDD the opportunity to test newly developed forms and procedures and to refine the process before statewide release.

**13. September 2012** ▪ *CTB Cases Reviewed and Policy Updates Released*

The EDD randomly selected and completed case reviews of CTB determinations to gauge the success of on-going staff training and the proper application of the law when determining CTB eligibility. The findings of these reviews led to the development of additional policy guidance to clarify the eligibility criteria under the recent law changes.

With the State and national economy still struggling to recover from the Great Recession, employers had a large labor pool from which to hire due to a surplus of unemployed workers and fewer job openings. At times, staff were not taking this into consideration when determining whether claimants met the eligibility criteria for the self-arranged training category. The Department developed policy guidance as a result of the case reviews informing staff to take into account the economic conditions when determining the claimant's labor market demand while assessing CTB eligibility.

**14. August 2013** ▪ *CTB Streamline Phase III Implemented Statewide*

Phase III of the CTB streamline process was implemented statewide in August 2013 for all claimants in continued claim status to expedite the CTB approval process and minimize delays in UI benefit payments pending an eligibility determination.

**15. December 2013** ▪ *School Attendance Scheduling Policy Released*

A revised school attendance scheduling policy was released on December 7, 2013. With greater flexibility in education delivery methods and scheduling options, claimants who certified that they are available for work and seeking work while attending school or training were no longer scheduled for a school attendance eligibility interview. Claimants no longer have their UI benefits suspended, regardless of the days and hours of school attendance, unless they indicate they are unavailable for work or are not actively seeking work.

**16. December 2013** ▪ *Federal EUC Program Ends*

The federal EUC program ended on December 31, 2013, after several modifications to provide additional extended federally-financed benefits between 2008 and 2012.



**17. January 2014** ▪ *Senate Bill 1291 Implemented*

Senate Bill 1291 added an additional pre-approved eligibility category for certain qualified unemployed public school teachers pursuing an additional single subject teaching credential in math, science, or special education. This bill took effect in January 2014.

**18. November 2014** ▪ *CTB Streamline Phase III Enhancements Implemented*

In November 2014, the EDD began mailing a revised CTB streamline package with a voluntary CTB application for claimants who reported school or training attendance while they are available for work and looking for work. The intent of the voluntary application is to inform claimants of the CTB program, the availability of TE benefits, and encourage program participation without suspending UI benefit payments. While these claimants are no longer scheduled for a determination interview unless other eligibility issues arise during the life of their UI claim, the EDD continues to ensure these individuals are informed of the CTB program and the benefits of participation.

**19. January 2015** ▪ *Assembly Bill 1556 Implemented*

While the policies and procedures for scheduling school or training attendance eligibility issues were updated on December 7, 2013, the law codifying this policy change took effect January 1, 2015.

**20. January 2016** ▪ *Assembly Bill 1514 Implemented*

Assembly Bill 1514, was an EDD-sponsored legislative proposal that was implemented on January 1, 2016. The law made several changes to the CTB program, which included updating references to the WIOA and adding three new pre-approved training categories to further streamline the CTB eligibility determination process. This bill also removed the requirement for claimants to have their biweekly certification signed by a training provider, which allowed the EDD make further enhancements to the CTB certification process.

**21. January 2016** ▪ *CTB Certification Enabled for EDD Tele-Cert<sup>SM</sup>*

As a result of the enactment of AB 1514, EDD Tele-Cert<sup>SM</sup>, a telephone certification channel, became available for the CTB participants as of January 27, 2016, which allowed for faster processing and payment of UI benefits.

**22. May 2016** ▪ *CTB Certification Enabled for UI Online<sup>SM</sup>*

As a result of the enactment of AB 1514, enhancements made in May 2016 to the EDD's UI Online<sup>SM</sup> system allowed CTB participants to access the online certification channel, which provided faster processing and payment of UI benefits.

**23. June 2016** ▪ *CTB Marketing and Outreach Campaign Begins*

In June 2016, the Department initiated a CTB program marketing strategy, which included the development of webpages to provide claimants with detailed information on program eligibility requirements, training extensions, and the available types of pre-approved training programs. A new YouTube video is currently being developed, and social media sites are being updated to keep CTB eligible participants informed on changes to the CTB program. The EDD's goal is to educate claimants about the benefits of the CTB program and the eligibility criteria in order to increase participation in training that will provide them with skills to return to work in occupations that are in demand in their labor market.



**TABLE 1 • CTB ELIGIBLE CLAIMANTS BY UI CODE PROVISION**

CTB Eligibility by UI Code Provision <sup>1</sup>	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016 <sup>2</sup>	Total CTB Eligible Claimants	% of CTB Eligible Claimants
<b>WIA / WIOA / ETP</b>	7,377	6,756	9,485	12,223	8,198	7,679	6,134	3,995	5,510	2,826	<b>70,183</b>	<b>45 %</b>
<b>TAA</b>	1,495	1,106	1,930	1,648	2,956	1,055	853	718	501	215	<b>12,477</b>	<b>8 %</b>
<b>CalWORKs</b>	305	372	362	214	211	260	234	129	185	72	<b>2,344</b>	<b>1 %</b>
<b>ETPL / Teaching Credential <sup>3</sup></b>	(N/A)	(N/A)	(N/A)	(N/A)	1,914	5,423	6,003	1,694	2,317	952	<b>18,303</b>	<b>12 %</b>
<b>Journey-Level Union or Trade Association Member, Employer Sponsored Training, or State or Federal Apprenticeship <sup>4</sup></b>	(N/A)	(N/A)	(N/A)	(N/A)	43	85	94	52	36	33	<b>343</b>	<b>&lt; 1 %</b>
<b>Self-Arranged Training</b>	7,334	9,674	7,251	4,305	4,117	5,550	6,108	2,628	3,942	1,777	<b>52,686</b>	<b>34 %</b>
<b>Grand Total</b>	<b>16,511</b>	<b>17,908</b>	<b>19,028</b>	<b>18,390</b>	<b>17,439</b>	<b>20,052</b>	<b>19,426</b>	<b>9,216</b>	<b>12,491</b>	<b>5,875</b>	<b>156,336</b>	

<sup>1</sup> Data fulfills legislative report requirements under Section 1274.5(b), “the number of individuals determined to be eligible for the program under each subdivision of Section 1269” and Section 1274.5(c), “the number of individuals determined to be eligible for the program under Section 1269.1”.

<sup>2</sup> Data current as of May 31, 2016.

<sup>3</sup> The ETPL eligibility category was added by AB 2058 in 2011. The teaching credential eligibility category was added by SB 1291 in 2014.

<sup>4</sup> The journey-level union member eligibility category was added by AB 2058 in 2011. Non-union trade associations, employer sponsored training, and state or federally approved apprenticeships eligibility categories were added by AB 1514 in 2016.

**TABLE 2 • CTB ELIGIBLE AND DISQUALIFIED CLAIMANTS**

Calendar Year	CTB Eligible Claimants		CTB Disqualified Claimants		Total CTB Claimants <sup>1</sup>
	# of Claimants	% of Total CTB Claimants	# of Claimants	% of Total CTB Claimants	
2007	16,511	43.7%	21,286	56.3%	37,797
2008	17,908	37.4%	29,980	62.6%	47,888
2009	19,028	46.4%	21,971	53.6%	40,999
2010	18,390	60.2%	12,181	39.8%	30,571
2011	17,439	60.5%	11,407	39.5%	28,846
2012	20,052	62.8%	11,882	37.2%	31,934
2013	19,426	62.4%	11,701	37.6%	31,127
2014	9,216	65.7%	4,805	34.3%	14,021
2015	12,491	63.7%	7,109	36.3%	19,600
2016 <sup>2</sup>	5,875	68.0%	2,764	32.0%	8,639
<b>Grand Total</b>	<b>156,336</b>	<b>53.65%</b>	<b>135,086</b>	<b>46.35%</b>	<b>291,422</b>

<sup>1</sup> Data fulfills legislative report requirement under Section 1274.5(a), “the number of individuals determined to be eligible for the program as of December 31, 2015”.

<sup>2</sup> Data as of May 31, 2016.

**TABLE 3 • BENEFITS PAID THROUGH THE CTB PROGRAM**

Calendar Year	CTB Benefits Paid Regular UI Claims		TE Benefits Paid		CTB and TE Benefits Paid		Total UI Benefits Paid	Unemp. Rate
	\$ Amount of Benefits Paid	% of Total Benefits Paid	\$ Amount of Benefits Paid	% of Total Benefits Paid	\$ Amount of Benefits Paid	% of Total Benefits Paid	Regular UI Claims and Federal EUC Benefits	
2007	\$ 120,578,479	2.35 %	\$ 70,548,356	1.38 %	\$ 191,126,834	3.73 %	\$ 5,123,220,511	5.4 %
2008	135,740,826	1.67 %	53,750,503	0.66 %	189,491,329	2.34 %	8,106,906,302	7.2 %
2009	146,449,815	0.73 %	4,926,836	0.02 %	151,376,651	0.75 %	20,194,886,386	11.4 %
2010	142,020,402	0.62 %	3,315,436	0.01 %	145,335,838	0.63 %	22,937,418,364	12.4 %
2011	127,623,645	0.75 %	2,117,810	0.01 %	129,741,454	0.76 %	17,122,531,553	11.8 %
2012	131,673,671	0.96 %	2,083,534	0.02 %	133,757,205	0.97 %	13,722,240,957	10.4 %
2013	128,543,184	1.21 %	1,652,789	0.02 %	130,195,973	1.22 %	10,643,775,763	8.9 %
2014	62,282,062	1.00 %	23,927,077	0.38 %	86,209,139	1.38 %	6,252,504,662	7.5 %
2015	87,509,650	1.60 %	35,467,824	0.65 %	122,977,474	2.25 %	5,461,525,702	6.2 %
2016 <sup>1</sup>	38,877,314	1.58 %	20,289,995	0.83 %	59,167,309	2.41 %	2,456,085,689	5.4 %
<b>Grand Total</b>	<b>\$ 1,121,299,049</b>	<b>1.00 %</b>	<b>\$ 218,080,158</b>	<b>0.19 %</b>	<b>\$ 1,339,379,207</b>	<b>1.20 %</b>	<b>\$ 112,021,095,890</b>	

<sup>1</sup> Data as of May 31, 2016



**STATE OF CALIFORNIA**

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