

DEPARTMENT OF FINANCE BILL ANALYSIS

AMENDMENT DATE: 05/25/2012
POSITION: Neutral

BILL NUMBER: SB 1291
AUTHOR: Evans, Noreen

BILL SUMMARY: Unemployment benefits: training: teacher credentialing.

This bill would require a determination of automatic eligibility for benefits under the California Training Benefits Program (CTB Program) be issued to a public school teacher unemployed as a result of a layoff, if the teacher is participating in a credential preparation program or training program in math, science, or special education. This bill would also extend the sunset date of the CTB Program to January 1, 2019.

FISCAL SUMMARY

This bill would result in additional unemployment insurance (UI) benefit payments from the School Employees Fund, which collects contributions from public schools and community college districts to fund unemployment benefits for employees of these entities. The Employment Development Department (EDD) estimates that this bill would drive increased annual benefit payments of \$11.7 million to \$29.3 million. This assumes that teachers eligible for these benefits would qualify for the maximum weekly benefit amount of \$450, would receive benefits for the entire 26 week training extension time period, and that 1,000 to 2,500 teachers would participate.

The EDD indicates that administrative costs associated with the implementation of this bill would be minor and absorbable within existing resources. Also, the Commission on Teacher Credentialing indicates they will not incur any additional cost related to this bill.

COMMENTS

The Department of Finance is neutral on this bill because it would result in future cost avoidance by providing financial assistance to teachers while additional credentials are earned, making these teachers more valuable and less likely to claim UI benefits in subsequent years.

Existing law establishes the CTB Program which allows eligible unemployed individuals to receive UI benefits while attending qualifying training programs. Existing law contains a sunset date for the CTB Program of January 1, 2015. Additionally, existing law requires a determination of automatic eligibility for benefits under the CTB Program be issued to an unemployed individual if any of the following applies:

- Training is authorized by the federal Workforce Investment Act of 1998 or by the Employment Training Panel.
• Training is authorized by the federal Trade Act of 1974, as amended by subsequent federal legislation.
• The individual is participating in the California Work Opportunity and Responsibility to Kids program and in an education or training program.
• The individual is participating in training conducted by a provider on the Eligible Training Provider List.
• The individual is a journey level union member and industry-related training is necessary, because of changes in technology or industry demands, to retain or obtain employment.

Analyst/Principal (0241) J.Morozumi Date Program Budget Manager Lisa Ann Mangat Date
Department Deputy Director Date
Governor's Office: By: Date: Position Approved Position Disapproved
BILL ANALYSIS Form DF-43 (Rev 03/95 Buff)

BILL ANALYSIS--(CONTINUED)**Form DF-43****AUTHOR****AMENDMENT DATE****BILL NUMBER**

Evans, Noreen

05/25/2012

SB 1291

COMMENTS (continued)

Effective January 1, 2014, this bill would add an automatic benefit eligibility determination for permanent or probationary K-12 public school teachers, who are unemployed because of layoffs, and are participating in a credential preparation program or training program approved by the Commission on Teacher Credentialing for additional certification in math, science, or special education. Under the provisions of this bill, the automatic benefit eligibility determination is only applicable if the teacher enrolls in the certification or training program within three years of being laid-off. Additionally, this bill extends the sunset date of the CTB Program from January 1, 2015 to January 1, 2019.

| Code/Department Agency or Revenue Type | SO | (Fiscal Impact by Fiscal Year) | | | | | | Fund Code | |
|--|--------------------------|--------------------------------|----|------------------------------------|----|---------------|----|---------------|------|
| | LA | (Dollars in Thousands) | | | | | | | |
| | CO | PROP | | | | | | | |
| | RV | 98 | FC | 2012-2013 | FC | 2013-2014 | FC | 2014-2015 | |
| 7100/EDD | LA | No | C | 5,850-14,650 | C | 11,700-29,300 | C | 11,700-29,300 | 0908 |
| 6360/Teacher Cred | SO | No | | ----- No/Minor Fiscal Impact ----- | | | | 0407 | |
| <u>Fund Code</u> | <u>Title</u> | | | | | | | | |
| 0407 | Teacher Credentials Fund | | | | | | | | |
| 0908 | School Employees Fund | | | | | | | | |