

§ 4409. Special Employment Training Projects.

(a) The Panel may allocate up to ~~ten~~(10)fifteen (15) percent of the annually available training funds for Special Employment Training (SET) projects to improve the skills and employment security of frontline workers, as defined in Section 4400(ee), who earn at least the state average hourly wage.

(1) SET projects are not subject to the out-of-state competition requirement specified in Section 4416.

(2) SET trainees are not subject to the eligibility provision of Section 10201(c) of the Unemployment Insurance (UI) Code.

(3) The Panel shall identify industries and occupations that are priorities for funding as a SET project, in the annual Strategic Plan.

(4) Each SET project shall be funded for no more than \$500,000, although the Panel may waive the cap for individual SET projects on a case-by-case basis.

(5) Each SET project must result in full-time employment, for all trainees who successfully complete training, except those receiving small business skills training as provided under subsection (b).

(6) The Panel may fund SET projects for frontline workers who earn up to 25% below the state average hourly wage, as follows:

- (i) For training in an industry sector identified by the Panel as a funding priority in accordance with Unemployment Insurance Code Section 10200(b); or,
- (ii) For training under a Critical Proposal within the meaning of Section 4402.2.

This wage modification, including the determination of funding priority, shall be made on a case-by-case basis. (See the Panel's FY 2009/10 Strategic Plan for more information on high-priority industry sectors.)

(7) The Panel may also fund SET projects for frontline workers who earn less than the state average hourly wage, but at least the ETP Minimum Wage under Section 10201(f) of the Unemployment Insurance Code if they have at least two barriers which prevent them from fully participating in the labor force. Barriers may include mental or physical disability, illiteracy, limited English proficiency, limited math skills, or some similar impediment.

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

(b) The Panel may fund a SET project in a High Unemployment Area. In that case, trainees may earn less than the state average hourly wage and/or have a modified retention period. ~~High Unemployment Area trainees must earn at least the ETP Minimum Wage. However, the Panel may waive the minimum wage requirement and/or modify standard retention period for frontline workers in a High Unemployment Area on a case-by-case basis in accordance with~~ (See Section 4429.)

(c) The Panel may fund entrepreneurial training as a SET project for small business owner(s) who meet the definition of "frontline workers" at Section 4400(ee). In addition, the business must qualify as an "employer" within the meaning of Section 10201(b) of the Unemployment Insurance Code.

(1) The following definitions apply, for the purpose of entrepreneurial training:

(A) "Owner" means one or more individuals who each have a substantial (at least 20 percent) financial investment in the business, and direct full-time involvement in the day-to-day operations of the business. The spouse of an "owner" also qualifies if he or she has direct full-time involvement in the day-to-day operations.

(B) "Employee" means an individual who was employed full time prior to the first day of training for the owner(s). An employee cannot be leased or assigned from a temporary employment agency or other provider.

(2) The owner(s) shall not be counted in meeting the requirement for less than ten full-time employees.

(3) Wages after training are not relevant to small business owner training, since owners typically do not receive an hourly wage.

(4) The entrepreneurial training must be in business management and/or related skills including but not limited to development, business and/or marketing plan, tax requirements, and permit or licensing procedures.

(5) The business must employ at least the same number of full-time employees on the 91st day after the owner's training, as were employed at the start of training. ETP may waive or modify this requirement on a case-by-case basis, for good cause.

(d) A training proposal developed and approved under this section shall meet all Panel requirements not otherwise modified or exempted by this section.

Note: Authority cited: Section 10205(m), Unemployment Insurance Code.
Reference: Sections 10200(a), 10201(c) and (f) and 10214.5, Unemployment Insurance Code.