

4429. High Unemployment Areas.

- (a) The Panel may apply special funding criteria to High Unemployment Area (HUA) training projects. To qualify for this type of funding, the employer or participating employer must be located in the HUA. The trainees in a HUA must earn at least the ETP Minimum Wage and complete the standard retention period except as identified in subsections (c) and (d) below.
- (b) A HUA may be a county or portion of a county, or some other distinct region that has an unemployment rate exceeding the state average by at least 25 percent, using the unemployment rate set by the Labor Market Information Division (LMID) of the Employment Development Department. In determining HUA status, the Panel will abide by the listing posted on its website at www.etp.ca.gov or the most recent information published by LMID (www.edd.ca.gov).
- (c) For HUA projects, the Panel may reduce the ETP Minimum Wage requirement at Section 10201(f) of the Unemployment Insurance Code by up to 25 percent, on a case-by-case basis. Retraining projects may qualify for this reduction if post-retention wages exceed pre-retention wages by at least seven percent, exclusive of cost-of-living adjustments (COLAs) or health benefits. This reduction shall not apply to wages governed by a collective bargaining agreement. A new-hire project may qualify for the 25-percent reduction, without regard to the seven percent wage differential, for post-retention wages.

On a case-by-case basis, the wage differential may be adjusted to less than seven percent for retrainees in the agricultural industry. Typically, this industry is directly involved in harvesting, packing or processing crops and/or food products. (See the Crop Production and Food Manufacturing sectors in the North American Industry Classification System.)

- (d) For HUA projects, the Panel may modify the retention period at Section 10209(f) of the Unemployment Insurance Code. (See Section 4400(h).) For these projects, the Panel may choose to make a special modification, and designate a retention period of a minimum of 90 out of 120 consecutive days with up to two employers pursuant to Section 10214.5(c) of the Unemployment Insurance Code. Any retention modification shall be made on a case-by-case basis.
- (e) The Panel may make additional waivers for trainees in a HUA project who qualify as “working poor” under Section 4400(hh), on a per-trainee basis. In particular, the Panel may waive the limitations under Section 4420 and fund the same number of basic skills and literacy training hours as are funded for vocational skills training, on a per-trainee basis.

Authority: Section 10205(m), Unemployment Insurance Code.

Reference: Sections 10201.5 and 10214.5, Unemployment Insurance Code.

Effective: June 16, 2006