

Date of Hearing: June 25, 2025

ASSEMBLY COMMITTEE ON LABOR AND EMPLOYMENT

Liz Ortega, Chair

SB 275 (Smallwood-Cuevas) – As Amended March 11, 2025

SENATE VOTE: 38-0

SUBJECT: Eligible training provider list

SUMMARY: Revises the eligibility review process for training providers that are on the Workforce Innovation and Opportunity Act of 2014 (WIOA) eligible training provider list (ETPL). Specifically, **this bill**:

- 1) Prohibits an approved training provider who has submitted verification of completion of continued eligibility requirements through a local workforce development board (LWDB) from being removed from the ETPL until a determination has been made that the provider or program does not meet eligibility requirements.
- 2) Requires continued eligibility reviews to be conducted once every two fiscal years.
- 3) Requires LWDBs to submit continued eligibility reviews of providers on the ETPL to the Employment Development Department (EDD), in the form and manner prescribed by the department, no later than September 30 of each even numbered year for the prior two fiscal years concluding June 30.
- 4) Provides for reimbursement to local agencies and school districts for costs, if applicable and as specified.

EXISTING FEDERAL LAW:

- 1) Enacts the WIOA in order to help job seekers access employment, education, training, and support services to succeed in the labor market and to match employers with skilled workers. WIOA coordinates employment and training services for adults, dislocated workers, and youth through grants that are implemented at the state and local level. 29 U.S.C. § 3101 et seq.

EXISTING STATE LAW:

- 1) Establishes the California Workforce Development Board (CWDB) to assist the Governor in the development, oversight, and continuous improvement of California's workforce investment system and the alignment of the education and workforce investment systems to the needs of the 21st century economy and workforce. Unemployment Insurance Code § 14010 et seq.
- 2) Establishes the EDD within the Labor and Workforce Development Agency, and defines its role in administering the unemployment insurance system, as well as tasks it with, among other things, administering job creation activities. Unemployment Insurance Code § 301 et seq.

- 3) Requires the establishment of a LWDB in each local workforce development area of the state to, among other things, plan and oversee the workforce investment system. Unemployment Insurance Code § 14201.
- 4) Requires the CWDB and specified entities to develop the State Plan to serve as a framework for the development of public policy, employment services, fiscal investment, and operation of all state labor exchange, workforce education, and training programs to address the state's economic, demographic, and workforce needs; requires the strategic workforce plan to be prepared in a manner consistent with the requirements of the federal WIOA. Unemployment Insurance Code § 14020(a).
- 5) Requires the CWDB to do all of the following to support the requirements of the State Plan:
 - a) Identify industry sectors and industry clusters that have a competitive economic advantage and demonstrated economic importance to the state and its regional economies, as specified.
 - b) Identify new dynamic emergent industry sectors and industry clusters with substantial potential to generate new jobs and income growth for the state and its regional economies, as specified.
 - c) Provide a skills-gap analysis enumerating occupational and skills shortages in the industry sectors and industry clusters identified as having strategic importance to the state's economy and its regional economies, as specified. This list shall be used to inform investment decisions and eligible training provider policies.
 - d) Establish, with input from LWDBs and other stakeholders, initial and subsequent eligibility criteria for the federal WIOA ETPL, as specified. Unemployment Insurance Code § 14020(d).
- 6) Requires subsequent eligibility criteria for the ETPL, to the extent feasible, to use performance and outcome measures to determine whether a provider is qualified to remain on the list.
- 7) Requires, at a minimum, initial and subsequent eligibility criteria for the ETPL to consider the following:
 - a) The relevance of the training program to the workforce needs of the state's strategic industry sectors and industry clusters.
 - b) The need to plug skills gaps and skills shortages in the economy, including skills gaps and skills shortages at the state and regional level.
 - c) The need to plug skills gaps and skills shortages in local workforce development areas.
 - d) The likelihood that the training program will lead to job placement in a job providing economic security or job placement in an entry-level job that has a well-articulated career pathway or career ladder to a job providing economic security.

- e) The need for basic skills in combination with programs that provide occupational skills training for individuals with barriers to employment and those who would otherwise be unable to enter occupational skills training.
- f) To the extent feasible, utilize criteria that measure training and education provider performance, including, but not limited to, the following:
 - i) Measures of skills or competency attainment.
 - ii) Measures relevant to program completion, including measures of course, certificate, degree, licensure, and program of study rate of completion.
 - iii) For those entering the labor market, measures of employment placement and retention.
 - iv) For those continuing in training or education, measures of educational or training progression.
 - v) For those who have entered the labor market, measures of income, including wage measures.
- g) Requires the division of labor for making initial and subsequent eligibility determinations to be modeled on the division of labor envisioned in the federal WIOA.
- h) Requires, if the state receives a waiver from the federal subsequent eligibility provisions specified in the federal WIOA, the CWDB to establish its own subsequent eligibility criteria that take into account all of the criteria specified in subparagraphs (a)-(g). Unemployment Insurance Code § 14020(d)(4).

FISCAL EFFECT: According to the Senate Appropriations Committee, “EDD indicates that, minimally, it would incur annual costs of \$500,000 to implement the provisions of the bill (EDD Contingent Fund and Consolidated Work Program Fund).”

COMMENTS: The federal WIOA requires states to establish and maintain a list of training providers that are eligible to receive WIOA funds for training services, including classes, online courses, apprenticeships and more. This list is known as the ETPL. There is a statewide California ETPL as well as local ETPLs.

California ETPL vs. Local ETPLs:

LWDBs and the EDD are responsible for working together to identify providers for the California ETPL. This statewide list creates a pool of providers that local workforce development boards can utilize to establish their local ETPL.

LWDBs may have additional requirements for their local ETPL on top of those for the California ETPL (except for apprenticeships – LWDBs must include all California ETPL-approved apprenticeship programs on their local ETPL). Those LWDBs that have additional local requirements may result in providers that are on the California ETPL that are not eligible for

inclusion on the local ETPL. However, LWDBs cannot include training providers on their list that are not approved for the California ETPL.¹

Roles of state entities in establishing and maintaining the California ETPL:

The CWDB is required to establish initial and subsequent eligibility criteria for the California ETPL using specified considerations (see existing law above).

The EDD is responsible for publishing, disseminating, and maintaining the California ETPL with performance and cost information. The EDD is also responsible for ensuring programs meet the eligibility criteria and performance levels established by the CWDB; removing programs that do not meet the program criteria or performance levels; and taking enforcement actions against providers that intentionally provide inaccurate information, or that substantially violate the requirements of the WIOA.

Eligibility review process:

To be added to the California ETPL, training providers must meet the below eligibility requirements. Once the Local Area ETPL Coordinator confirms the applicant as an eligible training provider, providers can submit their training programs for the California ETPL.

- Be accredited through a U.S. Department of Education-recognized accrediting body.
- Program(s) must lead to either a credential or training-related employment.
- Provide training in “in-demand” occupations, as defined.
- Not debarred from doing business with the federal government.
- Provide all required documentation and follow ETPL Policy and Procedures.
- Program(s) must be able to report at least one year of performance information.

Currently, continued eligibility is verified on a 365-day cycle, rather than on a biannual basis, as permitted under federal guidelines. The author argues that this creates an unnecessary administrative burden for providers, LWDBs, and EDD staff. Additionally, the author argues that the 365-day cycle results in limited access to employment and wage data, which may disqualify eligible providers due to underreported performance metrics.

Author’s Statements:

“Federal guidance permits states to collect continued eligibility data of training providers at an interval not to exceed two years. In most states, coordinators submit continued eligibility information on a biannual basis. In California, this data needs to be submitted not on an annual basis, but on a rigid 365-day cycle, meaning that providers, coordinators, and EDD staff are required to process this information to the day. In addition to allowing these groups workflow freedom, switching to a biannual reporting cycle allows parties more time to accurately collect, report, and transmit data without sacrificing quality of services and programs provided.

¹ ETPL Policy and Procedures. Employment Development Department. *wsd21-03att1.docx*

When continued eligibility data is submitted, EDD, according to their self-published directive, should review these applications and render a decision within 30 days of receiving. Due to staffing shortages, this is not currently happening. Unfortunately, if a provider is not reviewed within 30 days, they are removed from the ETPL. In some local areas, this has resulted in 100% of providers falling off the list.

SB 275 eases undue reporting burdens on the California ETPL for career training providers, local workforce coordinators, and the EDD by allowing providers to submit continued eligibility documents on a biannual basis, instead of a 365 day basis, and to allow EDD to keep providers on the list if EDD has not been able to review their continued eligibility within 30 days.”

The author adds that the bill promotes equity in that “SB 275 is a measure that at its core, is about equity. Seventy percent of individuals in California don’t get a bachelor’s degree, and the people who are not able to often suffer the consequences through working low wage jobs. The Eligible Training Providers List is a part of how the state pulls down federal WIOA dollars. These dollars eventually get invested in training individuals new skills that can provide new opportunity that they otherwise might not have been able to seize.”

Arguments in Support

The California Workforce Association, cosponsor of this bill, states “The EDD states in its directive that, when reviewing continued eligibility submissions, it will review and render a decision within 30 days of receiving the continued eligibility application. Due to staffing shortages and other constraints, this is not happening. When this happens, providers fall off the ETPL. This has resulted in providers being removed from the list simply due to administrative delays rather than noncompliance. In some areas, this has resulted in 100% of providers falling off the list. SB 275 offers a practical solution by allowing providers to submit continued eligibility documents biannually and ensuring that they remain on the ETPL while their applications are under review. These changes will enhance efficiency, reduce administrative bottlenecks, and prevent disruptions in workforce training services that are essential to California’s economic growth and workforce development goals.”

Arguments in Opposition

None on file.

Prior and Related Legislation

AB 1270 (E. Garcia), Chapter 94, Statutes of 2015, made necessary changes to existing workforce development statutes to conform to the new federal guidelines under the WIOA while preserving core elements of California's workforce development policies; updated statutory references to the Workforce Investment Act of 1998 to instead refer to the WIOA and make related conforming changes; renamed the California Workforce Investment Board the California Workforce Development Board and revised the board’s membership; renamed the local boards as local workforce development boards and revised their duties consistent with the federal WIOA.

SB 118 (Lieu), Chapter 562, Statutes of 2013, required the California Workforce Investment Board to incorporate specific principles into the state’s strategic plan that align the education and

workforce investment systems of the state to the needs of the 21st century economy and promotes a well-educated and highly skilled workforce to meet the future workforce needs.

REGISTERED SUPPORT / OPPOSITION:

Support

Alameda County Workforce Development Board
Apple Valley Adult School
Association of Community and Continuing Education
Bakersfield Adult School
Bay Area Community College Consortium
Beaumont Adult School
Butte Community College
CA Edge Coalition
Cabrillo Community College District
California Adult Education Administrators Association
California Council for Adult Education
California Edge Coalition
California Workforce Association
Capital Adult Education Regional Consortium
Castro Valley Adult and Career Education
CAUSE Impacts
Chaffey Community College District
Citrus College
City of Riverside
Coast Community College District
College of the Siskiyous
Consumnes River College Franklin Career Center
Copper Mountain College
County of Kern
County of Los Angeles Board of Supervisors
Cuesta Community College
Eastbay Works
Elk Grove Adult and Community Education
Escondido Adult School
Fairfield-suisun Adult School
Fontana Adult School
Foothill Workforce Development Board
Fresno City College
Fresno Regional Workforce Development Board
Golden Sierra Workforce Development Board
Grossmont Community College
Hartnell Community College District
Imperial County Workforce Development Board
L. M. Lewis Consulting
Lake Elsinore Unified School District
Lake Elsinore Valley Adult School
Laney College

Laney Community College
Lassen Community College
Los Angeles Cleantech Incubator
Los Angeles Valley College
Martinez Adult Education
Mendocino College
Mendocino Community College District
Mendocino-lake Adult and Career Education Consortium
Merritt Community College
Mid-alameda County Consortium for Adult Education
Mira Costa Community College District
Miracosta College
Modesto Junior College
Monterey County Workforce Development Board
Moreno Valley Community College
Mother Lode Job Training
Mt. Diablo Adult Education
Mt. Sac School of Continuing Education
Mt. San Antonio College
Mt. San Jacinto Community College District
Murrieta Valley Adult School
Norco Community College
North Orange County Community College District
North Orange County Regional Occupational Program
North Orange County Rop
Novaworks
Oakland Adult and Career Education
Oakland Private Industry Council
Oakland Workforce Development Board
Opportunity Junction
Oxnard Community College
Palo Verde College
Palo Verde Community College District
Pittsburg Adult Education Center
Pittsburg Adult School
Placer School for Adults
Redlands Adult School
Richmond Workforce Development Board
Richmond Works
Rio Hondo College
Rio Hondo Community College
Riverside Adult School
Riverside Community College
Riverside Community College District
Rubicon Programs
Saddleback College
Salinas Adult School
San Benito County Workforce Development Board
San Bernardino Community College District

San Bernardino Valley College
San Bernardino Valley Community College Applied Technology Center
San Diego & Imperial Counties Community Colleges Regional Consortium
San Diego Community College District
San Francisco Office of Economic & Workforce Development
San Juan Adult Education
San Mateo Adult and Career Education
Santa Barbara Community College District
Santiago Canyon Community College
Shasta Community College
South Bay Workforce Investment Board
Southwest Riverside Adult Education Consortium
Southwestern Community College District
Taft Community College
The Anaheim Workforce Development Board
The League Xs
The Unity Council
Tri-valley Career Center
Visalia Adult School
Vista Adult School
West Contra Costa Adult Education
West Hills College Lemoore
West Valley Community College
Whittier Union Adult School
Woodland Adult Education
Workforce Alliance of the North Bay
Workforce Development Board of Madera County
Workforce Development Board of Solano County

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