

Date of Hearing: July 16, 2025

ASSEMBLY COMMITTEE ON APPROPRIATIONS  
Buffy Wicks, Chair  
SB 275 (Smallwood-Cuevas) – As Amended March 11, 2025

Policy Committee: Labor and Employment

Vote: 7 - 0

Urgency: No

State Mandated Local Program: Yes

Reimbursable: Yes

**SUMMARY:**

This bill modifies the continued eligibility review process for the eligibility training provider list (ETPL) maintained by the Employment Development Department (EDD).

Specifically, this bill:

- 1) Prohibits EDD from removing an approved training provider that has submitted verification of completion of continued eligibility requirements through a local workforce development board (LWDB) from the ETPL, unless EDD determines the provider does not meet eligibility requirements.
- 2) Requires EDD to conduct the continued eligibility review once every two fiscal years and requires LWDBs to submit continued eligibility reviews to EDD by September 30 of each even numbered year for the prior two fiscal years.

**FISCAL EFFECT:**

- 1) One-time costs of approximately \$500,000 (Contingent Fund) and ongoing costs of approximately \$500,000 (Consolidated Work Program Fund) to EDD to: (a) update ETPL policy and procedures impacting the initial and subsequent eligibility review processes, including publishing guidance for LWDBs, (b) update information technology systems to support such changes, and (c) hire additional staff to review provider applications and meet applicable federal deadlines within this bill's compressed timeline. EDD notes that a prior similar ETPL program revision required approximately two years to complete, and estimates needing up to 30 months to implement this bill.
- 2) Minor and absorbable costs across the 45 LWDBs to submit the required ETPL reviews to EDD every two years. The sponsor of this bill notes that EDD currently requires LWDBs to submit reviews annually and reducing report frequency will alleviate related staff workload costs for LWDBs. If the Commission on State Mandates determines this bill's requirements to be a reimbursable state mandate, the state would need to reimburse these costs to local agencies.

**COMMENTS:**

- 1) **Purpose.** According to the author:

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.

This bill is sponsored by the California Workforce Association and supported by local LWDBs, community college districts, and adult education providers.

- 2) **ETPL.** The federal Workforce Innovation and Opportunity Act of 2014 (WIOA) requires states to establish and maintain an ETPL of training providers eligible to receive WIOA funds for training services, including classes, apprenticeships, and more. The California Workforce Development Board (CWDB) establishes the initial and subsequent eligibility criteria for the state ETPL. EDD and LWDBs then work together to identify providers for the state ETPL, which creates a pool of providers that LWDBs may utilize to establish their own local ETPLs. EDD also ensures providers continue to meet the eligibility criteria set by the CWDB and removes providers that do not meet the criteria from the list.

EDD administers the ETPL through a Directive, which provides policy and guidance for EDD's Workforce Services staff and partners about workforce program requirements, funding, and activities. Pursuant to the Directive:

A training provider's initial and continued eligibility is valid for 365 days after the provider is approved for the ETPL. *Since providers can be reviewed year-round, all active training providers on the [state] ETPL will be evaluated annually by the EDD no earlier than 60 days, and no later than 30 days prior to the provider's eligibility expiration date to ensure they continue to meet eligibility to be retained on the [state] ETPL.*

This bill prohibits EDD from removing a provider from the ETPL if 365 days have passed, but EDD's review of the provider is still ongoing. This bill also requires EDD's review process be conducted once every two fiscal years within a specified timeframe for all providers, instead of the current 365-day staggered cycle for each provider. Although this change to the review cycle would streamline reporting for providers and LWDBs, the shift would require EDD to review the eligibility of thousands of providers within a relatively short period of time.

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