

Agency-approved Training: Integrating Training and UI Programs to Better Assist Dislocated Workers



What is it?

Under federal law states must have UI laws protecting individuals whose training has been approved by the unemployment agency from being denied UI benefits due to their participation in the training or their refusal of a job in order to complete training. Agency-approved training offers an opportunity to provide income support to jobless individuals in training, thus overcoming a frequent barrier to participation in training. In most states, however, little has been done to implement this universal feature of UI laws. Meaningful implementation of agency-approved training for UI recipients gives states a good opportunity to address rapid assessment, placement, and retention of dislocated workers, and to get low-wage jobless workers into worthwhile retraining programs.

Expanding the use of agency-approved training provisions requires timely notice to workers of their opportunity to request approved training and state adoption of criteria for the approval of training. By setting fair criteria for approved training and providing jobless workers notice of these rules, states can ensure that training approved for UI recipients will prove substantive and beneficial to both the individuals involved and to the state's economy.



Key arguments in favor

Dislocated workers and low-income jobless workers need income support to participate in training. Since the 1991 recession, there has been a trend toward longer spells of unemployment and a higher proportion of permanent layoffs, even as overall unemployment levels declined. Those dislocated from jobs often suffer serious losses in income, health effects, and other serious consequences. While many point to retraining as a response to these issues, a major barrier to participation in training is lack of income support. For the most part, neither the federal government nor states have included income support in providing retraining to dislocated workers. By making appropriate use of UI benefits for income support, states can facilitate the placement of more dislocated and low-income jobless workers in training programs.

Implementing the agency-approved training feature is a good way for states to reexamine the relationship between their one-stop training centers and UI programs. Since the federal approved-training mandate was adopted more than thirty years ago, many states have not truly activated this feature of their UI laws. With the shift to one-stop career centers authorized by the Workforce Investment Act (WIA), implementing the approved-training feature is a way for states to reexamine the relationship between their one-stop career centers and UI programs. This review should include policies that, in some cases, have limited access to approved-training benefits by denying approval to longer-term training, including training leading to degrees. In addition, some states fail to coordinate their UI

training approvals with their other workforce development programs. The better practice, followed by some states, considers approval of training under WIA as agency-approved training under their UI programs.



Key arguments against and responses to them

Opponents say: Providing UI benefits to individuals in training lengthens unemployment spells and increases benefit costs.

Response: There are many costs associated with having lower-skilled workers cycle in and out of insecure jobs as well. By adopting appropriate criteria, states can ensure that training is approved that will supply skills and increase job security. Providing good training can reduce unemployment in the longer run. It is worth the costs of keeping approved workers in training for an additional time period in order to permit them to complete meaningful training programs. Building a more skilled and competent workforce not only benefits those getting training, but the overall economy as well.

Opponents say: Permitting individuals to draw UI benefits while in approved training should not impact UI tax rates for prior employers.

Response: Most state UI laws provide for “non-charging” of benefits paid to individuals drawing benefits while in approved training. This means that prior employers do not directly have their “experience rating” impacted when their former employees are approved for training. Instead, the costs of UI benefits paid to those in approved training are shared by all employers through the overall UI payroll tax financing mechanism used in each state.



Model legislation

As a condition of federal law, all state UI laws currently have standard language that provides that individuals participating in approved training cannot be denied UI benefits “because of the application . . . of state law provisions relating to availability for work, active search for work, or refusal to accept work” or words to this effect.

26 U.S.C. § 3304(a)(8)

Maine

6. Approved Training. Notwithstanding any other provisions of this chapter, any otherwise eligible claimant in training as approved for the claimant by the commission, under rules adopted by the commission, with the advice and consent of the commissioner, shall not be denied benefits for any week with respect to subsection 3, relating to availability and the work search requirement or the provisions of section 1193, subsection 3. Enrollment in a degree-granting program may not be the sole cause for denial of approved training status for an otherwise eligible claimant. Benefits paid to any eligible claimant while in approved training, for which, except for this subsection, the claimant could be disqualified under

section 1193, subsection 3, shall not be charged against the experience rating record of any employer but shall be charged to the General Fund.

6-C. Prohibition against disqualification of individuals in approved training under section 1196.

Notwithstanding any other provision of this chapter, no otherwise eligible individual may be denied benefits for any week because that individual is in training as approved by the commission, under rules adopted by the commission with the advice and consent of the commissioner, nor may that individual be denied benefits by reason of leaving work to enter that training, provided that the work left is not suitable employment.

For purposes of this subsection, the term "suitable employment" means, with respect to an individual, work of a substantially equal or higher skill level than the individual's past adversely affected employment.

6-E. Prohibition against disqualification of individuals in approved training under federal Workforce Investment Act.. Notwithstanding any other provision of this chapter, unless inconsistent with federal law, the acceptance of training opportunities available through the federal Workforce Investment Act of 1998, 20 United States Code, Sections 9201 to 9276 (1998) is deemed to be acceptance of training with the approval of the State within the meaning of any other provision of federal or state law relating to unemployment benefits.

ME. REV. STAT. ANN. tit. 26, § 1192

See also, Maine's Rules Governing the Administration of the Employment Security Law, Ch. 24.

References

MANPOWER ADMINISTRATION, U.S. DEP'T OF LABOR, UNEMPLOYMENT INSURANCE PROGRAM LETTER NO. 1276, CLAIMANTS IN TRAINING (July 22, 1974).