

LEGISLATURE OF NEBRASKA
 ONE HUNDRED THIRD LEGISLATURE
 SECOND SESSION
LEGISLATIVE BILL 997
 Final Reading

Introduced by McGill, 26.

Read first time January 21, 2014

Committee: Business and Labor

A BILL

1 FOR AN ACT relating to labor; to amend section 48-622.03, Reissue
 2 Revised Statutes of Nebraska, and sections 48-622.01 and
 3 48-622.02, Revised Statutes Cumulative Supplement, 2012;
 4 to change provisions relating to the Nebraska Training
 5 and Support Trust Fund; to create the Nebraska Training
 6 and Support Cash Fund; to provide for placement of
 7 interest in the fund and for distributions from the fund;
 8 to provide duties for the Nebraska Worker Training Board;
 9 and to repeal the original sections.

10 Be it enacted by the people of the State of Nebraska,

1 Section 1. Section 48-622.01, Revised Statutes Cumulative
2 Supplement, 2012, is amended to read:

3 48-622.01 (1) There is hereby created in the state
4 treasury a special fund to be known as the State Unemployment
5 Insurance Trust Fund. All state unemployment insurance tax collected
6 under sections 48-648 to 48-661, less refunds, shall be paid into the
7 fund. Such money shall be held in trust for payment of unemployment
8 insurance benefits. Any money in the fund available for investment
9 shall be invested by the state investment officer pursuant to the
10 Nebraska Capital Expansion Act and the Nebraska State Funds
11 Investment Act, except that interest earned on money in the fund
12 shall be credited to the Nebraska Training and Support Trust Fund
13 through June 30, 2015, and thereafter to the Nebraska Training and
14 Support Cash Fund at the end of each calendar quarter.

15 (2) The commissioner shall have authority to determine
16 when and in what amounts withdrawals from the State Unemployment
17 Insurance Trust Fund for payment of benefits are necessary. Amounts
18 withdrawn for payment of benefits shall be immediately forwarded to
19 the Secretary of the Treasury of the United States of America to the
20 credit of the state's account in the Unemployment Trust Fund,
21 provisions of law in this state relating to the deposit,
22 administration, release, or disbursement of money in the possession
23 or custody of this state to the contrary notwithstanding.

24 (3) If and when the state unemployment insurance tax
25 ceases to exist as determined by the Governor, all money then in the

1 State Unemployment Insurance Trust Fund less accrued interest shall
2 be immediately transferred to the credit of the state's account in
3 the Unemployment Trust Fund, provisions of law in this state relating
4 to the deposit, administration, release, or disbursement of money in
5 the possession or custody of this state to the contrary
6 notwithstanding. The determination to eliminate the state
7 unemployment insurance tax shall be based on the solvency of the
8 state's account in the Unemployment Trust Fund and the need for
9 training of Nebraska workers. Accrued interest in the State
10 Unemployment Insurance Trust Fund shall be credited to the Nebraska
11 Training and Support Trust Fund through June 30, 2015, and thereafter
12 to the Nebraska Training and Support Cash Fund.

13 (4) Upon certification from the commissioner that
14 disallowed costs by the United States Department of Labor for
15 FY2007-08, FY2008-09, and FY2009-10, or any one of them, have been
16 reduced to an amount certain by way of settlement or final judgment,
17 the State Treasurer shall transfer the amount of such settlement or
18 final judgment from the State Unemployment Insurance Trust Fund to
19 the Employment Security Special Contingent Fund. The total amount of
20 such transfers shall not exceed \$2,816,345. The amount of the
21 reappropriation of Federal Funds appropriated in FY2004-05 under
22 section 903(d) of the federal Social Security Act shall be reduced by
23 the amount transferred.

24 Sec. 2. Section 48-622.02, Revised Statutes Cumulative
25 Supplement, 2012, is amended to read:

1 48-622.02 (1) Until July 1, 2015:

2 ~~(1)~~(a) There is ~~hereby created~~ in the state treasury a
3 special fund to be known as the Nebraska Training and Support Trust
4 Fund. Any money in the fund available for investment shall be
5 invested by the state investment officer pursuant to the Nebraska
6 Capital Expansion Act and the Nebraska State Funds Investment Act.
7 All money deposited or paid into the fund is hereby appropriated and
8 made available to the commissioner. No expenditures shall be made
9 from the fund without the written authorization of the Governor upon
10 the recommendation of the commissioner. Any interest earned on money
11 in the State Unemployment Insurance Trust Fund shall be credited to
12 the Nebraska Training and Support Trust Fund; -

13 ~~(2)~~(b) Money in the Nebraska Training and Support Trust
14 Fund shall be used for ~~(a)~~(i) administrative costs of establishing,
15 assessing, collecting, and maintaining state unemployment insurance
16 tax liability and payments, ~~(b)~~(ii) administrative costs of
17 creating, operating, maintaining, and dissolving the State
18 Unemployment Insurance Trust Fund and the Nebraska Training and
19 Support Trust Fund, ~~(c)~~(iii) support of public and private job
20 training programs designed to train, retrain, or upgrade work skills
21 of existing Nebraska workers of for-profit and not-for-profit
22 businesses, ~~(d)~~(iv) recruitment of workers to Nebraska, ~~(e)~~(v)
23 training new employees of expanding Nebraska businesses, ~~(f)~~(vi) the
24 costs of creating a common web portal for the attraction of
25 businesses and workers to Nebraska, and ~~(g)~~(vii) payment of

1 unemployment insurance benefits if solvency of the state's account in
2 the Unemployment Trust Fund and of the State Unemployment Insurance
3 Trust Fund so require; and -

4 ~~(3)-(c) There is hereby created within the Nebraska~~
5 ~~Training and Support Trust Fund a separate account to be known as the~~
6 ~~Administrative Costs Reserve Account. Money shall be allocated from~~
7 ~~the Nebraska Training and Support Trust Fund to the Administrative~~
8 ~~Costs Reserve Account in amounts sufficient to pay the anticipated~~
9 ~~administrative costs identified in subdivisions (2)(a) through (g)~~
10 subdivision (1)(b) of this section. The administrative costs
11 determined to be applicable to creation and operation of the State
12 Unemployment Insurance Trust Fund and the Nebraska Training and
13 Support Trust Fund shall be paid out of the Administrative Costs
14 Reserve Account.

15 (2) On and after July 1, 2015:

16 (a) The Nebraska Training and Support Cash Fund is
17 created. Any money in the fund available for investment shall be
18 invested by the state investment officer pursuant to the Nebraska
19 Capital Expansion Act and the Nebraska State Funds Investment Act. On
20 July 1, 2015, the State Treasurer shall transfer any money in the
21 Nebraska Training and Support Trust Fund to the Nebraska Training and
22 Support Cash Fund. No expenditures shall be made from the Nebraska
23 Training and Support Cash Fund without the written authorization of
24 the Governor upon the recommendation of the commissioner. Any
25 interest earned on money in the State Unemployment Insurance Trust

1 Fund shall be credited to the Nebraska Training and Support Cash
2 Fund;

3 (b) Money in the Nebraska Training and Support Cash Fund
4 shall be used for (i) administrative costs of establishing,
5 assessing, collecting, and maintaining state unemployment insurance
6 tax liability and payments, (ii) administrative costs of creating,
7 operating, maintaining, and dissolving the State Unemployment
8 Insurance Trust Fund and the Nebraska Training and Support Cash Fund,
9 (iii) support of public and private job training programs designed to
10 train, retrain, or upgrade work skills of existing Nebraska workers
11 of for-profit and not-for-profit businesses, (iv) recruitment of
12 workers to Nebraska, (v) training new employees of expanding Nebraska
13 businesses, (vi) the costs of creating a common web portal for the
14 attraction of businesses and workers to Nebraska, and (vii) payment
15 of unemployment insurance benefits if solvency of the state's account
16 in the Unemployment Trust Fund and of the State Unemployment
17 Insurance Trust Fund so require; and

18 (c) The Administrative Costs Reserve Account is created
19 within the Nebraska Training and Support Cash Fund. Money shall be
20 allocated from the Nebraska Training and Support Cash Fund to the
21 Administrative Costs Reserve Account in amounts sufficient to pay the
22 anticipated administrative costs identified in subdivision (2)(b) of
23 this section.

24 Sec. 3. Section 48-622.03, Reissue Revised Statutes of
25 Nebraska, is amended to read:

1 48-622.03 (1) There is hereby created as of January 1,
2 1996, the Nebraska Worker Training Board consisting of seven members
3 appointed and serving for terms determined by the Governor as
4 follows:

- 5 (a) A representative of employers in Nebraska;
6 (b) A representative of employees in Nebraska;
7 (c) A representative of the public;
8 (d) The Commissioner of Labor or a designee;
9 (e) The Director of Economic Development or a designee;
10 (f) The Commissioner of Education or a designee; and
11 (g) The chairperson of the governing board of the
12 Nebraska Community College Association or a designee.

13 (2) Beginning July 1, 1996, and annually thereafter, the
14 Governor shall appoint a chairperson for the board. The chairperson
15 shall be either the representative of the employers, the
16 representative of the employees, or the representative of the public.

17 (3) Beginning July 1, 1996, ~~and annually thereafter~~
18 through June 30, 2015, the board shall prepare an annual program plan
19 for the upcoming fiscal year containing guidelines for the program
20 financed by the Nebraska Training and Support Trust Fund. Beginning
21 July 1, 2015, and annually thereafter, the board shall prepare an
22 annual program plan for the upcoming fiscal year containing
23 guidelines for the program financed by the Nebraska Training and
24 Support Cash Fund. The guidelines shall include, but not be limited
25 to, guidelines for certifying training providers, criteria for

1 evaluating requests for the use of money under section 48-622.02, and
2 guidelines for requiring employers to provide matching funds. The
3 guidelines shall give priority to training that contributes to the
4 expansion of the Nebraska workforce and increasing the pool of highly
5 skilled workers in Nebraska.

6 (4) Beginning September 1, 1997, ~~and annually thereafter,~~
7 through June 30, 2015, the board shall provide a report to the
8 Governor covering the activities of the program financed by the
9 Nebraska Training and Support Trust Fund for the previous fiscal
10 year. Beginning July 1, 2015, and annually thereafter, the board
11 shall provide a report to the Governor covering the activities of the
12 program financed by the Nebraska Training and Support Cash Fund for
13 the previous fiscal year. The report shall contain an assessment of
14 the effectiveness of the program and its administration.

15 Sec. 4. Original section 48-622.03, Reissue Revised
16 Statutes of Nebraska, and sections 48-622.01 and 48-622.02, Revised
17 Statutes Cumulative Supplement, 2012, are repealed.