

LEGISLATURE OF NEBRASKA

ONE HUNDRED FIRST LEGISLATURE

SECOND SESSION

LEGISLATIVE BILL 961

FINAL READING

Introduced by Council, 11; Ashford, 20; Carlson, 38; Coash, 27; Cook, 13; Giese, 17; Gloor, 35; Harms, 48; Karpisek, 32; Langemeier, 23; Lautenbaugh, 18; McCoy, 39; McGill, 26; Mello, 5; Pirsch, 4; Price, 3; Rogert, 16; Schilz, 47; Stuthman, 22; Sullivan, 41; Utter, 33; Wallman, 30; White, 8; Conrad, 46; Dubas, 34.

Read first time January 14, 2010

Committee: Business and Labor

A BILL

1 FOR AN ACT relating to economic development; to amend sections
2 81-1203, 81-1205, and 81-1207, Reissue Revised Statutes
3 of Nebraska, and section 81-1201.21, Revised Statutes
4 Supplement, 2009, as amended by section 72, Legislative
5 Bill 3, One Hundred First Legislature, First Special
6 Session, 2009; to change provisions relating to certain
7 training grants; to harmonize provisions; and to repeal
8 the original sections.
9 Be it enacted by the people of the State of Nebraska,

1 Section 1. Section 81-1201.21, Revised Statutes
2 Supplement, 2009, as amended by section 72, Legislative Bill 3, One
3 Hundred First Legislature, First Special Session, 2009, is amended
4 to read:

5 81-1201.21 (1) There is hereby created the Job Training
6 Cash Fund. The fund shall be under the direction of the Department
7 of Economic Development. Money may be transferred to the fund
8 pursuant to subdivision (1)(b)(iv) of section 48-621 and from
9 the Cash Reserve Fund at the direction of the Legislature. The
10 department shall establish a subaccount for all money transferred
11 from the Cash Reserve Fund to the Job Training Cash Fund on or
12 after July 1, 2005. Any unexpended or unebligated balance remaining
13 within such subaccount on July 1, 2014, shall be transferred by the
14 State Treasurer to the Cash Reserve Fund no later than July 10,
15 2014. Any obligated amount not transferred from the subaccount that
16 remains unexpended on July 1, 2013, shall be transferred by the
17 State Treasurer to the Cash Reserve Fund no later than December 31,
18 2015. Transfers may be made from the Job Training Cash Fund to the
19 General Fund at the direction of the Legislature.

20 (2) The department shall use the Job Training Cash Fund
21 or the subaccount established in subsection (1) of this section
22 to provide reimbursements for job training activities, including
23 employee assessment, preemployment training, on-the-job training,
24 training equipment costs, and other reasonable costs related to
25 helping industry and business locate or expand in Nebraska, or

1 to provide upgrade skills training of the existing labor force
2 necessary to adapt to new technology or the introduction of new
3 product lines.

4 (3) The department shall establish a subaccount within
5 the fund to provide job training grants targeted to small
6 employers, rural employers, and poverty area employers meeting
7 one of the following criteria: (a) Employ twenty-five or fewer
8 employees, (b) located in rural areas of Nebraska, or (c)
9 located in areas of high concentration of poverty within the
10 corporate limits of a city or village consisting of one or more
11 contiguous census tracts, as determined by the most recent federal
12 decennial census, which contain a percentage of persons below
13 the poverty line of greater than thirty percent, and all census
14 tracts contiguous to such tract or tracts, as determined by the
15 most recent federal decennial census. for training employees and
16 potential employees of businesses that (a) employ twenty-five or
17 fewer employees on the application date, (b) employ, or train for
18 potential employment, residents of rural areas of Nebraska, or
19 (c) are located in or employ, or train for potential employment,
20 residents of high-poverty areas as defined in section 81-1203. The
21 department shall calculate the amount of prior year investment
22 income earnings accruing to the fund and allocate such amount to
23 the subaccount for small, rural, or poverty area employer grants.
24 training grants under this subsection.

25 (4) Any money in the fund available for investment

1 shall be invested by the state investment officer pursuant to
2 the Nebraska Capital Expansion Act and the Nebraska State Funds
3 Investment Act.

4 Sec. 2. Section 81-1203, Reissue Revised Statutes of
5 Nebraska, is amended to read:

6 81-1203 (1) A business applying for a job training
7 grant, other than a grant provided under subsection (3) of section
8 81-1201.21, shall submit a business plan to the Department of
9 Economic Development which includes, but is not limited to:

10 (a) The number of jobs to be created or the number of
11 existing positions that will be retrained;

12 (b) The nature of the business and the type of jobs to be
13 created or positions to be retrained;

14 (c) The estimated wage levels of the jobs to be created
15 or positions to be retrained; and

16 (d) A program schedule for the job training project.

17 (2) A business applying for a job training grant, other
18 than a grant provided under subsection (3) of section 81-1201.21,
19 must demonstrate that the job training project to be conducted
20 pursuant to the grant meets the following criteria:

21 (a) The wage level of the jobs created will meet the
22 local prevailing average;

23 (b) The jobs created will diversify the local economy;

24 (c) The goods or services produced by the company will be
25 export-oriented;

1 (d) Seventy-five percent of the jobs created will be
2 full-time jobs; and

3 (e) The new jobs will be created within three calendar
4 years.

5 (3) A business applying for a job training grant
6 under subsection (3) of section 81-1201.21 may partner with
7 a postsecondary educational institution; a private, nonprofit
8 organization holding a certificate of exemption under section
9 501(c)(3) of the Internal Revenue Code; or a learning community
10 coordinating council or school district and at least one that has
11 partnered with a private, nonprofit organization. whose purpose
12 is providing basic job and life skills training to individuals
13 in high-poverty areas. Such projects shall be focused on job
14 training and job creation for persons residing in high-poverty
15 areas within the boundaries of the partnering learning community
16 or school district. The application shall specify the role of the
17 partnering coordinating council or school district and the private,
18 nonprofit organization entity in identifying and training potential
19 job applicants for the applicant business.

20 (4) A business applying for a training grant under
21 subsection (3) of section 81-1201.21 may apply as a business that
22 has established a program under which residents of rural areas
23 or high-poverty areas are trained for employment or potential
24 employment by documenting:

25 (a) That the business has established a program designed

1 to fill a minimum of four positions in rural areas and a minimum of
2 eight positions in high-poverty areas for such business;
3 (b) A program schedule for the training project;
4 (c) The nature of the business and the number of
5 positions available or to be created;
6 (d) That the wage level of the positions available or to
7 be created will meet the local prevailing average;
8 (e) The value of the positions available or to be created
9 in diversifying the local economy;
10 (f) That a minimum of seventy-five percent of the
11 positions available or to be created will be full-time jobs;
12 (g) That the business will accept funding on behalf of
13 trainees and will provide a match of a minimum of twenty-five
14 percent of the value of the grant, either monetarily or through
15 in-kind services, as part of the training for each trainee;
16 (h) That any new position created will be done within
17 three calendar years;
18 (i) That the number of trainees will not exceed one
19 hundred twenty-five percent of the number of positions that will be
20 available at the time of application; and
21 (j) That the goods or services produced by the business
22 are generally exportable in nature resulting in additional money to
23 the community or the state and the positions available or to be
24 created are not local retail positions.
25 (5) Each business participating in a training grant under

1 subsection (3) of section 81-1201.21 shall be subject to an audit
2 by the Department of Economic Development and shall annually report
3 or provide to the department the following information:

4 (a) The percentage of trainees who have successfully
5 completed the training;

6 (b) The percentage of trainees that such business hired;

7 (c) An itemized description of such business's match
8 including expenditures per trainee; and

9 (d) A copy of the training curriculum.

10 (6) For purposes of this subsection: subsections (3)
11 through (5) of this section:

12 (a) High-poverty area means an area consisting of one or
13 more contiguous census tracts, as determined by the most recent
14 federal decennial census, which contain a percentage of persons
15 with incomes below the poverty line of greater than thirty percent,
16 and all census tracts contiguous to such tract or tracts, as
17 determined by the most recent federal decennial census; and

18 (b) private, Private, nonprofit organization means an
19 organization whose purpose is providing basic job and life skills
20 training to individuals in need of such training in rural or
21 high-poverty areas.

22 Sec. 3. Section 81-1205, Reissue Revised Statutes of
23 Nebraska, is amended to read:

24 81-1205 A business which is awarded a job training grant
25 or a training grant shall provide annual performance reports to the

1 Department of Economic Development and a final performance report
2 upon the completion of the project. The department shall provide
3 an annual report by December 1 of each year to the Appropriations
4 Committee of the Legislature. The report shall include information
5 on each active grant, including specific information regarding
6 the number of positions to be trained, whether new or existing
7 employees are to be trained, the length of time that the project
8 has been active, the amount of funding committed to the project,
9 the amount of funding paid out to date, and the projected
10 completion date. The report shall also provide information on
11 grants closed during the reporting year, including the total
12 number of employees trained, whether new or existing employees were
13 trained, total project expenditures, and the duration time of the
14 project. The department shall also provide information summarizing
15 the use of community college areas to provide training services
16 and list specific projects where a community college area is
17 providing all or a component of the training services. If private
18 or inhouse training services are used, the department shall provide
19 information regarding the name of the private or inhouse training
20 service and the qualifications of the training service.

21 Sec. 4. Section 81-1207, Reissue Revised Statutes of
22 Nebraska, is amended to read:

23 81-1207 (1) If a business which receives a job training
24 grant creates fewer jobs than stated in the business plan, the
25 business shall repay the job training grant as provided in this

1 section. subsection. If less than fifty percent of the proposed
2 jobs are created, one hundred percent of the grant shall be repaid.
3 If fifty percent or more but less than seventy percent of the
4 proposed jobs are created, fifty percent of the grant shall be
5 repaid. If seventy percent or more but less than ninety percent
6 of the proposed jobs are created, twenty-five percent of the grant
7 shall be repaid. If ninety percent or more of the proposed jobs are
8 created, no repayment is required.

9 (2) If a business receives a training grant and fewer
10 trainees than stated in the business plan complete the training,
11 the business shall repay the grant as provided in this subsection.
12 For every trainee who does not complete the training, the business
13 shall repay fifty percent of the prorated share of such trainee's
14 uncompleted training costs.

15 Sec. 5. Original sections 81-1203, 81-1205, and 81-1207,
16 Reissue Revised Statutes of Nebraska, and section 81-1201.21,
17 Revised Statutes Supplement, 2009, as amended by section 72,
18 Legislative Bill 3, One Hundred First Legislature, First Special
19 Session, 2009, are repealed.