

LEGISLATURE OF NEBRASKA

ONE HUNDRED FIRST LEGISLATURE

SECOND SESSION

LEGISLATIVE BILL 961

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.

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 unobligated 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 to provide reimbursements for job training activities, including
22 employee assessment, preemployment training, on-the-job training,
23 training equipment costs, and other reasonable costs related to
24 helping industry and business locate or expand in Nebraska, or
25 to provide upgrade skills training of the existing labor force

1 necessary to adapt to new technology or the introduction of new
2 product lines.

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

24 (4) Any money in the fund available for investment
25 shall be invested by the state investment officer pursuant to

1 the Nebraska Capital Expansion Act and the Nebraska State Funds
2 Investment Act.

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

5 81-1203 (1) A business applying for a job training
6 grant, other than a grant provided under subsection (3) of section
7 81-1201.21, shall submit a business plan to the Department of
8 Economic Development which includes, but is not limited to:

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

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

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

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

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

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

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

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

25 (d) Seventy-five percent of the jobs created will be

1 full-time jobs; and

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

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

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

23 (a) That the business has established a program designed
24 to fill positions for such business;

25 (b) A program schedule for the training project;

1 (c) The nature of the business and the number of
2 positions available or to be created;

3 (d) That the wage level of the positions available or to
4 be created will meet the local prevailing average;

5 (e) The value of the positions available or to be created
6 in diversifying the local economy;

7 (f) That a minimum of seventy-five percent of the
8 positions available or to be created will be full-time jobs;

9 (g) That the business will accept funding on behalf of
10 trainees and will provide a match of a minimum of twenty-five
11 percent of the value of the grant, either monetarily or through
12 in-kind services, as part of the training for each trainee; and

13 (h) That any new position created will be done within
14 three calendar years.

15 (5) Each business participating in a training grant under
16 subsection (3) of section 81-1201.21 shall annually report to the
17 Department of Economic Development the following information:

18 (a) The percentage of trainees who have successfully
19 completed the training;

20 (b) The percentage of trainees that such business hired;
21 and

22 (c) An itemized description of such business's match
23 including expenditures per trainee.

24 (6) For purposes of ~~this subsection~~ subsections (3) to
25 (5) of this section: (a) High-poverty area means an area consisting

1 of one or more contiguous census tracts, as determined by the
2 most recent federal decennial census, which contain a percentage of
3 persons with incomes below the poverty line of greater than thirty
4 percent, and all census tracts contiguous to such tract or tracts,
5 as determined by the most recent federal decennial census; and (b)
6 private, nonprofit organization means an organization whose purpose
7 is providing basic job and life skills training to individuals in
8 need of such training in rural or high-poverty areas.

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

11 81-1205 A business which is awarded a job training grant
12 or a training grant shall provide annual performance reports to the
13 Department of Economic Development and a final performance report
14 upon the completion of the project. The department shall provide
15 an annual report by December 1 of each year to the Appropriations
16 Committee of the Legislature. The report shall include information
17 on each active grant, including specific information regarding
18 the number of positions to be trained, whether new or existing
19 employees are to be trained, the length of time that the project
20 has been active, the amount of funding committed to the project,
21 the amount of funding paid out to date, and the projected
22 completion date. The report shall also provide information on
23 grants closed during the reporting year, including the total
24 number of employees trained, whether new or existing employees were
25 trained, total project expenditures, and the duration time of the

1 project. The department shall also provide information summarizing
2 the use of community college areas to provide training services
3 and list specific projects where a community college area is
4 providing all or a component of the training services. If private
5 or inhouse training services are used, the department shall provide
6 information regarding the name of the private or inhouse training
7 service and the qualifications of the training service.

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

10 81-1207 (1) If a business which receives a job training
11 grant creates fewer jobs than stated in the business plan, the
12 business shall repay the job training grant as provided in this
13 section. If less than fifty percent of the proposed jobs are
14 created, one hundred percent of the grant shall be repaid. If fifty
15 percent or more but less than seventy percent of the proposed jobs
16 are created, fifty percent of the grant shall be repaid. If seventy
17 percent or more but less than ninety percent of the proposed jobs
18 are created, twenty-five percent of the grant shall be repaid.
19 If ninety percent or more of the proposed jobs are created, no
20 repayment is required.

21 (2) If a business receives a training grant and fewer
22 trainees than stated in the business plan complete the training,
23 the business shall repay the grant as provided in this subsection.
24 For every trainee who does not complete the training, the business
25 shall return to the state fifty percent of the prorated share of

1 such trainee's uncompleted training costs.

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