

LEGISLATURE OF NEBRASKA
ONE HUNDRED NINTH LEGISLATURE
SECOND SESSION

LEGISLATIVE BILL 864

Introduced by Prokop, 27.

Read first time January 08, 2026

Committee: Business and Labor

- 1 A BILL FOR AN ACT relating to the Department of Labor; to amend sections
- 2 81-1210.01, 81-1210.02, and 81-1210.03, Reissue Revised Statutes of
- 3 Nebraska, and sections 81-1201.21 and 81-1210.04, Revised Statutes
- 4 Supplement, 2025; to provide for student internships to be
- 5 administered by the Department of Labor as prescribed; to harmonize
- 6 provisions; to provide a duty for the Revisor of Statutes; and to
- 7 repeal the original sections.
- 8 Be it enacted by the people of the State of Nebraska,

1 **Section 1.** Section 81-1201.21, Revised Statutes Supplement, 2025, is
2 amended to read:

3 81-1201.21 (1) There is hereby created the Job Training Cash Fund.
4 The fund shall be under the direction of the Department of Economic
5 Development. Money may be transferred to the fund pursuant to subdivision
6 (1)(b)(iii) of section 48-621 and from the Cash Reserve Fund at the
7 direction of the Legislature. The department shall establish a subaccount
8 for all money transferred from the Cash Reserve Fund to the Job Training
9 Cash Fund on or after July 1, 2005.

10 (2) The money in the Job Training Cash Fund or the subaccount
11 established in subsection (1) of this section shall be used (a) to
12 provide reimbursements for job training activities, including employee
13 assessment, preemployment training, on-the-job training, training
14 equipment costs, and other reasonable costs related to helping industry
15 and business locate or expand in Nebraska, (b) to provide upgrade skills
16 training of the existing labor force necessary to adapt to new technology
17 or the introduction of new product lines, or (c) as provided in section
18 79-2308. The department shall give a preference to job training
19 activities carried out in whole or in part within an enterprise zone
20 designated pursuant to the Enterprise Zone Act or an opportunity zone
21 designated pursuant to the federal Tax Cuts and Jobs Act, Public Law
22 115-97.

23 (3) The department shall establish a subaccount within the fund to
24 provide training grants for training employees and potential employees of
25 businesses that (a) employ twenty-five or fewer employees on the
26 application date, (b) employ, or train for potential employment,
27 residents of rural areas of Nebraska, or (c) are located in or employ, or
28 train for potential employment, residents of high-poverty areas as
29 defined in section 81-1203. The department shall calculate the amount of
30 prior year investment income earnings accruing to the fund and allocate
31 such amount to the subaccount for training grants under this subsection.

1 The subaccount shall also be used as provided in the Teleworker Job
2 Creation Act. The department shall give a preference to training grants
3 for businesses located in whole or in part within an enterprise zone
4 designated pursuant to the Enterprise Zone Act.

5 (4) On April 5, 2018, any funds that were dedicated to carrying out
6 sections 2 to 4 of this act ~~81-1210.01 to 81-1210.03~~ but were not yet
7 expended shall be transferred to the Intern Nebraska Cash Fund.

8 (5) Transfers may be made from the Job Training Cash Fund to the
9 General Fund at the direction of the Legislature. Any money in the Job
10 Training Cash Fund available for investment shall be invested by the
11 state investment officer pursuant to the Nebraska Capital Expansion Act
12 and the Nebraska State Funds Investment Act.

13 **Sec. 2.** Section 81-1210.01, Reissue Revised Statutes of Nebraska, is
14 amended to read:

15 ~~81-1210.01~~ For purposes of sections 2 to 4 of this act ~~81-1210.01 to~~
16 ~~81-1210.03~~:

17 (1) Department means the Department of Labor ~~Economic Development~~;

18 (2) Internship means employment of a student in a professional or
19 technical position for a limited period of time, by a business in
20 Nebraska, in which the student:

21 (a) Gains valuable applied work experiences;

22 (b) Increases knowledge and develops connections that assist with
23 career decisionmaking;

24 (c) Has the opportunity to match with an employer seeking talent to
25 evaluate, develop, and retain; or

26 (d) Receives credited or certified training for skilled positions
27 that will help resolve skilled workforce shortages and create talent
28 pipelines for Nebraska industries; and

29 (3) Student means any person who:

30 (a) Is in eleventh or twelfth grade in a public or private high
31 school or a school which elects pursuant to section 79-1601 not to meet

1 accreditation or approval requirements in Nebraska;

2 (b) Is enrolled in a college, a university, a certified training
3 institution, or some other institution of higher education; or

4 (c) Applies for an internship within twelve months following
5 graduation from a public or private secondary school, a school that
6 elects pursuant to section 79-1601 not to meet accreditation or approval
7 requirements in Nebraska, or a college, a university, a certified
8 training institution, or some other institution of higher education.

9 **Sec. 3.** Section 81-1210.02, Reissue Revised Statutes of Nebraska, is
10 amended to read:

11 ~~81-1210.02~~ (1) The intent of sections 2 to 4 of this act ~~81-1210.01~~
12 ~~to — 81-1210.03~~ is to provide students with valuable internship
13 opportunities in order to retain such students in the State of Nebraska
14 at institutions of higher education, convert students to full-time
15 employment in Nebraska, and attract workers to Nebraska by assisting
16 Nebraska businesses willing to provide paid internships.

17 (2) A business may apply to the department for a grant to assist in
18 providing a student an internship if:

19 (a) The business certifies that the internship meets the definition
20 of internship in section 2 of this act ~~81-1210.01~~;

21 (b) The business will pay the student at least the state minimum
22 hourly wage for the internship;

23 (c) The internship will be completed within the State of Nebraska;

24 (d) The internship will be completed within a period of no more than
25 twenty-four months; and

26 (e) The internship will be for a duration sufficient to allow the
27 student to gain significant valuable work experience and knowledge.

28 (3)(a) The department may provide grants for internships to
29 reimburse the cost of wages paid to businesses with less than one hundred
30 fifty full-time-equivalent employees.

31 (b) The department may also provide grants for internships to any

1 business to reimburse the costs for any of the following:

2 (i) Tuition reimbursement for courses at institutions of higher
3 education;

4 (ii) Internship housing;

5 (iii) Transportation expenses relating to internships; and

6 (iv) Internship administrative or recruitment costs.

7 (c) The maximum grant award per internship is seven thousand five
8 hundred dollars.

9 (4) A business may apply for no more than two grants for the same
10 student and shall not be awarded more than one hundred grants total in
11 any twelve-month period.

12 (5) A business may allow a student to telecommute if the business is
13 located in Nebraska and the college, university, or other institution of
14 higher education in which the student is enrolled is in Nebraska.

15 (6) The department shall, to the extent possible, assure that the
16 distribution of grants under sections 2 to 4 of this act ~~81-1210.01 to~~
17 ~~81-1210.03~~ provides equitable access to the grants by all geographic
18 areas of the state.

19 (7) The department shall, to the extent possible, assure that the
20 grants awarded pursuant to sections 2 to 4 of this act ~~81-1210.01 to~~
21 ~~81-1210.03~~ are for internships which provide valuable learning
22 opportunities for students who will be seeking employment in a
23 professional or technical field.

24 (8) The department shall not allocate more than one million five
25 hundred thousand dollars in any one fiscal year from the Job Training
26 Cash Fund or its subaccounts for purposes of this section. The department
27 may receive funds from public, private, or other sources for purposes of
28 this section.

29 (9) The department shall develop a qualified action plan by January
30 1 of each even-numbered year. The plan shall, at a minimum, set forth the
31 department's priorities and selection criteria for awarding grants for

1 internships. In order to encourage students from across Nebraska to
2 pursue internships, the plan shall also include strategies for
3 affirmatively marketing internships to Nebraska students in high schools,
4 colleges, universities, and other institutions of higher education in
5 Nebraska. Such strategies shall place an emphasis on marketing to
6 underserved student populations as defined by the department in the plan.
7 The department shall submit the plan to the Governor for approval.

8 (10) ~~The department shall execute a memorandum of understanding with~~
9 ~~the Department of Labor before December 31, 2022, to ensure the exchange~~
10 ~~of available Department of Labor data throughout the continuum from~~
11 ~~prekindergarten to postsecondary education to the workforce. The~~
12 department may utilize data and agreements under sections 79-776, 85-110,
13 85-309, and 85-1511.

14 (11) The department shall submit an annual report to the Governor
15 and the Legislature on or before July 1 of each year which includes, but
16 is not limited to, a description of the demand for internship grants and
17 programs under sections 2 to 4 of this act ~~81-1210.01 to 81-1210.03~~ from
18 all geographic regions in Nebraska, a listing of the recipients and
19 amounts of internship grants awarded in the previous fiscal year, the
20 impact of the internship grants, and an evaluation of the internship
21 grants and programs under sections 2 to 4 of this act ~~81-1210.01 to~~
22 ~~81-1210.03~~ based on the documented goals of the recipients. The report
23 submitted to the Legislature shall be submitted electronically. The
24 department may require recipients to provide periodic performance reports
25 to enable the department to fulfill the requirements of this subsection.
26 The report shall contain no information that is protected by state or
27 federal confidentiality laws.

28 (12) The department may enter into a contract with a Nebraska-based
29 nonprofit entity for the purposes of carrying out any or all of the
30 provisions of sections 2 to 4 of this act ~~81-1210.01 to 81-1210.03~~.

31 **Sec. 4.** Section 81-1210.03, Reissue Revised Statutes of Nebraska, is

1 amended to read:

2 ~~81-1210.03~~ The department may adopt and promulgate rules and
3 regulations to govern the award and disbursement of grants pursuant to
4 sections 2 to 4 of this act ~~81-1210.01 to 81-1210.03~~.

5 **Sec. 5.** Section 81-1210.04, Revised Statutes Supplement, 2025, is
6 amended to read:

7 ~~81-1210.04~~ (1) The Intern Nebraska Cash Fund is created. The fund
8 shall be used to carry out sections 2 to 4 of this act ~~81-1210.01 to~~
9 ~~81-1210.03~~. The fund shall consist of money transferred to the fund by
10 the Legislature and money donated as gifts, bequests, or other
11 contributions from public or private entities. Transfers may be made from
12 the fund to the General Fund at the direction of the Legislature. Any
13 money in the Intern Nebraska Cash Fund available for investment shall be
14 invested by the state investment officer pursuant to the Nebraska Capital
15 Expansion Act and the Nebraska State Funds Investment Act.

16 (2) The Department of Labor Economic Development, or any entity with
17 which the department contracts for such purpose, may use up to five
18 percent of any appropriation to carry out sections 2 to 4 of this act
19 ~~81-1210.01 to 81-1210.03~~ for administrative services.

20 **Sec. 6.** The Revisor of Statutes shall assign sections 2 to 5 of
21 this act to Chapter 81, article 4.

22 **Sec. 7.** Original sections 81-1210.01, 81-1210.02, and 81-1210.03,
23 Reissue Revised Statutes of Nebraska, and sections 81-1201.21 and
24 81-1210.04, Revised Statutes Supplement, 2025, are repealed.