

## LEGISLATIVE BILL 386

Approved by the Governor May 17, 2011

Introduced by Heidemann, 1; at the request of the Governor; Mello, 5; Cook, 13.

FOR AN ACT relating to job training grants; to amend section 81-1201.21, Revised Statutes Cumulative Supplement, 2010; to provide grants for internships; to harmonize provisions; to provide an operative date; to repeal the original section; and to declare an emergency.

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

Section 1. For purposes of sections 1 to 3 of this act:

(1) Department means the Department of Economic Development;

(2) Distressed area means a municipality, county with a population of fewer than one hundred thousand inhabitants according to the most recent federal decennial census, unincorporated area within a county, or census tract in Nebraska that (a) has an unemployment rate which exceeds the statewide average unemployment rate, (b) has a per capita income below the statewide average per capita income, or (c) had a population decrease between the two most recent federal decennial censuses;

(3) Eligible company has the same meaning as qualified business in subsection (1) of section 77-5715;

(4) Intern means any person who is working in a professional environment for a limited period of time to gain sufficient practical work experience in a professional or technical position to allow for career decisionmaking and to provide the employer valuable skills to accelerate short-term business objectives and who (a) is enrolled full time in a four-year college or university in Nebraska and has achieved junior or senior status by such institution's criteria, (b) is enrolled full time in a two-year college in Nebraska and has successfully completed a minimum of one-half of the total credit hours required for an associate degree, or (c) having residency in Nebraska, is enrolled full time in a four-year college or university in a state other than Nebraska and has achieved junior or senior status by such institution's criteria; and

(5) Internship means any internship that did not exist before the operative date of this act.

Sec. 2. (1) The intent of sections 1 to 3 of this act is to connect Nebraska students pursuing postsecondary degrees with targeted industries in order to retain such students and attract workers to Nebraska by assisting companies willing to provide paid internships.

(2) An eligible company may apply to the department for a job training grant to assist in the hiring of an intern if:

(a) The company certifies that the internship meets the definition of internship in section 1 of this act;

(b) The internship pays at least the federal minimum wage;

(c) The intern will work a minimum of two hundred hours in a twelve-week period but no more than one thousand hours in a fifty-week period; and

(d) The intern applies for the internship prior to graduation, even though the internship may be completed after graduation.

(3) The department may provide a job training grant of up to the lesser of forty percent of the cost of the internship or three thousand five hundred dollars, except that if the internship is in a distressed area, the job training grant may be up to the lesser of sixty percent of the cost of the internship or five thousand dollars.

(4) An eligible company may apply for no more than two job training grants for the same intern, shall not be awarded more than five job training grants at any one location in any twelve-month period, and shall not be awarded more than ten job training grants total in any twelve-month period.

(5) An eligible company may allow an intern to telecommute if the eligible company is located more than thirty miles from the college or university in which the intern is enrolled and if the college or university is in Nebraska.

(6) The department shall, to the extent possible, assure that the distribution of job training grants under sections 1 to 3 of this act provides equitable access to the grants by all geographic areas of the state.

(7) The department shall not allocate more than one million five hundred thousand dollars in each of FY2011-12 and FY2012-13 from the Job Training Cash Fund for purposes of this section. The department may receive funds from public, private, or other sources for purposes of this section.

Sec. 3. The department may adopt and promulgate rules and regulations to govern the award and disbursement of job training grants under section 2 of this act.

Sec. 4. Section 81-1201.21, Revised Statutes Cumulative Supplement, 2010, is amended to read:

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

(2) The department shall use the Job Training Cash Fund or the subaccount established in subsection (1) of this section (a) to provide reimbursements for job training activities, including employee assessment, preemployment training, on-the-job training, training equipment costs, and other reasonable costs related to helping industry and business locate or expand in Nebraska, ~~or~~ (b) to provide upgrade skills training of the existing labor force necessary to adapt to new technology or the introduction of new product lines, or (c) to provide job training grants pursuant to section 2 of this act.

(3) The department shall establish a subaccount within the fund to provide training grants for training employees and potential employees of businesses that (a) employ twenty-five or fewer employees on the application date, (b) employ, or train for potential employment, residents of rural areas of Nebraska, or (c) are located in or employ, or train for potential employment, residents of high-poverty areas as defined in section 81-1203. The department shall calculate the amount of prior year investment income earnings accruing to the fund and allocate such amount to the subaccount for training grants under this subsection. The subaccount shall also be used as provided in the Teleworker Job Creation Act.

(4) Any money in the fund available for investment shall be invested by the state investment officer pursuant to the Nebraska Capital Expansion Act and the Nebraska State Funds Investment Act.

Sec. 5. This act becomes operative on June 1, 2011.

Sec. 6. Original section 81-1201.21, Revised Statutes Cumulative Supplement, 2010, is repealed.

Sec. 7. Since an emergency exists, this act takes effect when passed and approved according to law.