

LEGISLATURE OF NEBRASKA
ONE HUNDRED FOURTH LEGISLATURE
SECOND SESSION

LEGISLATIVE BILL 1110

FINAL READING

Introduced by Mello, 5; Coash, 27.

Read first time January 20, 2016

Committee: Business and Labor

1 A BILL FOR AN ACT relating to labor; to amend section 48-622.02, Revised
2 Statutes Cumulative Supplement, 2014, and section 81-1201.21,
3 Revised Statutes Supplement, 2015; to adopt the Nebraska Workforce
4 Innovation and Opportunity Act and the Sector Partnership Program
5 Act; to create a fund; to transfer funds; to harmonize provisions;
6 to repeal the original sections; and to declare an emergency.
7 Be it enacted by the people of the State of Nebraska,

1 Section 1. Sections 1 to 5 of this act shall be known and may be
2 cited as the Nebraska Workforce Innovation and Opportunity Act.

3 Sec. 2. The Legislature finds and declares:

4 (1) In order for Nebraska to remain prosperous and competitive, it
5 needs to have a well-educated and highly skilled workforce;

6 (2) The following principles shall guide the state's workforce
7 investment system:

8 (a) Workforce investment programs and services shall be responsive
9 to the needs of employers, workers, and students by accomplishing the
10 following:

11 (i) Providing Nebraska students and workers with the skills
12 necessary to successfully compete in the global economy;

13 (ii) Producing greater numbers of individuals who obtain industry-
14 recognized certificates and career-oriented degrees in competitive and
15 emerging industry sectors and filling critical labor market skills gaps;

16 (iii) Adapting to rapidly changing local and regional labor markets
17 as specific workforce skill requirements change over time;

18 (iv) Preparing workers for jobs that pay well and foster economic
19 security and upward mobility; and

20 (v) Aligning employment programs, resources, and planning efforts
21 regionally around industry sectors that drive regional employment to
22 connect services and training directly to jobs;

23 (b) State and local workforce development boards are encouraged to
24 collaborate with other public and private institutions, including
25 businesses, unions, nonprofit organizations, schools from kindergarten
26 through grade twelve, career technical education programs, adult career
27 technical education and basic skills programs, apprenticeships, community
28 college career technical education and basic skills programs,
29 entrepreneurship training programs, where appropriate, and county-based
30 social and employment services, to better align resources across
31 workforce, training, education, and social service delivery systems and

1 build a well-articulated workforce investment system by accomplishing the
2 following:

3 (i) Adopting local and regional training and education strategies
4 that build on the strengths and fill the gaps in the education and
5 workforce development pipeline in order to address the needs of job
6 seekers, workers, and employers within regional labor markets by
7 supporting sector strategies; and

8 (ii) Leveraging resources across education and workforce training
9 delivery systems to build career pathways and fill critical skills gaps;

10 (c) Workforce investment programs and services shall be data-driven
11 and evidence-based when setting priorities, investing resources, and
12 adopting practices;

13 (d) Workforce investment programs and services shall develop strong
14 partnerships with the private sector, ensuring industry involvement in
15 needs assessment, planning, and program evaluation, and:

16 (i) Shall encourage industry involvement by developing strong
17 partnerships with an industry's employers and the unions that represent
18 the industry's workers; and

19 (ii) May consider the needs of employers and businesses of all
20 sizes, including large, medium, small, and microenterprises, when setting
21 priorities, investing resources, and adopting practices;

22 (e) Workforce investment programs and services shall be outcome-
23 oriented and accountable, measuring results for program participants,
24 including, but not limited to, outcomes related to program completion,
25 employment, and earnings; and

26 (f) Programs and services shall be accessible to employers, the
27 self-employed, workers, and students who may benefit from their
28 operation, including individuals with employment barriers, such as
29 persons with economic, physical, or other barriers to employment;

30 (3) Screening designed to detect unidentified disabilities,
31 including learning disabilities, improves workforce preparation and

1 enhances the use of employment and training resources;

2 (4) Section 134(c)(2) of the federal Workforce Innovation and
3 Opportunity Act, 29 U.S.C. 3174(c)(2), allows for the use of funds for
4 the initial assessment of skill levels, aptitudes, abilities, and support
5 services, including, when appropriate, comprehensive and specialized
6 assessments of skill levels and service needs, including, but not limited
7 to, diagnostic testing and the use of other assessment tools and indepth
8 interviewing and evaluation to identify employment barriers and
9 appropriate employment goals; and

10 (5) One-stop career centers are encouraged to maximize the use of
11 federal Workforce Innovation and Opportunity Act resources and other
12 federal and state workforce development resources for screening designed
13 to detect unidentified disabilities, and if indicated, to provide
14 appropriate diagnostic assessment.

15 Sec. 3. For purposes of the Nebraska Workforce Innovation and
16 Opportunity Act, career pathway means an identified series of positions,
17 work experiences, or educational benchmarks or credentials with multiple
18 access points that offers occupational and financial advancement within a
19 specified career field or related fields over time. Career pathways offer
20 combined programs of rigorous and high-quality education, training, and
21 other services that do all of the following:

22 (1) Align with the skill needs of industries in the state and
23 regional economies;

24 (2) Prepare an individual to be successful in any of a full range of
25 secondary or postsecondary education options, including apprenticeships
26 registered under the National Apprenticeship Act, 29 U.S.C. 50 et seq.,
27 except apprenticeships under 29 U.S.C. 3226;

28 (3) Include counseling to support an individual in achieving the
29 individual's education and career goals;

30 (4) Include, as appropriate, education offered concurrently with and
31 in the same context as workforce preparation activities and training for

1 a specific occupation;

2 (5) Organize education, training, and other services to meet the
3 particular needs of an individual in a manner that accelerates the
4 educational and career advancement of the individual to the extent
5 practicable;

6 (6) Enable an individual to attain a secondary school diploma or its
7 recognized equivalent and at least one recognized postsecondary
8 credential; and

9 (7) Help an individual enter or advance within a specific
10 occupation.

11 Sec. 4. On or before November 30 of each year, the Commissioner of
12 Labor shall submit a copy of the performance report required by section
13 116(d) of the federal Workforce Innovation and Opportunity Act, 29 U.S.C.
14 3141(d), to the Governor, the Legislature, and the Nebraska Workforce
15 Development Board. The report shall cover the prior program year and
16 shall include the total amount of federal funding provided to the state
17 and to each of the local workforce development areas for the adult,
18 youth, and dislocated worker programs and the amount expended within each
19 program for training services. The report to the Legislature shall be
20 submitted electronically.

21 Sec. 5. (1) The Department of Labor shall have the authority to
22 administer the requirements of Title I of the federal Workforce
23 Innovation and Opportunity Act, including, but not limited to,
24 establishing accounting, monitoring, auditing, and reporting procedures
25 and criteria in order to ensure state compliance with the objectives and
26 requirements of Title I of the federal Workforce Innovation and
27 Opportunity Act.

28 (2) The department may adopt and promulgate any rules and
29 regulations necessary to implement the Nebraska Workforce Innovation and
30 Opportunity Act.

31 Sec. 6. Sections 6 to 12 of this act shall be known and may be

1 cited as the Sector Partnership Program Act.

2 Sec. 7. (1) The Legislature finds and declares that sector
3 partnerships are a proven strategy for engaging employers in key
4 industries, helping workers train for and access good jobs, and
5 coordinating education, training, and workforce development activities in
6 response to industry needs.

7 (2) It is the intent of the Legislature and the purpose of the
8 Sector Partnership Program Act to support local sector partnerships that
9 will close skill gaps in high-demand sectors of business and industry. By
10 conducting labor availability and skills gap studies, the Sector
11 Partnership Program will connect education and training providers with
12 employers and will ensure that the state's workforce and economic
13 development activities align with the needs of employers in the state's
14 key industries.

15 Sec. 8. For purposes of the Sector Partnership Program Act:

16 (1) Department means the Department of Labor;

17 (2) Local area means a workforce development area authorized by the
18 federal Workforce Innovation and Opportunity Act and established in
19 Nebraska;

20 (3) Local sector partnership or partnership means a workforce
21 collaborative that organizes key stakeholders in a particular sector of
22 business or industry in a local area into a working group that focuses on
23 the shared goals and human resources needs of such sector;

24 (4) Local workforce development board means a local workforce
25 development board authorized by the federal Workforce Innovation and
26 Opportunity Act and established in Nebraska; and

27 (5) Nebraska Workforce Development Board means the state workforce
28 development board authorized by the federal Workforce Innovation and
29 Opportunity Act and established in Nebraska.

30 Sec. 9. (1) The Sector Partnership Program is created. The program
31 shall be administered by the Department of Labor in conjunction with the

1 Department of Economic Development. In establishing and administering the
2 program, the Department of Labor shall consult with the Nebraska
3 Workforce Development Board, the Department of Economic Development, and
4 the State Department of Education.

5 (2) The Department of Labor, in conjunction with the Department of
6 Economic Development, shall:

7 (a) Establish a study process to conduct labor availability and
8 skills gap studies;

9 (b) Determine the laborshed areas of the state; and

10 (c) Complete labor availability and skills gap studies for all
11 laborshed areas of the state on a rotating basis as determined by the
12 Department of Labor.

13 (3) The Department of Labor and the Department of Economic
14 Development may contract with other entities to conduct additional labor
15 availability, skills gap, and sector partnership studies.

16 (4) The Department of Labor, in conjunction with the Department of
17 Economic Development, shall provide technical assistance to local sector
18 partnerships and persons interested in forming partnerships. Technical
19 assistance may include providing: (a) Direction and counseling on forming
20 and sustaining partnerships; (b) professional development and capacity
21 building through academies, toolkits, and peer sharing networks; (c)
22 customized labor market and economic analysis; and (d) information on
23 career pathways, worker training resources, skill standards, and
24 industry-based certifications.

25 (5) Except to the extent otherwise provided in state or federal law,
26 all completed labor availability and skills gap studies shall be public
27 information.

28 Sec. 10. (1) The Sector Partnership Program Fund is created. The
29 fund shall be administered by the Department of Labor. The fund shall be
30 used to pursue sector partnership activities, including, but not limited
31 to, labor availability and skills gap studies by the Department of Labor

1 and the Department of Economic Development pursuant to the Sector
2 Partnership Program Act. The fund may also be used for administrative
3 costs of the Department of Labor and the Department of Economic
4 Development associated with sector partnership activities.

5 (2) The fund shall consist of such money as is: (a) Transferred to
6 the fund from the Job Training Cash Fund and the Nebraska Training and
7 Support Cash Fund; (b) otherwise appropriated to the fund by the
8 Legislature; (c) donated as gifts, bequests, or other contributions to
9 the fund from public or private entities; and (d) made available by any
10 department or agency of the United States if so directed by such
11 department or agency. Any money in the fund available for investment
12 shall be invested by the state investment officer pursuant to the
13 Nebraska Capital Expansion Act and the Nebraska State Funds Investment
14 Act.

15 Sec. 11. On or before July 31 of each year, the department shall
16 provide an annual report to the Governor and the Business and Labor
17 Committee of the Legislature. The report submitted to the Legislature
18 shall be submitted electronically. The report shall detail the process
19 and results of the labor availability and skills gap studies.

20 Sec. 12. The department may adopt and promulgate rules and
21 regulations to carry out the Sector Partnership Program Act.

22 Sec. 13. Section 48-622.02, Revised Statutes Cumulative Supplement,
23 2014, is amended to read:

24 48-622.02 (1) Until July 1, 2015:

25 (a) There is in the state treasury a special fund to be known as the
26 Nebraska Training and Support Trust Fund. Any money in the fund available
27 for investment shall be invested by the state investment officer pursuant
28 to the Nebraska Capital Expansion Act and the Nebraska State Funds
29 Investment Act. All money deposited or paid into the fund is hereby
30 appropriated and made available to the commissioner. No expenditures
31 shall be made from the fund without the written authorization of the

1 Governor upon the recommendation of the commissioner. Any interest earned
2 on money in the State Unemployment Insurance Trust Fund shall be credited
3 to the Nebraska Training and Support Trust Fund;

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

18 (c) There is within the Nebraska Training and Support Trust Fund a
19 separate account to be known as the Administrative Costs Reserve Account.
20 Money shall be allocated from the Nebraska Training and Support Trust
21 Fund to the Administrative Costs Reserve Account in amounts sufficient to
22 pay the anticipated administrative costs identified in subdivision (1)(b)
23 of this section.

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

25 (a) The Nebraska Training and Support Cash Fund is created. Any
26 money in the fund available for investment shall be invested by the state
27 investment officer pursuant to the Nebraska Capital Expansion Act and the
28 Nebraska State Funds Investment Act. On July 1, 2015, the State Treasurer
29 shall transfer any money in the Nebraska Training and Support Trust Fund
30 to the Nebraska Training and Support Cash Fund. No expenditures shall be
31 made from the Nebraska Training and Support Cash Fund without the written

1 authorization of the Governor upon the recommendation of the
2 commissioner. Any interest earned on money in the State Unemployment
3 Insurance Trust Fund shall be credited to the Nebraska Training and
4 Support Cash Fund;

5 (b) Money in the Nebraska Training and Support Cash Fund shall be
6 used for (i) administrative costs of establishing, assessing, collecting,
7 and maintaining state unemployment insurance tax liability and payments,
8 (ii) administrative costs of creating, operating, maintaining, and
9 dissolving the State Unemployment Insurance Trust Fund and the Nebraska
10 Training and Support Cash Fund, (iii) support of public and private job
11 training programs designed to train, retrain, or upgrade work skills of
12 existing Nebraska workers of for-profit and not-for-profit businesses,
13 (iv) recruitment of workers to Nebraska, (v) training new employees of
14 expanding Nebraska businesses, (vi) the costs of creating a common web
15 portal for the attraction of businesses and workers to Nebraska, (vii)
16 developing and conducting labor availability and skills gap studies
17 pursuant to the Sector Partnership Program Act, for which money may be
18 transferred to the Sector Partnership Program Fund as directed by the
19 Legislature, and (viii ~~vii~~) payment of unemployment insurance benefits if
20 solvency of the state's account in the Unemployment Trust Fund and of the
21 State Unemployment Insurance Trust Fund so require; ~~and~~

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

28 (d) The State Treasurer shall transfer two hundred fifty thousand
29 dollars from the Nebraska Training and Support Cash Fund to the Sector
30 Partnership Program Fund no later than July 15, 2016.

31 Sec. 14. Section 81-1201.21, Revised Statutes Supplement, 2015, is

1 amended to read:

2 81-1201.21 (1) There is hereby created the Job Training Cash Fund.
3 The fund shall be under the direction of the Department of Economic
4 Development. Money may be transferred to the fund pursuant to subdivision
5 (1)(b)(iii) of section 48-621 and from the Cash Reserve Fund at the
6 direction of the Legislature. The department shall establish a subaccount
7 for all money transferred from the Cash Reserve Fund to the Job Training
8 Cash Fund on or after July 1, 2005.

9 (2) The money in the Job Training Cash Fund or the subaccount
10 established in subsection (1) of this section shall be used (a) to
11 provide reimbursements for job training activities, including employee
12 assessment, preemployment training, on-the-job training, training
13 equipment costs, and other reasonable costs related to helping industry
14 and business locate or expand in Nebraska, (b) to provide upgrade skills
15 training of the existing labor force necessary to adapt to new technology
16 or the introduction of new product lines, (c) to provide grants pursuant
17 to section 81-1210.02, ~~or~~ (d) as provided in section 79-2308, or (e) as
18 provided in section 10 of this act. The department shall give a
19 preference to job training activities carried out in whole or in part
20 within an enterprise zone designated pursuant to the Enterprise Zone Act.

21 (3) The department shall establish a subaccount within the fund to
22 provide training grants for training employees and potential employees of
23 businesses that (a) employ twenty-five or fewer employees on the
24 application date, (b) employ, or train for potential employment,
25 residents of rural areas of Nebraska, or (c) are located in or employ, or
26 train for potential employment, residents of high-poverty areas as
27 defined in section 81-1203. The department shall calculate the amount of
28 prior year investment income earnings accruing to the fund and allocate
29 such amount to the subaccount for training grants under this subsection.
30 The subaccount shall also be used as provided in the Teleworker Job
31 Creation Act and as provided in section 81-1210.02. The department shall

1 give a preference to training grants for businesses located in whole or
2 in part within an enterprise zone designated pursuant to the Enterprise
3 Zone Act.

4 (4) The State Treasurer shall transfer:

5 (a) Two ~~two~~ hundred fifty thousand dollars from the Job Training
6 Cash Fund to the General Fund no later than July 15 of 2015 and 2016;
7 and -

8 (b) Two hundred fifty thousand dollars from the Job Training Cash
9 Fund to the Sector Partnership Program Fund on or before July 15, 2016.

10 (5) Any money in the Job Training Cash Fund available for investment
11 shall be invested by the state investment officer pursuant to the
12 Nebraska Capital Expansion Act and the Nebraska State Funds Investment
13 Act.

14 Sec. 15. Original section 48-622.02, Revised Statutes Cumulative
15 Supplement, 2014, and section 81-1201.21, Revised Statutes Supplement,
16 2015, are repealed.

17 Sec. 16. Since an emergency exists, this act takes effect when
18 passed and approved according to law.