

LEGISLATURE OF NEBRASKA
ONE HUNDRED THIRD LEGISLATURE
SECOND SESSION

LEGISLATIVE BILL 1083

Introduced by Garrett, 3.

Read first time January 22, 2014

Committee: Business and Labor

A BILL

1 FOR AN ACT relating to economic development; to amend section
2 81-1204, Reissue Revised Statutes of Nebraska, section
3 81-1203, Revised Statutes Cumulative Supplement, 2012,
4 and sections 81-1201.21 and 81-1210.02, Revised Statutes
5 Supplement, 2013; to authorize training grants for
6 certain veterans; to change provisions relating to job
7 training grants and grants for internships; to harmonize
8 provisions; and to repeal 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, 2013, is amended to read:

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

10 (2) The department shall use the Job Training Cash Fund
11 or the subaccount established in subsection (1) of this section (a)
12 to provide reimbursements for job training activities, including
13 employee assessment, preemployment training, on-the-job training,
14 training equipment costs, and other reasonable costs related to
15 helping industry and business locate or expand in Nebraska, (b) to
16 provide upgrade skills training of the existing labor force necessary
17 to adapt to new technology or the introduction of new product lines,
18 or (c) to provide grants pursuant to section 81-1210.02.

19 (3) The department shall establish a subaccount within
20 the fund to provide training grants for training employees and
21 potential employees of businesses that (a) employ twenty-five or
22 fewer employees on the application date, (b) employ, or train for
23 potential employment, residents of rural areas of Nebraska, ~~or~~ (c)
24 are located in or employ, or train for potential employment,
25 residents of high-poverty areas as defined in section 81-1203, or (d)

1 employ, or train for potential employment, recently separated
2 veterans as defined in section 81-1203. The department shall
3 calculate the amount of prior year investment income earnings
4 accruing to the fund and allocate such amount to the subaccount for
5 training grants under this subsection. The subaccount shall also be
6 used as provided in the Teleworker Job Creation Act and as provided
7 in section 81-1210.02.

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

11 Sec. 2. Section 81-1203, Revised Statutes Cumulative
12 Supplement, 2012, is amended to read:

13 81-1203 (1) A business applying for a job training grant,
14 other than a grant provided under subsection (3) of section
15 81-1201.21, shall submit a business plan to the Department of
16 Economic Development which includes, but is not limited to:

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

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

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

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

24 (2) A business applying for a job training grant, other
25 than a grant provided under subsection (3) of section 81-1201.21,

1 must demonstrate that the job training project to be conducted
2 pursuant to the grant meets the following criteria:

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

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

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

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

10 (e) The new jobs will be created within three calendar
11 years.

12 (3) A business applying for a training grant under
13 subsection (3) of section 81-1201.21 may partner with a postsecondary
14 educational institution; a private, nonprofit organization holding a
15 certificate of exemption under section 501(c)(3) of the Internal
16 Revenue Code; or a learning community coordinating council or school
17 district that has partnered with a private, nonprofit organization.
18 The application shall specify the role of the partnering entity in
19 identifying and training potential job applicants for the applicant
20 business.

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

1 (a) That the business has established a program designed
2 to fill a minimum of four positions in rural areas, ~~and~~ a minimum of
3 eight positions in high-poverty areas, or a minimum of four positions
4 for recently separated veterans for such business;

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

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

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

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

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

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

18 (h) That any new position created will be done within
19 three calendar years;

20 (i) That the number of trainees will not exceed one
21 hundred twenty-five percent of the number of positions that will be
22 available at the time of application; and

23 (j) That the goods or services produced by the business
24 are generally exportable in nature resulting in additional money to
25 the community or the state and the positions available or to be

1 created are not local retail positions.

2 (5) Each business participating in a training grant under
3 subsection (3) of section 81-1201.21 shall be subject to an audit by
4 the Department of Economic Development and shall annually report or
5 provide to the department the following information:

6 (a) The percentage of trainees who have successfully
7 completed the training;

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

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

11 (d) A copy of the training curriculum.

12 (6) For purposes of subsections (3) through (5) of this
13 section:

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

20 (b) Private, nonprofit organization means an organization
21 whose purpose is providing basic job and life skills training to
22 individuals in need of such training in rural or high-poverty areas
23 or to recently separated veterans; and -

24 (c) Recently separated veteran means any person who
25 served full-time duty with military pay and allowances in the armed

1 forces of the United States, except for training or for determining
2 physical fitness, and was discharged or otherwise separated with a
3 characterization of honorable or general (under honorable conditions)
4 within the twenty-four-month period prior to the date of application
5 for the training grant.

6 Sec. 3. Section 81-1204, Reissue Revised Statutes of
7 Nebraska, is amended to read:

8 81-1204 (1) Except as otherwise provided in subsection
9 (2) of this section, the Department of Economic Development shall not
10 approve a job training grant which exceeds:

11 ~~an~~ (a) An average expenditure of five thousand dollars
12 per job created if the proposed wage levels do not exceed thirty
13 thousand dollars per year or which exceeds an average expenditure of
14 ten thousand dollars per job if the proposed wage levels exceed
15 thirty thousand dollars per year; or -

16 (b) For any job training grant involving the training of
17 recently separated veterans as defined in section 81-1203, an average
18 expenditure of seven thousand five hundred dollars per job created if
19 the proposed wage levels do not exceed thirty thousand dollars per
20 year or which exceeds an average expenditure of fifteen thousand
21 dollars per job if the proposed wage levels exceed thirty thousand
22 dollars per year.

23 ~~The~~ (2) If the application is approved with provisions
24 described in subsection (3) of section 81-1203, the Department of
25 Economic Development may approve:

1 ~~a-(a) A job training grant up to ten thousand dollars per~~
2 ~~job created if the proposed wage levels do not exceed thirty thousand~~
3 ~~dollars per year or a job training grant up to fifteen thousand~~
4 ~~dollars per job if the proposed wage levels exceed thirty thousand~~
5 ~~dollars per year; or , if the application is approved with provisions~~
6 ~~described in subsection (3) of section 81-1203.~~

7 (b) For any job training grant involving the training of
8 recently separated veterans as defined in section 81-1203, a job
9 training grant up to fifteen thousand dollars per job created if the
10 proposed wage levels do not exceed thirty thousand dollars per year
11 or a job training grant up to twenty-two thousand five hundred
12 dollars per job if the proposed wage levels exceed thirty thousand
13 dollars per year.

14 Sec. 4. Section 81-1210.02, Revised Statutes Supplement,
15 2013, is amended to read:

16 81-1210.02 (1) The intent of sections 81-1210.01 to
17 81-1210.03 is to provide students with valuable internship
18 opportunities in order to retain such students and attract workers to
19 Nebraska by assisting Nebraska businesses willing to provide paid
20 internships.

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

23 (a) The business certifies that the internship meets the
24 definition of internship in section 81-1210.01;

25 (b) The business will pay the student at least the

1 federal minimum hourly wage for the internship;

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

4 (d) The internship will be completed within a period of
5 no more than twelve months; and

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

9 (3) The department may provide grants for internships in
10 the following amounts:

11 (a) If the student receiving the internship is a Federal
12 Pell Grant recipient at the time of grant application, the grant may
13 be up to the lesser of seventy-five percent of the cost of the
14 internship or seven thousand five hundred dollars. The business
15 applying for the grant shall provide the department with
16 documentation to prove that the student is a Federal Pell Grant
17 recipient; and

18 (b) If the student receiving the internship is a recently
19 separated veteran as defined in section 81-1203, the grant may be up
20 to the lesser of seventy-five percent of the cost of the internship
21 or seven thousand five hundred dollars. The business applying for the
22 grant shall provide the department with documentation to prove that
23 the student is a recently separated veteran; and

24 ~~(b)~~-(c) For all other students, the grant may be up to
25 the lesser of seventy-five percent of the cost of the internship or

1 five thousand dollars.

2 (4) A business may apply for no more than two grants for
3 the same student, shall not be awarded more than five grants at any
4 one location in any twelve-month period, and shall not be awarded
5 more than ten grants total in any twelve-month period.

6 (5) A business may allow a student to telecommute if the
7 business is located more than thirty miles from the college,
8 university, or other institution of higher education in which the
9 student is enrolled and if the college, university, or other
10 institution of higher education is in Nebraska.

11 (6) The department shall, to the extent possible, assure
12 that the distribution of grants under sections 81-1210.01 to
13 81-1210.03 provides equitable access to the grants by all geographic
14 areas of the state.

15 (7) The department shall, to the extent possible, assure
16 that the grants awarded pursuant to sections 81-1210.01 to 81-1210.03
17 are for internships which provide valuable learning opportunities for
18 students who will be seeking employment in a professional or
19 technical field.

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

25 (9) The department shall develop a qualified action plan

1 by January 1 of each even-numbered year. The plan shall, at a
2 minimum, set forth the department's priorities and selection criteria
3 for awarding grants for internships. In order to encourage students
4 from across Nebraska to pursue internships, the plan shall also
5 include strategies for affirmatively marketing internships to
6 Nebraska students in high schools, colleges, universities, and other
7 institutions of higher education in Nebraska. Such strategies shall
8 place an emphasis on marketing to underserved student populations as
9 defined by the department in the plan and to recently separated
10 veterans as defined in section 81-1203. The department shall submit
11 the plan to the Governor for approval.

12 Sec. 5. Original section 81-1204, Reissue Revised
13 Statutes of Nebraska, section 81-1203, Revised Statutes Cumulative
14 Supplement, 2012, and sections 81-1201.21 and 81-1210.02, Revised
15 Statutes Supplement, 2013, are repealed.