

ONE HUNDRED FIRST LEGISLATURE - FIRST SPECIAL SESSION - 2009
COMMITTEE STATEMENT
LB8

Hearing Date: Monday November 09, 2009
Committee On: Business and Labor
Introducer: Council
One Liner: Prohibit transfers from the Job Training Cash Fund to the General Fund

Roll Call Vote - Final Committee Action:
Advanced to General File

Vote Results:
Aye: 6 Senators Council, Lathrop, McGill, Schilz, Wallman, White
Nay: 1 Senator Carlson
Absent:
Present Not Voting:

Proponents: Senator Brenda Council
Representing: Introducer

Opponents:
Representing:

Neutral:
Representing:

Summary of purpose and/or changes:
BILL SUMMARY

LB 8 prohibits funds from the Job Training Cash Fund ("JTCF") to be transferred to the General Fund.

The Governor's budget recommendation provides for a \$3,000,340 million transfer from the JTCF to the General Fund in FY 09-10 and \$680 in FY 10-11. There has never been a transfer from the JTCF to the General Fund.

The JTCF was created by LB 305 in 1989. The Labor Commissioner may transfer funds from the Employment Security Special Contingent Fund into the JTCF. JTCF has also received transfers from the Cash Reserve Fund. The fund is managed by the Department of Economic Development. The fund provides reimbursements to businesses for job training activities.

The JTCF has received a total of \$1.6 million from the Employment Security Special Contingent Fund. From 1994 through 2008, the JTCF received \$31 million from the Cash Reserve Fund. Neb. Rev. Stat. Section 81-1201.21 provides that any unobligated and unexpended funds received from the Cash Reserve must be returned to the Cash Reserve by July 10, 2014. Any obligated funds not expended by July 1, 2013, will also be returned to the Cash Reserve. The Legislature amended these dates in 2009, with LB 316. Prior to LB 316, any unobligated and unexpended funds remaining in the fund on July 1, 2010, would have been returned to the cash reserve on July 10, 2010, and any obligated but unexpended funds would have been returned to the cash reserve in 2011.

In the 08/09 fiscal year, The JTCF had an ending balance of \$23,061,911. In this same time period, the Department of Economic Development spent \$2,729,534 for job training grants and reimbursements.

Steve Lathrop, Chairperson