

**ONE HUNDRED THIRD LEGISLATURE - FIRST SESSION - 2013**  
**COMMITTEE STATEMENT**  
**LB368**

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**Hearing Date:** Tuesday March 05, 2013  
**Committee On:** Health and Human Services  
**Introducer:** Crawford  
**One Liner:** Create a subsidized employment pilot program within the Department of Health and Human Services

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**Roll Call Vote - Final Committee Action:**  
Advanced to General File with amendment(s)

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**Vote Results:**  
**Aye:** 7 Senators Campbell, Cook, Crawford, Gloor, Howard, Krist, Watermeier  
**Nay:**  
**Absent:**  
**Present Not Voting:**

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<b>Proponents:</b>	<b>Representing:</b>
Senator Sue Crawford	District #45
Elizabeth Donner	Goodwill Industries, Inc.
September Carter	Self
Carlisa Muse	Self
Ericka Guinan	Heart Ministry Center
Cheryl Pignotti	General Service Bureau, Early Out Services
Antoinette Williams	Early Out Services
James Goddard	Nebraska Appleseed

**Opponents:** **Representing:**

**Neutral:** **Representing:**

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**Summary of purpose and/or changes:**

The Legislature finds that: (1) Work experience is necessary to obtain employment in a competitive job market; (2) Businesses find creating capacity to add employees during a time of economic recovery challenging; (3) Subsidized employment can benefit employers and workers in need of experience; (4) Increasing opportunities for public assistance recipients to engage in meaningful workplace experience can significantly contribute to their long-term employability; (5) Providing subsidized employment can also help businesses to grow; and (6) States nationwide provide subsidized employment to public assistance recipients in order to aid employers in developing work placements for public assistance recipients.

The Subsidized Employment Pilot Program is created within the department to provide opportunities for employers and participants in the aid to dependent children program to achieve subsidized employment.

The department shall establish a partnership between an entity which contracts with the department pursuant to section 68-1722 to provide case management services in the aid to dependent children program and a nonprofit organization or the Department of Labor.

The Department of Labor shall establish an application process for employers to participate in the pilot program. The application process shall include, but not be limited to, a requirement that employer applicants submit a plan including,

but not limited to, the following criteria; (a) Initial client assessment, job development, job placement, and employment retention services; and (b) A strategy to place participants in in-demand jobs.

The Department of Labor may develop guidelines for participants in the pilot program.

Subsidies under the Subsidized Employment Pilot Program shall be capped at the prevailing wage and shall be provided for no more than forty hours per week for not more than six months, on the following scale: one hundred percent in months one and two; seventy-five percent in month three; fifty percent in months four and five; and twenty-five percent in month six.

The subsidized pilot program shall terminate on July 1, 2018, at which time the department shall submit a final report to the Health and Human Services Committee of the Legislature, reporting the number of participants and their employment status and the number of employers participating in the program.

The aid to dependent children program means the program described in Neb. Rev. Stat. 43-512; and participant means an individual who qualifies for the aid to dependent children program services with a family income equal to or less than two hundred percent of the Office of Management and Budget income poverty guideline.

The Department may adopt and promulgate rules and regulations to carry out this act.

Finally, it is the intent of the Legislature to appropriate one million dollars per fiscal year for fiscal years FY2014-15 to FY2017-18 from funds available to the Temporary Assistance for Needy Families program to carry out the provisions of sections 1 to 6 of this act. Any of such funds, which are unexpended on June 30, 2018, shall lapse to the Temporary Assistance for Needy Families program on such date.

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**Explanation of amendments:**

The Committee Amendment expands the role of the nonprofit organization in the Subsidized Employment Pilot Program and reduces the responsibilities of the Department of Labor.

Under the Committee Amendment the nonprofit organization will establish an application process for employers. The application will include a process for initial client assessment, job development, job placement and employment retention services and strategies for placement. Additionally, the nonprofit organization shall recruit participants, recruit employers, determine participant eligibility, assist with employer and employee match, ensure the pilot program operates in both rural and urban areas and gather data and performance measures. The data and reporting shall include the number of employers and employees participating in the Subsidized Employment Pilot Program; length of time the employer and each employee participated in the program; wages paid to employees; and employment status of each employee at different time intervals. The nonprofit shall electronically report the data gathered on the program each September 15th to the Health and Human Services Committee. The pilot program shall terminate on July 1, 2018.

The Department of Labor and Department of Health and Human Services shall partner and assist the nonprofit organization with recruitment of participants and employers for the program but is not responsible for any direct services under the pilot program.

Employees participating will receive a prevailing wage for forty hours per week not to exceed six months. The subsidies will remain the same as in the bill- one hundred percent in month one and two, reducing in a step-down fashion to twenty-five percent in month six.

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Kathy Campbell, Chairperson