

**ONE HUNDRED FOURTH LEGISLATURE - SECOND SESSION - 2016**  
**COMMITTEE STATEMENT**  
**LB1029**

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**Hearing Date:** Monday February 22, 2016  
**Committee On:** Business and Labor  
**Introducer:** Mello  
**One Liner:** Adopt the Sector Partnership Program Act and provide duties for the Department of Labor

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

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**Vote Results:**

<b>Aye:</b>	4	Senators Crawford, Harr, Howard, Johnson
<b>Nay:</b>		
<b>Absent:</b>	1	Senator Chambers
<b>Present Not Voting:</b>	2	Senators Bloomfield, Ebke

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**Verbal Testimony:**

**Proponents:**

Heath Mello  
Ken Smith  
Amber Hansen  
Justin Dougherty  
Mark McDonald

**Representing:**

Introducer  
Nebraska Appleseed  
Community Action of Nebraska  
Goodwill Industries  
Center for People in Need

**Opponents:**

**Representing:**

**Neutral:**

John Albin

**Representing:**

Nebraska Department of Labor

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

Sec. 1. creates the Sector Partnership Program Act.

Sec. 2. intent language stating that sector partnerships are a proven strategy for success for employers and workers to close skill gaps and provide training in high-demand industries.

Sec. 3. definitional section. Defines department, high-demand sector, local area, local sector partnership, local workforce development board, middle-skill job, Nebraska Workforce Development Board, and program.

Sec. 4. creates the Sector Partnership Program. The program is to be administered by the Department of Labor, with consultation with the Nebraska Workforce Development Board, Department of Economic Development, and the State Department of Education. It requires the department to establish a grant process to provide funding. Grant recipients that address skill gaps for middle-skill jobs shall receive priority, but no more than one partnership may receive funds for the same industry sector in the same local area. It requires the department to provide technical assistance to local partnerships.

Sec. 5. permits grants to be awarded only to local sector partnerships in high-demand sectors. The department must identify high-demand sectors and designate those as such when considering: rates of employment, projected

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employment growth, wages, location quotient, employment opportunities for middle-skill jobs, and other relevant criteria.

Sec. 6. establishes criteria to receive a grant. The local sector partnership must include representatives from at least three employers in the local area, a labor organization, the local workforce development board, a postsecondary education institution, an adult basic education provider, and the state employment service established by 48-662. At least two of three employers in the local area should be owners or executives of their respective employers. The partnership must designate a convener and a fiscal agent and must provide resources to match at least 25% of the value of the grant. Partnerships are allowed to include other representatives as outlined in the act, and they may cover more than one local area if the required members agree to such.

Sec. 7. permits the department to award grants to partnerships for either planning or implementation activities. For planning grants, up to \$30,000 may be awarded to be used within one year. For implementation grants, up to \$200,000 may be awarded to be used within two years. LB 1029 outlines what is included in the definition of planning activities and implementation activities. In order to be eligible to receive an implementation grant, a partnership must first complete planning activities, whether funded by the program or by other means.

Sec. 8. creates the Sector Partnership Program Fund, administered by the department, to be used to provide grants under the act. The fund will consist of money transferred from the Job Training Cash Fund, appropriated by the Legislature, donations, and any other money available by a department or agency of the U.S. In any fiscal year, the department may use up to 5% of the fund for operational and administrative expenses.

Sec. 9. requires grant recipients to submit performance reports to the department annually. The department will determine the content of such reports, but LB 1029 outlines information to be included in those reports. On or before July 15 of each year, the department must provide an annual report to the Governor and the Business & Labor Committee which details the department's use of the fund and the program's performance.

Sec. 10. permits the Department to adopt and promulgate rules and regulations.

Sec. 11. requires the State Treasurer to transfer two million dollars from the Job Training Cash Fund to the Sector Partnership Program Fund on or before July 15, 2016.

Sec. 12. repealer.

Sec. 13. emergency clause for act to take effect when passed.

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**Explanation of amendments:**

The committee amendment replaces the bill.

Sec. 1. creates the Sector Partnership Program Act.

Sec. 2. intent language stating that sector partnerships are a proven strategy for success for employers and workers to close skill gaps and provide training in high-demand industries.

Sec. 3. definitional section. Defines department, local area, local sector partnership, local workforce development board, and Nebraska Workforce Development Board.

Sec. 4. creates the Sector Partnership Program, to be administered by the Department of Labor in conjunction with the Department of Economic Development. The Department of Labor must consult with the Nebraska Workforce Development Board, the Department of Economic Development, and the State Department of Education. It requires the Department of Labor to establish a study process to conduct labor availability and skills gap studies, determine the laborshed areas of the state, and complete studies for those areas on a rotating basis as determined by the Department of Labor. All studies are public information, except as otherwise provided in state or federal law.

The Department of Labor and Department of Economic Development may contract with other entities to conduct additional studies. The departments shall provide technical assistance to local sector partnerships.

Sec. 5. creates the Sector Partnership Program Fund to be administered by the Department of Labor. The fund is to be used to pursue sector partnership activities, including studies conducted by the Department of Labor and the Department of Economic Development pursuant to the act. The fund may also be used for administrative costs of both departments associated with sector partnership activities.

The fund will consist of money that is: transferred from the Job Training Cash Fund and the Nebraska Training and Support Cash Fund; appropriated by the Legislature; donated as gifts; and made available by any department or agency of the U.S. if so directed.

Sec. 6. requires the department to provide an annual report on or before July 31 of each year to the Governor and Business and Labor Committee of the Legislature. The report shall detail the process and results of the labor availability and skills gap studies.

Sec. 7. permits the department to adopt and promulgate rules and regulations.

Sec. 8. authorizes money in the Nebraska Training and Support Cash Fund to be used to develop and conduct labor availability and skills gap studies pursuant to the Sector Partnership Program Act. It also requires the State Treasurer to transfer \$250,000 from the Nebraska Training and Support Cash Fund to the Sector Partnership Program Fund no later than July 15, 2016.

Sec. 9. authorizes money in the Job Training Cash Fund to be used pursuant to Sec. 5 of this act. It also requires \$250,000 to be transferred from the Job Training Cash Fund to the Sector Partnership Program Fund no later than July 15, 2016.

Sec. 10. repealer.

Sec. 11. emergency clause for act to take effect when passed.

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Burke Harr, Chairperson