

LEGISLATURE OF NEBRASKA
ONE HUNDRED FOURTH LEGISLATURE
SECOND SESSION

LEGISLATIVE BILL 1029

Introduced by Mello, 5.

Read first time January 19, 2016

Committee: Business and Labor

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

1 Section 1. Sections 1 to 10 of this act shall be known and may be
2 cited as the Sector Partnership Program Act.

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

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

15 Sec. 3. For purposes of the Sector Partnership Program Act:

16 (1) Department means the Department of Labor;

17 (2) High-demand sector means a sector designated as such pursuant to
18 section 5 of this act;

19 (3) Local area means a workforce development area authorized by the
20 federal Workforce Innovation and Opportunity Act and established in
21 Nebraska;

22 (4) Local sector partnership or partnership means a workforce
23 collaborative that organizes key stakeholders in a particular sector of
24 business or industry in a local area into a working group that focuses on
25 the shared goals and human resources needs of such sector and that
26 includes the members required by subdivision (1)(a) of section 6 of this
27 act;

28 (5) Local workforce development board means a local workforce
29 development board authorized by the federal Workforce Innovation and
30 Opportunity Act and established in Nebraska;

31 (6) Middle-skill job means a job that requires some form of

1 postsecondary training or education but not a bachelor's degree;

2 (7) Nebraska Workforce Development Board means the state workforce
3 development board authorized by the federal Workforce Investment and
4 Opportunity Act and established in Nebraska; and

5 (8) Program means the Sector Partnership Program established in
6 section 4 of this act.

7 Sec. 4. (1) The Sector Partnership Program is created. The program
8 shall be administered by the Department of Labor. In establishing and
9 administering the program, the department shall consult with the Nebraska
10 Workforce Development Board, the Department of Economic Development, and
11 the State Department of Education.

12 (2) The department shall establish a grant process to provide
13 funding to eligible local sector partnerships in high-demand sectors.

14 (3) In awarding grants, the department shall give priority to
15 applications that address skill gaps for middle-skill jobs.

16 (4) No more than one partnership shall receive funds under the
17 program for the same industry sector in the same local area.

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

26 Sec. 5. (1) Grants under the program shall only be awarded to local
27 sector partnerships in high-demand sectors.

28 (2) The department shall determine which sectors are high-demand
29 sectors in Nebraska. The department may designate a sector as a high-
30 demand sector if the department determines that the sector is important
31 to the economic development and workforce development of a local area. In

1 making such a designation, the department shall consider:

2 (a) Rates of employment in the local area and the sector;

3 (b) Projected employment growth in the sector;

4 (c) Wage levels in the sector;

5 (d) The location quotient of the sector;

6 (e) Employment opportunities for middle-skill jobs in the sector;

7 and

8 (f) Other relevant criteria as determined by the department.

9 (3) The department may require a local sector partnership applying
10 for a grant under the program to demonstrate that the partnership's
11 sector is a high-demand sector.

12 Sec. 6. (1) To be eligible to receive a grant under the program:

13 (a) The local sector partnership must include representatives from:

14 (i) At least three employers based in the local area that are from
15 the same business or industry sector and that collectively employ a
16 substantial portion of the individuals who are employed in such sector in
17 the local area;

18 (ii) A labor organization, if appropriate for such sector;

19 (iii) The local workforce development board;

20 (iv) A postsecondary education institution;

21 (v) An adult basic education provider; and

22 (vi) The state employment service established pursuant to section
23 48-662;

24 (b) A majority of the representatives described in subdivision (1)

25 (a)(i) of this section shall be the owners, chief executives, or chief
26 operating officers of their respective employers, or shall otherwise be
27 executives or officials of such employers with optimum policymaking or
28 hiring authority;

29 (c) The partnership shall designate from among its members a
30 convener and a fiscal agent. One member may serve as both the convener
31 and fiscal agent. The convener shall organize the partnership, recruit

1 employers and other members, and conduct the meetings, and may perform
2 additional functions as agreed to by the partnership; and

3 (d) The partnership must provide resources, either in money or in
4 kind, to match at least twenty-five percent of the value of the grant.

5 (2) A partnership may also include representatives of community-
6 based and nonprofit organizations, local government, economic development
7 organizations, chambers of commerce, trade associations, elementary and
8 secondary education providers, and any other appropriate entities.

9 (3) A partnership may cover more than one local area if the required
10 members agree to such a partnership. A partnership covering more than one
11 local area shall include representatives from each appropriate local
12 workforce development board.

13 Sec. 7. (1) The department may award grants to local sector
14 partnerships for either planning or implementation activities. The
15 department may award up to thirty thousand dollars for planning grants,
16 and such grants shall be used within one year. The department may award
17 up to two hundred thousand dollars for implementation grants, and such
18 grants shall be used within two years.

19 (2) Planning activities include research identifying the skill gaps
20 in the sector, the factors contributing to the gaps, and the creation of
21 a plan to close the gaps.

22 (3) Implementation activities include skills training, establishing
23 a kindergarten to postsecondary education pipeline, establishing career
24 pathways for adults, identifying skill standards and industry-based
25 certifications, developing curricula, marketing for workforce
26 recruitment, and other activities that assist in preparing or supplying
27 workers for the sector. Implementation activities may also include
28 eliminating barriers to participation in training and education, such as
29 providing for support services such as child care or transportation. For
30 purposes of this subsection, skills training includes (a) training for
31 unemployed individuals before or once they have been hired, as well as

1 training for incumbent workers, (b) on-the-job or classroom training, and
2 (c) training in basic skills, general workplace skills, or specific
3 occupational skills.

4 (4) To be eligible to receive an implementation grant, a partnership
5 must first complete planning activities, whether funded under the program
6 or by some other means.

7 Sec. 8. (1) The Sector Partnership Program Fund is created. The
8 fund shall be administered by the department. The fund shall be used to
9 provide grants pursuant to the Sector Partnership Program Act.

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

19 (3) In any fiscal year, the department may use up to five percent of
20 the Sector Partnership Program Fund for operational and administrative
21 expenses incurred in carrying out the Sector Partnership Program Act.

22 Sec. 9. (1) Local sector partnerships receiving grants under the
23 program shall provide performance reports to the department. Such reports
24 shall be submitted annually, on or before a date selected by the
25 department.

26 (2) The department shall determine the content of the performance
27 reports required by this section. Such reports shall include information
28 concerning:

29 (a) Outcomes for participating employers, including information
30 regarding vacancy rates, employee turnover, employer satisfaction, number
31 of employers represented in partnerships, number and retention rates of

1 workers employed by such employers, and investments made by such
2 employers in the program or as a result of the program; and

3 (b) Outcomes for individual participants, including:

4 (i) The percentage of participants in unsubsidized employment six
5 months and twelve months after program exit;

6 (ii) Information on participant earnings, including the median
7 earnings of participants in unsubsidized employment six months after
8 program exit;

9 (iii) Information on participant credential attainment, including
10 the percentage of participants who obtained a recognized postsecondary
11 credential or secondary school diploma, or its recognized equivalent,
12 within one year after program exit; and

13 (iv) Information on participants' attainment of employment skills.

14 (3) On or before July 15 of each year, the department shall provide
15 an annual report to the Governor and the Business and Labor Committee of
16 the Legislature. The report submitted to the Legislature shall be
17 submitted electronically. The report shall detail the department's use of
18 the Sector Partnership Program Fund and the performance of the program.

19 Sec. 10. The department may adopt and promulgate rules and
20 regulations to carry out the Sector Partnership Program Act.

21 Sec. 11. Section 81-1201.21, Revised Statutes Supplement, 2015, is
22 amended to read:

23 81-1201.21 (1) There is hereby created the Job Training Cash Fund.
24 The fund shall be under the direction of the Department of Economic
25 Development. Money may be transferred to the fund pursuant to subdivision
26 (1)(b)(iii) of section 48-621 and from the Cash Reserve Fund at the
27 direction of the Legislature. The department shall establish a subaccount
28 for all money transferred from the Cash Reserve Fund to the Job Training
29 Cash Fund on or after July 1, 2005.

30 (2) The money in the Job Training Cash Fund or the subaccount
31 established in subsection (1) of this section shall be used (a) to

1 provide reimbursements for job training activities, including employee
2 assessment, preemployment training, on-the-job training, training
3 equipment costs, and other reasonable costs related to helping industry
4 and business locate or expand in Nebraska, (b) to provide upgrade skills
5 training of the existing labor force necessary to adapt to new technology
6 or the introduction of new product lines, (c) to provide grants pursuant
7 to section 81-1210.02, ~~or~~ (d) as provided in section 79-2308, or (e) as
8 provided in section 8 of this act. The department shall give a preference
9 to job training activities carried out in whole or in part within an
10 enterprise zone designated pursuant to the Enterprise Zone Act.

11 (3) The department shall establish a subaccount within the fund to
12 provide training grants for training employees and potential employees of
13 businesses that (a) employ twenty-five or fewer employees on the
14 application date, (b) employ, or train for potential employment,
15 residents of rural areas of Nebraska, or (c) are located in or employ, or
16 train for potential employment, residents of high-poverty areas as
17 defined in section 81-1203. The department shall calculate the amount of
18 prior year investment income earnings accruing to the fund and allocate
19 such amount to the subaccount for training grants under this subsection.
20 The subaccount shall also be used as provided in the Teleworker Job
21 Creation Act and as provided in section 81-1210.02. The department shall
22 give a preference to training grants for businesses located in whole or
23 in part within an enterprise zone designated pursuant to the Enterprise
24 Zone Act.

25 (4) The State Treasurer shall transfer:

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

29 (b) Two million dollars from the Job Training Cash Fund to the
30 Sector Partnership Program Fund on or before July 15 of 2016.

31 (5) Any money in the Job Training Cash Fund available for investment

1 shall be invested by the state investment officer pursuant to the
2 Nebraska Capital Expansion Act and the Nebraska State Funds Investment
3 Act.

4 Sec. 12. Original section 81-1201.21, Revised Statutes Supplement,
5 2015, is repealed.

6 Sec. 13. Since an emergency exists, this act takes effect when
7 passed and approved according to law.