

**ONE HUNDRED NINTH LEGISLATURE - FIRST SESSION - 2025**  
**COMMITTEE STATEMENT**  
**LB265**

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**Hearing Date:** Monday February 03, 2025  
**Committee On:** Business and Labor  
**Introducer:** Sorrentino  
**One Liner:** Eliminate certain funds, change provisions relating to the state unemployment insurance tax rate and the Workforce Development Program Cash Fund, and eliminate the Nebraska Worker Training Board

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

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**Vote Results:**

<b>Aye:</b>	6	Senators Hansen, Ibach, Kauth, McKeon, Raybould, Sorrentino
<b>Nay:</b>	1	Senator McKinney
<b>Absent:</b>		
<b>Present Not Voting:</b>		

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**Testimony:**

**Proponents:**

Senator Tony Sorrentino  
Katie Thurber  
Heath Mello

**Representing:**

Opening Presenter  
Nebraska Department of Labor  
Greater Omaha Chamber, Nebraska Chamber of  
Commerce, Lincoln Chamber

**Opponents:**

Jon Nebel  
Rene Carrillo

**Representing:**

Nebraska State Council of Electrical Workers  
Self

**Neutral:**

**Representing:**

\* ADA Accommodation Written Testimony

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

LB 265 would amend Neb. Rev. Stat. § 48-602, 48-648, 48-649.01, 48-649.03, and 48-657, and terminates a number of funds in favor of the Workforce Development Program Cash Fund ("Fund").

A variety of funds currently fund state workplace development programs currently in the Department of Labor ("DOL"). The Bill would centralize the scattered funds into the Fund, and would move the mechanisms currently in the other funds to the Fund. This would help prevent current redundancies and make the funding more efficient.

The Nebraska Training and Support Cash Fund and the State Unemployment Insurance Trust Fund would be terminated and all funds would be transferred to the Fund, minus any refunds due. Any outstanding unpaid grants



would be funded by the Fund if all conditions for the grant are met. Additionally, the Nebraska Worker Training Board would be dissolved as it only exists to direct the use of the Nebraska Training and Support Cash Fund. The DOL would authorize grants on a rolling basis that the Board previously only awarded quarterly.

This Bill declares an emergency so that it can go into effect July 1, 2025.

Section-by-Section Summary:

Section 1: Amends § 48-602 to remove the State Unemployment Insurance Trust Fund from the definition of state unemployment insurance tax and inserts the Fund in its place.

Section 2: Terminates the State Unemployment Insurance Trust Fund on July 1, 2025, and transfers the money to the Fund. All unemployment insurance tax previously collected shall be paid to the Fund, minus refunds.

Section 3: Terminates the Nebraska Training and Support Cash Fund on July 1, 2025, and transfers the money to the Fund. All grants under the Nebraska Training and Support Cash Fund may be paid from the Fund if all conditions of the grant award have been met.

Section 4: Amends § 48-648 to have the combined tax paid into the Fund and the Unemployment Trust Fund instead of the State Unemployment Insurance Trust Fund.

Section 5: Amends § 48-649.01 to remove language allowing for the state unemployment insurance tax rate to be zero percent based upon special circumstances.

Section 6: Amends § 48-649.03 by removing the use of the amount available in the State Unemployment Insurance Trust Fund to determine the state's reserve ratio.

Section 7: Amends § 48-657 to have all unemployment combined tax and interest due under the Employment Security Law for wages paid to individuals employed in the performance of erecting or repairing of any public work shall be paid to the Unemployment Compensation Fund and the Fund instead of the State Unemployment Insurance Trust Fund.

Section 8: Terminates the Sector Partnership Program Fund on July 1, 2025, and transfers the money to the Fund.

Section 9: Allows the DOL to use the Fund to pay the costs associated with state unemployment insurance tax liability and payments, pay out unemployment benefits, and providing labor studies and reports.

Section 10: Removes the allowance for the Job Training Cash Fund to be used for the Sector Partnership Program Fund, as it is being terminated.

Section 11: The act is operative on July 1, 2025.

Section 12: Repeals the original sections being amended.

Section 13: Repeals § 48-622.03 outright.

Section 14: Since Section 1 declares an emergency, the Act takes effect when it is passed.



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Kathleen Kauth, Chairperson



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