

HOUSE BILL No. 1397

DIGEST OF INTRODUCED BILL

Citations Affected: IC 5-22-15; IC 22-4.1.

Synopsis: Work opportunity grant program. Creates the work opportunity grant program (program) to provide grants to employers that continue to employ certain eligible employees into a second year of employment. Provides that the department of workforce development administers the program. Creates a purchasing preference for employers that are awarded a grant under the program.

Effective: July 1, 2017.

McNamara, Porter

January 17, 2017, read first time and referred to Committee on Ways and Means.



First Regular Session 120th General Assembly (2017)

PRINTING CODE. Amendments: Whenever an existing statute (or a section of the Indiana Constitution) is being amended, the text of the existing provision will appear in this style type, additions will appear in **this style type**, and deletions will appear in ~~this style type~~.

Additions: Whenever a new statutory provision is being enacted (or a new constitutional provision adopted), the text of the new provision will appear in **this style type**. Also, the word **NEW** will appear in that style type in the introductory clause of each SECTION that adds a new provision to the Indiana Code or the Indiana Constitution.

Conflict reconciliation: Text in a statute in *this style type* or ~~this style type~~ reconciles conflicts between statutes enacted by the 2016 Regular Session of the General Assembly.

HOUSE BILL No. 1397

A BILL FOR AN ACT to amend the Indiana Code concerning labor and safety.

Be it enacted by the General Assembly of the State of Indiana:

1 SECTION 1. IC 5-22-15-7, AS AMENDED BY P.L.122-2011,
2 SECTION 2, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
3 JULY 1, 2017]: Sec. 7. (a) An offeror may claim one (1) of the
4 following types of preference for which the offeror is eligible:
5 (1) An Indiana business preference under rules adopted under
6 section 20 of this chapter or IC 4-13.6-6-2.5.
7 (2) A preference for supplies as provided by sections 16, 18, 19,
8 and 24 of this chapter.
9 (3) An Indiana small business preference as provided by section
10 23 of this chapter.
11 (4) An Indiana farm product preference as provided by section
12 23.5 of this chapter.
13 **(5) An work opportunity employer preference as provided by**
14 **section 26 of this chapter.**
15 (b) An offeror may not claim more than one (1) preference as
16 provided by sections 16, 18, 19, and 24 of this chapter for a given
17 supply item.



1 (c) This section does not:

2 (1) apply to; or

3 (2) limit;

4 action of the Indiana department of administration under rules adopted
5 under section 21 of this chapter.

6 SECTION 2. IC 5-22-15-26 IS ADDED TO THE INDIANA CODE
7 AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY
8 1, 2017]: **Sec. 26. (a) As used in this section, "work opportunity
9 employer" as of any date means an employer that has received at
10 least one (1) grant under IC 22-4.1-24 within the immediately
11 preceding calendar year.**

12 **(b) A governmental body shall give a fifteen percent (15%)
13 preference for supplies to a work opportunity employer that
14 submits an offer for purchase under this article.**

15 **(c) The governmental body may adopt rules to establish criteria
16 to carry out this section.**

17 SECTION 3. IC 22-4.1-6-2, AS AMENDED BY P.L.69-2015,
18 SECTION 40, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
19 JULY 1, 2017]: Sec. 2. Money in the fund may be used for the
20 following purposes at the discretion of the department, based upon the
21 priorities necessary to achieve the department's goals:

22 (1) To build the capacity and strengthen the quality of services of
23 programs offering basic skills services and having a substantial
24 volunteer component, including staff and volunteer development,
25 outreach, equipment, software, training materials, and community
26 linkages.

27 (2) For workforce development programs providing essential and
28 basic education skills training to raise skills and productivity in
29 the workplace.

30 (3) For technical assistance to providers of workplace
31 development and basic education to enhance the providers'
32 capacity to link with employers and document productivity gains
33 resulting from training.

34 (4) To establish a common data base, reporting system, and
35 evaluation system related to workforce development and other
36 incumbent worker programs, and to develop performance
37 standards.

38 (5) To provide training for dislocated workers.

39 (6) To provide training for workers who are at risk of becoming
40 dislocated workers because of a lack of skills.

41 (7) To provide comprehensive job training and related services
42 for economically disadvantaged, unemployed, and underemployed



1 individuals, including recruitment, counseling, remedial
 2 education, career and technical training, job development, job
 3 placement, and other appropriate services to enable each
 4 individual to secure and retain employment at the individual's
 5 maximum capacity.

6 **(8) To provide grants to employers under the work**
 7 **opportunity grant program established by IC 22-4.1-24 to**
 8 **encourage the ongoing employment of certain categories of**
 9 **workers that have historically had difficulty in sustaining**
 10 **employment.**

11 ~~(8)~~ **(9) To attract federal funds in order to increase the resources**
 12 **available to carry out the purposes of this section.**

13 SECTION 4. IC 22-4.1-24 IS ADDED TO THE INDIANA CODE
 14 AS A NEW CHAPTER TO READ AS FOLLOWS [EFFECTIVE
 15 JULY 1, 2017]:

16 **Chapter 24. Work Opportunity Grant Program**

17 **Sec. 1. The following definitions apply throughout this chapter:**

18 **(1) "Eligible employee" of an employer means an individual**
 19 **who meets the following criteria:**

20 **(A) The individual is a resident of Indiana.**

21 **(B) The individual is any of the following:**

22 **(i) A qualified ex-felon (as defined in Section 51(d) of the**
 23 **Internal Revenue Code).**

24 **(ii) A qualified veteran (as defined in Section 51(d) of the**
 25 **Internal Revenue Code).**

26 **(iii) A qualified long-term unemployment recipient (as**
 27 **defined in Section 51(d) of the Internal Revenue Code).**

28 **(C) The employer has claimed, or is eligible to claim, the**
 29 **credit provided by Section 51 of the Internal Revenue Code**
 30 **against the employer's federal income tax liability for**
 31 **qualified first-year wages paid or incurred with respect to**
 32 **the individual.**

33 **(2) "Fund" refers to the state workforce development fund**
 34 **established by IC 22-4.1-6-1.**

35 **(3) "Qualified first-year wages" has the meaning set forth in**
 36 **Section 51(b) of the Internal Revenue Code.**

37 **(4) "Qualified second-year wages" means wages paid to or**
 38 **incurred for an eligible employee during the eligible**
 39 **employee's second year of employment by the employer.**

40 **Sec. 2. The department shall award grants from the fund in**
 41 **accordance with this chapter to employers that continue to retain**
 42 **an eligible employee for a period that exceeds one (1) year from the**



1 eligible employee's hire date.

2 **Sec. 3. (a) An employer who wishes to obtain a grant under this**
 3 **chapter for the employment of an eligible employee must submit an**
 4 **application to the department in the manner prescribed by the**
 5 **department.**

6 **(b) An employer may submit an application under this section**
 7 **for the award of a grant under this chapter for an eligible**
 8 **employee any time:**

9 **(1) after the first anniversary of the eligible employee's hire**
 10 **date; and**

11 **(2) before the earlier of:**

12 **(A) the third anniversary of the eligible employee's hire**
 13 **date; or**

14 **(B) January 1, 2020.**

15 **Sec. 4. (a) The department shall review applications submitted**
 16 **to the department under section 3 of this chapter in the order in**
 17 **which the applications are received.**

18 **(b) The department shall make reasonable efforts to verify the**
 19 **relevant facts asserted in an application.**

20 **(c) The department may request additional information from an**
 21 **applicant before taking action on an application.**

22 **(d) If the department verifies that an employee who is the**
 23 **subject of an application for a grant under this chapter is an**
 24 **eligible employee, the department shall approve the application**
 25 **and issue an approval letter to the applicant.**

26 **(e) If the department determines that an employee who is the**
 27 **subject of an application for a grant under this chapter does not**
 28 **meet the criteria in the definition of an eligible employee, the**
 29 **department shall deny the application and issue a letter of denial**
 30 **to the applicant explaining the reasons for the denial.**

31 **Sec. 5. (a) Subject to the availability of money for the program,**
 32 **the amount of a grant awarded under this chapter for the**
 33 **employment of an eligible employee is equal to forty percent (40%)**
 34 **of the eligible employee's qualified second-year wages.**

35 **(b) The department may disburse a grant awarded under this**
 36 **chapter to an employer in installments.**

37 **(c) If the department awards more than one (1) grant under this**
 38 **chapter to an employer for multiple eligible employees, the**
 39 **department may aggregate disbursements of the grant payments**
 40 **to the employer.**

41 **(d) Whenever the department wishes to make distributions of**
 42 **grant awards, the department shall notify the auditor of state of**



1 the fund from which the distributions are to be made, the
2 recipients, and the corresponding amounts to distribute.
3 Distributions from the fund under this chapter shall be paid by the
4 treasurer of state upon warrants issued by the auditor of state.

5 Sec. 6. The department may adopt rules under IC 4-22-2 for the
6 administration of this chapter.

7 Sec. 7. This chapter expires December 31, 2020.

