

## LEGISLATIVE BILL 476

Approved by the Governor May 16, 2013

Introduced by Carlson, 38.

FOR AN ACT relating to economic development; to amend sections 81-1201.21, 81-1210.01, 81-1210.02, and 81-1210.03, Revised Statutes Cumulative Supplement, 2012; to change provisions relating to grants for internships; to define and redefine terms; to harmonize provisions; to provide an operative date; and to repeal the original sections.  
Be it enacted by the people of the State of Nebraska,

Section 1. Section 81-1201.21, Revised Statutes Cumulative Supplement, 2012, is amended to read:

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

(2) The department shall use the Job Training Cash Fund or the subaccount established in subsection (1) of this section (a) to provide reimbursements for job training activities, including employee assessment, preemployment training, on-the-job training, training equipment costs, and other reasonable costs related to helping industry and business locate or expand in Nebraska, (b) to provide upgrade skills training of the existing labor force necessary to adapt to new technology or the introduction of new product lines, or (c) to provide job training grants pursuant to section 81-1210.02.

(3) The department shall establish a subaccount within the fund to provide training grants for training employees and potential employees of businesses that (a) employ twenty-five or fewer employees on the application date, (b) employ, or train for potential employment, residents of rural areas of Nebraska, or (c) are located in or employ, or train for potential employment, residents of high-poverty areas as defined in section 81-1203. The department shall calculate the amount of prior year investment income earnings accruing to the fund and allocate such amount to the subaccount for training grants under this subsection. The subaccount shall also be used as provided in the Teleworker Job Creation Act and as provided in section 81-1210.02.

(4) Any money in the fund available for investment shall be invested by the state investment officer pursuant to the Nebraska Capital Expansion Act and the Nebraska State Funds Investment Act.

Sec. 2. Section 81-1210.01, Revised Statutes Cumulative Supplement, 2012, is amended to read:

81-1210.01 For purposes of sections 81-1210.01 to 81-1210.03:

(1) Department means the Department of Economic Development;

~~(2) Distressed area means a municipality, county with a population of fewer than one hundred thousand inhabitants according to the most recent federal decennial census, unincorporated area within a county, or census tract in Nebraska that (a) has an unemployment rate which exceeds the statewide average unemployment rate, (b) has a per capita income below the statewide average per capita income, or (c) had a population decrease between the two most recent federal decennial censuses;~~

~~(3) Eligible company has the same meaning as qualified business in subsection (1) of section 77-5715;~~

~~(4) Intern means any person who is working in a professional environment for a limited period of time to gain sufficient practical work experience in a professional or technical position to allow for career decisionmaking and to provide the employer valuable skills to accelerate short-term business objectives and who (a) is enrolled full time in a four-year college or university in Nebraska and has achieved junior or senior status by such institution's criteria, (b) is enrolled full time in a two-year college in Nebraska and has successfully completed a minimum of one-half of the total credit hours required for an associate degree, or (c) having residency in Nebraska, is enrolled full time in a four-year college or university in a state other than Nebraska and has achieved junior or senior status by such institution's criteria; and~~

~~(5) (2) Internship means any internship that did not exist before June 1, 2011, employment of a student in a professional or technical position for a limited period of time, by a business in Nebraska, in which the student~~

(a) gains valuable work experience, (b) increases knowledge that assists with career decisionmaking, and (c) assists the business in accelerating short-term business objectives; and

(3) Student means any person who:

(a) Is enrolled full-time in a college, university, or other institution of higher education in Nebraska;

(b) Has residency in Nebraska and is enrolled full-time in a college, university, or other institution of higher education in a state other than Nebraska; or

(c) Applies for an internship within six months following graduation from (i) a college, university, or other institution of higher education in Nebraska or (ii) a college, university, or other institution of higher education in a state other than Nebraska if such person had residency in Nebraska during his or her enrollment in such college, university, or institution.

Sec. 3. Section 81-1210.02, Revised Statutes Cumulative Supplement, 2012, is amended to read:

81-1210.02 (1) ~~The intent of sections 81-1210.01 to 81-1210.03 is to connect Nebraska provide students pursuing postsecondary degrees with targeted industries with valuable internship opportunities in order to retain such students and attract workers to Nebraska by assisting companies Nebraska businesses willing to provide paid internships.~~

(2) An eligible company A business may apply to the department for a job training grant to assist in the hiring of an intern providing a student an internship if:

(a) The company business certifies that the internship meets the definition of internship in section 81-1210.01;

~~(b) The internship pays at least the federal minimum wage;~~

~~(c) The intern will work a minimum of two hundred hours in a twelve-week period but no more than one thousand hours in a fifty-week period; and~~

~~(d) The intern applies for the internship prior to graduation, even though the internship may be completed after graduation.~~

(b) The business will pay the student at least the federal minimum hourly wage for the internship;

(c) The internship will be completed within the State of Nebraska;

(d) The internship will be completed within a period of no more than twelve months; and

(e) The internship will be for a duration sufficient to allow the student to gain significant valuable work experience and knowledge.

(3) The department may provide a job training grant of grants for internships in the following amounts:

(a) If the student receiving the internship is a Federal Pell Grant recipient at the time of grant application, the grant may be up to the lesser of seventy-five percent of the cost of the internship or seven thousand five hundred dollars. The business applying for the grant shall provide the department with documentation to prove that the student is a Federal Pell Grant recipient; and

(b) For all other students, the grant may be up to the lesser of forty seventy-five percent of the cost of the internship or three thousand five hundred dollars, except that if the internship is in a distressed area, the job training grant may be up to the lesser of sixty percent of the cost of the internship or five thousand dollars.

(4) An eligible company A business may apply for no more than two job training grants for the same intern, student, shall not be awarded more than five job training grants at any one location in any twelve-month period, and shall not be awarded more than ten job training grants total in any twelve-month period.

(5) An eligible company A business may allow an intern a student to telecommute if the eligible company business is located more than thirty miles from the college, or university, or other institution of higher education in which the intern student is enrolled and if the college, or university, or other institution of higher education is in Nebraska.

(6) The department shall, to the extent possible, assure that the distribution of job training grants under sections 81-1210.01 to 81-1210.03 provides equitable access to the grants by all geographic areas of the state.

(7) The department shall, to the extent possible, assure that the grants awarded pursuant to sections 81-1210.01 to 81-1210.03 are for internships which provide valuable learning opportunities for students who will be seeking employment in a professional or technical field.

~~(7) (8) The department shall not allocate more than one million five hundred thousand dollars in each of FY2011-12 and FY2012-13 any one fiscal~~

year from the Job Training Cash Fund or its subaccounts for purposes of this section. The department may receive funds from public, private, or other sources for purposes of this section.

(9) The department shall develop a qualified action plan by January 1 of each even-numbered year. The plan shall, at a minimum, set forth the department's priorities and selection criteria for awarding grants for internships. In order to encourage students from across Nebraska to pursue internships, the plan shall also include strategies for affirmatively marketing internships to Nebraska students in high schools, colleges, universities, and other institutions of higher education in Nebraska. Such strategies shall place an emphasis on marketing to underserved student populations as defined by the department in the plan. The department shall submit the plan to the Governor for approval.

Sec. 4. Section 81-1210.03, Revised Statutes Cumulative Supplement, 2012, is amended to read:

81-1210.03 The department may adopt and promulgate rules and regulations to govern the award and disbursement of ~~job training grants under section 81-1210.02,~~ pursuant to sections 81-1210.01 to 81-1210.03.

Sec. 5. This act becomes operative on October 1, 2013.

Sec. 6. Original sections 81-1201.21, 81-1210.01, 81-1210.02, and 81-1210.03, Revised Statutes Cumulative Supplement, 2012, are repealed.