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ARTICLE 11 AS AMENDED

RELATING TO WORKFORCE DEVELOPMENT

SECTION 1. Section 28-42-84 of the General Laws in Chapter 28-42 entitled "Employment Security - General Provisions" is hereby amended to read as follows:

28-42-84. Job development fund -- Disbursements -- Unexpended balance.

(a) The moneys in the job development fund shall be used for the following purposes:

(1) To reimburse the department of labor and training for the loss of any federal funds resulting from the collection and maintenance of the fund by the department;

(2) To make refunds of contributions erroneously collected and deposited in the fund;

(3) To pay any administrative expenses incurred by the department of labor and training associated with the collection of the contributions for employers paid pursuant to § 28-43-8.5, and any other administrative expenses associated with the maintenance of the fund, including the payment of all premiums upon bonds required pursuant to § 28-42-85;

(4) To provide for job training, counseling and assessment services, and other related activities and services. Services will include, but are not limited to, research, development, coordination, and training activities to promote workforce development and business development as established by the governor's workforce board Rhode Island (workforce board);

(5) To support the state's job training for economic development;

(6) Beginning January 1, 2001, two hundredths of one percent (0.02%) out of the job development assessment paid pursuant to § 28-43-8.5 shall be used to support necessary, core services in the unemployment insurance and employment services programs operated by the department of labor and training; **and**

(7) Beginning January 1, 2011, and ending in tax year 2014, three tenths of one percent (0.3%) out of the fifty-one hundredths of one percent (0.51%) job development assessment paid pursuant to § 28-43-8.5 shall be deposited into a restricted receipt account to be used solely to pay the principal and/or interest due on Title XII advances received from the federal government in accordance with the provisions of Section 1201 of the Social Security Act [42 U.S.C. § 1321]; provided, however, that if the federal Title XII loans are repaid through a state revenue bond or other financing mechanism, then these funds may also be used to pay the principal and/or interest that accrues on that debt. Any remaining funds in the restricted receipt account, after the

1 outstanding principal and interest due has been paid, shall be transferred to the employment security
2 fund for the payment of benefits; and

3 (8) Beginning January 1, 2019 and ending December 31, 2019, the amount of the job
4 development assessment paid pursuant to § 28-43.8-5 above nineteen hundredths of one percent
5 (0.19%) shall be used to support necessary, core services in the unemployment insurance and
6 employment services programs operated by the department of labor and training.

7 (b) The general treasurer shall pay all vouchers duly drawn by the workforce board upon
8 the fund, in any amounts and in any manner that the workforce board may prescribe. Vouchers so
9 drawn upon the fund shall be referred to the controller within the department of administration.
10 Upon receipt of those vouchers, the controller shall immediately record and sign them and shall
11 promptly transfer those signed vouchers to the general treasurer. Those expenditures shall be used
12 solely for the purposes specified in this section and its balance shall not lapse at any time but shall
13 remain continuously available for expenditures consistent with this section. The general assembly
14 shall annually appropriate the funds contained in the fund for the use of the workforce board and,
15 in addition, for the use of the department of labor and training effective July 1, 2000, and for the
16 payment of the principal and interest due on federal Title XII loans beginning July 1, 2011;
17 provided, however, that if the federal Title XII loans are repaid through a state revenue bond or
18 other financing mechanism, then the funds may also be used to pay the principal and/or interest
19 that accrues on that debt.

20 SECTION 2. Sections 28-43-1 and 28-43-8.5 of the General Laws in Chapter 28-43 entitled
21 "Employment Security - Contributions" are hereby amended to read as follows:

22 **28-43-1. Definitions.**

23 The following words and phrases as used in this chapter have the following meanings,
24 unless the context clearly requires otherwise:

25 (1) "Balancing account" means a book account to be established within the employment
26 security fund, the initial balance of which shall be established by the director as of September 30,
27 1979, by transferring the balance of the solvency account on that date to the balancing account.

28 (2) "Computation date" means September 30 of each year.

29 (3) "Eligible employer" means an employer who has had three (3) consecutive experience
30 years during each of which contributions have been credited to his account and benefits have been
31 chargeable to this account.

32 (4) "Employer's account" means a separate account to be established within the
33 employment security fund by the director as of September 30, 1958, for each employer subject to
34 chapters 42 -- 44 of this title, out of the money remaining in that fund after the solvency account

1 has been established in the fund, by crediting to each employer an initial credit balance bearing the
2 same relation to the total fund balance so distributed, as his or her tax contributions to the fund
3 during the period beginning October 1, 1955, and ending on September 30, 1958, have to aggregate
4 tax contributions paid by all employers during the same period; provided, that nothing contained in
5 this section shall be construed to grant to any employer prior claim or rights to the amount
6 contributed by him or her to the fund.

7 (5) "Experience rate" means the contribution rate assigned to an employer's account under
8 whichever is applicable of schedules A -- I in § 28-43-8.

9 (6) "Experience year" means the period of twelve (12), consecutive calendar months ending
10 September 30 of each year.

11 (7) "Most recent employer" means the last base-period employer from whom an individual
12 was separated from employment and for whom the individual worked for at least four (4) weeks,
13 and in each of those four (4) weeks had earnings of at least twenty (20) times the minimum hourly
14 wage as defined in chapter 12 of this title.

15 (8) "Reserve percentage" means, in relation to an employer's account, the net balance of
16 that account on a computation date, including any voluntary contributions made in accordance with
17 § 28-43-5.1, stated as a percentage of the employer's twelve-month (12) average taxable payroll for
18 the last thirty-six (36) months ended on the immediately preceding June 30.

19 (9) "Reserve ratio of fund" means the ratio which the total amount available for the
20 payment of benefits in the employment security fund on September 30, 1979, or any computation
21 date thereafter, minus any outstanding federal loan balance, plus an amount equal to funds
22 transferred to the job development fund through the job development assessment adjustment for
23 the prior calendar year, bears to the aggregate of all total payrolls subject to this chapter paid during
24 the twelve-month (12) period ending on the immediately preceding June 30, or the twelve-month
25 (12) average of all total payrolls during the thirty-six-month (36) period ending on that June 30,
26 whichever percentage figure is smaller.

27 (10) "Taxable payroll" means, for the purpose of this chapter, the total of all wages as
28 defined in § 28-42-3(29).

29 (11) "Tax year" means the calendar year.

30 (12) "Total payroll" means, for the purpose of this chapter, the total of all wages paid by
31 all employers who are required to pay contributions under the provisions of chapters 42 -- 44 of
32 this title.

33 (13) "Unadjusted reserve ratio of fund" means the ratio which the total amount available
34 for the payment of benefits in the employment security fund on September 30, 1979, or any

1 computation date thereafter, minus any outstanding federal loan balance, bears to the aggregate of
2 all total payrolls subject to this chapter paid during the twelve-month (12) period ending on the
3 immediately preceding June 30, or the twelve-month (12) average of all total payrolls during the
4 thirty-six-month (36) period ending on that June 30, whichever percentage figure is smaller.

5 ~~(13)~~(14) "Voluntary contribution" means a contribution paid by an employer to his or her
6 account in accordance with § 28-43-5.1 to reduce the employer's experience rate for the ensuing
7 tax year.

8 **28-43-8.5. Job development assessment.**

9 (a) For the tax years 2011 through 2014, each employer subject to this chapter shall be
10 required to pay a job development assessment of fifty-one hundredths of one percent (0.51%) of
11 that employer's taxable payroll, in addition to any other payment which that employer is required
12 to make under any other provision of this chapter; provided, that the assessment shall not be
13 considered as part of the individual employer's contribution rate for the purpose of determining the
14 individual employer's balancing charge pursuant to § 28-43-9; provided, further, upon full
15 repayment of any outstanding principal and/or interest due on Title XII advances received from the
16 federal government in accordance with the provisions of section 1201 of the Social Security Act
17 [42 U.S.C. § 1321], including any principal and/or interest that accrues on debt from a state revenue
18 bond or other financing mechanism used to repay the Title XII advances, then the job development
19 assessment shall be reduced to twenty-one hundredths of one percent (0.21%) beginning the tax
20 quarter after the full repayment occurs. The tax rate for all employers subject to the contribution
21 provisions of chapters 42 -- 44 of this title shall be reduced by twenty-one hundredths of one percent
22 (0.21%). For tax year 2015 and subsequent years, except tax year 2019, each employer subject to
23 this chapter shall be required to pay a job development assessment of twenty-one hundredths of
24 one percent (0.21%) of that employer's taxable payroll, in addition to any other payment which that
25 employer is required to make under any other provision of this chapter; provided, that the
26 assessment shall not be considered as part of the individual employer's contribution rate for the
27 purpose of determining the individual employer's balancing charge pursuant to § 28-43-9. The tax
28 rate for all employers subject to contribution provisions of chapters 42 -- 44 of this title shall be
29 reduced by twenty-one hundredths of one percent (0.21%). For tax year 2019, each employer
30 subject to this chapter shall be required to pay a base job development assessment of twenty-one
31 hundredths of one percent (0.21%) of that employer's taxable payroll, plus a job development
32 assessment adjustment as computed pursuant to subsection (b) of this section, in addition to any
33 other payment which that employer is required to make under any other provision of this chapter;
34 provided, that:

1 (1) the assessment shall not be considered as part of the individual employer's contribution
2 rate for the purpose of determining the individual employer's balancing charge pursuant to § 28-
3 43-9; and

4 (2) A job development adjustment shall be computed only if tax schedule A through H is
5 scheduled to be in effect for the ensuing calendar year; and

6 (3) The employment security fund earned interest in the prior calendar year.

7 (b) On September 30, 2018, the job development assessment adjustment shall be computed
8 to determine the job development assessment that will be in effect during the ensuing calendar year.

9 The adjustment shall be computed by dividing the interest earned by the employment security fund
10 in the prior calendar year by one hundred ten percent (110%) of the taxable wages in the prior
11 calendar year. The result shall be rounded down to the nearest one hundredth of a percent (0.01%).

12 (1) In no event may the revenues made available to the job development fund by the job
13 development assessment adjustment exceed seventy-five percent (75%) of the interest earned by
14 the employment security fund in the prior calendar year. All revenues collected after seventy-five
15 percent (75%) of the employment security fund's prior year interest has been deposited into the job
16 development fund shall be deposited into the employment security fund forthwith.

17 (c) The tax rate for all employers subject to contribution provisions of chapter 42 through
18 44 of this title shall be reduced by the total combined job development assessment and adjustment
19 as determined under subsection (b) of this section.

20 (d) In no event may the job development assessment adjustment negatively impact
21 contributing employers by either preventing the tax schedule to be in effect for the ensuing calendar
22 year from dropping from a higher schedule or causing the tax schedule to be in effect for the ensuing
23 calendar year to be raised to a higher schedule.

24 (1) If the tax schedule, as determined by the reserve ratio of the employment security fund
25 on September 30, 2018, would be different than the tax schedule determined if the unadjusted
26 reserve ratio of the fund were used to determine the tax schedule for the ensuing calendar year, the
27 department shall do one of the following to ensure that tax schedule to be in effect for the ensuing
28 calendar year is unaffected by the job development assessment adjustment:

29 (i) Make any necessary transfers from available job development fund resources to the
30 employment security trust fund to establish a reserve ratio that would represent the ratio that would
31 have been in effect should the job development assessment adjustment not have been performed in
32 the prior year; or

33 (ii) Perform no job development assessment adjustment in the ensuing calendar year.

34 SECTION 3. Chapter 42-64.6 of the General Laws entitled "Jobs Training Tax Credit Act"

1 is hereby amended by adding thereto the following section:

2 **42-64.6-9. Sunset.**

3 No credits authorized under this chapter shall be awarded for tax years beginning on or
4 after January 1, 2018.

5 SECTION 4. Section 42-102-11 of the General Laws in Chapter 42-102 entitled
6 “Governor’s Workforce Board Rhode Island” is hereby amended to read as follows:

7 **42-102-11. State Work Immersion Program.**

8 (a)(1) The workforce board (“board”) shall develop a state work immersion program and a
9 non-trade, apprenticeship program. For the purposes of this section work immersion shall mean a
10 temporary, paid, work experience that provides a meaningful learning opportunity and increases
11 the employability of the participant. The programs shall be designed in order to provide ~~post-~~
12 ~~secondary school students, recent college graduates, and unemployed adults~~ Rhode Island residents
13 and/or students attending secondary schools, post-secondary schools or training programs with a
14 meaningful work experience, and to assist employers by training individuals for potential
15 employment.

16 (2) Funding for the work immersion program will be allocated from the job development
17 fund account and/or from funds appropriated in the annual appropriations act. Appropriated funds
18 will match investments made by employers in providing meaningful work immersion positions and
19 non-trade apprenticeships.

20 (b) ~~For each participant in the work immersion program, the program shall reimburse~~
21 ~~eligible employers up to fifty percent (50%) of the cost of not more than four hundred (400)~~
22 ~~hours of work experience and during a period of ten (10) weeks. If an eligible employer hires a~~
23 ~~program participant at the completion of such a program, the state may provide reimbursement for~~
24 ~~a total of seventy five percent (75%) of the cost of the work immersion position. Employers~~
25 participating in the work immersion program may be eligible to receive a reimbursement of up to
26 seventy-five percent (75%) of the approved program participant’s wages paid during their work
27 experience.

28 (c) The board shall create a non-trade apprenticeship program and annually award funding
29 on a competitive basis to at least one (1) new initiative ~~proposed and operated by the Governor's~~
30 ~~Workforce Board Industry Partnerships~~. This program shall meet the standards of apprenticeship
31 programs defined pursuant to § 28-45-9 of the general laws. The board shall present the program
32 to the state apprenticeship council, established pursuant to chapter 28-45 of the general laws, for
33 review and consideration.

34 (d) An eligible participant in programs established in subsections (b) and (c) ~~must be at~~

1 ~~least eighteen (18) years of age and~~ must be a Rhode Island resident. Provided, however, any non-
2 Rhode Island resident, who is enrolled in a college or university, located in Rhode Island, is eligible
3 to participate while enrolled at the college or university.

4 (e) In order to fully implement the provisions of this section, the board is authorized to
5 promulgate rules and regulations. The rules and regulations shall define eligible employers that can
6 participate in the programs created by this section.

7 SECTION 5. This Article shall take effect upon passage.

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