# HOUSE RESEARCH

# Bill Summary

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## Overview

Provides state reimbursement to employers for certain costs related to training new employees.

#### **Section**

**Definitions.** Provides definitions of terms used in bill.

A "new job" is defined as one that is provided by a new or expanding business located outside of the seven-county metropolitan area and that provides 32 hours of work per week for at least nine months during the year and that has no planned termination date. The job must be certified by the commissioner as a qualifying job before any employees may be hired to fill the job. The job cannot be one for which an employee hired was formerly employed by the employer in the state or was a replacement worker.

"Program costs" includes all necessary and incidental costs of providing program services, but does not include the purchase price of equipment that will be owned or used by the training or educational institution or service.

"Program services" means training and education for new jobs and includes in-house training and services provided by higher education institutions, local, state, or federal agencies, or private entities.

- 2 Commissioner's duties and powers; agreements. Directs the commissioner of DEED to coordinate job training program services. Directs the commissioner to enter into agreements with participating employers that:
  - identify total program costs and the amount to be paid by the employer;

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### **Section**

• limit the costs that may be paid for by grant funds to no more than 50 percent of the annual gross wages of the new jobs during the first year;

- specifies wage requirements of at least the median hourly wage in the county, plus benefits; and
- provides for the job training to be provided and the duration of the training.

Before entering into an agreement, the commissioner must determine that sufficient funds are available to finance the training specified in the agreement and investigate whether other training programs would be a more suitable option.

Grants funds must be allocated on a first come, first served basis. A grant application fee may be charged by the commissioner.

- **Job training grants.** Allows employers to recover job training costs and requires reporting by the commissioner to the legislature and governor on program performance.
- **Job training grants; appropriation.** Appropriates \$5 million in fiscal year 2016 and \$10 million in fiscal year 2017 and thereafter from the general fund for job training grants.