
HOUSE COMMITTEE AMENDMENTS

2016 Regular Session

Substitute for Original House Bill No. 373 by Representative Broadwater as proposed by the House Committee on Labor and Industrial Relations

This document reflects the content of a substitute bill but is not in a bill form; page numbers in this document DO NOT correspond to page numbers in the substitute bill itself.

To amend and reenact R.S. 23:1541(D) and 1553(B)(6), (7), and (9), and (G), to enact R.S. 23:1516, and to repeal R.S. 23:1514, relative workforce development; to provide with respect to funds for the training of workers; to create the Louisiana Investment for Training Account; to provide program requirements; to provide for funding; to provide for the administration of the fund; to repeal provisions relative to the Incumbent Worker Training Program; and to provide for related matters.

Be it enacted by the Legislature of Louisiana:

Section 1. R.S. 23:1541(D) and 1553(B)(6), (7), and (9), and (G) are hereby amended and reenacted and R.S. 23:1516 is hereby enacted to read as follows:

§1516. Louisiana Investment for Training Account; purpose; training programs; eligibility; administration; report

A. Notwithstanding the provisions of R.S. 23:1511, there is hereby established a special account in the Employment Security Administration Fund to be known as the Louisiana Investment for Training Account, hereinafter called "LIFT". Amounts from this account shall be pledged and dedicated exclusively to fund workforce training at in-state public two-year, community, and technical colleges. The purpose of this program is to prepare more Louisianians, particularly those who are underemployed or have no postsecondary training or credentials, for well-compensated careers that are in high demand by employers within the state.

B. LIFT funds shall only be used to fund the following programs:

(1)(a) Workforce training programs to prepare individuals for high-demand careers as defined by the Louisiana Workforce Investment Council.

(b) The workforce training programs may include recruitment, screening, drug testing that meets industry standards for employment, skills assessment, testing,

remediation, soft skills instruction, workplace readiness preparation, and career and technical training.

(2)(a) Scholarships to students who are enrolled in high-demand workforce training programs. An eligible recipient shall meet any of the following criteria:

- (i) Is employed and earn an hourly wage of less than nine dollars per hour.
- (ii) Is employed and receive government-funded assistance.
- (iii) Is unemployed and receive unemployment compensation benefits.
- (iv) Is unemployed and has exhausted unemployment compensation benefits.
- (v) Does not possess a high school diploma or a post-secondary credential.

(b) To ensure employability upon the completion of the training and prior to full acceptance into the program, the scholarship recipient shall successfully pass a drug test that meets industry standards for employment in the specific workforce training program and complete a soft skills or workplace-readiness training component.

(3)(a) Performance awards to workers who are employed and face significant economic barriers to suspending employment to enroll in the training program.

(b) For the duration of the training program, a performance award recipient shall remain in good standing in the program.

(c) A performance award amount shall not exceed the federal minimum wage rate multiplied by a maximum of thirty hours worked.

C. The Louisiana Workforce Commission shall administer LIFT and comply with all of the following in that administration:

(1) Identify high-demand workforce training programs aligned to the state's occupational forecast, as approved by the Workforce Investment Council.

(2) Refer individuals to the workforce training programs from its Business and Career Solutions Centers and unemployment insurance system.

(3) Connect students completing the workforce training programs to current job openings.

(4) Evaluate the wages and job-placement of former students.

D. No more than ten percent of amounts credited to LIFT shall be used for

its administration.

E.(1) Training shall be provided by public two-year community and technical colleges in Louisiana.

(2) When a specific training program is unavailable at a two-year community or technical college within the state, the college may contract with a third-party training provider. Any third-party training provider contracted with and paid by LIFT shall demonstrate a history of successful training and use current industry standards as the basis for programs utilized to train individuals in a targeted industry.

F. LIFT funds shall not be expended or be available for expenditure in any manner which would permit the substitution for, or a corresponding reduction in, any state or federal appropriation to any public postsecondary educational institution.

G. The Louisiana Workforce Commission shall, not less than sixty days before the legislature convenes for its regular session, submit an annual report to the House and Senate committees on labor and industrial relations. This report shall include, at a minimum, the number and type of training programs funded, the number of students enrolled in each program, the number and type of credentials awarded, and the number and amount of scholarships and performance awards granted.

* * *

§1541. Notice of benefits charged against employer's experience rating record; employer's right to contest; application for review; procedure

* * *

D. The administrator shall establish by October fourteenth of each year the amount to be collected for the ~~Incumbent Worker~~ Louisiana Investment for Training Account pursuant to R.S. 23:1553(B)(6) through (9).

* * *

§1553. Noncharging of benefits; recoupment; social charge account; social charge tax rate

* * *

B.

* * *

(6) No amounts shall be credited to the ~~Incumbent Worker~~ Louisiana Investment for Training Account as provided ~~under R.S. 23:1514~~ pursuant to R.S. 23:1516 in any calendar year in which the applied trust fund balance is less than seven hundred fifty million dollars. Furthermore, following any year in which monies are appropriated from the ~~Incumbent Worker~~ Louisiana Investment for Training Account for use in the state general fund, such appropriated amount shall be subtracted from amounts to be charged pursuant to Paragraphs (7) and (9) of this Subsection.

(7) Amounts not to exceed twenty million dollars to be credited to the ~~Incumbent Worker~~ Louisiana Investment for Training Account to fund the Incumbent Worker Training Program as provided ~~under R.S. 23:1514~~ pursuant to R.S. 23:1516 shall be charged to this account only in any calendar year in which the applied trust fund balance range as defined in R.S. 23:1474 is equal to or greater than seven hundred fifty million dollars, but less than one billion two hundred fifty million dollars and only in the amount necessary to bring the balance of unobligated funds in such subaccount to twenty million dollars.

* * *

(9) Amounts not to exceed thirty-five million dollars to be credited to the ~~Incumbent Worker~~ Louisiana Investment for Training Account to fund the Incumbent Worker Training Program as provided ~~under R.S. 23:1514~~ pursuant to R.S. 23:1516 shall be charged to this account only in any calendar year in which the applied trust fund balance range as defined in R.S. 23:1474 is equal to or greater than one billion two hundred fifty million dollars and only in the amount necessary to bring the balance of unobligated funds in such subaccount to thirty-five million dollars.

* * *

G. The ~~Incumbent Worker Training Program~~ Louisiana Investment for Training Account reauthorization shall be expressly renewed by the legislature prior to July 1, 2018, in order for amounts to be charged and credited to the ~~Incumbent Worker~~ Louisiana Investment for Training Account in the following calendar year

for use in funding the program.

Section 2. R.S. 23:1514 is hereby repealed in its entirety.

DIGEST

The digest printed below was prepared by House Legislative Services. It constitutes no part of the legislative instrument. The keyword, one-liner, abstract, and digest do not constitute part of the law or proof or indicia of legislative intent. [R.S. 1:13(B) and 24:177(E)]

HB Draft

2016 Regular Session

Abstract: Creates the LIFT Account to provide workforce development assistance to unemployed and underemployed workers obtain training for a high-demand career.

Present law (R.S. 23:1514) establishes the Incumbent Worker Training Program and Fund to provide customized training, small business employee training, and preemployment training. Present law further outlines the requirements for a business to participate in the program as well as for the qualification of workers who may apply for training.

Proposed law repeals present law and creates the Louisiana Investment for Training (LIFT) Account. Proposed law requires that LIFT funds shall be used to fund workforce training at public two-year community and technical colleges.

Proposed law provides that LIFT funds be utilized to aid the unemployed, underemployed, and those who lack education and training for employment in high-demand careers. Proposed law is intended to provide funds for the recruitment, screening, drug testing, skills assessment, testing, remediation, soft skills instruction, workplace readiness preparation, and career and technical training.

Proposed law further provides scholarships to those earning less than \$9 per hour, those employed but in receipt of government assistance, those unemployed and receiving unemployment compensation benefits, those unemployed and having exhausted unemployment compensation benefits, or those without a high school diploma or post-secondary credential.

Proposed law also provides funds to those for whom interrupting employment in order to obtain workforce training is cost-prohibitive due to the necessity of earning an income. Proposed law allows LIFT to award a benefit amount up to the minimum wage amount multiplied by a thirty-hour work week.

Proposed law prohibits more than 10% of LIFT funds to be used for program administration.

Proposed law requires LWC to perform the following functions in the administration of LIFT:

- (1) Identify high-demand workforce training programs aligned to the occupational forecast, as approved by WIC.
- (2) Refer individuals to the workforce training programs from its Business and Career Solutions Centers and unemployment insurance system.
- (3) Connect students completing the workforce training programs to current job openings.
- (4) Evaluate the wage and job-placement of former students after training is completed.

Proposed law allows a two-year community or technical college to contract with a third-

party training provider if the program is unavailable in the state and otherwise qualifies for LIFT. Proposed law further requires that the third-party training provider has demonstrated a history of successful training and is using current industry standards in its programs.

Proposed law provides that any funds awarded shall not result in a reduction or elimination of funds to any public postsecondary institution.

Proposed law requires LWC to submit a report to the House and Senate committees on labor and industrial relations at least 60 days prior to the convening of each regular session. Proposed law requires that the report include data on the number of training programs funded, the number of students in each program, the number and type of credentials awarded, and the total number of scholarships and awards granted.

(Amends R.S. 23:1541(D) and 1553(B)(6), (7), and (9), and (G); Adds R.S. 23:1516; Repeals R.S. 23:1514)