



House of Representatives

General Assembly

File No. 243

February Session, 2006

Substitute House Bill No. 5503

House of Representatives, March 30, 2006

The Committee on Labor and Public Employees reported through REP. RYAN, K. of the 139th Dist., Chairperson of the Committee on the part of the House, that the substitute bill ought to pass.

AN ACT ESTABLISHING A YOUTH TRUST ACCOUNT.

Be it enacted by the Senate and House of Representatives in General Assembly convened:

1 Section 1. (NEW) (*Effective from passage*) (a) There is established a
2 youth trust account which shall be a separate nonlapsing account in
3 the General Fund. The account shall contain any moneys required by
4 law to be deposited in the account. The Office of Workforce
5 Competitiveness shall administer the account. The moneys of the
6 account shall be (1) used to provide job training and employment
7 opportunities for youth fourteen to twenty-one years of age, in
8 accordance with subsection (b) of this section, and (2) allocated by the
9 Office of Workforce Competitiveness for such purpose to the state's
10 regional workforce investment boards based on criteria established in
11 the Workforce Investment Act of 1998, P.L. 105-220, as from time to
12 time amended.

13 (b) (1) At least eighty per cent of funds allocated pursuant to this
14 section shall be used to provide in-school assistance to promote

15 academic and employment success through activities that promote
 16 basic skill improvement, career exploration, contact with employers,
 17 employment opportunities and job readiness. Such activities shall
 18 include activities for fourteen and fifteen year old youths to provide
 19 year-round subsidized job training opportunities with a focus on
 20 developmentally appropriate career exposure, employment skills, and
 21 academic enhancement programs designed to provide such youth with
 22 experience and understanding of various careers, related educational
 23 pathways and the labor market. Such activities shall also include
 24 activities for sixteen to twenty-one year old youths to enhance
 25 employment skills, assist with academic deficiencies and provide a
 26 link to subsidized employment in the public and private sectors
 27 related to the youth's knowledge, skills and interests.

28 (2) The remaining funds allocated pursuant to this section shall be
 29 designated for out-of-school programs for sixteen to twenty-one year
 30 old youths with a focus on employment competencies and
 31 employment retention skills.

32 (3) The program may require participating employers to retain
 33 employment of such youths for a period up to eighteen months.

34 (c) The Office of Workforce Competitiveness may adopt regulations,
 35 in accordance with chapter 54 of the general statutes, to implement this
 36 section.

37 Sec. 2. (*Effective from passage*) The State Treasurer shall transfer the
 38 sum of twenty million dollars from the General Fund, to the youth
 39 trust account established in section 1 of this act, for the fiscal year
 40 ending June 30, 2006, for the purpose of funding programs pursuant to
 41 section 1 of this act.

This act shall take effect as follows and shall amend the following sections:		
Section 1	<i>from passage</i>	New section
Sec. 2	<i>from passage</i>	New section

KID *Joint Favorable Subst. C/R*

LAB

LAB *Joint Favorable*

The following fiscal impact statement and bill analysis are prepared for the benefit of members of the General Assembly, solely for the purpose of information, summarization, and explanation, and do not represent the intent of the General Assembly or either House thereof for any purpose:

OFA Fiscal Note

State Impact:

Agency Affected	Fund-Effect	FY 07 \$	FY 08 \$
Workforce Competitiveness, Off.	GF - Cost	See Below	See Below
Treasurer	GF - Revenue Loss	See Below	See Below

Note: GF=General Fund

Municipal Impact: None

Explanation

The bill establishes a youth trust account, a separate nonlapsing account within the General Fund (GF) to be administered by the Office of Workforce Competitiveness. The bill transfers \$20 million in FY 06 to the youth trust account. This transfer will result in a GF revenue loss because it restricts the use of revenue that is currently deposited into the GF and therefore will no longer be available for GF purposes.

The youth trust account shall be used to provide job training and employment opportunities for youth fourteen to twenty-one years of age. At least eighty per cent of the funds shall be used to provide in-school assistance to promote academic and employment success. The remaining funds shall be designated for out-of-school programs with a focus on employment competencies and retention skills.

The Out Years

The bill only addresses a FY 06 transfer of funds so there is no ongoing fiscal impact.

**OLR Bill Analysis
sHB 5503*****AN ACT ESTABLISHING A YOUTH TRUST ACCOUNT.*****SUMMARY:**

The bill establishes a separate, nonlapsing Youth Trust Fund Account within the General Fund. The Labor Department's Office of Workforce Competitiveness administers the account and allocates its funds among the state's five regional workforce investment boards pursuant to federal Workforce Investment Act (WIA) criteria.

The trust's funds must be used to provide job training and employment opportunities to low income youths ages 14 to 21. Eighty percent must be used for in-school activities and 20% for out-of-school programs.

The bill appropriates \$20 million from the General Fund to fund the account for FY 2006.

EFFECTIVE DATE: Upon passage

IN-SCHOOL ACTIVITIES

In-school funding must be used for activities that promote:

1. basic skill improvement,
2. career exploration,
3. contact with employers,
4. job readiness, and
5. employment opportunities

Activities for 14- and 15-Year Olds

Activities for 14- and 15-year olds must include year-round, developmentally appropriate, subsidized job training. They must focus on career exposure, employment skills, and academic enhancement. The academic programs must be designed to give youths experience and understanding of the labor market and various careers and related educational pathways.

Activities for 16- to 21-Year-Olds

Activities for older youth must include programs that (1) assist with academic deficiencies and (2) enhance their employment skills. They must also provide links to subsidized employment in the public and private sectors related to the youth's knowledge, skills, and interests.

OUT-OF-SCHOOL PROGRAMS FOR YOUTH 16 TO 21 YEARS OLD

Out-of-school programs must focus on job skills and job retention strategies. Participating employers may be required to hire and retain a youth for up to 18 months.

BACKGROUND***Workforce Investment Act (PL 105-220)***

WIA's goals are to prepare youth for success in the labor market, improve educational achievement, develop support systems for them, and promote youth leadership.

Eligible Youth. Youth eligible for WIA services must be low income and between ages 14 and 21. They must also have at least one of the following characteristics:

1. deficient basic literacy skills,
2. dropped out of school,
3. homeless, runaway, or a foster child;
4. pregnant or a parent; or
5. require additional assistance to complete an educational program or to secure and hold a job

Funding. The state Department of Labor allocates funds for WIA services to regional workforce investment boards under a formula that takes into account each region's unemployment rates and the number of youth eligible for services. The boards, in turn, contract with local providers for the youth services.

COMMITTEE ACTION

Select Committee on Children

Joint Favorable Substitute Change of Reference
Yea 12 Nay 0 (03/09/2006)

Labor and Public Employees Committee

Joint Favorable
Yea 9 Nay 4 (03/16/2006)