
OLR Bill Analysis

sHB 6433 (as amended by House "A")*

AN ACT CONCERNING TECHNICAL AND OTHER CHANGES TO THE LABOR DEPARTMENT STATUTES.

SUMMARY:

This bill makes several changes to the Individual Development Account (IDA) program and the Incumbent Worker Training Program. It also repeals the tax credit for hiring people receiving benefits from the temporary family assistance program.

The bill makes numerous minor and technical changes to the Labor Department statutes, including repealing several obsolete provisions.

*House Amendment "A" (1) eliminates the \$1,000 limit for matching funds per calendar year for each IDA participant (keeping the overall \$3,000 limit) and (2) restores a provision allowing the Connecticut Center for Nanoscale Sciences and Development to be a potential Department of Economic and Community Development grants recipient.

EFFECTIVE DATE: Upon passage

§§ 1 & 2 — IDA PROGRAM

The IDA program helps low-income people build assets. The Department of Labor (DOL) oversees the program, which is administered at the local level by participating community-based organizations.

The bill allows IDA participants to use money saved in IDAs for a variety of specified purposes, instead of being limited to one use, as under current law. The specified purposes include (1) obtaining education or job training, (2) purchasing a home, (3) starting a business or joining an existing one, (4) buying a car for work, (5) making a lease deposit, or (6) paying for a child's education or job training. Under

current law, the state contributes a maximum of \$2 for every \$1 a low-income participant contributes up to a limit of \$1,000 per calendar year with a \$3,000 maximum per participant. The bill eliminates the \$1,000 annual limit.

The bill requires that state matching IDA funds forfeited by an IDA account holder be kept in the local reserve fund for a new account holder to use, instead of being returned to DOL's IDA reserve fund. It also requires that state matching IDA funds be returned to the IDA reserve fund if they remain unused after five years for any reason, rather than just because the IDA participant stopped making contributions.

§ 16 — INCUMBENT WORKER TRAINING PROGRAM

The bill renames the Twenty-First Century Skill Training program the Incumbent Worker Training Program and requires that 50% of funds appropriated for the latter program be used for companies that have not received this funding in the previous three years.

By law, and unchanged by the bill, the program's purposes are to (1) sustain high-growth occupation and economically vital industries and (2) assist workers in obtaining skills to start or move up their career ladders. By law, "incumbent workers" means individuals who are employed in this state, but who are in need of additional skills, training, or education to upgrade employment.

The bill requires the labor commissioner to (1) allocate funds for the program on a regional basis and (2) prescribe the program's application form. By law, DOL, in collaboration with the state's regional workforce development boards, administers the incumbent worker program. The bill permits the labor commissioner to designate an entity to administer the program in each region (presumably the regional boards).

It also makes conforming changes.

OTHER CHANGES

The bill also makes the following changes:

1. repeals the tax credit for hiring people receiving benefits from the temporary family assistance program (§ 22);
2. requires DOL to share unemployment information with (A) nonpublic entities that it contracts with to administer the unemployment system and (B) third parties if the individual or employer to whom the information pertains provides written, informed consent (§ 18);
3. adds the insurance and consumer protection commissioners to the Joint Enforcement Commission on Employee Misclassification and requires it to report every two years instead of annually (§ 8);
4. eliminates references to obsolete entities including the Advisory Council on Displaced Homemakers and Wage Board (§ 3);
5. removes an obsolete prohibition on employers' requiring an employee to work on his or her Sabbath day (see BACKGROUND) (§ 22);
6. removes several reporting requirements, including: (1) employer reporting on the impact of the Family Medical Leave Act; (2) a list of employers disqualified from bidding on state projects by National Labor Relations Board decisions; and (3) federal Workforce Investment Act funding received for young adult programs for teenage parents and those at risk of dropping out of school (§§ 4 & 22);
7. repeals the Fair Wage Board statute and the prohibition against retaliating against an employee for serving on a wage board (§§ 11, 16, 17 & 22).

BACKGROUND

Courts Invalidated Connecticut Sabbath Law

In 1985, the U.S. Supreme Court affirmed a lower court's decision invalidating a state law that protected employees from being fired for refusing to work on the employee's chosen Sabbath day. The U.S.

Supreme Court held,

“The Connecticut statute, by providing Sabbath observers with the absolute and unqualified right not to work on their chosen Sabbath, violates the Establishment Clause. To meet constitutional requirements under the clause, a statute must not only have secular purpose and not foster excessive entanglement of government with religion, its primary effect must not advance or inhibit religion” (*Estate of Thornton v. Caldor Inc.*, 472 U.S. 703 (1985)).

COMMITTEE ACTION

Labor and Public Employees Committee

Joint Favorable Substitute

Yea 11 Nay 0 (03/07/2013)