



# House of Representatives

General Assembly

**File No. 210**

February Session, 2014

Substitute House Bill No. 5377

*House of Representatives, March 31, 2014*

The Committee on Program Review and Investigations reported through REP. MUSHINSKY of the 85th Dist., Chairperson of the Committee on the part of the House, that the substitute bill ought to pass.

***AN ACT IMPLEMENTING THE RECOMMENDATIONS OF THE LEGISLATIVE PROGRAM REVIEW AND INVESTIGATIONS COMMITTEE ON THE REEMPLOYMENT OF OLDER WORKERS AS THEY RELATE TO THE LABOR DEPARTMENT.***

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

1 Section 1. Subsection (b) of section 31-3h of the general statutes is  
2 repealed and the following is substituted in lieu thereof (*Effective*  
3 *October 1, 2014*):

4 (b) The duties and responsibilities of the commission shall include:

5 (1) Carrying out the duties and responsibilities of a state job training  
6 coordinating council pursuant to the federal Job Training Partnership  
7 Act, 29 USC 1532, as amended from time to time, a state human  
8 resource investment council pursuant to 29 USC 1501 et seq., as  
9 amended from time to time, and such other related entities as the  
10 Governor may direct;

11 (2) Reviewing all employment and training programs in the state to  
12 determine their success in leading to and obtaining the goal of  
13 economic self-sufficiency and to determine if such programs are  
14 serving the needs of Connecticut's workers, employers and economy;

15 (3) Developing a plan for the coordination of all employment and  
16 training programs in the state to avoid duplication and to promote the  
17 delivery of comprehensive, individualized employment and training  
18 services and the reemployment of workers fifty years of age or older.  
19 The plan shall contain the commission's recommendations for policies  
20 and procedures to enhance the coordination and collaboration of all  
21 such programs and shall be submitted on June 1, 2000, and annually  
22 thereafter, to the Governor for the Governor's approval;

23 (4) Reviewing and commenting on all employment and training  
24 programs enacted by the General Assembly;

25 (5) Implementing the federal Workforce Investment Act of 1998, P.L.  
26 105-220, as [from time to time amended] amended from time to time.  
27 Such implementation shall include (A) developing, in consultation  
28 with the regional workforce development boards, a single Connecticut  
29 workforce development plan that (i) complies with the provisions of  
30 said act and section 31-11p, and (ii) includes comprehensive state  
31 performance measures for workforce development activities specified  
32 in Title I of the federal Workforce Investment Act of 1998, P.L. 105-220,  
33 as [from time to time amended] amended from time to time, which  
34 performance measures comply with the requirements of 20 CFR Part  
35 666.100, (B) preparing and submitting a report on the state's progress  
36 in achieving such performance measures to the Governor and the  
37 General Assembly annually on January thirty-first, (C) making  
38 recommendations to the General Assembly concerning the allocation  
39 of funds received by the state under said act and making  
40 recommendations to the regional workforce development boards  
41 concerning the use of formulas in allocating such funds to adult  
42 employment and job training activities and youth activities, as  
43 specified in said act, (D) providing oversight and coordination of the

44 state-wide employment statistics system required by said act, (E) as  
45 appropriate, recommending to the Governor that the Governor apply  
46 for workforce flexibility plans and waiver authority under said act,  
47 after consultation with the regional workforce development boards, (F)  
48 developing performance criteria for regional workforce development  
49 boards to utilize in creating a list of eligible providers, and (G) on or  
50 before December 31, 1999, developing a uniform individual training  
51 accounts voucher system that shall be used by the regional workforce  
52 development boards to pay for training of eligible workers by eligible  
53 providers, as required under said act;

54 (6) Developing and overseeing a plan for the continuous  
55 improvement of the regional workforce development boards  
56 established pursuant to section 31-3k;

57 (7) Developing incumbent worker, and vocational and manpower  
58 training programs, including customized job training programs to  
59 enhance the productivity of Connecticut businesses and to increase the  
60 skills and earnings of underemployed and at-risk workers, and other  
61 programs administered by the regional workforce development  
62 boards. The Labor Department, in collaboration with the regional  
63 workforce development boards, shall implement any incumbent  
64 worker and customized job training programs developed by the  
65 commission pursuant to this subdivision; [and]

66 (8) Developing a strategy for providing comprehensive services to  
67 eligible youths, which strategy shall include developing youth  
68 preapprentice and apprentice programs through, but not limited to,  
69 technical high schools, and improving linkages between academic and  
70 occupational learning and other youth development activities; [.] and

71 (9) Coordinating an electronic state hiring campaign to encourage  
72 the reemployment of workers fifty years of age or older to be  
73 administered through the Labor Department's Internet web site, which  
74 shall include testimony from various employers within and without  
75 the state that demonstrates the value of hiring and retaining workers  
76 fifty years of age or older. Not later than January 1, 2015, the

77 commission shall submit a report, in accordance with section 11-4a, to  
78 the joint standing committee of the General Assembly having  
79 cognizance of matters relating to labor on the status of such campaign.

80 Sec. 2. (NEW) (*Effective October 1, 2014*) (a) Not later than January 1,  
81 2015, the Labor Department shall develop or approve a one-page  
82 quick-reference guide summarizing (1) the public and private  
83 resources available for unemployed workers fifty years of age or older  
84 within the state, and (2) the steps by which such workers may access  
85 such resources.

86 (b) The Labor Department shall, within available appropriations,  
87 ensure that the resources summarized pursuant to subsection (a) of  
88 this section are accessible through the 2-1-1 Infoline program.

89 Sec. 3. Section 31-22q of the general statutes is repealed and the  
90 following is substituted in lieu thereof (*Effective October 1, 2014*):

91 (a) To assist in the administration of sections 31-22m to 31-22q,  
92 inclusive, as amended by this act, there shall continue to be maintained  
93 in the Labor Department a program of apprentice training. The Labor  
94 Commissioner is authorized to appoint, in accordance with the  
95 provisions of chapter 67, such personnel as may be necessary for  
96 effective administration of said sections.

97 (b) Not later than January 1, 2015, and annually thereafter, the Labor  
98 Department shall develop or approve an informational campaign to  
99 distribute to Workforce Investment Boards, CTWorks One Stop Career  
100 Centers and similar job centers within the state. The informational  
101 campaign shall include a description of the program of apprentice  
102 training maintained in the department and shall address common  
103 misperceptions regarding such program and the various opportunities  
104 and benefits that apprenticeship training may provide for unemployed  
105 individuals within the state.

106 Sec. 4. (*Effective October 1, 2014*) Not later than January 1, 2015, the  
107 Labor Commissioner shall convene a working group that shall include,

108 but not be limited to, representatives of Workforce Investment Boards,  
109 CTWorks One Stop Career Centers and similar job centers in the state  
110 to determine whether individuals providing resume writing assistance  
111 at CTWorks One Stop Career Centers should be required to attain a  
112 certified professional resume writer credential prior to providing such  
113 resume writing assistance. The working group shall make such  
114 determination not later than July 1, 2015.

115 Sec. 5. Subsection (a) of section 31-3w of the general statutes is  
116 repealed and the following is substituted in lieu thereof (*Effective*  
117 *October 1, 2014*):

118 (a) Notwithstanding any provision of the general statutes, the Labor  
119 Commissioner, in exercise of any duties including any duties as  
120 administrator under chapter 567, shall, within available resources,  
121 maintain a state-wide network of job centers which provide to  
122 workers, students and employers comprehensive workforce  
123 development assistance, including, but not limited to, the following:

124 (1) Unemployment compensation, retraining allowances and other  
125 forms of federal and state income support;

126 (2) Career, labor market, educational and job training information,  
127 and consumer reports on local training providers;

128 (3) Career planning and job search assistance;

129 (4) Applicant recruitment and screening, assessment of training  
130 needs, customized job training pursuant to this chapter, apprenticeship  
131 programs pursuant to chapter 557 and related consultative services to  
132 employers based on their employment needs;

133 (5) Eligibility determinations and referrals to providers of  
134 employment and training services; [and]

135 (6) Access to information regarding job openings and, where  
136 appropriate, referral to such openings; and

137     (7) Access to on-line learning courses as available for unemployed  
138     individuals within the state.

139     Sec. 6. Section 5 of public act 11-1 of the October special session is  
140     repealed and the following is substituted in lieu thereof (*Effective July*  
141     *1, 2014*):

142     (a) For the purposes described in subsection (b) of this section, the  
143     State Bond Commission shall have the power, from time to time, to  
144     authorize the issuance of bonds of the state in one or more series and  
145     in principal amounts not exceeding in the aggregate [twenty million]  
146     forty million dollars, provided ten million dollars of said authorization  
147     shall be effective July 1, [2012] 2015.

148     (b) The proceeds of the sale of said bonds, to the extent of the  
149     amount stated in subsection (a) of this section, shall be used by the  
150     Labor Department for the purpose of the Subsidized Training and  
151     Employment program established pursuant to section [4 of this act] 31-  
152     3pp of the general statutes, as amended by this act, provided (1) five  
153     million dollars of the amount stated in subsection (a) of this section  
154     shall be used in each of fiscal years 2012 and 2013 for the small  
155     business program established pursuant to subsection (c) of section 4 of  
156     this act, and (2) five million dollars of the amount stated in subsection  
157     (a) of this section shall be used in each of fiscal years 2012 and 2013 for  
158     the small manufacturer program established pursuant to subsection  
159     (d) of section [4 of this act] 31-3pp of the general statutes.

160     (c) All provisions of section 3-20 of the general statutes, or the  
161     exercise of any right or power granted thereby, which are not  
162     inconsistent with the provisions of this section are hereby adopted and  
163     shall apply to all bonds authorized by the State Bond Commission  
164     pursuant to this section, and temporary notes in anticipation of the  
165     money to be derived from the sale of any such bonds so authorized  
166     may be issued in accordance with said section 3-20 and from time to  
167     time renewed. Such bonds shall mature at such time or times not  
168     exceeding twenty years from their respective dates as may be provided  
169     in or pursuant to the resolution or resolutions of the State Bond

170 Commission authorizing such bonds. None of said bonds shall be  
171 authorized except upon a finding by the State Bond Commission that  
172 there has been filed with it a request for such authorization which is  
173 signed by or on behalf of the Secretary of the Office of Policy and  
174 Management and states such terms and conditions as said commission,  
175 in its discretion, may require. Said bonds issued pursuant to this  
176 section shall be general obligations of the state and the full faith and  
177 credit of the state of Connecticut are pledged for the payment of the  
178 principal of and interest on said bonds as the same become due, and  
179 accordingly and as part of the contract of the state with the holders of  
180 said bonds, appropriation of all amounts necessary for punctual  
181 payment of such principal and interest is hereby made, and the State  
182 Treasurer shall pay such principal and interest as the same become  
183 due.

184 Sec. 7. Subsection (c) of section 31-3pp of the general statutes is  
185 repealed and the following is substituted in lieu thereof (*Effective*  
186 *October 1, 2014*):

187 (c) (1) An eligible small business may apply to the department for a  
188 grant to subsidize on-the-job training and compensation for a new  
189 employee, where "new employee" means a person who (A) was  
190 unemployed immediately prior to employment, regardless of whether  
191 such person collected unemployment compensation benefits as a result  
192 of such unemployment, [(B) is a resident of a municipality that has (i)  
193 an unemployment rate that is equal to or higher than the state  
194 unemployment rate as of September 1, 2011, or (ii) a population of  
195 eighty thousand or more, and (C)] and (B) has a family income equal to  
196 or less than two hundred fifty per cent of the federal poverty level,  
197 adjusted for family size. "New employee" does not include a person  
198 who was employed in this state by a related person with respect to the  
199 eligible small business during the prior twelve months or a person  
200 employed on a temporary or seasonal basis by a retailer, as defined in  
201 section 42-371.

202 (2) Grants to eligible small businesses under the Subsidized

203 Training and Employment program shall be in the following amounts:  
 204 (A) For the first thirty calendar days a new employee is employed, one  
 205 hundred per cent of an amount representing the hourly wage of such  
 206 new employee, exclusive of any benefits, but in no event shall such  
 207 amount exceed twenty dollars per hour; (B) for the thirty-first to  
 208 ninetieth, inclusive, calendar days, seventy-five per cent of such  
 209 amount; (C) for the ninety-first to one hundred fiftieth, inclusive,  
 210 calendar days, fifty per cent of such amount; and (D) for the one  
 211 hundred fifty-first to one hundred eightieth, inclusive, calendar days,  
 212 twenty-five per cent of such amount. Grants shall be cancelled as of the  
 213 date the new employee leaves employment with the eligible small  
 214 business.

This act shall take effect as follows and shall amend the following sections:		
Section 1	October 1, 2014	31-3h(b)
Sec. 2	October 1, 2014	New section
Sec. 3	October 1, 2014	31-22q
Sec. 4	October 1, 2014	New section
Sec. 5	October 1, 2014	31-3w(a)
Sec. 6	July 1, 2014	PA 11-1 of the October Sp. Sess., Sec. 5
Sec. 7	October 1, 2014	31-3pp(c)

**PRI**      *Joint Favorable Subst.*



The following Fiscal Impact Statement and Bill Analysis are prepared for the benefit of the members of the General Assembly, solely for purposes of information, summarization and explanation and do not represent the intent of the General Assembly or either chamber thereof for any purpose. In general, fiscal impacts are based upon a variety of informational sources, including the analyst's professional knowledge. Whenever applicable, agency data is consulted as part of the analysis, however final products do not necessarily reflect an assessment from any specific department.

## **OFA Fiscal Note**

### **State Impact:**

<b>Agency Affected</b>	<b>Fund-Effect</b>	<b>FY 15 \$</b>	<b>FY 16 \$</b>
Labor Dept.	GF - Potential Cost	Up to 17.0 million	Up to 17.0 million
Treasurer, Debt Serv.	GF - Cost	None	1.0 million

**Municipal Impact:** None

### **Explanation**

The bill contains a number of provisions regarding the Department of Labor (DOL) as it relates to unemployed older workers, and authorizes \$20.0 million in General Obligation (GO) bonds for the Subsidized Training and Employment Program (STEP UP). This results in a potential cost of up to \$17.0 million in FY 15 and up to \$18.0 million in FY 16.

**Section 1** requires the Connecticut Employment and Training Commission (CETC) within DOL to coordinate an electronic state hiring campaign to encourage the reemployment of older workers through the DOL website, and submit a report on the status of the campaign to the Labor Committee by January 1, 2015. This does not result in any fiscal impact as it is anticipated that CETC could provide the information required by the campaign and produce the report without additional staffing or outside expertise.

**Section 2** requires DOL to develop a one-page quick-reference guide describing existing resources for unemployed older workers, and make that information available through the 2-1-1 Infoline program. There is no cost to develop the quick-reference guide;

however there is an estimated cost of up to \$20,000 annually to ensure that the information is accessible through the 2-1-1 Infoline program. This estimate is based on the cost to agencies to provide similar referral services through 2-1-1.

**Section 3** requires DOL to promote the state's apprenticeship programs through job centers throughout the state. This does not result in any fiscal impact as information regarding the program is currently available, and could be provided to job centers at no cost to the agency.

**Section 4** requires DOL to convene a working group to consider whether certain individuals providing resume writing assistance should require certification. This does not result in any fiscal impact.

**Section 5** requires DOL to provide access to on-line learning courses for unemployed individuals throughout the state. Based on current data from DOL regarding the number of unemployed individuals in the state, this results in a cost of up to \$17.0 million in FY 15. This assumes a cost of approximately \$100-\$130 per license, based on the cost of online learning programs currently offered on a limited basis through certain job centers throughout the state. The on-going cost is dependent on the number of unemployed individuals in the state in the future.

It should be noted that the bill requires DOL to provide this service within available resources. It does not appear that this mandates that the agency perform the activity regardless of available funding, therefore the cost described above is potential.

**Sections 6 & 7** expand the STEP UP program and authorize a total of \$20.0 million in General Obligation bonds (\$10 million in each of FY 15 and FY 16) for the program. The fiscal impact is summarized in the table below. Assuming that the first \$10 million is allocated through the State Bond Commission during FY 15 and the Office of the State Treasurer issues the bonds before the end of FY 15, the debt service cost in FY 16 will be \$1.0 million.

**New GO Bond Authorization and Estimated Debt Service Cost  
\$ millions**

Fiscal Year	Authorization Amount	Total Debt Service Cost*	Interest	Principal
FY 15	10.00	15.25	5.25	10.00
FY 16	10.00	15.25	5.25	10.00
<b>TOTAL</b>	<b>20.00</b>	<b>30.50</b>	<b>10.50</b>	<b>20.00</b>
*Figures assume that bonds are issued at 5.0% over 20 year term				

***The Out Years***

The annualized ongoing fiscal impact identified above would continue into the future subject to inflation. The General Fund debt service impact identified above would continue over the 20 year term of issuance for the bonds.

*Sources: Department of Labor Labor Market Information  
Program Review and Investigations Report on the Reemployment of Older  
Workers December 2013*

**OLR Bill Analysis****sHB 5377*****AN ACT IMPLEMENTING THE RECOMMENDATIONS OF THE LEGISLATIVE PROGRAM REVIEW AND INVESTIGATIONS COMMITTEE ON THE REEMPLOYMENT OF OLDER WORKERS AS THEY RELATE TO THE LABOR DEPARTMENT.*****SUMMARY:**

This bill creates or expands several initiatives for the state's unemployed workers. Among other things, it authorizes an additional \$20 million in general obligation (GO) bonds to fund the state's Subsidized Training and Employment Program (STEP UP) and broadens the program's eligibility requirement for certain subsidized employees by eliminating a residency-related requirement. STEP UP provides eligible small businesses and small manufacturers with grants for a portion of an eligible employee's costs of employment, including training, during the first six months of his or her employment.

The bill creates initiatives specifically for unemployed older workers (those who are at least 50 years old), such as (1) requiring the labor department (DOL) to create a quick-reference guide on the resources available to older workers and (2) publicizing the benefits of hiring and retaining older workers on DOL's website.

It also requires DOL to lead initiatives for all unemployed workers by (1) promoting the state's apprenticeship programs; (2) determining whether resume writing assistance providers at the CT Works One Stop Career Centers should be credentialed; and (3) within available appropriations, providing the state's unemployed workers with access to on-line learning courses at the career centers (see BACKGROUND).

EFFECTIVE DATE: October 1, 2014, except for the provision

increasing bonding for the STEP-UP program, which is effective July 1, 2014.

## **STEP UP**

### ***Bonding***

PA 11-1, October Special Session, created and funded STEP UP by annually authorizing up to \$10 million in GO bonds for FY 12 and FY 13. The bill authorizes an additional \$10 million in GO bonds annually for FY 15 and FY 16.

### ***Employee Eligibility***

Under current law, one component of STEP UP provides small business wage subsidy grants to eligible businesses that hire new employees who meet certain requirements. The bill eliminates the requirement that the new employee live in a municipality with either (1) an unemployment rate at least as high as the state unemployment rate as of September 1, 2011 or (2) a population of at least 80,000. As under current law, the business can qualify for a grant only if the new employee is unemployed immediately before being hired and has a family income under 250% of the federal poverty level.

## **OLDER UNEMPLOYED WORKERS**

The bill requires DOL, by January 1, 2015, to develop or approve a one-page quick-reference guide summarizing (1) the public and private resources available to the state's unemployed older workers and (2) how an older worker can access these resources. Within available resources, DOL must ensure that the resources in the quick-reference guide are accessible through the "2-1-1 Infoline" program (an on-line database of community resources administered by the United Way of Connecticut).

The bill requires the Connecticut Employment and Training Commission (CETC) to coordinate an electronic state hiring campaign administered through DOL's Internet website. The campaign must encourage the reemployment of older workers and include testimony from employers inside and outside the state on the value of hiring and

retaining older workers. CETC must submit a report on the campaign's status to the Labor Committee by January 1, 2015.

By law, CETC must annually submit to the governor a plan to coordinate the state's employment and training programs to promote comprehensive, individualized employment and training services. The bill requires that this plan also coordinate the programs to promote older workers' reemployment.

## **OTHER UNEMPLOYMENT INITIATIVES**

### ***Apprenticeship Information***

The bill requires DOL, by January 1, 2015, to develop or approve an annual information campaign describing its apprenticeship training program and addressing common misperceptions about it. It must also describe the opportunities and benefits that apprenticeship training could provide for the state's unemployed workers. DOL must distribute the informational campaign to Workforce Investment Boards, CT Works One Stop Career Centers, and similar job centers in the state.

### ***Résumé Working Group***

By January 1, 2015, the bill requires the labor commissioner to convene a working group that includes representatives from the state's Workforce Investment Boards, CT Works One Stop Career Centers, and similar job centers in the state. The group must determine whether workers at the One Stop Career Centers should have a certified professional résumé writer credential before they can provide résumé writing assistance to others. The group must make its determination by July 1, 2015.

## **BACKGROUND**

### ***CT Works One Stop Career Centers***

The federal Workforce Investment Act requires states receiving federal workforce development grants to, among other things, have a network of "one stop" offices to provide core employment-related services and access to other federally funded employment and training

services. Connecticut has 17 such offices, known as CT Works Career Centers, which provide services for businesses and job seekers, including job search and career workshops; business seminars; computer labs and resource libraries; and copying, mailing, and faxing services.

**COMMITTEE ACTION**

Program Review and Investigations Committee

Joint Favorable Substitute

Yea 11 Nay 0 (03/13/2014)