

**Proposed Substitute
Bill No. 213**

LCO No. 2658

**AN ACT ESTABLISHING THE APPRENTICESHIP AND EMPLOYMENT
RECRUITMENT AUTHORITY.**

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

1 Section 1. (NEW) (*Effective July 1, 2018*) (a) There is hereby
2 established and created a body politic and corporate, constituting a
3 public instrumentality and political subdivision of the state established
4 and created for the performance of an essential public and
5 governmental function, to be known as the Apprenticeship and
6 Employment Recruitment Authority. The authority shall not be
7 construed to be a department, institution or agency of the state.

8 (b) (1) The powers of the authority shall be vested in and exercised
9 by a board of directors, which shall consist of the following members:

10 (A) One member appointed by the Governor, who shall be
11 knowledgeable and have a favorable reputation for skill, knowledge
12 and experience in a high-growth, high-demand job in the state, such as
13 finance, computer science, engineering, manufacturing, health care,
14 insurance or biomedicine;

15 (B) One member appointed by the president pro tempore of the
16 Senate, who shall be a representative of the labor community in the
17 state;

18 (C) One member appointed by the minority leader of the Senate,
19 who shall be a representative of the business community in the state;

20 (D) One member appointed by the speaker of the House of
21 Representatives, who shall be a representative of the labor community
22 in the state;

23 (E) One member appointed by the minority leader of the House of
24 Representatives, who shall be a representative of the business
25 community in the state;

26 (F) A representative from each regional workforce development
27 board, established pursuant to section 31-3k of the general statutes,
28 designated by each such board; and

29 (G) The Labor Commissioner, the Commissioner of Education, the
30 superintendent of the Technical Education and Career System, the
31 president of the Connecticut State Colleges and Universities, the
32 president of The University of Connecticut, the executive director of
33 the Connecticut Higher Education Supplemental Loan Authority and
34 the president of the Connecticut Center for Advanced Technology,
35 shall serve as ex-officio members and have all of the powers and
36 privileges of a member of the board of directors. Each ex-officio
37 member may designate his or her deputy or any member of his or her
38 staff to represent him or her at meetings of the Apprenticeship and
39 Employment Recruitment Authority with full power to act and vote on
40 his or her behalf.

41 (2) The member appointed by the Governor shall serve at the
42 pleasure of the Governor but not longer than the term of office of the
43 Governor or until the member's successor is appointed and qualified,
44 whichever is longer. Each member appointed by a member of the
45 General Assembly shall serve in accordance with the provisions of
46 section 4-1a of the general statutes. A member shall be eligible for
47 reappointment. The Governor shall fill any vacancy for the unexpired
48 term of a member appointed by the Governor. The appropriate
49 legislative appointing authority shall fill any vacancy for the unexpired

50 term of a member appointed by such authority. The Governor shall
51 appoint a chairperson from among the board members.

52 (c) Except for the ex-officio members, members of the board of
53 directors may not designate a representative to perform in their
54 absence their respective duties under this section and sections 2 to 4,
55 inclusive, of this act. The appointing authority for any member may
56 remove such member for inefficiency, wilful neglect of duty,
57 misfeasance or malfeasance.

58 (d) The chairperson shall, with the approval of the members of the
59 board of directors, appoint an executive director of the authority who
60 shall be an employee of the authority and paid a salary prescribed by
61 the members. The executive director shall supervise the administrative
62 affairs and technical activities of the authority in accordance with the
63 directives of the board.

64 (e) Each member of the board of directors shall be entitled to
65 reimbursement for such member's actual and necessary expenses
66 incurred during the performance of such member's official duties.

67 (f) Members may engage in private employment or in a profession
68 or business, subject to any applicable laws, rules and regulations of the
69 state regarding official ethics or conflict of interest.

70 (g) Nine members of the board of directors of the authority shall
71 constitute a quorum for the transaction of any business or the exercise
72 of any power of the authority. For the transaction of any business or
73 the exercise of any power of the authority and except as otherwise
74 provided in this section and sections 2 to 4, inclusive, of this act, the
75 authority may act by a majority of the members present at any meeting
76 at which a quorum is in attendance.

77 (h) The authority shall continue as long as it has any obligations
78 outstanding and until its existence is terminated by law, provided no
79 such termination shall affect any outstanding contractual obligation of
80 the authority and the state shall succeed to the obligations of the

81 authority under any contract. Upon the termination of the existence of
82 the authority, all its rights and properties shall pass to and be vested in
83 the state of Connecticut.

84 (i) It shall not constitute a conflict of interest for a trustee, director,
85 partner or officer of any person, firm or corporation, or any individual
86 having a financial interest in a person, firm or corporation, to serve as a
87 member of the board of directors of the authority, provided such
88 trustee, director, partner, officer or individual shall comply with all
89 applicable provisions of chapter 10 of the general statutes.

90 Sec. 2. (NEW) (*Effective July 1, 2018*) (a) The purposes of the
91 Apprenticeship and Employment Recruitment Authority shall be to (1)
92 establish public-private partnerships that provide apprenticeship and
93 work-based learning opportunities for high school and college
94 students in high-growth, high-demand jobs throughout the state, (2)
95 ensure, through such public-private partnerships, that students have
96 access to the skills and knowledge they need for academic and
97 financial success and that businesses have access to highly-trained
98 talent, (3) support industry associations to define career paths,
99 competencies and training, (4) provide business development and
100 recruitment communication and awareness, (5) coordinate resources to
101 develop tailored development pathways for apprentices, and (6)
102 measure outcomes to ensure both student and employer benefits are
103 realized.

104 (b) For the purposes described in subsection (a) of this section, the
105 authority is authorized and empowered to:

106 (1) Have perpetual succession as a body politic and corporate and to
107 adopt bylaws for the regulation of its affairs and the conduct of its
108 business;

109 (2) Adopt an official seal and alter the same at pleasure;

110 (3) Maintain an office at such place or places as it may designate;

111 (4) Sue and be sued in its own name, and plead and be impleaded;

112 (5) (A) Employ such assistants, agents and other employees as may
113 be necessary or desirable who shall not be employees, as defined in
114 subsection (b) of section 5-270 of the general statutes; (B) establish all
115 necessary or appropriate personnel practices and policies, including
116 those relating to hiring, promotion, compensation, retirement and
117 collective bargaining, which need not be in accordance with chapter 68
118 of the general statutes, and the authority shall not be an employer as
119 defined in subsection (a) of section 5-270 of the general statutes; and
120 (C) engage consultants, attorneys and appraisers as may be necessary
121 or desirable to carry out its purposes in accordance with this section
122 and sections 1, 3 and 4 of this act;

123 (6) Receive and accept aid or contributions from any source of
124 money, property, labor or other things of value, to be held, used and
125 applied to carry out the purposes of this section and sections 1, 3 and 4
126 of this act, subject to such conditions upon which such grants and
127 contributions may be made, including, but not limited to, gifts or
128 grants from any department, agency or instrumentality of the United
129 States or this state for any purpose consistent with this section and
130 sections 1, 3 and 4 of this act;

131 (7) Borrow money for the purpose of obtaining working capital;

132 (8) Make and enter into all contracts and agreements necessary or
133 incidental to the performance of its duties and the execution of its
134 powers under this section and sections 1, 3 and 4 of this act, including
135 contracts and agreements for such professional services as the
136 authority deems necessary, including, but not limited to, financial
137 consultants, bond counsel, underwriters and technical specialists;

138 (9) Acquire, lease, purchase, own, manage, hold and dispose of
139 personal property and lease, convey or deal in or enter into agreements
140 with respect to such property on any terms necessary or incidental to
141 the carrying out of these purposes;

142 (10) Invest in, acquire, lease, purchase, own, manage, hold and
143 dispose of real property and lease, convey or deal in or enter into

144 agreements with respect to such property on any terms necessary or
145 incidental to carrying out the purposes of this section and sections 1, 3
146 and 4 of this act, provided such transactions shall not be subject to
147 approval, review or regulation by any state agency pursuant to title 4b
148 of the general statutes or any other provision of the general statutes;

149 (11) Procure insurance against any liability or loss in connection
150 with its property and other assets, in such amounts and from such
151 insurers as it deems desirable and to procure insurance for employees;

152 (12) Account for and audit funds of the authority and funds of any
153 recipients of funds from the authority;

154 (13) Hold patents, copyrights, trademarks, marketing rights, licenses
155 or any other evidences of protection or exclusivity as to any products,
156 as defined in this section and sections 1, 3 and 4 of this act, issued
157 under the laws of the United States or any state or any nation;

158 (14) Establish advisory committees to assist in accomplishing its
159 duties under this section and sections 1, 3 and 4 of this act, which may
160 include one or more members of the board of directors and persons
161 other than members; and

162 (15) Do all acts and things necessary or convenient to carry out the
163 purposes of this section and sections 1, 3 and 4 of this act and the
164 powers expressly granted by this section and sections 1, 3 and 4 of this
165 act.

166 Sec. 3. (NEW) (*Effective July 1, 2018*) The members of the board of
167 directors of the Apprenticeship and Employment Recruitment
168 Authority shall adopt written procedures, in accordance with the
169 provisions of section 1-121 of the general statutes, for: (1) Adopting an
170 annual budget and plan of operations, including a requirement of
171 board approval before the budget or plan may take effect; (2) hiring,
172 dismissing, promoting and compensating employees of the authority,
173 including an affirmative action policy and a requirement of board
174 approval before a position may be created or a vacancy filled; (3)

175 acquiring real and personal property and personal services, including
176 a requirement of board approval for any nonbudgeted expenditure in
177 excess of an amount to be determined by the board; (4) contracting for
178 financial, legal, bond underwriting and other professional services,
179 including a requirement that the authority solicit proposals at least
180 once every three years for each such service which it uses; (5)
181 awarding loans, grants and other financial assistance, including
182 eligibility criteria, the application process and the role played by the
183 authority's staff and board of directors; and (6) the use of surplus
184 funds to the extent authorized under this section and sections 1, 2 and
185 4 of this act or other provisions of the general statutes.

186 Sec. 4. (NEW) (*Effective July 1, 2018*) (a) The Apprenticeship and
187 Employment Recruitment Authority may establish or designate one or
188 more subsidiaries for any of the purposes described in subsection (a) of
189 section 2 of this act, or for such other purposes as prescribed by
190 resolution of the authority's board of directors, which purposes shall
191 be consistent with the purposes of the authority. Each subsidiary shall
192 be deemed a quasi-public agency for purposes of chapter 12 of the
193 general statutes. The authority may transfer to any such subsidiary any
194 moneys and real or personal property. Each such subsidiary shall have
195 all the privileges, immunities, tax exemptions and other exemptions of
196 the authority. A resolution of the authority shall prescribe the
197 purposes for which each subsidiary is formed.

198 (b) Each such subsidiary may sue and shall be subject to suit,
199 provided the liability of each such subsidiary shall be limited solely to
200 the assets, revenues and resources of such subsidiary and without
201 recourse to the general funds, revenues, resources or any other assets
202 of the authority or any other subsidiary. Each such subsidiary shall
203 have the power to do all acts and things necessary or convenient to
204 carry out the purposes for which such subsidiary is established,
205 including, but not limited to: (1) Solicit, receive and accept aid, grants
206 or contributions from any source of money, property or labor or other
207 things of value, subject to the conditions upon which such grants and
208 contributions may be made, including, but not limited to, gifts, grants

209 or loans from any department, agency or quasi-public agency of the
210 United States or the state, or from any organization recognized as a
211 nonprofit organization under Section 501(c)(3) of the Internal Revenue
212 Code of 1986, or any subsequent corresponding internal revenue code
213 of the United States, as amended from time to time; (2) enter into
214 agreements with persons upon such terms and conditions as are
215 consistent with the purposes of such subsidiary; and (3) acquire, take
216 title, lease, purchase, own, manage, hold and dispose of real and
217 personal property and lease, convey or deal in or enter into agreements
218 with respect to such property.

219 (c) Each such subsidiary shall act through its board of directors, not
220 less than fifty per cent of whom shall be members of the board of
221 directors of the authority or their designees.

222 (d) The provisions of section 1-125 of the general statutes, as
223 amended by this act, and this section shall apply to any officer,
224 director, designee or employee appointed as a member, director or
225 officer of any such subsidiary. Neither any such persons so appointed
226 nor the directors, officers or employees of the authority shall be
227 personally liable for the debts, obligations or liabilities of any such
228 subsidiary as provided in section 1-125 of the general statutes, as
229 amended by this act. Each subsidiary shall, and the authority may,
230 provide for the indemnification to protect, save harmless and
231 indemnify such officer, director, designee or employee as provided by
232 section 1-125 of the general statutes, as amended by this act.

233 (e) The authority or any such subsidiary may take such actions as
234 are necessary to comply with the provisions of the Internal Revenue
235 Code of 1986, or any subsequent corresponding Internal Revenue Code
236 of the United States, as amended from time to time, to qualify and
237 maintain any such subsidiary as a corporation exempt from taxation
238 under said Internal Revenue Code.

239 (f) The authority may make loans or grants to, and may guarantee
240 specified obligations of, any such subsidiary, following standard
241 authority procedures, from the authority's assets, provided the source

242 and security, if any, for the repayment of any such loans or guarantees
243 is derived from the assets, revenues and resources of such subsidiary.

244 Sec. 5. Subdivision (12) of section 1-79 of the 2018 supplement to the
245 general statutes is repealed and the following is substituted in lieu
246 thereof (*Effective July 1, 2018*):

247 (12) "Quasi-public agency" means Connecticut Innovations,
248 Incorporated, the Connecticut Health and Education Facilities
249 Authority, the Connecticut Higher Education Supplemental Loan
250 Authority, the Connecticut Student Loan Foundation, the Connecticut
251 Housing Finance Authority, the State Housing Authority, the Materials
252 Innovation and Recycling Authority, the Capital Region Development
253 Authority, the Connecticut Lottery Corporation, the Connecticut
254 Airport Authority, the Connecticut Health Insurance Exchange, the
255 Connecticut Green Bank, the Connecticut Retirement Security
256 Authority, the Connecticut Port Authority, [and] the State Education
257 Resource Center and the Apprenticeship and Employment
258 Recruitment Authority.

259 Sec. 6. Section 1-120 of the general statutes is repealed and the
260 following is substituted in lieu thereof (*Effective July 1, 2018*):

261 As used in sections 1-120 to 1-123, inclusive:

262 (1) "Quasi-public agency" means Connecticut Innovations,
263 Incorporated, the Connecticut Health and Educational Facilities
264 Authority, the Connecticut Higher Education Supplemental Loan
265 Authority, the Connecticut Student Loan Foundation, the Connecticut
266 Housing Finance Authority, the Connecticut Housing Authority, the
267 Materials Innovation and Recycling Authority, the Capital Region
268 Development Authority, the Connecticut Lottery Corporation, the
269 Connecticut Airport Authority, the Connecticut Health Insurance
270 Exchange, the Connecticut Green Bank, the Connecticut Retirement
271 Security Authority, the Connecticut Port Authority, [and] the State
272 Education Resource Center and the Apprenticeship and Employment
273 Recruitment Authority.

274 (2) "Procedure" means each statement, by a quasi-public agency, of
275 general applicability, without regard to its designation, that
276 implements, interprets or prescribes law or policy, or describes the
277 organization or procedure of any such agency. The term includes the
278 amendment or repeal of a prior regulation, but does not include,
279 unless otherwise provided by any provision of the general statutes, (A)
280 statements concerning only the internal management of any agency
281 and not affecting procedures available to the public, and (B) intra-
282 agency memoranda.

283 (3) "Proposed procedure" means a proposal by a quasi-public
284 agency under the provisions of section 1-121 for a new procedure or
285 for a change in, addition to or repeal of an existing procedure.

286 Sec. 7. Section 1-124 of the general statutes is repealed and the
287 following is substituted in lieu thereof (*Effective July 1, 2018*):

288 (a) Connecticut Innovations, Incorporated, the Connecticut Health
289 and Educational Facilities Authority, the Connecticut Higher
290 Education Supplemental Loan Authority, the Connecticut Student
291 Loan Foundation, the Connecticut Housing Finance Authority, the
292 Connecticut Housing Authority, the Materials Innovation and
293 Recycling Authority, the Connecticut Airport Authority, the Capital
294 Region Development Authority, the Connecticut Health Insurance
295 Exchange, the Connecticut Green Bank, the Connecticut Retirement
296 Security Authority, the Connecticut Port Authority, [and] the State
297 Education Resource Center and the Apprenticeship and Employment
298 Recruitment Authority shall not borrow any money or issue any bonds
299 or notes which are guaranteed by the state of Connecticut or for which
300 there is a capital reserve fund of any kind which is in any way
301 contributed to or guaranteed by the state of Connecticut until and
302 unless such borrowing or issuance is approved by the State Treasurer
303 or the Deputy State Treasurer appointed pursuant to section 3-12. The
304 approval of the State Treasurer or said deputy shall be based on
305 documentation provided by the authority that it has sufficient
306 revenues to (1) pay the principal of and interest on the bonds and notes

307 issued, (2) establish, increase and maintain any reserves deemed by the
308 authority to be advisable to secure the payment of the principal of and
309 interest on such bonds and notes, (3) pay the cost of maintaining,
310 servicing and properly insuring the purpose for which the proceeds of
311 the bonds and notes have been issued, if applicable, and (4) pay such
312 other costs as may be required.

313 (b) To the extent Connecticut Innovations, Incorporated, the
314 Connecticut Higher Education Supplemental Loan Authority, the
315 Connecticut Student Loan Foundation, the Connecticut Housing
316 Finance Authority, the Connecticut Housing Authority, the Materials
317 Innovation and Recycling Authority, the Connecticut Health and
318 Educational Facilities Authority, the Connecticut Airport Authority,
319 the Capital Region Development Authority, the Connecticut Health
320 Insurance Exchange, the Connecticut Green Bank, the Connecticut
321 Retirement Security Authority, the Connecticut Port Authority, [or] the
322 State Education Resource Center or the Apprenticeship and
323 Employment Recruitment Authority is permitted by statute and
324 determines to exercise any power to moderate interest rate fluctuations
325 or enter into any investment or program of investment or contract
326 respecting interest rates, currency, cash flow or other similar
327 agreement, including, but not limited to, interest rate or currency swap
328 agreements, the effect of which is to subject a capital reserve fund
329 which is in any way contributed to or guaranteed by the state of
330 Connecticut, to potential liability, such determination shall not be
331 effective until and unless the State Treasurer or his or her deputy
332 appointed pursuant to section 3-12 has approved such agreement or
333 agreements. The approval of the State Treasurer or his or her deputy
334 shall be based on documentation provided by the authority that it has
335 sufficient revenues to meet the financial obligations associated with the
336 agreement or agreements.

337 Sec. 8. Section 1-125 of the general statutes is repealed and the
338 following is substituted in lieu thereof (*Effective July 1, 2018*):

339 The directors, officers and employees of Connecticut Innovations,

340 Incorporated, the Connecticut Higher Education Supplemental Loan
341 Authority, the Connecticut Student Loan Foundation, the Connecticut
342 Housing Finance Authority, the Connecticut Housing Authority, the
343 Materials Innovation and Recycling Authority, including ad hoc
344 members of the Materials Innovation and Recycling Authority, the
345 Connecticut Health and Educational Facilities Authority, the Capital
346 Region Development Authority, the Connecticut Airport Authority,
347 the Connecticut Lottery Corporation, the Connecticut Health Insurance
348 Exchange, the Connecticut Green Bank, the Connecticut Retirement
349 Security Authority, the Connecticut Port Authority, [and] the State
350 Education Resource Center and the Apprenticeship and Employment
351 Recruitment Authority and any person executing the bonds or notes of
352 the agency shall not be liable personally on such bonds or notes or be
353 subject to any personal liability or accountability by reason of the
354 issuance thereof, nor shall any director or employee of the agency,
355 including ad hoc members of the Materials Innovation and Recycling
356 Authority, be personally liable for damage or injury, not wanton,
357 reckless, wilful or malicious, caused in the performance of his or her
358 duties and within the scope of his or her employment or appointment
359 as such director, officer or employee, including ad hoc members of the
360 Materials Innovation and Recycling Authority. The agency shall
361 protect, save harmless and indemnify its directors, officers or
362 employees, including ad hoc members of the Materials Innovation and
363 Recycling Authority, from financial loss and expense, including legal
364 fees and costs, if any, arising out of any claim, demand, suit or
365 judgment by reason of alleged negligence or alleged deprivation of any
366 person's civil rights or any other act or omission resulting in damage
367 or injury, if the director, officer or employee, including ad hoc
368 members of the Materials Innovation and Recycling Authority, is
369 found to have been acting in the discharge of his or her duties or
370 within the scope of his or her employment and such act or omission is
371 found not to have been wanton, reckless, wilful or malicious.

372 Sec. 9. (*Effective July 1, 2018*) Not later than January 1, 2020, the
373 Apprenticeship and Employment Recruitment Authority shall submit
374 a report to the joint standing committees of the General Assembly

375 having cognizance of matters relating to education, higher education
376 and employment advancement and labor and public employees, in
377 accordance with the provisions of section 11-4a of the general statutes.
378 Such report shall (1) identify high-growth, high-demand jobs in the
379 state in fields including, but not limited to, finance, computer science,
380 engineering, manufacturing, health care, insurance and biomedicine;
381 (2) identify the education and skill level requirements for such jobs; (3)
382 analyze whether educational achievement and attainment trends of
383 students in the state sufficiently satisfy the requirements of such jobs;
384 (4) identify state-wide demographic trends in the workforce; (5) review
385 similar apprenticeship programs being administered in other states,
386 including, but not limited to, Colorado and Georgia, for the purpose of
387 determining if such programs can be replicated in Connecticut; (6)
388 analyze the feasibility of creating in-state partnerships that provide
389 apprenticeship opportunities for such high-growth, high-demand jobs;
390 (7) examine whether the existing apprenticeship program, as provided
391 in chapter 557 of the general statutes, can be utilized or expanded to
392 develop such partnerships; (8) identify any potential institutional or
393 legal obstacles associated with the creation and implementation of
394 such partnerships and apprenticeship opportunities; and (9) make any
395 recommendations for statutory changes necessary to assist the
396 authority carrying out its responsibilities for establishing such
397 partnerships and apprenticeship opportunities.

This act shall take effect as follows and shall amend the following sections:		
Section 1	<i>July 1, 2018</i>	New section
Sec. 2	<i>July 1, 2018</i>	New section
Sec. 3	<i>July 1, 2018</i>	New section
Sec. 4	<i>July 1, 2018</i>	New section
Sec. 5	<i>July 1, 2018</i>	1-79(12)
Sec. 6	<i>July 1, 2018</i>	1-120
Sec. 7	<i>July 1, 2018</i>	1-124
Sec. 8	<i>July 1, 2018</i>	1-125
Sec. 9	<i>July 1, 2018</i>	New section