

OFFICE OF LEGISLATIVE RESEARCH  
PUBLIC ACT SUMMARY



**PA 19-198—HB 5001 (VETOED)**

*Higher Education and Employment Advancement Committee*

**AN ACT REQUIRING A STUDY OF WORKFORCE TRAINING NEEDS  
IN THE STATE**

**SUMMARY:** This act would have made several changes to the Workforce Training Authority (WTA), including changing its board membership, making public-private entities eligible for authority-awarded grants, and expanding the industry sectors eligible for training assistance. The act would have specified that the authority is within the Department of Labor (DOL) and its purpose is to oversee the grant assistance it provides to eligible recipients.

The act also would have repealed the state regulation that governs how the minimum wage tip credit can be applied to restaurant service employees who spend some, but not all, of their shift doing work for which tips or gratuities are typically received. It would have required the labor commissioner to post a notice of intent to adopt regulations concerning the tip credit and to (1) consult with the restaurant industry and (2) include recent U.S. Department of Labor guidance on the subject.

In addition, the act would have required DOL to study programs offered to people seeking employment in the state and submit the study to the Labor and Public Employees Committee by January 1, 2020.

It also would have made other minor, technical, and conforming changes.

EFFECTIVE DATE: Various, as noted below.

**§§ 1-3 — WORKFORCE TRAINING AUTHORITY (WTA)  
REORGANIZATION**

*WTA Board Changes (§§ 2 & 3)*

The act would have terminated the existing 16-member WTA board on September 30, 2019, and established a new 21-member board on October 1, 2019, with the new appointments to be made by that date. The new board would have retained as members the labor, economic and community development, and corrections commissioners, or their designees. The act would have added the agriculture commissioner and the Technical Education and Career System superintendent, or their respective designees, to the board. Under the act, the presidents of the Connecticut State Colleges and Universities and UConn, or their respective designees, would have no longer served on the board.

By law, the board's gubernatorial appointments have no qualification requirements and its legislative appointments must have skill, knowledge, or experience in industries and sciences related to insurance, financial services, bioscience, or advanced manufacturing, among others. The act would have

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instead created specific qualifications for each appointed member, as shown in the table below.

**WTA-Appointed Board Member Qualifications Under the Act**

<i><b>Appointing Authority</b></i>	<i><b>Number of Appointments</b></i>	<i><b>Member Qualifications</b></i>
Governor	Four	A community college representative A state university representative A UConn representative An independent colleges representative
Senate President	Two	A formerly incarcerated individual or someone who helps formerly incarcerated individuals find employment A Connecticut AFL-CIO representative
Senate Majority Leader	Two	A workforce investment board representative A Connecticut State Building and Construction Trades Council representative
House Speaker	Two	A UConn Health Center representative A Connecticut affiliate of the National Urban League or the National Association for the Advancement of Colored People representative
House Majority Leader	Two	A Connecticut Center for Advanced Technology representative A representative of a Connecticut chamber of the United States Hispanic Chamber of Commerce
Senate Minority Leader	Two	An individual who has skill, knowledge, or expertise in the financial services industry’s workforce needs A Connecticut Business and Industry Association Manufacturers Advisory Council representative
House Minority Leader	Two	A Connecticut Association of Public School Superintendents representative An individual who has skill, knowledge, and expertise in the digital media industry’s workforce needs

By law, the labor commissioner serves as board chairperson. The act would have required him to call the board’s first meeting by December 1, 2019.

*WTA Function and Grant Assistance (§§ 1 & 3)*

By law, the Workforce Training Authority Fund provides training grants to eligible recipients (i.e., business entities) to target job growth in areas such as insurance, financial services, biosciences, advanced manufacturing, digital media, green technology, and tourism. The act would have added construction, healthcare, and early childhood education to the list of targeted job growth areas. It also would have redefined an “eligible recipient” as a public or private entity seeking to develop a workforce training program, either to grow an existing

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business or, in the case of a public entity, as part of partnership with business entities that have committed to hire successful trainees from an authority-funded workforce training program.

The act also would have expanded the list of training programs and career pathways that the WTA board must consider developing to include women, minorities, and individuals soon to be released from incarceration (the board already must consider programs and pathways for formerly incarcerated individuals).

By law, the WTA must establish an application and approval process with guidelines for assistance which must include a requirement that applicants obtain matching funds. The act would have removed the requirement for matching funds and instead required applicants to provide an unspecified level of funding or in-kind services.

### *Annual Report to the Legislature (§3)*

By law, the administrator (i.e., DOL) must provide an annual report to the WTA board for approval and then submit it to the Labor and Public Employees, Commerce, and Higher Education and Employment Advancement committees. The act would have required the report to (1) be about the WTA's expenditures, rather than its activities, and (2) include information on the status and progress of WTA-funded programs.

The act would have designated the labor commissioner, rather than the department, as the authority's administrator.

EFFECTIVE DATE: October 1, 2019

### § 4 — WORKFORCE TRAINING PROGRAM STUDY

The act would have required DOL, in collaboration with the regional workforce development boards (RWDBs), to conduct a study of programs offered to individuals seeking employment in the state. It would have required DOL to (1) begin the study by October 1, 2019, and (2) submit its findings to the Labor and Public Employees Committee by January 1, 2020.

The study would have included the following topics:

1. the location, ownership, and management of RWDB offices within the state;
2. the number of employees dedicated to assisting individuals seeking employment in each of DOL's American Job Center offices (formerly known as Connecticut Works One-Stop Career Centers);
3. the number of individuals seeking employment who are served through each job center office and by which program on an annual basis;
4. the number of employers, classified by industry, that use RWDBs throughout the state;
5. the number of individuals who (a) find employment through the job centers and the nature of that employment, classified by industry, and (b) found, but then lost, employment and re-enrolled in a job center program;

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6. the type of training programs;
7. whether activities offered by individual RWDBs are planned in conjunction with DOL to maximize efficiency and avoid duplication of resources;
8. the funding sources for each RWDB and any in-kind state contributions (e.g., office space and equipment);
9. whether an individual seeking employment can simultaneously participate in a DOL employment program and an RWDB program;
10. the methods by which DOL and the RWDBs coordinate employment programs in each region; and
11. the methods by which the RWDBs report to DOL and whether the resources DOL currently allocates to the boards are adequate to operate the boards' programs.

EFFECTIVE DATE: July 1, 2019

### §§ 5-7 — REVISED TIP CREDIT REGULATION

By law, employers of hotel and restaurant staff and bartenders who customarily receive tips may use a “tip credit,” which allows them to pay these employees a certain percentage less than minimum wage as long as their tips make up the difference.

#### *Repealing State Regulation (§ 7)*

The act would have repealed Conn. Agencies Reg. § 31-62-E4, which prohibits employers from applying the tip credit to restaurant employees who perform both service (e.g., serving food to patrons at tables) and non-service duties unless the time spent on each type of duty is segregated and recorded. Under the regulation, the tip credit can only be applied to the time the person spends performing service duties if the time is recorded as such. Thus, if a worker spends one hour of an eight-hour shift washing dishes or setting tables, then the tip credit cannot be applied to that hour when he or she is not serving tables.

EFFECTIVE DATE: Upon passage and applicable to actions pending on, or filed on or after, the effective date.

#### *Notice of Intent to Adopt Regulations (§ 5)*

The act would have required the labor commissioner, by December 31, 2019, to post a notice of intent to adopt regulations concerning the tip credit. The act also would have required the commissioner to (1) consult with restaurant industry representatives before posting the notice, (2) consider the federal Fair Labor Standards Act (29 U.S.C. § 203), and (3) include (presumably in the new proposed regulations) recent guidance by the U.S. Department of Labor’s Wage and Hour Division Field Assistance Bulletin No. 2019-2 (February 15, 2019).

The new federal bulletin generally states that the U.S. Department of Labor will allow an employer to take a tip credit for any duties that an employee

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performs, regardless of whether the duties are tip-producing, as long as the duties are performed either (1) at the same time as the tip-producing activities or (2) for a reasonable time immediately before or after the tip-producing activities.

EFFECTIVE DATE: Upon passage

### *Updating the Compilation of Regulations (§ 6)*

The act would have required the secretary of the state, by October 1, 2019, to update the official compilation of the Connecticut state regulations posted on the eRegulations System to comply with the provisions of the Uniform Administrative Procedure Act and the regulation's repeal.

EFFECTIVE DATE: Upon passage