



Agency Legislative Proposal - 2019 Session

Document Name (e.g. 112718_DOL_tech) (If submitting electronically, please label with date, agency, and title of proposal – 092611_SDE_TechRevisions)
State Agency: Department of Labor
Liaison: Marisa Morello Phone: 860-263-6502 E-mail: marisa.morello@ct.gov
Lead agency division requesting this proposal: Apprenticeship, Office for Workforce Competitiveness, Employment Services Operations, and Research
Agency Analyst/Drafter of Proposal: Heidi Lane and Jennifer Devine

Title of Proposal: AAC Technical and Other Changes to the Labor Department Statutes
Statutory Reference: 10-95h, 31-3a, 31-3b, 31-3g, 31-3h, 31-3j, 31-3k, 31-3l, 31-3n, 31-3o, 31-3p, 31-3r, 31-3u, 31-3ff, 31-3ii, 31-3pp, 31-22m, 31-22s, 31-235
Proposal Summary: <p>10-95h. Amend statute requiring Department of Labor (DOL) to identify emerging regional, state and national workforce needs over the next 30 years. Reduce to a 10-year forecast as data for a 30-year forecast is not available and the agency regularly forecasts for 10-year cycle.</p> <p>31-3a. Repeal statute requiring DOL to evaluate manpower needs of the state and occupational qualifications of residents and establish training programs to meet those needs. Statute is duplicative of requirements of Workforce Innovation and Opportunity Act (WIOA) and that work is done by regional workforce boards.</p> <p>31-3b. Amend statute to remove requirement for DOL to appoint job training coordinator to develop job training programs in state as it is duplicative of requirements of WIOA and is covered by apprenticeship and other training programs. Also remove requirement to establish an interagency program coordinating committee for purposes of coordinating resources to implement job training programs. This is handled by the CT Employment and Training Commission (CETC) and thus duplicative.</p> <p>31-3g. Repeal statute requiring DOL to develop a program to provide displaced homemakers with job training and placement. WIOA has broadened the definition of displaced homemaker and addresses job training and placement needs for such individuals, making the statute obsolete.</p>



31-3h. Amend statute to update applicable laws, such as replacing the now repealed Job Training Partnership Act with WIOA. Amend statute to apply to all workers in the state, not just to workers 50 years of age or older as targeting select group no longer needed. Delete provision to coordinate electronic hiring campaign for workers 50 years of age or older and submit one time report as it has been completed.

31-3j. Amend statute to update applicable laws, replacing the now repealed Job Training Partnership Act with WIOA.

31-3k. Amend statute to update applicable law, replacing the now repealed Job Training Partnership Act with WIOA, and delete references to private industry council as it no longer exists. Amend statute to delete need for annual plan and rather prepare and submit a plan as needed in order to streamline reporting requirements.

31-3l. Amend statute to delete reference to and membership of the private industry council pursuant to the now repealed Job Training Partnership Act as it no longer exists.

31-3n. Amend statute to provide that Labor Commissioner “may” adopt regulations rather than “shall” adopt regulations, and delete requirement for an annual regional plan as the regional workforce boards do not develop plans on an annual basis.

31-3o. Amend statute to delete requirement for an annual regional plan as the regional workforce boards do not develop plans on an annual basis.

31-3p. Amend statute to delete requirement for an annual regional plan as the regional workforce boards do not develop plans on an annual basis.

31-3r. Amend statute to update applicable laws, replacing the now repealed Job Training Partnership Act with WIOA.

31-3u. Repeal statute as obsolete.

31-3ff. Repeal statute as it is obsolete because the Job Training Partnership Act has been repealed.

31-3ii. Repeal statute as moot because it required development of adult education pilot



program for fiscal years ending in 2004 to 2006 and report was due in 2007.

31-3pp. Amend statute to add a definition of “pre-apprentice” that mirrors statutory change made to section 31-23 in 2018 legislative session.

31-22m. Amend statute to add a definition of “pre-apprentice” that mirrors statutory change made to section 31-23 in 2018 legislative session.

31-22s. Repeal statute as obsolete.

31-235. Amend statute to include Reemployment Services and Eligibility Assessment to reflect current practice.

PROPOSAL BACKGROUND

◇ **Reason for Proposal**

Please consider the following, if applicable:

- (1) *Have there been changes in federal/state/local laws and regulations that make this legislation necessary?* **Yes, WIOA replaced** Job Training Partnership Act and Include Reemployment Services and Eligibility Assessment (RESEA) on 31-235 to reflect current practice.
- (2) *Has this proposal or something similar been implemented in other states? If yes, what is the outcome(s)?*
- (3) *Have certain constituencies called for this action?* **No**
- (4) *What would happen if this was not enacted in law this session?* **Statutes would not properly reflect applicable law.**

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◇ **Origin of Proposal** **New Proposal** **Resubmission**

If this is a resubmission, please share:

- (1) *What was the reason this proposal did not pass, or if applicable, was not included in the Administration’s package?*
- (2) *Have there been negotiations/discussions during or after the previous legislative session to improve this proposal?*
- (3) *Who were the major stakeholders/advocates/legislators involved in the previous work on this legislation?*
- (4) *What was the last action taken during the past legislative session?*

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PROPOSAL IMPACT

◇ **AGENCIES AFFECTED** *(please list for each affected agency)*

Agency Name: DOE/Technical Education and Career System (10-95h)
Agency Contact (name, title, phone): Laura Stefon
Date Contacted: 10/16/18

Approve of Proposal **YES** **NO** **Talks Ongoing**



Summary of Affected Agency's Comments Click here to enter text.
Will there need to be further negotiation? <input type="checkbox"/> YES <input type="checkbox"/> NO
Agency Name: DECD (31-3u) Agency Contact (name, title, phone): Jim Watson Date Contacted: 10/16/18
Approve of Proposal <input checked="" type="checkbox"/> YES <input type="checkbox"/> NO <input type="checkbox"/> Talks Ongoing
Summary of Affected Agency's Comments None
Will there need to be further negotiation? <input type="checkbox"/> YES <input checked="" type="checkbox"/> NO

◇ **FISCAL IMPACT** (please include the proposal section that causes the fiscal impact and the anticipated impact)

Municipal (please include any municipal mandate that can be found within legislation) None
State None
Federal None
Additional notes on fiscal impact N/A

◇ **POLICY and PROGRAMMATIC IMPACTS** (Please specify the proposal section associated with the impact)

This technical bill seeks to amend several statutes to set forth appropriate time frames for economic forecasting from 30 years to 10 years; replace references to repealed federal Job Training Partnership Act and replace with current law the Workforce Innovation and Opportunity Act (WIOA) and programmatic changes that have been made under WIOA; update outdated provisions applicable to displaced homemakers and workers over 50 years of age; and streamline planning and reporting requirements that accurately reflect time frames for



such plans and reports for agency and the workforce development boards; and repeal requirements for one time programs and reports that are now moot. This bill also seeks to amend statutes to add a definition of “pre-apprentice” that mirrors statutory change made to section 31-23 in 2018 legislative session.

Insert fully drafted bill here

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

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

Sec. 1. Section 10-95h of the general statutes is repealed and the following is substituted in lieu thereof (*Effective from passage*):

(a) Not later than November thirtieth each year, the joint standing committees of the General Assembly having cognizance of matters relating to education, higher education and employment advancement and labor shall meet with the chairperson of the Technical Education and Career System board and the superintendent of the Technical Education and Career System, the Labor Commissioner and such other persons as they deem appropriate to consider the items submitted pursuant to subsection (b) of this section.

(b) On or before November fifteenth, annually:

(1) The Labor Commissioner shall submit the following to the joint standing committees of the General Assembly having cognizance of matters relating to education, higher education and employment advancement and labor: (A) Information identifying general economic trends in the state; (B) occupational information regarding the public and private sectors, such as continuous data on occupational movements; and (C) information identifying emerging regional, state and national workforce needs over the next **ten** [thirty] years.

(2) The superintendent of the Technical Education and Career System shall submit the following to the joint standing committees of the General Assembly having cognizance of matters relating to education, higher education and employment advancement and labor: (A) Information ensuring that the curriculum of the Technical Education and Career System is incorporating those workforce skills that will be needed for the next **ten** [thirty] years, as identified by the Labor Commissioner in subdivision (1) of this subsection, into the technical education and career schools; (B) information regarding the employment status of students who graduate from or complete an approved program of study at the Technical Education and Career System, including, but not limited to: (i) Demographics such as age and gender, (ii) course and program enrollment and completion, (iii) employment status,



and (iv) wages prior to enrolling and after graduating; (C) an assessment of the adequacy of the resources available to the Technical Education and Career System as the system develops and refines programs to meet existing and emerging workforce needs; (D) recommendations to the Technical Education and Career System board to carry out the provisions of subparagraphs (A) to (C), inclusive, of this subdivision; (E) information regarding staffing at each technical education and career school for the current academic year; and (F) information regarding the transition process of the Technical Education and Career System as an independent agency, including, but not limited to, the actions taken by the Technical Education and Career System board and the superintendent to create a budget process and maintain programmatic consistency for students enrolled in the technical education and career system. The superintendent shall collaborate with the Labor Commissioner to obtain information as needed to carry out the provisions of this subsection.

Sec. 2. Section 31-3b of the general statutes is repealed and the following is substituted in lieu thereof (*Effective from passage*):

[(a) The Labor Commissioner shall appoint a job training coordinator who shall develop and implement innovative programs which will provide (1) job training for (A) workers who are needed by industries planning to locate in Connecticut or by industries located in this state, (B) unskilled entry level workers, (C) workers in need of retraining due to the obsolescence of their skills and (D) workers who need skill training to qualify for advancement, (2) an incentive for the establishment of apprenticeship programs in selected occupations; provided no program shall be developed for occupations where prior skill or training is not typically a prerequisite to hiring, and (3) work training opportunities and placement of the chronically unemployed under section 31-3d.

(b) The Labor Commissioner is authorized to establish an interagency program coordinating committee to coordinate the application of all available resources for the purposes of this section. Said committee shall consist of representatives of various employment and training agencies within the Labor Department and representatives of the Department of Education and the Department of Economic and Community Development.]

(a) [(c)] The Labor Commissioner may contract with any public or private agency for educational and job training services.

(b) [(d)] The Labor Commissioner may accept and receive funds from any public or private source which become available for the purposes of this section and section 31-3d.

Sec. 3. Section 31-3h of the general statutes is repealed and the following is substituted in lieu thereof (*Effective from passage*):

(a) There is created, within the Labor Department, the Connecticut Employment and Training Commission.



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

(1) Carrying out the duties and responsibilities of a state [job training coordinating council] **Workforce Development Board** pursuant to the federal **Workforce Innovation and Opportunity Act, 29 USC 3101**, [Job Training Partnership Act, 29 USC 1532,] as amended from time to time, [a state human resource investment council pursuant to 29 USC 1501 et seq., as amended from time to time,] and such other related entities as the Governor may direct;

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

(3) Developing a plan for the coordination of all employment and training programs in the state to avoid duplication and to promote the delivery of comprehensive, individualized employment and training services and the reemployment of **all** workers [fifty years of age or older]. The plan shall contain the commission's recommendations for policies and procedures to enhance the coordination and collaboration of all such programs;

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

(5) Implementing the federal Workforce Innovation and Opportunity Act of 2014, P.L. 113-128, as amended from time to time. Such implementation shall include (A) developing, in consultation with the regional workforce development boards, a single Connecticut workforce development plan that (i) complies with the provisions of said act and section 31-11p, and (ii) includes comprehensive state performance measures for workforce development activities specified in Title I of the federal Workforce Innovation and Opportunity Act of 2014, P.L. 113-128, as amended from time to time, which performance measures comply with the requirements of 20 CFR Part 666.100, (B) making recommendations to the General Assembly concerning the allocation of funds received by the state under said act and making recommendations to the regional workforce development boards concerning the use of formulas in allocating such funds to adult employment and job training activities and youth activities, as specified in said act, (C) providing oversight and coordination of the state-wide employment statistics system required by said act, (D) as appropriate, recommending to the Governor that the Governor apply for workforce flexibility plans and waiver authority under said act, after consultation with the regional workforce development boards, (E) developing performance criteria for regional workforce development boards to utilize in creating a list of eligible providers, and (F) on or before December 31, 1999, developing a uniform individual training accounts voucher system that shall be used by the regional workforce development boards to pay for training of eligible workers by eligible providers, as required under said act;



- (6) Developing and overseeing a plan for the continuous improvement of the regional workforce development boards established pursuant to section 31-3k;
- (7) Developing incumbent worker, and vocational and manpower training programs, including customized job training programs to enhance the productivity of Connecticut businesses and to increase the skills and earnings of underemployed and at-risk workers, and other programs administered by the regional workforce development boards. The Labor Department, in collaboration with the regional workforce development boards, shall implement any incumbent worker and customized job training programs developed by the commission pursuant to this subdivision;
- (8) Developing a strategy for providing comprehensive services to eligible youths, which strategy shall include developing youth preapprentice and apprentice programs through, but not limited to, technical education and career schools, and improving linkages between academic and occupational learning and other youth development activities; and
- [(9) Coordinating an electronic state hiring campaign to encourage the reemployment of workers fifty years of age or older to be administered through the Labor Department's Internet web site, which shall include testimony from various employers that demonstrates the value of hiring and retaining workers fifty years of age or older. Not later than January 1, 2015, the commission shall submit a report, in accordance with section 11-4a, to the joint standing committee of the General Assembly having cognizance of matters relating to labor on the status of such campaign.]

Sec. 4. Section 31-3j of the general statutes is repealed and the following is substituted in lieu thereof (*Effective from passage*):

As used in sections 31-3j to 31-3r, inclusive:

- (1) "Board" means a regional work force development board established under section 31-3k;
- (2) "Commission" means the Connecticut Employment and Training Commission created under section 31-3h;
- (3) "Commissioner" means the Labor Commissioner;
- (4) "**Workforce Innovation and Opportunity Act,**" ["Job Training Partnership Act"] means the federal **Workforce Innovation and Opportunity Act, 29 USC 3101,** [Job Training Partnership Act, 29 USC 1501] et seq., as from time to time amended;
- (5) "Municipality" means a town, city, borough, consolidated town and city or consolidated town and borough;



(6) "Work force development region" or "region" means an area designated as a service delivery area in accordance with the provisions of the **Workforce Innovation and Opportunity Act** [Job Training Partnership Act].

Sec. 5. Section 31-3k of the general statutes is repealed and the following is substituted in lieu thereof (*Effective from passage*):

(a) There is established within the Labor Department a regional work force development board for each work force development region in the state. Each board shall assess the needs and priorities for investing in the development of human resources within the region and shall coordinate a broad range of employment, education, training and related services that shall be focused on client-centered, lifelong learning and shall be responsive to the needs of local business, industry, the region, its municipalities and its citizens.

(b) Each board, within its region, shall:

(1) Carry out the duties and responsibilities of a **workforce development board pursuant to** [private industry council under] the **Workforce Innovation and Opportunity Act** [Job Training Partnership Act, provided the private industry council within the region elects by a vote of its members to become a board and the Labor Commissioner approves the council as a regional work force development board].

(2) Within existing resources and consistent with the state employment and training information system and any guidelines issued by the commissioner under subsection (b) of section 31-2, (A) assess regional needs and identify regional priorities for employment and training programs, including, but not limited to, an assessment of the special employment needs of unskilled and low-skilled unemployed persons, including persons receiving state-administered general assistance or short-term unemployment assistance, (B) conduct planning for regional employment and training programs, (C) coordinate such programs to ensure that the programs respond to the needs of labor, business and industry, municipalities within the region, the region as a whole, and all of its citizens, (D) serve as a clearinghouse for information on all employment and training programs in the region, (E) prepare and submit a [an annual] plan **as required by the Labor Commissioner** containing the board's priorities and goals for regional employment and training programs to the commissioner and the commission for their review and approval, (F) review grant proposals and plans submitted to state agencies for employment and training programs that directly affect the region to determine whether such proposals and plans are consistent with the [annual] regional plan prepared under subparagraph (E) of this subdivision and inform the commission and each state agency concerned of the results of the review, (G) evaluate the effectiveness of employment and training programs within the region in meeting the goals contained in the [annual] regional plan prepared under subparagraph (E) of this subdivision and report its findings to the commissioner and the commission **as needed** [on



an annual basis], (H) ensure the effective use of available employment and training resources in the region, and (I) allocate funds where applicable for program operations in the region.

(3) Provide information to the commissioner concerning (A) all employment and training programs, grants or funds to be effective or available in the region in the following program year, (B) the source and purpose of such programs, grants or funds, (C) the projected amount of such programs, grants or funds, (D) persons, organizations and institutions eligible to participate in such programs or receive such grants or funds, (E) characteristics of clients eligible to receive services pursuant to such programs, grants or funds, (F) the range of services available pursuant to such programs, grants or funds, (G) goals of such programs, grants or funds, (H) where applicable, schedules for submitting requests for proposals, planning instructions, proposals and plans, in connection with such programs, grants or funds, (I) the program period for such programs, grants or funds, and (J) any other data relating to such programs, grants or funds that the commissioner or the commission deems essential for effective state planning.

(4) Carry out the duties and responsibilities of the local board for purposes of the federal Workforce Innovation and Opportunity Act **[of 2014, P.L. 113-128, as from time to time amended.]**

[(5) Establish a worker training education committee comprised of persons from the education and business communities within the region, including, but not limited to, regional community-technical colleges and technical education and career schools.]

(c) Each board shall make use of grants or contracts with appropriate service providers to furnish all program services under sections 31-3j to 31-3r, inclusive, unless the commission concurs with the board that direct provision of a service by the board is necessary to assure adequate availability of the service or that a service of comparable quality can be provided more economically by the board. Any board seeking to provide services directly shall include in the [annual] regional plan submitted to the commissioner and the commission under subparagraph (E) of subdivision (2) of subsection (b) of this section its plan to provide services directly and appropriate justification for the need to do so. When the decision to provide services directly must be made between [annual] planning cycles, the board shall submit to the commissioner and the commission a plan of service and appropriate justification for the need to provide services directly. Such plan of service shall be subject to review and approval by the commission.

(d) On October 1, 2002, and annually thereafter, each board shall submit to the Labor Department comprehensive performance measures detailing the results of any education, employment or job training program or activity funded by moneys allocated to the board, including, but not limited to, programs and activities specified in the federal Workforce Innovation and Opportunity Act [of 2014, P.L. 113-128, as from time to time amended]. Such performance measures shall include, but shall not be limited to, the identity and performance of any vendor that enters into a contract with the board



to conduct, manage or assist with such programs or activities, the costs associated with such programs or activities, the number, gender and race of persons served by such programs or activities, the number, gender and race of persons completing such programs or activities, occupational skill types, the number, gender and race of persons who enter unsubsidized employment upon completion of such programs or activities, the number, gender and race of persons who remain in unsubsidized employment six months later and the earnings received by such persons.

Sec. 6. Section 31-3/ of the general statutes is repealed and the following is substituted in lieu thereof (*Effective from passage*):

The members of a board shall be appointed by the chief elected officials of the municipalities in the region in accordance with the provisions of an agreement entered into by such municipalities. In the absence of an agreement the appointments shall be made by the Governor. The membership of each board shall satisfy the requirements [for a private industry council as provided under the Job Training Partnership Act and the requirements] of the [federal] Workforce Innovation and Opportunity Act [of 2014, P.L. 113-128, as from time to time amended. To the extent consistent with such requirements:

(1) Business members shall constitute a majority of each board and shall include owners of businesses, chief executives or chief operating officers of nongovernmental employers, or other business executives who have substantial management or policy responsibilities. Whenever possible, at least one-half of the business and industry members shall be representatives of small businesses, including minority businesses;

(2) the nonbusiness members shall include representatives of community-based organizations, state and local organized labor, state and municipal government, human service agencies, economic development agencies and regional community-technical colleges and other educational institutions, including secondary and postsecondary institutions and regional vocational technical schools;

(3) the nonbusiness representatives shall be selected by the appointing authority from among individuals nominated by the commissioner and the organizations, agencies, institutions and groups set forth in subdivisions (2) and (5) of this section, and each appointing authority shall solicit nominations from the commissioner and the organizations, agencies, institutions and groups set forth in subdivisions (2) and (5) of this section;

(4) labor representatives shall be selected from individuals recommended by recognized state and local labor federations in a manner consistent with the federal Job Training Partnership Act and the federal Workforce Innovation and Opportunity Act of 2014, P.L. 113-128, as from time to time amended;



(5) the board shall represent the interests of a broad segment of the population of the region, including the interests of welfare recipients, persons with disabilities, veterans, dislocated workers, younger and older workers, women, minorities and displaced homemakers; and

(6) in each region where a private industry council has elected by a vote of its members to become a regional work force development board and the commissioner has approved the council as a board, the initial membership of each board shall include, but not be limited to, the business members of the private industry council in the region.]

Sec. 7. Section 31-3n of the general statutes is repealed and the following is substituted in lieu thereof (*Effective from passage*):

(a) The commissioner, in consultation with the commission, **may** [shall] adopt regulations in accordance with chapter 54 to carry out the provisions of sections 31-3j to 31-3r, inclusive. The regulations shall establish criteria for the organization and operation of the board and for ensuring that the membership of each board satisfies the requirements of section 31-3l.

(b) The commissioner, acting through the commission, shall facilitate communication and exchange of information between the boards and state agencies involved in employment and training.

(c) The commissioner shall distribute all information received under the provisions of sections 31-3j to 31-3r, inclusive, to the commission in order to ensure that the review and coordination duties of the commission are effectively carried out.

(d) The commissioner shall submit each [annual] regional plan prepared pursuant to subparagraph (E) of subdivision (2) of subsection (b) of section 31-3k, together with the recommendations of the commissioner and the commission, to the Governor for final approval.

(e) The commissioner shall approve, in consultation with the commission, each board established pursuant to section 31-3k which meets the requirements of sections 31-3j to 31-3r, inclusive.

Sec. 8. Section 31-3o of the general statutes is repealed and the following is substituted in lieu thereof (*Effective from passage*):

(a) The commission shall review and approve each [annual] regional plan prepared pursuant to subparagraph (E) of subdivision (2) of subsection (b) of section 31-3k.

(b) The commission shall ensure that the membership of each board satisfies the representation requirements of section 31-3l and regulations adopted by the commissioner under section 31-3n.



(c) The commission shall review and consider the annual report of each board evaluating the effectiveness of employment and training programs, prepared pursuant to subparagraph (G) of subdivision (2) of subsection (b) of section 31-3k.

Sec. 9. Section 31-3p of the general statutes is repealed and the following is substituted in lieu thereof (*Effective from passage*):

In any case where a board, after review, determines that a grant proposal or plan submitted to a state agency involved in employment and training is inconsistent with the board's [annual] regional plan prepared pursuant to subparagraph (E) of subdivision (2) of subsection (b) of section 31-3k, the board shall notify the agency in writing of its determination and may request a response from the agency. The agency, if so requested, shall respond to the inconsistency noted by the board and shall make every effort to resolve the issues involved. If such issues cannot be resolved to the satisfaction of the board, the board may appeal to the commission. The commission shall review the subject matter of the appeal and recommend a resolution to the commissioner, who shall render an opinion consistent with applicable state and federal law.

Sec. 10. Section 31-3r of the general statutes is repealed and the following is substituted in lieu thereof (*Effective from passage*):

Nothing in sections 31-3j to 31-3r, inclusive, shall be construed or administered in any manner that would conflict with the requirements of the **Workforce Innovation and Opportunity Act** [Job Training Partnership Act] or supersede any statutory duties, responsibilities or obligations of any agency or board, including, but not limited to, any local board of education.

Sec. 11. Section 31-3pp of the general statutes is repealed and the following is substituted in lieu thereof (*Effective from passage*):

(a) For purposes of this section:

(1) "Department" means the Labor Department;

(2) "Eligible small business" means a business that (A) employed not more than one hundred full-time employees on at least fifty per cent of its working days during the preceding twelve months, (B) has operations in Connecticut, (C) has been registered to conduct business for not less than twelve months, and (D) is in good standing with the payment of all state and local taxes. "Eligible small business" does not include the state or any political subdivision thereof;

(3) "Control", with respect to a corporation, means ownership, directly or indirectly, of stock possessing fifty per cent or more of the total combined voting power of all classes of the stock of such



corporation entitled to vote. "Control", with respect to a trust, means ownership, directly or indirectly, of fifty per cent or more of the beneficial interest in the principal or income of such trust. The ownership of stock in a corporation, of a capital or profits interest in a partnership, limited liability company or association or of a beneficial interest in a trust shall be determined in accordance with the rules for constructive ownership of stock provided in Section 267(c) of the Internal Revenue Code of 1986, or any subsequent corresponding internal revenue code of the United States, as from time to time amended, other than paragraph (3) of said Section 267(c);

(4) "Related person" means (A) a corporation, limited liability company, partnership, association or trust controlled by the eligible small business, (B) an individual, corporation, limited liability company, partnership, association or trust that is in control of the eligible small business, (C) a corporation, limited liability company, partnership, association or trust controlled by an individual, corporation, limited liability company, partnership, association or trust that is in control of the eligible small business, or (D) a member of the same controlled group as the eligible small business;

(5) "Eligible small manufacturer" means an eligible small business described in sectors 31 to 33, inclusive, of the North American Industry Classification System, that employed not more than one hundred employees on at least fifty per cent of its working days during the preceding twelve months.

(b) (1) There is established within the Labor Department a Subsidized Training and Employment program for eligible small businesses and eligible small manufacturers. Said program shall provide grants to such businesses and manufacturers to subsidize, for the first one hundred eighty calendar days after a person is hired, a part of the cost of employment, including any costs related to training. No such business or manufacturer receiving a grant under this section with respect to a new employee or newly hired person may receive a second grant under this section with respect to the same new employee or newly hired person.

(2) At the discretion of the Labor Commissioner, the department may use up to four per cent of any funds allocated pursuant to section 5 of public act 11-1 of the October special session for the purpose of retaining outside consultants or the Workforce Investment Boards to operate the Subsidized Training and Employment program.

(3) The department shall monitor, in a manner prescribed by the commissioner, such outside consultants or Workforce Investment Boards that operate the Subsidized Training and Employment program. At the discretion of the Labor Commissioner, the department may use up to one per cent of any funds allocated pursuant to section 5 of public act 11-1 of the October special session in any fiscal year for the purpose of the marketing and operation of the Subsidized Training and Employment program, and the monitoring of the outside consultants or Workforce Investment Boards retained pursuant to subdivision (2) of this subsection.



(c) (1) An eligible small business may apply to the department for a grant to subsidize on-the-job training and compensation for a new employee, where “new employee” means a person who (A) was unemployed immediately prior to employment, regardless of whether such person collected unemployment compensation benefits as a result of such unemployment, (B) is a resident of a municipality that has (i) an unemployment rate that is equal to or higher than the state unemployment rate as of September 1, 2011, or (ii) a population of eighty thousand or more, and (C) has a family income equal to or less than two hundred fifty per cent of the federal poverty level, adjusted for family size. “New employee” does not include a person who was employed in this state by a related person with respect to the eligible small business during the prior twelve months or a person employed on a temporary or seasonal basis by a retailer, as defined in section 42-371. No small business shall be eligible for a grant under this section for a new employee if such new employee is hired to replace a worker who (i) is currently employed by such small business, or (ii) was terminated by such small business, unless such small business demonstrates just cause for such replacement or termination, if applicable.

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

(d) (1) An eligible small manufacturer may apply to the department for a grant to be used to train and compensate persons newly hired by such manufacturer. Any training shall be provided by such manufacturer, and take place on such manufacturer's premises, but no existing formal training program shall be required. The Labor Commissioner, or said commissioner's designee, shall review and approve such manufacturer's description of the proposed training as part of the application. No small manufacturer shall be eligible for a grant under this section for a new employee if such new employee is hired to replace a worker who (A) is currently employed by such small manufacturer, or (B) was terminated by such small manufacturer, unless such small manufacturer demonstrates just cause for such replacement or termination, if applicable.

(2) Grants awarded to an eligible small manufacturer pursuant to this subsection shall subsidize the costs of training and compensating each person newly hired by such manufacturer. In no event shall a grant exceed the salary of the newly hired person. Maximum amounts of each grant are: For the first full calendar month a newly hired person is employed, up to two thousand five hundred dollars; for the second month, up to two thousand four hundred dollars; for the third month, up to two thousand



two hundred dollars; for the fourth month, up to two thousand dollars; for the fifth month, up to one thousand eight hundred dollars; and for the sixth month, up to one thousand six hundred dollars. No grant shall exceed a total amount of twelve thousand five hundred dollars per newly hired person. A grant may be cancelled as of the date such person leaves employment with the eligible small manufacturer.

(e)(1) An eligible small business or eligible small manufacturer may apply to the department for a grant to subsidize on-the-job training for a preapprentice, where “preapprentice” means a person [who is (A) a current student at a public or private high school, preparatory school or institution of higher education, or (B) not more than eighteen years of age and employed under a written agreement with an apprenticeship program sponsor for a term of training and employment not exceeding two thousand hours or twenty-four months.], **student or minor (i) employed under a written agreement with an apprenticeship sponsor for a term of training and employment not exceeding two thousand hours or twenty-four months in duration, and (ii) registered with the Labor Department.** “Preapprentice” does not include a person who was employed in this state by a related person with respect to the eligible small business during the prior twelve months or a person employed on a temporary or seasonal basis by a retailer, as defined in section 42-371.

(2) Grants to eligible small businesses or eligible small manufacturers under the Subsidized Training and Employment program shall be in the following amounts: (A) For the first thirty calendar days a preapprentice is employed, one hundred per cent of an amount representing the cost of on-the-job training for such preapprentice, but in no event shall such amount exceed ten dollars per hour; (B) for the thirty-first to ninetieth, inclusive, calendar days, seventy-five per cent of such amount; (C) for the ninety-first to one hundred fiftieth, inclusive, calendar days, fifty per cent of such amount; and (D) for the one hundred fifty-first to one hundred eightieth, inclusive, calendar days, twenty-five per cent of such amount. Grants shall be cancelled as of the date the preapprentice leaves his or her apprenticeship with the eligible small business or eligible small manufacturer.

(f) Not later than July 15, 2012, and annually thereafter, and January 15, 2013, and annually thereafter, the Labor Commissioner shall provide a report, in accordance with the provisions of section 11-4a, to the joint standing committees of the General Assembly having cognizance of matters relating to finance, revenue and bonding, appropriations, commerce and labor. Said report shall include available data, for the six-month period ending on the last day of the calendar month preceding such report, on (1) the number of small businesses that participated in the Subsidized Training and Employment program established pursuant to subsections (c) and (e) of this section, and the general categories of such businesses, (2) the number of small manufacturers that participated in the Subsidized Training and Employment program established pursuant to subsections (d) and (e) of this section, and the general categories of such manufacturers, (3) the number of individuals that received employment, and (4) the most recent estimate of the number of jobs created or maintained.



(g) The Labor Commissioner may adopt regulations in accordance with the provisions of chapter 54 to carry out the provisions of this section.

Sec. 12. Section 31-22m of the general statutes is repealed and the following is substituted in lieu thereof (*Effective from passage*):

When used in sections 31-22m to 31-22q, inclusive, and 31-22u, "apprentice" means a person employed under a written agreement to work at and learn a specific trade; "apprentice agreement" means a written agreement entered into by an apprentice, or on his behalf by his parent or guardian, with an employer, or with an association of employers and an organization of employees acting as a joint apprenticeship committee, which agreement provides for not less than two thousand hours of work experience in approved trade training consistent with recognized requirements established by industry or joint labor-industry practice and for the number of hours of related and supplemental instructions prescribed by the Connecticut State Apprenticeship Council or which agreement meets requirements of the federal government for on-the-job training schedules which are essential, in the opinion of the Labor Commissioner, for the development of manpower in Connecticut industries; "council" means the Connecticut State Apprenticeship Council[.] **and "preapprentice" means a person, student or minor (i) employed under a written agreement with an apprenticeship sponsor for a term of training and employment not exceeding two thousand hours or twenty-four months in duration, and (ii) registered with the Labor Department.**

Sec. 13 Section 31-235 of the general statutes is repealed and the following is substituted in lieu thereof (*Effective from passage*):

31-235. Benefit eligibility conditions; qualifications; involuntary retirees. Reemployment services. Profiling system. (a) An unemployed individual shall be eligible to receive benefits with respect to any week only if it has been found that (1) such individual has made claim for benefits in accordance with the provisions of section 31-240 and has registered for work at the public employment bureau or other agency designated by the administrator within such time limits, with such frequency and in such manner as the administrator may prescribe, provided failure to comply with this condition may be excused by the administrator upon a showing of good cause therefor; (2) except as provided in subsection (b) of this section, such individual is physically and mentally able to work and is available for work and has been and is making reasonable efforts to obtain work, provided the individual shall not be considered to be unavailable for work solely because the individual is attending a school, college or university as a regularly enrolled student during the separation from employment, within the limitations of subdivision (6) of subsection (a) of section 31-236, and provided further, the individual shall not be considered to be lacking in efforts to obtain work if, as a student, such efforts are restricted to employment which does not conflict with the individual's regular class



hours as a student, and provided the administrator shall not use prior “patterns of unemployment” of the individual to determine whether the individual is available for work; (3) such individual has been paid wages by an employer who was subject to the provisions of this chapter during the base period of the current benefit year in an amount at least equal to forty times the individual's benefit rate for total unemployment, provided an unemployed individual who is sixty-two years of age or older and is involuntarily retired under a compulsory retirement policy or contract provision shall be eligible for benefits with respect to any week, notwithstanding subdivisions (1) and (2) of this subsection, if it is found by the administrator that the individual has made claim for benefits in accordance with the provisions of section 31-240, has registered for work at the public employment bureau, is physically and mentally able to work, is available for work, meets the requirements of this subdivision and has not refused suitable work to which the individual has been referred by the administrator; (4) such individual participates in reemployment services, such as job search assistance services, if the individual has been determined to be likely to exhaust regular benefits and need reemployment services pursuant to a profiling or Reemployment Services and Eligibility Assessment system established by the administrator unless the administrator determines that (A) for purposes of the profiling system only, the individual has completed such services, or (B) there is justifiable cause for the individual's failure to participate in such services. The administrator shall adopt regulations, in accordance with the provisions of chapter 54, for the administration of Reemployment Services and Eligibility Assessment and the profiling system. For purposes of subdivision (2) of this subsection, “patterns of unemployment” means regularly recurring periods of unemployment of the claimant in the years prior to filing the claim in question.

Sec. 14. Sections 31-3a, 31-3g, 31-3u, 31-3ff, 31-3ii, 31-22s of the general statutes are repealed.



Agency Legislative Proposal - 2019 Session

Document Name 112718_DOL_UIM (If submitting electronically, please label with date, agency, and title of proposal – 092611_SDE_TechRevisions)

State Agency: Department of Labor
Liaison: Marisa Morello Phone: 860-263-6502 E-mail: marisa.morello@ct.gov
Lead agency division requesting this proposal: Executive Administration
Agency Analyst/Drafter of Proposal: Heidi Lane

Title of Proposal: AAC Department of Labor’s Unemployment Insurance Modernization Efforts
Statutory Reference: 31-230, 31-273

PROPOSAL BACKGROUND

◇ Reason for Proposal

<p>Please consider the following, if applicable:</p> <ul style="list-style-type: none">(1) Have there been changes in federal/state/local laws and regulations that make this legislation necessary? n/a(2) Has this proposal or something similar been implemented in other states? If yes, what is the outcome(s)? n/a(3) Have certain constituencies called for this action? n/a <p>(4) What would happen if this was not enacted in law this session? If these provisions are not enacted, CTDOL will have laws on the books with which, technologically, we will not be able to comply. At this time, the vendors have begun the programming (design) stage of the Unemployment Insurance Modernization (UIM) project, and have advised the department that modifying the system, if such modifications would be possible at all, to comply with these two laws would be a massive undertaking and extremely expensive --- resulting also in a substantial delay to UIM. These changes are necessary to fit within the foundation of the project. Without the changes, additional cost will be incurred as well as substantial time delays.</p> <p>Click here to enter text.</p>

- ◇ Origin of Proposal New Proposal Resubmission



If this is a resubmission, please share:

- (1) What was the reason this proposal did not pass, or if applicable, was not included in the Administration’s package?
- (2) Have there been negotiations/discussions during or after the previous legislative session to improve this proposal?
- (3) Who were the major stakeholders/advocates/legislators involved in the previous work on this legislation?
- (4) What was the last action taken during the past legislative session?

Click here to enter text.

PROPOSAL IMPACT

◇ **AGENCIES AFFECTED- NONE** (please list for each affected agency)

Agency Name: Agency Contact (name, title, phone): Date Contacted: Click here to enter text.
Approve of Proposal <input type="checkbox"/> YES <input type="checkbox"/> NO <input type="checkbox"/> Talks Ongoing
Summary of Affected Agency’s Comments Click here to enter text.
Will there need to be further negotiation? <input type="checkbox"/> YES <input type="checkbox"/> NO
Agency Name: Agency Contact (name, title, phone): Date Contacted: Click here to enter text.
Approve of Proposal <input type="checkbox"/> YES <input type="checkbox"/> NO <input type="checkbox"/> Talks Ongoing
Summary of Affected Agency’s Comments Click here to enter text.
Will there need to be further negotiation? <input type="checkbox"/> YES <input type="checkbox"/> NO

◇ **FISCAL IMPACT** (please include the proposal section that causes the fiscal impact and the anticipated impact)

Municipal (please include any municipal mandate that can be found within legislation) None
State None



Federal

None

Additional notes on fiscal impact

N/A

◇ **POLICY and PROGRAMMATIC IMPACTS** *(Please specify the proposal section associated with the impact)*

Sec. 1 seeks to amend 31-230 that calculates the benefit year, base period and alternate base period by now requiring that all Special Base Period determinations be consecutive. Currently under 31-230, a UI claimant may be eligible to use a Special Base Period when an individual's Weekly Benefit Rate is negatively impacted because of receipt of Worker's Compensation or Sick/Disability benefits during the Regular Base Period. Essentially, DOL looks to the most recently employed quarters prior to the claimant's benefit year --- but those quarters do not need to be consecutive.

DOL seeks this statutory change because this agency is participating in the Unemployment Insurance Modernization (UIM) consortium. Mississippi, Rhode Island and Maine created a three-state consortium in 2012 to form what is known as the *ReEmployUSA* Consortium for technology development. The concept for the consortium is to use the fully integrated unemployment insurance production system created by Mississippi during the years 2005 through 2013 as the base system for the Consortium development. The *ReEmployUSA* Consortium partnership was formed with the intent of allowing other states to join and share in the technology and cost reductions. Our UI modernization (UIM) project is on track to be implemented in October of 2020.

The fully integrated UI production system only permits a special base period based upon consecutive quarters. Therefore, the UIM core system that is the foundation of all of the modernization efforts cannot accommodate a non-consecutive base period, such as the one allowed under 31-230, without a major overhaul.

Sec. 2 seeks to amend 31-273 concerning overpayments of UI benefits. The establishment of penalty weeks has been obsolete since 2013. Penalty weeks prevented a claimant from collecting any UI benefits for a certain number of weeks should they reapply at a later date if it was due to a fraud overpayment. In 2013, to be in conformity with federal law, DOL changed the penalty weeks to a monetary penalty. Since the 2013 change, the administrator has



continued to recoup the penalty weeks through claimants' future filings.

In 2013, the amount of UI benefits not paid as a result of the application of the pre-2013 penalty weeks resulted in a savings to the UI Trust Fund of \$8,000,000. Since 2013, the amount of UI benefits not paid as a result of the imposition of penalty weeks has diminished. It is projected that for 2018, the savings to the UI Trust Fund will be less than \$1,800,000.

Pursuant to Sec. 31-273(b)(1), after 8 years, the administrator is authorized to cancel any recoupment of UI benefits if they are deemed uncollectible. This proposed change simply moves up the date and most importantly, allows DOL to discontinue the application of penalty weeks due to the inability of the new system to apply penalty weeks.

Insert fully drafted bill here

***AN ACT CONCERNING THE DEPARTMENT OF LABOR'S UNEMPLOYMENT INSURANCE
MODERNIZATION EFFORTS***

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

Sec. 1. Section 31-230 of the general statutes is repealed and the following is substituted in lieu thereof (*Effective from passage*):

Sec. 31-230. Benefit year, base period and alternative base period. Regulations. (a) An individual's benefit year shall commence with the beginning of the week with respect to which the individual has filed a valid initiating claim and shall continue through the Saturday of the fifty-first week following the week in which it commenced, provided no benefit year shall end until after the end of the third complete calendar quarter, plus the remainder of any uncompleted calendar week that began in such quarter, following the calendar quarter in which it commenced, and provided further, the benefit year of an individual who has filed a combined wage claim, as described in subsection (b) of section 31-255, shall be the benefit year prescribed by the law of the paying state. In no event shall a benefit year be established before the termination of an existing benefit year previously established under



the provisions of this chapter. Except as provided in subsection (b) of this section, the base period of a benefit year shall be the first four of the five most recently completed calendar quarters prior to such benefit year, provided such quarters were not previously used to establish a prior valid benefit year and provided further, the base period with respect to a combined wage claim, as described in subsection (b) of section 31-255, shall be the base period of the paying state, except that for any individual who is eligible to receive or is receiving workers' compensation or who is properly absent from work under the terms of the employer's sick leave or disability leave policy, the base period shall be the first four of the five most recently worked quarters prior to such benefit year, provided such quarters were consecutive and not previously used to establish a prior valid benefit year and provided further, the last most recently worked calendar quarter is no more than twelve calendar quarters prior to the date such individual makes an initiating claim. As used in this section, an initiating claim shall be deemed valid if the individual is unemployed and meets the requirements of subdivisions (1) and (3) of subsection (a) of section 31-235. The base period of an individual's benefit year shall include wages paid by any nonprofit organization electing reimbursement in lieu of contributions, or by the state and by any town, city or other political or governmental subdivision of or in this state or of any municipality to such person with respect to whom such employer is subject to the provisions of this chapter. With respect to weeks of unemployment beginning on or after January 1, 1978, wages for insured work shall include wages paid for previously uncovered services. For purposes of this section, the term "previously uncovered services" means services that (1) were not employment, as defined in section 31-222, and were not services covered pursuant to section 31-223, at any time during the one-year period ending December 31, 1975; and (2) (A) are agricultural labor, as defined in subparagraph (H) of subdivision (1) of subsection (a) of section 31-222, or domestic service, as defined in subparagraph (J) of subdivision (1) of subsection (a) of section 31-222, or (B) are services performed by an employee of this state or a political subdivision of this state, as provided in subparagraph (C) of subdivision (1) of subsection (a) of section 31-222, or by an employee of a nonprofit educational institution that is not an institution of higher education, as provided in subparagraph (E)(iii) of subdivision (1) of subsection (a) of section 31-222, except to the extent that assistance under Title II of the Emergency Jobs and Unemployment Assistance Act of 1974 was paid on the basis of such services.

(b) The base period of a benefit year for any individual who is ineligible to receive benefits using the base period set forth in subsection (a) of this section shall be the four most recently completed calendar quarters prior to the individual's benefit year, provided such quarters were not previously used to establish a prior valid benefit year, except that for any such individual who is eligible to receive or is receiving workers' compensation or who is properly absent from work under the terms of an employer's sick leave or disability leave policy, the base period shall be the four most recently worked calendar quarters prior to such benefit year, provided such quarters were consecutive and not previously used to establish a prior valid benefit year and provided further, the last most recently worked calendar quarter is not more than twelve calendar quarters prior to the date such individual makes the initiating claim. If the wage information for an individual's most recently worked calendar quarter is unavailable to the administrator from regular quarterly reports of systematically accessible



wage information, the administrator shall promptly contact the individual's employer to obtain such wage information.

Sec. 2. Section 373(b)(2)(A) of the general statutes is repealed and the following is substituted in lieu thereof (*Effective from passage*):

31-273(b)(2) (A) For any determination of an overpayment made prior to October 1, 2013, any person who has made a claim for benefits under this chapter and has knowingly made a false statement or representation or has knowingly failed to disclose a material fact in order to obtain benefits or to increase the amount of benefits to which such person may be entitled under this chapter shall forfeit benefits for not less than one or more than thirty-nine compensable weeks following determination of such offense or offenses, during which weeks such person would otherwise have been eligible to receive benefits. For the purposes of section 31-231b, such person shall be deemed to have received benefits for such forfeited weeks. This penalty shall be in addition to any other applicable penalty under this section and in addition to the liability to repay any moneys so received by such person and shall not be confined to a single benefit year. **This subparagraph is not applicable to claims deemed payable as of October 1, 2019.** (B) For any determination of an overpayment made on or after October 1, 2013, any person who has made a claim for benefits under this chapter and has knowingly made a false statement or representation or has knowingly failed to disclose a material fact in order to obtain benefits or to increase the amount of benefits to which such person may be entitled under this chapter shall be subject to a penalty of fifty per cent of the amount of overpayment for the first offense and a penalty of one hundred per cent of the amount of overpayment for any subsequent offense. This penalty shall be in addition to the liability to repay the full amount of overpayment and shall not be confined to a single benefit year. Thirty-five per cent of any such penalty shall be paid into the Unemployment Compensation Trust Fund and sixty-five per cent of such penalty shall be paid into the Employment Security Administration Fund. The penalty amounts computed in this subparagraph shall be rounded to the nearest dollar with fractions of a dollar of exactly fifty cents rounded upward.

(12/6/18)