



House Bill No. 5001

Public Act No. 19-198

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

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

Section 1. Section 31-11hh of the general statutes is repealed and the following is substituted in lieu thereof (*Effective October 1, 2019*):

As used in this section and sections 31-11ii and 31-11jj, as amended by this act:

(1) "Administrative costs" means the costs paid or incurred by the administrator, including, but not limited to, peer review costs, professional fees, allocated staff costs and other out-of-pocket costs attributable to the administration and operation of the Workforce Training Authority Fund;

(2) "Administrator" means the [Department of] Labor Commissioner;

(3) "Board" means the Workforce Training Authority established pursuant to section 31-11ii, as amended by this act; and

(4) "Eligible recipient" means a [business] public or private entity [, including, but not limited to, those businesses in the bioscience,

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insurance, financial services, advanced manufacturing, digital media, green technology and tourism industry sectors] seeking to develop a workforce training program, either to grow an existing business or, in the case of a public entity, as part of partnership with business entities that have made a commitment to hire successful trainees from the workforce training program funded by the authority created by section 31-11ii, as amended by this act.

Sec. 2. Section 31-11ii of the general statutes is repealed and the following is substituted in lieu thereof (*Effective October 1, 2019*):

(a) There is established a Workforce Training Authority [that] within the Labor Department whose purpose is to oversee the grant program described in section 31-11jj, as amended by this act. The Workforce Training Authority shall be composed of a board that:

(1) Until September 30, 2019, shall consist of the following members: [(1)] (A) Four appointed by the Governor; [(2)] (B) one appointed by the president pro tempore of the Senate; [(3)] (C) one appointed by the Senate Republican president pro tempore; [(4)] (D) one appointed by the speaker of the House of Representatives; [(5)] (E) one appointed by the majority leader of the Senate; [(6)] (F) one appointed by the majority leader of the House of Representatives; [(7)] (G) one appointed by the minority leader of the Senate; [(8)] (H) one appointed by the minority leader of the House of Representatives; [(9)] (I) the Labor Commissioner, or the commissioner's designee, who shall serve as the chairperson of the board; [(10)] (J) the Commissioner of [the Department of] Economic and Community Development, or the commissioner's designee; [(11)] (K) the president of the Connecticut State Colleges and Universities, or the president's designee; [(12)] (L) the president of The University of Connecticut, or the president's designee; and [(13)] (M) the Commissioner of Correction, or the commissioner's designee. [Each legislatively appointed member shall have skill, knowledge or experience in industries and sciences related

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to insurance, financial services, bioscience, advance manufacturing, digital media, green technology, and tourism. All initial appointments to the board pursuant to this subsection shall be made not later than October 1, 2017. Appointed members shall each serve a term that is coterminous with the respective appointing authority. Each member shall hold office until a successor is appointed. Any vacancy occurring on the board, other than by expiration of term, shall be filled in the same manner as the original appointment for the balance of the unexpired term.] The term of any member appointed under this subdivision shall terminate on September 30, 2019;

(2) On and after October 1, 2019, shall consist of the following members: (A) Four appointed by the Governor, one of whom is a representative of a community college, one of whom is a representative of a state university, one of whom is a representative of The University of Connecticut and one of whom is a representative of the independent colleges; (B) two appointed by the president pro tempore of the Senate, one of whom is a formerly incarcerated individual or someone who helps formerly incarcerated individuals find employment and one of whom is a representative of the Connecticut AFL-CIO; (C) two appointed by the majority leader of the Senate, one of whom is a representative of a workforce investment board and one of whom is a representative of the Connecticut State Building and Construction Trades Council; (D) two appointed by the speaker of the House of Representatives, one of whom is a representative of The University of Connecticut Health Center and one of whom is a representative from a Connecticut affiliate of the National Urban League or the National Association for the Advancement of Colored People; (E) two appointed by the majority leader of the House of Representatives, one of whom is a representative of the Connecticut Center for Advanced Technology and one of whom is a representative of a Connecticut chamber of the United States Hispanic Chamber of Commerce; (F) two appointed by the minority leader of the Senate, one

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of whom has skill, knowledge or expertise in the workforce needs of the financial services industry and one of whom is a representative from the Connecticut Business and Industry Association Manufacturers Advisory Council; (G) two appointed by the minority leader of the House of Representatives, one of whom is a representative from the Connecticut Association of Public School Superintendents and one of whom has skill, knowledge and expertise in the workforce needs of the digital media industry; (H) the Labor Commissioner, or the commissioner's designee, who shall serve as chairperson of the board; (I) the Commissioner of Economic and Community Development, or the commissioner's designee; (J) the Commissioner of Correction, or the commissioner's designee; (K) the superintendent of the Technical Education and Career System, or the superintendent's designee; and (L) the Commissioner of Agriculture, or the commissioner's designee.

(b) All initial appointments to the board pursuant to subdivision (2) of subsection (a) of this section shall be made not later than October 1, 2019. Appointed members shall each serve a term that is coterminous with the respective appointing authority. Each member shall hold office until a successor is appointed. Any vacancy occurring on the board, other than by expiration of term, shall be filled in the same manner as the original appointment for the balance of the unexpired term.

[(b)] (c) The chairperson shall call the first meeting of the board appointed under subdivision (2) of subsection (a) of this section not later than December 1, [2017] 2019. The board shall meet at such times as the chairperson deems necessary.

[(c)] (d) No member of the board shall receive compensation for such member's services.

[(d)] (e) A majority of the members of said board shall constitute a

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quorum for the transaction of any business or the exercise of any power of the board. The board may act by a majority of the members present at any meeting at which a quorum is in attendance for the transaction of any business or the exercise of any power of the board, except as otherwise provided in this section.

[(e)] (f) Notwithstanding any provision of the general statutes, it shall not constitute a conflict of interest for a trustee, director, partner, officer, manager, shareholder, proprietor, counsel, public official acting in his or her official capacity or employee of an eligible recipient, or any individual with a financial interest in an eligible recipient, to serve as a member of the board, provided such trustee, director, partner, officer, manager, shareholder, proprietor, counsel, employee or individual shall abstain from deliberation, action or vote by the board concerning any matter relating to such eligible recipient, except such public official acting in his or her official capacity shall be permitted to engage in such deliberation.

[(f)] (g) The board may develop industry-specific advisory councils to provide guidance on job market trends and develop connections with the business community.

Sec. 3. Section 31-11jj of the general statutes is repealed and the following is substituted in lieu thereof (*Effective October 1, 2019*):

(a) There is established the Workforce Training Authority Fund, which shall be an account [in the Department of] within the Labor Department. The following moneys shall be deposited in the fund: (1) Any moneys received as part of a memorandum of understanding with the Workforce Training Authority; (2) all private contributions, gifts, grants, donations, bequests or devises received by the fund; and (3) to the extent not otherwise prohibited by state or federal law, any local, state or federal funds received by the fund.

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(b) The Workforce Training Authority Fund shall be used by the administrator: (1) To provide training assistance to eligible recipients as may be approved by the Workforce Training Authority pursuant to subsection (e) of this section, and (2) to pay or reimburse the administrator for administrative costs pursuant to subsection [(c)] (h) of this section. Such training assistance shall be awarded for the purpose of: Developing and implementing training programs for the recruitment of businesses to the state and the training or retraining of persons in the state to achieve the workforce goals established by the Connecticut Employment and Training Commission and the relevant sections of the strategic master plan for higher education developed pursuant to section 10a-11b. Training assistance shall target job growth in the areas of construction, health care, early childhood education, insurance, financial services, bioscience, advance manufacturing, digital media, green technology, and tourism.

(c) All expenditures from the Workforce Training Authority Fund, except for administrative costs reimbursed to the administrator pursuant to subsection (h) of this section, shall be approved by the board, provided the board may delegate to staff of the administrator the approval of transactions not greater than one hundred thousand dollars. Any such approval by the board shall be (1) specific to an individual expenditure to be made; (2) for budgeted expenditures with such variations as the board may authorize at the time of such budget approval; or (3) for training assistance programs to be administered by staff of the administrator, subject to limits, eligibility requirements and other conditions established by the Workforce Training Authority at the time of such program approval.

(d) The administrator shall provide any necessary staff, office space, office systems and administrative support for the operation of the Workforce Training Authority Fund in accordance with this section. In acting as administrator of the fund, the Labor [Department]

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Commissioner shall have and may exercise all of the powers set forth in the general statutes, provided expenditures from the fund shall be approved by the Workforce Training Authority pursuant to subsection (c) of this section.

(e) The Workforce Training Authority shall establish an application and approval process with guidelines and terms for the development and implementation of training programs and training assistance awarded by the administrator from the Workforce Training Authority Fund to any eligible recipient. Such guidelines and terms shall include: (1) A requirement that any applicant for training assistance operate in the state or propose to relocate operations to the state, in whole or in part, as a condition of such training assistance; (2) eligibility requirements for training, including a requirement for applicants to obtain [matching] funds or in-kind services from nonstate sources; (3) a process for preliminary review of applications for strength and eligibility by the administrator before such applications are presented to the board for consideration; (4) return on investment objectives, including, but not limited to, job growth and leveraged investment opportunities; (5) a requirement that any [business] entity that receives assistance [must] first consider applicants who have completed the universal intake form; and (6) such other guidelines and terms as the board determines to be necessary and appropriate in furtherance of the objectives of this section. In developing such guidelines, the board shall include considerations for the size of such businesses and the number of workers employed by such businesses. Additionally, the board shall give consideration to developing training programs and creating career pathways for women, minorities and soon to be released and formerly incarcerated individuals.

(f) Training assistance awarded to eligible recipients from the Workforce Training Authority Fund [to eligible recipients] shall be used for costs related to facilities, necessary furniture, fixtures and

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equipment, development of programs, implementation of training programs, materials and supplies, compensation, apprenticeship and such other costs that the Workforce Training Authority [Board] determines [pursuant to subsection (e) of this section] to be eligible for training assistance within the purposes of this section pursuant to subsection (e) of this section.

(g) On July 1, 2018, and prior to [each] the commencement of the next fiscal year thereafter, the administrator shall prepare a plan of operations and an operating and capital budget for the Workforce Training Authority Fund, provided not later than ninety days prior to the start of each fiscal year, the administrator shall submit such plan and budget to the board of the Workforce Training Authority [Board] for its review and approval.

(h) Administrative costs shall be paid or reimbursed to the administrator from the Workforce Training Authority Fund, provided the total of such administrative costs in any fiscal year shall not exceed five per cent of the total amount of the allotted funding for such fiscal year, as determined in the operating budget prepared pursuant to subsection (g) of this section. Nothing in this section shall be [deemed] construed to require the administrator to risk or expend the funds of the Labor Department in connection with the administration of the Workforce Training Authority Fund.

(i) On January 1, 2019, and annually thereafter, the administrator shall provide a report of the [activities] expenditures of the Workforce Training Authority Fund to the Workforce Training Authority for the board's review and approval. Upon such approval, the board shall provide such 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 labor, commerce and employment advancement. Such report shall contain available information on the status and progress of the operations of the programs funded by and

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[funding] resources of the Workforce Training Authority Fund and the types, amounts and recipients of financial assistance awarded.

(j) The administrator shall consult with the office of apprenticeship training, the Connecticut Employment and Training Commission, the Planning Commission on Higher Education and the administrator of the Connecticut Manufacturing Innovation Fund to ensure coordination and compatibility of the development and implementation of training programs awarded by the Workforce Training Authority. [Fund.]

Sec. 4. (*Effective July 1, 2019*) (a) Not later than October 1, 2019, the Labor Department, in collaboration with workforce development boards within the state, shall conduct a study of programs offered to individuals seeking employment within the state. The topics of such study shall include, but not be limited to:

(1) The location, ownership and management of workforce development board offices within the state;

(2) The number of employees dedicated to assisting individuals seeking employment in each American Job Center office;

(3) The number of individuals seeking employment who are served through each American Job Center office and by which program on an annual basis;

(4) The number of employers, classified by industry, that utilize workforce development boards throughout the state;

(5) The number of individuals who successfully find employment through the American Job Centers and the nature of that employment, classified by industry;

(6) The number of individuals who successfully found employment,

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then lost that employment, who re-enrolled in an American Job Center program;

(7) The type of training programs;

(8) Whether activities offered by individual workforce development boards are planned in conjunction with the department to maximize efficiency and avoid duplication of resources;

(9) The funding sources for each workforce development board and any in-kind contributions offered by the state including, but not limited to, office space, utilities and equipment;

(10) Whether an individual seeking employment can simultaneously participate in a state-operated employment program through the department and a workforce development board program;

(11) The methods by which the department and workforce development boards coordinate employment programs in each region of the state; and

(12) The methods by which workforce development boards report to the department and whether the resources currently allocated to the workforce development boards by the department are adequate for the operation of the programs offered by the workforce development boards.

(b) Not later than January 1, 2020, the department shall submit, in accordance with the provisions of section 11-4a of the general statutes, a report to the joint standing committee of the General Assembly having cognizance of matters relating to labor detailing the findings of the study conducted pursuant to subsection (a) of this section.

Sec. 5. (NEW) (*Effective from passage*) Not later than December 31, 2019, the Labor Commissioner shall post on the eRegulations System a

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notice of intent to adopt regulations, in accordance with the provisions of chapter 54 of the general statutes, concerning allowances for gratuities permitted or applied as part of the minimum fair wage pursuant to sections 31-58 and 31-60 of the general statutes. The Labor Commissioner shall consult with representatives of the restaurant industry prior to posting such notice and shall consider the provisions of the Fair Labor Standards Act, 29 USC 203(m)(2) and 29 CFR 531.56, and include guidance provided by the United States Department of Labor Wage and Hour Division in Field Assistance Bulletin No. 2019-2, dated February 15, 2019, and in Wage and Hour Division Opinion Letter FLSA 2018-27, dated November 8, 2018, regarding such allowances.

Sec. 6. (*Effective from passage*) Not later than October 1, 2019, the Secretary of the State shall update the official compilation of the regulations of Connecticut state agencies posted on the eRegulations System to comply with the provisions of chapter 54 of the general statutes and section 7 of this act.

Sec. 7. (*Effective from passage and applicable to actions pending on or filed on or after said date*) Notwithstanding the provisions of chapter 54 of the general statutes, section 31-62-E4 of the regulations of Connecticut state agencies is repealed.