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FIRST REPRINT

A.B. 32

ASSEMBLY BILL NO. 32—COMMITTEE ON TAXATION

(ON BEHALF OF THE OFFICE OF ECONOMIC DEVELOPMENT
IN THE OFFICE OF THE GOVERNOR)

PREFILED NOVEMBER 16, 2018

Referred to Committee on Taxation

SUMMARY—Revises provisions governing workforce development. (BDR 18-329)

FISCAL NOTE: Effect on Local Government: No.
Effect on the State: Yes.

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EXPLANATION – Matter in **bolded italics** is new; matter between brackets **omitted material** is material to be omitted.

AN ACT relating to workforce development; authorizing certain nonprofit entities to participate in certain programs of workforce recruitment, assessment and training; authorizing the training of existing employees of an employer as part of certain programs of workforce recruitment, assessment and training; revising provisions governing the application process for a provider of such a program or a business that wishes to participate in such a program; revising provisions governing certain funding which is available to defray the cost of such a program; and providing other matters properly relating thereto.

Legislative Counsel's Digest:

Existing law authorizes a person who wishes to provide a program of workforce recruitment, assessment and training to apply to the Office of Economic Development for approval of the program. If a provider is approved to provide the program, the provider is authorized to apply for an allocation, grant or loan of money from the Office and businesses that operate or will operate in this State are authorized to apply to participate in the program. (NRS 231.1467) **Section 3.5** of this bill expands the businesses eligible to participate in such a program by authorizing nonprofit organizations that satisfy certain criteria to participate in a program of workforce recruitment, assessment and training. **Section 4.5** of this bill expands programs of workforce recruitment, assessment and training to include programs which provide training to existing employees of a participating business.

Existing law establishes the process by which a provider of a program of workforce recruitment, assessment and training applies to the Office for approval of



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the program. (NRS 231.1467) **Section 5** of this bill: (1) authorizes the Office of Economic Development to establish by regulation a preapplication process pursuant to which a provider of a proposed program is authorized to qualify to obtain the approval of the Office for the program; and (2) requires the application to include certain additional information that is required to be included in the application by existing regulations. (NAC 231.305) **Section 5** further provides that to obtain the approval of the Office for the program, the program is required to provide a credential or an identifiable skill to persons who successfully complete the program and be a strategic partnership between the provider of the program and a business participating in the program. The partnership is authorized to include, without limitation, nonprofit organizations, secondary educational institutions, local workforce development boards, local governments and any other relevant party. Finally, **section 5** removes the requirement for the Office to approve or disapprove each application for approval of a program of workforce recruitment, assessment and training within 60 days after receiving a complete application.

Existing law authorizes a provider of a program of workforce recruitment, assessment and training approved by the Office or the governing body of a local government within the jurisdiction of which the provider will provide the approved program to apply to the Office for an allocation, grant or loan of money to defray in whole or in part the cost of the program. Existing law requires the Office to give priority to programs of workforce recruitment, assessment and training that satisfy certain criteria. (NRS 231.1467) **Section 5** adds to the criteria a program is required to satisfy to obtain priority for approval a requirement that: (1) the program provide to persons who successfully complete the program a credential or identifiable skill that would not otherwise be available to be obtained in this State; and (2) the program consist of a course of study or training that completes the training of workers within a period of not more than 12 months. **Section 5** further authorizes the use of an allocation, grant or loan of money from the Office to pay the fees or tuition, or both, for persons who receive training in the program and to pay for equipment necessary to provide the training. Under **section 5**, any equipment purchased with money allocated, granted or loaned by the Office is the property of the Office and is required to be returned to the Office if the provider of the program does not successfully deliver the program for which the allocation, grant or loan of money was made.

Existing law authorizes a business that operates or will operate in this State to apply to the Office to participate in a program of workforce recruitment, assessment and training that has been approved by the Office. (NRS 231.1467) **Section 5** requires an application submitted by such a business to include proof that the business is registered or commits to be registered in this State, is not excluded from being awarded contracts by the Federal Government because it has been debarred under federal law and the business has not conducted layoffs in the immediately preceding 12 months for the type of job for which the business will participate in the program. **Section 5** further establishes the information that is required to be included in the application if the business is applying to participate in a program that provides training to existing employees of the business. **Section 8.5** of this bill eliminates a program pursuant to which a business that operates or will operate in this State is authorized to apply for approval of a program of workforce training.

Sections 4 and 6-8 of this bill make conforming changes.



THE PEOPLE OF THE STATE OF NEVADA, REPRESENTED IN
SENATE AND ASSEMBLY, DO ENACT AS FOLLOWS:

Section 1. (Deleted by amendment.)

Sec. 2. (Deleted by amendment.)

Sec. 3. (Deleted by amendment.)

Sec. 3.5. Chapter 231 of NRS is hereby amended by adding thereto a new section to read as follows:

For the purposes of this section and NRS 231.141 to 231.152, inclusive, the term "business" includes, without limitation, an entity which:

1. Has registered with the Office of the Secretary of State as a nonprofit corporation pursuant to chapter 82 of NRS or which has received a certificate of authority from the Commissioner of Insurance pursuant to chapter 695B of NRS;

2. Is exempt from federal income tax pursuant to 26 U.S.C. § 501; and

3. Engages in an activity that is consistent with the State Plan for Economic Development.

Sec. 4. NRS 231.141 is hereby amended to read as follows:

231.141 As used in NRS 231.141 to 231.152, inclusive, *and section 3.5 of this act*, unless the context otherwise requires, the words and terms defined in NRS 231.1415 and 231.146 have the meanings ascribed to them in those sections.

Sec. 4.5. NRS 231.146 is hereby amended to read as follows:

231.146 "Program of workforce development" ~~includes:~~

~~1. A program of workforce training provided pursuant to NRS 231.147.~~

~~2. A~~ *means a* program of workforce recruitment, assessment and training provided pursuant to NRS 231.1467 ~~and~~ *, including, without limitation, a program which provides training to one or more existing employees of a business participating in a program.*

Sec. 5. NRS 231.1467 is hereby amended to read as follows:

231.1467 1. A person who wishes to provide a program of workforce recruitment, assessment and training may apply to the Office for approval of the program. The *Office may establish by regulation a preapplication process pursuant to which a person becomes qualified to obtain the approval of the Office for a program of workforce recruitment, assessment and training.*

2. An application to obtain the approval of the Office for a program of workforce recruitment, assessment and training must be submitted on a form prescribed by the Office ~~and~~

~~2. Each application must~~ *and* include:

(a) The name, address, ~~and~~ telephone number *and electronic mail address* of the applicant;



(b) The name of each business for which the applicant will provide the proposed program of workforce recruitment, assessment and training;

(c) A statement of the objectives of the proposed program of workforce recruitment, assessment and training;

(d) *The primary economic sector that will be served by the program of workforce recruitment, assessment and training for which the applicant is seeking approval;*

(e) *Evidence that there is a shortage of:*

(1) *Qualified workers in this State in the industry to be served by the proposed program of workforce recruitment, assessment and training; and*

(2) *Programs to provide training to workers in this State in that industry;*

(f) *A statement demonstrating the past performance of the applicant in providing programs of workforce development, including, without limitation:*

(1) *The number and type of credentials and certifications issued by programs of workforce development provided by the applicant; and*

(2) *The number of businesses successfully served by programs of workforce development provided by the applicant;*

(g) *A proposed plan for the provision of the program of workforce recruitment, assessment and training for which the applicant is seeking approval on a statewide basis;*

(h) *A list of existing equipment or facilities that will be used by the program of workforce recruitment, assessment and training for which the applicant is seeking approval;*

(i) *A projection of the number of primary jobs that will be served by the program of workforce recruitment, assessment and training for which the applicant is seeking approval and the wages for those jobs;*

(j) *A projection of the amount of capital investment in this State that is associated with primary jobs served by the program of workforce recruitment, assessment and training for which the applicant is seeking approval;*

(k) *Evidence satisfactory to the Office that the proposed program of workforce recruitment, assessment and training is consistent with the unified state plan submitted by the Governor to the Secretary of Labor pursuant to 29 U.S.C. § 3112;*

(l) *A statement that each business participating in the proposed program of workforce recruitment, assessment and training will provide to the Executive Director of the Office such information as the Executive Director deems necessary to enable the Office to prepare the report required by NRS 231.1513;*



1 (m) A workforce diversity action plan; and
2 ~~(e)~~ (n) The estimated cost of the proposed program of
3 workforce recruitment, assessment and training.

4 3. Any program of workforce recruitment, assessment and
5 training approved by the Office pursuant to this section must:

6 (a) Include a workforce diversity action plan approved by the
7 Office; ~~and~~

8 (b) To the extent practicable, be provided on a statewide basis to
9 support the industrial and economic development of all geographic
10 areas of this State ~~H~~;

11 (c) *Provide a credential or an identifiable skill to persons who*
12 *successfully complete the program of workforce recruitment,*
13 *assessment and training; and*

14 (d) *Be a strategic partnership between the provider of the*
15 *program of workforce recruitment, assessment and training and a*
16 *business participating in the program. The partnership may*
17 *include, without limitation, nonprofit organizations, secondary*
18 *educational institutions, local workforce development boards,*
19 *local governments and any other relevant party.*

20 4. The Office shall:

21 (a) Maintain on the Internet website of the Office a list of the
22 criteria for evaluating applications for approval of a program of
23 workforce recruitment, assessment and training; *and*

24 (b) ~~Approve or disapprove each application for approval of a~~
25 ~~program of workforce recruitment, assessment and training within~~
26 ~~60 days after receiving a complete application; and~~

27 ~~—(e)~~ Provide notice of the approval or disapproval of each
28 application to the applicant within 10 days after approving or
29 disapproving the application.

30 5. An authorized provider that provides a program of
31 workforce recruitment, assessment and training approved by the
32 Office pursuant to this section or the governing body of a local
33 government within the jurisdiction of which the authorized provider
34 will provide the program may apply to the Office for an allocation,
35 grant or loan of money to defray in whole or in part the cost of the
36 program. The application must be submitted on a form prescribed by
37 the Office.

38 6. The Office shall approve or deny each application for an
39 allocation, grant or loan of money submitted pursuant to subsection
40 5 within 45 days after receipt of the application. When considering
41 an application, the Office shall give priority to a program of
42 workforce recruitment, assessment and training that will provide
43 workforce development services to one or more businesses that:

44 (a) Provide high-skill and high-wage jobs to residents of this
45 State;



(b) *Provide to persons who successfully complete the program of workforce recruitment, assessment and training a credential or identifiable skill that would not otherwise be available to be obtained in this State;*

(c) *Consists of a course of study or training that completes the training of workers within a period of not more than 12 months;*

(d) To the greatest extent practicable, use materials that are produced or bought in this State;

~~(e)~~ (e) Are consistent with the State Plan for Economic Development developed by the Executive Director pursuant to subsection 2 of NRS 231.053; and

~~(d)~~ (f) Are consistent with the unified state plan submitted by the Governor to the Secretary of Labor pursuant to 29 U.S.C. § 3112.

7. An authorized provider may use money distributed pursuant to this section ~~to~~ *for any of the following:*

(a) To provide technical services to a business that participates in the program of workforce recruitment, assessment and training . ~~to~~

(b) *To pay fees or tuition, or both, for persons who receive training in the program of workforce recruitment, assessment and training.*

(c) To ~~provide publicity for~~ *promote* the program of workforce recruitment, assessment and training and for job recruiting and assessments conducted through the program . ~~to~~

~~(e)~~ (d) To provide instructional services . ~~to~~

~~(d)~~ (e) To provide analysis of on-site training . ~~to~~

~~(e)~~ (f) *To pay for equipment necessary to conduct the training. Any equipment purchased by the authorized provider using money distributed pursuant to this section is the property of the Office. If the authorized provider does not successfully deliver the program of workforce recruitment, assessment and training for which the authorized provider received a distribution of money pursuant to this section, the authorized provider must return the equipment to the Office and the Office may authorize other authorized providers to use the equipment to conduct training pursuant to a program of workforce recruitment, assessment and training approved by the Office.*

(g) To pay any costs relating to the rental of instructional facilities, including, without limitation, utilities and costs relating to the storage and transportation of equipment and supplies . ~~to~~

~~(f)~~ (h) To pay administrative and personnel costs . ~~to~~ ~~and~~

~~(g)~~ (i) To pay any other costs necessary to effectively carry out the program of workforce recruitment, assessment and training.



8. A person who operates a business or will operate a business in this State may apply to the Office to participate in a program of workforce recruitment, assessment and training provided by an authorized provider. The application must be submitted on a form prescribed by the Office and must include, without limitation:

(a) The name, address and telephone number of the business;

(b) Proof satisfactory to the Office that the business is registered pursuant to the laws of this State or that the business commits to obtain a valid business license and all other permits required by this State and the county, city or town in which the business operates;

(c) Proof satisfactory to the Office that the business is not excluded from receiving contracts from the Federal Government pursuant to 48 C.F.R. §§ 9.400 et seq. as a result of being debarred;

(d) Proof satisfactory to the Office that the business has not conducted layoffs in the 12 months immediately preceding submission of the application to the Office for the type of job for which the business is applying to participate in the program of workforce recruitment, assessment and training;

(e) Proof satisfactory to the Office that the business is consistent with the State Plan for Economic Development developed by the Executive Director pursuant to subsection 2 of NRS 231.053;

~~(f)~~ *(f) A description of the number and types of jobs that the business expects will be created or retained in this State as a result of its participation in the program of workforce recruitment, assessment and training and the wages the business expects to pay to persons employed in those jobs;*

~~(g)~~ *(g) The types of services which will be provided to the business through the program of workforce recruitment, assessment and training;*

~~(h)~~ *(h) If the program of workforce recruitment, assessment and training will provide training to existing employees of the business;*

(1) A plan setting forth the job promotions for employees who successfully complete the program and the increased wages that will be paid to employees who successfully complete the program;

(2) A plan for filling the jobs vacated by employees who successfully complete the program and obtain job promotions;

(3) A statement signed by each business that will participate in the program certifying that if the program set forth in the application is approved and money is allocated, granted or loaned by the Office for the program, each employee who successfully completes the program;



(I) Will be employed in a full-time and permanent position in the business; and

(II) While employed in that position, will be paid not less than 80 percent of the lesser of the average industrial hourly wage in this State or the county in which the business is located, as determined by the Employment Security Division of the Department of Employment, Training and Rehabilitation on July 1 of each fiscal year; and

(4) A list of the costs that each business that will participate in the program will pay to satisfy any requirement to providing matching funding to receive an allocation, grant or loan of money from the Office;

(i) A workforce diversity action plan approved by the Office; and

~~(f)~~ (j) Any other information required by the Office.

Sec. 5.5. NRS 231.1468 is hereby amended to read as follows:

231.1468 A workforce diversity action plan submitted to the Office for approval pursuant to paragraph (a) of subsection 3 of NRS 231.1467 or paragraph ~~(e)~~ (i) of subsection 8 of NRS 231.1467 must include, without limitation:

1. A statement expressing a commitment to workforce diversity, an explanation of the actions that will be taken and strategies that will be implemented to promote workforce diversity and the goals and performance measures which will be used to measure the success of the plan in achieving those goals; and

2. A statement expressing a commitment to comply with all applicable federal and state laws.

Sec. 6. NRS 231.149 is hereby amended to read as follows:

231.149 1. The Office may apply for or accept any gifts, grants, donations or contributions from any source to carry out the provisions of NRS 231.141 to 231.152, inclusive ~~(f)~~ , and **section 3.5 of this act.**

2. Any money the Office receives pursuant to subsection 1 must be deposited in the State Treasury for credit to the Workforce Innovations for a New Nevada Account pursuant to NRS 231.151.

3. A person who makes a gift, grant, donation or contribution to the Office to carry out the provisions of NRS 231.141 to 231.152, inclusive, **and section 3.5 of this act** must be:

(a) Informed that the receipt and use by the Office of the gift, grant, donation or contribution may be conditioned upon terms specified by the person; and

(b) Provided the opportunity to place conditions upon the receipt and use by the Office of the gift, grant, donation or contribution.



Sec. 7. NRS 231.151 is hereby amended to read as follows:

231.151 1. The Workforce Innovations for a New Nevada Account is hereby created in the State General Fund. Any money the Office receives pursuant to NRS 231.149 or that is appropriated to carry out the provisions of NRS 231.141 to 231.152, inclusive ~~H~~, *and section 3.5 of this act:*

(a) Must be deposited in the State General Fund for credit to the Account; and

(b) May only be used to carry out those provisions.

~~2. Except as otherwise provided in subsection 3, the balance remaining in the Account that has not been committed for expenditure on or before June 30 of an odd-numbered fiscal year reverts to the State General Fund.~~

~~3. In calculating the uncommitted remaining balance in the Account at the end of an odd-numbered fiscal year, any money in the Account that is attributable to a gift, grant, donation or contribution:~~

~~—(a) To the extent not inconsistent with a term of the gift, grant, donation or contribution, shall be deemed to have been committed for expenditure before any money that is attributable to a legislative appropriation; and~~

~~—(b) Must be excluded from the calculation of the uncommitted remaining balance in the Account at the end of each odd-numbered fiscal year if necessary to comply with a term of the gift, grant, donation or contribution.~~

~~4. The Office shall administer the Account. Any interest or income earned on the money in the Account must be credited to the Account. Any claims against the Account must be paid as other claims against the State are paid.~~

3. Any money in the Account and any unexpended appropriations made to the Account from the State General Fund remaining at the end of a fiscal year do not revert to the State General Fund, and the balance in the Account must be carried forward to the next fiscal year.

Sec. 8. NRS 231.152 is hereby amended to read as follows:

231.152 The Office may adopt such regulations as are necessary to carry out the provisions of NRS 231.141 to 231.152, inclusive ~~H~~, *and section 3.5 of this act.*

Sec. 8.5. NRS 231.147 is hereby repealed.

Sec. 9. This act becomes effective upon passage and approval.



TEXT OF REPEALED SECTION

231.147 Application for approval of program of workforce training; contents of application; assistance in completing application; approval or denial of application by Office; matching money; notification of approval or denial.

1. A person who operates a business or will operate a business in this State may apply to the Office for approval of a program of workforce training. The application must be submitted on a form prescribed by the Office.

2. Each application must include:

(a) The name, address and telephone number of the business;

(b) The number and types of jobs for the business that are available or will be available upon completion of the program of workforce training;

(c) A statement of the objectives of the proposed program of workforce training;

(d) The estimated cost for each person enrolled in the program of workforce training; and

(e) A statement signed by the applicant certifying that, if the program of workforce training set forth in the application is approved and money is granted by the Office to an authorized provider for the program of workforce training, each employee who completes the program of workforce training:

(1) Will be employed in a full-time and permanent position in the business; and

(2) While employed in that position, will be paid not less than 80 percent of the lesser of the average industrial hourly wage in:

(I) This State; or

(II) The county in which the business is located,

↪ as determined by the Employment Security Division of the Department of Employment, Training and Rehabilitation on July 1 of each fiscal year.

3. Upon request, the Office may assist an applicant in completing an application pursuant to the provisions of this section.

4. Except as otherwise provided in subsection 5, the Office shall approve or deny each application within 45 days after receipt of the application. When considering an application, the Office shall give priority to a business that:



(a) Provides high-skill and high-wage jobs to residents of this State;

(b) To the greatest extent practicable, uses materials for the business that are produced or bought in this State;

(c) Is consistent with the State Plan for Economic Development developed by the Executive Director pursuant to subsection 2 of NRS 231.053; and

(d) Is consistent with the unified state plan submitted by the Governor to the Secretary of Labor pursuant to 29 U.S.C. § 3112.

5. Before approving an application, the Office shall establish the amount of matching money that the applicant must provide for the program of workforce training. The amount established by the Office for that applicant must not be less than 25 percent of the amount the Office approves for the program of workforce training.

6. If the Office approves an application, it shall notify the applicant, in writing, within 10 days after the application is approved.

7. If the Office denies an application, it shall, within 10 days after the application is denied, notify the applicant in writing. The notice must include the reason for denying the application.

