

1 **SENATE FLOOR VERSION**

2 April 10, 2023

3 ENGROSSED HOUSE  
4 BILL NO. 2457

By: Hill, Schreiber, Baker and  
Miller of the House

5 and

6 Paxton of the Senate

7  
8 An Act relating to workforce development; enacting  
9 the Oklahoma NextGen Employee Development Program;  
10 defining terms; making legislative findings;  
11 providing for design of program; providing for  
12 administration; providing for quantitative  
13 measurement of program outcomes; providing for high  
14 priority employer categories; prescribing system for  
15 reimbursement to employers; prescribing procedures  
16 for payment of reimbursements; creating the Oklahoma  
17 NextGen Employee Development Program Revolving Fund;  
18 providing for sources of revenue; providing for  
19 expenditures from revolving fund; providing for  
20 noncodification; providing for codification;  
21 providing an effective date; and declaring an  
22 emergency.

23 BE IT ENACTED BY THE PEOPLE OF THE STATE OF OKLAHOMA:

24 SECTION 1. NEW LAW A new section of law not to be  
codified in the Oklahoma Statutes reads as follows:

This act shall be known and may be cited as the "Oklahoma  
NextGen Employee Development Program".

SECTION 2. NEW LAW A new section of law to be codified  
in the Oklahoma Statutes as Section 1001 of Title 40, unless there  
is created a duplication in numbering, reads as follows:

1 As used in this act:

2 1. "Eligible employer" means a business establishment engaged  
3 in one or more of the following activities and as further limited  
4 pursuant to paragraph 4 of this section:

- 5 a. aerospace and defense,
- 6 b. biotechnology and life sciences, and
- 7 c. energy diversification and renewable resources;

8 2. "Eligible Training Programs" mean one or more courses or  
9 classes, or a structured regimen, that provides job-driven training  
10 services and leads to a recognized postsecondary credential. A  
11 recognized postsecondary credential is defined in WIOA 3(52) as a  
12 credential consisting of an industry-recognized certificate or  
13 certification, a certificate of completion of an apprenticeship, a  
14 license recognized by the state or federal government, or an  
15 associate or baccalaureate degree;

16 3. "Eligible training providers" means:

- 17 a. institutions of higher education that provide programs  
18 leading to recognized postsecondary credentials,
- 19 b. career and technology centers that provide training  
20 leading to persons holding postsecondary  
21 certifications and credentials,
- 22 c. private vocational schools, including, but not limited  
23 to, private educational institutions eligible to  
24

1 receive federal funds under Title IV of the Higher  
2 Education Act of 1965,

- 3 d. apprenticeship programs, including Industry-Recognized  
4 Apprenticeship Programs (IRAPs) and Registered  
5 Apprenticeship Programs (RAPs),
- 6 e. other public or private providers of training, which  
7 may include community-based organizations (CBOs) and  
8 joint labor-management organizations, and
- 9 f. eligible providers of adult education and literacy  
10 activities under Title II if such activities are  
11 provided in combination with occupational skills  
12 training; and

13 4. "Priority employer categories" means those business  
14 activities described by the following NAICS codes:

- 15 a. 2111,
- 16 b. 3251,
- 17 c. 3254,
- 18 d. 3259,
- 19 e. 3329,
- 20 f. 3335,
- 21 g. 3336,
- 22 h. 3339,
- 23 i. 3341,
- 24 j. 3342,

- 1 k. 3344,
- 2 l. 3353,
- 3 m. 3359,
- 4 n. 3364,
- 5 o. 5112,
- 6 p. 5415,
- 7 q. 5417,
- 8 r. 5419, and
- 9 s. 6215.

10 SECTION 3. NEW LAW A new section of law to be codified  
11 in the Oklahoma Statutes as Section 1002 of Title 40, unless there  
12 is created a duplication in numbering, reads as follows:

13 The Legislature finds that the Oklahoma NextGen Employee  
14 Development Program as provided by this act will make Oklahoma more  
15 competitive in its strategic priority industries, especially for  
16 early-stage and high-growth firms. New investments in workforce  
17 development are a critical component of the Science and Innovation  
18 Strategic Plan, and young firms at critical early stages need to  
19 preserve as much capital as possible as they scale up operations.

20 SECTION 4. NEW LAW A new section of law to be codified  
21 in the Oklahoma Statutes as Section 1003 of Title 40, unless there  
22 is created a duplication in numbering, reads as follows:

23 A. The Oklahoma NextGen Employee Development Program shall be  
24 designed to offset training costs incurred by certain high-priority

1 employers at Eligible Training Programs. Under this program,  
2 companies who can achieve or have achieved eligibility for the  
3 Oklahoma Quality Jobs Program and are classified in certain high-  
4 priority NAICS categories may apply with the Oklahoma Department of  
5 Commerce to seek reimbursements offsetting the cost of training  
6 meant for the purpose of "upskilling" their employees.

7 B. The Oklahoma NextGen Employee Development Program shall be  
8 administered in order to increase the role of employer sponsorship  
9 in Oklahoma's workforce training system, direct training expenses to  
10 actual industry needs and actual job placements, and ensure that  
11 Oklahoma remains competitive in industries of the future.

12 SECTION 5. NEW LAW A new section of law to be codified  
13 in the Oklahoma Statutes as Section 1004 of Title 40, unless there  
14 is created a duplication in numbering, reads as follows:

15 Outcomes from the Oklahoma NextGen Employee Development Program  
16 shall be quantified by:

- 17 1. New jobs/hires;
- 18 2. New job sector entrants (upskilling from lower-skill prior  
19 professions);
- 20 3. Higher taxable incomes (wage gains);
- 21 4. An increase in employer-directed job training;
- 22 5. An increase in attainment of industry-recognized  
23 credentials;
- 24 6. Increased employment stability; and

1           7. Lower burden on social safety systems for unemployed and  
2 underemployed workers.

3           SECTION 6.           NEW LAW           A new section of law to be codified  
4 in the Oklahoma Statutes as Section 1005 of Title 40, unless there  
5 is created a duplication in numbering, reads as follows:

6           A. The Oklahoma Department of Commerce shall be authorized to  
7 establish the Oklahoma NextGen Employee Development Program, to be  
8 administered for the purpose of upskilling the state's workforce in  
9 high-priority occupations in high-growth industries. The program  
10 shall be funded with encumbered allocations from the Oklahoma Tax  
11 Commission and administered by the Oklahoma Department of Commerce  
12 as a complimentary addition to the companies already accessing the  
13 Oklahoma Quality Jobs Program.

14           B. The Oklahoma Department of Commerce shall have the authority  
15 to preapprove both companies and training providers for inclusion in  
16 the Oklahoma NextGen Employee Development Program, before awarding  
17 funds. The Oklahoma Tax Commission shall provide reimbursement for  
18 training costs incurred by prequalified employers at Eligible  
19 Training Programs using the Oklahoma NextGen Employee Development  
20 Program Revolving Fund created pursuant to Section 8 of this act.

21           SECTION 7.           NEW LAW           A new section of law to be codified  
22 in the Oklahoma Statutes as Section 1006 of Title 40, unless there  
23 is created a duplication in numbering, reads as follows:

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1       A. Reimbursement shall be awarded in the amount of fifteen  
2 percent (15%) of first year wages for new hires and shall be capped  
3 at Fifteen Thousand Dollars (\$15,000.00) awarded per new hire.

4       B. No reimbursement payments shall be made with respect to an  
5 employee whose wages from an otherwise eligible employer are less  
6 than Fifty Thousand Dollars (\$50,000.00) annually.

7       C. In order to maintain the relationship between the award of  
8 reimbursement funds to performance and durable job placement,  
9 reimbursement shall be awarded in two installments, based on the  
10 anniversary of the first ninety (90) days and one hundred eighty  
11 (180) days since employment of new hires and claimed at the same  
12 time as quarterly payment claims under the existing Oklahoma Quality  
13 Jobs Program to minimize administrative burden.

14       D. If a new hire separates from the employer before the full  
15 reimbursement is paid, further reimbursement installments from the  
16 date of separation shall be disallowed, and reimbursement payments  
17 shall be prorated based on the number of days divided by one hundred  
18 eighty (180).

19       E. Participating employers shall retain access to incentive  
20 payments pursuant to the Oklahoma Quality Jobs Program Act, and the  
21 reimbursement authorized by the Oklahoma NextGen Employee  
22 Development Program shall constitute an additional incentive for  
23 high-priority industries and job skills.

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1 SECTION 8. NEW LAW A new section of law to be codified  
2 in the Oklahoma Statutes as Section 1007 of Title 40, unless there  
3 is created a duplication in numbering, reads as follows:

4 There is hereby created in the State Treasury a revolving fund  
5 for the Oklahoma Department of Commerce to be designated the  
6 "Oklahoma NextGen Employee Development Program Revolving Fund". The  
7 fund shall be a continuing fund, not subject to fiscal year  
8 limitations, and shall consist of all monies received by the  
9 Oklahoma Department of Commerce from such sources as provided by  
10 law. All monies accruing to the credit of said fund are hereby  
11 appropriated and may be budgeted and expended by the Oklahoma  
12 Department of Commerce for the purpose of implementing the Oklahoma  
13 NextGen Employee Development Program. Expenditures from said fund  
14 shall be made upon warrants issued by the State Treasurer against  
15 claims filed as prescribed by law with the Director of the Office of  
16 Management and Enterprise Services for approval and payment.

17 SECTION 9. This act shall become effective July 1, 2023.

18 SECTION 10. It being immediately necessary for the preservation  
19 of the public peace, health or safety, an emergency is hereby  
20 declared to exist, by reason whereof this act shall take effect and  
21 be in full force from and after its passage and approval.

22 COMMITTEE REPORT BY: COMMITTEE ON BUSINESS AND COMMERCE  
23 April 10, 2023 - DO PASS  
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