

1 STATE OF OKLAHOMA

2 1st Session of the 59th Legislature (2023)

3 HOUSE BILL 2457

By: Hill

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5  
6 AS INTRODUCED

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

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

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

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

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

28 As used in this act:

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

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

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

15 3. "Eligible training providers" means:

- 16 a. institutions of higher education that provide programs  
17 leading to recognized postsecondary credentials,
- 18 b. private vocational schools, including, but not limited  
19 to, private educational institutions eligible to  
20 receive federal funds under Title IV of the Higher  
21 Education Act of 1965,
- 22 c. apprenticeship programs, including Industry Recognized  
23 Apprenticeship Programs (IRAPs) and Registered  
24 Apprenticeship Programs (RAPs),

- 1           d.    other public or private providers of training, which  
2                    may include community-based organizations (CBOs) and  
3                    joint labor-management organizations, and  
4           e.    eligible providers of adult education and literacy  
5                    activities under Title II if such activities are  
6                    provided in combination with occupational skills  
7                    training;

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

- 10           a.    2111,  
11           b.    3251,  
12           c.    3254,  
13           d.    3259,  
14           e.    3329,  
15           f.    3335,  
16           g.    3336,  
17           h.    3339,  
18           i.    3341,  
19           j.    3342,  
20           k.    3344,  
21           l.    3353,  
22           m.    3359,  
23           n.    3364,  
24           o.    5112,

- 1 p. 5415,
- 2 q. 5417,
- 3 r. 5419, and
- 4 s. 6215.

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

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

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

18 A. The Oklahoma NextGen Employee Development Program shall be  
19 designed to offset training costs incurred by certain high-priority  
20 employers at Eligible Training Programs. Under this program,  
21 companies who can achieve or have achieved eligibility for the  
22 Oklahoma Quality Jobs Program and are classified in certain high-  
23 priority NAICS categories may apply with the Oklahoma Department of  
24

1 Commerce to seek reimbursements offsetting the cost of training  
2 meant for the purpose of "upskilling" their employees.

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

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

11 Outcomes from the NextGen Employee Development Program shall be  
12 quantified by:

- 13 1. New jobs/hires;
- 14 2. New job sector entrants (upskilling from lower-skill prior  
15 professions);
- 16 3. Higher taxable incomes (wage gains);
- 17 4. An increase in employer-directed job training;
- 18 5. An increase in attainment of industry-recognized  
19 credentials;
- 20 6. Increased employment stability; and
- 21 7. Lower burden on social safety systems for unemployed and  
22 underemployed workers.

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

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

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

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

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

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

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

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

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

21 SECTION 8. NEW LAW A new section of law to be codified  
22 in the Oklahoma Statutes as Section 1007 of Title 40, unless there  
23 is created a duplication in numbering, reads as follows:  
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1        There is hereby created in the State Treasury a revolving fund  
2 for the Oklahoma Department of Commerce to be designated the "NexGen  
3 Employee Development Program Revolving Fund". The fund shall be a  
4 continuing fund, not subject to fiscal year limitations, and shall  
5 consist of all monies received by the Oklahoma Department of  
6 Commerce from such sources as provided by law. All monies accruing  
7 to the credit of said fund are hereby appropriated and may be  
8 budgeted and expended by the Oklahoma Department of Commerce for the  
9 purpose of implementing the Oklahoma NextGen Employee Development  
10 Program. Expenditures from said fund shall be made upon warrants  
11 issued by the State Treasurer against claims filed as prescribed by  
12 law with the Director of the Office of Management and Enterprise  
13 Services for approval and payment.

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

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

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20        59-1-7172            MAH            01/19/23

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