

STATE OF OKLAHOMA

2nd Session of the 50th Legislature (2006)

SENATE BILL 2047

By: Leftwich

AS INTRODUCED

An Act relating to labor; amending 40 O.S. 2001, Section 3-109.2, which relates to rate reduction for certain fund; providing for rate reduction in compensation rate for worker training fund assessment with certain exceptions; creating the OESC Existing Worker Training Revolving Fund; stating purposes; providing for transfer of excess funds to Unemployment Compensation Fund; providing for custodian of fund and investment within certain parameters; providing for certain assessment; providing for renewal of certain program by legislature; requiring Commission to promulgate rules; providing for codification; and providing an effective date.

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

SECTION 1. AMENDATORY 40 O.S. 2001, Section 3-109.2, is amended to read as follows:

Section 3-109.2 RATE REDUCTION FOR ~~COMPUTER FUND~~ EXISTING WORKER TRAINING FUND ASSESSMENT.

Notwithstanding the provisions of Sections 3-103, 3-109, 3-110, and 3-113 of Title 40 of the Oklahoma Statutes, for the time period beginning ~~July 1, 1997~~ July 1, 2006, and ending ~~June 30, 1998~~ June 30, 2007, the contribution rate assigned to an employer shall be reduced by fifty percent (50%). Provided, the tax rate of employers assigned a tax rate pursuant to Sections 3-103 and 3-110 of Title 40 of the Oklahoma Statutes shall not be reduced to less than one percent (1%). Provided further, employers who qualify for an earned rate calculated pursuant to Section 3-109 of Title 40 of the Oklahoma Statutes, and are given a rate of five and one-half percent (5.5%), shall not be eligible for the rate reduction provided for in this section.

SECTION 2. NEW LAW A new section of law to be codified in the Oklahoma Statutes as Section 6-112 of Title 40, unless there is created a duplication in numbering, reads as follows:

OESC EXISTING WORKER TRAINING FUND.

A. There is hereby created in the State Treasury a revolving fund for the Oklahoma Employment Security Commission to be designated the "OESC Existing Worker Training Fund". The OESC Existing Worker Training Fund shall be separate and distinct from the Unemployment Compensation Fund and shall consist of:

1. All monies received from employers and paid pursuant to Section 4 of this act;
2. All other sums, from whatever source, received by the Commission and paid into the OESC Existing Worker Training Fund; and
3. Property and securities acquired by and through the use of monies in the OESC Existing Worker Training Fund.

B. The OESC Existing Worker Training Fund shall be a continuing fund, not subject to fiscal year limitations. All monies accruing to the credit of the OESC Existing Worker Training Fund are hereby appropriated and may be budgeted and expended for the purposes set forth in Section 3 of this act. Expenditures from the OESC Existing Worker Training Fund shall be made upon warrants issued by the State Treasurer against claims filed, as prescribed by law, with the Director of State Finance for approval and payment.

SECTION 3. NEW LAW A new section of law to be codified in the Oklahoma Statutes as Section 6-113 of Title 40, unless there is created a duplication in numbering, reads as follows:

EXPENDITURES FROM FUND.

A. The monies in the OESC Existing Worker Training Fund shall be used for the following purposes:

1. Workplace literacy;
2. Licensure and certification;
3. Skill assessment of existing workforce;

4. Process Improvement;
5. Equipment-specific training;
6. Employment and training research;
7. Developing work site training;
8. Identify skill gaps;
9. Promote linkages and collaboration between employers and the local Workforce Oklahoma partners to enable a steady supply of targeted workers;
10. Building private and public sector partnerships; and
11. Any workforce need seen to be critical to Oklahoma's economic bottom line.

SECTION 4. NEW LAW A new section of law to be codified in the Oklahoma Statutes as Section 6-114 of Title 40, unless there is created a duplication in numbering, reads as follows:

COMPUTER FUND ASSESSMENTS.

A. 1. For the period from July 1, 2006, to June 30, 2007, each employer subject to the provisions of Sections 3-103, 3-109 and 3-110 of Title 40 of the Oklahoma Statutes shall be required to pay an OESC Existing Worker Training Fund assessment equal to fifty percent (50%) of the unemployment contributions that would be owed to the Oklahoma Employment Security Commission before any rate reduction is made pursuant to Section 1 of this act. This assessment shall be in addition to any contribution which that employer is required to make pursuant to the provisions of the Employment Security Act of 1980.

2. The assessment provided for in this section shall not be considered part of any contribution required of an individual employer pursuant to the Employment Security Act of 1980, nor shall it be considered for purposes of determining the individual employers contribution rate.

B. Employers assigned a tax rate pursuant to Sections 3-103 and 3-110 of Title 40 of the Oklahoma Statutes shall pay an OESC

Existing Worker Training Fund assessment equal to the rate reduction granted them pursuant to Section 1 of this act.

C. Employers who qualify for an earned rate calculated pursuant to Section 3-109 of Title 40 of the Oklahoma Statutes, and are given a rate of five and one-half percent (5.5%), shall be exempt from the provisions of this section.

D. Employers making payments in lieu of contributions pursuant to Sections 3-702, 3-705 and 3-806 of Title 40 of the Oklahoma Statutes shall be exempt from the provisions of this section.

E. The assessment shall be made and collected by the Oklahoma Employment Security Commission for deposit, on a quarterly basis, to the credit of the OESC Existing Worker Training Fund. Provided, all monies received by the Oklahoma Employment Security Commission for the account of the OESC Existing Worker Training Fund, upon receipt, shall be deposited in a clearance account in a financial institution located in this state.

F. Once the sum of Twenty Million Dollars (\$20,000,000.00) is collected through this assessment, any amount of money collected through this assessment in excess of Twenty Million Dollars (\$20,000,000.00) shall be transferred to the Unemployment Compensation Fund.

G. For the amounts credited to the OESC Existing Worker Training Fund to continue following calendar year 2007, the Legislature must expressly renew the program prior to calendar year 2008 and each subsequent fiscal year.

H. The Oklahoma Employment Security Commission shall promulgate such rules as may be necessary to implement the provisions of Sections 2 through 4 of this act.

SECTION 5. This act shall become effective November 1, 2006.

50-2-2673

LKS

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