

1 ENGROSSED HOUSE
2 BILL NO. 2457

By: Hill, Schreiber, and Baker
of the House

3 and

4 Paxton of the Senate
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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.

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

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".

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

4 As used in this act:

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

- 8 a. aerospace and defense,
- 9 b. biotechnology and life sciences, and
- 10 c. energy diversification and renewable resources;

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

19 3. "Eligible training providers" means:

- 20 a. institutions of higher education that provide programs
21 leading to recognized postsecondary credentials,
- 22 b. career and technology centers that provide training
23 leading to persons holding postsecondary
24 certifications and credentials,

- c. private vocational schools, including, but not limited to, private educational institutions eligible to receive federal funds under Title IV of the Higher Education Act of 1965,
- d. apprenticeship programs, including Industry-Recognized Apprenticeship Programs (IRAPs) and Registered Apprenticeship Programs (RAPs),
- e. other public or private providers of training, which may include community-based organizations (CBOs) and joint labor-management organizations, and
- f. eligible providers of adult education and literacy activities under Title II if such activities are provided in combination with occupational skills training; and

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

- a. 2111,
- b. 3251,
- c. 3254,
- d. 3259,
- e. 3329,
- f. 3335,
- g. 3336,
- h. 3339,

- 1 i. 3341,
- 2 j. 3342,
- 3 k. 3344,
- 4 l. 3353,
- 5 m. 3359,
- 6 n. 3364,
- 7 o. 5112,
- 8 p. 5415,
- 9 q. 5417,
- 10 r. 5419, and
- 11 s. 6215.

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

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

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

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

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

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

17 Outcomes from the Oklahoma NextGen Employee Development Program
18 shall be quantified by:

- 19 1. New jobs/hires;
- 20 2. New job sector entrants (upskilling from lower-skill prior
21 professions);
- 22 3. Higher taxable incomes (wage gains);
- 23 4. An increase in employer-directed job training;

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1 5. An increase in attainment of industry-recognized
2 credentials;

3 6. Increased employment stability; and

4 7. Lower burden on social safety systems for unemployed and
5 underemployed workers.

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

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

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

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

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

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

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

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

22 E. Participating employers shall retain access to incentive
23 payments pursuant to the Oklahoma Quality Jobs Program Act, and the
24 reimbursement authorized by the Oklahoma NextGen Employee

1 Development Program shall constitute an additional incentive for
2 high-priority industries and job skills.

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

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

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

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

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1 Passed the House of Representatives the 20th day of March, 2023.

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4 Presiding Officer of the House
5 of Representatives

6 Passed the Senate the ___ day of _____, 2023.

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9 Presiding Officer of the Senate