

STORAGE NAME: h1587.ccc

DATE: March 21, 1997

**HOUSE OF REPRESENTATIVES
COMMITTEE ON
COMMUNITY COLLEGES AND CAREER PREP
BILL ANALYSIS & ECONOMIC IMPACT STATEMENT**

BILL #: HB 1587 (formerly PCB CCCP 97-06)

RELATING TO: Job training and education for workforce development

SPONSOR(S): Committee on Community Colleges and Career Prep and Representatives
Sindler, Fasano, and others

STATUTE(S) AFFECTED: Amends ss. 239.117, 239.249, 239.301, 240.35, 414.027, and 414.065,
F.S.

COMPANION BILL(S): SB 792 by Senator Diaz-Balart, SB 1688 by Senator Horne, and SB 1334
by Senator McKay

ORIGINATING COMMITTEE(S)/COMMITTEE(S) OF REFERENCE:

- (1) COMMUNITY COLLEGES AND CAREER PREP YEAS 11 NAYS 0
- (2)
- (3)
- (4)
- (5)

I. SUMMARY:

The proposed committee bill amends the job training and education portions of the Work and Gain Self-sufficiency Act (WAGES), also known as the welfare reform legislation adopted by the Legislature in 1996. These proposed changes to the WAGES law focus on the job training and education needs for WAGES participants, particularly those who have minimal or no employability skills (hard-to-place).

The proposed bill allows payment for postsecondary fee exemptions for WAGES participants to be made by the local WAGES Boards. It provides an alternative payment structure for job training for WAGES participants, specifies acceptable work activities to be included in certain work categories, and creates a separate work activity category to address the needs of the hard-to-place participants. Additionally, the bill removes language requiring that a contract with a community college or school district conform to provisions under performance based incentive funding for vocational and technical education programs, and under the Certified Teacher-Aide Welfare Transition Program.

The bill allows an appeal process to be developed by the state Jobs and Education Partnership board, to allow an exemption of small school districts and community colleges from mandatory participation in the performance based incentive funding program.

Provisions of the bill require the Commissioner of Education to convene a task force to study issues and make recommendations specific to the role of postsecondary education in Florida's job training, WAGES, and workforce development activities.

The bill does not require an appropriation of any additional funds for implementation, however, the impact of the cost to WAGES boards would be indeterminate due to the undetermined number of WAGES clients who might be classified as hard-to-place.

II. SUBSTANTIVE ANALYSIS:

A. PRESENT SITUATION:

Overview - General Summary of WAGES legislation

The 1996 WAGES law eliminated individual entitlement to public assistance and created the Work and Gain Economic Self-sufficiency (WAGES) Program to replace the Aid to Families with Dependent Children and Job Opportunities and Basic Skills training programs. The WAGES program provides employment assistance, temporary financial assistance, vocational education and training, subsidized child care and Medicaid to low income or one-or-two parent families with minor children. WAGES establishes a 24-month lifetime limit for receipt of public assistance, requires all recipients to work and imposes sanctions for participants who do not comply with program requirements.

Specific issues related to job training and education in proposed bill

Postsecondary student fee exemptions

The WAGES law allows for postsecondary student fee exemptions for college credit, and non-credit programs, provided that the participant applies for and does not receive student financial aid, including Job Training Partnership or Family Support Act funds. Schools and community colleges are required to help participants apply for financial aid, and can not deny such students from program participation in educational activities during the financial aid application process. Such a student may not be required to incur debt within the financial aid package. Public postsecondary institutions are required to provide services to those WAGES participants referred to their institutions, but due to Performance Based Incentive Funding, receive no payment for up-front costs for servicing those participants.

Contracting for Adult Education Fees

Section 239.301(5)(b), F.S., prohibits public schools and community colleges from charging fees to students who have not earned a high school diploma, or who read below the eighth grade reading level.

Payment Structure

Section 414.027, F.S., establishes a payment structure for the cost of services provided to WAGES participants: 40% of the cost of services prior to placement, 50% percent provided upon employment placement, and 10% if employment is retained for at least 6 months.

Work Activities

Section 414.065, F.S., establishes certain work activities which may be used individually or in combination to satisfy the work requirements for a participant in the WAGES program. Work activities include: unsubsidized employment; subsidized private-sector employment, which addresses work supplementation, on-the-job training, incentive payments, and tax credits; subsidized public-sector employment; community-service

work; job-search and job-readiness assistance; vocational education or training, and job-skills directly related to employment.

Work Activity Requirements

Section 414.065(2), F.S., requires that each adult participant in the WAGES program who is not otherwise exempt, must participate in a work activity for the maximum number of hours allowable under federal law, provided that no participant be required to work more than 40 hours per week or less than the minimum number of hours required by federal law. An applicant is referred for employment at the time of application if the applicant is eligible to participate in the WAGES Program.

Small School Districts and Community Colleges Appeal Process

Participation in the performance-based incentive funding program is mandatory for public education institutions providing vocational and technical education programs. According to the Department of Education, some smaller, rural school districts and community colleges would be forced to spend more money than they receive from participation in the performance-based incentive funding program.

B. EFFECT OF PROPOSED CHANGES:

Postsecondary student fee exemptions

The bill would maintain postsecondary student fee exemptions (credit and non-credit) for WAGES participants. However, it would allow a local WAGES board that chooses to contract with a public school district or community college for education and training services, to provide payment for the cost of the fee exemptions.

Contracting for Adult Education Fees

School districts and community colleges would be permitted to contract with a local WAGES board through the jobs and education regional board for funding for specialized services which are beyond what is routinely provided for the general public. Attendance of WAGES participants would be required under any contract with the local WAGES coalition.

Payment Structure

The bill would permit the use of an alternative payment structure for job training services which would provide for the distribution of not more than 40% of the cost of services upon admission, not more than an additional 30% for retention and progress toward completion, with the remaining percent divided between employment retention for at least 6 months and placement, with the majority paid based on placement. This differs from the current payment structure in that it would allow the majority of funds (up to 70%) to be paid prior to placement of the WAGES participant. It would allow flexibility to provide payments for up-front costs of serving a WAGES participant in job training services.

Work Activities

The definition of unsubsidized employment would be expanded to include paid apprenticeship and cooperative education activities.

Subsidized private-sector employment

Educational institutions in cooperation with the employer would be able to provide on-the-job training, and educational institutions on behalf of the employer would be authorized to receive a subsidy to offset the cost of provided training. The bill does not specify who would pay the subsidy.

Subsidized public-sector employment

Work-study would be included in the definition of subsidized public-sector employment.

Community service work experience

Reasons for clients to be placed in community service work would be specified. Placement in this activity would be for those clients who need to increase employability and job retention skills, thus allowing wages clients to maintain a work activity while waiting to be placed in employment or job training.

Work experience

A separate category designed for WAGES clients who have little or no preparation for work (hard-to-place) would be created. Work experience, and specific training and education requirements would be defined. The WAGES Program would be required to pay for supervision of work experience and training activities through a performance-based contract with goals and outcomes that will move the client toward full-time employment.

Job search and job readiness assistance

Instruction in retaining a job, success in the workplace, and career planning would be added as acceptable job-seeking activities.

Vocational education and training (s. 414.065(1)(g)1., F.S.)

Remedial or basic skills instruction would not be included in the 12 month restriction on vocational training for WAGES clients.

Vocational education and training (s. 414.065(1)(g)2., F.S.)

A provider of services would be partially paid when a WAGES client enters and continues education or training, instead of when a client completes education or training.

Currently, the majority of the payment for services is required to be made after the client is employed or is retained for a specific duration. The bill would change that requirement to at least 25% of payment to be made after the client is employed or is retained for a specific duration.

For the purpose of performance-based payments, the Florida Jobs and Education Partnership would include in its identified programs, specially developed programs for the hard-to-place recipients.

Community colleges or school districts would not be required to conform to provisions under s. 239.249, F.S. (performance-based incentive funding for vocational and technical education programs) and s. 240.40685, F.S. (Certified Teacher-Aide Welfare Transition Program). This requirement was changed to conform to section 414.027(g), F.S., of the bill.

Vocational and education training - job skills training (s. 414.065(1)(h), F.S.)

Literacy instruction would be included as a secondary job skills training activity for clients who have a high school diploma or its equivalency but do not have literacy skills for a specific job or job training program.

Work Activity Requirements (ss. 414.065(2)(a), 414.065(2)(b) and 414.065(10)(b), F.S.)

Clients who cannot obtain or retain employment because of lack of basic skills could be required to obtain instruction to increase employability skills, as long as total activities do not exceed 40 hours per week.

WAGES program funds could support those clients who meet work requirements and who wish to obtain more educational instruction beyond that which is required.

Small School Districts and Community Colleges Appeal Process

Smaller or rural school districts and community colleges could take advantage of an appeal process that would be developed by the state Jobs and Education Partnership Board, and implemented by the local Regional Workforce Development Boards. The appeal process would allow those smaller districts or community colleges to be exempt from mandatory participation in the performance-based incentive funding program. Specific eligibility criteria to be used in the appeal process would be provided.

Task Force for Postsecondary Education and Workforce Development Issues

The Commissioner of Education would be required to appoint a task force to investigate issues associated with the role of postsecondary education in Florida's job training, WAGES, and workforce development activities. Membership of the task force would include, but not be limited to: two members of the Florida House of Representatives as appointed by the Speaker of the House, two members of the Florida Senate as appointed by the President of the Senate, and members representing public schools, community colleges, private postsecondary institutions, workforce development boards, and WAGES boards. Task force duties would include investigating, evaluating, and making recommendations on: restructured governance, reporting, funding, and accountability measures with emphasis on adult and vocational education. The task force would make substantive and fiscal recommendations to the Governor and the Legislature no later than January 1, 1998.

C. APPLICATION OF PRINCIPLES:

1. Less Government:

a. Does the bill create, increase or reduce, either directly or indirectly:

(1) any authority to make rules or adjudicate disputes?

No.

(2) any new responsibilities, obligations or work for other governmental or private organizations or individuals?

The bill requires the Commissioner of Education to appoint a task force to investigate issues relating to the role of postsecondary education in Florida's job training, WAGES, and workforce development activities.

(3) any entitlement to a government service or benefit?

No.

b. If an agency or program is eliminated or reduced:

(1) what responsibilities, costs and powers are passed on to another program, agency, level of government, or private entity?

NA

(2) what is the cost of such responsibility at the new level/agency?

NA

(3) how is the new agency accountable to the people governed?

NA

2. Lower Taxes:

a. Does the bill increase anyone's taxes?

No.

b. Does the bill require or authorize an increase in any fees?

No.

c. Does the bill reduce total taxes, both rates and revenues?

No.

d. Does the bill reduce total fees, both rates and revenues?

No.

e. Does the bill authorize any fee or tax increase by any local government?

No.

3. Personal Responsibility:

a. Does the bill reduce or eliminate an entitlement to government services or subsidy?

No.

b. Do the beneficiaries of the legislation directly pay any portion of the cost of implementation and operation?

No.

4. Individual Freedom:

a. Does the bill increase the allowable options of individuals or private organizations/associations to conduct their own affairs?

Provisions in the bill create a separate category of work activities designed to address the needs of WAGES participants with minimal or no employability skills (hard-to-place). These activities provide training and education which would help move the participant toward full-time employment.

b. Does the bill prohibit, or create new government interference with, any presently lawful activity?

No.

5. Family Empowerment:

a. If the bill purports to provide services to families or children:

(1) Who evaluates the family's needs?

NA.

(2) Who makes the decisions?

NA.

(3) Are private alternatives permitted?

NA.

(4) Are families required to participate in a program?

NA.

(5) Are families penalized for not participating in a program?

NA.

b. Does the bill directly affect the legal rights and obligations between family members?

No.

c. If the bill creates or changes a program providing services to families or children, in which of the following does the bill vest control of the program, either through direct participation or appointment authority:

(1) parents and guardians?

NA.

(2) service providers?

NA.

(3) government employees/agencies?

NA.

D. SECTION-BY-SECTION ANALYSIS

Section 1. Amends s. 239.117, F.S., 1996 Supplement, allowing payment for fee exemptions for WAGES participants by contract made by local WAGES board.

- Section 2. Amends s. 239.249, F.S., 1996 Supplement, providing an appeal process for school districts and community colleges to allow exemption from participation in performance-based incentive funding.

- Section 3. Amends s. 239.301, F.S., 1996 Supplement, providing for services for WAGES clients negotiated through the jobs and education regional board by school districts and community colleges to be funded by the local WAGES coalition.

- Section 4. Amends s. 240.35, F.S., 1996 Supplement, allowing payment for fee exemptions for WAGES participants by contract made by local WAGES board.

- Section 5. Amends s. 414.027, F.S., 1996 Supplement, providing an alternative payment structure.

- Section 6. Amends s. 414.065, F.S., 1996 Supplement, relating to work requirements.

- Section 7. Requires the Commissioner of Education to appoint a task force.

- Section 8. Provides an effective date of July 1, 1997.

III. FISCAL ANALYSIS & ECONOMIC IMPACT STATEMENT:

A. FISCAL IMPACT ON STATE AGENCIES/STATE FUNDS:

1. Non-recurring Effects:

Minimal fiscal impact due to the establishment and activities of the task force.

2. Recurring Effects:

Indeterminate. The number of hard-to-place WAGES participants that may require special services is unknown.

3. Long Run Effects Other Than Normal Growth:

None.

4. Total Revenues and Expenditures:

Indeterminate, due to the unknown number of WAGES participants who will require training and educational services.

B. FISCAL IMPACT ON LOCAL GOVERNMENTS AS A WHOLE:

1. Non-recurring Effects:

None.

2. Recurring Effects:

Indeterminate. At the time this analysis was prepared, there were no WAGES figures available on which to base an estimated cost for serving WAGES participants, since this is a newly-created category of exemptions.

Loss of funds to community colleges due to postsecondary fee exemptions may be offset by contracting with the local WAGES boards for payment of fee exemptions.

3. Long Run Effects Other Than Normal Growth:

None.

C. DIRECT ECONOMIC IMPACT ON PRIVATE SECTOR:

1. Direct Private Sector Costs:

None.

2. Direct Private Sector Benefits:

There may be an increased need for services for the hard-to-place WAGES participant.

3. Effects on Competition, Private Enterprise and Employment Markets:

None.

D. FISCAL COMMENTS:

IV. CONSEQUENCES OF ARTICLE VII, SECTION 18 OF THE FLORIDA CONSTITUTION:

A. APPLICABILITY OF THE MANDATES PROVISION:

This bill does not require counties or municipalities to spend funds or to take an action requiring the expenditure of funds.

STORAGE NAME: h1587.ccc

DATE: March 21, 1997

PAGE 11

B. REDUCTION OF REVENUE RAISING AUTHORITY:

This bill does not reduce the authority that municipalities or counties have to raise revenues in the aggregate.

C. REDUCTION OF STATE TAX SHARED WITH COUNTIES AND MUNICIPALITIES:

This bill does not reduce the percentage of state tax shared with counties or municipalities.

V. COMMENTS:

VI. AMENDMENTS OR COMMITTEE SUBSTITUTE CHANGES:

VII. SIGNATURES:

COMMITTEE ON COMMUNITY COLLEGES AND CAREER PREP:

Prepared by:

Legislative Research Director:

Kathy Dunnigan

Theresa A. Klebacha, Ph.D.