
SENATE STAFF ANALYSIS AND ECONOMIC IMPACT STATEMENT

(This document is based only on the provisions contained in the legislation as of the latest date listed below.)

Date: April 10, 1998 Revised: _____

Subject: Work and Gain Economic Self-sufficiency

	<u>Analyst</u>	<u>Staff Director</u>	<u>Reference</u>	<u>Action</u>
1.	<u>Schmeling</u>	<u>Austin</u>	<u>CM</u>	<u>Favorable/CS</u>
2.	<u>Hardy</u>	<u>Smith</u>	<u>WM</u>	<u>Favorable/CS</u>
3.	_____	_____	_____	_____
4.	_____	_____	_____	_____
5.	_____	_____	_____	_____

I. Summary:

This committee substitute makes various revisions to the Work and Gain Economic Self-sufficiency (WAGES) Program including:

- Requiring the WAGES Program State Board of Directors to approve all WAGES proposed administrative rules and further requiring the Workforce Development Board of Enterprise Florida, Inc., and state agencies charged by law to implement the WAGES Program, to collaborate with the staff of the WAGES Board on all WAGES related policies, request for proposals and related directives;
- Extending the life of the WAGES State Board to the year 2002;
- Allowing the Governor, by executive order, to designate the WAGES Program State Board of Directors as a nonprofit corporation;
- Revising conflict of interest language for members of local WAGES coalitions;
- Adding additional members to the local WAGES coalitions;
- Requiring by October 1, 1998, the local WAGES coalitions to deliver the full continuum of services, with exceptions, provided under the WAGES Program;
- Revising staffing requirements of the local WAGES coalitions;
- Removing the repayment provisions for certain WAGES employer subsidies;
- Creating the WAGES training bonus and WAGES work reward;
- Providing that existing employed workers may not be displaced by WAGES participants;
- Providing an exemption from the ten percent reduction in benefits under a hardship exemption if recommended by the local WAGES coalition; and
- Providing an exemption to time limits for individuals which are totally responsible for the care of a disabled family member.

- Providing specific provisions for WAGES participants who are also victims of Domestic Violence.

This committee substitute amends sections 414.026, 414.028, 414.065, 414.105, Florida Statutes.

II. Present Situation:

WAGES PROGRAM

Chapter 96-175, L.O.F., eliminated individual entitlement to public assistance and created the Work and Gain Economic Self-sufficiency (WAGES) Program. Under the WAGES Program, for most individuals, cash assistance is temporary and is tied to a requirement that able-bodied adults must work and be financially responsible for themselves and their families. WAGES Program requirements and administrative responsibilities are established in ch. 414, F.S.

Section 414.026, F.S., creates within the Executive Office of the Governor the WAGES Program State Board of Directors. The board is charged with the oversight and the operation of the WAGES Program and is required to advise and assist state agencies in implementing the WAGES Program. This section expires June 30, 1999, and must be reviewed by the Legislature prior to that date. In its review, the Legislature must assess the status of the WAGES Program and must determine if the responsibility for administering the program should be transferred to other state agencies.

Section 414.028, F.S., creates local WAGES coalitions and provides for membership requirements, to plan and coordinate the delivery of services under the WAGES Program at the local level. Section 414.028(1)(b), F.S., provides that a representative of an agency or entity that could benefit financially from funds appropriated under the WAGES Program may not be a member of a local WAGES coalition. However, in a region in which the duties of the local WAGES coalition and a regional workforce development board are combined, a person may be a member of the WAGES coalition even if the member, or the member's principal, could benefit financially from transactions of the coalition. These members must recuse themselves from voting on all matters from which they or their principals could benefit financially and failure to recuse on any such vote constitutes grounds for immediate removal from the local WAGES coalition.

Local employees of the Department of Children and Family Services and the Department of Labor and Employment Security must provide staff support for the local WAGES coalitions. At the option of the local WAGES coalition, staff support may be provided by another agency or entity if it can be provided at no cost to the state and if the support is not provided by an agency or other entity that could benefit financially from funds appropriated to implement the WAGES Program.

Section 414.065, F.S., provides for the work requirements of the WAGES Program. Subsidized private sector employment is an activity which may be used individually or in combination with other activities to satisfy the work requirements of WAGES. Such employer subsidies include work supplementation, on-the-job training, incentive payments and tax credits. Except for tax

credits, upon satisfactory completion of the subsidy period by the WAGES participant, the employer is expected to retain the participant as a regular employee without receiving a subsidy and if the WAGES participant is dismissed due to loss of the subsidy, the employer must repay some or all of the subsidy.

Section 414.105, F.S., imposes a lifetime limit of 24 cumulative months within a 60 consecutive month period and a 48-month lifetime limit for WAGES participants. Long-term welfare recipients with limited skills and little work experience are eligible for up to 36 cumulative months within a 72 consecutive month period, but are still subject to the 48-month lifetime limit.

Exempted from time limits are child only cases, minor children and individuals who are eligible for Supplemental Security Income benefits due to age or disability.

“Hardship” exemptions from the time limits for up to a total of 12 months may be available for individuals who have diligently participated in all program activities and complied with all program requirements but have been unable to find employment. The cumulative total of months in which an individual may receive temporary cash assistance, including the hardship months, cannot exceed 48 months. Temporary cash assistance under a hardship exemption for a participant who is eligible for work activities and who is not working is reduced by ten percent. Upon the employment of the participant, full benefits are to be restored.

III. Effect of Proposed Changes:

Section 1 amends s. 414.026, F.S., requiring the WAGES Program State Board of Directors to approve the WAGES State Plan, operating budget, amendments thereto, as well as any WAGES related proposed rules. In addition, the Workforce Development Board of Enterprise Florida, Inc., or a state agency charged by law to implement the WAGES Program must collaborate with the staff of the WAGES State Board on any WAGES related policies, requests for proposals, and related directives.

This section allows the Governor, by executive order, to designate the WAGES Program State Board of Directors as a nonprofit corporation for the purpose of receiving federal funds and providing oversight and maintenance to the WAGES Program and in administering the State Plans for Aid and Services to Needy Families with Children under 42 U.S.C. s. 602, as amended. The corporation is subject to state public meeting and records law. The corporation is authorized to hire an executive director and appropriate staff while a list of staff and salaries must be provided annually to the Legislature. This section further extends the life of the WAGES State Board to the year 2002.

Section 2 amends s. 414.028, F.S., allowing a person to be a member of a local WAGES coalition or a combined WAGES coalition/regional workforce development board regardless of whether the member, or an organization represented by a member, could benefit financially from transactions of the coalition. However, if the coalition enters into a contract with an organization or individual represented on the coalition, the contract must be approved by a two-thirds vote of

the entire board, and the board member who could benefit financially from the transaction must abstain from voting. A board member must disclose any such conflict in a manner that is approved by the WAGES Program State Board of Directors and is consistent with the procedures outlined in s. 112.3143, F.S., voting conflicts for public officers and employees.

This section adds to the membership of the local WAGES coalition a representative of a county health department or a representative of a healthy start coalition to serve as an ex officio, nonvoting member of the coalition. This provision however, does not prevent a local WAGES coalition from extending regular voting membership to not more than one representative of a county health department and not more than one representative of a healthy start coalition.

This section requires local WAGES coalitions to deliver the full continuum of services provided under the WAGES Program, including services that are provided at the point of application, by October 1, 1998. However, a local WAGES coalition may not determine an individual's eligibility for temporary cash assistance. Local coalitions must develop a transition plan to be approved by the WAGES Program State Board.

This section makes permissive the use of employees for staffing local WAGES coalitions from the Department of Children and Families and Department of Labor and Employment Security and provides authority for staffing by another agency, entity or by contract.

Section 3 amends 414.065, F.S., removing the repayment provisions for WAGES subsidizes including work supplementation, on-the-job-training, and incentive payments, however, these incentives may not be continued with any employer who exhibits a pattern of failing to provide participants with continued employment after the incentive payment period ends.

This section creates the WAGES training bonus whereby an employer who hires a WAGES participant who has less than six months of eligibility for temporary cash assistance remaining and who pays the participant a wage that precludes the participant's eligibility for temporary cash assistance can receive \$240 for each full month of employment for a period that may not exceed 3 months. An employer who receives a WAGES training bonus for an employee may not receive a work supplementation subsidy for the same employee.

This section prohibits the displacement of current employees with WAGES participants.

Section 4 reenacts s. 414.20, F.S.

Section 5 repeals language that provides that by March 1, 1999, the Office of Tourism, Trade, and Economic Development (OTTED) must certify to the Legislature the amount of taxes and the dollar value of economic benefits generated by the restaurant industry from the employment of WAGES participants during 1998, and that the total amount of taxes and the dollar value of economic benefits that are reported by OTTED to the Legislature must be added to the amount of taxes paid during 1998 under ss. 563.05, 564.06, and 565.12, F.S., and payments made under s. 561.54, F.S., as described in the present situation of this analysis, and that if the total amount is

greater than \$535 million, effective July 1, 1999, s. 561.501, F.S., as described in the present situation of this analysis, is repealed.

The amended Section 5 provides that an applicant or current participant shall receive temporary cash assistance for episodes of not more than 24 cumulative months in any consecutive 60-month period that begins with the first month of participation and for not more than a lifetime cumulative total of 48 months as an adult. In addition, the time limitation for episodes of temporary assistance may not exceed 36 cumulative months in any consecutive 72-month period that begins with the first month of participation and may not exceed a lifetime cumulative total of 48 months of temporary cash assistance as an adult for certain specified cases.

Section 6 is amended as follows:

Provides that each local WAGES coalition shall plan for the provision of services for victims of domestic violence, and specifies the provisions which must be included in the plan. In addition, the committee substitute creates a new exemption from non-compliance with the WAGES program for participants who are also victims of domestic violence.

Exempts persons who are totally responsible for the personal care of a disabled family member from the provisions of the WAGES time limits, and provides for annual re-evaluation of eligibility criteria.

Section 7 extends WAGES eligibility criteria for “qualified non-citizen” status to include individuals who have been battered or subject to extreme cruelty in the U.S. and has applied for and received protection under the federal Violence Against Women Act of 1994.

Section 8 allows temporary cash assistance for children of a WAGES participant who has been exempted from the Child Support Enforcement program as a result of rape, incest, or sexual exploitation.

IV. Constitutional Issues:

A. Municipality/County Mandates Restrictions:

None.

B. Public Records/Open Meetings Issues:

None.

C. Trust Funds Restrictions:

None.

V. Economic Impact and Fiscal Note:

A. Tax/Fee Issues:

None.

B. Private Sector Impact:

Employers could benefit financially from the ability to receive a WAGES training bonus for the hiring of WAGES participants.

C. Government Sector Impact:

An indeterminate amount of savings should result from the ability of local WAGES coalitions to provide the continuum of services at the local level.

Additional funds may be required to support the WAGES training bonus. Because these costs are dependent on future participation by employers, costs are indeterminable at this time.

Long term costs may increase as a result of the exemption from time limits for WAGES participants who care for a disabled family member. Future costs are indeterminable but are not expected to create additional financial requirements until after FY 1998-99.

Exemptions for victims of Domestic Violence should not create a significant added cost.

VI. Technical Deficiencies:

None.

VII. Related Issues:

None.

VIII. Amendments:

None.