$\mathbf{B}\mathbf{y}$ the Committee on Commerce and Economic Opportunities and Senators Harris and Turner

310-1933-98

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A bill to be entitled An act relating to the WAGES Program; amending s. 414.026, F.S.; requiring that the WAGES Program State Board of Directors approve any WAGES-related proposed administrative rules; requiring collaboration with the WAGES State Board concerning other actions by the Workforce Development Board of Enterprise Florida, Inc., and state agencies; extending the existence of the WAGES Program State Board of Directors; allowing the Governor to designate the WAGES Program State Board of Directors as a nonprofit corporation; providing requirements; amending s. 414.028, F.S.; revising requirements for a member of a local WAGES coalition in the case of a conflict of interest; providing requirements for disclosing any such conflict; providing for certain nonvoting members to be appointed to a local coalition; requiring a local coalition to deliver certain services under the WAGES Program; providing for staff support for local coalitions; amending s. 414.065, F.S.; deleting provisions that require an employer to repay certain supplements or incentives under specified circumstances; creating a WAGES training bonus to be paid to an employer who hires certain program participants; providing protection for current employees; amending s. 414.105, F.S.; providing for eligibility for extended temporary cash assistance under specified circumstances;

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CODING: Words stricken are deletions; words underlined are additions.

1 providing that an individual who cares for a 2 disabled family member is exempt from certain 3 time limitations; providing legislative intent 4 with respect to encouraging the employment of 5 participants in the WAGES Program; requiring the Office of Tourism, Trade, and Economic 6 7 Development to certify to the President of the Senate and the Speaker of the House of 8 9 Representatives the amount of taxes and the 10 economic benefit generated by the restaurant 11 industry from employing WAGES participants and to add that amount to the total amount of 12 13 certain beverage taxes and penalties paid 14 during a specified calendar year; providing for 15 the repeal of s. 561.501, F.S., relating to the surcharge on the sale of alcoholic beverages, 16 17 if the total amount of the surcharge exceeds a specified figure; providing an effective date. 18

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Be It Enacted by the Legislature of the State of Florida:

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Section 1. Present subsection (4) of section 414.026, Florida Statutes, is redesignated as subsection (6) and amended, and new subsections (4) and (5) are added to that section, to read:

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414.026 WAGES Program State Board of Directors.--

The WAGES Program State Board of Directors must

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approve the WAGES State Plan, the operating budget and any

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amendments thereto, and any WAGES-related proposed

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law with implementation of the WAGES Program and the Workforce

administrative rules. In addition, state agencies charged by

Development Board of Enterprise Florida, Inc., shall collaborate with the staff of the WAGES Program State Board of Directors on all WAGES-related policies, requests for proposals, and related directives.

- (5)(a) The Governor, by executive order, may 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 nonprofit corporation shall be known as WAGES, Inc., and may, by executive order, be designated as the state agency required by 42 U.S.C. s. 602(a)(3).
- (b) The executive order designating the nonprofit corporation must include provisions for the governance and organizational structure of the corporation which are consistent with 42 U.S.C. s. 602(a)(5).
- (c) The nonprofit corporation shall be organized under chapter 617 and shall possess all the powers granted by that chapter.
- (d) The designated nonprofit corporation is eligible to use the state communications system in accordance with s. 282.105(3).
- (e) Pursuant to the applicable provisions of chapter

 284, the Division of Risk Management of the Department of

 Insurance may insure the nonprofit corporation under the same

 general terms and conditions as other nonprofit, statutory

 corporations.
- (f) All departments, officers, agencies, coalitions, and institutions of the state shall cooperate with the

designated nonprofit corporation in the performance of its duties.

- (g) The designated nonprofit corporation shall make provisions for an annual postaudit of its financial accounts by an independent certified public accountant. The annual audit shall be submitted to the Executive Office of the Governor for review.
- (h) WAGES, Inc., shall make all arrangements and fulfill all legal conditions to become a nonprofit corporation.
- (i) The nonprofit corporation shall make available to the public, upon request, copies of 42 U.S.C. s. 602, as amended; applicable state laws; and any executive orders establishing WAGES, Inc.
- (j) The nonprofit corporation is subject to the provisions of chapter 119, relating to public records, and those provisions of chapter 286 relating to public meetings and records.
- (k) The nonprofit corporation is authorized to hire an executive director and appropriate staff. The nonprofit corporation shall annually, by February 1, provide the Legislature with a list of staff and salaries.
- (6)(4) This section expires June 30, 2002 1999, and shall be reviewed by the Legislature prior to that date. In its review, the Legislature shall assess the status of the WAGES Program and shall determine if the responsibility for administering the program should be transferred to other state agencies.

 414.028 Local WAGES coalitions.--The WAGES Program
State Board of Directors shall create and charter local WAGES
coalitions to plan and coordinate the delivery of services
under the WAGES Program at the local level. The boundaries of
the service area for a local WAGES coalition shall conform to
the boundaries of the service area for the regional workforce
development board established under the Enterprise Florida
workforce development board. The local delivery of services
under the WAGES Program shall be coordinated, to the maximum
extent possible, with the local services and activities of the
local service providers designated by the regional workforce
development boards.

- (1)(a) Each local WAGES coalition must have a minimum of 11 members, of which at least one-half must be from the business community. The composition of the coalition membership must generally reflect the racial, gender, and ethnic diversity of the community as a whole. All members shall be appointed to 3-year terms. The membership of each coalition must include:
- 1. Representatives of the principal entities that provide funding for the employment, education, training, and social service programs that are operated in the service area, including, but not limited to, representatives of local government, the regional workforce development board, and the United Way.
- 2. A representative of the health and human services board.
 - 3. A representative of a community development board.
- 4. Three representatives of the business community who represent a diversity of sizes of businesses.

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- 5. Representatives of other local planning, coordinating, or service-delivery entities.
- 6. A representative of a grassroots community or economic development organization that serves the poor of the community.
- (b) A person may be a member of a local WAGES coalition or a combined WAGES coalition as provided in subsection (2) 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. 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.
- (c) A member of the board of a public or private educational institution may not serve as a member of a local WAGES coalition.
- (d) A representative of any county or municipal governing body that elects to provide services through the local WAGES coalition shall be an ex officio, nonvoting member of the coalition.
- (e) A representative of a county health department or a representative of a healthy start coalition shall serve as an ex officio, nonvoting member of the coalition.

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- (f) This subsection 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.
- (2) A local WAGES coalition and a regional workforce development board may be combined into one board if the membership complies with subsection (1), and if the membership of the combined board meets the requirements of Pub. L. No. 97-300, the federal Job Training Partnership Act, as amended, and with any law delineating the membership requirements for the regional workforce development boards. Notwithstanding paragraph (1)(b), in a region in which the duties of the two boards 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. However, members must recuse themselves from voting on all matters from which they or their principals could benefit financially. Failure to recuse on any such vote will constitute grounds for immediate removal from the local WAGES coalition.
- (3) The statewide implementation plan prepared by the WAGES Program State Board of Directors shall prescribe and publish the process for chartering the local WAGES coalitions.
- (4) Each local WAGES coalition shall perform the planning, coordination, and oversight functions specified in the statewide implementation plan, including, but not limited to:
- (a) Developing a program and financial plan to achieve the performance outcomes specified by the WAGES Program State Board of Directors for current and potential program participants in the service area. The plan must reflect the

needs of service areas for seed money to create programs that assist children of WAGES participants.

- (b) Developing a funding strategy to implement the program and financial plan which incorporates resources from all principal funding sources.
- (c) Identifying employment, service, and support resources in the community which may be used to fulfill the performance outcomes of the WAGES Program.
- (d) In cooperation with the regional workforce development board, coordinating the implementation of one-stop career centers.
- (e) Advising the Department of Children and Family Services and the Department of Labor and Employment Security with respect to the competitive procurement of services under the WAGES Program.
- (f) Selecting an entity to administer the program and financial plan, such as a unit of a political subdivision within the service area, a not-for-profit private organization or corporation, or any other entity agreed upon by the local WAGES coalition.
- (5) By October 1, 1998, local WAGES coalitions shall deliver the full continuum of services provided under the WAGES Program, including services that are provided at the point of application. However, local WAGES coalitions may not determine an individual's eligibility for temporary cash assistance. The local WAGES coalitions shall develop a transition plan to be approved by the WAGES Program State Board of Directors.
- (6) (5) The WAGES Program State Board of Directors may not approve the program and financial plan of a local coalition unless the plan provides a teen pregnancy prevention

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component that includes, but is not necessarily limited to, a plan for implementing the Florida Education Now and Babies Later (ENABL) program under s. 411.242 and the Teen Pregnancy Prevention Community Initiative within each county segment of the service area in which the teen childhood birth rate is higher than the state average. Each local WAGES coalition is authorized to fund community-based welfare prevention and reduction initiatives that increase the support provided by noncustodial parents to their welfare-dependent children and are consistent with program and financial guidelines developed by the WAGES Program State Board of Directors and the Commission on Responsible Fatherhood. These initiatives may include, but are not limited to, improved paternity establishment, work activities for noncustodial parents, and programs aimed at decreasing out-of-wedlock pregnancies, encouraging the involvement of fathers with their children, and increasing child-support payments.

(7) At the option of the local WAGES coalition, local employees of the department and the Department of Labor and Employment Security shall 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, or by contract 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.

(8) (7) There shall be no liability on the part of, and no cause of action of any nature shall arise against, any member of a local WAGES coalition or its employees or agents for any lawful action taken by them in the performance of 31 their powers and duties under this section and s. 414.029.

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Section 3. Paragraph (b) of subsection (1) of section 414.065, Florida Statutes, is amended and subsection (12) is added to that section to read:

414.065 Work requirements.--

- (1) WORK ACTIVITIES.—The following activities may be used individually or in combination to satisfy the work requirements for a participant in the WAGES Program:
- (b) Subsidized private sector employment.--Subsidized private sector employment is employment in a private for-profit enterprise or a private not-for-profit enterprise which is directly supplemented by federal or state funds. A subsidy may be provided in one or more of the forms listed in this paragraph.
- 1. Work supplementation. -- A work supplementation subsidy diverts a participant's temporary cash assistance under the program to the employer. The employer must pay the participant wages that equal or exceed the applicable federal minimum wage. Work supplementation may not exceed 6 months. At the end of the supplementation period, the employer is expected to retain the participant as a regular employee without receiving a subsidy for at least 12 months. A The work supplementation agreement may not be continued with any employer who exhibits a pattern of failing to provide participants with continued employment after the period of work supplementation ends must provide that if the employee is dismissed at any time within 12 months after termination of the supplementation period due in any part to loss of the supplement, the employer shall repay some or all of the supplement previously paid as a subsidy to the employer under the WAGES Program.

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- On-the-job training.--On-the-job training is full-time, paid employment in which the employer or an educational institution in cooperation with the employer provides training needed for the participant to perform the skills required for the position. The employer or the educational institution on behalf of the employer receives a subsidy to offset the cost of the training provided to the participant. Upon satisfactory completion of the training, the employer is expected to retain the participant as a regular employee without receiving a subsidy. An The on-the-job training agreement may not be continued with any employer who exhibits a pattern of failing to provide participants with continued employment after the on-the-job training subsidy ends must provide that in the case of dismissal of a participant due to loss of the subsidy, the employer shall repay some or all of the subsidy previously provided by the department and the Department of Labor and Employment Security.
- 3. Incentive payments.—The department and the Department of Labor and Employment Security may provide additional incentive payments to encourage employers to employ program participants. Incentive payments may include payments to encourage the employment of hard-to-place participants, in which case the amount of the payment shall be weighted proportionally to the extent to which the participant has limitations associated with the long-term receipt of welfare and difficulty in sustaining employment. In establishing incentive payments, the department and the Department of Labor and Employment Security shall consider the extent of prior receipt of welfare, lack of employment experience, lack of education, lack of job skills, and other appropriate factors.

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A participant who has complied with program requirements and who is approaching the time limit for receiving temporary cash assistance may be defined as "hard-to-place." Incentive payments may include payments in which an initial payment is made to the employer upon the employment of a participant, and the majority of the incentive payment is made after the employer retains the participant as a full-time employee for at least 12 months. An The incentive agreement may not be continued with any employer who exhibits a pattern of failing to provide participants with continued employment after the incentive payments cease must provide that if the employee is dismissed at any time within 12 months after termination of the incentive payment period due in any part to loss of the incentive, the employer shall repay some or all of the payment previously paid as an incentive to the employer under the WAGES Program.

- 4. Tax credits.--An employer who employs a program participant may qualify for enterprise zone property tax credits under s. 220.182, the tax refund program for qualified target industry businesses under s. 288.106, or other federal or state tax benefits. The department and the Department of Labor and Employment Security shall provide information and assistance, as appropriate, to use such credits to accomplish program goals.
- 5. WAGES training bonus.--An employer who hires a
 WAGES participant who has less than 6 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 may receive \$240 for
 each full month of employment for a period that may not exceed
 months. An employer who receives a WAGES training bonus for

an employee may not receive a work supplementation subsidy for the same employee.

establishing and contracting for work-experience and community service activities, other work-experience activities, on-the-job training, subsidized employment, and work supplementation under the WAGES Program, an employed worker may not be displaced, either completely or partially. A WAGES participant may not be assigned to an activity or employed in a position if the employer has created the vacancy or terminated an existing employee without good cause in order to fill that position with a WAGES Program participant.

Section 4. Section 414.105, Florida Statutes, is amended to read:

414.105 Time limitations of temporary cash assistance.—Unless otherwise expressly provided in this chapter, 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.

- (1) The time limitation for episodes of temporary cash 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 cases in which the participant:
- (a) Has received aid to families with dependent children or temporary cash assistance for any 36 months of the preceding 60 months; or
 - (b) Is a custodial parent under the age of 24 who:

- 1. Has not completed a high school education or its equivalent; or
- 2. Had little or no work experience in the preceding year.
- (2) A participant who is not exempt from work activity requirements may earn 1 month of eligibility for extended temporary cash assistance, up to a maximum of 12 additional months, for each month in which the participant is fully complying with all the requirements of the WAGES Program and is employed part-time or full-time. The period for which extended temporary cash assistance is granted shall be based upon compliance with WAGES Program requirements beginning October 1, 1997. A participant may not receive temporary cash assistance under this subsection, in combination with other periods of temporary cash assistance, for longer than 48 months.
- (3)(2) Hardship exemptions to the time limitations of this chapter shall be limited to 10 percent of participants in the first year of implementation of this chapter, 15 percent of participants in the second year of implementation of this chapter, and 20 percent of participants in all subsequent years. Criteria for hardship exemptions include:
- (a) Diligent participation in activities, combined with inability to obtain employment.
- (b) Diligent participation in activities, combined with extraordinary barriers to employment, including the conditions which may result in an exemption to work requirements.
- (c) Significant barriers to employment, combined with a need for additional time.

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(d) Diligent participation in activities and a need by teen parents for an exemption in order to have 24 months of eligibility beyond receipt of the high school diploma or equivalent.

(e) A recommendation of extension for a minor child of a participating family that has reached the end of the eligibility period for temporary cash assistance. The recommendation must be the result of a review which determines that the termination of the child's temporary cash assistance would be likely to result in the child being placed into emergency shelter or foster care. Temporary cash assistance shall be provided through a protective payee. Staff of the Children and Families Family Services Program Office of the department shall conduct all assessments in each case in which it appears a child may require continuation of temporary cash assistance through a protective payee.

At the recommendation of the local WAGES coalition, temporary cash assistance under a hardship exemption for a participant who is eligible for work activities and who is not working shall be reduced by 10 percent. Upon the employment of the participant, full benefits shall be restored.

(4) The department shall establish a procedure for reviewing and approving hardship exemptions, and the local WAGES coalitions may assist in making these determinations. The composition of any review panel must generally reflect the racial, gender, and ethnic diversity of the community as a whole. Members of a review panel shall serve without compensation, but are entitled to receive reimbursement for per diem and travel expenses as provided in s. 112.016.

 (5)(4) The cumulative total of all hardship exemptions may not exceed 12 months, may include reduced benefits at the option of the community review panel, and shall, in combination with other periods of temporary cash assistance as an adult, total no more than 48 months of temporary cash assistance. If an individual fails to comply with program requirements during a hardship exemption period, the hardship exemption shall be removed.

(6)(5) For individuals who have moved from another state and have legally resided in this state for less than 12 months, the time limitation for temporary cash assistance shall be the shorter of the respective time limitations used in the two states, and months in which temporary cash assistance was received under a block grant program that provided temporary assistance for needy families in any state shall count towards the cumulative 48-month benefit limit for temporary cash assistance.

(7)(6) For individuals subject to a time limitation under the Family Transition Act of 1993, that time limitation shall continue to apply. Months in which temporary cash assistance was received through the family transition program shall count towards the time limitations under this chapter.

(8)(7) Except when temporary cash assistance was received through the family transition program, the calculation of the time limitation for temporary cash assistance shall begin with the first month of receipt of temporary cash assistance after the effective date of this act.

 $\underline{(9)}$ (8) Child-only cases are not subject to time limitations, and temporary cash assistance received while an

individual is a minor child shall not count towards time limitations.

(10) (9) An individual who receives benefits under the Supplemental Security Income program or the Social Security Disability Insurance program is not subject to time limitations.

(11) A person who is totally responsible for the personal care of a disabled family member is not subject to time limitations if the need for the care is verified and alternative care is not available for the family member. The department shall annually evaluate an individual's qualifications for this exemption.

(12)(10) A member of the WAGES Program staff shall interview and assess the employment prospects and barriers of each participant who is within 6 months of reaching the 24-month time limit. The staff member shall assist the participant in identifying actions necessary to become employed prior to reaching the benefit time limit for temporary cash assistance and, if appropriate, shall refer the participant for services that could facilitate employment.

Section 5. The Legislature recognizes that the restaurant industry is uniquely qualified to provide employment opportunities for a significant number of WAGES participants. Therefore, it is the intent of the Legislature to encourage employment of WAGES participants by the restaurant industry. By March 1, 1999, the Office of Tourism, Trade, and Economic Development shall certify to the President of the Senate and the Speaker of the House of Representatives the amount of taxes and the dollar value of economic benefits generated by the restaurant industry from the employment of participants in the WAGES Program during the 1998 calendar

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         year. The total of the amount of taxes and the dollar value of
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          economic benefits reported to the President of the Senate and
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          the Speaker of the House of Representatives shall be added to
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          the amount of taxes paid during the 1998 calendar year under
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          sections 563.05, 564.06, and 565.12, Florida Statutes, and
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          payments made to the state under section 561.54, Florida
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          Statutes. If the total of these amounts is greater than $535
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          million, effective July 1, 1999, section 561.501, Florida
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          Statutes, is repealed.
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                           Section 6. This act shall take effect upon becoming a
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          law.
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                             STATEMENT OF SUBSTANTIAL CHANGES CONTAINED IN COMMITTEE SUBSTITUTE FOR
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                                                                   Senate Bill 2524
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        This committee substitute requires the WAGES Program State Board of Directors to approve the WAGES Program State Plan and operating budget as well as any WAGES related proposed administrative rules and further requires 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 Program State Board on all WAGES related policies, request for proposals and related directives. Furthermore, this committee substitute extends the WAGES Program State Board to the year 2002 and allows the Governor, by executive order, to designate the WAGES Program State Board as a nonprofit corporation. This corporation is subject to public meeting and public records law.
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         This committee substitute requires local WAGES coalitions, by October 1, 1998, to deliver the full continuum of WAGES services, with exceptions, and provides that existing employed workers may not be displaced by WAGES Program participants.
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          This committee substitute requires that the Office of Tourism,
        This committee substitute requires that the Office of Tourism, Trade, and Economic Development certify to the Legislature the amount of taxes and the economic benefits generated by the restaurant industry from employing participants in the WAGES Program and add that amount to the total amount of certain beverage taxes and penalties paid during the 1998 calendar year. If this total amount exceeds $535 million, the surcharge on the sale of alcoholic beverages for consumption on premises is repealed effective July 1, 1999.
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