

## 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: February 3, 1998 Revised: 2/3/98 \_\_\_\_\_

Subject: Workforce Development

	<u>Analyst</u>	<u>Staff Director</u>	<u>Reference</u>	<u>Action</u>
1.	<u>Schmeling</u>	<u>Austin</u>	<u>CM</u>	<u>Fav/2 amendments</u>
2.	_____	_____	<u>WM</u>	_____
3.	_____	_____	_____	_____
4.	_____	_____	_____	_____
5.	_____	_____	_____	_____

### I. Summary:

This bill provides for the reporting of workforce development performance measures by the Workforce Development Board of Enterprise Florida, Inc., requires the reporting of tier three measures by the agencies implementing measures, and requires Florida's workforce development performance measures to be benchmarked against similar measures of other states. This bill further clarifies the nominating process for the board of directors of the Workforce Development Board.

This bill amends the following sections of the Florida Statutes: 288.9620, 446.601, 446.602, 446.603, 446.604, 446.605, 446.606, 446.607 and 288.902.

### II. Present Situation:

Section 288.9620, Florida Statutes, creates the Workforce Development Board of Enterprise Florida, Inc., a nonprofit public-private board whose purpose is to create a Florida economy characterized by better employment opportunities leading to higher wages by creating and maintaining a highly skilled workforce that responds to the rapidly changing technology and diversified market opportunities critical to this mission. The board was formerly known as the Jobs and Education Partnership.

Sections 466.601 through 446.607, F.S., contain the provisions of the Workforce Florida Act of 1996, Chapter 96-404, Laws of Florida. This act implemented many of the workforce development initiatives outlined by Governor Chiles in Executive Order # 95-468, of December 20, 1995, including providing the structure for implementing an integrated workforce development system with emphasis on One-Stop Centers, School-to-Work, Welfare-to-Work, and High-Skill/High-Wage Jobs as key components in this strategy.

Section 6 of ch. 96-404, L.O.F., amends s. 288.0475, F.S., charging the Enterprise Florida Jobs and Education Partnership (now the Workforce Development Board) with establishing uniform measures and standards in a three-tier system. The measures and standards are designed to gauge the performance of the workforce development system.

During the 1996 legislative session, the Legislature also passed CS/SB 958 (ch. 96-320, L.O.F.), which amended s. 288.0475, F.S., and transferred the section, renumbering it as s. 288.9620, F.S. When the 1996 supplement to the Florida Statutes was issued, s. 6, ch. 96-404, L.O.F., was listed in a footnote to s. 288.9620, F.S. In discussions with the Division of Statutory Revision, staff determined that the original failure to incorporate the provisions of section 6 into the text of s. 288.9620, F.S., was probably associated with the renaming of Enterprise Florida Jobs and Education Partnership as the Workforce Development Board.

In 1997, s. 288.9620, F.S., was amended by CS/SB 1754 (s. 42, ch. 97-278, L.O.F.). Statutory Revision determined that since the same section was amended, and the language in the 1997 bill was drafted to the language text of the statute, as opposed to the footnote, that the Legislature's last expression of its will was to "adopt" the language selected by statutory revision for placement in the statute and reject the language from s. 6, ch. 96-404, L.O.F. Thus, the 1997 version of the statutes omits the footnote, which contains, among other changes, the performance measurement system for the workforce development system. However, s. 6, ch. 96-404, L.O.F., still has the power of law.

Traditionally, the Legislature passes an "adoption act" biennially in every odd numbered year to adopt the Florida Statutes as published as the will of the Legislature. If the Legislature adopts the 1997 Statutes as law, s. 6, ch. 96-404, would no longer be law.

CS/SB 958 (ch. 96-320, L.O.F.), amended s. 288.9620, F.S. to provide for the chair and vice chair of Enterprise Florida, Inc., to jointly select a list of nominees for appointment to the board of directors of the Workforce Development Board from a slate of candidates submitted by Enterprise Florida, Inc. Appointments to the board of directors of the Workforce Development Board are made by the Governor from the list of nominees jointly selected by the chair and vice chair of Enterprise Florida, Inc. Section 288.90, F.S., provides that the Governor will serve as chair of the board of directors of Enterprise Florida, Inc. Prior to the amendments made by CS/SB 958, appointments to the board of directors of the Workforce Development Board, were made by the Governor from a list of nominations provided by the chair of the Workforce Development Board (then known as the Jobs and Education Partnership) and the vice chair of Enterprise Florida, Inc.

Section 288.9620(6)(h), F.S., provides authority for the Workforce Development Board to contract with public and private entities as necessary to further the directives of the section. Included in this section is conflict of interest language, requiring that any contract made with an organization represented on the nominating council of Enterprise Florida, Inc. or on the board of directors of the Workforce Development Board must be approved by a two-thirds vote of the entire board of directors, and the board member representing such organization must abstain from

voting. Furthermore, no more than 65 percent of the dollar value of all contracts or other agreements entered into in any fiscal year, exclusive of grant programs, can be made with an organization represented on the nominating council of Enterprise Florida, Inc. or the board of directors of the Workforce Development Board. Organizations represented on the Workforce Development Board or on the Enterprise Florida Nominating Council cannot enter into a contract to receive a state-funded economic development incentive or similar grant, unless such incentive award is specifically endorsed by a two-thirds vote of the entire board of directors of the Workforce Development Board. The board member representing such organization, if applicable, must abstain from voting and refrain from discussing the issue with other members of the board. No more than 50 percent of the dollar value of grants issued by the board in any fiscal year may go to businesses associated with board members.

CS/SB 958 (ch. 96-320, L.O.F.), amended s. 288.902, F.S. to expand the nominating process for the board of directors of Enterprise Florida, Inc., as performed by the Enterprise Florida Nominating Council, to each board within the corporate structure of Enterprise Florida, Inc. This language, however, amending Part VII of Ch. 288, F.S., failed to delete, and in fact amended, the Workforce Development Board nominating process as found in Part IX, s. 288.9620, F.S., resulting in duplicative nominating processes for the Workforce Development Board. When contacted, the Workforce Development Board reported that the nominating process as found in s. 288.902, F.S., is cumbersome due to very specific membership requirements of the board as dictated, in part, by federal regulations.

The 1997 Interim Project on Florida's Job Training Programs prepared by the Senate Committee on Commerce and Economic Opportunities made the following recommendations relating to workforce development:

**Recommendation One:** Agencies and organizations responsible for job training functions should be required to develop Tier 3 measures (as described in the Workforce Development Act of 1996). Such measures should be developed in accordance with federal reporting standards for the program, if applicable. Measures used in performance-based budgeting could be used as third-tier measures.

**Recommendation Two:** Tier 1, Tier 2, and Tier 3 measures and annual performance should be provided annually to the Legislature in the form of an annual report on workforce development. Staff is recommending that this report be provided by the Workforce Development Board by October 15th of each year.

**Recommendation Three:** Benchmarking against other states, using the best practice approach, should be done at all tiers, the results of which would be included in the Workforce Development Board's annual report to the Legislature. Benchmarking within the state's workforce components (regional workforce development boards, local WAGES coalitions) is also encouraged as part of the state's workforce strategy.

### **III. Effect of Proposed Changes:**

Section 1 creates part XI of chapter 288, F.S. to encompass those sections of ch. 288, F.S., associated with the Workforce Development Board of Enterprise Florida, Inc.

Section 2 transfers and renumbers s. 288.9620, F.S., as s. 288.99, F.S. Section 288.99(3)(d), F.S., is amended providing that the chair of the Workforce Development Board and the vice chair of Enterprise Florida, Inc. will jointly select a list of nominees for appointment to the board of directors of the Workforce Development Board from a slate of candidates submitted by Enterprise Florida, Inc. Section 288.99(6)(h), F.S., is amended to apply the contracting conflict of interest language to the board of directors of Enterprise Florida, Inc., rather than the Enterprise Florida Nominating Council. Section 288.99, F.S., is further amended to provide for the reporting of workforce development performance measures by the Workforce Development Board, requiring the reporting of measures and standards by the agencies implementing measures, and requiring Florida's performance measures to be benchmarked against similar measures of other states.

Sections 3 through 9 amend ss. 446.601 through 446.607, F.S., to correct obsolete references and transfer these sections to ss. 288.9951 through 288.9957, F.S.

Section 10 amends s. 288.902, F.S., the Enterprise Florida Nominating Council, deleting the reference to the Workforce Development Board.

### **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:**

None.

**C. Government Sector Impact:**

The Workforce Development Board of Enterprise Florida, Inc. and agencies responsible for reporting tier-three outcome measures may experience an indeterminate fiscal impact related to the reporting requirements provided in this bill. The Governor's Budget Recommendation for FY 1998-99 includes a request for an appropriation of \$125,000 for tracking the performance of the workforce development system.

**VI. Technical Deficiencies:**

None.

**VII. Related Issues:**

None.

**VIII. Amendments:**

#1 by Commerce and Economic Opportunities:

Technical amendment clarifying Enterprise Florida, Inc. refers to the board of directors of Enterprise Florida, Inc.

#2 by Commerce and Economic Opportunities:

Technical amendment clarifying the term "board" as the Workforce Development Board.