

STORAGE NAME: h1135s1a.ted

DATE: April 26, 2000

**HOUSE OF REPRESENTATIVES
AS FURTHER REVISED BY THE COMMITTEE ON
TRANSPORTATION & ECONOMIC DEVELOPMENT APPROPRIATIONS
ANALYSIS**

BILL #: CS/HB 1135

RELATING TO: Workforce Education

SPONSOR(S): Committee on Community Colleges & Career Prep and Representative Hart and Representative Bradley and others

TIED BILL(S):

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

- (1) BUSINESS DEVELOPMENT & INTERNATIONAL TRADE YEAS 9 NAYS 1
 - (2) COMMUNITY COLLEGES AND CAREER PREP YEAS 12 NAYS 1
 - (3) TRANSPORTATION & ECONOMIC DEVELOPMENT APPROPRIATIONS YEAS 9 NAYS 2
 - (4)
 - (5)
-

I. SUMMARY:

The committee substitute reorganizes the state workforce development and WAGES systems by merging these two systems and creating an Agency for Workforce Innovation (AWI) attached to the Department of Management Services, but not under its control; by creating a non-profit entity called Workforce Florida, Inc., to direct policy for AWI; by transferring all workforce programs and staff from the Department of Labor and Employment Security to the Agency for Workforce Innovation and Workforce Florida, Inc., and by merging each regional workforce development and WAGES board into single regional workforce boards.

Within the AWI are created four offices which are the offices of One-Stop Workforce Services, Workforce Support Services, Workforce Investment and Accountability, and Workforce Information Services.

The committee substitute requires the creation of First Jobs/First Wages, Better Jobs/Better Wages, and High Skills/High Wages councils and committees in Workforce Florida, Inc., and regional workforce boards respectively.

The committee substitute makes changes to the WAGES system by providing enhanced transitional support services designed to assist WAGES clients in improving their job opportunities and be diverted from public assistance. The committee substitute also enhances accountability mechanisms for the WAGES component of the consolidated workforce system.

The committee substitute enhances the workforce one-stop delivery system by consolidating the provisions of services; authorizing the use of private staffing agencies; consolidating workforce information systems; and creating consolidated Internet-based websites for employers and job seekers to access education, training, and support services in the state's workforce system.

By consolidating the state's workforce development and WAGES system, the committee substitute also consolidates state and federal funding streams.

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On April 26, 2000, the Committee on Transportation & Economic Development Appropriations adopted sixteen amendments to CS/HB 1135. See the "AMENDMENTS OR COMMITTEE SUBSTITUTE CHANGES" section of the analysis for details on the amendments.

II. SUBSTANTIVE ANALYSIS:

A. DOES THE BILL SUPPORT THE FOLLOWING PRINCIPLES:

- | | | | |
|-----------------------------------|------------------------------|-----------------------------|---|
| 1. <u>Less Government</u> | Yes <input type="checkbox"/> | No <input type="checkbox"/> | N/A <input checked="" type="checkbox"/> |
| 2. <u>Lower Taxes</u> | Yes <input type="checkbox"/> | No <input type="checkbox"/> | N/A <input checked="" type="checkbox"/> |
| 3. <u>Individual Freedom</u> | Yes <input type="checkbox"/> | No <input type="checkbox"/> | N/A <input checked="" type="checkbox"/> |
| 4. <u>Personal Responsibility</u> | Yes <input type="checkbox"/> | No <input type="checkbox"/> | N/A <input checked="" type="checkbox"/> |
| 5. <u>Family Empowerment</u> | Yes <input type="checkbox"/> | No <input type="checkbox"/> | N/A <input checked="" type="checkbox"/> |

For any principle that received a "no" above, please explain:

B. PRESENT SITUATION:

The Federal Workforce Investment Act and Florida's Response

In August 1998, the federal Workforce Investment Act (WIA) was signed into law (Pub. L. No. 105-220), representing a significant change in federal policy governing job training and other workforce activities. WIA is grounded upon the following principles: better integration of services; individual empowerment; universal access; increased accountability; strong roles for local workforce partners and the private sector; state and local flexibility; and improved youth programs.

WIA requires each state to establish a state workforce investment board, as well as boards representing local service areas. In a number of respects, Florida's workforce system was already aligned with the requirements of WIA.

Workforce Development Board - As a result of action taken by the Legislature in 1996, Florida had by statute established the state Workforce Development Board (WDB) (also commonly referred to as the Jobs and Education Partnership) of Enterprise Florida, Inc., as the entity responsible for overseeing workforce development activities. In addition, Florida had provided for the chartering of regional workforce development boards and for the establishment of one-stop career centers. (See ch. 96-404, L.O.F.)

Workforce Funding - With respect to funding, WIA specifies three federal funding streams to the states: adults, dislocated workers, and youth. Section 288.9956, F.S., governs part of Florida's implementation of WIA. For Fiscal Year 1999-2000, the state Workforce Development Board contracts with the Florida Department of Labor and Employment Security (DLES) to serve as the administrative entity for WIA funding.

Of the more than 1,200 full time equivalent (FTE) positions in the DLES Division of Workforce and Employment Opportunities, 993.5 FTE perform service delivery functions in field offices and one-stop centers. The remaining staff are based in Tallahassee and perform administrative duties including supervision, quality assurance, customer support, and information technology.

One-Stop Service Centers - A core component of WIA is the emphasis on the delivery of workforce development services through a system of "one-stop" centers in local

communities throughout the state. WIA prescribes the programs and activities that are required to be part of each one-stop center and authorizes each local workforce board to select a one-stop operator through a competitive process or designate a consortia that includes at least three of the federal one-stop partners to operate the center.

Federal law requires each local board to develop and enter into a memorandum of understanding with the one-stop partners concerning the operation of the area's one-stop delivery system.

In Florida, the one-stop system is managed through 24 regional workforce development boards. The more than 170 one-stop facilities in Florida vary widely in size and program configuration. However, they share a common challenge: delivering coordinated, customer-focused services in an environment where most of the employees take their direction from Tallahassee.

Employees of the Division of Workforce and Employment Opportunities of the Department of Labor and Employment Security, funded with federal Wagner-Peyser revenues, constitute the majority of one-stop system staffing. Section 288.9951, F.S., provides for a memorandum of understanding between a regional workforce board and the department governing the delivery of employment services under the Wagner-Peyser Act. This section also prescribes the variety of services that are required to be available through the centers.

Enacted in 1933, the Wagner-Peyser Act provides for the establishment of a national employment system and cooperation with the states to promote the system (29 U.S.C. ss. 49-49I-1 (1998), amended by Pub. L. No. 105-220 (1998), ss. 301-311). Through its secretary, the U.S. Department of Labor (USDOL) is designated to coordinate the state public employment services throughout the country.

One method by which the Act mandates that the USDOL increase the usefulness of employment services among the states is by developing and prescribing "minimum standards of efficiency." USDOL requires by rule that individuals who deliver services funded by Wagner-Peyser be employed in a state merit system.

Despite requests from many states to modify this rule, USDOL has reiterated its insistence on state merit system employment. Amendments to Wagner-Peyser comprise one of the five titles of WIA; however, Wagner-Peyser retains separate authorization, as well as a separate funding stream. WIA does require that the public labor exchange services authorized under Wagner-Peyser be part of the one-stop system. One challenge for states is to find a way to integrate management of the one-stop delivery system while conforming to USDOL rule.

Welfare-to-Work and Florida's WAGES Program

The 1996 Legislature created the Work and Gain Economic Self-sufficiency (WAGES) Program to develop opportunities for public cash assistance recipients, remove barriers to employment, and end reliance on welfare. The WAGES Program was established to take advantage of flexibility provided to states by the federal Personal Responsibility and Work Opportunity Reconciliation Act of 1996.

The federal act ended entitlement to welfare assistance for eligible families (Aid to Families with Dependent Children) and replaced it with Temporary Assistance to Needy Families (TANF). To qualify for TANF block grants, states must impose work requirements on welfare recipients and establish time limits on the receipt of TANF cash assistance. Most

Florida recipients are subject to a 24-month time limit on cash assistance out of any consecutive 60-month period. The harder to serve clients are subject to a 36-month time limit on cash assistance out of any consecutive 72-month period. All recipients are limited to receiving benefits for a total of 48 months during their lifetime.

Services Provided by WAGES - The WAGES program provides support services to assist participants in complying with work activity requirements. It also provides participants with a wide array of transitional services after they obtain employment. Participants may receive child care services for up to two years with co-payments based on their income levels. Education and job training services may also be provided to help participants move into higher paying jobs. Participants may also be eligible for transportation services, and Medicaid and Food Stamps benefits.

- **Eligibility Services** -- Eligibility involves determining which public assistance clients must participate in WAGES work activities and whether clients are eligible for temporary cash assistance, food stamps, Medicaid, and child care.
- **Diversion Services** -- Diversion assistance is intended to help WAGES clients avoid long-term public assistance by helping them deal with emergency situations and can include paying for shelter, utilities, or car repairs that are needed to help clients continue employment.
- **Employment Related Services** -- These services include job readiness skills training, assistance conducting job searches, as well as subsidized private or public sector employment, community service work experience, on-the-job training, and vocational education.

Administration of the WAGES Program - The State WAGES Board of Directors is responsible for overseeing program operations and assisting state agencies in implementing the program. State agencies represented on the board are responsible for delivering many of the services to WAGES participants. For example, the Department of Children and Families is responsible for determining whether participants are eligible for services and administering child care, Food Stamps, and medical assistance programs.

The State WAGES board charters local WAGES coalitions, which are responsible for overseeing local programs. WAGES participants receive services at local one-stop career centers that are intended to provide integrated access to various assistance programs.

Funding Sources - The Legislature appropriated \$995,462,077 for the WAGES Program in Fiscal Year 1999-2000. This appropriation included \$616 million in TANF funds, and \$379 million for the state's maintenance of effort (MOE) required as a condition of eligibility for federal TANF funds. These appropriations are used to fund WAGES services (TANF cash assistance, transportation, child care and other support services for current and former WAGES participants and teen pregnancy prevention services) and operations of the local WAGES coalitions and the State WAGES Board.

Current Caseloads - As of August 1999, Florida's WAGES caseload was 39,307 families down from 108,235 in July 1997. In August 1999, Florida's total cash assistance caseload was 76,180 families. Approximately one-half of the cash assistant caseload represented one-parent or two-parent families subject to the TANF work participation requirement and served by the WAGES Program. The remainder of the caseload represented child-only cases in which a child is being raised by relatives whose financial needs are not reflected in the amount of TANF cash assistance.

Issues and Effectiveness of the WAGES Program - A review of the WAGES program by the legislative Office of Program Policy Analysis and Government Responsibility (OPPAGA) (Report No. 99-30, January, 2000) found that program participants face significant problems related to employment. Many adult WAGES participants appear to be experiencing difficulty finding permanent employment or retaining jobs. Families return to cash assistance for many reasons, including adult family members' placement in temporary jobs, personal problems such as poor physical or mental health, lack of transportation, and low skills which create difficulties for adult participants trying to adjust to the work environment. These results are consistent with the experiences of other states.

OPPAGA also found that many of the individuals remaining in the WAGES Program have been identified as being "hard- to-serve." These individuals often have multiple barriers to work and need individualized services such as mental health counseling, substance abuse treatment, and health care. Adult WAGES participants typically have low educational skills.

Related issues identified in past reports include concern that WAGES participants who do not find employment within time limits will lose benefits for themselves and their dependents. Other issues related to WAGES include the following:

- Meeting the increased need for subsidized child care for parents seeking work and for employed parents.
- Meeting the health care and health insurance needs of former WAGES participants who no longer qualify for Medicaid and cannot afford to purchase health care insurance.
- Providing basic necessities for families with dependent children when parents are unable to find work but no longer qualify for current public assistance programs.
- Providing for pursuit of a GED by WAGES' participants. One of the greatest obstacles to work among welfare and low-income families is lack of a high school education. Currently, high school attendance or participation in a course of study leading to a GED is only permitted in Florida as a "countable work activity" for WAGES participants under the age of 19.
- Extension of the time limit restriction for certain TANF cash assistance recipients. Because Florida has made significant progress in reducing the welfare caseloads and helping individuals transition from welfare to work, the remaining caseload includes individuals with the greatest obstacles to overcome. Section 414.105, F.S., limits cash assistance to a cumulative lifetime limit of 48 months. Federal law allows states the option to extend cash assistance beyond the state limit of 48 months for a maximum of 20 percent of the average monthly number of cases. States may extend assistance to families with a hardship, as defined by the state, or to families that include someone who has been battered or subjected to extreme cruelty.

Recent Legislative Action Regarding WAGES - The 1999 Legislature passed changes in Chapter 99-241 intended to support and provide opportunities to working recipients, improve provisions related to contracted services, strengthen governance, and increase work participation. The legislation made the following changes to the WAGES program.

- Removed child-only and disabled cases from WAGES so that coalitions could focus efforts on clients with work requirements and time limits.

- Provided an early exit incentive so that clients leaving the WAGES program have a cash reserve designed to offset the disincentive for work that exists when working recipients use up lifetime benefits for small cash payments.
- Extended benefits for applicants for SSI programs.
- Rewarded work participation with more flexibility in receiving benefits and allowed participants to earn the use of additional months of benefits within a five-year period without extending the lifetime limit.
- Allowed WAGES clients who are paid to be counted toward meeting staff-to-child ratio requirements for child care licensing in order to expand job opportunities and provide equity.
- Expanded educational program options and support services to improve job options, stability in the work force and, when needed, ability to speak English.
- Expanded opportunities for using TANF funds to support family preservation, substance abuse and mental illness, domestic violence, and teen pregnancy and teen parent programs.

The 1999 legislation also completed the process of moving the WAGES program out of the Department of Labor Employment & Security (DLES) which was begun by the 1998 Legislature by transferring funding for the WAGES coalitions to the Department of Management Services.

The Occupational Forecasting Conference

The Occupational Forecasting Conference (OFC) was established in law in 1993 as a consensus estimating conference. It was originally created in order to provide information on the vocational education planning process, with the Commissioner of Education's designee being the presiding officer. In 1996, the words "vocational education" were replaced with "workforce development system". In addition, a change to law in 1996 specifically required information to be reported on high-skill/high-wage jobs.

The Bureau of Workforce Education and Outcome Information Services (BWEOIS) of the Department of Education supports the OFC. Occupational data from the Bureau of Labor Market Information, within the Department of Labor and Employment Security, and from the Florida Education and Training Placement Information Program (FETPIP) are examined, analyzed and manipulated by the BWEOIS into useful information for review by the conferees. The resulting consensus product is a list of high demand, high-skill/high-wage occupations, ranked by their projected number of openings, projected growth rate, and expected entry level wage rates. The occupations are also ranked along with vocational program outcomes that include instructional-related placement rates, full-time employment placement rates, and the full-time earnings at placement. The BWEOIS also provides support in the development of the local targeted occupations list.

This information produced by the conference has proved beneficial in several capacities:

- The list provides a starting place for identifying programs that are targeted in the performance based funding formula for workforce development programs.

- Several community colleges and the DOE Division of Workforce Development have featured high ranking occupations, as identified by the Conference, in publications.
- Some local areas have adopted the Conference's consensus process and methodology to develop local versions of the list.
- Community colleges, local Workforce Development Boards, and school districts have used these local lists to target training areas.

Duties of the occupational Forecasting Conference

- ▼ The OFC is currently required in s. 216.136(10), F.S., to develop information as it relates to the *workforce development planning process*. The information produced should relate to personnel needs of current, new and emerging industries, including at *least* the following:
 - ➔ short-term and long-term forecasts of employment demand for *high-skill/high-wage* jobs by occupation and industry;
 - ➔ *relative* wage forecasts among those occupations; and
 - ➔ estimates of the supply of trained and qualified individuals available for employment in those occupations.
- ▼ Current law does not specify research methods to be used in gathering and interpreting the data into useful information. Quantitative tools are presently used.
- ▼ There is no statutory requirement to utilize any local workforce and occupational forecasts and estimates.
- ▼ The Occupational Forecasting Conference currently has *no* duty to meet as an *impact* conference and analyze proposed legislation for effects on workforce development and economic development initiatives.

Principals - The principals required by law are as follows: The Commissioner of Education, the Executive Office of the Governor, the director of the Office of Tourism, Trade, and Economic Development, the Secretary of Labor, and the coordinator of the Office of Economic and Demographic Research, or their designees. The Commissioner of Education, or his/her designee, is the presiding principal of Conference sessions. Currently, the Bureau Chief for the BWEOIS is the Commissioner's designee and chair of the conference.

According to the current conference chair, participation in the OFC has been actively sought from the Postsecondary Education Planning Commission, Enterprise Florida, the SBCC, the Board of Regents, Private School Licensure Boards, local Workforce Development Boards, Chambers of Commerce and employer groups.

Meetings - The Conference is not statutorily required to meet at any specified time. Currently, they meet annually and on an "as needed" basis.

The Senate Select Committee on Workforce Innovation

The Senate Select Committee on Workforce Innovation was created on October 21, 1999, for the purpose of examining the state's welfare-to-work program, the state's workforce development system and programs, and the relationship between these systems and programs and the educational and business communities.

The select committee was charged with "...developing legislation creating a statewide integrated workforce system including school-to-work, welfare-to-work, and high skill/high wages."

The select committee held ten meetings, three of which were held outside Tallahassee, and heard from over 100 presenters representing the private sector, state employees, workforce system, education, WAGES programs, and WAGES participants.

The select committee maintained the following goals as it heard about the state's workforce development and WAGES systems:

- To create an environment in which Florida families can achieve economic self-sufficiency through employment.
- To enable Florida employers to meet their needs for qualified, motivated employees.
- To encourage the continued growth of Florida's economy by developing and retaining a highly skilled and flexible workforce.

In addition, the select committee, throughout its deliberations, maintained the following guiding principles:

- Self-sufficiency and self-reliance.
- Performance accountability.
- Privatization.
- Local governance.

The select committee identified the following issues for consideration in reforming the state's workforce development and WAGES systems.

Disconnect Between the Workforce System and the State's Economic Development Strategy - The state's workforce development system is not adequately supporting the economic development strategy of the state by producing potential employees who are prepared to meet the current and future needs of Florida employers. Members of the Florida Chamber of Commerce rank workforce needs as their first priority for legislative action during the 2000 Session and accord workforce issues the same importance as they gave litigation reform during the 1999 Session.

Pursuant to s. 239.229, F.S., vocational and adult education programs must have program standards and industry-driven benchmarks. Skills are developed for each occupation and are updated on an as-needed basis, which is usually every 3-5 years. Skill standards have not been updated recently for Associate in Science programs, but that process has begun in the community college system.

Currently universities are not required to have employer-validated skills standards. In the State University System, many programs have advisory boards to guide the types of curriculum which would be useful; however, not all programs have such advisory boards. In some cases, the advisory board is at the college level, rather than the program level.

In an effort to help address the connection between business needs and workforce initiatives, the Legislature in 1999 required each regional workforce development board to establish a high skills/high wages committee consisting of representatives from private-sector businesses and from the educational and workforce communities. The committees are directed under s. 288.9953(7), F.S., to make recommendations to the state Workforce Development Board on policies to enhance the responsiveness of high skills/high wages programs to business and economic development opportunities.

As part of its economic development efforts, Florida has in place a variety of programs that are designed to encourage the location of new businesses and support the expansion and retention of existing businesses in the state. In particular, the Quick-Response Training (QRT) Program [ss. 288.046 and 288.047, F.S.] reflects the relationship between economic development and workforce issues.

Under the QRT program, specially tailored job training is provided on behalf of a new, expanding, or existing Florida business. The training is delivered through, and funds are allocated to, Florida's community colleges, school districts, area vocational-technical centers, state universities, and, under certain conditions, private post-secondary institutions. The instruction, which cannot exceed 18 months, must promote economic development by providing specialized entry-level skills to new workers or supplemental skills to current employees whose job descriptions are changing. Program funds may not be expended to subsidize the ongoing staff development program of any business or industry or to provide training related to retail businesses.

The QRT program is administered by Enterprise Florida, Inc., acting through its Workforce Development Board. Section 288.047(5), F.S., currently specifies that for the first six months of each fiscal year, Enterprise Florida, Inc., shall set aside 30 percent of the amount appropriated for the QRT Program by the Legislature to fund instructional programs for businesses located in an enterprise zone or to instruct residents of an enterprise zone.

Insufficient number of potential employees with technical or professional skills to meet the needs of Florida employers - Florida's economy reflects the national shift from production-based to knowledge-based work. This shift requires an increase in the number of better-educated, higher-skilled employees. Advanced information and high-tech jobs are the fastest growing occupations in 21 of Florida's 24 workforce development regions. More than 25,000 new high-tech jobs have been created in Florida since 1990, yet our 8th grade students ranked 31st in the nation in science and math test scores and the number of high-tech graduates of our public universities decreased by five percent during the same period.

Florida has need-based and merit-based programs to assist students in attending postsecondary institutions. In addition, current scholarship and loan forgiveness programs encourage students to enter certain professions: teaching, nursing, occupational therapy, and physical therapy. No programs exist to encourage students to major in other programs that have a direct link to Florida's economic development.

Insufficient Number of Potential Employees with Adequate Literacy Skills, Work Ethic, and Good Work Habits to Meet the Needs of Florida Employers - Almost 25 percent of Floridians are without a high school diploma, and, of those, nearly 40 percent

have less than a 9th grade education. Approximately 1.5 million Floridians speak little or no English. The results of a State Adult Literacy Survey conducted by the Educational Testing Service in August 1994 concluded that no more than half of respondents from Florida could perform tasks above literacy level 2 (out of 5 levels).

In a September 1999 survey, 15,000 employers in northeast Florida were asked to identify the most common deficiency among their new hires. Without regard to employer size or type of industry, the most frequent response was work readiness skills, including work habits, acceptance of supervision, and work ethic. The next most frequent response was functional literacy.

The Community Education Program created in s. 239.401, F.S., encouraged school boards to promote, coordinate, organize, and administer community education programs. The primary purpose of the program was to maximize the use of school facilities for community education activities, such as for before-school and after-school activities for children. When the grants for the community education coordinators ceased to be funded, the Department of Education stopped tracking the number of coordinators in the districts. While some school districts continued community education programs with other funding, the majority probably did not.

Barriers to Better Employment Opportunities for WAGES Clients - With the enactment of the WAGES Act in 1996, support services and benefits to assist families transition from welfare were included for both WAGES participants and families leaving the WAGES program due to employment. Chapter 414, F.S., provides for support services to assist participants in complying with work activity requirements, and transitional Medicaid, education and training, child care, and transportation for families that lose their temporary cash assistance due to earnings. Retention Incentive Training Accounts (s. 414.223, F.S.) were established during the 1999 Legislative Session to promote job retention and advancement.

Many working poor Floridians share several important common characteristics with former welfare recipients. However, working poor families have historically had less assistance available to them and have been less likely to use the public benefits that were available.

The Florida Legislature began focusing on low-income families in the 1999 session with the establishment of several welfare diversion programs. Sections 414.157 through 414.159, F.S., provide funding for teen parent and pregnancy prevention programs in avoiding welfare and services and one-time payments to assist the following in avoiding welfare dependence:

- victims of domestic violence and their children,
- families at risk of abuse and neglect or homelessness,
- families at risk of welfare dependency due to substance abuse or mental illness,

As a result of flexibility of the Temporary Assistance for Needy Families (TANF) block grant, states can develop new initiatives to help working families meet work expenses, provides for basic needs, benefit from their child support, and participate in education or training to advance in the workforce. Until now, the TANF funding stream was used to finance a program of basic cash assistance for poor families and a set of initiatives to help families enter or re-enter the workforce. Under the new policies, TANF can also be used to finance efforts that help low-wage families retain employment, escape poverty, and advance in the workforce. States can use TANF funds for child care, transportation, and

work expenses for working families who have never been on welfare and provide support services for some or all low income working families.

Employers Need for Continual Enhancement of Employee Skills - To remain competitive, employers must respond to advancements in technology and changes in the marketplace by modernizing equipment, reengineering production methods, and retooling business practices. These changes frequently require their employees to enhance their current job skills or acquire new ones. Both employers and employees need incumbent worker training that is tailored to meet their needs and available at convenient hours and reasonable cost.

Fifteen percent of the funds received under Title I of the federal Workforce Investment Act are retained at the state level. Florida law specifies that such funds shall be dedicated to state administration and used to design, develop, induce, and fund innovative Individual Training Account pilots, demonstrations, and programs.

Currently, Florida reserves five percent of these state-level funds for an Incumbent Worker Training Program to provide grant funding for continuing education and training of incumbent employees at existing businesses in the state. (See s. 288.9956(3), F.S.) For continuing workforce education courses in community colleges and school districts, state funding is set at 50 percent of the cost of instruction, with student fees, business support, quick-response training funds, or other sources making up the remainder.

Strategic, Effective, and Innovative Use of Workforce System Resources - Florida spends more than \$4.2 billion on programs related to workforce development, of which \$3.6 billion (87 percent) is spent within the education system. Yet, the state spends more than \$30 million annually on remediation, and Florida employers consistently cite the lack of qualified employees as a barrier to business growth.

As stated by a representative of the Florida Chamber of Commerce: "Florida's efforts to attract new businesses and retain current businesses will be severely disadvantaged without a more successful workforce education system." The \$470 million spent on workforce programs outside the education system is divided among many governmental entities, each of which has its own approach to resource management and performance accountability.

Small Business Workforce Needs - Less than 12 percent of all jobs in Florida are in businesses with fewer than 10 employees, but these businesses comprise 82 percent of all employers in Florida. Most small business owners have limited resources to devote to human resource issues including recruitment and employee training.

The workforce system should be prepared to respond to the particular needs of small businesses because these businesses have traditionally provided entry-level job opportunities for first-time wage earners. Also, new small businesses in Florida are being created by entrepreneurs in response to developments in advanced technology. These small businesses can grow quickly in response to the global marketplace and become a source for high wage/high skill jobs.

Lack of a Coordinated Workforce Information System - Information for Florida's workforce and WAGES programs is currently provided by more than seven independent information systems for which ownership and maintenance responsibility is spread among several agencies and departments. These "legacy" systems are focused on record keeping

and federal reporting rather than on supporting an integrated workforce system. Florida has neither a one-stop management information system nor an automated job matching system.

Under s. 288.9951(9), F.S., the Department of Management Services is charged with coordinating a plan for a One-Stop Center Electronic Network, which is to assure that a uniform method is used to determine eligibility for and management of services provided by agencies conducting workforce development activities. The department also is directed to develop strategies allowing access to the databases and management information systems of a number of workforce-related systems. The statute requires the systems to be fully coordinated by January 1, 2000; however, this deadline has not been met.

Multiple and overlapping administrative structures - At least seven entities of Florida government receive funding associated with the workforce system. The current fragmentation of workforce responsibilities at the state level makes it virtually impossible to maintain accountability for improving performance outcomes and resource management. At the local level, the multiple organizational structure and lines of accountability create daunting challenges for front-line service workers and managers.

The Workforce Florida Act and the Work and Gain Economic Self-Sufficiency (WAGES) Act were both passed by the Florida Legislature in 1996, and have been implemented in the same time period. While their purposes were related, these two legislative mandates were conceived and implemented separately. Over the past three years, it has grown increasingly clear that their purposes and functions increasingly overlapped.

The State Workforce Development Board, established in 1996 and revised in 1999, operates as a separately-incorporated division of Enterprise Florida, Inc., and is given the purpose "*...to design and implement strategies that help Floridians enter, remain in, and advance in the workplace, becoming more highly skilled and successful, benefiting these Floridians, Florida businesses, and the entire state.*"(See s. 288.9952, F.S.)

The State WAGES Program Board was established in 1996 in the Executive Office of the Governor where it operates as an independent, unincorporated board. The purpose of the Board is to oversee the operation of the state's welfare reform program and advise and assist state agencies in implementing the program. As reflected in legislative intent, the WAGES Program was intended "*...to develop opportunities for families which provide for their needs, enhance their well-being, and preserve the integrity of the family free of impediments to self-reliance,*" by emphasizing work, self sufficiency, and personal responsibility. (See ss. 414.025 and 414.026, F.S.)

The dual workforce-WAGES structure is somewhat duplicated at the local level, where Florida law authorizes regional workforce development boards (s. 288.9953, F.S.) and local WAGES coalitions (s. 414.028, F.S.). In 20 of the 24 regions, however, the boards and coalitions are combined.

The WAGES Program has been successful in reducing the number of families with a work-eligible adult on the cash assistance caseload by 75 percent since October 1996. Most of the families who have left cash assistance remain economically marginalized because they are employed in low-wage, part-time jobs that do not provide employee benefits.

There are fewer than 38,000 families remaining on the cash assistance caseload who are required to meet work requirements. Most of the work-eligible adults in these families lack work experience, have literacy challenges, and require significant work and family support

services to be successful in the workplace. A number may also have physical, behavioral, or developmental impairments that further complicate their employment possibilities.

In addition to the workforce and welfare-reform initiatives, the Legislature in 1996 provided for the dissolution of the Florida Department of Commerce and the assumption of comparable economic development and trade development activities by Enterprise Florida, Inc. (EFI). Section 288.9015, F.S., designates EFI as the principal economic development organization for the state, responsible for leading business development by establishing a unified approach to Florida's international trade and reverse investment efforts; marketing the state as a pro-business location for potential new investment; and assisting in the retention and expansion of existing businesses and the creation of new businesses.

Chapter 96-320, L.O.F., created the Office of Tourism, Trade, and Economic Development (OTTED) to serve, among other duties, as administrator of the state's contract with EFI and other public-private partnerships, and to monitor the activities of the public-private partnerships and state agencies to promote coordinated program implementation (s.14.2015, F.S.).

On March 29, 2000, CS/SB 2050 passed the Senate, was engrossed, and on March 30, 2000, was received in House messages.

Digital Television and Education Task Force

In the 1999 legislative session, the 21st Century Digital Television and Education Task Force was created (Ch. 99-251, section 6, L.O.F.) for the purpose of determining the actions the state should take for Florida to become a leader in the digital television industry.

The task force was directed to do the following:

- Devise a plan to recruit digital programmers and producers, companies involved in the transmission of digital media, digital television equipment manufacturers, and companies involved in research and development of new and innovative digital television equipment to Florida.
- Investigate and recommend economic incentives to encourage the digital industry to locate and compete in Florida.
- Devise a plan to create and maintain postsecondary education opportunities for students wanting to enter the digital television field.
- Recommend methods to accelerate the conversion of existing television studios and sound stages from analog to digital technology.
- Recommend a means to fund the cost of converting public broadcast stations from analog to digital technology.

The task force, in its final report, made the following findings and recommendations:

- The State University System currently conducts digital media research activities at seven universities. There are at least 25 separate university research projects related to digital media currently in place. Nine universities offer course work in the media/digital television area. Florida's independent colleges and universities also provide programs

in the digital broadcast/digital media field. Seven colleges and universities offer more than 11 majors and five major research activities are currently in place.

Recommendation - A digital media education coordinating group should be created in the state university system to coordinate the use of existing academic programs, research, and faculty resources to promote the development of the digital media industry in Florida.

- The State Community College System has 28 programs supporting the media/broadcast industry with additional courses anticipated to be added. A critical jobs initiative project conducted by the community colleges for the state Workforce Development Board found 59 individual job titles and almost 15,000 job openings in the digital media field statewide.

Recommendation - The State Board of Community Colleges should continue efforts to identify programs to train broadband digital media specialists and assist in the creation and marketing of digital media technical education programs.

- The state Workforce Development Board has an incumbent worker training program to assist employers in training employees and upgrading their knowledge and skills as the need for a changing workforce occurs.

Recommendation - Additional funding should be provided through programs and services in the state workforce development system to enhance the quantity and quality of the broadband digital media workforce.

- There is a need for the digital media industry through Enterprise Florida, Inc., to enhance efforts to recruit and retain digital media and related industries to Florida.

Recommendations - Enterprise Florida, Inc., should convene an organizational meeting to facilitate activities of industries to highlight and focus on strategies to identify means to recruit and retain digital media companies in Florida. The development of digital media incubator programs should be encouraged and developed.

- Recommendations - Funding should be provided to support the transition of public broadcasting stations from analog to digital transmission. The Legislature should enact a commercial and professional digital media equipment sales tax holiday for up to three years to encourage the rapid transition to digital transmission and increase the digital production and manufacturing capacity of the state.
- Recommendation - The Information Technology Task Force and Enterprise Florida, Inc., should develop a marketing plan by August 31, 2000, to promote the state as digital media friendly and ready as a leader nationwide in the development and distribution of broadband digital media education, technology, and content.

C. EFFECT OF PROPOSED CHANGES:

Like CS/SB 2050, the committee substitute creates a non-profit entity called Workforce Florida, Inc. (WFI), and also create the Agency for Workforce Innovation (AWI) under the Department of Management Services (DMS) but not under the control and supervision of DMS.

Like CS/SB 2050, the committee substitute transfers all workforce programs and staff from the Department of Labor and Employment Security (DLES) to the Agency for Workforce Innovation and

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consolidates current state and regional workforce development boards and WAGES boards into Workforce Florida, Inc.

Like CS/SB 2050, the committee substitute creates First Job/First Wages, Better Jobs/Better Wages, and High Skill/High/Wages councils and committees in Workforce Florida, Inc., and regional workforce boards.

Like CS/SB 2050, the committee substitute makes significant changes to the WAGES programs, transfers the state apprenticeship program from DLES to the Department of Education (DOE), and transfers the displaced homemaker program from the Department of Education's Division of Community Colleges to the Agency for Workforce Innovation.

Unlike CS/SB 2050, the committee substitute provides that members appointed by the Governor to the WFI board must be appointed for 2-year terms; provides that private sector appointments must constitute a majority of the WFI board; requires that nominations to the WFI board must come from members of the Legislature; requires that one-half of the appointments must represent small businesses; and requires the WFI executive committee to have no less than seven members, including one representative of organized labor.

Unlike CS/SB 2050, the committee substitute provides clarifying language describing the roles and responsibilities for the offices in the Agency for Workforce Innovation and adds a fourth office in the Agency called the Office for Workforce Support Services which is responsible for all WAGES programs and services.

Unlike CS/SB 2050, the committee substitute adds language from HB 2201 related to WAGES and adds language which enhances accountability mechanisms to the WAGES program.

Unlike CS/SB 2050, the committee substitute deletes the provision for the "Careers in Florida's Future Incentive Grant Program" and instead requires the Postsecondary Education Planning Commission to conduct a study on strategies for expanding access to and production of certificates and degrees in targeted programs and identifying innovative targeted financial aid programs for postsecondary students.

Unlike CS/SB 2050, the committee substitute blends HB 1889 related to the Occupational Forecasting Conference (OFC) with a section of the Senate bill related to the OFC. The OFC is renamed the Workforce Estimating Conference and the Chancellor of the SUS, the Executive Directors of the State Board of Community Colleges and the State Board of Nonpublic Career Education, the Executive Director of Workforce Florida, Inc., and legislative staff are added as principals to the WEC. The WEC is required to meet twice annually and is required to meet as an impact conference prior to and during legislative sessions. The principal representing the Office of the Governor rather than the Commissioner of Education is the chair of the WEC.

Unlike CS/SB 2050, the committee substitute removes provisions for leasing state workers from the Agency for Workforce Innovation to Workforce Florida, Inc., and to regional workforce boards.

Unlike CS/SB 2050, the committee substitute completes the consolidation of state workforce entities by moving the current state Workforce Development Board (renamed Workforce Florida, Inc.), currently in the Governor's Office of Tourism, Trade, and Economic Development, and the WAGES Contracting Division, currently in the Department of Management Services, to the newly created Agency for Workforce Innovation.

Unlike CS/SB 2050, the committee substitute adds a section related to establishing a digital media study group in the SUS to identify and develop postsecondary educational programs which will provide graduates to meet the need for employees in the digital media industry, and amends the statute related to incubator facilities in community colleges to ensure that they may own or lease such facilities.

Unlike CS/SB 2050, the committee substitute requires the Office of Program Policy Analysis and Government Accountability, rather than Workforce Florida, Inc., to conduct program reviews of the reorganized workforce system, the delivery of workforce services through federal Wagner-Peyser

funds, and the state's apprenticeship program and submit these reviews to the Legislature by December 31, 2002.

Specifically by section, the committee substitute for HB 1135 does the following:

- Section 1.* Short Title (s. 445.001). Provides that the act will be known as the "Workforce Innovation Act of 2000."
- Section 2.* Definitions (s. 445.002). Provides definitions for terms used in the Act.
- Section 3.* Implementation of Workforce Investment Act (s. 445.003). Transfers, renumbers, and amends s. 288.9956; makes conforming changes to statute governing Florida's implementation of the Workforce Investment Act (WIA); provides for \$2 million of WIA Title I funds retained at the state level to be reserved for the Incumbent Worker Training Program; provides for up to 75 percent of such state-level funds to be allocated to Individual Training Accounts and other workforce-development strategies.
- Section 4.* Workforce Florida, Inc., creation, purpose (s. 445.004). Transfers, renumbers, and amends s. 288.9952; provides for the creation of a not-for-profit corporation to be known as "Workforce Florida, Inc." (WFI), which is designated as the principal workforce organization for the state; provides that the Governor may appoint members from the current Workforce Development Board and the WAGES Program State Board of Directors to serve on the board of directors of WFI; specifies that private sector representatives of businesses appointed by the Governor to the board of WFI must constitute a majority of the board; nominations to the board must come from members of the Legislature; provides that one-half of the private sector appointments must represent small businesses; appointments to the board are appointed for 2-year terms and may be reinstated; provides for five labor representatives on the board appointed by the governor of which four are appointed from five nominations from the President and five nominations from the Speaker in consultation with their respective minority offices; requires the chairperson of WFI to establish standing committees known as the First Jobs/First Wages Council, the Better Jobs/Better Wages Council, and the High Skills/High Wages Council, each with representatives of organized labor assigned; assigns supervision of the administration of multiple, specified workforce programs to WFI; and expands the executive committee of WFI to seven of which one member must be a representative of organized labor.
- Section 5.* Creation of councils under Workforce Florida, Inc. (s. 445.005). Provides for Workforce Florida, Inc., to establish by October 1, 2000, three standing councils: the First Jobs/First Wages Council, the Better Jobs/Better Wages Council, and the High Skills/High Wages Council. The councils are charged with developing strategies in their respective subject areas for approval by the board of directors of WFI. A majority of the members of each council must be members from the board of directors of WFI, but each council shall include non-board members as well. Each council must meet at least quarterly.
- Section 6.* Strategic plan for workforce development (s. 445.006). Directs Workforce Florida, Inc., in conjunction with state and local workforce partners, to develop a strategic plan for workforce development; requires plan to include workforce marketing plan designed to educate individuals inside and outside the state about the employment market and employment conditions in Florida; provides specifications and performance payments for welfare transition services.
- Section 7.* Regional workforce boards (s. 445.007). Transfers, renumbers, and amends s. 288.9953. Specifies that business representatives on the regional workforce boards shall not include providers of workforce services; requires fair and competitive process for selecting administrative entities; requires boards to establish standing committees on first jobs/first wages, better jobs/better wages, and high skills/high wages, each committee must have a representative of organized labor assigned; specifies that the high skills/high wages committee must include at least five private-sector business representatives appointed by the primary county economic development organization

within the region, in consultation with local chambers of commerce, and a representative of each primary county economic development organization in the region requires high-skills/high wages committees to report to Workforce Florida, Inc., on occupations in the region deemed critical to business retention, expansion, and recruitment; requires better jobs/better wages and first jobs/first wages committees to each include at least five members; provides that initial appointments to the first/jobs first wages committee shall include at least three members of the local WAGES coalition established pursuant to ch. 96-175, Laws of Florida.

- Section 8.* Workforce Training Institute (s. 445.008). Establishes a Workforce Training Institute to provide comprehensive workforce training for one-stop delivery system staff; provides for developing Internet-based training modules.
- Section 9.* One-stop delivery system (s. 445.009). Transfers, renumbers, and amends existing s. 288.9951, F.S., relating to the one-stop delivery system to emphasize the delivery of services through the Internet; provides for transferring Wagner-Peyser services to Agency for Workforce Innovation (AWI); authorizes use of staffing services firms in the one-stop delivery system at the option of regional workforce boards; requires OPPAGA to conduct a program review of services delivered under the federal Wagner-Peyser Act and submit a report by December 31, 2002.
- Section 10.* Intent for transition; implementation. Directs Workforce Florida, Inc. (WFI), to coordinate development and implementation of a transition plan supporting implementation of the Workforce Innovation Act of 2000; requires state agencies to cooperate in this effort and to dedicate financial and staff resources toward implementation of the plan; requires the Governor to designate a staff member from the Office of Planning and Budgeting to serve as the Governor's primary representative on matters relating to implementation of the act; requires the Governor, based upon recommendations from WFI, to submit any necessary amendments or supplements to workforce program plans that Florida has on file with the federal government and shall seek any necessary waivers from federal laws or rules.
- Section 11.* Transfers programs and functions to Workforce Florida, Inc.; transfers programs, functions, and staff from DLES to the Agency for Workforce Innovation; provides dates for transfer by type; provides for continuation of career service status and rights to participate in state retirement system for transferred employees.
- Section 12.* Workforce system information technology (s. 445.010). Establishes principles to guide development of workforce information systems; establishes expectation for information sharing and procedures for waiver of confidentiality of some information to facilitate integrated service provision.
- Section 13.* Workforce information systems (s. 445.011). Directs the implementation of workforce information systems with specific functionality; provides delivery dates.
- Section 14.* Requires the Postsecondary Education Planning Commission, in consultation with WFI, DOE, the State Board of Independent Colleges and Universities, and the State Board of Nonpublic Career Education to conduct a study and recommend strategies to the Legislature to expand access to and production of certificates and degrees in targeted programs needed for Florida economy and to identify new, targeted financial aid programs for postsecondary students; requires the report by December 15, 2000.
- Section 15.* Challenge grants in support of welfare-to-work initiatives (s. 445.013). Creates a challenge grant program in support of welfare-to-work initiatives in AWI. Under the program, not-for-profit organizations, for-profit organizations, educational institutions, and units of government are encouraged to sponsor eligible individuals in post-employment education and training by providing the non-federal matching funds required under the federal welfare-to-work grant program. In exchange for the provision of such matching funds, the state pledges to earmark welfare-to-work funds for the sponsored individual. One of the program criteria shall be a determination that the education or training will enhance the ability of the individual to retain employment and

achieve self-sufficiency through career advancement. The education of training must be approved by Workforce Florida, Inc.

- Section 16.* Untried worker program (s .445.016). Transfers s. 288.9955, the untried worker program from DLES to Workforce Florida, Inc.
- Section 17.* Diversion (s. 445.017). Transfers, renumbers, and makes conforming changes to s.414.15.
- Section 18.* Diversion program to strengthen Florida's families (s .445.018). Creates a diversion program for families at risk of welfare dependency with family incomes that do not exceed 200 percent of poverty; provides that eligible families may receive services related to employment, including child care and transportation; and provides for repayment.
- Section 19.* Teen parent and pregnancy prevention diversion program (s. 445.019). Transfers, renumbers, and makes conforming changes to s. 414.159.
- Section 20.* Diversion program, determination of need (s. 445.020). Allows the Department of Children and Family Services with approval by WFI to use a means test for eligibility for diversion programs if required by the federal government.
- Section 21.* Relocation assistance program (s. 445.021). Transfers, renumbers, and amends s. 414.155 to clarify conditions that must be met to receive relocation assistance.
- Section 22.* Retention Incentive Training Accounts (s. 445.022). Transfers, renumbers, and makes conforming changes to s. 414.223.
- Section 23.* Programs for dependent care for families with children with special needs (s. 445.023). Transfers, renumbers, and makes conforming changes to s. 414.18.
- Section 24.* Work activities (s. 445.024). Moves language from Ch. 414 and amends to allow incentive payments to employers that provide jobs with health insurance coverage and add GED pursuit and adult basic education to the list of activities that can be counted as work for purposes of meeting work activity requirements of TANF.
- Section 25.* Other support services (s. 445.0250). Transfers, renumbers, and makes conforming changes to s. 414.20.
- Section 26.* Cash assistance severance benefit (s. 445.026). Transfers, renumbers, and amends s. 414.1525. Renames the Early Exit Diversion Program and creates a cash assistance severance benefit for eligible individuals who choose to receive a one-time lump sum payment of \$1,000 in exchange for agreeing not to accept cash assistance for 6 months.
- Section 27.* Transitional benefits and services (s. 445.028). Requires development of procedures to ensure that families leaving temporary cash assistance receive transitional benefits and services.
- Section 28.* Transitional medical benefits (s. 445.030). Transfers, renumbers, and makes conforming changes to s. 414.22.
- Section 29.* Transitional education and training (s. 445.030). Transfers, renumbers, and makes conforming changes to s. 414.22.
- Section 30.* Transitional transportation (s. 445.031). Transfers, renumbers, and amends s. 414.225 to increase from 1 year to 2 years the availability of transitional transportation services for former recipients of temporary cash assistance.

- Section 31.* Transitional child care (s. 445.032). Authorizes childcare to sustain employment or educational opportunities for up to 2 years for former recipients of temporary cash assistance.
- Section 32.* Evaluation (s. 445.033). Transfers, renumbers, and makes conforming changes to s. 414.23.
- Section 33.* Authorized expenditures (s. 445.034). Provides that any expenditures from TANF be made in accordance with Title IV of the Social Security Act; requires the Department of Children and Family Services to certify that controls are in place to ensure compliance with the federal law prior to expenditure of funds.
- Section 34.* Data collection and reporting (s. 445.035). Transfers, renumbers, and amends s. 414.44 to require the Department of Children and Family Services and Workforce Florida, Inc., to collect and report data required under federal law.
- Section 35.* Legislative intent (welfare transition program) (s. 414.025). Removes references to WAGES program.
- Section 36.* Definitions (s. 414.0252). Makes conforming changes only.
- Section 37.* Cash assistance program (s. 414.045). Makes conforming changes only.
- Section 38.* Noncompliance with work requirements (s. 414.065). Makes conforming changes only.
- Section 39.* Income eligibility standards (s. 414.085). Makes conforming changes only.
- Section 40.* Determining eligibility for temporary cash assistance (s. 414.095). Amends eligibility requirements for qualified non-citizens to reflect changes in federal law and interpretation.
- Section 41.* Time limitations (s. 414.105). Provides for an extension of cash assistance for successful substance abuse and mental health treatment and for hardship extensions to 24 and 36 month time limits on cash assistance; provides for hardship extensions to the 48 month lifetime limit for minor children, child-only cases, victims of domestic violence, individuals with persistent barriers to employment, and individuals who are eligible for SSI or SSDI because of age or disability.
- Section 42.* Diversion program for victims of domestic violence (s. 414.157). Amends to provide for one-time payments not to exceed \$1,000 as part of a diversion program for victims of domestic violence.
- Section 43.* Diversion program to prevent or reduce child abuse (s. 414.158). Makes conforming changes only.
- Section 44.* Emergency relief (s. 414.35). Makes conforming changes only.
- Section 45.* Public assistance overpayment recovery program (s. 414.36). Makes conforming changes only.
- Section 46.* Fraud (s. 414.39). Makes conforming changes only.
- Section 47.* Recovery of payments made due to mistake or fraud (s. 414.41). Makes conforming changes only.
- Section 48.* Implementation (s. 414.55). Makes conforming changes only.
- Section 49.* Drug-testing and drug-screening program; procedures (s. 414.70). Makes conforming changes only.

- Section 50.* Repeals. Repeals s. 239.249, F.S., relating to market-driven, performance-based incentive funding for vocational and technical education programs (PBIF); s. 288.9950, F.S., relating to the “Workforce Florida Act of 1996”; s. 288.9954, F.S., relating to consultation, consolidation, and coordination between the Workforce Development Board and the WAGES Program State Board of Directors; s. 288.9957, F.S., relating to the Florida Youth Workforce Council; s. 288.9958, F.S., relating to the Employment, Occupation, and Performance Information Coordinating Committee; s. 288.9959, F.S., relating to Operational Design and Technology Procurement Committee; s. 414.015, F.S., relating to the chapter 414, F.S., title of the “Work and Gain Economic Self-sufficiency (WAGES) Act”; s. 414.026, F.S., relating to the WAGES Program State Board of Directors; s. 414.0267, F.S., relating to matching grants for economic independence; s. 414.027, F.S., relating to the WAGES Program annual statewide program plan; s. 414.028, F.S., relating to local WAGES coalitions; s. 414.029, F.S., relating to the WAGES Program Business Registry; s. 414.030, F.S., relating to WAGES Program Employment Projects; s. 414.055, F.S., relating to one-stop career centers; s. 414.125, F.S., relating to the learnfare program; s. 414.25, F.S., relating to the exemption from leased real property requirements; and s. 414.38, F.S., relating to pilot work experience and job training for noncustodial parents.
- Section 51.* Office of Tourism, Trade and Economic Development; creation; powers and duties (s. 14.2015). Includes workforce programs and Workforce Florida, Inc., within the oversight and coordination responsibilities of the Office of Tourism, Trade, and Economic Development. OTTED is charged with ensuring linkages between the workforce and economic development goals and strategies of the state; requires the participation of leaders in education, government, organized labor, and workforce development to be included among the participants in economic summit meetings organized by OTTED.
- Section 52.* Department of Labor and Employment Security (s. 20.171). Amends to reflect transfer of specified workforce functions.
- Section 53.* Creates Agency for Workforce Innovation (WFI) within the Department of Management Services (DMS), but not under the control, supervision, or direction of DMS (s. 20.50); provides that WFI is responsible for all policy directions to regional workforce boards through AWI; provides that AWI is the designated agency for all federal workforce development grants; provides for the transfer of certain federal workforce grants and programs from DLES to AWI; creates Office of One-Stop Workforce Services, Office of Workforce Support Services; Office of Workforce Investment and Accountability, and Office of Workforce Information Services in AWI; assigns responsibilities and duties to AWI and the offices.
- Section 54.* Sales, rental, use, consumption, distribution and storage tax (s. 212.08(5)(b)) Makes conforming changes only.
- Section 55.* Sales, rental, storage, use tax; enterprise zone jobs credit against sales tax (s. 212.096(1), (3)). Makes conforming changes only.
- Section 56.* Urban High-Crime Area Job Tax Credit Program (s. 212.097(5)). Makes conforming changes only.
- Section 57.* Rural Job Tax Credit Program (s. 212.098(5)). Makes conforming changes only.
- Section 58.* Consensus estimating conferences (s. 216.136(10)). Changes name to the “Workforce Estimating Conference”; adds the Chancellor of the State University System, the Executive Director of the State Board of Community Colleges, the Executive Director of the State Board of Nonpublic Career Education, the Chairman of Workforce Florida, Inc., and legislative staff as principals; eliminates the Department of Labor and Employment Security as a principal; directs conference to review local and regional occupational data generated through the Internet-based job-matching and labor-market information system, and to consider such data in developing its forecasts for statewide employment demand; directs conference to use the data as the basis for making recommendations to WFI on additions or deletions to local target occupation lists;

requires the conference to meet as an impact conference; directs the conference to seek participation of non-principals, including the Florida Chamber of Conference, the Florida chapter of the AFL-CIO, and other interested parties; requires conference to meet twice annually and the impact conference to meet prior to and during each legislative session.

- Section 59.* Enterprise zone jobs credit (s.220.181(1), (2)). Makes conforming changes only.
- Section 60.* Prekindergarten early intervention program (s. 230.2305(2), (3)(k)). Makes conforming changes only.
- Section 61.* Enforcement of school attendance (s. 232.17 (4), (5)). Makes conforming changes only.
- Section 62.* Purpose; transportation when provided (s. 234.01(1)(g)). Makes conforming changes only.
- Section 63.* Use of school buses for public purposes (s. 234.211). Makes conforming changes only.
- Section 64.* Definitions (s. 239.105). Amends to provide that, for licensure purposes, the AS degree is interchangeable with AAS degree.
- Section 65.* Funds for operation of adult general education and vocational education (s. 239.115); makes conforming changes and creates a response fund for school districts and community colleges to provide customized training to businesses.
- Section 66.* Workforce development postsecondary student fees (s. 239.117(4)(d)). Makes conforming changes only.
- Section 67.* Vocational standards (s. 239.229). Amends to require industry-driven benchmarks for vocational, adult, and community education programs to be updated every 3 years.
- Section 68.* Adult general education (s. 239.301(3)(a)). Makes conforming changes only.
- Section 69.* Workforce Development Capitalization Incentive Grant Program (s. 239.514). Makes conforming changes only.
- Section 70.* Board of Regents; powers and duties (s. 240.209). Amends to require the Board of Regents to include industry-driven competencies in the program reviews of high-tech programs.
- Section 71.* Community colleges; program review (s. 240.312). Amends to require community colleges to review associate in science programs and career education programs every three years.
- Section 72.* Student fees (s. 240.35(3)). Makes conforming changes only.
- Section 73.* Florida Gold Seal Vocational Scholars (s. 240.40207). Makes conforming changes only.
- Section 74.* Certified Education Paraprofessional Welfare Transition Program (s. 240.40685) Makes conforming changes only.
- Section 75.* College reach-out program (s. 240.61(2)). Makes conforming changes only.
- Section 76.* Certified Teacher-Aide Welfare Transition Program (s. 246.50). Makes conforming changes only.
- Section 77.* Quick Response Training (s. 288.046). Amends legislative intent to remove reference to "Florida's Targeted Industrial Clusters."

- Section 78.* Quick Response training for economic development (s. 288.047). Amends to provide for Workforce Florida, Inc., to administer the Quick Response Training Program and eliminates references to the Quick Response Advisory Committee. Currently the program authorizes supplemental-skills training for current employees whose job descriptions are changing; authorizes retraining for current employees to meet changing skill requirements caused by new technology or new product lines and to prevent potential layoffs. Specifies that the grant term may not exceed 24 months; provides that businesses located in brownfield areas are included, along with enterprise zone businesses, in a provision setting aside a specified portion of QRT funds at the start of each fiscal year for instructional programs for these businesses; eliminates set-aside funding at the start of each fiscal year for instruction for residents of enterprise zones; specifies that matching funds generated under the QRT Program may count toward the requirements for Enterprise Florida, Inc., to generate private-sector support; requires Enterprise Florida, Inc., and Workforce Florida, Inc., to establish a single point of contact for businesses.
- Section 79.* Rural Economic Development Initiative (s. 288.0656). Makes conforming changes only.
- Section 80.* Enterprise Florida, Inc.; creation; membership; organization; meetings; disclosure (s. 288.901). Makes conforming change; provides for chairperson of Workforce Florida, Inc., to serve on board of Enterprise Florida, Inc.
- Section 81.* Powers of the board of directors of EFI (s. 288.904). Makes conforming change. Removes "workforce" reference from powers of Enterprise Florida, Inc.
- Section 82.* Duties of the board of directors of EFI (s. 288.905). Makes conforming changes only.
- Section 83.* Annual report of EFI; audits; confidentiality (s. 288.906(1)(f)). Makes conforming changes only.
- Section 84.* Disposition of license tax moneys (s. 320.20(4)). Makes conforming changes only.
- Section 85.* Driving while license suspended, revoked, canceled, or disqualified (s. 322.34); makes conforming changes only.
- Section 86.* Public transit block grant program (s. 341.052). Makes conforming changes only.
- Section 87.* Subsidized child care program (s. 402.3015). Adds definition of "needy family" for purposes of expending TANF funds for child care.
- Section 88.* Department authority to charge fees for services provided (s. 402.33(1)(g)). Makes conforming changes only.
- Section 89.* Child welfare training academies (s. 402.40(3)(a)). Makes conforming changes only.
- Section 90.* Community resource mother or father program (s. 402.45(4)). Makes conforming changes only.
- Section 91.* Expedited permitting; comprehensive plan amendments (s. 403.973(3)). Makes conforming changes only.
- Section 92.* Definitions (s. 409.2554(7)). Makes conforming changes only.
- Section 93.* Actions for payment (s. 409.2564(7)). Makes conforming changes only.
- Section 94.* Partial payment of filing fees (s. 409.259(1)). Makes conforming changes only.
- Section 95.* Mandatory payments for eligible persons (s. 409.903) Makes conforming changes only.
- Section 96.* Electronic benefit transfer program (s. 409.942). Authorizes Workforce Florida, Inc., through AWI, to use the electronic benefits transfer program established for the state's public assistance programs.

- Section 97.* Florida Partnership for School Readiness (s. 411.01). Makes conforming changes only.
- Section 98.* Children's Early Investment Program (s. 411.232(3)(a)). Makes conforming changes only.
- Section 99.* Florida Education Now and Babies Later (ENABL) Program (s. 411.242(3)(a)). Makes conforming changes only.
- Section 100.* Definitions (s. 413.82(6)). Makes conforming changes only.
- Section 101.* Rentals and tenant selection (s. 421.10(1)(d)). Makes conforming changes only.
- Section 102.* The Commission for the Transportation Disadvantaged (s. 427.013(27)). Makes conforming changes only.
- Section 103.* Community Transportation Coordinators (s. 427.0155). Makes conforming changes only.
- Section 104.* Coordinating boards; powers and duties (s. 427.0157). Makes conforming changes only.
- Section 105.* Benefit eligibility conditions (s. 443.091(1)(b)). Makes conforming changes only.
- Section 106.* Procedure concerning claims (s. 443.151(8)). Makes conforming changes only.
- Section 107.* State Employment Service (s. 443.181). Makes conforming changes; establishes a public employment services in AWI, under the policy direction of WFI; specifies that one-stop delivery system shall be the primary method for delivering employment services.
- Section 108.* Employment Security Administration Trust Fund (s. 443.211(2), (5)). Makes conforming changes only.
- Section 109.* Reciprocal arrangements (s. 443.221(3)). Makes conforming changes only.
- Section 110.* Florida Training Investment Program (s. 443.231(6)). Makes conforming changes only.
- Section 111.* Legislative intent regarding apprenticeship training (s. 446.01). Gives responsibility for the Bureau of Apprenticeship and apprenticeship programs to the Department of Education's Division of Workforce Development.
- Section 112.* Report on apprenticeship programs. Requires OPPAGA in cooperation with Workforce Florida, Inc., and DOE to submit recommendations to the Legislature by January 1, 2002, regarding improving the efficiency of apprenticeship programs and other formalized on-the-job training programs for skilled trades, decreasing the cost of these programs, and increasing the number of program completers.
- Section 113.* Definitions of terms used in ss. 446.011-446.092 (s. 446.021(5), (12-13)). Makes conforming changes only.
- Section 114.* General duties of the DOE Division of Workforce Development with respect to apprenticeship training (s. 446.032). Makes conforming changes only.
- Section 115.* Apprenticeship program, duties of the division (s. 446.041). Makes conforming changes only.
- Section 116.* State Apprenticeship Advisory Council (s. 446.045). Adds "Advisory" to the title of the State Apprenticeship Council.
- Section 117.* Preapprenticeship program (s. 446.052). Makes conforming changes only.

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- Section 118.* Expenditures (s. 446.061). Makes conforming changes only.
- Section 119.* Apprenticeship sponsors (s. 446.071). Makes conforming changes only.
- Section 120.* Federal and state cooperation (s. 446.075). Makes conforming changes only.
- Section 121.* Rural Workforce Services Act (s. 446.40). Makes conforming changes; changes name of Rural Manpower Services Act to "Rural Workforce Services Act."
- Section 122.* Legislative intent with respect to rural workforce training and development (s. 446.41); transfers program from DLES to the Agency for Workforce Innovation under the direction of WFI.
- Section 123.* General Purpose of the Rural Workforce Services Program (s. 446.42). Makes conforming changes only.
- Section 124.* Scope and coverage of Rural Workforce Services Program (s. 446.43). Makes conforming changes only.
- Section 125.* Duties of Rural Workforce Services Program (s. 446.44). Makes conforming changes only.
- Section 126.* Displaced homemakers (s. 446.50). Places the Displaced Homemaker Program under the direction of AWI rather than under the Division of Community Colleges.
- Section 127.* Definitions relating to labor organizations (s. 447.02(3)). Makes conforming changes from "division" to "Department of Labor and Employment Security".
- Section 128.* Business agents; licenses, permits (s. 447.04(2), (3), (4)). Makes conforming changes only.
- Section 129.* Hearings (s. 447.041). Makes conforming changes only.
- Section 130.* Information confidential (s. 447.045). Makes conforming changes only.
- Section 131.* Registration of labor organizations required (s. 447.06). Makes conforming changes only.
- Section 132.* Fees for registration (s. 447.12). Makes conforming changes only.
- Section 133.* Applicability of chapter (s. 447.16). Makes conforming changes only.
- Section 134.* Registration of employee organization (s. 447.305(4)). Makes conforming changes only.
- Section 135.* Definitions relating to minority labor groups (s. 450.012(4)). Makes conforming changes only.
- Section 136.* Hazardous occupations prohibited (s. 450.061(3)). Makes conforming changes only.
- Section 137.* Hours of work in certain occupations (s. 450.081(5)(c)). Makes conforming changes only.
- Section 138.* Waivers (s. 450.095). Makes conforming changes only.
- Section 139.* Enforcement of Child Labor Law (s. 450.121(1), (2), (5)). Makes conforming changes only.
- Section 140.* Employment of children by the entertainment industry; rules; procedures (s. 450.132(1)-(5)). Makes conforming changes only.

- Section 141.* Employing minor children in violation of the law; penalties (s. 450.141(2); (3)). Makes conforming changes only.
- Section 142.* Executive Office of the Governor; powers and duties (s. 450.191(1)(j)). Makes conforming changes only.
- Section 143.* Definitions relating to farm labor registration (s. 450.28(2)). Makes conforming changes only.
- Section 144.* Requirement for certification of registration; education and examination program. (s. 450.30). Makes conforming changes only.
- Section 145.* Issuance, revocation, and suspension of, and refusal to issue or renew, certification of registration (s. 450.31(1), (2), (4)). Makes conforming changes only.
- Section 146.* Duties of farm labor contractor (s. 450.33(1), (4)-(6), (8)-(10)). Makes conforming changes only.
- Section 147.* Certain contracts prohibited (s. 450.35). Makes conforming changes only.
- Section 148.* Rules and regulations (s. 450.36). Makes conforming changes only.
- Section 149.* Cooperation with federal agencies (s. 450.37). Makes conforming changes only.
- Section 150.* Enforcement of farm labor contractor laws(s. 450.38(2), (3), (4)). Makes conforming changes only.
- Section 151.* Cancellation of, or default on, preneed contracts (s. 497.419(7)). Makes conforming changes only.
- Section 152.* Incubator facilities for small business concerns (s. 240.3341(3)). Provides that incubator facilities shall be owned or leased by community colleges.
- Section 153.* Creates digital media education group within the Board of Regents (s. 240.710); provides for collaboration with the State Board of Community Colleges, the Articulation Coordinating Committee, and DOE; provides for the development and submission to the Legislature of a plan to promote the development and improve opportunities for postsecondary study and research of digital media.
- Section 154.* Provides that Workforce Florida, Inc. may use Incumbent Worker Training funds for providing public or private training in digital media.
- Section 155.* Appropriations. \$250,000 in nonrecurring GR for workforce marketing materials; \$200,000 in nonrecurring TANF for the Workforce Training Institute; and \$8 million in recurring TANF for diversion services for needy families.
- Section 156.* Licensing standards; child care facilities (s. 402.305(4), (6)); makes conforming changes only.
- Section 157.* Provides for non-entitlement to services and benefits.
- Section 158.* Severability. Includes standard severability clause.
- Section 159.* Effective date. Provides that, except as otherwise provided, the act shall take effect July 1, 2000.

D. SECTION-BY-SECTION ANALYSIS:

See Effect of Proposed Changes above.

III. FISCAL ANALYSIS & ECONOMIC IMPACT STATEMENT:

A. FISCAL IMPACT ON STATE GOVERNMENT:

1. Revenues:

N/A

2. Expenditures:

The Committee Substitute provides: \$250,000 in nonrecurring GR for workforce marketing materials; \$200,000 in nonrecurring TANF for the Workforce Training Institute; and \$8 million in recurring TANF for diversion services for needy families.

B. FISCAL IMPACT ON LOCAL GOVERNMENTS:

1. Revenues:

N/A

2. Expenditures:

N/A

C. DIRECT ECONOMIC IMPACT ON PRIVATE SECTOR:

N/A

D. FISCAL COMMENTS:

None.

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.

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 a state tax shared with counties or municipalities.

V. COMMENTS:

A. CONSTITUTIONAL ISSUES:

None.

B. RULE-MAKING AUTHORITY:

None.

C. OTHER COMMENTS:

None.

VI. AMENDMENTS OR COMMITTEE SUBSTITUTE CHANGES:

On March 14, 2000, the Committee on Business Development and International Trade passed two amendments to HB 1135. The first was technical in nature, while the second directed the Workforce Development Board to supervise the Department of Labor and Employment Security with regard to the expenditure, management, and administration of Title I, Workforce Investment Act of 1998 and Wagner-Peyser funds.

On March 18, 2000, the Committee on Community Colleges and Career Prep adopted a strike-all amendment (with 18 amendments to the strike-all amendments) to HB 1135 which was made into a committee substitute and was adopted by the committee on a 12-1 vote.

The strike-all amendment to HB 1135 is essentially the modified text of CS/SB 2050 (which is in House messages as of the date of this analysis) containing the texts of HB 1135, HB 1889, and HB 2201. The amendments to the strike-all amendment adopted by the committee related to including representatives of organized labor on councils and committees in Workforce Florida, Inc., and in each regional workforce board; clarifying the manner in which the Governor makes appointments to Workforce Florida, Inc.; and including nonpublic colleges and universities whenever the State Board of Community Colleges is referenced as consultants for specified studies.

For details of the committee substitute (HB 1135 as amended), see the Effect of Proposed Changes section.

On April 26, 2000, the Committee on Transportation & Economic Development Appropriations adopted sixteen amendments to CS/HB 1135. The amendments make the following changes:

Modifies the Workforce Florida, Inc. Board of Directors to include two representatives from organized labor and one member from the staffing services industry.

Removes provisions regarding organized labor.

Provides flexibility for the Department of Labor to reorganize and re-deploy its staff following the transfers enacted by this bill. This action would be accomplished by budget amendment.

Provides \$10 million for the workforce information systems. The plan for the implementation of the information system will be developed by Workforce Florida, Inc. in consultation with the State Technology Office.

Clarifies the transfer of various programs to the new Workforce organization. Allows the Agency for Workforce Innovation to begin its operations with the appropriate number of employees and resources.

Adds clarifying language to ensure that existing leased employees at the Workforce Development Board will maintain their status as leased employees under Workforce Florida, Inc. Also ensures that Workforce Florida, Inc. can utilize employees of the Agency for Workforce Innovation.

Adds flexibility regarding the Agency for Workforce Innovation's organization structure. Allows the agency to create other offices as necessary to implement its mission. Also changes the Office of One-stop Workforce Services to the Office of Workforce Services.

Adds language to encourage the use of private sector staffing services firms.

Adds clarifying language to ensure that Quick Response Training Grants will be fully maximized.

Clarifies that existing public or private entities may serve as administrative entities.

Removes language regarding administrative entities. Permits Workforce Florida, Inc. to determine which entities are appropriate to serve as administrative entities.

Technical amendment to remove a provision related to leased employees that is no longer necessary.

VII. SIGNATURES:

COMMITTEE ON BUSINESS DEVELOPMENT & INTERNATIONAL TRADE:

Prepared by:

Staff Director:

James Marshall Cox

J. Paul Whitfield, Jr.

STORAGE NAME: h1135s1a.ted

DATE: April 26, 2000

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AS REVISED BY THE COMMITTEE ON COMMUNITY COLLEGES AND CAREER PREP:

Prepared by:

Staff Director:

Ken Winker

Ken Winker

AS FURTHER REVISED BY THE COMMITTEE ON TRANSPORTATION & ECONOMIC DEVELOPMENT APPROPRIATIONS:

Prepared by:

Staff Director:

Kurt Hamon

Eliza Hawkins