

SENATE STAFF ANALYSIS AND ECONOMIC IMPACT STATEMENT

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

BILL: CS/SB 1226

SPONSOR: Commerce and Economic Opportunities Committee and Senator Holzendorf

SUBJECT: Workforce Development

DATE: April 12, 2001

REVISED: _____

	ANALYST	STAFF DIRECTOR	REFERENCE	ACTION
1.	Gillespie	MacLure	CM	Favorable/CS
2.	_____	_____	_____	_____
3.	_____	_____	_____	_____
4.	_____	_____	_____	_____
5.	_____	_____	_____	_____
6.	_____	_____	_____	_____

I. Summary:

Committee Substitute for Senate Bill 1226 requires the board of directors of Workforce Florida, Inc., to include at least one member who is a current or former recipient of state financial assistance. The committee substitute also provides the intent of the Legislature that, whenever possible and to the greatest extent practicable, each regional workforce board should include persons who are current or former recipients of state financial assistance or that these persons should be included as ex officio members of the board or of committees organized by the board.

This committee substitute substantially amends sections 445.004 and 445.007, Florida Statutes.

II. Present Situation:

Workforce Investment Act

In 1998, the United States Congress enacted the Workforce Investment Act (act).¹ The act, which superceded the federal Job Training Partnership Act, established a nationwide system for providing workforce investment activities through statewide and local workforce investment systems. These systems are administered by a state workforce investment board and local workforce investment boards. The federal act provides allotments of funds to states for certain youth activities and adult and dislocated worker employment and training activities. For a state to be eligible to receive these funds under the Workforce Investment Act or financial assistance under the federal Wagner-Peyser Act,² the Governor must submit a single five-year state plan for

¹ Pub. L. No. 105-220, 112 Stat. 936 (codified at 29 U.S.C. s. 2801, et seq.) (1998).

² 29 U.S.C. s. 49, et seq.

approval by the United States Secretary of Labor.³ The plan must include the provisions used for the appointment of the state and local workforce investment boards.⁴

Under Florida's Workforce Innovation Act of 2000,⁵ the Legislature created Workforce Florida, Inc., and revised the duties of the 24 regional workforce boards. Established as a not-for-profit corporation, Workforce Florida, Inc., is the principal workforce policy organization for the state.⁶ The purpose of Workforce Florida, Inc., is "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, and to assist in developing the state's business climate."⁷ Workforce development services are delivered to citizens by the regional workforce boards through the one-stop delivery system.⁸ These workforce development services include a variety of employment and training programs.⁹

Board of Directors of Workforce Florida, Inc.

The board of directors of Workforce Florida, Inc. (WFI) serves as the state workforce investment board for purposes of the federal Workforce Investment Act (act).¹⁰ Under Florida law, the Governor determines the number of board members, and these board members must be appointed consistent with the federal act.¹¹ Consequently, WFI's board of directors includes the following members listed in the federal act:¹²

- The Governor.
- Two members of the Florida Senate appointed by the President of the Senate.
- Two members of the Florida House of Representatives appointed by the Speaker of the House of Representatives.
- The following members appointed by the Governor:
 - Business representatives who are business owners or executives with policymaking or hiring authority, who represent businesses with employment opportunities, and who are nominated by state business organizations and business trade associations. These business representatives must include members of the regional workforce boards.

³ 29 U.S.C. s. 2822.

⁴ *Id.*

⁵ Chapter 2000-165, L.O.F.

⁶ Section 445.004(2), F.S.

⁷ *Id.*

⁸ Section 445.009, F.S.

⁹ *Id.*

¹⁰ See s. 111(b), Title I of Pub. L. No. 105-220 (codified at 29 U.S.C. s. 2821).

¹¹ Section 445.004(3), F.S.

¹² See 29 U.S.C. s. 2821.

- Local elected officials from counties and municipalities.
- Labor organization representatives who are nominated by state labor federations.
- Representatives of organizations and individuals with experience in youth activities.
- Representatives of organizations and individuals with experience and expertise in the delivery of workforce investment activities, including community college presidents and executives of community-based organizations within the state.
- The lead state agency officials responsible for the programs and activities that are delivered through the one-stop delivery system.
- Other representatives and state agency officials as the Governor may designate, such as the state agency officials responsible for economic development and juvenile justice programs in the state.

Under the federal act, except for the Governor and the four members of the Legislature, the Governor determines the number of state workforce investment board members.¹³ The federal act does not prohibit a state from requiring the appointment of additional members. Moreover, the federal act allows a state to appoint an alternative board that is substantially similar to the board described in the act if the board was existence on December 31, 1997, includes business and labor organization representatives, and meets certain other criteria.¹⁴ Florida law specifically requires the Governor to appoint seven members to WFI's board of directors:¹⁵

- One member representing the licensed nonpublic postsecondary educational institutions authorized as individual training account providers;
- One member from the staffing service industry; and
- Five representatives of organized labor.

Under the federal act, board members who represent organizations, agencies, or other entities must have policymaking authority within the organizations, agencies, or entities they represent.¹⁶ The board members must also be appointed to represent diverse regions of the state, including urban, rural, and suburban areas.¹⁷ Under both the federal act and Florida law, business representatives must constitute a majority of WFI's board of directors; however, Florida law uses the term "private sector representatives," rather than the term "business representatives" used in the federal act.¹⁸ Further, Florida law requires the private sector representatives appointed to the board to be representative of the business community of the state, and no less than one-half of these appointments must be representatives of small businesses.¹⁹ The private sector representatives are appointed from nominations received by the Governor from any member of

¹³ *Id.*

¹⁴ 29 U.S.C. s. 2821(e).

¹⁵ Section 445.004(3)(a), F.S.

¹⁶ 29 U.S.C. s. 2821(b)(2).

¹⁷ *Id.*

¹⁸ See 29 U.S.C. s. 2821(b)(3); s. 445.004(3)(c), F.S.

¹⁹ Section 445.004(3)(c), F.S.

the Legislature.²⁰ A member of the Legislature may submit more than one nomination to the Governor through the President of the Senate or the Speaker of the House of Representatives. The board members appointed by the Governor are appointed for two-year terms, but serve at the pleasure of the Governor and are eligible for reappointment.²¹

Under the federal act, the chair of the board is appointed by the Governor and must be a business representative.²² Florida law is consistent with this requirement.²³ Under Florida law, the importance of minority and gender representation must be considered when making appointments to the board.²⁴ There are currently 45 members appointed to the board of directors of Workforce Florida, Inc.²⁵

Regional Workforce Boards

There is one regional workforce board appointed in each designated region of the state. The regional workforce boards serve as the local workforce investment boards for purposes of the federal Workforce Investment Act (act).²⁶ Under the federal act, the Governor must certify the establishment of each board and their respective regions.²⁷ There are currently 24 regional workforce boards established in this state. Under Florida law, the membership of each board must be appointed consistent with the federal act.²⁸ Consequently, the regional boards must be appointed by local elected officials using criteria established by the Governor, in partnership with the state workforce investment board (the board of directors of Workforce Florida, Inc.).²⁹ The federal act requires these criteria to include appointment, at a minimum, of the following members on each regional workforce board:³⁰

- Local business representatives who are business owners or executives with policymaking or hiring authority, who represent businesses with local employment opportunities, and who are nominated by local business organizations and business trade associations.

²⁰ *Id.*

²¹ *Id.*

²² 29 U.S.C. s. 2821(c).

²³ Section 445.004(3)(b), F.S.

²⁴ Section 445.004(3)(a), F.S.

²⁵ Workforce Florida, Inc., *Board of Directors as of July 12, 2000*, at <http://www.workforceflorida.com/wages/wfi/about/board.html> (last visited Apr. 7, 2001).

²⁶ Section 445.007(1), F.S.; see s. 117(b), Title I of Pub. L. No. 105-220 (codified at 29 U.S.C. s. 2832).

²⁷ 29 U.S.C. s. 2832(c)(2).

²⁸ Section 445.007(1), F.S.

²⁹ See 29 U.S.C. s. 2832(b)(1).

³⁰ See 29 U.S.C. s. 2832(b)(2).

- Representatives of local educational entities, including representatives of local educational agencies, school boards, entities providing adult education and literacy activities, and postsecondary educational institutions (including community colleges), selected from those nominated by regional or local educational agencies, institutions, or organizations representing the local educational entities.
- Labor organization representatives in a region where employees are represented by labor organizations, nominated by local labor federations, or (for a region where no employees are represented by a labor organizations), other representatives of employees.
- Representatives of community-based organizations, including organizations representing individuals with disabilities and veterans, in a region where these organizations are present.
- Representatives of economic development agencies, including private sector economic development entities.
- Representatives from each agency that delivers services through the one-stop delivery system.
- Other individuals or representatives of entities that the local elected official in the region determines to be appropriate.

The federal act does not prohibit a state from requiring the appointment of additional members. Moreover, the federal act allows a state to appoint alternative boards that are substantially similar to the board described in the act if the board was existence on December 31, 1997, includes business and labor organization representatives, and meets certain other criteria.³¹ Florida law specifically requires four members to be appointed to each regional workforce board:³²

- One representative from a nonpublic postsecondary educational institution that is an authorized individual training account provider within the region and confers certificates and diplomas;
- One representative from a nonpublic postsecondary educational institution that is an authorized individual training account provider within the region and confers degrees; and
- Three representatives of organized labor.

Under the federal act, board members who represent organizations, agencies, or other entities must have policymaking authority within the organizations, agencies, or entities they represent.³³ Further, the federal act requires that local business representatives must constitute a majority of each board,³⁴ and the chair of the each board is elected by the members of the board who are business representatives.³⁵

³¹ 29 U.S.C. s. 2832(i).

³² Section 445.007(1), F.S.

³³ 29 U.S.C. s. 2832(b)(3).

³⁴ 29 U.S.C. s. 2832(b)(4).

³⁵ 29 U.S.C. s. 2832(b)(5).

Under Florida law, the importance of minority and gender representation must be considered when making appointments to the board.³⁶

Regional workforce boards are authorized to appoint local committees to obtain technical assistance on issues of importance, including those issues affecting older workers.³⁷ In addition, each regional workforce board is required to establish a High Skills/High Wages committee, a Better Jobs/Better Wages committee, and a First Jobs/First Wages committee.³⁸

Temporary Assistance for Needy Families

In 1996, the United States Congress enacted the Personal Responsibility and Work Opportunity Reconciliation Act (act).³⁹ The act created block grants to states for Temporary Assistance for Needy Families (TANF) and replaced the former Aid to Families with Dependent Children (AFDC) program. In Florida, several programs are funded from the TANF block grant, including the cash assistance program. After families stop receiving cash assistance, they are allowed to continue receiving non-cash support services including Medicaid, education and training, transportation, and child care.⁴⁰ Funds from the TANF block grant are also used to fund these transitional benefits and services.

III. Effect of Proposed Changes:

The committee substitute requires the board of directors of Workforce Florida, Inc., to include at least one member who is a current or former recipient of state financial assistance. The committee substitute also provides the intent of the Legislature that, whenever possible and to the greatest extent practicable, each regional workforce board should include persons who are current or former recipients of state financial assistance or that these persons should be included as ex officio members of the board or of committees organized by the board.

The committee substitute takes effect upon becoming a law.

IV. Constitutional Issues:

A. Municipality/County Mandates Restrictions:

None.

B. Public Records/Open Meetings Issues:

None.

³⁶ Section 445.007(1), F.S.

³⁷ Section 445.007(6), F.S.

³⁸ Section 445.007(7), (8), & (9), F.S.

³⁹ Pub. L. No. 104-193, 110 Stat. 2105 (1996).

⁴⁰ Sections 445.028-445.032, F.S.

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:

Members of the board of directors of Workforce Florida, Inc. (WFI), and its committees are required to serve without compensation, but these members are reimbursed for all reasonable, necessary, and actual per diem and travel expenses.⁴¹ If WFI adds one member to its board of directors, WFI would be expected to see a marginal increase in these per diem and travel expenses. There is no statute governing the compensation or per diem and travel expenses of the members of the regional workforce boards. Because these boards operate in local regions, the committee substitute would, presumably, impose minimal increased costs on the regional workforce boards.

VI. Technical Deficiencies:

None.

VII. Related Issues:

None.

VIII. Amendments:

None.

This Senate staff analysis does not reflect the intent or official position of the bill's sponsor or the Florida Senate.

⁴¹ Section 445.004(4)(f), F.S.