

HOUSE OF REPRESENTATIVES STAFF ANALYSIS

BILL #: HB 21A

Agency for Workforce Innovation

SPONSOR(S): Davis

TIED BILLS:

IDEN./SIM. BILLS: SB 22A

REFERENCE	ACTION	ANALYST	STAFF DIRECTOR
1) <u>Transportation & Economic Development Appropriations Committee</u>	<u>15 Y, 0 N</u>	<u>Jones Darity</u>	<u>Gordon</u>
2) <u>Fiscal Council</u>	<u></u>	<u>Jones Darity</u>	<u>Kelly</u>
3) <u></u>	<u></u>	<u></u>	<u></u>
4) <u></u>	<u></u>	<u></u>	<u></u>
5) <u></u>	<u></u>	<u></u>	<u></u>

SUMMARY ANALYSIS

This bill authorizes the Agency for Workforce Innovation (AWI) to expend federal funds for the purpose of providing temporary jobs for eligible dislocated workers to assist in the clean-up and restoration efforts resulting from Tropical Storm Bonnie and Hurricanes Charley, Frances, Ivan and Jeanne. The bill requires AWI to provide quarterly reports to the Speaker of the House, the President of the Senate, and the Governor on the expenditures of the federal funds.

The bill provides \$21 million in nonrecurring budget authority in fiscal year 2004-2005 to expend federal funds received from the United States Department of Labor under the Workforce Investment Act's National Emergency Grant (NEG) to provide for such temporary employment.

The bill exempts the budget authority granted in this bill from the required 14-day notice for interim budget actions, but requires the Governor to notify the chair and vice chair of the Legislative Budget Commission of the allocations and appropriation categories at least three working days prior to the effective date of the allocation.

This bill takes effect upon becoming law.

This document does not reflect the intent or official position of the bill sponsor or House of Representatives.

STORAGE NAME: h0021Ac.FC.doc

DATE: 12/14/2004

FULL ANALYSIS

I. SUBSTANTIVE ANALYSIS

A. DOES THE BILL:

- | | | | |
|--------------------------------------|------------------------------|-----------------------------|---|
| 1. Reduce government? | Yes <input type="checkbox"/> | No <input type="checkbox"/> | N/A <input checked="" type="checkbox"/> |
| 2. Lower taxes? | Yes <input type="checkbox"/> | No <input type="checkbox"/> | N/A <input checked="" type="checkbox"/> |
| 3. Expand individual freedom? | Yes <input type="checkbox"/> | No <input type="checkbox"/> | N/A <input checked="" type="checkbox"/> |
| 4. Increase personal responsibility? | Yes <input type="checkbox"/> | No <input type="checkbox"/> | N/A <input checked="" type="checkbox"/> |
| 5. Empower families? | Yes <input type="checkbox"/> | No <input type="checkbox"/> | N/A <input checked="" type="checkbox"/> |

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

NOTE: The Speaker of the House has adopted new House Principles to guide members in evaluating legislation during the 2004-2006 Legislature. These principles are:

Provide limited government,
Ensure lower taxes,
Safeguard individual liberty,
Promote personal responsibility,
Empower families, and
Maintain public security.

B. EFFECT OF PROPOSED CHANGES:

Background

The Agency for Workforce Innovation is the state agency that is the grant recipient for federal workforce dollars from the United States Department of Labor (USDOL). The Workforce Innovation Act of 2000 consolidated fragmented workforce programs into a single point of accountability with the creation of Workforce Florida, Inc. (WFI), housed in the Agency for Workforce Innovation (AWI). The workforce system assists Florida businesses and businesses relocating to Florida in their search for skilled workers. Job seekers are assisted through job matching and education and training, including skills upgrade training.

WFI is a private non-profit company incorporated pursuant to Chapter 617, Florida Statutes, and empowered by the legislature as the policy organization for Florida's workforce system pursuant to Chapter 445, Florida Statutes. The WFI public/private partnership provides policy and oversight to Florida's 24 Regional Workforce Boards. It administers two statewide training incentive programs: Quick Response Training (QRT) and Incumbent Worker Training (IWT). WFI is governed by a state board of directors appointed by the Governor, who also appoints the Chair and President.

Section 20.50(1), Florida Statutes, specifically requires that AWI ensure that the state appropriately administers federal workforce funding by administering the plans and policies of WFI. AWI is the recipient of federal funds from USDOL and in turn passes these funds to the regional workforce boards or WFI, pursuant to Chapter 445, Florida Statutes. The regional workforce boards and WFI become subrecipients of the federal workforce dollars. As subrecipients, they must expend the funds in accordance with the regulations of that program and must comply with the administrative requirements of the OMB regulations, 29 USCA §2934(a)(3)(A).

The Secretary of the United State Department of Labor is authorized to award NEG funds to provide assistance to states that have suffered an emergency or a major disaster. On August 16, 2004, Workforce Florida, Inc. and the Agency for Workforce Innovation applied for NEG funds to assist

counties that were affected by Tropical Storm Bonnie and Hurricane Charley. On August 18, the State of Florida was awarded \$50 million, with an initial release of \$16.5 million, by USDOL to provide clean-up, restoration, recovery and humanitarian related services to the affected counties.

The initial purpose of the NEG is to create temporary jobs to provide clean-up, recovery, restoration, and humanitarian assistance to designated communities impacted by the hurricanes. Priority in filling these temporary jobs is given to individuals that are dislocated, either permanently or temporarily as a result of the disaster. Other eligible individuals include dislocated workers as defined in the Workforce Investment Act Section 101(9), and include long-term unemployed individuals, which is defined as being unemployed 15 out of the past 26 weeks.

According to AWI, as of December 2, 2004, over 3,000 individuals have been placed into temporary jobs throughout the state. The total dollars expended through November 30, 2004, are \$9,578,824. The expenditures represent temporary job wages and fringe benefits, as well as supportive services, safety equipment (i.e., steel-toed shoes, safety vests, safety goggles, etc.), worksite oversight/monitoring, and local costs to operate and administer the program.

Florida Unemployment Statistics

According to AWI:

- Prior to the impacts of the recent hurricanes on the state, Florida's unemployment rate was 4.6 percent in August 2004. Florida's unemployment rate rose slightly in September to 4.7 percent and fell in October to 4.5 percent.
- In August 2004, employment in Florida was expanding at an over-the-year growth rate of 2.1 percent.
- After the first two hurricanes hit the state, Florida's nonagricultural employment over-the-year growth slowed to 1.8 percent in September 2004 (the slowest over-the-year growth rate since February 2004). Employment growth bounced back to 2.0 percent in October 2004.
- Florida experienced a loss of 3,800 jobs between August and September 2004. The last time Florida lost jobs between August and September was during the last recession, while this current decline was mainly attributed to the hurricanes.
- Between September and October 2004, Florida posted a gain of 27,900 jobs, rebounding from the loss of 3,800 jobs in August.
- Job losses attributed to the hurricanes and weather-related delays between August and September were mostly in the leisure and hospitality and construction industries. Both of these industries typically gain jobs between August and September. These losses were reversed the following month, as both of these industries posted over-the-month and over-the-year job gains.

Employment estimates included workers who may have been temporarily absent from their jobs due to weather-related reasons but were still on the payroll and those who became employed due to storm clean-up activities. Excluded from the nonagricultural employment estimates were workers that were off the payroll for the entire pay-period.

Proposed Changes

The bill provides \$21 million in nonrecurring budget authority in fiscal year 2004-2005 to expend federal NEG funds received from the United States Department of Labor to provide temporary jobs for eligible dislocated workers to assist in the clean-up and restoration efforts resulting from Tropical Storm Bonnie and Hurricanes Charley, Frances, Ivan and Jeanne.

This bill requires AWI to provide quarterly reports to the Speaker of the House, the President of the Senate, and the Governor on the expenditures of the federal funds. The reports must provide the following information:

- The number of participants who are provided temporary jobs
- The types of services being provided by participants in those temporary jobs
- Any significant implementation problems that occur during the reporting period
- The number of related monitoring visits conducted by AWI and the regional workforce boards

The bill exempts the budget authority granted in this bill from the required 14-day notice for interim budget actions, but requires the Governor to notify the chair and vice chair of the Legislative Budget Commission of the allocations and appropriation categories at least three working days prior to the effective date of the allocation.

This bill takes effect upon becoming law.

C. SECTION DIRECTORY:

Section 1: Requires AWI to provide quarterly reports to the Speaker of the House, the President of the Senate, and the Governor on the expenditures of NEG funds, and specifies what information those reports must include.

Section 2: Provides \$21 million in nonrecurring budget authority in fiscal year 2004-2005 to expend federal NEG funds received from the United States Department of Labor to provide temporary jobs for eligible dislocated workers to assist in the clean-up and restoration efforts resulting from Tropical Storm Bonnie and Hurricanes Charley, Frances, Ivan and Jeanne.

Section 3: Exempts the appropriations in this bill from the required 14-day notice for interim budget actions, but requires the Governor to notify the chair and vice chair of the Legislative Budget Commission of the allocations and appropriation categories at least three working days prior to the effective date of the allocation.

Section 4: Provides this act will take effect upon becoming a law.

II. FISCAL ANALYSIS & ECONOMIC IMPACT STATEMENT

A. FISCAL IMPACT ON STATE GOVERNMENT:

1. Revenues:

None.

2. Expenditures:

None.

B. FISCAL IMPACT ON LOCAL GOVERNMENTS:

1. Revenues:

See FISCAL COMMENTS.

2. Expenditures:

None.

C. DIRECT ECONOMIC IMPACT ON PRIVATE SECTOR:

This bill will provide funds so that an estimated 2,557 persons can continue to be employed in temporary jobs past December 31, 2004, and so that an estimated additional 923 persons can be

employed in temporary jobs during the first six months of 2005. These funds may also be used to continue providing employment support services to an estimated 1,145 persons past December 31, 2004, and so that an additional estimated 490 persons can be provided employment support services during the first six months of 2005.

D. FISCAL COMMENTS:

This bill provides \$21million in budget authority for the Agency for Workforce Innovation to expend federal National Emergency Grant funds to be passed through to the regional workforce boards.

III. COMMENTS

A. CONSTITUTIONAL ISSUES:

1. Applicability of Municipality/County Mandates Provision:

None.

2. Other:

None.

B. RULE-MAKING AUTHORITY:

None.

C. DRAFTING ISSUES OR OTHER COMMENTS:

None.

IV. AMENDMENTS/COMMITTEE SUBSTITUTE CHANGES