

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.)

Prepared By: Transportation and Economic Development Appropriations Committee

BILL: SB 22-A

SPONSOR: Senator Fasano

SUBJECT: Federal Funding for Agency for Workforce Innovation for Displaced Workers

DATE: December 15, 2004 REVISED: _____

	ANALYST	STAFF DIRECTOR	REFERENCE	ACTION
1.	<u>Martin</u>	<u>Martin</u>	<u>TA</u>	Favorable
2.	_____	_____	_____	_____
3.	_____	_____	_____	_____
4.	_____	_____	_____	_____
5.	_____	_____	_____	_____
6.	_____	_____	_____	_____

I. Summary:

This bill appropriates \$21 million in grant funds received from the United States Department of Labor (USDOL) National Emergency Grant (NEG) to the Agency for Workforce Innovation to provide temporary jobs for eligible workers dislocated by Tropical Storm Bonnie and Hurricanes Charley, Frances, Ivan and Jeanne. Temporary jobs performed by these workers relate to clean-up and restoration efforts resulting from the hurricanes. The bill requires AWI to provide quarterly reports to the Senate President, Speaker of the House, and Governor. The bill also 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 to traditional appropriation categories at least three working days prior to the effective date of the allocation.

II. Present Situation:

The Agency for Workforce Innovation (AWI) 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. 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 sub recipients of the federal workforce dollars. As sub recipients, 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).

On August 11, 2004, Governor Jeb Bush signed Executive Order Number 04-1822 declaring a State of Emergency based on information provided by the National Hurricane Center. At that time, both Bonnie and Charley were tropical storms strengthening in force and likely to develop the extreme weather conditions that would threaten lives and property throughout the state. The Governor's declaration authorized activation of the Comprehensive Emergency Management Plan to coordinate services and allow Florida to seek direct assistance from any and all agencies of the United States Government.

The Secretary of the United States Department of Labor (USDOL) is authorized to award National Emergency Grant (NEG) funds to provide assistance to the 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.

Subsequent to Tropical Storm Bonnie and Hurricane Charley, Florida was devastated by three more hurricanes. Based upon the impact of Hurricanes Frances, Ivan and Jeanne, Florida requested an additional \$25 million from the USDOL and received approval on October 8, 2004, bringing the total funds approved by the USDOL to \$75 million. Thus far, USDOL has released \$41.5 million for expenditure.

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 included 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.

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.

The Agency for Workforce Innovation in cooperation with Workforce Florida, Inc., has requested that USDOL allow Florida to utilize a portion of the NEG funds to assist with retraining dislocated workers for new employment opportunities which will arise due to the disasters. This will be Phase II of the NEG, which is being referred to as Florida Forward. The retraining areas will be based upon local economic indicators and local decisions depending upon the needs of the region. Additional information is required to be submitted to USDOL before approval can be obtained. This should be completed during the January – March, 2005, timeframe.

III. Effect of Proposed Changes:

This bill provides additional budget authority of \$21 million from trust funds that is needed beyond the budget authority that has been provided under the Governor's emergency orders to implement the NEG. The Governor's emergency orders enabled budget authority for grant expenditures through December 31, 2004. This bill provides the budget authority needed to expend the grants funds during the period January 1, 2005 through June 30, 2005. Funds are appropriated to the Agency for Workforce Innovation in lump sum, to be allocated to traditional appropriation categories by the Executive Office of the Governor.

The bill requires AWI to provide quarterly reports to the Senate President, Speaker of the House, and Governor. Such reports must detail the number of participants, types of jobs performed, implementation problems encountered, and information on monitoring visits made by AWI and the regional workforce boards.

The bill requires the Executive Office of the Governor, when allocating the funds to traditional appropriation categories, to provide a 3-day consultation notice to the chair and vice chair of the Legislative Budget Commission, instead of the 14-day consultation currently required under section 216.177, Florida Statutes.

This bill takes effect upon becoming law.

IV. Constitutional Issues:

A. Municipality/County Mandates Restrictions:

None.

B. Public Records/Open Meetings Issues:

None.

C. Trust Funds Restrictions:

None.

V. Economic Impact and Fiscal Note:

A. Tax/Fee Issues:

None.

B. Private Sector Impact:

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.

C. Government Sector Impact:

The bill increases trust fund budget authority in the Agency For Workforce Innovation by \$21 million for federal grant funds to be passed through to the regional workforce boards.

VI. Technical Deficiencies:

None.

VII. Related Issues:

None.

VIII. Summary of Amendments:

None.

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