

HOUSE OF REPRESENTATIVES STAFF ANALYSIS

BILL #: HB 1645 CS PCB EDTB 05-03 Workforce Innovation
SPONSOR(S): Economic Development, Trade & Banking Committee, Bilirakis
TIED BILLS: **IDEN./SIM. BILLS:**

REFERENCE	ACTION	ANALYST	STAFF DIRECTOR
Orig. Comm.: Economic Development, Trade & Banking Committee	11 Y, 0 N	Sheheane	Carlson
1) Transportation & Economic Development Appropriations Committee	(W/D)		
2) Commerce Council	8 Y, 0 N, w/CS	Sheheane	Bohannon
3)			
4)			
5)			

SUMMARY ANALYSIS

Chapter 445, F.S., regulates workforce development in Florida and has not been substantially updated to reflect changes by the Workforce Florida Inc. board and the 24 regional Workforce boards since its inception in 2000.

The bill modernizes the Workforce Innovation Act, making changes in structure, and removes obsolete language relating to out of date programs overseen by the Agency for Workforce Innovation and Workforce Florida, Inc. The bill provides more flexibility for the Agency for Workforce Innovation and Workforce Florida, Inc., in carrying out the workforce strategy of the state. The bill streamlines the Workforce Florida Board organization.

The bill places term limits on the chair of Workforce Florida, increases the term of the board members from 2 to 3 years, and provides for staggered board terms. The bill removes a requirement requiring the Governor to appoint board members within 30 days of receiving a nomination and provides the Agency with rule making authority for carrying out the provisions of chapter 445, F.S.

The bill provides that Workforce Florida, Inc. is exempt from chapter 120, F.S., (Administrative Procedure Act) and chapter 287, F.S., (Procurement of Personal Property and Services).

The bill also updates outdated language and removes obsolete language.

The bill will take effect on July 1, 2005.

FULL ANALYSIS

I. SUBSTANTIVE ANALYSIS

A. HOUSE PRINCIPLES ANALYSIS:

Provide Limited Government- The bill provides rule making authority for the Agency for Workforce Innovation for Workforce Florida, Inc., activities and programs.

B. EFFECT OF PROPOSED CHANGES:

Present Situation

The Florida Legislature created the Agency for Workforce Innovation (AWI) in October 2000 with the passage of the Workforce Innovation Act (The Act). AWI serves as the administrator of Florida's workforce development system under contract with Workforce Florida, Inc., which provides policy direction and guidance to the state's 24 Regional Workforce Boards (RWB). RWBs contract with public and private entities for the operation of over 150 full-service and satellite one-stop career centers. All customers can access vast array of employment assistance services at the centers.

The Workforce Innovation Act ties workforce development to economic development strategy and emphasizes employers as an integral part of the workforce development system. Workforce Florida, Inc. markets employment opportunities in Florida to attract skilled workers. The Act allows local workforce development boards to team up with staffing services to better match people to jobs in their path towards self-sufficiency.

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. 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.

The Workforce Innovation Act consolidates state and local workforce administrations, outlines a single point of accountability and integrates seven different funding streams.

Proposed Changes

Agency Administration/Restructuring

The bill provides for AWI to have a separate budget provided in the General Appropriations Act and for AWI to serve as contract administrator for Workforce Florida, Inc. The bill renames the Office of Workforce Services the Office of Unemployment Compensation and collapses the organizational structure into three offices: Unemployment Compensation, Workforce Program Support, and Agency Support Services. This restructuring is designed to give the Agency flexibility in organizing and tasking itself to meet workforce development needs. The bill provides for the Director of AWI to establish a Deputy Director and Assistant Director to assist with administering the agency. The bill broadens program administration authority by removing specific references to programs. The bill provides that it is no longer a requirement for AWI to provide training for employees of administrative entities and case managers of any contracted providers, making training discretionary and without specific guidelines. The bill provides for AWI to have an official seal.

Workforce Florida, Inc.

The bill provides that Workforce Florida, Inc. is exempt from chapter 120, F.S., (Administrative Procedure Act) and chapter 287, F.S., (Procurement of Personal Property and Services).

The bill requires Workforce Florida to develop a system to encourage the leveraging of appropriated resources for the workforce system and report on such efforts in its annual report. The bill also removes language requiring a performance measure that requires an inefficient data collection and review process that is not cost-effective.

Workforce Florida Board

The bill removes voting privileges from Board members who are state agency heads or officials. According to AWI, these members often do not participate in meetings or send designees who cannot participate in Board discussions. Removing voting privileges will also help in keeping a quorum. The bill removes a reference to the WAGES program which is outdated.

The bill provides a term limit of two terms to the Chair of Workforce Florida. It also increases terms of members appointed by the Governor from two to three years. The bill provides staggering terms for Board members by having the Governor appoint or reappoint one-third of the Board members for one year terms, appoint or reappoint another third of the Board members for two year terms and appoint or reappoint the remaining third of the Board members for three year terms. After the July 1, 2004 appointment or reappointment of the entire Board, the Governor shall appoint or reappoint Board members for three year terms unless a member must be replaced before the end of the member's three year term, in which case the replacement will serve out the remainder of the three year term, after which they may be appointed for a full three year term.

The bill expands the sources of nominations for Board members by removing a provision stating only legislators may nominate members, but creates a provision stating that the President of The Senate and Speaker of the House may make nominations.

The bill provides that of the business members appointed by the governor to the Workforce Florida Board, 5 must have economic development experience. The bill removes a requirement for the Governor to appoint Board members 30 days after the nomination is received.

The bill provides that the Workforce Florida Board, committees, or subcommittees may meet using any method of telecommunications, providing that proper notice is given to the public for observation and participation purposes. The bill provides that the chair of the Board may select an executive committee rather than the Board of Directors.

The bill removes references to the First Jobs/First Wages Council, the Better Jobs/Better Wages Council, and the High Skills/High Wages Council. These Councils are repealed by the bill. AWI states that by removing these councils, the Board will be better suited to respond to current economic demands and will be able to better respond to any new direction from the Governor or Legislature.

The bill provides rule making authority for the Agency as necessary to administer the provisions of Chapter 445, F.S. Currently, the Agency does not have rule making authority to carry out provisions of this chapter.

The bill provides that all contracts of Workforce Florida, Inc., are exempt from s. 112.061, F.S., (per diem and travel expenses of public officers, employees, and authorized persons), chapter 120, F.S., (Administrative Procedure Act), and chapter 287, F.S., (Procurement of Personal Property and Services), however all contracts must meet federal requirements.

The bill provides that Workforce Florida, Inc., may pay for appropriate promotional activities, incentives and awards for performance by Regional Workforce Boards. Expenditures for such activities are not subject to chapter 287, F.S., (Procurement of Personal Property and Services), or chapter 17, F.S., (Chief Financial Officer), but all expenditures will be subject to Federal rules and regulations applicable to the expenditure of Federal funds.

Workforce Strategy

The bill removes references to the First Jobs/First Wages Council, the Better Jobs/Better Wages Council, and the High Skills/High Wages Council within the strategic components on the Workforce Development strategy.

The bill removes requirements under the First Job/First Wages Council that includes provisions relating to youth services funds expended to after school programs through qualified community-based organizations and faith-based organizations to provide after school care to children 14 to 18 years of age.

The bill removes language relating to the Better Jobs/Better Wages Council that provides the strategy for assisting employers in updating or upgrading the skills of their employees.

The bill removes language describing the High Skills/High wages program, which is the state's strategy for aligning education and training programs with high paying, high demand occupations that advance individuals' careers.

The bill redefines state workforce strategy to include efforts that enlist business, education, and community support for students to achieve long-term career goals, ensuring that young people have the academic and occupational skills required to succeed in the workplace. The bill also provides that the Workforce strategy must assist employers in upgrading or updating the skills of their employees and assisting workers to acquire the education or training needed to secure a better job with better wages. The strategy must also assist Florida's efforts to attract and expand job creating businesses offering high paying, high demand occupations.

Operational Plan and Regional Workforce Boards

The bill requires Workforce Florida to develop an operational plan to implement the strategic plan and updates references from "strategic" to "operational" plan. The bill requires Workforce Florida, Inc., to submit this plan to the Governor and Legislature along with the Strategic Plan and that the plan reflect the allocation of resources as appropriated by the Legislature for specific responsibilities enumerated in law.

The bill provides that the performance based payment structure that was used for all welfare transition program customers is now optional and that the payment structure may provide for bonus payments up to 10% to providers achieving notable success.

The bill requires the establishment of a dispute resolution process for memoranda of understanding of contracts or agreements entered into by Workforce Florida and the regional workforce boards.

Regional Workforce Board

The bill establishes that on each of the Regional Workforce Boards, the military representative must be ex-officio and clarifies that the military representative must be approved to serve by the appropriate military authority. Department of Defense rules state that military members are not permitted to vote as representatives of the military on any board.

The bill removes references to WAGES coalitions and changes to regional boards that are outdated.

The bill provides that the Workforce Florida Board, committees, or subcommittees to meet using any method of telecommunications and provides that the local Board meetings are subject to chapter 119, F.S. (public records) and chapter 286, F.S., (public meetings).

The bill requires the regional Workforce Board to elect a chair who will serve a term of two years and no more than two terms. This is a federal requirement.

The bill exempts the regional Workforce boards from chapter 120, F.S., (Administrative Procedure Act) and chapter 287, F.S., (Procurement of Personal Property and Services). Regional Workforce Board expenditures are subject to federal rules applicable to federal funds.

The bill authorizes regional workforce boards to adopt a committee structure consistent with federal policies and state policies established by Workforce Florida and removes existing structural requirements for more flexibility.

Teen Parent and Pregnancy Prevention Diversion Program

The bill clarifies that the teen parent pregnancy prevention diversion program is to assist teens in completing educational or employment programs, or both.

Removing Obsolete References and Correcting Outdated References

The bill provides language relating to the TANF (Temporary Assistance for Needy Families) State Fund criteria to determine families eligible for assistance. The bill removes language instructing the Department of Children and Family Services to adopt rules to indicate this criteria. This is redundant to federal law

The bill removes language relating to Florida's Performance Based Incentive Fund. The program was created by the legislature and funded with federal funds. The U.S. Department of Labor (USDOL) has ruled that this program was not a correct use of funds and has disallowed the \$11.4 million used to fund it.

The bill removes references to the Minority Teacher Aide Program, the Certified Teacher Aide Program, and the Self Employment Institute Program. The Minority Teacher Aide Program was ruled by the USDOL as an illegal use of federal funds. The Certified Teacher Aide Program and the Self Employment Institute Program have never been enacted by Workforce Florida and never been funded by the legislature.

The bill broadens the definition of materials used for training and continuing education for incumbent employees to include "training" materials, not just "classroom" materials.

The bill removes a requirement for the Incumbent Worker Training Program report to be submitted by Workforce Florida, Inc., to the Legislature because the data is included in the WFI annual report. The bill removes language relating to the Florida Department of Labor and the Labor and Job Partnership and Training Act. The entities are no longer in existence.

The bill removes language requiring OPPAGA, in consultation with Workforce Florida, to review and report the delivery of employment services under the Wagner Peyser Act and the integration of those services with other activities performed through the one stop delivery system and provide recommendations to the Legislature for improving the effectiveness of the delivery of employment services in the state. The report was due in 2002 and is outdated.

The bill removes a reference to the Welfare to work grant that was rescinded in January 2004 by Congress. The program no longer exists and is repealed within this bill. The bill updates a reference to

federal law and removes a reference to employment and training activities carried out under the Community Services Block Grant Act. This grant is not under the purview of Workforce Florida or AWI, but is under the Department of Community Affairs.

The bill removes references to programs authorized under the National and Community Service Act of 1990, 42 U.S.C. ss. 12501 et seq., and the Service-America programs, the National Service Trust programs, the Civilian Community Corps, the Corporation for National and Community Service, the American Conservation and Youth Service Corps, and the Points of Light Foundation programs, if such programs are awarded to the state. These programs are carried out under the purview of the Department of Community Affairs.

The bill removes language relating to Workforce Investment Act youth services.

The bill removes outdated language relating to the secretary and Florida Department of Labor. The bill removes references to an OPPAGA report that is outdated.

The bill provides technical corrections.

Repeals

The bill repeals the following sections:

Section 445.005, F.S., repealing the First Jobs/First Wages, Better Jobs/Better Wages, and High Skills/High Wages Councils of Workforce Florida, Inc. The bill redesigns the workforce development strategy and structure, repealing the councils as a result.

Sections 445.012, 445.0122, 445.0123, and 445.0124, F.S., repealing the Careers for Florida's Future Incentive Grant Program. The program funding was vetoed following the 2000 session and was never refunded.

Section 445.013, F.S., repealing Challenge grants in support of Welfare to Work initiative. The Welfare to Work program which no longer exists.

Sections 446.22, 446.23, 446.24, 446.25, 446.26, and 446.27, F.S., repealing Florida Youth-at-Risk 2000 Pilot Program which is defunct.

C. SECTION DIRECTORY:

Section 1: Amends s. 20.50, F.S., relating to the Agency for Workforce Innovation.

Section 2: Amends s. 427.012, F.S., relating to the Commission for the Transportation Disadvantaged.

Section 3: Amends s. 445.003, F.S., relating to Workforce Investment Act Programs.

Section 4: Amends s. 445.004, F.S., relating to Workforce Florida, Inc.

Section 5: Amends s. 445.006, F.S., relating to strategic plans for workforce development.

Section 6: Amends s. 445.007, F.S., relating to Regional Workforce Boards.

Section 7: Amends s. 445.009, F.S., relating to the One Stop Delivery System.

Section 8: Amends s. 445.019, F.S., relating to the Teen Parent and Pregnancy Prevention Diversion Program.

Section 9: Amends 445.020, F.S., relating to Diversion programs.

Section 10: Repeals ss. 445.005, 445.012, 445.0121, 445.0122, 445.0123, 445.0124, 445.0125, 445.013, 446.22, 446.23, 446.24, 446.25, 446.26, 446.27, FS.

Section 11: Provides an effective date of July 1, 2005.

II. FISCAL ANALYSIS & ECONOMIC IMPACT STATEMENT

A. FISCAL IMPACT ON STATE GOVERNMENT:

1. Revenues:

The Agency for Workforce Innovation reports that there will be no fiscal impact as a result of this bill.

2. Expenditures:

The Agency for Workforce Innovation reports that there will be no fiscal impact as a result of this bill.

B. FISCAL IMPACT ON LOCAL GOVERNMENTS:

1. Revenues:

The Agency for Workforce Innovation reports that there will be no fiscal impact as a result of this bill.

2. Expenditures:

The Agency for Workforce Innovation reports that there will be no fiscal impact as a result of this bill.

C. DIRECT ECONOMIC IMPACT ON PRIVATE SECTOR:

The Agency for Workforce Innovation reports that there will be no fiscal impact as a result of this bill.

D. FISCAL COMMENTS:

None.

III. COMMENTS

A. CONSTITUTIONAL ISSUES:

1. Applicability of Municipality/County Mandates Provision:

Not applicable because this bill does not appear to require cities or counties to spend funds or take actions requiring the expenditure of funds; reduce the authority that cities or counties have to raise revenues in the aggregate; or reduce the percentage of a state tax shared with cities or counties.

2. Other:

None.

B. RULE-MAKING AUTHORITY:

The bill gives the Agency for Workforce Innovation rulemaking authority to implement ch. 445, F.S.

C. DRAFTING ISSUES OR OTHER COMMENTS:

None.

IV. AMENDMENTS/COMMITTEE SUBSTITUTE & COMBINED BILL CHANGES

The Commerce Council adopted a strike-all amendment to the bill on April 21, 2005. The amendment:

- Restores the Office of Early Learning, which was stricken in error in the first draft;
- Requires the director of the Agency for Workforce Innovation to organize the agency to best meet the goals of the agency;
- Requires Workforce Florida to apply procurement and expenditure procedures required by federal law for the expenditure of federal funds;
- Provides that Workforce Florida contracts are exempt from s. 112.061 but must meet federal requirements;
- Clarifies how expenditures for promotional items may be authorized and requires that such expenditures meet federal requirements;
- Requires the establishment of a dispute resolution process for memoranda of understanding or contracts or agreements entered into by Workforce Florida and the regional workforce boards;
- Authorizes regional workforce boards to adopt a committee structure consistent with federal policies and state policies established by Workforce Florida and removes existing structural requirements for more flexibility; and
- Makes various technical and conforming changes.