

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: Commerce and Consumer Services Committee

BILL: CS/SB 2484

SPONSOR: Commerce and Consumer Services Committee and Senators Lynn & Clary

SUBJECT: Qualified Job Training Organizations

DATE: April 14, 2005

REVISED: _____

	ANALYST	STAFF DIRECTOR	REFERENCE	ACTION
1.	Gordon	Cooper	CM	Fav/CS
2.	_____	_____	TA	_____
3.	_____	_____	WM	_____
4.	_____	_____	_____	_____
5.	_____	_____	_____	_____
6.	_____	_____	_____	_____

I. Summary:

Committee Substitute for Senate Bill 2484 appropriates \$3 million annually for 10 years to job-training organizations meeting certain criteria. These funds may only be used for economic development through capital construction, improvements or the purchase of equipment that will result in expanded employment opportunities.

The committee substitute creates section 288.1171, Florida Statutes.

II. Present Situation:

Representatives from one job-training organization, Goodwill Industries, report that 95,000 individuals annually participate in vocational programs. Last year, Goodwill helped approximately 24,000 individuals obtain jobs in Florida resulting in more than \$234 million in new salaries and millions of dollars in savings to the state since it did not have to absorb those training costs.

Goodwill representatives also report that the majority of the organization's revenue is invested in creating jobs for those with disabilities, developing training opportunities that lead to employment in the local communities and assisting in job placement. The primary source of revenue for Goodwill is its retail operation. It currently operates over 300 stores across Florida which generate over \$100 million dollars annually, employs about 5,700 Floridians and pays more than \$7 million to the state in sales taxes each year.

III. Effect of Proposed Changes:

Section 1 of creates s. 288.1171, F.S., to specify criteria to become a “qualified job training organization” eligible for an annual appropriation to be used to encourage and provide economic development.

Subsection (1) defines a qualified job training organization as an organization that is:

- Accredited by the Commission for Accreditation of Rehabilitation Facilities;
- An organization that collects Florida state sales tax;
- A statewide organization with more than 100 locations within the state;
- A not-for-profit organization as defined in s. 501(c)(3) or s. 501(c)(4) of the Internal Revenue Code of 1986, as amended;
- Specializing in the retail sale of donated items;
- Providing job training and employment services to individuals with workplace disadvantages and disabilities; and
- Using a majority of its revenues for job training and placement programs that create jobs and foster economic development.

Subsection (2) provides that in order to receive funding, an organization must be certified as a qualified job training organization by the Office of Tourism, Trade, and Economic Development.

Subsection (3) provides that, once certified, qualified job training organizations can use the funding provided by this committee substitute only to encourage and provide economic development through capital construction, capital improvements, and the purchase of equipment that will result in expanded employment opportunities.

Subsection (4) permits the Auditor General to audit a qualified job training organization to verify that these funds are being expended as required. If the Auditor General finds non-compliance, OTTED may pursue recovery of the proceeds under the laws and rules “governing the assessment of taxes.”

Moreover, subsection (5) provides that failure to use proceeds as required under this committee substitute constitutes grounds for revocation of OTTED’s certification.

Section 2 appropriates \$3 million per year from nonrecurring general revenue for ten years to the Office of Tourism, Trade, and Economic Development for the purposes defined in s. 288.1171(3), F.S., as created in section 1 of the committee substitute. Furthermore, in FY 2005-2006 funding will be provided from nonrecurring general revenue. For fiscal years 2006-2007 through 2015-2016, funding will be appropriated from nonrecurring general revenue or as specifically provided in the General Appropriations Act. The funds will go directly to OTTED for distribution to organizations meeting the requirements of 288.1171(1), F.S., solely to encourage economic development through capital construction, capital improvements, or the purchase of equipment.

Section 3 provides the act shall take effect on July 1, 2005.

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 committee substitute requires the Legislature to appropriate \$3 million for the purposes described in 288.1171(3) annually for the next ten years to qualified job-training organizations.

C. Government Sector Impact:

This committee substitute requires the Legislature to appropriate \$3 million for the purposes described in 288.1171(3) annually for the next ten years to qualified job-training organizations.

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.
