

HB 1505

2008

1 A bill to be entitled

2 An act relating to workforce development; creating s.
3 445.06, F.S.; creating the Florida Business and Workforce
4 Competitiveness Program within the Agency for Workforce
5 Innovation; requiring funds allocated to the program to be
6 used for competitive grants awarded by the regional
7 workforce boards; providing the purpose of the program;
8 requiring Workforce Florida, Inc., to allocate funds from
9 the Florida Business and Workforce Competitiveness Trust
10 Fund to regional workforce boards; providing that only
11 certain employers are eligible for an award of a grant
12 under the program; imposing an employment training
13 investment assessment; providing the time and method in
14 which the employment training investment assessment is
15 due; providing conditions when the employment training
16 investment assessment is not imposed; requiring Workforce
17 Florida, Inc., to establish guidelines governing the
18 program and criteria to evaluate applications for funding;
19 amending s. 443.131, F.S.; providing for an adjustment in
20 the contribution rates for unemployment compensation of
21 certain employers; providing an exception from the
22 restriction against rounding an employer's contribution
23 rate to less than 0.1 percent; providing a contingent
24 effective date.

25
26 Be It Enacted by the Legislature of the State of Florida:
27

28 Section 1. Section 445.06, Florida Statutes, is created to
 29 read:

30 445.06 Florida Business and Workforce Competitiveness
 31 Program.--

32 (1) The Florida Business and Workforce Competitiveness
 33 Program is created within the Agency for Workforce Innovation
 34 and funds allocated to the program shall be used by regional
 35 workforce boards, as defined in s. 445.007, to award competitive
 36 grants to employers for the purpose of fostering economic
 37 development by training incumbent, underemployed, and employed
 38 workers in occupations that are in demand. The purpose of the
 39 program is to provide the training needed to effectively address
 40 the changing skill requirements resulting from new technology,
 41 retooling, new product lines, and new organizational
 42 structuring. Each regional workforce board shall administer the
 43 grants, including determining award recipients within funding
 44 available to it for that purpose.

45 (2) Workforce Florida, Inc., shall allocate to each
 46 regional workforce board its share of funds available under the
 47 program in accordance with procedures established for this
 48 purpose.

49 (3) A quarterly employment training investment assessment
 50 shall be imposed on or after January 1, 2009, on each employer
 51 paying contributions under s. 443.131 at a rate below the
 52 maximum contribution rate of 5.4 percent as provided in s.
 53 443.131(3)(e)1.d. as a separate assessment of one-hundredth of 1
 54 percent of wages paid by the employer as defined in s. 443.1217
 55 and the proceeds shall be deposited in the Florida Business and

56 Workforce Competitiveness Trust Fund for the purposes of this
 57 section.

58 (4) Only employers who are subject to the contribution
 59 method of financing unemployment compensation benefits under s.
 60 443.131 and who are subject to the employment training
 61 investment assessment are eligible for award of a grant under
 62 this program.

63 (5) The employment training investment assessment is due
 64 at the same time, collected in the same manner, and subject to
 65 the same penalties and interest as other contributions assessed
 66 under s. 443.131.

67 (6) The employment training investment assessment may not
 68 be imposed for any year in which the balance in the Unemployment
 69 Compensation Trust Fund requires the computation of a positive
 70 adjustment factor as provided in s. 443.131(3)(e)1.c.

71 (7) Workforce Florida, Inc., shall establish guidelines
 72 governing the administration of the Florida Business and
 73 Workforce Competitiveness Program and shall establish criteria
 74 to be used by regional workforce boards in evaluating
 75 applications for funding.

76 Section 2. Paragraph (c) is added to subsection (2) of
 77 section 443.131, Florida Statutes, and paragraph (e) of
 78 subsection (3) of that section is amended, to read:

79 443.131 Contributions.--

80 (2) CONTRIBUTION RATES.--Each employer must pay
 81 contributions equal to the following percentages of wages paid
 82 by him or her for employment:

83 (c) Adjustment.--On or after January 1, 2009, the
 84 contribution rate of each employer having an initial or variable
 85 rate below the maximum contribution rate of 5.4 percent provided
 86 in sub-subparagraph (3)(e)1.d. shall be adjusted to a rate
 87 computed by subtracting one-hundredth of 1 percent from the rate
 88 otherwise computed under this section. However, the adjustment
 89 provided in this paragraph shall not be in effect for any year
 90 in which the balance in the Unemployment Compensation Trust Fund
 91 requires the computation of a positive adjustment factor as
 92 provided in sub-subparagraph (3)(e)1.c.

93 (3) VARIATION OF CONTRIBUTION RATES BASED ON BENEFIT
 94 EXPERIENCE.--

95 (e) Assignment of variations from the standard rate.--

96 1. The tax collection service provider shall assign a
 97 variation from the standard rate of contributions for each
 98 calendar year to each eligible employer. In determining the
 99 contribution rate, varying from the standard rate to be assigned
 100 each employer, adjustment factors computed under sub-
 101 subparagraphs a.-c. shall be added to the benefit ratio. This
 102 addition shall be accomplished in two steps by adding a variable
 103 adjustment factor and a final adjustment factor. The sum of
 104 these adjustment factors computed under sub-subparagraphs a.-c.
 105 shall first be algebraically summed. The sum of these adjustment
 106 factors shall next be divided by a gross benefit ratio
 107 determined as follows: Total benefit payments for the 3-year
 108 period described in subparagraph (b)2. shall be charged to
 109 employers eligible for a variation from the standard rate, minus
 110 excess payments for the same period, divided by taxable payroll

111 entering into the computation of individual benefit ratios for
 112 the calendar year for which the contribution rate is being
 113 computed. The ratio of the sum of the adjustment factors
 114 computed under sub-subparagraphs a.-c. to the gross benefit
 115 ratio shall be multiplied by each individual benefit ratio that
 116 is less than the maximum contribution rate to obtain variable
 117 adjustment factors; except that in any instance in which the sum
 118 of an employer's individual benefit ratio and variable
 119 adjustment factor exceeds the maximum contribution rate, the
 120 variable adjustment factor shall be reduced in order that the
 121 sum equals the maximum contribution rate. The variable
 122 adjustment factor for each of these employers is multiplied by
 123 his or her taxable payroll entering into the computation of his
 124 or her benefit ratio. The sum of these products shall be divided
 125 by the taxable payroll of the employers who entered into the
 126 computation of their benefit ratios. The resulting ratio shall
 127 be subtracted from the sum of the adjustment factors computed
 128 under sub-subparagraphs a.-c. to obtain the final adjustment
 129 factor. The variable adjustment factors and the final adjustment
 130 factor shall be computed to five decimal places and rounded to
 131 the fourth decimal place. This final adjustment factor shall be
 132 added to the variable adjustment factor and benefit ratio of
 133 each employer to obtain each employer's contribution rate. With
 134 the exception of the adjustment provided in paragraph (2)(c), an
 135 employer's contribution rate may not, ~~however,~~ be rounded to
 136 less than 0.1 percent.

137 a. An adjustment factor for noncharge benefits shall be
 138 computed to the fifth decimal place and rounded to the fourth

139 decimal place by dividing the amount of noncharge benefits
140 during the 3-year period described in subparagraph (b)2. by the
141 taxable payroll of employers eligible for a variation from the
142 standard rate who have a benefit ratio for the current year
143 which is less than the maximum contribution rate. For purposes
144 of computing this adjustment factor, the taxable payroll of
145 these employers is the taxable payrolls for the 3 years ending
146 June 30 of the current calendar year as reported to the tax
147 collection service provider by September 30 of the same calendar
148 year. As used in this sub-subparagraph, the term "noncharge
149 benefits" means benefits paid to an individual from the
150 Unemployment Compensation Trust Fund, but which were not charged
151 to the employment record of any employer.

152 b. An adjustment factor for excess payments shall be
153 computed to the fifth decimal place, and rounded to the fourth
154 decimal place by dividing the total excess payments during the
155 3-year period described in subparagraph (b)2. by the taxable
156 payroll of employers eligible for a variation from the standard
157 rate who have a benefit ratio for the current year which is less
158 than the maximum contribution rate. For purposes of computing
159 this adjustment factor, the taxable payroll of these employers
160 is the same figure used to compute the adjustment factor for
161 noncharge benefits under subparagraph a. As used in this
162 sub-subparagraph, the term "excess payments" means the amount of
163 benefits charged to the employment record of an employer during
164 the 3-year period described in subparagraph (b)2., less the
165 product of the maximum contribution rate and the employer's
166 taxable payroll for the 3 years ending June 30 of the current

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167 | calendar year as reported to the tax collection service provider
168 | by September 30 of the same calendar year. As used in this sub-
169 | subparagraph, the term "total excess payments" means the sum of
170 | the individual employer excess payments for those employers that
171 | were eligible to be considered for assignment of a contribution
172 | rate different from the standard rate.

173 | c. If the balance of the Unemployment Compensation Trust
174 | Fund on June 30 of the calendar year immediately preceding the
175 | calendar year for which the contribution rate is being computed
176 | is less than 3.7 percent of the taxable payrolls for the year
177 | ending June 30 as reported to the tax collection service
178 | provider by September 30 of that calendar year, a positive
179 | adjustment factor shall be computed. The positive adjustment
180 | factor shall be computed annually to the fifth decimal place and
181 | rounded to the fourth decimal place by dividing the sum of the
182 | total taxable payrolls for the year ending June 30 of the
183 | current calendar year as reported to the tax collection service
184 | provider by September 30 of that calendar year into a sum equal
185 | to one-fourth of the difference between the balance of the fund
186 | as of June 30 of that calendar year and the sum of 4.7 percent
187 | of the total taxable payrolls for that year. The positive
188 | adjustment factor remains in effect for subsequent years until
189 | the balance of the Unemployment Compensation Trust Fund as of
190 | June 30 of the year immediately preceding the effective date of
191 | the contribution rate equals or exceeds 3.7 percent of the
192 | taxable payrolls for the year ending June 30 of the current
193 | calendar year as reported to the tax collection service provider
194 | by September 30 of that calendar year. If the balance of the

195 Unemployment Compensation Trust Fund as of June 30 of the year
196 immediately preceding the calendar year for which the
197 contribution rate is being computed exceeds 4.7 percent of the
198 taxable payrolls for the year ending June 30 of the current
199 calendar year as reported to the tax collection service provider
200 by September 30 of that calendar year, a negative adjustment
201 factor shall be computed. The negative adjustment factor shall
202 be computed annually to the fifth decimal place and rounded to
203 the fourth decimal place by dividing the sum of the total
204 taxable payrolls for the year ending June 30 of the current
205 calendar year as reported to the tax collection service provider
206 by September 30 of the calendar year into a sum equal to one-
207 fourth of the difference between the balance of the fund as of
208 June 30 of the current calendar year and 4.7 percent of the
209 total taxable payrolls of that year. The negative adjustment
210 factor remains in effect for subsequent years until the balance
211 of the Unemployment Compensation Trust Fund as of June 30 of the
212 year immediately preceding the effective date of the
213 contribution rate is less than 4.7 percent, but more than 3.7
214 percent of the taxable payrolls for the year ending June 30 of
215 the current calendar year as reported to the tax collection
216 service provider by September 30 of that calendar year.

217 d. The maximum contribution rate that may be assigned to
218 an employer is 5.4 percent, except employers participating in an
219 approved short-time compensation plan may be assigned a maximum
220 contribution rate that is 1 percent greater than the maximum
221 contribution rate for other employers in any calendar year in

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222 | which short-time compensation benefits are charged to the
223 | employer's employment record.

224 | 2. If the transfer of an employer's employment record to
225 | an employing unit under paragraph (f) which, before the
226 | transfer, was an employer, the tax collection service provider
227 | shall recompute a benefit ratio for the successor employer based
228 | on the combined employment records and reassign an appropriate
229 | contribution rate to the successor employer effective on the
230 | first day of the calendar quarter immediately after the
231 | effective date of the transfer.

232 | Section 3. This act shall take effect upon becoming a law,
233 | if HB 1507 or similar legislation is adopted in the same
234 | legislative session or an extension thereof and becomes law.