

By Senator Wise

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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; providing the purpose of the program;
6 requiring Workforce Florida, Inc., to allocate funds from
7 the Business and Workforce Competitiveness Trust Fund to
8 regional workforce boards; providing that only certain
9 employers are eligible for an award of a grant under the
10 program; providing the time and method in which the
11 employment training investment assessment is due;
12 providing conditions when the employment training
13 investment assessment is not imposed; requiring Workforce
14 Florida, Inc., to establish guidelines governing the
15 program and criteria to evaluate applications for funding;
16 amending s. 443.131, F.S.; providing for an adjustment in
17 the contribution rates for unemployment compensation of
18 certain employers; providing an exception from the
19 restriction against rounding an employer's contribution
20 rate to less than 0.1 percent; providing a contingent
21 effective date.

22
23 Be It Enacted by the Legislature of the State of Florida:

24
25 Section 1. Section 445.06, Florida Statutes, is created to
26 read:

27 445.06 Florida Business and Workforce Competitiveness
28 Program.--

29 (1) The Business and Workforce Competitiveness Program is

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

42 (2) Workforce Florida, Inc., shall allocate to each
43 regional workforce board its share of funds available under the
44 Florida Business and Workforce Competitiveness Trust Fund in
45 accordance with procedures established for this purpose.

46 (3) The trust fund shall consist of a quarterly employment
47 and training investment assessment imposed on or after January 1,
48 2009, on each employer paying contributions under s. 443.131 at a
49 rate below the maximum contribution rate of 5.4 percent as
50 provided in s. 443.131(3)(e) as a separate assessment of one-
51 hundredth of 1 percent of wages paid by the employer as defined
52 in s. 443.1217.

53 (4) Only employers who are subject to the contribution
54 method of financing unemployment compensation benefits under s.
55 443.131 and who are subject to the employment training investment
56 assessment are eligible for a grant under this program.

57 (5) The employment training investment assessment is due at
58 the same time, collected in the same manner, and subject to the

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59 same penalties and interest as other contributions assessed under
60 s. 443.131.

61 (6) The employment training investment assessment may not
62 be imposed for any year in which the balance in the unemployment
63 compensation trust fund requires the computation of a positive
64 adjustment factor as provided in s. 443.131(2) (e).

65 (7) Workforce Florida, Inc., shall establish guidelines
66 governing the administration of the Florida Business and
67 Workforce Competitiveness Program and shall establish criteria to
68 be used by regional workforce boards in evaluating applications
69 for funding.

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

73 443.131 Contributions.--

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

77 (c) Adjustment.--On and after January 1, 2009, the
78 contribution rate of each employer having an initial or variable
79 rate below the maximum contribution rate of 5.4 percent provided
80 in paragraph (3) (e) shall be adjusted to a rate computed by
81 subtracting one-hundredth of one percent from the rate otherwise
82 computed under this section. However, the adjustment provided in
83 this paragraph is not effective for any year in which the balance
84 in the unemployment compensation trust fund requires the
85 computation of a positive adjustment factor as provided in s.
86 443.131(2) (e).

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87 (3) VARIATION OF CONTRIBUTION RATES BASED ON BENEFIT
88 EXPERIENCE.--

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

90 1. The tax collection service provider shall assign a
91 variation from the standard rate of contributions for each
92 calendar year to each eligible employer. In determining the
93 contribution rate, varying from the standard rate to be assigned
94 each employer, adjustment factors computed under sub-
95 subparagraphs a.-c. shall be added to the benefit ratio. This
96 addition shall be accomplished in two steps by adding a variable
97 adjustment factor and a final adjustment factor. The sum of these
98 adjustment factors computed under sub-subparagraphs a.-c. shall
99 first be algebraically summed. The sum of these adjustment
100 factors shall next be divided by a gross benefit ratio determined
101 as follows: Total benefit payments for the 3-year period
102 described in subparagraph (b)2. shall be charged to employers
103 eligible for a variation from the standard rate, minus excess
104 payments for the same period, divided by taxable payroll entering
105 into the computation of individual benefit ratios for the
106 calendar year for which the contribution rate is being computed.
107 The ratio of the sum of the adjustment factors computed under
108 sub-subparagraphs a.-c. to the gross benefit ratio shall be
109 multiplied by each individual benefit ratio that is less than the
110 maximum contribution rate to obtain variable adjustment factors;
111 except that in any instance in which the sum of an employer's
112 individual benefit ratio and variable adjustment factor exceeds
113 the maximum contribution rate, the variable adjustment factor
114 shall be reduced in order that the sum equals the maximum
115 contribution rate. The variable adjustment factor for each of

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116 these employers is multiplied by his or her taxable payroll
117 entering into the computation of his or her benefit ratio. The
118 sum of these products shall be divided by the taxable payroll of
119 the employers who entered into the computation of their benefit
120 ratios. The resulting ratio shall be subtracted from the sum of
121 the adjustment factors computed under sub-subparagraphs a.-c. to
122 obtain the final adjustment factor. The variable adjustment
123 factors and the final adjustment factor shall be computed to five
124 decimal places and rounded to the fourth decimal place. This
125 final adjustment factor shall be added to the variable adjustment
126 factor and benefit ratio of each employer to obtain each
127 employer's contribution rate. With the exception of the
128 adjustment provided in paragraph (2) (c), an employer's
129 contribution rate may not, however, be rounded to less than 0.1
130 percent.

131 a. An adjustment factor for noncharge benefits shall be
132 computed to the fifth decimal place and rounded to the fourth
133 decimal place by dividing the amount of noncharge benefits during
134 the 3-year period described in subparagraph (b)2. by the taxable
135 payroll of employers eligible for a variation from the standard
136 rate who have a benefit ratio for the current year which is less
137 than the maximum contribution rate. For purposes of computing
138 this adjustment factor, the taxable payroll of these employers is
139 the taxable payrolls for the 3 years ending June 30 of the
140 current calendar year as reported to the tax collection service
141 provider by September 30 of the same calendar year. As used in
142 this sub-subparagraph, the term "noncharge benefits" means
143 benefits paid to an individual from the Unemployment Compensation

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144 Trust Fund, but which were not charged to the employment record
145 of any employer.

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

167 c. If the balance of the Unemployment Compensation Trust
168 Fund on June 30 of the calendar year immediately preceding the
169 calendar year for which the contribution rate is being computed
170 is less than 3.7 percent of the taxable payrolls for the year
171 ending June 30 as reported to the tax collection service provider
172 by September 30 of that calendar year, a positive adjustment

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

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202 total taxable payrolls of that year. The negative adjustment
203 factor remains in effect for subsequent years until the balance
204 of the Unemployment Compensation Trust Fund as of June 30 of the
205 year immediately preceding the effective date of the contribution
206 rate is less than 4.7 percent, but more than 3.7 percent of the
207 taxable payrolls for the year ending June 30 of the current
208 calendar year as reported to the tax collection service provider
209 by September 30 of that calendar year.

210 d. The maximum contribution rate that may be assigned to an
211 employer is 5.4 percent, except employers participating in an
212 approved short-time compensation plan may be assigned a maximum
213 contribution rate that is 1 percent greater than the maximum
214 contribution rate for other employers in any calendar year in
215 which short-time compensation benefits are charged to the
216 employer's employment record.

217 2. If the transfer of an employer's employment record to an
218 employing unit under paragraph (f) which, before the transfer,
219 was an employer, the tax collection service provider shall
220 recompute a benefit ratio for the successor employer based on the
221 combined employment records and reassign an appropriate
222 contribution rate to the successor employer effective on the
223 first day of the calendar quarter immediately after the effective
224 date of the transfer.

225 Section 3. This act shall take effect upon becoming a law,
226 if SB ____, or similar legislation is adopted in the same
227 legislative session or an extension thereof and becomes law.