

FULL ANALYSIS

I. SUBSTANTIVE ANALYSIS

A. HOUSE PRINCIPLES ANALYSIS:

Provides Limited Government – The bill increases the government’s role in providing direct services for workforce needs, by allowing the regional workforce boards to compete with the private sector.

B. EFFECT OF PROPOSED CHANGES:

Present Situation

Workforce Florida, Inc. (WFI) is the principal workforce policy organization for the state.² The purpose of Workforce Florida, Inc., is to design and implement strategies that help Floridians enter, remain in, and advance in the workplace. The Agency for Workforce Innovation (AWI) is responsible for implementing WFI’s policy through its 24 regional workforce boards. The boards deliver program services at the local level through one-stop career centers. Currently, one-stop career centers provide employment services to job seekers, such as job training and career counseling. The one-stop centers also assist employers in finding workers to fill vacancies.

Federal law funds and imposes duties and restrictions on the delivery of workforce services at the state level. This law requires three types of services that must be provided to customers of one-stop centers: training services, core services, or intensive services. Training services may include, but are not limited to: occupational skills training, on-the-job training, programs that combine workplace training with related instruction (e.g. cooperative education programs), training programs operated by the private sector, and skill upgrading and retraining.³

Core services must include, at a minimum, 11 categories of services, which include: determination of eligibility to receive assistance, initial assessment of skill levels, job search and placement assistance, and the provision of information relating to the availability of support services.³

Intensive services are those that are available to adult and dislocated workers and include specialized assessments of skill levels, development of an individual employment plan which identifies specific employment goals, group counseling, individual counseling, case management, and short term-prevocational services such as interviewing skills and communication skills.³

Training services are those that are available to adults and dislocated workers and may include occupational skills training, including training for nontraditional employment; on-the-job training; programs that combine workplace training with related instruction, which may include cooperative education programs; training programs operated by the private sector; skill upgrading and retraining; entrepreneurial training; and job readiness training.³

Effect of Proposed Change

This Council Substitute would permit regional workforce boards to be designated as one-stop operators and direct providers of intake, assessment, eligibility determinations, or other direct provider services except training services, subject to agreement of the chief elected official and the Governor as specified in 29 U.S.C s. 2832(f)(2).

² Chapter 445, F.S.

³ 29 U.S.C. Sec. 2864

The Council Substitute also requires Workforce Florida, Inc. to develop procedures and criteria for a regional workforce board to request permission to be designated as a one-stop operator. It specifies that the criteria must include a reduction in the cost of providing the permitted services. Finally, the CS provides that such permission shall only last for three years for each request.

C. SECTION DIRECTORY:

Section 1: Amends s. 445.007(6), F.S., to permit regional workforce boards to be designated as one-stop operators and direct providers of intake, assessment, eligibility determinations, or other direct provider services except training services. Requires Workforce Florida, Inc. to develop procedures and criteria for granting permission and limits such permission to three years.

Section 2: Provides an effective date of July 1, 2008.

II. FISCAL ANALYSIS & ECONOMIC IMPACT STATEMENT

A. FISCAL IMPACT ON STATE GOVERNMENT:

1. Revenues:

None.

2. Expenditures:

None.

B. FISCAL IMPACT ON LOCAL GOVERNMENTS:

1. Revenues:

None.

2. Expenditures:

None.

C. DIRECT ECONOMIC IMPACT ON PRIVATE SECTOR:

Local businesses that have contracted with regional workforce boards to be direct providers of services may lose the revenue they derived from those contracts.

D. FISCAL COMMENTS:

The regional workforce boards have reported that they may experience cost savings by directly providing the services through a reduction in indirect cost and profit charges by the for-profit private businesses currently providing the services.

III. COMMENTS

A. CONSTITUTIONAL ISSUES:

1. Applicability of Municipality/County Mandates Provision:

This bill does not require counties or municipalities to spend funds or take action requiring the expenditure of funds. This bill does not reduce the percentage of state tax shared with counties or municipalities. This bill does not reduce the authority that municipalities have to raise revenue.

2. Other:

None.

B. RULE-MAKING AUTHORITY:

None.

C. DRAFTING ISSUES OR OTHER COMMENTS:

None.

D. STATEMENT OF THE SPONSOR

No statement submitted.

IV. AMENDMENTS/COUNCIL SUBSTITUTE CHANGES

On Thursday March 20, 2008, the Committee on Economic Development reported the bill favorably with one amendment. The amendment removed the ability for regional workforce boards to offer training services. This change conforms the bill to Senate Bill 428.

On Friday April 11, 2008, the Economic Expansion and Infrastructure Council reported the bill favorably as a Council Substitute (CS). The CS included language requiring Workforce Florida, Inc. to develop procedures and criteria for a regional workforce board to request permission to be designated as a one-stop operator. It specified that the criteria must include a reduction in the cost of providing the permitted services. Finally, the CS provides that such permission shall only last for three years for each request.