

HOUSE OF REPRESENTATIVES STAFF ANALYSIS

BILL #: HB 7019 **BILL EDTS** 15-02 **PCB EDTS** 15-02 **Workforce Services**

SPONSOR(S): Economic Development & Tourism Subcommittee, Drake

TIED BILLS: **IDEN./SIM. BILLS:** SB 7002

REFERENCE	ACTION	ANALYST	STAFF DIRECTOR or BUDGET/POLICY CHIEF
Orig. Comm.: Economic Development & Tourism Subcommittee	9 Y, 0 N	Lukis	Duncan
1) Transportation & Economic Development Appropriations Subcommittee	12 Y, 0 N	Proctor	Davis
2) Economic Affairs Committee			

SUMMARY ANALYSIS

The bill relates to Florida's workforce development system and contains the following provisions:

- changes the name of Workforce Florida, Inc., to CareerSource Florida, Inc.;
- creates a task force to develop the state's plan for implementing the federal Workforce Innovation and Opportunity Act 2014 (WIOA); and
- suspends the Workforce Estimating Conference for Fiscal Year 2015-2016.

The bill may have an insignificant fiscal impact to the state which can be absorbed within the Department of Economic Opportunity's existing resources to support the task force created to implement WIOA.

The bill is effective upon becoming law.

FULL ANALYSIS

I. SUBSTANTIVE ANALYSIS

A. EFFECT OF PROPOSED CHANGES:

Workforce Florida, Inc.

Present Situation

Florida's Workforce System

Three primary entities (or group of entities) are tasked with the administration and implementation of Florida's workforce system:¹ Workforce Florida, Inc. (WFI), the Department of Economic Opportunity (DEO), and the state's 24 Regional Workforce Boards (RWBs). As discussed below, each works together and have overlapping responsibilities.

WFI, a nonprofit corporation administratively housed within DEO, is the "principal workforce policy organization for the state."² WFI works in conjunction with DEO and provides state-level workforce policy and planning, and evaluates the performance of various workforce related programs.³ WFI also oversees various activities implemented by the RWBs.⁴

DEO assists WFI in developing and disseminating policies and provides technical assistance to WFI and the RWBs.⁵ Additionally, among other statutorily required responsibilities related to Florida's workforce, DEO prepares and submits a budget request for workforce development, ensures that the state appropriately administers federal and state workforce funding, and implements the state's reemployment assistance program.⁶ DEO also serves as the designated agency for purposes of each federal workforce development grant assigned to it for administration.⁷

The RWBs, which take policy directives from WFI and program and fiscal directives from DEO⁸, develop local workforce plans and directly oversee workforce development activities within the RWBs' regions.⁹ The RWBs also select contractors to operate local One-Stop Career Centers. The One-Stop Career Centers deliver employment services to job seekers and employers.¹⁰ Services include job placement and recruitment assistance, as well as funding for skills training.¹¹ There are over 100 One-Stop Career Centers throughout the state.¹²

Single Statewide Brand - CareerSource Florida, Inc.

In 2012, the Legislature passed the Regional Workforce Boards Accountability Act, which, among other things, directed WFI to evaluate a means to establish a single, statewide brand for the state's workforce system.¹³ At the time the Act passed, each of the 24 RWBs maintained individual names, logos, and branding for each of their respective boards and One-Stop Career Centers. According to DEO and WFI,

¹ The Department of Children and Families also plays a part in Florida's workforce system as it is responsible for processing initial applications for both the Temporary Assistance for Needy Families (TANF) program and the Supplemental Nutrition Assistance Program (SNAP). TANF and SNAP both have an employment element. The Department of Education also administers workforce education and training programs.

² Section 445.004(1)-(2), F.S.

³ See s. 445.004, F.S.

⁴ See s. 445.004(4)-(11), F.S.

⁵ See *id.*; see also DEO's workforce tab on its website at: <http://floridajobs.org/workforce-board-resources> (last visited Feb. 5, 2015).

⁶ Section 20.60(5)-(6), F.S.

⁷ Section 20.60(6), F.S.

⁸ Section 20.60(5)(c), F.S.

⁹ See s. 445.007, F.S.

¹⁰ See s. 445.009, F.S.

¹¹ *Id.*

¹² CareerSource Service Center Directory at: <http://www.floridajobs.org/onestop/onestopdir/> (last visited on Feb. 5, 2015).

¹³ Chapter 2012-29, s. 2, L.O.F.

the lack of a unified brand contributed to confusion among job seekers and employers, who could have benefited from the services that the RWBs and One-Stop Career Centers offer.¹⁴

Accordingly, WFI, in collaboration with DEO, began the process of establishing a single, statewide brand and identity.¹⁵ WFI conducted statewide surveys of stakeholders to assess awareness and perceptions of the workforce system and to test proposed brand names and logos.¹⁶ Those surveyed strongly preferred “CareerSource Florida, Inc.”¹⁷ and in May 2013, the WFI Board of Directors approved the new brand name, logo, and unified brand charter.¹⁸ Each RWB was allotted funding, based on its size, to assist with the brand transition. The WFI Board also approved additional incentive funding for RWBs that met certain branding achievements within specified time frames.¹⁹

WFI officially launched the new statewide brand as CareerSource Florida, Inc., (CareerSource) on February 10, 2014, and filed its Articles of Incorporation reflecting the name change with the Department of State’s Division of Corporations on July 10, 2014.²⁰

Effect of Proposed Changes

The bill replaces all references to “Workforce Florida, Inc.” with “CareerSource Florida, Inc.,” throughout the Florida statutes.

Federal Workforce Innovation and Opportunity Act (2014)

Present Situation

The federal Workforce Innovation and Opportunity Act (WIOA) became law on July 22, 2014.²¹ WIOA replaces the federal Workforce Innovation Act of 1998 (WIA), which the state implemented under the Workforce Innovation Act of 2000, pursuant to Ch. 445, F.S., and s. 445.003, F.S. Until the enactment of WIOA, WIA was the primary federal platform that provided investment and support in employment services, workforce development activities, job training, adult education, and vocational training throughout the country.²²

In general, WIOA maintains the framework of WIA but includes provisions aimed at streamlining programs, easing reporting requirements, and reducing administrative barriers. Broadly, some WIOA provisions that will significantly impact Florida’s workforce system include the following:

- changes to the required make-up of state workforce boards;
- changes to the type of plan the WIOA requires from states and what such plan must include;
- changes to required regional coordination and local workforce board membership;
- changes to the structure and operation of one-stop service centers; and

¹⁴ Florida Department of Economic Opportunity (DEO), *Brand Implementation Guidelines* (October 31, 2013), <http://www.floridajobs.org/PDG/guidancepapers/BrandImplementationGuidelinesFinal.pdf> (last visited Feb. 5, 2015).

¹⁵ CareerSource Florida, Inc., *Statewide Brand Implementation Plan* (October 21, 2013) (on file with the House Economic Development and Tourism Subcommittee).

¹⁶ *Id.* at 30. The process engaged more than 1,500 business leaders, workforce professionals, employers, and job seekers.

¹⁷ DEO, *Brand Implementation Guidelines*.

¹⁸ CareerSource Florida, *Statewide Brand Implementation* at 7.

¹⁹ DEO, *Brand Implementation Guidelines* at 6-8.

²⁰ CareerSource Florida, Inc., Press Release: *Florida Activates New Unified Workforce Brand* (Feb. 10, 2014), <http://careersourceflorida.com/wp-content/uploads/2014/01/CareerSourceFloridaLaunchRelease.pdf> (last visited Feb. 5, 2015);

Department of State, Division of Corporations, Sunbiz, Entity Name Search, <http://search.sunbiz.org/Inquiry/CorporationSearch/SearchResultDetail?inquirytype=EntityName&directionType=Initial&searchNameOrder=CAREERSOURCEFLORIDA%20N140000064750&aggregateId=domnp-n14000006475-9e28c17f-a4d7-4a12-83d9-54bc7f3467c2&searchTerm=CareerSource%20Florida&listNameOrder=CAREERSOURCEFLORIDA%20N140000064750> Document Number N14000006475, (last visited Feb. 9, 2015).

²¹ Library of Congress, 113th Congress (2013-2014), H.R. 803 – Workforce Innovation and Opportunity Act, Congress.gov, *available at* <https://www.congress.gov/bill/113th-congress/house-bill/803/actions> (last visited Feb. 9, 2015).

²² *See* s. 445.003, F.S.

- changes to indicators of performance for workforce programs.²³

More specifically, some of WIOA's highlights include the following:

- requiring a single, unified state plan with common performance standards and metrics aligned to outcomes designed to create opportunities for long-term career pathways and the delivery of market-relevant skills;
- restoring the 15-percent reserve for statewide workforce investment priorities;
- permitting local boards to transfer up to 100 percent of funding between the adult and dislocated worker employment and training programs;
- emphasizing training and career opportunities for out-of-school youth;
- emphasizing business engagement, incumbent worker training, on-the-job and customized training and attainment of industry-recognized credentials;
- calling for smaller, more focused and business-led state and local workforce boards to enhance efficiency;
- strengthening the alignment between local workforce areas, labor markets and economic development regions;²⁴
- promoting accountability and transparency;
- targeting workforce services to better serve job seekers;
- improving services to individuals with disabilities; and
- adding the Temporary Assistance for Needy Families program as a mandatory partner.²⁵

WIOA officially becomes effective on July 1, 2015, the first full program year after enactment. However, the state unified plans and common performance accountability provisions become effective July 1, 2016.²⁶ The United States Department of Labor is currently in the rulemaking process for WIOA, which it expects to complete by spring of 2015. Until the rulemaking process is complete, the law's specific implementation procedures and processes will remain unclear.²⁷

Effect of Proposed Changes

The bill creates a task force to assist Florida in meeting the requirements of and preparing for the implementation of WIOA. The task force must organize no later than June 1, 2015 and is composed of the following 17 members:

- the President of CareerSource, Florida, Inc., who is required to serve as a member and the chair of the task force; and
- the Executive Director of the Department of Economic Opportunity or his or her designee;
- the Commissioner of Education or his or her designee;
- the Chancellor of the Florida College System or his or her designee;
- the Chancellor of the Division of Career and Adult Education of the Department of Education or his or her designee;

²³ "WorkED Consulting," commissioned by CareerSource Florida, Inc., to assist in reviewing WIOA. Documentation is on file with House Economic Development and Tourism Subcommittee staff.

²⁴ CareerSource Florida, Inc., press release, July 22, 2014, on file with the House Economic Development and Tourism Subcommittee.

²⁵ U.S. Department of Labor, Employment and Training Administration, *WIOA Overview*, <http://www.doleta.gov/wioa/pdf/WIOA-Overview.pdf>.

²⁶ U.S. Department of Labor, Employment and Training Administration, *WIOA Fact Sheet*, <http://www.doleta.gov/wioa/pdf/WIOA-Factsheet.pdf>.

²⁷ U.S. Department of Labor, Employment and Training Administration, Workforce Innovation and Opportunity Act of 2014, available at <http://www.doleta.gov/WIOA/> (last visited Feb. 6, 2015).

- the director of the Division of Vocational Rehabilitation of the Department of Education or his or her designee;
- the director of the Division of Blind Services of the Department of Education or his or her designee;
- the director of the Agency for Persons with Disabilities or his or her designee;
- the Secretary of Elderly Affairs or his or her designee;
- the Secretary of Children and Families or his or her designee;
- the Secretary of Juvenile Justice or his or her designee;
- the Secretary of Corrections or his or her designee;
- the president of Enterprise Florida, Inc., or his or her designee;
- the president of the Florida Workforce Development Association, Inc., or his or her designee;
- the statewide director of the Florida Small Business Development Center Network or his or her designee;
- the president of the Florida Association of Postsecondary Schools and Colleges, Inc., or his or her designee; and
- the president of the Independent Colleges and Universities of Florida, Inc., or his or her designee.

The members of the task force serve without compensation but are entitled to reimbursement for per diem and travel expenses in accordance with s. 112.061, F.S. The bill directs the task force to develop recommendations for Florida's implementation of WIOA, which the task force must submit for approval to CareerSource's Board of Directors. The recommendations must include the following:

- a review of current workforce service delivery programs;
- regional planning design;
- one-stop service delivery design;
- integration of economic development, workforce development, and Florida's education system; and
- development of sector strategies and career pathways.

CareerSource must submit a report containing its approved recommendations to the Governor, the President of the Senate, and Speaker of the House of Representatives by December 1, 2015. Additionally, the bill directs CareerSource to incorporate the task force's approved recommendations into the state's plan required by WIOA. CareerSource's Board of Directors must approve the plan prior to its submittal to the United States Department of Labor and must provide a copy of the plan to the Governor, President of the Senate, and Speaker of the House of Representatives.

The bill provides that the task force is abolished June 30, 2016, or at an earlier date as provided by the task force.

Workforce Estimating Conference

Present Situation

The Workforce Estimating Conference (WEC) is responsible for developing short- and long-term information on state workforce needs, which is used to develop state and local workforce policy.²⁸ To develop such information, WEC participants review regional data showing employment in high-skills and high-wage jobs and project future employment trends.²⁹

The WEC also semiannually recommends occupations for CareerSource to include in officially adopted statewide demand and regional targeted occupations lists.³⁰ These lists are used to direct state and federal funds to workforce training programs that prepare individuals for targeted occupations that require vocational certificates and some associate degrees.³¹

CareerSource and the Office of Economic and Demographic Research (EDR) recently reviewed the WEC's practices and determined a need to both improve WEC's labor market forecasting and overall collaboration with DEO, CareerSource and the RWBs.

Effect of Proposed Changes

The bill suspends the WEC from its duties for Fiscal Year 2015-2016, during which time EDR must develop and test an economic model to assess Florida's labor market with respect to supply and demand.

Additionally, the bill requires EDR to submit to the President of the Senate and Speaker of the House of Representatives, a report focusing on the needs of the state planning and budgeting process containing a written explanation of the key assumptions of the economic model and its use, and providing recommendations regarding the role of the WEC. The report is due on or before October 1, 2015 and must include, upon EDR's request, input from DEO, CareerSource, the Department of Education, and the Board of Governors.

B. SECTION DIRECTORY:

- Section 1: Amends s. 11.45, F.S., changing Workforce Florida, Inc., to CareerSource Florida, Inc.
- Section 2: Amends s. 20.60, F.S., changing Workforce Florida, Inc., to CareerSource Florida, Inc., and making other technical changes.
- Section 3: Amends s. 216.136, F.S., changing Workforce Florida, Inc., to CareerSource Florida, Inc., making other technical changes, suspending the Workforce Estimating Conference during FY 2015-2016, and directing the Office of Economic and Demographic Research to submit a report to the Legislature.
- Section 4: Amends s. 218.077, F.S., removing an expired provision of law.
- Section 5: Amends s. 288.047, F.S., changing Workforce Florida, Inc., to CareerSource Florida, Inc., and making other technical changes.
- Section 6: Amends s. 288.0656, F.S., changing Workforce Florida, Inc., to CareerSource Florida, Inc., and making other technical changes.
- Section 7: Amends 288.1252, F.S., changing Workforce Florida, Inc., to CareerSource Florida, Inc., and making other technical changes.
- Section 8: Amends s. 288.901, F.S., changing Workforce Florida, Inc., to CareerSource Florida, Inc., and making other technical changes.

²⁸ Section 216.136, F.S.

²⁹ *Id.*

³⁰ *Id.*

³¹ More information on the occupations list can be found on DEO's website at: <http://www.floridajobs.org/labor-market-information/publications-and-reports/labor-market-information-reports/regional-demand-occupations-list> (last visited Feb 5, 2015).

- Section 9: Amends s. 288.903, F.S., changing Workforce Florida, Inc., to CareerSource Florida, Inc., and making other technical changes.
- Section 10: Amends s. 295.22, F.S., changing Workforce Florida, Inc., to CareerSource Florida, Inc., and making other technical changes.
- Section 11: Amends s. 320.20, F.S., changing Workforce Florida, Inc., to CareerSource Florida, Inc., and making other technical changes.
- Section 12: Amends s. 331.3051, F.S., changing Workforce Florida, Inc., to CareerSource Florida, Inc.
- Section 13: Amends s. 331.369, F.S., changing Workforce Florida, Inc., to CareerSource Florida, Inc.
- Section 14: Amends s. 407.973, F.S., changing Workforce Florida, Inc., to CareerSource Florida, Inc., and making other technical changes.
- Section 15: Amends s. 409.1451, F.S., changing Workforce Florida, Inc., to CareerSource Florida, Inc.
- Section 16: Amends s. 413.405, F.S., changing Workforce Florida, Inc., to CareerSource Florida, Inc., and making other technical changes.
- Section 17: Amends s. 413.407, F.S., changing Workforce Florida, Inc., to CareerSource Florida, Inc., and making other technical changes.
- Section 18: Amends s. 414.045, F.S., changing Workforce Florida, Inc., to CareerSource Florida, Inc., and making other technical changes.
- Section 19: Amends s. 414.105, F.S., changing Workforce Florida, Inc., to CareerSource Florida, Inc., and making other technical changes.
- Section 20: Amends s. 414.106, F.S., changing Workforce Florida, Inc., to CareerSource Florida, Inc.
- Section 21: Amends s. 414.295, F.S., changing Workforce Florida, Inc., to CareerSource Florida, Inc., and making other technical changes.
- Section 22: Amends s. 414.55, F.S., changing Workforce Florida, Inc., to CareerSource Florida, Inc.
- Section 23: Amends s. 420.622, F.S., changing Workforce Florida, Inc., to CareerSource Florida, Inc., and making other technical changes.
- Section 24: Amends s. 443.091, F.S., changing Workforce Florida, Inc., to CareerSource Florida, Inc., and making other technical changes.
- Section 25: Amends s. 443.171, F.S., changing Workforce Florida, Inc., to CareerSource Florida, Inc., and making other technical changes.
- Section 26: Amends s. 443.181, F.S., changing Workforce Florida, Inc., to CareerSource Florida, Inc., and making other technical changes.
- Section 27: Amends s. 445.003, F.S., changing Workforce Florida, Inc., to CareerSource Florida, Inc., and making other technical changes.

- Section 28: Amends s. 445.004, F.S., changing Workforce Florida, Inc., to CareerSource Florida, Inc., and making other technical changes.
- Section 29: Amends s. 445.006, F.S., changing Workforce Florida, Inc., to CareerSource Florida, Inc.
- Section 30: Amends s. 445.007, F.S., changing Workforce Florida, Inc., to CareerSource Florida, Inc.
- Section 31: Amends s. 445.0071, F.S., changing Workforce Florida, Inc., to CareerSource Florida, Inc.
- Section 32: Amends s. 445.008, F.S., changing Workforce Florida, Inc., to CareerSource Florida, Inc., and making other technical changes.
- Section 33: Amends s. 445.009, F.S., changing Workforce Florida, Inc., to CareerSource Florida, Inc., and making other technical changes.
- Section 34: Amends s. 445.011, F.S., changing Workforce Florida, Inc., to CareerSource Florida, Inc.
- Section 35: Amends s. 445.014, F.S., changing Workforce Florida, Inc., to CareerSource Florida, Inc.
- Section 36: Amends s. 445.016, F.S., changing Workforce Florida, Inc., to CareerSource Florida, Inc.
- Section 37: Amends s. 445.021, F.S., changing Workforce Florida, Inc., to CareerSource Florida, Inc.
- Section 38: Amends s. 445.022, F.S., changing Workforce Florida, Inc., to CareerSource Florida, Inc., and making other technical changes.
- Section 39: Amends s. 445.024, F.S., changing Workforce Florida, Inc., to CareerSource Florida, Inc.
- Section 40: Amends s. 445.026, F.S., changing Workforce Florida, Inc., to CareerSource Florida, Inc.
- Section 41: Amends s. 445.028, F.S., changing Workforce Florida, Inc., to CareerSource Florida, Inc., and making other technical changes.
- Section 42: Amends s. 445.030, F.S., changing Workforce Florida, Inc., to CareerSource Florida, Inc.
- Section 43: Amends s. 445.033, F.S., changing Workforce Florida, Inc., to CareerSource Florida, Inc., and making other technical changes.
- Section 44: Amends s. 445.035, F.S., changing Workforce Florida, Inc., to CareerSource Florida, Inc.
- Section 45: Amends s. 445.038, F.S., changing Workforce Florida, Inc., to CareerSource Florida, Inc.
- Section 46: Amends s. 445.045, F.S., changing Workforce Florida, Inc., to CareerSource Florida, Inc., and making other technical changes.

- Section 47: Amends s. 445.048, F.S., changing Workforce Florida, Inc., to CareerSource Florida, Inc., and making other technical changes.
- Section 48: Amends s. 445.051, F.S., changing Workforce Florida, Inc., to CareerSource Florida, Inc., and making other technical changes.
- Section 49: Amends s. 445.055, F.S., changing Workforce Florida, Inc., to CareerSource Florida, Inc.
- Section 50: Amends s. 446.41, F.S., changing Workforce Florida, Inc., to CareerSource Florida, Inc., and making other technical changes.
- Section 51: Amends s. 446.50, F.S., changing Workforce Florida, Inc., to CareerSource Florida, Inc., and making other technical changes.
- Section 52: Amends s. 1003.491, F.S., changing Workforce Florida, Inc., to CareerSource Florida, Inc., and making other technical changes.
- Section 53: Amends s. 1003.492, F.S., changing Workforce Florida, Inc., to CareerSource Florida, Inc., and making other technical changes.
- Section 54: Amends s. 1003.493, F.S., changing Workforce Florida, Inc., to CareerSource Florida, Inc.
- Section 55: Amends s. 1003.51, F.S., changing Workforce Florida, Inc., to CareerSource Florida, Inc.
- Section 56: Amends s. 1003.52, F.S., changing Workforce Florida, Inc., to CareerSource Florida, Inc.
- Section 57: Amends s. 1004.015, F.S., changing Workforce Florida, Inc., to CareerSource Florida, Inc.
- Section 58: Amends s. 1011.80, F.S., changing Workforce Florida, Inc., to CareerSource Florida, Inc.
- Section 59: Amends s. 1011.801, F.S., changing Workforce Florida, Inc., to CareerSource Florida, Inc.
- Section 60: Creates a task force to make recommendations to CareerSource Florida, Inc., for Florida's implementation of the federal Workforce Innovation and Opportunity Act.
- Section 61: Provides an effective date.

II. FISCAL ANALYSIS & ECONOMIC IMPACT STATEMENT

A. FISCAL IMPACT ON STATE GOVERNMENT:

1. Revenues:

None.

2. Expenditures:

The bill may have an insignificant fiscal impact to DEO that is anticipated to be absorbed within the agency's existing resources to support the task force created to implement WIOA.

B. FISCAL IMPACT ON LOCAL GOVERNMENTS:

1. Revenues:

None.

2. Expenditures:

None.

C. DIRECT ECONOMIC IMPACT ON PRIVATE SECTOR:

None.

D. FISCAL COMMENTS:

None.

III. COMMENTS

A. CONSTITUTIONAL ISSUES:

1. Applicability of Municipality/County Mandates Provision:

The bill does not require a municipality or county to expend funds or to take any action requiring the expenditure of funds. The bill does not reduce the authority that municipalities or counties have to raise revenues in the aggregate. The bill does not require a reduction of the percentage of state tax shared with municipalities or counties.

2. Other:

None.

B. RULE-MAKING AUTHORITY:

None.

C. DRAFTING ISSUES OR OTHER COMMENTS:

None.

IV. AMENDMENTS/ COMMITTEE SUBSTITUTE CHANGES