

The Florida Senate
BILL ANALYSIS AND FISCAL IMPACT STATEMENT

(This document is based on the provisions contained in the legislation as of the latest date listed below.)

Prepared By: The Professional Staff of the Committee on Commerce and Tourism

BILL: SB 1244

INTRODUCER: Senator Albritton

SUBJECT: State Workforce Development Boards

DATE: January 17, 2020

REVISED: _____

	ANALYST	STAFF DIRECTOR	REFERENCE	ACTION
1.	McMillan	McKay	CM	Pre-meeting
2.			IT	
3.			RC	

I. Summary:

SB 1244 amends the structure of Florida’s Workforce Development System. The bill:

- Replaces CareerSource Florida, Inc. (CareerSource) with the state board or the Department of Economic Opportunity (DEO) in provisions relating to the implementation of the WIOA;
- Clarifies the purpose, operation, and structure of CareerSource and the state board;
- Requires the state board, rather than CareerSource, to produce a state plan that creates an educated and skilled workforce;
- Clarifies the duties of the local workforce development boards;
- Replaces CareerSource with the state board or the DEO in provisions relating to Florida’s Youth Summer Jobs Pilot Program;
- Authorizes the state board to create and administer the Workforce Training Institute;
- Restructures the organization of the one-stop delivery system;
- Replaces CareerSource with the DEO in provisions relating to workforce information systems and transitional services;
- Requires the DEO to consult with the state board in provisions relating to workforce information systems; and
- Replaces CareerSource with the state board in provisions relating to individual development.

The bill takes effect July 1, 2020.

II. Present Situation:

Florida’s Workforce Development System

The federal Workforce Investment Act of 1998 (WIA) was passed by Congress in an effort to improve the quality of the nation’s workforce through implementation of a comprehensive

workforce investment system.¹ The WIA required each state to establish an investment board at the state level and to also establish workforce investment boards to represent local service areas.² The WIA also called for the delivery of workforce development services through a system of “one-stop” centers in local communities.³ Some key principles of the WIA were to better integrate workforce services, empower individuals, provide universal access to participants, increase accountability, and improve youth programs.⁴

In response to the WIA, Florida established a workforce development system under the Workforce Investment Act of 2000.⁵ The act aimed to better connect the state’s economic development strategies with its workforce development system and to implement the principles of the federal WIA.⁶

Federal Workforce Innovation and Opportunity Act of 2014

In 2014, Congress passed the Workforce Innovation and Opportunity Act (WIOA), which superseded the Workforce Investment Act of 1998.⁷ The WIOA requires each state to develop a single, unified plan for aligning workforce services through the identification and evaluation of core workforce programs.⁸ In general, the WIOA maintains the one-stop framework of the WIA, and encompasses provisions aimed at streamlining services, easing reporting requirements, and reducing administrative barriers.⁹ The WIOA officially became effective on July 1, 2015, the first full program year after enactment.

Core Programs

The WIOA identifies four core programs that must coordinate and complement each other in a manner that ensures job seekers have access to needed resources.¹⁰ The core programs are:

- Adult, Dislocated Worker and Youth Programs;
- Employment Services under the Wagner-Peyser Employment Act;
- Vocational Rehabilitation Services; and
- Adult Education and Literacy Activities.

Performance Measures

In an effort to promote transparency and accountability, the WIOA created a single set of common measures for the evaluation of core programs.¹¹ The WIOA requires performance reports to be provided at the state, local, and trainer provider levels. The performance measures that now apply across all core programs are:

- The percentage of participants in unsubsidized employment during second quarter after exit;
- The percentage of participants in unsubsidized employment during fourth quarter after exit;

¹ Workforce Investment Act of 1998, 29 U.S.C. § 2801 (1998), *repealed by* Workforce Innovation and Opportunity Act, Pub. L. No. 113-128, H.R. 803, 113th Cong. (July 22, 2014)(codified at 29 U.S.C. § 3101, et seq.).

² *See* 29 U.S.C. § 2821 and 29 U.S.C. § 2832 (1998).

³ *See* 29 U.S.C. § 2841 (1998).

⁴ *See* 29 U.S.C. § 2811 (1998).

⁵ Chapter 2000-165, Laws of Fla.

⁶ *See* s. 445.003, F.S.

⁷ Workforce Innovation and Opportunity Act, 29 U.S.C. § 3101 et seq. (2014).

⁸ *See* 29 U.S.C. § 3112(a).

⁹ *See* 29 U.S.C. § 3111.

¹⁰ *See* 29 U.S.C. § 3102(13).

¹¹ *See* 29 U.S.C. § 3141.

- The median earnings of participants during second quarter after exit;
- The percentage of participants who obtain a postsecondary credential or secondary school diploma within 1 year after exit;
- The achievement of measureable skill gains toward credentials or employment; and
- The effectiveness in serving employers.

State Workforce Development Plan

Using the common performance measures for core programs, the WIOA requires each state to develop and submit a unified state plan based on a 4-year strategy for workforce development.¹² The state plan must describe an overall strategy for the core programs and how the strategy will meet needs for workers, job seekers, and employers.¹³ The WIOA also provides an option for states to submit a combined plan that outlines plans for the core programs along with additional workforce programs.¹⁴

Regional Planning and Local Workforce Development Boards

The WIOA requires states to identify regional planning areas for workforce development strategies.¹⁵ Within each area, a local workforce development board must be established.¹⁶ Each local workforce development board is required to coordinate planning and service delivery strategies within their area.¹⁷ Formulated strategies are then used by the local workforce development board to develop and submit a local plan for the delivery of workforce services.¹⁸

One-Stop Delivery System

The WIOA aims to strengthen the one-stop delivery system by requiring each local area to have at least one comprehensive one-stop delivery provider.¹⁹ A comprehensive one-stop delivery provider supplies physical access to services provided by core partners, as well as other mandatory partners.²⁰ The WIOA mandates that each partner shares in the funding of services and infrastructure costs of the one-stop delivery system.²¹

Florida's Implementation of The WIOA

In 2016, Florida made changes to the workforce development system to conform to the new federal guidelines established by the WIOA.²² Under the current workforce development system, the DEO, CareerSource, and 24 local workforce development boards act as partners in administering Florida's comprehensive system for the delivery of workforce strategies, services, and programs.

¹² See 29 U.S.C. § 3112(a).

¹³ See 29 U.S.C. § 3112(b).

¹⁴ See 29 U.S.C. § 3113.

¹⁵ See 29 U.S.C. § 3121.

¹⁶ *Id.*

¹⁷ See 29 U.S.C. § 3122.

¹⁸ See 29 U.S.C. § 3123.

¹⁹ See 29 U.S.C. § 3151.

²⁰ Other mandatory partners may include programs under the Older Americans Act, Adult Education and Literacy, Department of Housing and Urban Development, Social Security Act, Perkins Career and Technical Education Act, and the Community Service Block Grant Act. 29 U.S.C. § 3151(b).

²¹ See 29 U.S.C. § 3151(2).

²² Chapter 2016-216, Laws of Fla.

The Department of Economic Opportunity

The DEO serves as Florida’s lead workforce agency.²³ The DEO is responsible for the fiscal and administrative affairs of the workforce development system.²⁴ The DEO receives and distributes federal funds for employment-related programs to the local workforce development boards.²⁵ Additionally, under the direction of CareerSource, the DEO must annually meet with each local workforce development board to review the board’s performance and to certify that the board is in compliance with applicable state and federal law.²⁶

CareerSource Florida, Inc.

CareerSource Florida, Inc., a not-for-profit corporation, serves as Florida’s *state-level* workforce development board.²⁷ CareerSource is responsible for the development of a 4-year plan that is consistent with the requirements of the WIAO²⁸ and collaborates with the DEO, the local workforce development boards, and one-stop service providers to ensure workforce services are consistent with state and local plans.²⁹ CareerSource also provides state-level policy direction, planning, and performance evaluation of the delivery of workforce services.³⁰

Local Workforce Development Boards

Twenty-four local workforce development boards deliver Florida’s workforce development services through over 100 one-stop service providers.³¹ The one-stop service providers give Floridians access to available workforce services; including job placement, career counseling, and skills training.³² Collectively, the local workforce development boards operate under a charter approved by CareerSource.³³ Each local workforce development board formulates a local budget and oversees the one-stop delivery system within its local area.³⁴

III. Effect of Proposed Changes:**Workforce Services**

Section 1 amends s. 445.002, F.S., to define the terms “for cause” and “state board.”

- “For cause” includes, but is not limited to, engaging in fraud or other criminal acts, incapacity, unfitness, neglect of duty, official incompetence and irresponsibility, misfeasance, malfeasance, nonfeasance, or lack of performance. The “for cause” standard is used in ch. 445, F.S., as a standard by which:
 - the Governor may remove a member of a local board; and,

²³ Primarily through the Division of Workforce Services. *See* s. 20.60, F.S.

²⁴ Section 445.009(3)(c), F.S.

²⁵ *See* s. 445.003, F.S.

²⁶ *See* s. 445.007(3), F.S.

²⁷ Section 445.004(5)(a), F.S. Prior to 2014, CareerSource was known as Workforce Florida, Inc.

²⁸ Section 445.003(2), F.S.

²⁹ *See* s. 445.004, F.S.

³⁰ *Id.*

³¹ Florida Department of Economic Opportunity, *CareerSource Florida Network Directory*, <http://lcd.floridajobs.org/> (last visited Jan. 17, 2020).

³² *See* s. 445.009, F.S.

³³ *See* s. 445.004, F.S.

³⁴ Section 445.007(12), F.S.

- a chief elected official may remove a member of a local board.
- “State board” means the state workforce development board established pursuant to the Workforce Innovation and Opportunity Act. The state board shall be supported by CareerSource, which works at the direction of the state board in consultation with the DEO as required by ch. 445, F.S.

Implementation of the Federal Workforce Innovation and Opportunity Act

Section 2 makes numerous changes to the procedures relating to the implantation of the WIOA in s. 445.003, F.S.

The bill replaces CareerSource with the state board or the DEO in provisions relating to the implementation of the WIOA.

- The state board must prepare and submit a 4-year plan, consistent with the requirements of the WIOA.
- Title I, WIOA, Wagner-Peyser, and NAFTA/Trade Act funds will be expended based on the 4-year plan of the state board.
- A local workforce board must use at least 50 percent of the Title I funds for Adults and Dislocated Workers on Individual Training Accounts³⁵ unless a waiver is obtained from the state board.
- State administration costs include the costs of funding for the state board and state board staff; operating fiscal, compliance, and management accountability systems though the department conducting evaluation and research on workforce development activities; and providing technical and capacity building assistance to local workforce development areas at the direction of the state board.
- Individual Training Accounts and other workforce development strategies for other training is designed and tailored by the DEO in consultation with the state board.
- Individual Training Accounts for distressed urban and rural communities must be designed, adopted, and funded by the DEO in consultation with the state board.
- The state board may establish guidelines necessary to implement the Incumbent Worker Training Program.
- The DEO must maintain an Emergency Preparedness Fund from Rapid Response funds.
- All Rapid Response funds must be expended based on a plan developed by the state board in consultation with the DEO.
- The state board, in consultation with the DEO may make modifications to the state’s plan, policies, and procedures to comply with federally mandated requirements the must be complied with to maintain funding.
- The state board must enter into a memorandum of understanding with the Florida Department of Education to ensure that federally mandated requirements are met and are in compliance with the state plan for workforce development.
- The state board may recommend workforce related divisions, bureaus, units, programs, duties, commissions, boards, and councils for elimination, consolidation, or privatization.

³⁵ Individual Training Account expenditures include tuition, books, and fees of training providers and other training services authorized by the WIOA. *See* s. 445.003, F.S.

The bill permits \$2 million of the Title I funds retained at the state level to be reserved for the Incumbent Worker Training Program.³⁶

The bill creates a new subsection (6) in s. 445.003, F.S., which authorizes the state board to hire a director and staff that must be authorized by the state board to work with the DEO in carrying out the functions of the WIOA.

CareerSource and the State Board

Section 3 amends s. 445.004, F.S., to revise provisions relating to the purpose, operation, and organizational structure of CareerSource and the state board.

- CareerSource must operate at the direction of the state board, and under an agreement with the DEO.
- CareerSource provides administrative support for the state board.
- The purpose of the state board is to design and implement strategies to foster Florida’s workforce development system.
- CareerSource must implement the policy directives of the state board and administer state workforce development programs.
- All provisions stating that CareerSource must be governed by a board of directors are removed, and “board of directors” is replaced with the “state board.”
- The state board is the board of directors of CareerSource.
- The state board is required to hire an executive director, and the executive director is the president, the chief executive officer, and an employee of CareerSource.
- The president of CareerSource serves at the pleasure of the Governor.
- The state board is authorized to provide policy direction to ensure the DEO is properly administering workforce development activities to conform to approved plans.³⁷
- The DEO may consult with the state board to issue technical assistance letters on the operation of federal programs and the expenditure of federal funds by the state board or any workforce development board.³⁸
 - A technical assistance letter must be in writing, posted on the DEO’s website, and remains in effect until superseded or terminated.
- The state board is authorized to notify the Governor and the DEO of statewide or local workforce development and training needs that may require policy changes or an update to the state plan.
- The state board must have a policy that all resources and equipment purchased for training WIOA clients be available for use at all times by eligible populations.
- The state board may make expenditures to recognize performance and for promotional items.

³⁶ The Incumbent Worker Training Program helps workers by providing grant funding for continuing education and training of incumbent employees at existing Florida businesses. *See* s. 445.003, F.S.

³⁷ Authorized workforce development activities include the following: Programs authorized under Title I of the WIOA, the Wagner-Peyser Act of 1993, Title II of the Trade Act of 2002, employment and training activities carried out under funds awarded to Florida by the United States Department of Housing and Urban Development, welfare transition services funded by the Temporary Assistance for Needy Families Program, the Florida Bonding Program, the Food Assistance Employment and Training Program, the Quick-Response Training Program, and the Work Opportunity Tax Credit. *See* s. 445.004, F.S.

³⁸ The bill establishes that a technical assistance letter is not a declaratory statement issued pursuant to s. 120.565, F.S., an order issued pursuant to s. 120.569, F.S., or a rule of general applicability under s. 120.54, F.S. Section 120.53, F.S., does not apply to technical assistance letters.

- The state board must submit a complete and detailed annual report by December 1 of each year to the Governor, the President of the Senate, and the Speaker of the House of Representatives.
- The Auditor General is authorized to conduct an audit of the state board and CareerSource, or the programs and entities created by the state board.
- The state board must establish uniform performance accountability measures that monitor the performance of the state and local workforce development boards in achieving the workforce development strategy.
 - The performance accountability measures of success that are adopted by the state board, or the local workforce development boards must provide an equitable comparison of the relative success or failure of any service provider.
- The workforce development strategy for Florida must be designed by the state board, in consultation with the DEO, and approved by the Governor.
- The workforce development system must encourage local design and control of service delivery and targeted activities.
- The state board, in consultation with the DEO, must ensure that local workforce development boards have a valid membership and have developed an adequate plan.

The bill establishes that the state board must establish proper incentives, outline rewards for successful job placements, and institute collaborative approaches among local service providers.

The bill clarifies that CareerSource, under the direction of the state board, must enter into an agreement with Space Florida and collaborate with vocational institutes, community colleges, colleges, and universities in Florida to develop and implement a workforce development strategy.

State Plan for Workforce Development

Section 4 amends s. 445.006, F.S., to require the state board, rather than CareerSource, to take actions relating to the state plan for workforce development.

The bill provides that the state board in conjunction with state and local partners, must produce a state plan that creates an educated and skilled workforce, as well as develop strategic planning elements and operational planning elements for the state plan.

Local Workforce Development Boards

Section 5 amends s. 445.007, F.S., to clarify the structure and duties of the local workforce development boards.³⁹

- The state board is authorized to waive the requirement that a local board must appoint a representative of a private education provider to the local board, as long as, a local workforce board requests a waiver, and it is demonstrated that a representative of a private education provider does not exist in the region.
- The DEO must assign staff to meet with each local workforce development board annually to review performance and compliance with state and federal law.

³⁹ The bill also refers to “local workforce development boards” as “local boards.”

- The DEO approves a local workforce development board’s administrative entity.
- The DEO, in conjunction with the state board, must provide a training program for the local workforce development boards to familiarize them with the state’s workforce development goals.
- The state board is required to create procedures for the local workforce development boards to request permission to operate under s. 445.007, F.S.
- The local workforce development boards are required to adopt a committee structure consistent with state policies and federal law established by the state board.
- The local workforce development boards are required to apply the procurement and expenditure procedures required by federal law, as well as, policies created by the DEO and the state board.
- Unless authorized by state law, the state board and the DEO may not use state and federal funds provided to the local workforce development boards to pay for food or beverages for board members, staff, or employees of the local workforce development boards.
- The DEO must monitor and provide fiscal or programmatic guidance to the state board, CareerSource, and all workforce development boards.
- A local workforce development board is required to receive approval from the DEO before contracting with a member of the local board, a relative of a member of the local board, or an employee of the local board.
 - A contract under \$25,000 between a local workforce development board and a member of that board, a relative of a local board member, or an employee of the local board is not required to receive prior approval by the DEO.⁴⁰
- Each local workforce development board is required to submit its annual budget to the DEO for review.

The bill deletes a provision defining the term “cause.”⁴¹

The bill creates a provision that allows the chief elected official for the local workforce development board to remove a member of the local board, the executive director of the local board, or the designated person responsible for the operation and administration of the local board for cause.

Florida Youth Summer Jobs Pilot Program

Section 6 amends s. 445.0071, F.S., to replace CareerSource with the state board or the DEO in provisions relating to the Florida Youth Summer Jobs Pilot Program.⁴²

- The Broward Workforce Development Board, in consultation with the state board, must provide a program offering at-risk and disadvantaged children summer jobs.
- The pilot program must be administered by the local workforce development board in consultation with the state board.

⁴⁰ Such contracts must be approved by a two-thirds vote of the local board, and must be reported to the DEO and the state board within 30-days of approval. *See* s. 445.007, F.S.

⁴¹ The bill amends s. 445.002, F.S., to define the term “for cause.”

⁴² The Florida Youth Summer Jobs Pilot Program was developed within workforce development district 22, which is served by the Broward Workforce Development Board. The program offers at-risk and disadvantaged children summer jobs in partnership with local communities and public employees. *See* s. 445.0071, F.S.

- The Broward Workforce Development Board must report to the state board and the DEO.⁴³
- The state board must report the performance of the program to the Legislature by November 1 of each year.

Workforce Training Institute

Section 7 makes numerous changes to the organization and procedures of the Workforce Training Institute in s. 445.008, F.S.

The bill authorizes the state board, through CareerSource, to create the Workforce Training Institute and to engage in necessary administrative functions. Additionally, the bill requires CareerSource to report all donations and grants they receive to the state board and the DEO.

One-stop Delivery System

Section 8 amends s. 445.009, F.S., to replace CareerSource with the state board or the DEO in provisions relating to one-stop delivery systems.

- Subject to a process designed by the state board, local workforce development boards must designate one-stop delivery system operators.
- The DEO approves the designation of one-stop delivery system operators.⁴⁴
- The state board, in conjunction with the DEO, may notify the Governor of any one-stop delivery system partners that fail to enter into an understanding with the local workforce development board.
- The state board, the DEO, and local workforce development boards must create a centralized help center to assist local workforce development boards.
- The state board must develop an implementation plan for intensive services and training that is provided to individuals through Intensive Service Accounts and Individual Training Accounts.
- The DEO must periodically review Individual Training Account pricing schedules and present findings and recommendations for process improvement to the President of the Senate and the Speaker of the House of Representatives.
- The state board must develop a system to foster the leveraging of appropriated resources for the workforce system and must report on such efforts in the annual report.
- The state board and the DEO must coordinate a plan among the agencies for a One-Stop Electronic Network.

Workforce Information Systems

Section 9 amends s. 445.011, F.S., to replace CareerSource with the DEO and to require the DEO to consult with the state board in provisions relating to workforce information systems.

⁴³ The report must include the number of at-risk and disadvantaged children who enter the program, the types of work activities they participate in, and the number of children who return to school, go on to postsecondary school, or enter the workforce full time at the end of the program. *See* s. 445.0071, F.S.

⁴⁴ The bill provides that the DEO must require the local workforce development board to demonstrate that safeguards are in place to ensure fair competition and practices.

- The DEO, in consultation with the state board, must implement automated information systems.
- The DEO is authorized to procure independent verification and validation services associated with developing and implementing any workforce information system.
- The DEO must coordinate development and implementation of workforce information systems with the state chief information officer.

Transitional Benefits and Services

Section 10 amends s. 445.028, F.S., to replace CareerSource with the DEO in provisions relating to transitional benefits and services.

- In cooperation with DEO, the Department of Children and Families (DCF) must develop procedures to ensure that families leaving the temporary cash assistance program (TCA)⁴⁵ receive transitional benefits and services.
- The DEO and the DCF must develop procedures to maximize the utilization of transitional Medicaid by families who leave the TCA program.

Individual Development Accounts

Section 11 amends s. 445.051, F.S., to replace CareerSource with the state board in provisions relating to individual development.

- The state board must establish procedures for local workforce development boards to include in their annual program and financial plan an application to offer an individual development account program⁴⁶ as part of their Temporary Assistance for Needy Families (TANF)⁴⁷ allocation.
- The state board must establish policies and procedures to ensure that funds held in an individual development account are not withdrawn without a qualified purpose.
- The state board must establish procedures for controlling the withdrawal of funds for uses other than qualified purposes.
- Pursuant to policy direction by the state board, the DEO must adopt the rules necessary to implement s. 445.051, F.S.

Authority for Audits

Section 12 amends s. 11.45, F.S., to clarify that the Auditor General may conduct audits of CareerSource, the state board, and the programs created by the state board.

⁴⁵ The Temporary Cash Assistance Program provides cash assistance to families with children under the age of 18 or under the age of 19 if the child is a full time high school student. The program helps support families while allowing children to remain in their homes. See Florida Department of Children and Families, *Temporary Cash Assistance (TCA)* <https://www.myflfamilies.com/service-programs/access/temporary-cash-assistance.shtml> (last visited Jan. 17, 2020).

⁴⁶ An Individual Development Account is a special bank account that helps low income families save for the purchase of a home, education expenses, or to start a business. See Social Security Administration, *Spotlight on Individual Development Accounts* (2019) <https://www.ssa.gov/ssi/spotlights/spot-individual-development.htm> (last visited Jan. 17, 2020).

⁴⁷ The Temporary Assistance for Needy Families program is a federal grant that provides funding for cash welfare to needy families with children. See Florida Department of Children and Families, *Temporary Assistance for Needy Families* (January 2016) <https://www.myflfamilies.com/service-programs/access/docs/TANF%20101%20final.pdf> (last visited Jan. 17, 2020).

DEO Powers and Duties

Section 13 amends s. 443.171, F.S., to provide that the DEO must submit information to the state board annually as required by law.

Effective Date

Section 14 provides that the bill takes effect July 1, 2020.

IV. Constitutional Issues:

A. Municipality/County Mandates Restrictions:

None.

B. Public Records/Open Meetings Issues:

None.

C. Trust Funds Restrictions:

None.

D. State Tax or Fee Increases:

None

E. Other Constitutional Issues:

None.

V. Fiscal Impact Statement:

A. Tax/Fee Issues:

None.

B. Private Sector Impact:

None.

C. Government Sector Impact:

The impacted governmental organizations will have to update their internal structures or policies in the administration and oversight of Florida's Workforce Development System. The costs are indeterminate, but expected to be minimal.

VI. Technical Deficiencies:

None.

VII. Related Issues:

Lines 249-255 permit, but do not require, the state board to hire a “director.” However, lines 346-350 require the state board to hire an “executive director.” If the terms refer to the same position, the bill would be less susceptible to misinterpretation by using the same term.

VIII. Statutes Affected:

This bill substantially amends the following sections of the Florida Statutes: 445.002, 445.003, 445.004, 445.006, 445.007, 445.0071, 445.008, 445.009, 445.011, 445.028, 445.051, 11.45, 443.171.

IX. Additional Information:**A. Committee Substitute – Statement of Changes:**

(Summarizing differences between the Committee Substitute and the prior version of the bill.)

None.

B. Amendments:

None.