

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 Fiscal Policy

BILL: CS/SB 7002

INTRODUCER: Fiscal Policy Committee and Commerce and Tourism Committee

SUBJECT: Renaming Workforce Florida, Inc.

DATE: April 2, 2015

REVISED: _____

	ANALYST	STAFF DIRECTOR	REFERENCE	ACTION
	<u>Siples</u>	<u>McKay</u>		CM Submitted as Committee Bill
1.	<u>Peacock</u>	<u>McVaney</u>	<u>GO</u>	Favorable
2.	<u>Hrdlicka</u>	<u>Hrdlicka</u>	<u>FP</u>	Fav/CS

Please see Section IX. for Additional Information:

COMMITTEE SUBSTITUTE - Substantial Changes

I. Summary:

CS/SB 7002 replaces all references currently made in the Florida Statutes to Workforce Florida, Inc., with CareerSource Florida, Inc., the new name of the organization.

The bill also creates a task force to develop the state's plan for implementing the federal Workforce Innovation and Opportunity Act of 2014.

The bill has an insignificant, negative fiscal impact to state agencies.

II. Present Situation:

Florida has a three-tier system for the delivery of workforce services through the Department of Economic Opportunity, Workforce Florida, Inc., and the regional workforce boards.¹

Workforce Florida, Inc., (WFI) is a nonprofit corporation that sets the state's workforce development policy and provides state-level planning, performance evaluation, and oversight to the Department of Economic Opportunity (DEO) and the 24 regional workforce boards.² The DEO serves as the fiscal and administrative agency and assists WFI in developing and disseminating policies, providing technical assistance, and monitoring a variety of workforce

¹ Chapter 445, F.S. See also ch. 2000-165, L.O.F.

² WFI is Florida's state workforce investment board. See 29 U.S.C. 2821. WFI operates under a performance-based contract with the DEO to provide statewide administration and coordination of workforce services.

programs.³ Each of the 24 regional workforce boards (RWB) directly provides workforce services in local workforce areas through one-stop career centers.⁴ The one-stop career centers deliver employment services to job seekers and employers. Services include job placement and recruitment assistance as well as funding for skills training.

Workforce System's Statewide Brand

In 2012, the Legislature passed the Regional Workforce Boards Accountability Act to direct WFI to evaluate a means to establish a single, statewide brand for the state's workforce system.⁵ At the time of passage, each of the 24 RWBs maintained individual names, logos, and branding for each of their respective boards and the nearly 100 one-stop career centers. The lack of a unified brand contributed to confusion among job seekers and employers who could have benefitted from the services being offered.⁶

WFI, in collaboration with the DEO and the RWBs, began the process of establishing single, statewide brand and identity.⁷ Statewide surveys of stakeholders were conducted to assess awareness and perceptions of the workforce system and to test proposed brand names and logos.⁸ CareerSource Florida was strongly preferred by those surveyed,⁹ and in May 2013, the WFI Board of Directors approved the new brand name, logo, and unified brand charter.¹⁰ Each RWB was allotted funding, based on its size, to assist with the brand transition. The board of directors also approved additional incentive funding for RWBs that met certain branding achievements within specified time frames.¹¹

On February 10, 2014, WFI launched the new statewide brand, CareerSource Florida.¹² With this launch, Florida became the first state to achieve a unified brand and logo for its workforce system. Each RWB and one-stop career center uses an aligned regional brand name that starts with "CareerSource" and is followed by a regional identifier. CareerSource Florida, Inc., was officially established with the Department of State on July 10, 2014.¹³

³ Primarily through the Division of Workforce Services. The DEO is Florida's lead state workforce agency.

⁴ The boards select contractors to operate the local one-stop career centers. *See also* ss. 445.004(11), 445.007, and 445.009(3), F.S. Each RWB operates under a charter approved by WFI and performance-based memorandums of understanding for program support services provided by the DEO "Program support services" provided by the DEO include workforce program information, guidance, training, and technical assistance. The DEO monitors the activities of each RWB and one-stop career center to ensure compliance with federal and state requirements.

⁵ Section 445.007(13), F.S. (2013). Section 2, ch. 2012-29, L.O.F.

⁶ DEO, *CareerSource Florida Unified Brand Implementation Guidelines* (October 31, 2013), available at <http://www.floridajobs.org/PDG/guidancepapers/BrandImplementationGuidelinesFinal.pdf> (last visited Feb. 24, 2015).

⁷ CareerSource Florida, Inc., *Statewide Brand Implementation Plan* (October 21, 2013), p. 7, available at http://careersourceflorida.com/docking/StatewideBrandImplementationPlan_102113.pdf (last visited Feb. 24, 2015).

⁸ *Id.* at 30. The process engaged more than 1,500 business leaders, workforce professionals, employers, and job seekers.

⁹ DEO, *Brand Implementation Guidelines* at 2.

¹⁰ CareerSource Florida, *Statewide Brand Implementation* at 7.

¹¹ DEO, *Brand Implementation Guidelines* at 6-8.

¹² Press Release, CareerSource Florida, Inc., *Florida Activates New Unified Workforce Brand* (Feb. 10, 2014), available at <http://careersourceflorida.com/wp-content/uploads/2014/01/CareerSourceFloridaLaunchRelease.pdf> (last visited Feb. 24, 2015).

¹³ *See* information on the Department of State, Division of Corporation's Sunbiz website by searching for "CareerSource Florida, Inc." available at <http://search.sunbiz.org/Inquiry/CorporationSearch/ByName> (last visited Feb. 27, 2015).

Federal Workforce Innovation and Opportunity Act of 2014

The federal Workforce Innovation and Opportunity Act (WIOA) became law on July 22, 2014.¹⁴ The WIOA replaces the federal Workforce Innovation Act of 1998 (WIA), which Florida implemented in the Workforce Innovation Act of 2000, amending s. 445.003, F.S.¹⁵ In general, the WIOA maintains the framework of the WIA but includes provisions aimed at streamlining programs, easing reporting requirements, and reducing administrative barriers.

WIOA officially becomes effective on July 1, 2015, the first full program year after enactment. However, some provisions, such as those related to state unified plans and common performance accountability, do not become effective until July 1, 2016.¹⁶ The United States Department of Labor is currently in the rulemaking process for the 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.¹⁷ The U.S. Department of Labor recommends that state workforce systems take actions to prepare for the ultimate implementation of the law, including engaging with "core programs and other partners to begin strategic planning" and developing transition plans.¹⁸

III. Effect of Proposed Changes:

CareerSource Florida, Inc.

Sections 1 – 3 and 5 – 59 amend ss. 11.45, 20.60, 216.136, 288.047, 288.0656, 288.1252, 288.901, 288.903, 295.22, 320.20, 331.3051, 331.369, 403.973, 409.1451, 413.405, 413.407, 414.045, 414.105, 414.106, 414.295, 414.55, 420.622, 443.091, 443.171, 443.181, 445.003, 445.004, 445.006, 445.007, 445.0071, 445.008, 445.009, 445.011, 445.014, 445.016, 445.021, 445.022, 445.024, 445.026, 445.028, 445.030, 445.033, 445.035, 445.038, 445.045, 445.048, 445.051, 445.055, 446.41, 446.50, 1003.491, 1003.492, 1003.493, 1003.51, 1003.52, 1004.015, 1011.80, and 1011.801, F.S., respectively, to replace all references to Workforce Florida, Inc., with its new name, CareerSource Florida, Inc.

Sections 5, 7 – 11, 14, 16 – 19, 21, 23 – 28, 32, 33, 38, 43, and 46 – 53 make editorial and technical changes to ss. 288.047, 288.1252, 288.901, 288.903, 295.22, 320.20, 403.973, 413.405, 413.407, 414.045, 414.105, 414.295, 420.622, 443.091, 443.171, 443.181, 445.003, 445.004, 445.008, 445.009, 445.022, 445.033, 445.045, 445.048, 445.051, 445.055, 446.41, 446.50, 1003.491, and 1003.492, F.S., respectively,

Section 4 amends s. 218.077, F.S., to repeal obsolete language.

¹⁴ Pub. L. No. 113-128 (113th Congress).

¹⁵ Chapter 2000-165, L.O.F.

¹⁶ U.S. Department of Labor, Employment and Training Administration, *WIOA Fact Sheet*, available at <http://www.doleta.gov/wioa/pdf/WIOA-Factsheet.pdf> (last visited Mar. 2, 2015).

¹⁷ For more information, see 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 Mar. 2, 2015).

¹⁸ U.S. Department of Labor, Employment and Training Administration, *Training and Employment Guidance Letter No. 19-14* (Feb. 19, 2015).

Federal Workforce Innovation and Opportunity Act – Task Force

Section 60 creates a 20-member task force to assist the state in meeting the requirements and preparing for the implementation of the WIOA. The task force must develop recommendations for Florida's implementation of the WIOA.

The task force must organize by June 1, 2015. The President of CareerSource, Florida, Inc., is required to serve as the chair of the task force and the President of the Florida Workforce Development Association, Inc., must serve on the task force. The other members of the task force include the following individuals or their designees:

- Executive Director of the DEO;
- Commissioner of Education;
- Chancellor of the State University System;
- Chancellor of the Florida College System;
- Chancellor of the Division of Career and Adult Education of the Department of Education;
- Director of the Division of Vocational Rehabilitation of the Department of Education;
- Director of the Division of Blind Services of the Department of Education;
- Director of the Agency for Persons with Disabilities;
- Secretary of Elderly Affairs;
- Secretary of Children and Families;
- Secretary of Juvenile Justice;
- Secretary of Corrections;
- President of Enterprise Florida, Inc.;
- Two designees of the President of the Florida Workforce Development Association, Inc., from regional workforce boards, one of whom must be a representative of a rural regional workforce board;
- Statewide director of the Florida Small Business Development Center Network;
- President of the Florida Association of Postsecondary Schools and Colleges, Inc.; and
- President of the Independent Colleges and Universities of Florida, Inc.

CareerSource Florida, Inc., must provide administrative support for the task force. 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. Such per diem and travel expenses incurred by a member of the task force must be paid from funds budgeted to the state agency or entity that the member represents.

The task force must submit its recommendations to the Board of Directors of CareerSource Florida, Inc., for approval. The recommendations must include the following:

- A review of the current workforce service delivery system and programs;
- Regional planning design;
- One-stop service delivery design;
- Integration of the state's economic development, workforce development, and education systems; and
- Development of sector strategies and career pathways.

The task force will submit the final report to the Governor, the President of the Senate, and Speaker of the House of Representatives by December 1, 2015. Additionally, CareerSource Florida, Inc., must incorporate the task force's approved recommendations into the state's plan required by the WIOA. After the Board of Directors of CareerSource Florida, Inc., approves the state plan, it must be submitted to the U.S. Department of Labor, the Governor, President of the Senate, and Speaker of the House of Representatives.

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

Effective Date

Section 61 provides the act shall take effect upon becoming law.

IV. Constitutional Issues:

A. Municipality/County Mandates Restrictions:

This bill does not contain a mandate because the bill does not affect counties or municipalities.

B. Public Records/Open Meetings Issues:

None.

C. Trust Funds Restrictions:

None.

V. Fiscal Impact Statement:

A. Tax/Fee Issues:

None.

B. Private Sector Impact:

To the extent that a private organization refers to Workforce Florida, Inc., in any literature it produces, the private organization may incur minimal costs associated with updating the literature with the new name, CareerSource Florida, Inc.

C. Government Sector Impact:

A governmental organization that refers to Workforce Florida, Inc., in any literature that it produces may incur costs associated with updating the literature with the new name, CareerSource Florida, Inc.

The bill may have an insignificant, negative fiscal impact to CareerSource Florida, Inc., to support the task force created to implement the WIOA that can be absorbed within the agency's existing resources. The entities that have representation on the task force will

incur minimal costs related to paying for the per diem and travel expenses for their respective members of the task force.

VI. Technical Deficiencies:

None.

VII. Related Issues:

None.

VIII. Statutes Affected:

This bill substantially amends the following sections of the Florida Statutes: 11.45, 20.60, 216.136, 218.077, 288.047, 288.0656, 288.1252, 288.901, 288.903, 295.22, 320.20, 331.3051, 331.369, 403.973, 409.1451, 413.405, 413.407, 414.045, 414.105, 414.106, 414.295, 414.55, 420.622, 443.091, 443.171, 443.181, 445.003, 445.004, 445.006, 445.007, 445.0071, 445.008, 445.009, 445.011, 445.014, 445.016, 445.021, 445.022, 445.024, 445.026, 445.028, 445.030, 445.033, 445.035, 445.038, 445.045, 445.048, 445.051, 445.055, 446.41, 446.50, 1003.491, 1003.492, 1003.493, 1003.51, 1003.52, 1004.015, 1011.80, and 1011.801.

This bill creates an undesignated section of Florida law.

IX. Additional Information:

A. Committee Substitute – Statement of Substantial Changes:

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

CS by Fiscal Policy on April 2, 2015:

The CS creates a task force to develop the state's plan for implementing the federal Workforce Innovation and Opportunity Act of 2014, and changes the effective date of the bill from July 1, 2015, to upon becoming law.

B. Amendments:

None.