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**HOUSE OF REPRESENTATIVES
AS REVISED BY THE COMMITTEE ON
TRANSPORTATION & ECONOMIC DEVELOPMENT APPROPRIATIONS
ANALYSIS**

BILL #: CS/HB 135
RELATING TO: Workforce Florida, Inc.
SPONSOR(S): Representatives Bendross-Mindingall, Gottlieb, and Garcia
TIED BILL(S): None

ORIGINATING COMMITTEE(S)/COUNCIL(S)/COMMITTEE(S) OF REFERENCE:

- (1) EDUCATION INNOVATION YEAS 7 NAYS 6
 - (2) TRANSPORTATION & ECONOMIC DEVELOPMENT APPROPRIATIONS
 - (3) FISCAL POLICY & RESOURCES
 - (4) COUNCIL FOR LIFELONG LEARNING
 - (5)
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I. SUMMARY:

CS/HB 135 requires that a minimum of 15% of all Workforce Investment Act (WIA) youth services funds be expended for after-school care programs through contracts with qualified faith-based and community-based organizations, on an equal basis with other private organizations, to provide after-school care programs for children in grades 1 through 12. These programs must include tutoring, mentoring, and other appropriate services.

The Workforce Investment Act of 1998 (WIA) introduced changes in the way services for youth activities are obtained and operated. Under WIA, the focus is on longer term, comprehensive services for youth.

The Act requires that programs for WIA youth must provide elements consisting of, among nine others, "tutoring, study skills training, and instruction, leading to completion of secondary school, including dropout prevention strategies."

The Act restricts services with WIA funds to "eligible youth." Eligible youth must be ages 14-21, low income, and be one or more of the following: deficient in basic literacy skills; a school dropout; homeless, a runaway, or foster child; pregnant or a parent; an offender; or require additional assistance to complete an educational program or to secure and hold employment.

The 2001-2002 youth allocation of WIA funds, to be distributed among all the regional boards throughout the state, is \$34,229,371, with amounts to each region being formula driven. After the required 30% for out-of-school youth is deducted, \$23,960,559 is available to regions to provide the ten-element youth programs required by the Act. CS/HB 135 provides that a minimum of 15% of this amount (\$3,594,083) is to be used throughout the state for after-school care programs.

SUBSTANTIVE ANALYSIS:

A. DOES THE BILL SUPPORT THE FOLLOWING PRINCIPLES:

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|-----------------------------------|------------------------------|-----------------------------|---|
| 1. <u>Less Government</u> | Yes <input type="checkbox"/> | No <input type="checkbox"/> | N/A <input checked="" type="checkbox"/> |
| 2. <u>Lower Taxes</u> | Yes <input type="checkbox"/> | No <input type="checkbox"/> | N/A <input checked="" type="checkbox"/> |
| 3. <u>Individual Freedom</u> | Yes <input type="checkbox"/> | No <input type="checkbox"/> | N/A <input checked="" type="checkbox"/> |
| 4. <u>Personal Responsibility</u> | Yes <input type="checkbox"/> | No <input type="checkbox"/> | N/A <input checked="" type="checkbox"/> |
| 5. <u>Family Empowerment</u> | Yes <input type="checkbox"/> | No <input type="checkbox"/> | N/A <input checked="" type="checkbox"/> |

B. PRESENT SITUATION:

WORKFORCE FLORIDA, INC.

Section 445.004, F.S., creates the not-for-profit corporation known as Workforce Florida, Inc. (WFI). WFI is not a unit or entity of state government. The corporation is administratively housed within the Agency for Workforce Innovation; however, it is not subject to the control, supervision, or direction of the Agency for Workforce Innovation.

Subsection 445.004(2), F.S., sets out that WFI is the principal workforce policy organization for the state. The purpose of WFI is to design and implement strategies that help Floridians enter, remain in, and advance in the workplace, becoming more highly skilled and successful, benefiting these Floridians, Florida businesses, and the entire state, and to assist in developing the state's business climate. WFI is required to design the workforce development strategy for the state.

Subsection 445.004(5), F.S., grants to WFI all the powers and authority, not explicitly prohibited by statute, necessary or convenient to carry out and effectuate its purposes as determined by statute, Public Law 105-220 (the federal Workforce Investment Act of 1998), and the Governor. The chair of the Board of Directors that governs WFI is authorized to appoint committees to fulfill its responsibilities, to comply with federal requirements, or to obtain technical assistance, and must incorporate members of regional workforce development boards into its structure. The chair is required to establish the First Jobs/First Wages standing council, which will serve as the state's youth council for purposes of Public Law 105-220.

Subsection 445.004(10)(a) sets out that First Jobs/First Wages is the state's strategy to promote successful entry into the workforce through education and workplace experience that lead to self-sufficiency and career advancement. The components of the strategy include efforts that enlist business, education, and community support for students to achieve long-term career goals, ensuring that young people have the academic and occupational skills required to succeed in the workplace.

AGENCY FOR WORKFORCE INNOVATION

In 2000, the Legislature created Section 20.50, F.S., which created the Agency for Workforce Innovation (AWI). AWI is housed within the Department of Management Services; however, AWI is not subject to the control, supervision, or direction of the Department of Management Services in any way.

AWI is given the responsibility to ensure that the state appropriately administers federal and state workforce funding by administering plans and policies of Workforce Florida, Inc., under contract with Workforce Florida, Inc.

Subsection 20.50(1)(a), F.S., provides that all program and fiscal instructions to regional workforce boards shall emanate from AWI pursuant to plans and policies of Workforce Florida, Inc. Workforce Florida, Inc., is responsible for all policy directions to the regional boards.

Subsection 20.50 (2), F.S., states that AWI is the designated administrative agency for receipt of federal workforce development grants and other federal funds, and must carry out the duties and responsibilities assigned by the Governor under each federal grant assigned to the agency.

Subsection 20.50(3), F.S., requires AWI to serve as the designated agency for purposes of each federal workforce development grant assigned to it for administration. AWI must carry out the duties assigned to it by the Governor, under the terms and conditions of each grant. AWI is authorized to exercise the level of authority and autonomy necessary to be the designated recipient of each federal grant assigned to it, and must disburse such grants pursuant to the plans and policies of Workforce Florida, Inc.

AWI is specifically assigned to administer the funds for the programs authorized under Title I of the Workforce Investment Act of 1998.

WORKFORCE INVESTMENT ACT OF 1998, Public Law 105-220

The Workforce Investment Act of 1998 (WIA) introduced changes in the way services for youth activities are obtained and operated. Under WIA, the focus is on longer term, comprehensive services for youth.

The Act requires that programs for WIA youth must provide elements consisting of, among nine others, "tutoring, study skills training, and instruction, leading to completion of secondary school, including dropout prevention strategies."

WIA section 117(H) (29 U.S.C. 2832) requires the establishment of regional youth councils, which in Florida is the regional First Jobs/First Florida Wages Committee. Youth councils are appointed by Local Workforce Investment Boards to (1) develop strategies and goals for the portions of the local plan relating to eligible youth; (2) recommend eligible providers of youth activities; (3) conduct oversight of eligible youth providers; and (4) coordinate youth activities; subject to the approval of the Local Workforce Investment Board. In Florida, this Board is called the regional workforce board.

WIA requires that regional youth councils determine local funding priorities. Of the funds now allocated to regional boards, WIA requires 30% be spent on out-of-school youth, leaving the balance to cover all other program costs.

WORKFORCE INVESTMENT ACT YOUTH FUNDS

The Workforce Investment Act of 1998 restricts services with WIA funds to "eligible youth." Eligible youth must be ages 14-21, low income, and be one or more of the following: deficient in basic literacy skills; a school dropout; homeless, a runaway, or foster child; pregnant or a parent; an offender; or require additional assistance to complete an educational program or to secure and hold employment. At minimum, 30% of the local funds must be used to provide activities to out of school youth.

Under WIA section 129(c) (29 U.S.C. 2854) and 20 CFR 664.410, comprehensive youth services consist of ten required program elements, which can be grouped around four major themes:

1. Improving educational achievement: Includes elements such as tutoring, study skills training, and instruction leading to secondary school completion; dropout prevention strategies, and alternative secondary school offerings.
2. Preparing for and succeeding in employment: Includes summer employment opportunities, paid and unpaid work experience, and occupational skills training.
3. Supporting youth: Includes supportive services, providing adult mentoring, follow-up services, and comprehensive guidance and counseling.
4. Offering services intended to develop the potential of young people as citizens: Includes leadership development opportunities.

Local boards must make all ten program elements available to all youth participants in the local area, although individual youth participants need not participate in all ten.

The 2001-2002 youth allocation of WIA funds to the regional boards is \$34,229,371, amounts to each region being formula driven. After the required 30% for out of school youth is deducted, \$23,960,559 is available to regions to provide the ten-element youth programs required by the Act. Presently, regional workforce boards and First Job/First Wages committees determine local funding priorities.

C. EFFECT OF PROPOSED CHANGES:

CS/HB 135 authorizes Workforce Florida, Inc. (WFI) to expand the utilization of faith-based and community-based organizations to work collaboratively in the delivery of services to Florida's citizens.

CS/HB 135 also requires that a minimum of 15% of all Workforce Investment Act (WIA) youth services funds be expended for after-school care programs through contracts with qualified faith-based and community-based organizations, on an equal basis with other private organizations, to provide after-school care programs for children in grades 1 through 12. These programs must include tutoring, mentoring, and other appropriate services.

Presently, regional youth councils determine local funding priorities. With the requirement that 15% of WIA youth services be expended on after-school care programs, the regional councils will have less discretion to spend dollars to meet locally identified needs.

The bill requires that after-school care programs, funded by WIA, be provided for students in grades 1 through 12; however, WIA youth funds may only be used for youth ages 14 through 21. Therefore, it appears that the only students for whom after-school care programs may be provided under this program are those aged 14 through 21.

It appears that as a result of this program, participating students may have the opportunity to improve their basic skills, develop effective study habits, and improve their academic performance.

D. SECTION-BY-SECTION ANALYSIS:

Section 1: Amends subsections (6) and (10) of section 445.004, F.S., to (1) include expanding the utilization of faith-based organizations to work collaboratively in the delivery of services to Florida's citizens, as an action that Workforce Florida, Inc. may take to achieve its purposes, and (2) require that 15% of all Workforce Investment Act youth services funds be expended for after-school care

programs through contracts with qualified faith-based and community based organizations, on an equal basis with other private organizations.

Section 2: Provides for an effective date of July 1, 2001.

II. FISCAL ANALYSIS & ECONOMIC IMPACT STATEMENT:

A. FISCAL IMPACT ON STATE GOVERNMENT:

1. Revenues:

The bill does not appear to have a fiscal impact on state revenues.

2. Expenditures:

See Fiscal Comments.

B. FISCAL IMPACT ON LOCAL GOVERNMENTS:

1. Revenues:

The bill does not appear to have a fiscal impact on local revenues.

2. Expenditures:

See Fiscal Comments.

C. DIRECT ECONOMIC IMPACT ON PRIVATE SECTOR:

Faith-based and community-based organizations, as well as other private organizations, will be able to compete for the opportunity to provide after-school care programs. These organizations will receive payment for conducting these programs from Workforce Investment Act youth funds.

D. FISCAL COMMENTS:

The bill directs that 15% of all WIA youth funds must be expended on after-school care programs through contracts with qualified faith-based and community-based organizations for children in grades 1 through 12. However, the Workforce Investment Act restricts services with WIA funds to "eligible youth". Eligible youth must be ages 14-21. Therefore, WIA youth funds would be an inappropriate source of funds to use for children in grades 1 through 12 that are not between the ages of 14-21.

Workforce Florida, Inc. anticipates that the 2001-2002 youth allocation of WIA funds to be distributed among all the regional boards throughout the state, is \$34,229,371, with amounts to each region being formula driven. After the required 30% for out-of-school youth is deducted, \$23,960,559 is available to regions to provide the ten-element youth programs required by the Act. CS/HB 135 provides that a minimum of 15% (\$3,594,083) is to be used throughout the state for after-school care programs. This amount would be allocated to the regional workforce boards.

III. CONSEQUENCES OF ARTICLE VII, SECTION 18 OF THE FLORIDA CONSTITUTION:

A. APPLICABILITY OF THE MANDATES PROVISION:

This bill does not require counties or municipalities to take action requiring the expenditure of funds.

B. REDUCTION OF REVENUE RAISING AUTHORITY:

This bill does not reduce the authority that counties or municipalities have to raise revenues in the aggregate.

C. REDUCTION OF STATE TAX SHARED WITH COUNTIES AND MUNICIPALITIES:

This bill does not reduce the percentage of a state tax shared with counties or municipalities.

IV. COMMENTS:

A. CONSTITUTIONAL ISSUES:

According to Workforce Florida, Inc., there is no prohibition in law to contracting with faith-based and community-based organizations to provide youth services in the regions, as long as the organization meets criteria of an eligible provider as established in Section 123 of the Workforce Investment Act of 1998, which states "... the local board for such area shall identify eligible providers of youth activities by awarding grants or contracts on a competitive basis, based on the recommendations of the youth council and on the criteria in the state plan, to the providers to carry out the activities...".

B. RULE-MAKING AUTHORITY:

This bill does not appear to grant any rule-making authority to any government agency.

C. OTHER COMMENTS:

The bill does not define "qualified" faith-based or community based organizations, nor states what entity is to define this.

V. AMENDMENTS OR COMMITTEE SUBSTITUTE CHANGES:

On March 28, 2001, the Committee on Education Innovation adopted a "strike-all" amendment, which incorporated the changes discussed above.

The committee adopted the bill, as amended, as a committee substitute.

VI. SIGNATURES:

COMMITTEE ON EDUCATION INNOVATION:

Prepared by:

Anitere Flores

Staff Director:

Daniel Furman

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AS REVISED BY THE COMMITTEE ON TRANSPORTATION & ECONOMIC DEVELOPMENT
APPROPRIATIONS:

Prepared by:

Staff Director:

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Eliza Hawkins