

STORAGE NAME: h1601a.wfts.doc
DATE: April 10, 2001

**HOUSE OF REPRESENTATIVES
COMMITTEE ON
WORKFORCE AND TECHNICAL SKILLS
ANALYSIS**

BILL #: HB 1601
RELATING TO: Workforce Development
SPONSOR(S): Representative Jennings

TIED BILL(S):

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

- (1) WORKFORCE AND TECHNICAL SKILLS YEAS 9 NAYS 0
 - (2) COUNCIL FOR LIFELONG LEARNING
 - (3)
 - (4)
 - (5)
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I. SUMMARY:

HB 1601 requires that an additional member of the board of directors of Workforce Florida, Inc., be a current or former recipient of state financial assistance. The bill provides legislative intent encouraging regional workforce boards to include current or former recipients of the state financial assistance as ex officio board members or to include such persons on committees organized by the board whenever possible and to the greatest extent possible.

The bill will take effect upon becoming law.

II. SUBSTANTIVE ANALYSIS:

A. DOES THE BILL SUPPORT THE FOLLOWING PRINCIPLES:

- | | | | |
|-----------------------------------|------------------------------|-----------------------------|---|
| 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"/> |

For any principle that received a "no" above, please explain:

B. PRESENT SITUATION:

Board Composition

The Workforce Innovation Act of 2000 created Workforce Florida, Inc. as a not-for-profit corporation, which develops policy for the Agency for Workforce Innovation and regional workforce boards. Pursuant to s.445.004, F.S., Workforce Florida, Inc. is governed by a board of directors. The number of directors are determined by the Governor, and their membership and appointment must be consistent with Pub. L. No. 105-220, Title I, s. 111(b). The board contains one member representing the licensed nonpublic postsecondary educational institutions authorized as individual training account providers, one member from the staffing service industry, and five representatives of organized labor who are appointed by the Governor.

Members appointed by the Governor are appointed for 2-year terms. Private sector representatives of businesses, appointed by the Governor, constitute a majority of the membership of the board. Private sector representatives are appointed from nominations received by the Governor from any member of the Legislature. A member of the Legislature may submit more than one board nomination to the Governor through his respective presiding officer. Private sector appointments to the board are representative of the business community of this state, and no less than one-half of the appointments to the board are representative of small businesses. Members appointed by the Governor serve at the pleasure of the Governor and are eligible for reappointment.

The Governor appoints members to the board of directors of Workforce Florida, Inc., within 30 days after the receipt of a sufficient number of nominations.

A member of the board of directors of Workforce Florida, Inc., may be removed by the Governor for cause. Absence from three consecutive meetings results in automatic removal. The chair of Workforce Florida, Inc., shall notify the Governor of such absences.

Representatives of businesses appointed to the board of directors may not include providers of workforce services.

Regional Workforce Boards

Regional workforce board are appointed in each designated service delivery area and serve as the local workforce investment board pursuant to Pub. L. No. 105-220. The membership of the board contains one representative from a nonpublic postsecondary educational institution that is an authorized individual training account provider within the region and confers certificates and diplomas, one representative from a nonpublic postsecondary educational institution that is an authorized individual training account provider within the region and confers degrees, and three representatives of organized labor.

Information received from Regional Workforce Boards currently places participation of current or former recipients of state financial assistance programs as non existence to persons who officially serve as voting board members. Most of the involvement from current or former recipients of state financial assistance programs is concentrated at the committee level.

Responses from Regional Workforce Boards included the following:

Region 4

"In our region we have had a tremendous amount of difficulty finding participants who want to be involved at the board level, and sometimes even at the council level. For example, we have asked a participant and a participant's parent to be involved in our youth council and have not been able to get one to attend yet. We do have participants speak at our Board meetings often. We do however work closely with providers who work daily with real life people, and who call us daily with suggestions for improving service, or with problems about how a policy or law conflicts with assisting people, or about how a policy or rule prohibits them from doing the 'common sense' thing. We also find out what about the services helped people to succeed and try to make sure that those services are represented in everything that we do."

Region 9

"We have a former WAGES customer who is seated on the board as an official voting member. We amended our inter-local agreement two years ago to allow for a WAGES customer representative to be seated on the board. Initially, a WAGES customer still in the program was nominated and appointed to the board, but the young lady had a great deal of difficulty getting to any board or committee meetings. After much consternation and finally some commitment from the nominating entity (public housing department) to support the nominee's ability to participate in the board process, we have filled the seat with an individual who promises to be active and bring the reality of the customer experience to the boardroom. Please note that in retrospect the board probably would have been better off designating the seat as a 'customer' representative seat as opposed to a 'WAGES' customer seat, from the perspective that it would allow us to fill the representative seat from a larger pool of applicants representing a the broadest scope of what the board does in relation to customer services."

Region 12

"In Central Florida, we do not specifically have a seat on the voting RWDB allocated to WAGES customers. We do not believe that would be appropriate for a number of reasons. First, SB2050 eliminated references to the former WAGES program. Even the mission of the former WAGES Boards was incorporated into the new Better Jobs/Better Wages Committees. Second, beyond the categories of persons to be represented as required by federal law, the composition of the local regional boards and the appointments thereto are a matter of negotiations between the local RWDBs and the relevant local elected officials, with the result being embodied in the Agreement hammered out between the two. The thrust of the Federal law on the subject is to enhance the majority of the private sector at the RWDB level, and that is what has been done here in this region. Third, although there are organizations which are required to be members because they are

partners to the one-stop system operation, there are strict federal laws related to conflict of interest which, in most circumstances, prevents such members from voting and/or participating in discussion of matters directly related to themselves or their organizations' business (the federal laws in this regard are much more stringent than the state).

We do; however, value the opinions and expertise of all of our customers, whether they be businesses, students, employees, job seekers, or recipients of public support or services. We conduct customer surveys on a continual basis with all of the above, welfare recipients included. Additionally, our bylaws allow the several committee chairs to incorporate within their committee structure and membership, representation from any part of the community, that they may feel is needed to accomplish the goals of their specific committee. In our current structure, it would be there that welfare recipients would be included, not on the voting membership of the RWDB itself."

Region 13

"We do not have a designated 'customer' seat on the board proper. We have a section of every meeting however, at the front of the agenda, where we hear from a selected customer and a selected business that are using our services. They provide "real time" feedback to the board on the things that are working, the challenges they face, and the value of the board's work. We have a career military retiree as the veteran representative on our board, who also represents another sector as well.

Our committees are a different story. We have a much broader participation from all areas. We have a youth and a participant parent on our First Jobs/ First Wages Committee. We have advocates and vocal community voices being heard at our other committees, but specifically Better Jobs/ Better Wages Committee. There is ample opportunity to get our community's input at the committee level, which is extremely active and effective."

Region 19

"At every single board meeting which is rotated among our three counties we have a voting member of the board who is an actual participant. They don't always feel free to speak up but often they do. At the beginning of the meeting they give a brief synopsis of their experience. We also have several veterans, not just representatives of the organization. The participants are part of the by laws of the board as a voting member and are the highlight of the meeting. We always put them first so that the board has a reference of what their mission is about."

Region 20

"We have customers, or past customers, participating on our Youth Council which is a part of our Board. At Board meetings, we have presentations regarding programs and services and customers often address the Board during those presentations. We do not have any customers as members of our Board. Our monitoring provider interviews customers in the One Stops and provides feedback to the Board. When designing programs we often interview customers for input on what works."

Region 22

"We have a Participant Advisory Committee made up of 25 participants, which proportionately represent Adult, Welfare and Dislocated workers. Youth are represented by law on the First Jobs/ First Wage Committee. The Chair of the First Jobs/ First Wage Committee is very active, attends meetings and our retreat. We also have a welfare recipient on our Better Jobs/ Better Wages Committee who is quite vocal. Lastly, Florida Atlantic University conducts surveys and focus groups with current participants. Their comments are sent directly to our Accountability Committee who reviews them along with our comments/corrective action strategies.

Region 23

"Region 23 does not have a former welfare recipient on the workforce boards; however, the Region includes three former welfare recipients on our staff including one working as an ombudsman for

the Welfare Transition Program; this staff member was a Board Member before becoming a member of the staff. The Region 23 workforce board members include a Veterans community based organization representative who was himself a Vietnam-era veteran, a disabled community based organization representative who is himself a wheelchair-bound disabled individual who is an active and outspoken member of the Board, two representatives of organized labor who work in the trades they represent, one of whom originally came in contact with JTPA programs as a dislocated worker himself (additional organized labor representatives on the Board are staff employed by the unions who previously were employed as school system employees) and a seasonal farmworker representative who was a farmworker as a child."

C. EFFECT OF PROPOSED CHANGES:

HB 1601 requires that an additional member of the board of directors of Workforce Florida, Inc., be a current or former recipient of state financial assistance. The bill provides legislative intent encouraging regional workforce boards to include current or former recipients of the state financial assistance as ex officio board members or to include such persons on committees organized by the board whenever possible and to the greatest extent possible.

D. SECTION-BY-SECTION ANALYSIS:

This section need be completed only in the discretion of the Committee.

III. FISCAL ANALYSIS & ECONOMIC IMPACT STATEMENT:

A. FISCAL IMPACT ON STATE GOVERNMENT:

1. Revenues:

N/A

2. Expenditures:

N/A

B. FISCAL IMPACT ON LOCAL GOVERNMENTS:

1. Revenues:

N/A

2. Expenditures:

N/A

C. DIRECT ECONOMIC IMPACT ON PRIVATE SECTOR:

N/A

D. FISCAL COMMENTS:

The bill has only a minimal fiscal impact. Currently, board members are authorized by law to be reimbursed for all reasonable expenses related to board meetings activities.

IV. 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 expend funds.

B. REDUCTION OF REVENUE RAISING AUTHORITY:

This bill does not require counties or municipalities to expend funds.

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

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

V. COMMENTS:

A. CONSTITUTIONAL ISSUES:

N/A

B. RULE-MAKING AUTHORITY:

N/A

C. OTHER COMMENTS:

Information received from regional workforce boards raises the issue that conflict of interest may arise if the person who is appointed to the Board of Directors is a current recipient of state financial assistance because they may initiate or participate in policy they could or would directly benefit from.

The requirement for an additional board member to be a current or former recipient of state financial assistance not only would include such need base programs as Temporary Assistance for Needy Families, but any state financial assistance merit base programs such as Florida's Bright Futures Scholarship Program¹.

VI. AMENDMENTS OR COMMITTEE SUBSTITUTE CHANGES:

The Committee on Workforce and Technical Skills unanimously (9 to 0) reported HB 1601 out of committee on April 10, 2001. The bill was reported out with two traveling amendments both which clarified the qualification for board membership.

¹ The Bright Futures Scholarship program is a lottery-funded scholarship program to reward Florida high school graduates who merit recognition of high academic achievement and enroll in eligible Florida public and non-public postsecondary institutions.

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VII. SIGNATURES:

COMMITTEE ON WORKFORCE AND TECHNICAL SKILLS:

Prepared by:

Staff Director:

Alex Amengual

Ken Winker