

**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.)

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Prepared By: The Professional Staff of the Community Affairs Committee

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BILL: CS/SB 428

INTRODUCER: Commerce Committee and Senator Bennett

SUBJECT: Workforce Innovation

DATE: March 13, 2008

REVISED: \_\_\_\_\_

	ANALYST	STAFF DIRECTOR	REFERENCE	ACTION
1.	Gordon	Cooper	CM	<b>Fav/CS</b>
2.	Molloy	Yeatman	CA	<b>Favorable</b>
3.			TA	
4.				
5.				
6.				

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**Please see Section VIII. for Additional Information:**

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|------------------------------|-------------------------------------|---|
| A. COMMITTEE SUBSTITUTE..... | <input checked="" type="checkbox"/> | Statement of Substantial Changes        |
| B. AMENDMENTS.....           | <input type="checkbox"/>            | Technical amendments were recommended   |
|                              | <input type="checkbox"/>            | Amendments were recommended             |
|                              | <input type="checkbox"/>            | Significant amendments were recommended |

**I. Summary:**

This Committee Substitute (CS) would permit Regional Workforce Boards to be direct providers of intake, assessment, eligibility determinations, or other direct provider services, except training services, subject to agreement between the designated chief elected official<sup>1</sup> and the Governor.

This CS amends section 445.007 of the Florida Statutes.

**II. Present Situation:**

Workforce Florida, Inc. (WFI), creates statewide policy for Florida's workforce system.<sup>2</sup> The Agency for Workforce Innovation (AWI) is responsible for implementing WFI's policy through its 24 regional workforce boards (boards). The boards deliver program services at the local level through one-stop career centers. Currently, 96 one-stop career centers provide employment services to job seekers, such as job training and career counseling. The one-stop centers also assist employers in finding workers to fill vacancies.

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<sup>1</sup> AWI staff reports that the "chief elected official" is the chair of the county commission of the county (or counties) in which the regional workforce board has jurisdiction.

<sup>2</sup> Chapter 445, F.S.

The federal government provides funding for and imposes duties and restrictions on the delivery of workforce services in the states.<sup>3</sup> This law requires three types of services that must be provided to customers of one-stop centers: training services, core services, or intensive services.<sup>4</sup> Training services may include, but are not limited to: occupational skills training, on-the-job training, programs that combine workplace training with related instruction (e.g., cooperative education programs), training programs operated by the private sector, and skill upgrading and retraining.<sup>5</sup>

Core services must include, at a minimum, 11 categories of services, which include: determination of eligibility to receive assistance, initial assessment of skill levels, job search and placement assistance, and the provision of information relating to the availability of support services.<sup>6</sup>

Intensive services are those that are available to adult and dislocated workers and include specialized assessments of skill levels, development of an individual employment plan which identifies specific employment goals, group counseling, individual counseling, case management, and short term-prevocational services such as interviewing skills and communication skills.<sup>7</sup>

Regional Workforce Boards provide these services by contracting with third-party vendors who operate the one-stop centers.<sup>8</sup> Regional Workforce Boards are prohibited by federal law from directly providing these services, except under certain conditions.<sup>9</sup> This restriction is restated in s. 445.007(5), F.S.:

The regional workforce board shall designate all local service providers and shall not transfer this authority to a third party. In order to exercise independent oversight, the regional workforce board shall not be a direct provider of intake, assessment, eligibility determinations, or other direct provider services.

Federal law provides a means to obtain a waiver from the restrictions in federal law. Regional Workforce Boards may provide training services if granted a waiver by the Governor.<sup>10</sup> To obtain the waiver, the RWB must submit a request demonstrating the following:

- Satisfactory evidence that there is an insufficient number of eligible providers of such a program of training services to meet local demand in the local areas;
- Information demonstrating that the board meets the requirements for an eligible provider of training services under section 2842 of this title; and

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<sup>3</sup> 29 U.S.C. Sec. 2864.

<sup>4</sup> 29 U.S.C. Sec. 2864(d).

<sup>5</sup> 29 U.S.C. Sec. 2864(d)(4)(D).

<sup>6</sup> 29 U.S.C. Sec. 2864(d)(2).

<sup>7</sup> 29 U.S.C. Sec. 2864(d)(3)(C).

<sup>8</sup> Section 445.007(5), F.S.

<sup>9</sup> 29 U.S.C. Sec. 2832(f).

<sup>10</sup> 29 U.S.C. Sec. 2832(f)(1)(B).

- Information demonstrating that the program of training services prepares participants for an occupation that is in demand in the local area.

In addition, Regional Workforce Boards must make the request available to eligible providers of training services and other interested members of the public for a comment period of not less than 30 days; and include, in the final request for the waiver, the evidence and information described above and any public comments received. A waiver may only apply for 1 year, but may be renewed annually, upon application from the Regional Workforce Boards.<sup>11</sup> The waiver may be revoked if the Governor determines that the local board “has engaged in a pattern of inappropriate referral to training services operated by the local board.”<sup>12</sup>

Regional Workforce Boards may provide core or intensive services through a one-stop delivery system upon an agreement between the chief elected official<sup>13</sup> and the Governor.<sup>14</sup>

### III. Effect of Proposed Changes:

**Section 1** amends s. 445.007, F.S., to conform state law with federal law by authorizing Regional Workforce Boards to be designated as direct providers of intake, assessment, eligibility determinations, or other direct provider services, except training services, only when agreed to by the designated chief elected official and the Governor.

**Section 2** provides that act will take effective July 1, 2008.

### IV. Constitutional Issues:

#### A. Municipality/County Mandates Restrictions:

This committee substitute does not require cities and counties to expend funds or limit their authority to raise revenues or receive state-shared revenues as specified by s. 18, Art. VII, of the State Constitution.

#### B. Public Records/Open Meetings Issues:

None.

#### C. Trust Funds Restrictions:

None.

<sup>11</sup> 29 U.S.C. Sec. 2832(f)(1)(C).

<sup>12</sup> 29 U.S.C. Sec. 2832(f)(1)(D).

<sup>13</sup> AWI staff report that the “chief elected official” is the chair of the county commission of the county (or counties) in which the regional workforce board has jurisdiction.

<sup>14</sup> 29 U.S.C. Sec. 2832(f)(2).

**V. Fiscal Impact Statement:****A. Tax/Fee Issues:**

None.

**B. Private Sector Impact:**

Local businesses that have contracted with Regional Workforce Boards to be direct providers may lose the revenue they derived from those contracts.

**C. Government Sector Impact:**

Regional Workforce Boards have reported that they may experience cost savings by directly providing the services.

**VI. Technical Deficiencies:**

None.

**VII. Related Issues:**

None.

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

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

This CS replaces a defective provision in the bill.

The bill would have permitted Regional Workforce Boards to be direct providers of direct provider services, except training services, *subject to the approval*, by agreement, of the designated chief elected official and the Governor. The CS removes the defective phrase *subject to approval*, thereby ensuring consistency with requirements in federal law.

**B. Amendments:**

None.