Approved: 2-9-2000
Date

MINUTES OF THE SENATE EDUCATION COMMITTEE.

The meeting was called to order by Chairperson Senator Barbara Lawrence at 9:00 a.m. on January 12, 2000 in Room 313-S of the Capitol.

All members were present except:

Committee staff present: Avis Swartzman, Revisor of Statutes
Ben Barrett, Legislative Department Department
Jackie Breymeyer, Committee Secretary

Conferees appearing before the committee: David Shreve, NCSL
Tracy Schmidt, NCSL

Others attending: See Attached List

The joint meeting of the House and Senate Education Committees was called to order by Senator Barbara Lawrence, Chairperson. The subject for the joint meeting was Workforce Development. The Chairperson introduced David Shreve, who, in turn, introduced Tracy Schmidt, NCSL. Ms. Schmidt was present to give a part of the presentation. Mr. Shreve also introduced Laura Loyacono and Jay Kayne, Ewing, Marion Kauffman Foundation.

Mr. Shreve related to the economic health and growth of Kansas. He stated there are 100,000 unfilled jobs in Kansas and added that it is a daunting task for a person to try to access services available without education and skill level development.

Mr. Shreve touched on all facets of workforce development, including the history and development of the Workforce Investment Act, JTPA, CETA and the Schaffer/Woolsey Act.

Two states, Utah and Texas, have already consolidated workforce functions. While Utah is a small state, Texas is large and quite diverse. It is working well in both states and proves that whether a state is large or small it can provide those services which are responsive to the community.

Ms. Schmidt went through her part of the program. Workforce problems are no longer just social concerns, but business problems as they affect the business health of the community. States must comply with federal law and add a high level of performance measures to reach and go further than federal requirements.

Mr. Shreve thanked the Kauffman Foundation members for the assistance rendered in helping get programs implemented. Vision is needed to take programs further than only what is required.

Ms. Schmidt was asked under what agency she would suggest as the umbrella agency to bring these agencies and programs together. She was also asked about the inclusion of vocational education.

Ms. Schmidt responded that these are optional considerations for those who are in on the decision making process to solve.

The following attachments were made available by the NCSL for the committee:
NCSL Legisbrief (Attachment 1); Serving the Kansas Workforce, An Inventory of Programs and Policies (Attachment 2); Kansas Workforce Investment Partnership Council (Attachment 3); The Workforce Investment Act of 1998 (Attachment 4); Workforce Development Reform (Attachment 5); "Kansas Workforce Employment and Training Programs: Do They Function as a System?" (Attachment 6); Materials on Texas Workforce Legislation (Attachment 7); Kansas Workforce System Review (Attachment 8); Fiscal Impact Statement (Attachment 9); Department of Workforce Services Executive Summary and Overview (Attachment 10); Review of the Workforce Development Board of Enterprise Florida, Inc. (Attachment 11); Summary of the 1999 Act and Resolves, Act No. 27 (H.290) (Attachment 12); and Bill Summary for HB 1875 (Attachment 13).

The meeting was adjourned.

SENATE EDUCATION COMMITTEE GUEST LIST

DATE: January 12, 2000

NAME	REPRESENTING
Steve Smith	NCSL
[illegible]	Kauffman Foundation
Tracy Schmidt	NCSL
[illegible]	SQE
Bob [illegible]	Blue Valley USD 229
[illegible]	KNEA
Stacey Farmer	KASB
Craig Grant	KNEA
Elaine Frisbie	Div. of Budget

NCSL LEGISBRIEF

VOL. 8, NO. 11
FEBRUARY 2000

State Legislatures Drive Workforce Development Reform

By Tracy Schmidt

Remember when you were 16 and anxious to drive? What did you do when your father handed you the keys to the car? Did you toss them out the window? No, of course not. You said thanks, ran out the door and revved up that engine. Usually in life, we are just as anxious to be in the driver's seat.

The Workforce Investment Act allows legislative leaders to appoint lawmakers to the state workforce board, gives legislatures the appropriating authority for all training funds, and permits legislators to approve the inclusion of vocational education funds with training money.

With the 1998 passage of the federal Workforce Investment Act (WIA), Congress handed state legislatures the keys for driving their workforce development system. The law allows legislative leaders to appoint lawmakers to the state workforce board, gives legislatures the appropriating authority for all training funds, and permits legislators to approve the inclusion of vocational education funds with training money. Some legislatures have already gotten behind the wheel, while others are still in the back seat being taken for a ride.

Although there are only three references for state legislative action in the act, lawmakers can codify as much of the new workforce structure as they would like and put their mark on the system by going further than the federal law.

The act states that legislative leadership will appoint four legislators to serve on the state workforce investment board (WIB) that develops a five-year strategic plan to meet the needs of employers and employees. This is a valuable connection between the legislature and planning for the state workforce system. It is imperative that legislators know and understand what transpires in the state workforce investment board because the legislature must also appropriate all federal training money. Legislatures should not be snookered into inaction because the state

State Workforce Investment Boards

- Make recommendations to governor for a 5-year strategic plan that will:
  - describe statewide workforce development activities.
  - explain how the act's requirements will be implemented.
  - outline how special populations will be served.
  - detail how local employment service activities fit into the new service delivery structure.
- Develop a statewide workforce system and a labor market information system.
- Encourage continuous improvement by setting state benchmarks within federal performance measures.
- Monitor statewide activities, including the establishment of a common data collection and reporting process.

Local Workforce Investment Boards

- Plan and oversee the local system (that will be approved by the governor).
- Designate "one-stop" operators.
- Identify providers of training services.
- Monitor system performance against performance measures.
- Negotiate local performance measures.
- Help develop a labor market information system.

Local Youth Councils

- Develop parts of the local plan relating to youth
- Recommend providers of youth services
- Coordinate local youth programs and initiatives

Source: Department of Labor, 1999.

Senate Education
1-12-2000
Attachment 1

may lose the right to grandfather their system, especially since in many cases, prior executive orders do not constitute whole system reform.

State Actions

Nineteen legislatures passed laws (and one resolution) in their 1999 sessions relating to the federal act. Some legislatures made superficial changes. Others took the lead on system reform by not only codifying the workforce development structure laid out in the WIA, but also putting their stamp on the system.

Nineteen legislatures passed laws (and one resolution) in their 1999 sessions relating to the federal act.

Since legislatures have the right to appropriate training funds, they have the influence to direct federal money like never before. One prime example of directing local policy with federal dollars is in Florida. The Florida Legislature earmarked 10 percent of WIA youth funds to the local boards for performance payments to public schools' dropout prevention programs. Another legislative priority, training of low-wage workers for advancement (or incumbent worker training), will receive 5 percent of the 15 percent funds that remain at the state level.

In addition to appointing legislators and appropriating federal training money, legislatures must also approve the inclusion of secondary vocational funds if it's the state's intent to make vocational education part of the workforce development system. Florida, Indiana and Wyoming were the only states in the survey that approved this inclusion.

States can also go beyond the federal guidelines when establishing their system.

Arkansas, Hawaii, Indiana, North Carolina and Oregon listed in detail the structural changes to their workforce system based on the federal law. States can also go beyond the federal guidelines when establishing their system, as did some of these states. Arkansas incorporated the WIA template into their overall workforce system, which included numerous provisions to keep the General Assembly informed of state board actions and recommendations. Arkansas' law also allows one legislative appointment to the state WIB from the women's caucus as well as the black caucus. Indiana created local incumbent worker councils to develop a plan to be incorporated into the regional plan, much like the youth councils that are mandated in WIA. North Carolina established an employment and training grant program to dole out federal funds to locals based on the WIA funding formula. Presumably, this should make appropriating the federal funds easier. Oregon's legislation encourages communication between the Legislative Assembly and the state WIB, and mentions that any funds under sections 1-6 of WIA will be appropriated by the legislature. It also allows one-stop services to include drug and alcohol rehabilitation services.

Some states like Texas and Vermont amended their workforce investment board statute. Texas' law now requires the state board to report to the Legislature and asked the board to evaluate the workforce development system as a whole, instead of individual programs. Vermont's law strengthened its state board by allowing it to examine the revenues and expenditures of all state agencies with workforce programs. It also empowers the board to hold agencies accountable for their annual objectives set by the board.

State legislatures shouldn't miss the opportunity to creatively and effectively influence their workforce policy. All of the previously mentioned laws are excellent examples of state legislatures in the driver's sear directing their state's workforce development journey.

Contact for More Information

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For a listing of state laws regarding WIA — www.ncsl.org/programs/employ/wrknot999.htm

1999 Enacted Legislation Regarding
The Federal Workforce Investment Act of 1998

CA SB 160	Funds earmarked to conform to data collection, reporting, and performance management requirements in WIA. Funds for local workforce investment boards (WIB) for transitioning to WIA
FL SB 1566	Names one-stop career centers as the state's customer service delivery mechanism. Adds food stamp and WAGES/TANF programs to the required one-stop partners in WIA. Further defines the relationship between one-stops and their regional workforce development boards (RWDBs). Designates the state workforce development board (WDB) as the state's WIB, and the RWDBs as the local WIBs pursuant to WIA. Brings board membership composition in compliance with WIA, and directs the WDB to plan the incorporation of the new members. Requires the WDB to prepare a five-year plan (to include secondary vocational education), that will also fully integrate all federally mandated and optional partners in the second year of the plan. Orders the WDB to contract with an administrative entity for the allocation of WIA funds, including Rapid Response funds, to the RWDBs. Unless a RWDB obtains a waiver, at least 50 percent of pass through Adult/Dislocated WIA Title I funds must be used for ITAs. Tuition, fees, performance-based incentive awards, as well as other programs, qualify as an ITA expenditure. Ten percent of the WIA youth funds allocated to RWDBs must be used as performance payments for public schools' dropout prevention programs. Creates an Incumbent Worker Training Program, administered by a private entity, to provide grant funding for continuing education and training of incumbent employees. Five percent of the 15 percent of the WIA funds retained at the state level is dedicated to this program.
AR HB 1074	Establishes state WIB, conforms with WIA membership roster - including one member each of House and Senate and one member each appointed by the chairs of the Women's Caucus and Black Caucus. Intent for the state WIB is clearly to foster coordination and efficiency. Has numerous provisions to keep the General Assembly informed of state WIB actions and recommendations. Includes career development system and youth programs in alignment. Gives a thorough listing of what should be in their state plan. Defines local workforce investment areas and WIBs. Includes sanctions for noncompliance at the local level.
CT HB 6723	Amends state WIB to include legislators. Asks state WIB to provide the General Assembly with recommendations as to how to allocate WIA funds. Charges the state WIB with developing continuous improvement models and performance measures for the workforce development system.
HI SB 1147	Changes title of HRIC to state WIB. Increases membership from 17 to 29 to adhere to membership requirements under WIA (including legislators). Instructs the state WIB on coordinating, organizing and running the system, which includes: develop state plan, develop continuous improvement model,

	redefines SDA's based on WIA, redefines allocation formula based on WIA, and orders state performance measures.
IL SB 1117	Bill relates to the Dept. of Human Services. Only replaces the language of the Rehabilitation Act of 1973 with WIA.
IN HB 1652	Amends the state HRIC to conform to the WIA membership guidelines (includes legislators). Establishes the workforce investment system to coordinate state and local activities, reduce welfare dependency, enhance competitiveness, and encourage continuous improvement. Charges HRIC with developing the state plan to include secondary vocational education and one-stop partners' programs. Redefines SDA's pursuant to WIA. Outlines the WIA sub-state structure for Indiana. Creates Incumbent Worker Councils and Youth Councils within the local WIBs to develop an incumbent worker plan and youth plan to be incorporated into the regional plan to the state. Spells out how one-stop system will operate, as per WIA. Gives local WIBs and chief elected official planning, policy and oversight responsibilities for the one-stop system. Names the chief elected official as the grant recipient and can assign a fiscal agent but must retain liability.
LA SB 354	Language Changes. JTPA to WIA, SDA to workforce investment area, and PIC to local WIB.
MN SB 653	Only refers to data collection for WIA
NM HB 9A	Reference that funds will come from WIA.
NC HB 168	Establishes in statute state and local WIBs. Conforms to WIA membership and sub-state structure. A couple of provisions to keep the General Assembly informed of state WIB recommendations and state plan. Establishes Employment and Training Grant program to dole out federal funds to locals based on WIA funding formula. (Presumably so it will be in the Dept. of Commerce's budget for appropriation purposes.)
OK HB 2989	Resolution commending the work of current system and advising state and locals in their job training system to exercise extreme care in instituting any WIA changes.
OR HB 2989	Establishes a state WIB. Conforms to WIA membership and sub-state structure. A couple of provisions to keep the Legislative Assembly abreast of state WIB recommendation and state plan. Includes directives for continuous improvement, performance measures, etc. Allows one-stop services to include drug and alcohol rehab. Notes that any funds expended under sections 1-6 of WIA will be appropriated by the legislature.
RI HB 5781	Mentions the use of unemployment insurance wage data for performance measures under WIA.
TN HB 1875	Creates the Department of Labor and Workforce Development from the Departments of Labor and of Employment Security with the intent to integrate, coordinate and simplify the workforce system. Lists various programs that will be a part of the new department, including WIA programs.
TX HB 2641	Qualifies that the department must use disbursement guidelines under WIA to retain exemption status.
TX HB 3434	Requires the state WIB to report to the legislature and to evaluate the workforce development system as a whole, rather than as individual programs.

TX HB 3480	Clearly states that a community college representative should serve on the local WIBs. Provides that if this amendment conflicts with WIA, federal law will prevail.
VT HB 290	Amends HRIC statute. Adds legislators and mandates that business reps. make up 51% of membership. Gives the council the right to examine the revenues and expenditures of agencies. Empowers the council to hold agencies accountable for their annual objectives set by the council.
WY SB 8	Allows the Department of Employment to submit their state unified plan to the federal government and approves the inclusion of vocational education programs in the plan (with the concurrent approval of the governor and state superintendent).

Prepared by Tracy Schmidt

Serving the Kansas Workforce

An Inventory of Programs and Policies

by Jana Zinser

Senior Policy Specialist

Employment and Job Training Project

National Conference of State Legislatures

October 30, 1997

Senate Education
1-12-2000
Attachment 2

Executive Summary

Enacted and proposed changes and consolidations in federal vocational and job training programs, combined with added federal emphasis on developing school-to-work systems (in Kansas it is referred to as school-to-careers), means many states will need to rethink how young people are prepared for their first jobs and how people already in the workforce can be retrained for different or better jobs. Although millions of dollars are spent on workforce development programs each year, most states have no comprehensive system for workforce development, nor do they have adequate outcome measures for current programs.

State reliance on federal mandates and complex funding streams, differing eligibility requirements, overlapping services and turf battles among constituency groups as well as administering agencies combine to create a confusing and sometimes mysterious web of programs. There are at least 125 federal employment and training programs regulated by six different federal agencies that are administered primarily by the states. For example the federal government has recently developed an additional categorical program for welfare-to-work grants, adding yet another layer of programs that states will have to deal with. States need to consider building a coherent system from the many school-to-career opportunities and workforce preparation programs.

To make informed decisions about these changes, states need to have accurate and objective information about their current systems, programs, strategies and funding. An inventory of all programs is the first step toward any workforce development reform. An inventory of programs and policies can highlight the number of separate programs operating independently that serve overlapping purposes and duplicate bureaucratic staff, administrative processes and program services. Many programs lack effective measurement tools and data to determine whether the programs are successful. Because of this lack of accountability, taxpayers often question whether public funds are being spent effectively.

Kansas has been active on several fronts: planning one-stop career centers, designing a school-to-career system and reforming welfare. Although very little legislative action has taken place in the workforce development areas in recent years, except for the funding of current programs, the agency people in charge of many of the current programs are well-informed and understand the need to examine reform options.

Four agencies in Kansas provide most workforce development and school-to-career programs including the departments of Commerce and Housing, Education, Human Resources, and Social and Rehabilitative Services. The Department of Corrections also has a few programs. Within these departments are more than 40 major programs that serve workforce development and school-to-career needs; within many of those programs are still more programs. Major funding for many of these programs include federal money from the U.S. Department of Education and the U.S. Department of Labor under the Wagner-Peyser Act, the Carl Perkins Vocational Education Act, the Job Training Partnership Act, school-to-work grants and one-stop grants. Federal welfare, no longer an entitlement, now is available as a block grant to the state (Temporary Assistance for Needy Families-TANF) and is tied to specific state performance goals, as well as specific time limits and work requirements. State general revenue also represents a significant funding source for workforce development programs, which tries to fill the void not covered by federal programs but sometimes duplicates federal efforts. **Over $400 million from state and federal sources was spent in Kansas last year for workforce development and school-to-work programs.**

The specific requirements and constraints of federal funding often prevent the co-mingling of various federal funding streams. According to many Kansas program directors, these funding constraints--in addition to other federal requirements--create frustration and impede service delivery.

This inventory gives an overview of Kansas's workforce development, including the complexities created by multiple programs serving a variety of specific constituencies. It is intended to help the state advance to a strategic planning phase where decisions can be made about how to create a system that more efficiently and effectively serves Kansas's workforce development needs.

Kansas may want to consider changes from the menu of options listed below. Many of these ideas are being debated and implemented in other states. Kansas may want to research and debate these choices, as well as others, in order to make the best choices that will be fit Kansas and its workforce needs.

Some of the following changes may be examined as options for Kansas:

Structural Options

- Develop a statewide strategic plan that includes a coordinated system of services.
- Statutorily establish a state-level body to strategically plan, oversee and evaluate all workforce development programs and serve as the state's human resource investment council (to provide oversight and management of all employment, training and related delivery systems).

- Consolidate workforce development programs under one agency.
- Develop a performance management system with state benchmarks, outcomes or performance measures and accountability, or loss of funding.
- Develop a state skill standards board that creates a statewide system of industry-defined and industry-recognized skills standards and credentials coordinated with national skill standards initiatives.
- Develop an integrated case management system that allows agency staff to review relevant information about client service history and program objectives without breaching confidentiality (this may include common intake forms and databases, as well as shared assessments).
- Create a networked computer system that would improve program accountability, performance and access to data about jobs and job seekers.
- Seek federal waivers and regulatory relief to coordinate and simplify federal and state funding mechanisms.

Policy Considerations

- Define workforce development and gain a common understanding of the term.
- Create a system that is outcome focused, client driven, adaptable, coordinated with other programs and locally controlled.
- Structure programs so that they are responsive to the needs of the clients and tied to the needs of employers.
- Consider the needs of those workers already in the workforce.
- Serve the needs of rural workers as well as those of urban workers.

- Develop the ability to break down the budget for each technical education program.

Local Connections

- Create local or regional workforce development boards with approved workforce plans. These boards would plan and oversee the delivery of all workforce training and service programs, in addition to evaluate all workforce development policies and programs in the area. Funds could be block grants to the local workforce development boards.
- Increase input from businesses about occupational needs.
- Create business incentives for training employees.
- Create partnerships among education, training and business.
- Develop curriculum linkages between high schools, colleges and technical institutions.

Expansion and Continuation of Programs

- Continue to expand school-to-career opportunities.
- Increase agency involvement with the school-to-career plans.
- Continue to develop one-stop centers.
- Market and advertise available education and training services.
- Provide funding and budget training for program directors.
- Develop plans to expand services.

Kansas Workforce Development Structure

Created by the Legislature in 1986 (Kansas Statute Annotated 74-8004), Kansas Inc. is an independent, nonpartisan organization that builds consensus and acts on state economic goals. The Legislature directed Kansas Inc. to "assume central responsibility to develop, with the guidance of both the public and private sectors, all facets of a comprehensive long-term economic development strategy." It is governed by a 15-member, mostly private sector, board of directors that is co-chaired by the governor. The membership also includes legislators, a board of regents' representative, the secretary of commerce and housing, a labor representative and private sector members of key Kansas industrial sectors. The executive and legislative branches of state government and the private sector share the responsibility for Kansas Inc.'s agenda. Two-thirds of its budget comes from the state and one-third from the business community. Kansas Inc. seeks to build a strong, diversified economy that promotes new and existing industries. It provides research for its economic development strategy, recommends policy, and conducts oversight and evaluation of the strategy's implementation. Its research has included the topics of workforce training and education, among others. Kansas Inc. created their economic development strategic goals in its 1997 publication, *A Kansas Vision for the 21st Century.* Included in those goals are to prepare Kansas youth for the workplace and life-long learning and to provide high-quality workforce training and life-long learning opportunities for adults. In that same report, Kansas Inc. identifies two weaknesses in Kansas:

- Inadequate preparation of youth during K-12 education for work and careers, low levels of funding for adult basic education, and a fragmented and uncoordinated system of professional, technical and continuing education; and
- A statewide shortage of skilled workers in growing occupations and industries.

The Kansas state Board of Education in 1992 established strategic directions for structuring education and included skills and behaviors needed for employment such as learning to learn; reading, writing and computation; creative thinking and problem solving; self-esteem, interpersonal skills and organizational effectiveness, and leadership. Strategies developed to achieve these goals include:

- The assessment and remediation of basic skills or the availability of employability enhancement skills through community colleges for all post-secondary schools.
- Elementary and secondary exit outcomes that will require basic skills development and employability enhancement.
- Community colleges and area vocational-technical schools will develop a program designed to market the need for new workplace skills.
- Integration of learning and work.
- Secondary and postsecondary programs will integrate academic and technical skills. This integration will require academic and vocational teachers to form teams to integrate skills required in the workplace.
- Special programs will be developed to retrain the unemployed or underemployed with new workplace skills.

- High skills and high-wage jobs.
- Existing area vocational schools will be transformed into technical colleges.
- Secondary and postsecondary schools will integrate academic and technical skills.
- All program data will be broken down by race, sex and socioeconomic status. The program data must proportionately reflect the communities and populations they serve.
- In areas of the state where community colleges and area vocational schools are in close proximity, they will become one operating unit of the post-secondary education system.
- Access to information and education.
- The state's A-plan for telecommunications in Kansas (two-way video plan), which includes clustering communities as an integral part of the state's telecommunication system will be implemented.
- Elementary education will include an objective to encourage all children to develop dreams of work goals.
- A program for training teachers, parents and students about career options will be developed and provided to schools and community centers.
- A plan for implementing a school-to-career apprenticeship program in appropriate areas of the state will be developed.
- All Kansas citizens will have access to training and retraining at community colleges and area vocational schools.

In 1991 the Legislature passed a bill that would have created an independent Office of Work Force Training to oversee all Department of Commerce and Housing training programs and to coordinate with other training programs. The governor vetoed the bill.

In 1993, the Legislature passed a bill (H.B. 2485) that would have established the Kansas Commission on Training for Tomorrow. The bill would have required the commission to develop and commence implementation of a strategy for the establishment of a comprehensive workforce training and education system in Kansas, including:

- Review and evaluate all existing employment and workforce training services in the state to determine if such services realize the goal of client self-sufficiency and meet the needs of Kansas employees, employers and the economy;
- Review and analyze comprehensive employment and workforce training systems in other countries and states; and
- Develop a plan for coordination of all employment and workforce training services in the state.

The governor vetoed the bill.

Since 1993, the Legislature has not initiated any actions to develop a plan for coordinated employment and workforce training services. However, through the appropriations process, the Legislature has continued to support a wide array of workforce or vocational training efforts. For example, the 1997 Legislature approved a grant of $1 million in FY 1998 to be used specifically for technology equipment for the state's 19 community colleges and Washburn University. The money will be allocated by the state Board of Education on a competitive basis.

The Kansas Department of Commerce and Housing administers several programs to assist businesses with their training and retraining needs. The Kansas Industrial Training (KIT) Program provides training assistance in the form of grants primarily to manufacturing, distribution, and regional or national services firms. These firms must commit to add five or more jobs to new or existing Kansas's facilities. The Kansas Industrial Retraining (KIR) Program provides retraining assistance in the form of matching grants to restructuring industries whose employees are likely to be displaced due to obsolete or inadequate job skills and knowledge. The Legislature funded these programs with a total of $3.5 million in FY 1997 and $3.75 million in FY 1998. A third program, the SKILL/IMPACT program, is used to provide training assistance, among other services, to larger businesses. This program employs an innovative funding mechanism involving tax-exempt bonds that are retired by the proceeds from withholding taxes on new jobs.

The budget of the Department of Social and Rehabilitation Services includes $10.9 million approved by the Legislature for FY 1998 for employment preparation in accordance with the provisions of the Personal Responsibility and Work Opportunity Reconciliation Act of 1996. Workforce training options are restricted to those who meet the federal welfare reform definitions. In addition, federal funding of $12.8 million was appropriated for training grants under the auspices of the Job Training Partnership Act.

The Kansas Legislature continues to support agency-specific workforce and vocational training initiatives through the appropriations process. The executive branch, through the Kansas Workforce Investment Partnership Council, has assumed the coordination of training initiatives. In 1996 the governor created the Kansas Workforce Investment Partnership (KWIP) to coordinate federal and state workforce development funding. It also replaced the School-to-Work Commission in governing the School-to-Careers initiative and now oversees the One-Stop Career Centers and the Kansas Council on Employment and Training.

In January 1995, Governor Bill Graves directed the Kansas Department of Human Resources to serve as the lead one-stop agency and build a network linking programs and agencies together, providing common intake, and making information and services available to customers at any location.

Kansas received a $2.8 million school-to-work grant in June 1998. School-to-careers is designed to accomplish three major goals--economic development, education reform and workforce development. School-to-careers is housed in the state's department of education, with the Kansas Workforce Investment Partnership taking a lead role in overseeing how the initiative is governed within the state. School-to-careers enjoys wide support from the Kansas business and education communities.

The Kansas school-to-careers initiative has allowed business, education and the community to work together to link the classroom with real world experiences. Through career awareness programs like job shadowing and internships, school-to-careers blends rigorous academic standards with occupational skills. The goal of school-to-careers is to enhance the connections between education and the world of work, within the context of high quality academic content.

The school-to-careers program provides funding for local partnerships to plan for systemic change connecting educational systems with employment opportunities. Program services are provided by local education agencies as well as private subcontractors and will serve all students—those both in and out of school--from kindergarten through four years of postsecondary education. The school-to-careers system also requires the inclusion of business, industry and labor in partnerships that are awarded funding. Kansas has passed 75 percent of its development funding to the local partnerships.

Kansas welfare reform--called KansasWorks--is the umbrella agency for Temporary Assistance for Families (TAF) and the Food Stamp Employment and Training Program; it incorporated the now defunct Kanwork program. It helps move public assistance recipients into employment. Able-bodied recipients of cash benefits are required to look for work as a condition of eligibility for assistance. Education and training are given only when job search and work experience placements are not successful, and then only short-term job training is allowed. Within these services there is also a focus in three areas--teen pregnancy, nontraditional occupations, and alcohol and drug assessment and treatment.

KansasWorks offers employability assessment, support services and referral to community resources. Some employment services are provided by the agency and some are provided through contracts with local providers. These services include job development, job coaching, life skills workshops, job clubs and on-the-job training.

Kansas Workforce Investment Partnership Council

Blueprint for the Kansas Workforce Development System ~ Submitted to Governor Bill Graves

Seizing opportunity to create the system of the future

Opportunity's knocking .... *Page 1*
The current reality .... *Page 1*
The vision for the future .... *Page 2*
Recommendations .... *Page 3*
Call to action .... *Page 5*

Presented by the Kansas Workforce
Investment Partnership (KWIP) Council
David P. Thomas
Vice President of Corporate Relations, Sprint Corporation
Chairperson, KWIP Council

June 15, 1999

Senate Education
1-12-2000
Attachment 3

Opportunity's knocking

The approaching millenium invokes an important turning point in history and sets a milestone by which to measure future achievement. The Kansas Workforce Investment Partnership (KWIP) Council proposes to harness this historic momentum for change to reinvent the state's workforce development system (WDS) in order to better meet the needs of Kansas citizens and employers.

The current reality

The State WDS is comprised of numerous public programs administered by a variety of state agencies, including the Department of Human Resources, the Department of Social and Rehabilitation Services, the Department of Commerce and Housing, and the Department of Education. This system is comprised of 40 different programs with an annual budget of approximately $400 million. While the system has pockets of success, it is noted for its fragmentation, categorical funding, bureaucracy and lack of consumer and market focus. The question arises: Is the State receiving an appropriate return on its investment?

Within this current reality opportunities exist to make dramatic changes in the way the WDS is administered.

- The strong economy, growing population and sound investments in public education, coupled with the outstanding work ethic of the men and women of Kansas, create a positive environment for improvement in the WDS.

- DHR has issued a Request for Proposals for the creation of at least five full-service One-Stop Career Centers beginning July 1, 1999. The centers are intended to deliver information and services that are consumer (not program) driven. Services through the centers will be designed to provide maximum choices in employment, education, training, social services and other services needed and wanted by the public. *The State must take full advantage of the opportunities provided through these grants to develop new partnerships and test service delivery strategies in order to better meet the needs of Kansas citizens and employers.*

- The State has received more than $1 million in federal funding for development of the Kansas School to Careers project, as well as a $16.8 million four-year grant to implement it statewide. The purpose of the project is to connect education and employment for the 21st Century. Regional partnership alliances will be formed to address the business environment, unemployment, high school drop-out rates and other relevant issues. Students will learn how academic concepts relate to the real world of work, and they will explore career opportunities. Employers will help prepare students with the skills and attitudes needed for success in the workplace. *The State has a tremendous opportunity to link this investment in the future of Kansas students with the WDS for the future.*

- The Workforce Investment Act (WIA) of 1998 is the culmination of a multi-year effort to reform the nation's job training, adult education, vocational rehabilitation and other workforce preparation programs. Programs and services authorized by WIA are intended to meet both the needs of the nation's businesses as well as the needs of job seekers and those who want to further their careers. Major elements of WIA are the following:
  - Training and employment programs should be designed and managed at the local level where the needs of businesses and individuals are best understood.
  - Consumers must be able to conveniently access information about employment opportunities, job training, other employment preparation services, and related programs.
  - Consumers must have choices in determining which program will best meet their needs.
  - Business will provide leadership and play an active role in ensuring that the system prepares people for realistic jobs in the workforce.

  The State must take full advantage of the legislative imperative created through this new law to coordinate and collaborate to build a more effective WDS which better meets the needs of Kansas citizens and employers.

The vision for the future

KWIP proposes to leverage existing resources and expand the one-stop initiative to create the WDS of the future. The following results and outcomes are envisioned:

- *Thriving children and secure families.*
  Children are nearly 30% of our population, but 100% of our future. Kansas children deserve a bright future, supported by a strong WDS which encourages:
  - Youngsters to develop the language, reasoning, math and technical skills they will need to compete in the labor market of the future.
  - Workers who are life-long learners with the flexibility to adapt to emerging workforce needs.
  - Adults who can grow into more highly skilled employment categories to better provide for their families' needs.

- *Economic development and job growth.*
  A skilled, productive workforce contributes to economic growth and gives Kansas a competitive edge in the global marketplace.

- *Satisfied consumers – job seekers, employers and taxpayers.*
  Job seekers will be able to access basic or specialized services according to their individual needs. Employers will have access to a skilled workforce that will contribute to the success of their organizations. Taxpayers will receive a return on their investment in education and the WDS through increased economic development and job growth.

- *Accountability through common outcome measures.*
  The WDS will include strong accountability measures for performance, outcomes and

customer satisfaction. Evaluation of the WDS will drive continuous improvement and capacity building efforts.

- *Partnerships.*
  Business, labor, elementary and secondary education, vocational-technical schools, community colleges, universities, private business colleges, placement firms, the human resource development functions of business and industry, community-based organizations and government entities work together to integrate service delivery and assure that consumers develop the skills they need to succeed in the workplace. KWIP assures that the door is open for all of these partners to have meaningful involvement in the new WDS, and encourages communities to develop pilot projects to test innovative concepts.

- *The "virtual organization" comprised of collaborative programs.*
  WIA does not mandate program consolidation. Rather than focus time and energy now on how to merge programs, agencies should address how to build bridges between programs to improve consumer services. Thus KWIP envisions the "virtual organization:"
  - Common intake forms make it easier for consumers to access services.
  - Comprehensive information and referral services meet or exceed consumer expectations every time.
  - Computer linkages among programs make services appear "seamless" to consumers.
  - Computer systems are linked via the Internet, rather than spending scarce resources on new computer systems.
  - Existing staff from various agencies are assigned to support reinvention and management of the WDS.

  As agencies work together in a functional capacity through the new WDS partnerships, a consensus for consolidation may emerge.

- *Increased staff morale and development.*
  Involvement of staff at all levels in creating the future of the WDS will lessen the natural feelings of anxiety and resistence that sometimes accompany major change initiatives.

Recommendations

KWIP recommends the following actions which are critical to fulfillment of this vision:

1. We ask you, as Governor, to hire a WDS Executive and small staff to manage the process of reinventing the WDS.
   - Numerous issues related to the WDS require staff attention: policy, strategic management, workforce investment board governance, coordination with local boards, identification of critical issues, analysis and development of options, assistance in developing agendas and facilitation of meetings to assure outcomes and results. This work is too time intensive to be successfully accomplished by "volunteers" who must continue other responsibilities in addition to the WDS initiative.

- Therefore, KWIP envisions the following positions:
  - A WDS Executive with skills as a system planner, facilitator, negotiator, communicator and leader.
  - A WDS Information Technology specialist to coordinate linkages among all computer systems.
  - A Communications Specialist with skills in writing, facilitating and strategic planning.
  - A professional Administrative Assistant with research, web page design/management abilities and organizational skills.
  - A clerical support staff position.
- The Executive should report directly to the Governor, signaling a high level of leadership and the expectation that all appropriate State programs collaborate in the process. By positioning such staff in the Governor's Office, the State would be able to avoid blocks which can occur when program staff, who naturally have vested interests in their own organizations, try to manage change of such significant proportions.
- Partner organizations in the WDS will be asked to contribute funds from existing budgets to pay for these positions and related operating expenses.

2. We ask you to designate KWIP as the State Workforce Investment Board required by WIA. Membership should be reviewed to assure that all required partners through the WIA are represented on the board. In keeping with its mission, KWIP should:
   - Continue to serve as a review board and change agent empowered with the responsibility of making recommendations to the Governor and to state agencies to drive economic development in the state by helping to produce lifelong learners; highly skilled and productive workforce; and high skilled and high wage jobs.
   - Serve in an advisory capacity to the WDS Executive.
   - Provide the collaborative link to local workforce investment boards.
   - Focus on strategic planning and systems building. (The attached document lists key milestones for the next three to four years.)
   - Work with the WDS Executive to develop a legislative agenda, if needed, for the 2000 session.

3. Through the Year 2000, Service Delivery Areas (SDAs) will remain the same. In the future, SDAs will be encouraged to seek bi-state compacts in natural labor areas that cross state borders.

4. We ask you to support and participate in an "aligning for action" conference to bring stakeholders together and to encourage buy-in for the level of change that will be needed to implement the vision for the new WDS. Leadership from the Governor is essential to convey to state agency staff your commitment to this vision, the imperative for change and the urgency of moving forward to create the WDS of the future.

3-5

5. We ask you to make the WDS part of your legislative agenda by addressing implementation issues in your budget, State-of-the-State address and policy decisions. We believe that the development, establishment and growth of the WDS should be a non-partisan issue receiving support from both the executive and legislative branches.

Call to action

As you stated in your message to the 1999 Kansas Legislature: "We have an obligation to continue good public policy that will support and enhance the growth of Kansas."

The KWIP members believe wholeheartedly that our recommendations meet this challenge. Our vision and recommendations serve as a call to action to all partners to create and implement the finest WDS in the country – one that will be the standard against which others are measured. We strongly urge your approval of the recommendations we have outlined. We stand ready as individuals and as the KWIP to assist in the implementation.

Opportunity's knocking. With your support and approval, we will seize that opportunity today to create the WDS for tomorrow.

MAS 0499 I:\REPORTS\WIA\KWIP\proposal to the governor.wpd

OVERVIEW OF WORKFORCE INVESTMENT ACT (WIA)

Enactment

- President Clinton signed the bill into law on August 7, 1998.
- JTPA is repealed as of July 1, 2000

WIA's Impact on the Workforce Development System

- Program silos still exist
- All federal regulations must be adhered to as coordination of programs occur

WIA will enable customers to easily access the information/services they need through a *One-Stop* system

- Statutorily requires creation and continuation of a *One-Stop* service delivery system as the access point to a wide array of job training, education and employment services to customers at a single neighborhood location.
- Requires that a series of federal programs be offered through a *One-Stop* systems, those include:
    1. Adult Programs
    2. Youth Programs
    3. Dislocated Worker Programs
    4. Job Service (Wagner-Peyser)
    5. Adult Education and Literacy
    6. Vocational Rehabilitation
    7. Welfare-to-Work
    8. Community Service Employment Programs for Older Americans
    9. Postsecondary Vocational Education (Perkins)
    10. Trade Adjustment Assistance
    11. NAFTA - TAA
    12. Housing and Urban Development Employment and Training Programs
    13. Veterans Employment and Training Programs
    14. Community Services Block Grants
    15. Unemployment Insurance

    NOTE: Local Workforce Boards and LEOs may approve participation of other programs (e.g., Welfare Reform, Food Stamp Employment and Training Programs, National and Community Service, etc.)
- *One-Stop* system must be established in each local area.
- Local Workforce Boards, in collaboration with LEOs, will oversee *One-Stop* system.
- Local communities have flexibility in designing system.
- Each local area must have at least one physical "full service" center. Other centers, electronic access points and networks at affiliated sites may supplement the "full service" centers.
- Current *One-Stop* operators that qualify may continue if the Governor, Local Workforce Board and chief elected official agree and are consistent with the state plan.

Services Available to Dislocated Workers and Adults

The Act provides for three levels of services:

1. Core Services - *Universal access for all adults.*
   (Eligibility determination, outreach, intake, orientation, initial assessment, job search and placement assistance, career counseling, labor market information, information on training providers, information on supportive services, information on filing UI claims, assistance in establishing eligibility for Welfare-to-Work and financial aid and follow-up services for 12 months after placement.)
2. Intensive Services - *For unemployed unable to obtain employment through core services and employed who need core services to obtain or retain employment allowing for self-sufficiency* .(Comprehensive assessment of skills and service needs, development of individual employment plan, group or individual counseling, case management, short-term pre-vocational services.)
3. Training Services - *For adults and dislocated workers who were unable to obtain or retain employment through intensive services, were determined to need training and to have skills and qualifications to successfully participate, select programs directly linked to employment opportunities, or are unable to obtain other grant assistance.* (Occupation skills training, on-the-job training, skills upgrading, entrepreneurial training, job readiness training, adult education and literacy activities, and customized training for employers who commit to hiring.)

- If program funds are limited, low-income individuals (e.g., welfare recipients) will have priority in receiving intensive and training services.

Individual Training Accounts (ITAs)

- ITAs or vouchers are available.
- ITAs are required for most training except, on-the-job or customized training; rural areas or where the Local Workforce Board wants a community-based organization or other private entity to serve a special population.

Certification of Training Providers

- Initial provider eligibility is automatic for all Postsecondary educational institutions that receive federal student financial aid, though they must apply through their Local Workforce Boards. Apprenticeship programs are also automatically eligible for the first year.
- Other providers must meet eligibility criteria, which is established by the Governor.
- For subsequent eligibility, service providers must meet minimum levels of performance and are required to provide information on performance and cost.
- It is the State's responsibility to maintain a list of eligible training providers.
- Customers may choose any provider on the list.
- States may enter into reciprocal agreements with other States.

State-Level Responsibilities for Aggregate Performance of Local Programs

- Responsible for designing and administering standards, rewards and sanctions for locals.
- Administer Rapid Response activities.
- Maintain and distribute lists of eligible providers
- Conduct evaluations of programs or incentives
- Provide incentive grants to local areas
- Provide technical assistance
- Provide oversight and monitoring for all programs
- Help establish *One-Stop* Systems
- Operate a fiscal and management accountability information system
- Provide assistance for areas with high concentrations of eligible youth.

New State Workforce Board

- The Kansas Workforce Investment Partnership (KWIP) Council currently serves as the State's Workforce Council under JTPA.
- Under WIA, the Governor has the option to create a new State Workforce Board or to retain the current KWIP to serve as the "new" state workforce board, provided the KWIP Council composition is as follows:

  Governor
  Business Sector (Majority and Chair)
  Two Members of Each Chamber of the State Legislature
  State Agency Officials for the Mandated *One-Stop* Programs
  Labor Union Officials
  Community College/Community-Based Organization Representatives
  Chief Elected Officials
  Workforce and Youth Program Experts
  Others

Functions of the State Workforce Board include assisting the Governor with:

State Plan
Statewide Activities
Comment on Vocational Education Activities
Designate Local Workforce Areas
Develop Optional Allocation Formulas for Youth and Adult Funds
Develop State Performance Measures
Prepare Annual Report
Develop State Labor Market Information System
Develop Application (if desired) for National Incentive Grant to State

Local Workforce Boards

- WIA provides for the Governor to designate "new" local workforce areas after consultation with the State Workforce Board, Local Elected Officials and members of the public.
- In making its recommendations to the Governor for designating "new" local workforce areas, the State Workforce Board will rely on the following factors:

  School District Boundaries
  Postsecondary Education Area Boundaries

Labor Market Area Boundaries
Distance Customers Must Travel for Services
Resources Available for Administering the Program

- Current SDAs, however, may seek automatic or temporary designation to be a local workforce area. *All five Kansas SDAs could qualify to be an automatic or temporary designated local workforce area, provided they meet specific performance standards and fiscal integrity.*
- Grandfathers current Private Industry Councils (PICs) that are "substantially similar" to law.
- The Chief Local Elected Official appoints members
- Governor must certify Local Workforce Boards every two years
- Governor may decertify for fraud, failure to carryout functions and non-performance

Required Membership Composition of the Local Workforce Boards:

Business Sector (Majority and Chair)
Local Education Entities
Labor Organization Officials
Community-Based Organization Representatives
Economic Development Agency Representatives
All *One-Stop* Partners
Others as Determined by Local Officials

Functions of the Local Workforce Boards (in partnership with the Chief Local Elected Official)

Select *One-Stop* Operator
Select Youth Providers
Identify Eligible Intensive Service Providers
Identify Eligible Training Providers
Budget for the Board
Program Oversight
Negotiate Local Performance Measures with the Governor
Assist the Governor in Developing Statewide Labor Market Information System
Coordinate Employment and Training with Economic Development
Connecting, brokering, coaching private sector employers

Program Funding

- The WIA maintains separate funding streams for: Adults, Youth and Dislocated Workers.
- 85% of Adult and Youth Funds are allocated to local areas. The remaining 15% are reserved for statewide activities.
- Funds in excess of $1 billion are appropriated for youth for Youth Opportunity grants.
- 20% of the dislocated worker funds are reserved for the Secretary of Labor to carry out National Emergency Grants, technical assistance and demonstrations. 60% of the remainder is allocated to local areas, 15% allocated for statewide activities and 25% for State Rapid Response activities.

Youth Councils

- Youth Councils will be established as a subgroup of each Local Workforce Board in cooperation with LEOs.

Required Membership Composition of Youth Councils:

Local Board Members with Expertise on Youth Issues
Youth Service Agencies and Former Participants
Public Housing Authorities
Parents
Job Corps
Others

Functions of the Youth Councils

- Develop Youth Potion of Local Plan
- Subject to Local Workforce Board's approval, the Youth Councils will recommend youth providers and grant awards, conduct oversight, and coordinate youth activities.

Side-By-Side Analysis of Mandatory Programs

Mandatory Programs Under Approved *One-Stop* Grant Application	Mandatory Programs Under WIA
JTPA Programs	Adult Programs
	Youth Programs
	Dislocated Worker Programs
Job Service (Wagner-Peyser)	Job Service (Wagner-Peyser)
Adult Basic Education	Adult Education and Literacy
Vocational Rehabilitation	Vocational Rehabilitation
Welfare-to-Work (Including TANF)	Welfare-to-Work
Community Service Employment Programs for Older Americans	Community Service Employment Programs for Older Americans
Secondary and Postsecondary Education	Postsecondary Vocational Education (Perkins)
------------	Trade Adjustment Assistance (TAA)
------------	NAFTA Transitional Adjustment Assistance
------------	Housing and Urban Development Employment & Training Programs
Veterans Employment and Training Programs	Veterans Employment and Training Programs
------------	Community Services Block Grants
Unemployment Insurance	Unemployment Insurance
School-to-Careers	------------

Senate Education
1-12-2000
Attachment 4

NATIONAL CONFERENCE OF STATE LEGISLATURES

The Workforce Investment Act of 1998:
A History and Analysis

The Workforce Investment Act (PL 105-220) of 1998 is the culmination of four years of research and debate in Congress and represents the first significant reform of the federal-state job training partnership in 15 years.

Despite indications to the contrary from members of Congress and the administration, PL 105-220 is not a revolutionary departure from existing law. Like most policy changes, it is a step in an evolutionary process. It does not set up block grants and authority for federal work force training programs to the states, but it does combine the summer youth and year round programs now operated under the Job Training Partnership Act (JTPA). It does not break down all barriers to the coordination of federal and state programs, but it substantially reduces them. It does not require all federally funded programs in a state to submit to joint planning, but it allows states the flexibility and waiver authority to do so. It does not fundamentally alter the federally created state and sub-state administrative system. However, it does present an unparalleled opportunity for states to develop a coherent, rational and comprehensive system for worker training and retraining services and for state legislatures to be a key player in that effort.

A perspective on over 30 years of federal human resource policy is needed to fully understand the Workforce Investment Act of 1998. Federal involvement in education dates back less than 100 years to the Smith Hughes Vocational Education Act, passed after soldiers returned from World War I. Prior to that, education and training were absent from the federal agenda. It was not until 1962 that the federal government initiated a nationwide program, the **Manpower Development and Training Act (MDTA)**, to address the issues of displaced workers and structural unemployment.

Driving MDTA was the fear that automation would displace thousands of workers and lead to massive unemployment. It was designed and implemented as a top-down federal program. Federal employees determined training needs and initiated grants to the state with provisos targeting the trainees, service provider and training to be conducted. With states restricted to acting as a pass-through, the program operated as an extension of the U.S. Department of Labor. **The Economic Opportunity Act of 1964** strengthened the program and expanded it to include a residential program for youth, the Job Corps, which to this day remains the nation's most comprehensive education and training effort. It is also one of the few programs to survive as a federally administered entity. The 1960s also witnessed the first attempt to coordinate the growing alphabet-soup of federally funded programs through the creation of the President's Commission on Manpower. It was to be the beginning of a 30-year effort to bring efficiency and rationale to the programs.

By 1973, federal programs had been created to prevent and ameliorate the economic effects of the disadvantaged; to provide better access to existing jobs; and to create jobs through public service employment (PSE), a fully subsidized job in government and the nonprofit sector. The programs became so extensive that a new law was passed to consolidate them under the umbrella of the **Comprehensive Employment and Training Act (CETA).** Block grants were issued to units of local government with populations over 100,000, and to those rural states where the population was less concentrated. Local governments gradually became the administrative agents for the programs.

Presidents Nixon, Ford and Carter responded to the economic downturns of the 1970s with a dramatic expansion of the CETA program and a subsequent exposure of its weaknesses. Funding doubled between 1976 and 1980 and peaked at over $10 billion. (or about $20 billion in today's dollars – about five times current appropriations) PSEs accounted for more than half of that, but received the bulk of the public criticism. Critics of program activities characterized public service employment as 'make-work' projects leading nowhere. The huge increase in funding led to fiscal abuses that held no specific government entity accountable. Combined with the political rhetoric of the time, these criticisms led to the changes brought about by the **Job Training Partnership Act of 1982 (JTPA)**.

It outlawed PSEs, required funds to pass to localities through the state government (while guaranteeing localities of at least 200,000 population a share), emphasized training, required a state advisory council, and required the creation of local administrative units called private industry councils (PICs), which would have at least 51 percent business membership.

JTPA encouraged "coordination" between training activities and the existing system of education, vocational education and the labor market, but unfortunately provided few incentives or sanctions for failure to do so. The act, like its predecessors, often used the terms "state" and "governor" interchangeably, defaulting administration of the program to the executive branch and leaving legislatures with limited input. Another of its weaknesses was the multitude of federal programs in human resource development operating under the system. Critics of JTPA referred to it as a series of "funding streams", each generating its own bureaucratic structure and each replicating its service delivery processes at the state administrative level. A series of Government Accounting Office reports in 1994 found more than 100 of such programs in existence.

The policy discussions of the last four years focused on amending JTPA, adult education, literacy and vocational rehabilitation to promote consolidation and to address:

- Encouraging a stronger state role in the integration of programs into the states' overall human resource policy.
- Recognizing that labor markets were not necessarily limited to areas of 200,000 population.
- Redefining the sub-state system of service delivery areas and PICs into work force development areas and work force development boards.

- Requiring local boards to develop a one-stop delivery system integrating job search, work preparation and career development services.
- Offering states waiver authority from federal administrative regulation.
- Developing an accountability system based on program performance and state standards.
- Offering clients a choice of training providers by screening providers, evaluating performance and publishing results.

The **Workforce Investment Act** is the latest step in a 40-year process that began with direct federal intervention and has moved inexorably toward federally funded but state administered programs. Furthermore, the act requires reauthorization in five years (instead of JTPA's permanent authorization), guaranteeing that there will be continued discussion of flexible state block grants.

Legislatures will find progress made toward re-establishing their constitutional role in state policy formation. The training dollars in the legislation must now be appropriated by the legislature. In states where the executive branch administered the programs unilaterally, this means that a deliberate and open discussion in the legislature regarding program operation and implementation can occur.

Legislative leaders will appoint two members from each chamber to serve on the state board that initially usurped legislative authority for policy determination (known in most states as the Human Resource Investment Council) rather than allowing the governor unilateral authority to make those appointments. Those legislatures that have already passed sweeping state reforms in the operation of the training system will be gratified to find their actions grandfathered by the federal law.

The following side-by-side chart, as developed by NCSL, highlights the major victories won for state legislatures in the new law and contrasts each point with the parallel provisions in the now obsolete work force legislation. Our analysis is narrowly focused on how provisions in the bill affect state legislatures, but other breakdowns of the bill offer a broader view of the new work force legislation:

- The summary and analysis composed by the National Governor's Association attends to the various ways in which states are affected by the provisions of this bill.
- For a thorough review of PL 105-220, we recommend the Department of Labor's generic side-by-side chart, which highlights the major points of the bill.
- For information on what other legislatures have done to dovetail federally funded programs with state policy, please see NCSL Legisbrief Vol. 6, #20, *Workforce Development Reform, April-May 1998.*

Key provisions in Public Law 105-220 Affecting State Legislatures

Provision	Current Law	Workforce Investment Act of 1998 (WIA) (P.L. 105-220)
Schaffer/Woolsey (Brown) Amendment Language	No such language	Sec. 191 (a), State Legislative Authority. State legislatures must appropriate any federal monies or block grants for work force-related programs granted under this law. By influencing the appropriations process, this clause gives legislatures the authority to establish priorities, direct programs and otherwise

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		influence the implementation of programs and services.
Appointment of Human Resource Council Members	Representative(s) of legislature are appointed by governor.	Sec.111, State Work Force Investment Boards Membership must include two members of each chamber of the state legislature, to be appointed by the presiding officers of each chamber.
State Unified Plans	N/A	Sec. 501, State Unified Plan States may submit a unified plan for secondary vocational educational and related activities, if and only if the legislature has approved the plan.
School-to-Work Language	N/A	Sec. 129, Use of Funds for Youth Activities Funds allocated under this legislation cannot be used to fund school-to-work activities, unless potential participants are eligible to

		receive funds under the terms of this act.
Grandfathering	N/A	Title I, Subtitle E State laws regarding service delivery area designation, as well as sanctions, state councils (HRIC) and local board composition, will remain in effect for a five-year period if they "substantially" meet requirements of the new act and were enacted before Dec. 31, 1997.
Waivers	FY '96, '97 and '98 appropriations grant secretary general waiver authority over JTPA with certain limitations. States request and secretary grants waiver for maximum of one year.	Title I, Subtitle E Includes waiver authority similar to existing appropriations language but extends waiver for the full five-year authorization period.
Workflex	A maximum of six states may waive the requirements of certain	Sec. 192, Work Force Flexibility Plans All states are now eligible

	sections of the Job Training Partnership Act (JTPA) and the Wagner-Peyser Act (P.L.104-208). (Authorized under appropriations language)	for workflex. States can waive certain provisions of Title I of this act, the Wagner-Peyser Act and the senior community service employment program.

U. S. Department of Labor
Employment and Training Administration
PY 1999 State Allotments

State	JTPA II-A Adult Training	JTPA II-B Summer Youth	JTPA II-C Youth Training	JTPA III Dislocated Workers (Formula)	Wagner-Peyser Employment Service*
Total	$955.000.000	$871.000.000	$129,965.000	$1.405.510.000	$761.735.000
StateTotal	952.468.389	853,710.021	129.620.476	1.124.408.000	741.922.032
Alabama	13,332.002	11,932.425	1,811.480	11.310.449	10.822.959
Alaska	3,372,802	3,035.450	460.889	6.053.763	8,084.754
Arizona	14,833.378	13.567.322	2.060,031	9,383,103	11.167,298
Arkansas	9.598,305	8.595.361	1.305.080	10,872.546	6,356,804
California	153.202,942	141.437,904	21,475,277	252,751.353	88,807,536
Colorado	6.401.920	5,661,874	859.686	6,515.135	9,935,372
Connecticut	8.360.632	7.432,004	1,128.459	10,137.244	8,825,777
Delaware	2.381.171	2.134,275	324,051	1.730.577	2.077.382
District of Columbia	4.409.902	3,914,580	594,372	9,278,408	3.580.609
Florida	41.604.521	35,905,728	5,451,760	37.376,186	35.941.714
Georgia	19,308,691	17.530,482	2.661,747	17.327.420	18.903.459
Hawaii	5,467.505	4,707,326	714,739	9.203,634	3.231,635
Idaho	4.043,134	3.693.860	560,859	5,142,284	6,736.039
Illinois	38,887,986	35.053,186	5,322,313	33,944,834	30,923,129
Indiana	11,790.620	10.630.568	1,613.843	9,999,244	14.568,915
Iowa	3,583,969	3,146,279	477.724	4,603.653	7,129,839
Kansas	3,769.137	3,320,937	503.570	5,107.811	6,470,824
Kentucky	15,779,990	13,651,535	2,072,786	10,071.794	9,832,744
Louisiana	20.163,665	18,225,391	2,767,259	25,508,779	10,942.496
Maine	4.095.359	3.590.727	545,199	4.094.611	4.005,859
Maryland	15.134.882	13.306.982	2,020,471	19,792,477	14,006,594
Massachusetts	13,941.489	12.507.299	1,897,283	13,467,578	15,948.373
Michigan	25,413.403	23.367,689	3,548,042	21,366,758	24,343,814
Minnesota	8,691.343	7,768.157	1.179.499	8,482,964	11,874,026
Mississippi	12,018,011	11,462,863	1.740.468	14,148,987	6,663,000
Missouri	15,336,859	13,520,219	2,052,847	13.857.280	13,908,860
Montana	3,637,993	3,090,522	469,251	4,879.006	5,504,726
Nebraska	2.381.171	2,134,275	324,051	1,997,095	6,615,599
Nevada	3.965.677	3.533.846	536,571	3,910.433	5,351,173
New Hampshire	2,381,171	2.134.275	324,051	1.583.448	2,996,307
New Jersey	25.982.597	22,873,274	3,473.025	36,304,389	21,606.939
New Mexico	9,044,618	8.188,970	1.243.375	14,447,813	6,177,271
New York	87,772.524	75,689,765	11.492,384	141,469,827	48,004,407
North Carolina	14,997,078	13,161,957	1.998,451	14,354,831	17,779,938
North Dakota	2.381.171	2,134,275	324,051	791,223	5.605,458
Ohio	38,240,941	34,106,605	5.178,589	28,150.483	28,144,557
Oklahoma	7,934.062	6,900,120	1,047,682	6,881.200	8,446,581
Oregon	12.070,623	10,688,488	1,622,891	17.668.368	9,245,584
Pennsylvania	38.242.301	33,102.886	5,026,189	36.555.932	30,462,091
Puerto Rico	53.146,634	47,284,899	7.179,520	82,314.462	10,717,138
Rhode Island	2.768.365	2,403.932	364,874	3.851.636	2,672,845
South Carolina	13,026,517	11.670,016	1,771,949	8.163,435	9,455.919
South Dakota	2,381,171	2,134,275	324.051	986,630	5,180,731
Tennessee	20,234.920	17,821,862	2,705,989	14,120,459	13.847,114
Texas	78,467,213	73,027,703	11.088,188	74,819,227	50,915,224
Utah	2.381.171	2,382.939	361,814	3,229.390	10,783,901
Vermont	2,381,171	2,134.275	324,051	1.391.491	2,426,951
Virginia	14,509.964	12.919,251	1,961,629	13,872,204	16.323.997
Washington	18,909,263	17,075,621	2.592.723	13,905,356	15,291,651
West Virginia	9,738.640	8,612,849	1,307,735	16,082,147	5,929,859
Wisconsin	8,186,644	7,268,443	1.103.607	9,944,587	13,326,797
Wyoming	2,381,171	2.134,275	324.051	1,204,056	4,019.463
American Samoa	169,022	66.121	23,002	199.534	0
Guam	475,405	806.424	64,697	561,225	348,011
Marshal Islands	358,998	23,765	48,856	423,804	0
Micronesia	535.238	56,317	72,840	631,859	0
Northern Marianas	143.413	30,931	19,517	169,302	0
Palau	109,422	9,326	14,891	129,175	0
Virgin Islands	740.113	457.253	100.721	873,718	1,464,957
Native Americans	0	15.839,842	0	0	0
National Reserve	0	0	0	278,113.383	0
Postage/Other.	0	0	0	0	18,000,000

* Preliminary

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WORK FORCE DEVELOPMENT REFORM

By Jana Zinser and Tracy Schmidt

Most states have no comprehensive work force development system.

State legislatures are rethinking how young people are being prepared for their first jobs and how people already in the work force can be retrained for different or better jobs. Although millions of dollars are spent on work force development each year, most states have no comprehensive system and no adequate way to measure the programs' success.

State reliance on federal mandates and complex funding formulas, differing eligibility requirements, overlapping services and turf battles among constituency groups, as well as administering agencies, create a confusing and sometimes mysterious array of programs. States need to consider building one coherent system from the many school-to-work opportunities and work force preparation programs regardless of whether federal legislation passes in this area. States are considering and implementing several reform options briefly outlined below.

Structural Options

States need to consider building one coherent system from their many different programs.

- **Develop a statewide strategic plan that includes a coordinated system of services.** *Connecticut, Florida, Indiana, Iowa, Louisiana, Maine, Michigan, Texas, Utah and Wisconsin.*
- **Establish by statute a state body to plan, oversee and evaluate all work force development programs and serve as the state's human resource investment council that can oversee and manage all employment, training and related systems.** *Alaska, Colorado, Connecticut, Florida, Illinois, Indiana, Iowa, Maine, Maryland, Massachusetts, Minnesota, Mississippi, New Jersey, Oregon, Rhode Island, Texas, Utah, Vermont, Washington and Wisconsin.*
- **Require legislative membership on human resource investment council.** *Delaware, Maine, Maryland, Massachusetts, Minnesota, New Jersey, Oregon, Rhode Island, Vermont and Wisconsin.*
- **Consolidate work force development programs under one agency.** *Indiana, Iowa, Michigan, Texas and Utah.*
- **Consider periodic legislative oversight of human resource investment council.** *Texas.*
- **Develop a performance management system with state benchmarks, outcomes and accountability or lose funding.** *Florida, Illinois, Iowa, Maine, Massachusetts, New York, Oregon, Texas, Utah, Washington and Wisconsin.*
- **Develop a state skill standards board that creates a statewide system of industry-defined and -recognized skill standards and credentials coordinated with national initiatives.** *Texas.*
- **Concentrate on industry-specific skill standards.** *California, Indiana, New Jersey, Oregon, Utah, Washington and Wisconsin.*
- **Develop an integrated case management system that allows agency staff to review relevant information about client history and program objectives without breaching confidentiality (this may include common intake forms and data bases and shared assessments).** *Connecticut, Florida, Iowa, Minnesota, North Carolina and Utah.*
- **Create a networked computer system that would improve program accountability, performance, and access to data about jobs and job seekers.** *Colorado, Connecticut, Georgia, Iowa, Maryland, Michigan, Minnesota, Missouri, Nebraska, New Jersey, North Carolina, Oregon, Pennsylvania, Tennessee and Utah.*
- **Seek federal waivers and regulatory relief to coordinate and simplify federal and state funding.** *Alabama, Alaska, Arizona, Arkansas, California, Florida, Georgia, Guam, Illinois, Indiana, Iowa, Kentucky, Louisiana, Maryland, Massachusetts, Michigan, Minnesota, Mississippi, Missouri,*

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Nebraska, New Jersey, New York, North Carolina, Ohio, Oklahoma, Oregon, Pennsylvania, South Dakota, Tennessee, Texas, Utah, Vermont, Virginia, Washington and Wyoming.

■ **Develop or expand school-to-work opportunities.** *Alabama, Arizona, California, Colorado, Connecticut, Florida, Georgia, Hawaii, Idaho, Indiana, Iowa, Kentucky, Louisiana, Maine, Maryland, Massachusetts, Michigan, Minnesota, Missouri, Nebraska, Nevada, New Hampshire, New Jersey, New Mexico, New York, North Carolina, Ohio, Oklahoma, Oregon, Pennsylvania, Rhode Island, Tennessee, Texas, Utah, Vermont, Washington, West Virginia and Wisconsin.*

■ **Develop one-stop centers.** *Alaska, Arkansas, California, Colorado, Connecticut, Florida, Idaho, Illinois, Indiana, Iowa, Kentucky, Louisiana, Maine, Maryland, Massachusetts, Michigan, Minnesota, Missouri, New Jersey, New Mexico, Nevada, New York, North Carolina, Ohio, Oklahoma, Oregon, Rhode Island, Tennessee, Texas, Utah, Vermont, Washington and Wisconsin.*

■ **Integrate welfare-to-work system.** *Florida, Massachusetts, Michigan, Utah and Wisconsin.*

Policy Considerations

Defining work force development is important.

■ **Define work force development and gain a common understanding of the term.** *Connecticut, Florida, Maine, Massachusetts, Michigan, Texas and Utah.*

■ **Create a system that is outcome focused, adaptable, coordinated with other programs and locally controlled.** *Connecticut, Florida, Massachusetts, Michigan, Texas and Utah.*

■ **Structure programs that are responsive to the needs of the clients, employers and incumbent workers.** *Connecticut, Florida, Maine, Massachusetts and Wisconsin.*

■ **Consider the needs of rural and urban workers.** *Iowa and Florida.*

Local Connections

■ **Create local or regional work force development boards. These boards would plan and oversee the delivery of all training and services programs and evaluate all policies and programs. Funds could be block grants to the local work force development boards.** *Colorado, Connecticut, Florida, Massachusetts, Michigan, North Carolina, Texas and Utah.*

■ **Increase involvement from businesses about occupational needs.** *California, Connecticut, Florida, Maine, Massachusetts, New Jersey, Ohio, Texas and Utah.*

■ **Create business incentives for training employees or students involved in school-to-work.** *Alabama, Colorado, Connecticut, Georgia, Hawaii, Illinois, Iowa, Mississippi, Ohio, Rhode Island and Virginia.*

■ **Create partnerships among education, training and business.** *Colorado, Connecticut, Michigan, Texas and Wisconsin.*

■ **Develop curriculum and credit transfers between high schools, colleges and technical institutions.** *Florida, New York, Texas and Wisconsin.*

■ **Advertise available education and training services.** *Florida, Maine, Michigan and Texas.*

> NCSL recently completed inventories of the Kansas and Missouri work force development programs and policies. For copies of these inventories or for information about conducting inventories for your state, call Jana Zinser at (303) 830-2200 ext. 100.

State legislatures need to analyze the strengths and weaknesses of their current structure.

Because a number of agencies share work force development responsibilities, it is difficult to shape a comprehensive system without legislative involvement. State legislatures need to analyze the strengths and weaknesses of the current structure and consider what changes will best address the needs of the employers and workers in order to create a comprehensive work force development system.

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Kansas Workforce Employment and Training Programs: Do They Function as a System?

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Introduction

To maintain a healthy economy in the global market and technology-driven environment of this decade and the next century, the Kansas workforce must be highly skilled and internationally competitive. To create and maintain such a workforce, the state must have a multifaceted human capital strategy that brings the education, employment, training, and retraining dimensions into an integrated, holistic system that is capable of meeting the evolving needs of Kansas employers.

There are two basic parts for such a system. The first is the education and training that underpins initial entry of young Kansans to the world of work. Key components in this area are world class K through 12 education and an effective system of school-to-work transition, including tech prep and other vocational, technical, and professional career preparation paths. These areas are outside the scope of this study.

The second part of the system is employment and training programs for the existing workforce. These include employer and public funded training and retraining, as well as adult basic education, which embrace those who are working and those who are not. The predominant emphasis of federally-mandated employment and training programs is on the marginal workforce, those who are unemployed or under-employed, who are out of the labor force because they are discouraged, or who are on the bubble of employment and unemployment because of skill obsolescence and other factors.

The focus of this study is on the employment and training programs for the existing workforce. Kansas faces a challenge of bringing high-wage, and thus high-skill, jobs to rural as well as urban areas. This study has included rural communities in southeast and western Kansas for several reasons. It is important for rural communities to have highly-skilled workers for firms to be competitive. If urban areas attract the high-skill workers with high-wage jobs, rural communities will be left with low-wage jobs that compete in global markets with low wages rather than high skills. Incomes are already lower in rural communities, so rural communities need special attention to ensure that competition with other countries for jobs does not lead to lower standards of living. The outcome would be a state whose rural areas are poor compared to wealthier urban areas.

Under the "weakest link" theorem, the more effective the employment and training system is in responding to the needs of rural workers and businesses as well as the under-employed and unemployed and matching them to employer needs, the greater will be the overall productivity of Kansas workers and competitiveness of Kansas firms. Job training programs are not about equity; they are about increasing the overall skill level of the workforce so that those who are unemployed, under-employed or in vulnerable low-skill jobs can receive training and/or retraining to upgrade their skills. Many of these people are, with training, capable of holding high-skill, high-wage jobs. However, a system should also be able to serve the needs of highly-skilled workers who seek information and services and businesses who seek training and retraining for their workers, regardless of their skill level. While our recommendations focus upon designing a system that serves the needs of all workers and businesses, the study concentrates on how employment and training programs meet the needs of rural workers and the least-skilled portion of the workforce. The purpose of this study is to:

- determine if a system exists;
- examine issues of program administration at the local level;
- examine issues of service availability and delivery at the local level;
- examine issues of coordination at the local level; and
- discuss policy options for creating a well-coordinated workforce education and training system.

To determine what exists at the local level, four area studies were conducted, and in-depth interviews were administered with program supervisors and/or service providers in four regions: Kansas City, Kansas metropolitan area (Johnson and Wyandotte counties), Southeast Kansas (Bourbon, Crawford, Montgomery counties), Wichita area (Sedgwick and Butler counties), and Western Kansas (Ellis and Graham counties). Programs included Job Training Partnership Act (JTPA training and employment program), KanWork (training program), Job Service (job screening and job placement program), Unemployment Insurance (UI insurance program), Adult Basic

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Table 1
Program History: Origin, Funding, Mission

Program	Origin	Funding Source	Mission/Objective
JTPA	US Congress	Federal	Prepare youth & young adults facing serious barriers to employment by providing job training & other services that will result in increased employment/ earnings/skills.
KanWork (JOBS)	KS Legislature (US Congress)	State with federal match (approx.60%)	Help needy families with children obtain education, training & employment that will help them avoid long term welfare dependence. Make long-term investments in human capital, maximize the effectiveness of public resources, empower individuals/ families to move toward self-sufficiency, reduce dependence on public assistance as a way of life.
Job Service	Federal Wagner-Peyser Act	Federal	Provide & facilitate quality employment & related services responsive to the needs of the people of the state
Unemployment Insurance	US Congress	UI tax	Use federal unemployment reserves (taxes levied against state employers) to benefit the unemployed.
Adult Basic Education	US Congress	Federal & state match	Improve education opportunities for adults lacking level of literacy requisite to effective citizenship & productive employment, to expand the system for delivering adult basic education.
KIT/KIR	KS Legislature	State (EDIF)	Focus on the specific training needs of business & industry to encourage job creation & retention with the added benefit of workforce skill development.

Education (ABE training program), Community Colleges and/or Area Vocational and Technical Schools (AVTS training programs), and business leaders or Chamber of Commerce. Key administrators within state agencies were also interviewed. Topics focused upon during interviews included intake, assessment, services provided, job placement, inter-program coordination, co-location, geographic jurisdiction, and business input.

Findings

The state of Kansas has many state and federally funded and administered workforce training and employment-related programs; however, Kansas does not have a workforce employment and training system. A system has never been designed; rather, what exists is almost an eclectic set of independent programs. The resulting patchwork of programs, while meeting the requirements of the initial legislation, creates real barriers to those who need training to compete for a job, to keep their job, or find a better job.

Program History

Table 1 outlines the mission of each program and shows how that program originated through separate legislation.[1] Funding also comes from federal or a combination of federal and state funds. JTPA, KanWork, and ABE focus upon training for individuals. Each targets a different population, but there is overlap. JTPA may serve clients who also qualify for the Aid to Families with Dependent Children (AFDC) program, and ABEs may serve clients of JTPA and KanWork as well as many other adults. ABEs differ somewhat from JTPA and KanWork in the exclusive focus upon development of basic literacy and computational and communication skills. Technical training is not included in their services. UI programs focus exclusively upon the search for employment and providing maintenance support during that process.

Kansas Industrial Training/Kansas Industrial Retraining (KIT/KIR) focuses upon training needs of business and industry rather than upon the needs of the individual: the only program with this focus. About 75 percent of the contracts fund training for existing companies and the remaining 25 percent funds projects for new industries. The program is market driven: funds go to those who apply. Applications come from urban and rural companies. Applicants are

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Table 2
Program Administrative Structure

		Agency Responsible:	
Program	**Federal**	**State**	**Regional**
JTPA	US Dept. of Labor	KS Dept. of Human Resources & KS Council on Employment & Training	5 SDAs (Service Delivery Areas) administered by KDHR (Hays & Pittsburg), PICs (Topeka, Kansas City) & City of Wichita.
KanWork	US Dept. of Health & Human Services	KS Dept. of Social & Rehabilitative Services	12 management areas of one to 25 counties
Job Service	US Dept. of Labor	KS Dept. of Human Resources, Division of Employment & Training Services	32 offices across the state
Unemployment Insurance	US Dept. of Labor	KS Dept. of Human Resources, Division of Employment Security	7 district offices and 30 itinerant locations
Adult Basic Education	US Dept. of Education	Board of Education, Community Colleges & Community Education Team	39 adult education centers across the state
KIT/KIR	none	KS Dept. of Commerce & Housing, Mgr. for Workforce Training in the Industrial Development Division	none

recruited through community colleges, AVTSs, and Chamber of Commerce connections. In FY 1994, approximately 55 percent of firms receiving KIT/KIR funds were located in rural communities. While the program is very useful and many firms would like to use it, sufficient funding is not available to meet the needs. For example, KIR funds are now awarded on a competitive basis. During the first and second round of competition for FY 1995 funds, 18 proposals were received and nine were funded. The total amount awarded was $350,000 out of a potential $1,991,902 (50 percent of the costs for all 18 training projects). Clearly there is a large need for retraining of employees by existing Kansas firms, and a very small amount of state assistance is available to help defray those costs. Those who administer this program constantly face the task of "making companies feel happy about getting fewer dollars."

Administrative Structure

Fragmented administration results in fragmented services. Programs are not able to provide coordinated information and services for job seekers: they are administered by different agencies at the federal level, and by different agencies or different parts of the same agency at the state level (Table 2). By the time regional administrative lines are added, the organizational picture becomes very complicated, having serious implications for service delivery.

Complicated administrative structures create extra burdens for service providers and their clients. Programs require clients to make multiple entries into the system to obtain the various services needed, placing an extra burden upon people least likely to be able to cope. To support these clients, service providers have gone to great lengths to network across state and community level programs to establish interagency contacts and referral procedures.

Co-location is not an automatic solution to coordination problems: administrative chains of command can quickly overshadow any advantages gained. For example, in Kansas City, Kansas, UI offices are co-located, each occupying half of the space of one building. However, each program has a different local manager who answers to a different division within the Kansas Department of Human Resources (Table 2). This administrative structure leads to very separate operations for these two programs, with little coordination occurring and no sharing of client data through common intake procedures.

Barriers to Coordination of Services

The system is poised and interested in coordination of services. Some initial steps toward coordination have occurred across agencies. For example, coordination occurs between JTPA (Kansas Department of Human Resources [KDHR]) and KanWork

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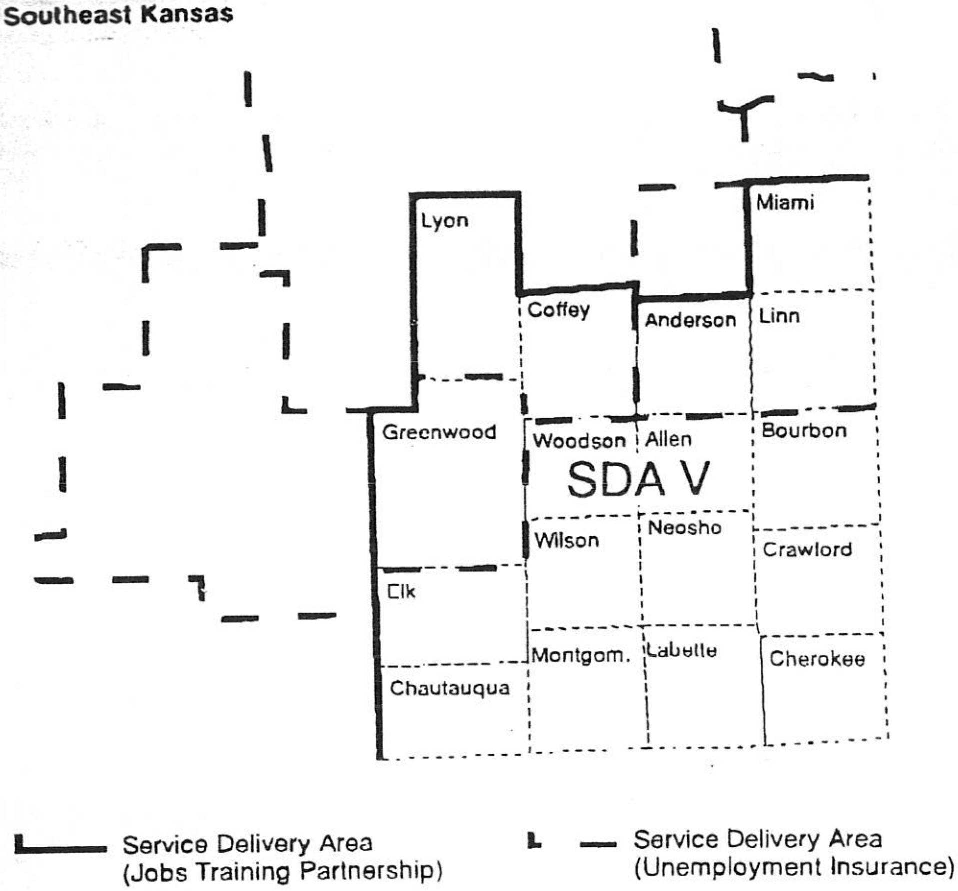
Figure 1
Geographical Boundary Discrepencies Across Programs: Southeast Kansas



(Social and Rehabilitation Services) in client referral and use of the Kansas Competency test. Staff are willing to coordinate across programs and, in some regions, there are many examples of staff initiatives toward better coordination of services. However, many barriers exist which make coordination very difficult.

Geographic Boundaries. Coordination difficulties exist within agencies (e.g., KDHR) as well as across agencies. The patchwork metaphor becomes especially vivid when considering the geographic boundaries that constrain the administration and delivery of services at the regional level. As presented in Table 2, the state is divided into as many as 39 areas (ABE) and as few as five areas (JTPA) for regional management and delivery of services. These regions often overlap but rarely coincide exactly. Figure 1 illustrates how the areas served by two programs, JTPA (area outlined by solid black line) and Unemployment Insurance (area outlined by broken gray line), differ in southeast Kansas, where Service Delivery Area (SDA) V administers the JTPA program. Regional boundaries of SDA V (JTPA) coincide with those of Job Service, serving 17 counties (Lyon, Miami, Coffey, Anderson, Linn, Greenwood, Woodson, Allen, Bourbon, Elk, Wilson, Neosho, Crawford, Chautauqua, Montgomery, Labette, Cherokee). Job Service subdivides SDA V into six areas, with offices in Emporia (Lyon, Miami, Coffey, Anderson, Greenwood), Chanute (Woodson, Allen, Neosho), Pittsburg (Linn, Bourbon, Crawford, Cherokee), Independence (Elk, Wilson, and northern half of Montgomery county), Coffeyville (Chautauqua and southern half of Montgomery county), and Parsons (Labette). Areas served by UI and Job Service are not identical. The 11-county area (Woodson, Allen, Bourbon, Elk, Wilson, Neosho, Crawford, Chautauqua, Montgomery, Labette, and Cherokee) served by the Pittsburg Unemployment Insurance district office in this region is slightly smaller, even though Job Service and Unemployment Insurance are both administered by the Department of Human Resources. Itinerant locations for UI include Chanute, Parsons, Independence, and Coffeyville.

Each program serves a geographic area that overlaps with, but is rarely identical with, areas served by other programs, even when program staff are co-located. Lack of duplication of regions for administrative purposes makes close coordination and cooperation among programs very difficult, especially where rural areas must be served.

Intake Procedures. Because many commonalities exist across programs, common intake could and should occur. All programs collect very similar personal information (name, address, social security number, etc.). When asked whether using a common intake procedure across programs made sense, service providers always agreed, but when asked why it was not being done, a common list of barriers emerged (Table 3). Committees which have tried to create common intake forms have not been able to overcome barriers. Agencies and programs collect the information they need in the form that they need it, often because they use different definitions or language when asking intake questions. Computer incompatibilities or lack of computer networks compound the problem. Add to this the history of separation and different administrative channels, and coordinated intake seems not to happen.

Most of these barriers would require political will and commitment to overcome them. All agencies would have to be highly motivated to look for ways to promote common intake despite the need to collect different information for administrative purposes, despite differences in funding sources and differences in program focus. It would take time and commitment to work out how

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Table 3
Barriers to Common Intake

- Need to collect specific information for documentation or administrative purposes or to meet federal requirements
- Security of data (i.e., confidentiality of information)
- Differences in definition of terms or language used when asking intake questions
- Lack of computer networks; computer incompatibilities
- Past history of separation; turf issues
- Differences in funding sources
- Different administrative channels
- Lack of funds to cross train staff
- Long or mid term vs. short term focus on training and employability needs

to collect the information needed by multiple programs. It would then take money to build the computer network needed to store intake data and to pass information between programs. It would also take money to train staff to use the system.

Co-location. Coordination is certainly difficult when programs are not co-located; however, co-location is not sufficient for coordination to occur. Having programs located in the same building is a positive step but not sufficient when those programs continue to operate separately. For example, when Job Service and Unemployment Insurance (UI) offices are co-located, each program has a different local manager, who answers to a different division within the Kansas Department of Human Resources, leading to very separate operations for these two programs, with little coordination occurring and no sharing of client data through common intake procedures.

Emphasis on Program Requirements. Programs focus on their program requirements, often to the detriment of the client, as service providers find it very difficult to focus upon long-term training and support service needed by many clients, and they focus upon short-term goals instead. "Turf-dom" prevails in the worst way. If long-term training needs are not addressed, clients will not become sufficiently skilled workers capable of competing for employment opportunities.

Training programs developed by separate legislation and administered by different agencies result in duplication and fragmentation of services, and an absence, or rationing, of comprehensive, medium- to long-range interventions for those needing extensive services to avoid welfare dependence. The services that a client receives depend more upon which "door" or program was entered first (often by chance) than upon what services that client actually needs. If clients go to JTPA (and meet eligibility criteria), training is provided; if clients go to Job Service, they receive job placement service in the form of job listings; if clients go to an ABE, they receive basic skill training.

What the clients get at the "door" or program entered may or may not be appropriate or sufficient to meet their needs. Unemployment today is less likely to be "simple" cyclical unemployment, people who are "between jobs" as a result of business cycles. Today, the unemployed are more likely to need extensive training in basic skills as well as technical skill training, because they have skills that are no longer in demand, that are replaced by technology, or are used by an industry that has ceased to exist or moved. Within this group of structurally unemployed is a subgroup of those who not only have few or no skills but also face many personal barriers to employment (e.g., child care, transportation, substance abuse, etc.). These persons need extensive services for an extended period of time in order to complete training needed to launch them in jobs that provide benefits and a living wage. These are, in the words of one service provider, "expensive people."

Programs most likely to encounter these expensive clients are Job Service, JTPA, and KanWork. The primary service provided by the latter two programs includes training that hopefully leads to employment (Table 4). Populations targeted by JTPA are unemployed adults and youth and dislocated workers; KanWork serves parents receiving AFDC. Both programs can fund training for one year. Before these populations can compete for good jobs, they may need to improve basic reading and computational skills, obtain a GED, and also receive technical skill training. Doing all of this in one year is often impossible. Service providers try to coordinate efforts to ensure that funds are used in a way that extends training as long as possible. In addition, service providers report that they help clients seek other sources of funding, such as Pell grants, to pay for long-term training goals that clients may have, such as obtaining an Associate or Bachelor degree. However, because a coordinated system does not exist, these efforts depend upon the commitment and energy of individual service providers. Thus, differences in level of services received by clients probably varies. Nor can it be assumed that such coordination and maximizing of resources occurs in all cases.

Service providers report that they attempt to maximize the effectiveness of public resources by referring clients to other programs as much as possible, but, as with intake, certain activities can be repeated when clients are referred. The act of maximizing resources by making referrals increases the probability of duplication or repetition for the client. While this is less than ideal from the client's perspective, it is also more costly and less efficient from a system point of view. Besides duplication of services, the absence of a well-designed system increases the risk that important services

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will not be offered or that they will be offered inadequately.

Staff Training. Although staff are very dedicated, the programs they work for require them to focus upon program-specific information and program regulations. Their training focuses upon compliance with program requirements, and staff are rarely cross-trained in other programs, although cross training does occur in some areas within the state. Staff also need to be trained to have a broader perspective as career development professionals. They should understand how the labor market functions in their area, what the barriers to employment are, and the interaction between labor markets and barriers to employment to enable them to think in terms of how clients fit into the labor market and what it takes to prepare them to enter and survive in it.

Duplication of Services. Table 5 presents a list of services provided directly or through referral (R) to other programs. Massive duplication exists, especially in the area of client intake and placement. Duplication also exists in assessment and career planning. Because of duplication, limited resources are used inefficiently.

Accessing Services. Programs are not client or customer oriented. The primary stakeholders are federal and state agencies, not unemployed and/or disadvantaged persons and employers. The clients receive whatever services they first access. For example, if they go to Job Service, they get placement services even though training may be what is really needed first.

Where to go to access employment and training services in Kansas is not an easy question to answer for many because there is no easily-identified and broadly-recognized point of entry for those needing the services. An unemployed person may have no idea where to start to seek information and assistance; where that person enters the "system" is largely based upon chance. Currently, clients learn about and gain access to different services based upon what they learn from family and friends and where they enter the system. If they enter at the Unemployment Insurance entry point, they will get unemployment insurance, referral to Job Service for job listings, but, in most cases, no assessment or training. If they enter at JTPA or KanWork, they are more likely to access training but may not be referred to Job Service if placement services are available at their particular JTPA or KanWork site. Thus, the door a client opens may or may not lead to other "doors" or services needed. As illustrated in Figure 2, each and every intake is a new and different adventure, rather than a smooth progression through various levels of service.

Needs Assessment. Assessment of client employment and training needs is either nonexistent or weak. Assessment is a key component to determining what services and training are needed, and most programs do some sort of assessment. There is, however, a fundamental difference in the way educational institutions and job programs view assessment. Programs which do assessment (JTPA, KanWork, ABE) have settled upon use of the Kansas Competency Test that establishes a grade level result. This quickly establishes minimum job placement information required by employers. The test is workplace oriented. While ABE programs are required to use the Kansas Competency Test, some find that they must also use other tests that are more sensitive or comprehensive enough to pinpoint educational needs; thus, the Kansas Competency Test is not sufficient for effective assessment of training needs.

Assessment, combined with client job/career planning, drives case managers' decisions regarding client training and support needs. Incomplete client assessment information creates a weak link in the effectiveness of services. Like intake, the type of assessment needed differs across clients and across programs. Currently, assessment does not always accurately diagnose client training needs; rather, it focuses upon documenting program eligibility or obtaining job placement (e.g., grade level) data. This meets the clients' and programs' short-term

Table 4
Emphasis of Program at the Local Level

Program	Primary Service:	Primary Population Served:
JTPA	Training for employment	Unemployed adults & youth, dislocated workers
KanWork	Support services/training needed to become employable	AFDC parent
Job Service	Employee screening service for business and industry;employee referral to job openings	Anyone who registers
Unemployment Insurance	Distribution of unemployment insurance funds	Those who have wage credits, & have justifiable job termination, are able to work
Adult Basic Education	Instruction below the college level in reading, writing, computation, parenting, GED preparation, ESL	Adults living in Kansas
KIT/KIR	Training for businesses which will create or retain jobs	KS businesses

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Table 5
Services Provided Directly (In House) or Through Referrals (R) to *All* Clients

Service Category:	Service Provided:	KAN-JTPA	JOB WORK	SERVICE	UI	ABE
Assessment	Formal assessment of academic skills	Yes*	Yes* & (R)	No	No	Yes**
	Formal assessment of technical skills	No	No	No	No	No
Career Planning	Counseling	Yes	Yes	No	No	Yes
	Individual plan?	Yes	Yes	No	No	Yes
Training	ABE/GED	(R)	(R)	No	No	Yes
	Skill training	(R)	(R)	No	No	(R)
Job Placement	Job search training (resume prep., interview skills, etc)	Yes	Yes	Yes	No	
	Work habit prep.	Yes	Yes	Yes	No	Yes
	Placement services (serving only program participants)	Yes	Yes & (R)	Yes	(R)	(R)
Support	Funds for services (transportation, child care, etc.)	(R)	Yes & (R)	No	No	(R)

* Use Kansas Competency Test only.
** ABEs tend to use additional assessment tools to identify academic training needs more precisely.

goal of obtaining jobs, but may not identify long-term client needs to obtain a GED or more advanced technical skill training. Short- and long-term needs must be considered if the system is to meet the challenges of today's job market. Today's chronically unemployed are likely to be single mothers, to be functionally illiterate, have a low I.Q., and/or have no technical skills. As one service provider stated, the education deficits of these clients are so great that they are literally starting in a hole with many barriers to overcome.

Use of Computer Technology. There is no systematic use of computer technology to facilitate collection and storage of intake information across programs, to share client data across programs, to track client movement through programs, and to improve program accessibility.

Program Accessibility

Program accessibility is an important issue, especially in rural areas, which are underserved. Accessibility is difficult, and rural residents often must travel to a mid-sized community outside their county to receive services. Because of the low volume of activity in sparsely populated areas, residents can access services by finding application forms in courthouses or other public locations, phone area offices in other towns, try to connect with itinerant staff as they travel through an area, or drive to a district or area office. Rural residents do not get to talk to a staff person as readily as an urban resident does, and they face delays in services when forms must be obtained and returned by mail. None of the programs make use of technology to serve rural communities to ease the burden of accessing services faced by rural residents.

Rural Strategy

The state lacks a comprehensive strategy for serving rural communities. Some rural communities are served by itinerant staff for some (but not all) programs, while other communities are not. Programs do not make use of computer technology (e.g., PCs, networking of systems, etc.) to serve rural communities.

In rural areas, intermittent workers are used to stretch services across large regions. These persons travel from community to community providing services. In some cases, when intermittent workers are unavailable, staff from other programs will do preliminary processing or intake and schedule appointments for clients so the client will know when to return for services. In communities where other staff are not present to do preliminary processing, program information can often be obtained at courthouses or libraries, completed, and mailed to regional offices for processing. While this system attempts to deliver services to sparsely populated areas, the patchwork of programs becomes even more difficult for clients to access because it takes more time and effort to access the program service providers. In some areas and for some programs, those interviewed reported that cross training of staff was done and worked well while others reported that lack of funds made cross training of staff impossible. This variability may reflect an interaction effect between levels of commitment to client-friendly, seamless services and types of barriers encountered. Certainly geographic distances are issues that cannot be minimized. When coupled with barriers created by administrative chains of command, coordination may indeed become almost impossible.

Interfacing With the Business Community

Needs of employers and persons currently in the workforce are not addressed. KIT/KIR is the only program focused upon these groups and it is woefully under funded. The employment and training programs are insufficiently related to economic

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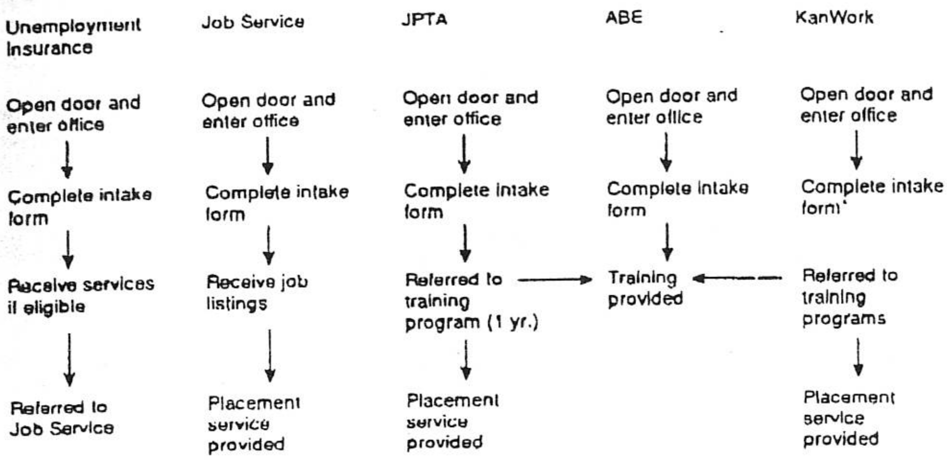
Figure 2
Accessing Service: Current Situation



*All SRS clients currently enter through one common SRS intake procedure. Those who meet program criteria are automatically referred to KanWork and records transferred electronically--if there is a KanWork program serving that area of the state. In areas of the state where it is available, KanWork cannot provide services to all who are eligible for the program.

development efforts within communities and are not connected with community economic development strategies and efforts.

Meeting the Needs: Conceptualization of a System

Does the current set of programs meet the training and retraining needs of those currently in and trying to enter the workforce? The answer to that depends upon which side of the issue you look at. From the program point of view the answer would be yes. People served are trained or provided placement services and, in most cases, find employment. From the client point of view the answer may be yes or no, depending upon whether the client was accepted into a program or languished on a waiting list. The answer may be yes in the short-term in that the client received training and found a job, but the answer may be no if the client does not succeed in establishing long-term employment and economic independence.

Programs work best when staff providing the services are client driven or focused upon meeting the long-term needs of the client. Programs are least effective when focused solely upon program requirements with no effort made to cooperate and coordinate with other programs and service providers. Creating a system from pre-existing pieces requires extensive planning, creativity, and teamwork. But the end result could provide clients with seamless services that meet the need for a wide range of services for longer periods of time.

To design an employment and training system that meets the needs of unemployed and disadvantaged persons, those currently employed, and employers, the system must be developed based on the following key principles:

- **Focus on goal.** The goal of the workforce employment and training system is to contribute to developing a highly skilled workforce that would enhance employment opportunities for the workforce and meet the workforce needs of employers.

- **Client driven.** The definition of "client" is not limited to dislocated workers but encompasses disadvantaged persons, those currently employed who need to improve skills, and employers who seek to upgrade their workforce.

- **Local control.** Services and the delivery of those services must be adapted to the unique problems and needs found in different regions of the state. Local officials must be empowered to tailor services to fit the needs of clients (workers and employers) in their region. This implies that local identification of needs, management, and coordination must occur.

- **Flexibility and consolidation.** The system must draw upon resources from various origins. Programs must be authorized, or able to combine resources to tailor services to meet client needs. Maximum flexibility for coordination of the largest programs must occur to meet client needs.

- **Evaluation based upon client feedback.** To ensure that the dislocated worker, disadvantaged person, employee, or employer is the client and not the federal or state agency, program and staff evaluations must be based upon evaluation of client satisfaction and subsequent job history.

Necessary Elements for an Effective System

1. Establish One-Stop Career Centers.

Co-location alone will not create a coordinated system: the whole set of programs must be re-engineered. The system must do more than "coordinate" among programs: it must focus upon getting the appropriate services to clients based upon an assessment of client needs. Persons who enter the system should receive assessment, information, and/or training appropriate to their needs, regardless of where they enter the system. One-Stop Career Centers would be the visible point at which those seeking employment and/or training information and services contact the system. The Centers would be the point through which the employment and training system delivers services. The Centers must be driven by function rather than structure: intake, assessment, counseling/

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individual employment and training case management, referral services, training services, labor exchange (Job Service), and Unemployment Insurance. Staff at One-Stop Career Centers must be client focused and view themselves as a referral and coordination center.

2. Develop information systems for common intake and information exchange.

Success of One-Stop Career Centers will depend upon a well-designed information system. Information about all employment and training services should be available no matter where the client enters the system. Ideally, information and services for all types of programs would be available at every location or Center. Since One-Stop Career Centers cannot be located in every town, technology can be used to provide accessibility for every county. Computer terminals located in public places (e.g., courthouses or libraries) must be networked with each other and with regional and/or state administrative centers. This is essential if intake procedures are to be streamlined, client information shared and moved as clients relocate, and if client histories are to be maintained.

3. Develop a strategy for providing employment and training services to rural communities.

Expand current technology to enhance services for rural communities. Use of computer networks placed in public locations, such as libraries or courthouses, in every county would enable rural residents to access information and complete intake forms. The information system developed to link satellite offices and computer terminals with regional centers should experiment with other ways to link the client with information and services. Use of two-way interactive video would greatly reduce travel for clients and service providers.

4. Design a "seamless" system where there are no "wrong" doors.

Currently, where a client enters the system dictates what information and services are available, and clients may not always receive appropriate services. For example, a client who enters the system at the Unemployment Insurance office will receive UI services (if eligible) and be referred to Job Service. However, that person's UI benefits may run out before the system notices that training was needed before that person could compete for a job. One-Stop Career Centers designed to be referral and coordination centers would eliminate that problem through efficient information management, needs assessment, and case management.

5. Administrative structures must be consistent with the one-stop approach.

One-Stop Career Centers cannot provide "seamless" services to clients unless the state administrative structure is altered. Area offices and local service providers will not take a systems approach to service delivery if they report to different state administrators for different programs within the employment and training service system. Each program cannot have a separate state administrator. For example, within the Kansas Department of Human Resources, the JTPA, Job Service, and UI programs are managed under three separate divisions. The UI program needs to be integrated with Job Service and JTPA and this must start with changes in organization at the state level. While UI and Job Service are currently co-located at the local level, co-location is not sufficient. Co-location does not equal coordination.

Other states (e.g., Oregon, Texas) created, through legislation, a council that coordinates state workforce training and job placement programs. Whether Kansas uses this approach or develops a different approach, careful thought must be given to how intra- and interagency cooperation will be guaranteed. Such high-level cooperation is essential to ensure cooperation on critical issues of common intake, assessment, integrated information systems, as well as promotion and use of the One-Stop Career Centers.

6. Reorganize service areas so differences in geographical boundaries that currently exist do not impede coordination of services.

One-Stop Career Centers should be located to best serve the labor market. In rural areas where sparse populations make it impossible to have Centers in every town, regional Centers could support other local sites. Local sites could consist of a computer terminal in a public library, itinerant staff traveling to small towns, or satellite offices with reduced services. Again, a well designed information system should ensure that information regarding the employment and training system can be easily accessed in all parts of the state.

7. Staff training must occur to insure that staff skills are consistent with the demands of the One-Stop Career Centers.

Staff currently providing services through the many employment and training programs must be cross trained to insure that they are knowledgeable regarding all services available through One-Stop Career Centers. Training should include two components: inter-program training and labor market training. Inter-program or cross training would ensure that staff have a working knowledge of the entire system. Labor market training would ensure that staff understand how the labor market functions in their area and the barriers to employment that today's unemployed face. This will enable them to think in terms of how clients will fit into the labor market and what it will take to prepare clients to enter the labor market and survive in it for the long term.

8. ABE, GED, Community College and AVTS programs are a critical part of the system.

Training institutions know how to train and should be an important part of any employment and training system. Examples of excellent programs exist, such as Kansas City Community College's College Prep Program. ABE programs, which are the only programs focused upon preparing clients for the reading and math skills required in employment, need support for development of curricula on functional illiteracy and teacher training. These programs and institutions must be a strong component of the system, both in planning the system and as key service providers.

. KIT/KIR programs are a critical part of the system.

KIT/KIR programs are the only ones which focus upon training needs of business and industry rather than upon those of the individual. These programs should be an important part of the employment and training system and need to be funded adequately to better meet the retraining needs of existing businesses.

Acknowledgements

This research was funded by Economic Research Services of the U.S. Department of Agriculture and by Kansas, Inc. We would like to thank Charles Warren, President of Kansas Inc., who initiated the project. We would also like to thank Norma L. Daniels and Steve Bittel, of the Kansas Rural Development Council, for their assistance in developing this study. They were responsible for the study's focus on rural communities in Kansas. We express appreciation to those who agreed to be interviewed: their willingness to take the time to explain how programs work was crucial to the success of this project. We were impressed with their dedication, commitment, and desire for a better system.

Notes

1. For a complete description of program-enacting legislation and statutory provision, see Hesse, S. and Clarke, S. *The Kansas Labor Force Education and Training System: an Analysis of Program and System Coordination.*(Report to the Joint Committee on Economic Development.) Topeka, KS: Kansas, Inc., 1993.

KanWork and the Private Sector in Wichita

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Introduction

In 1988 the Kansas Legislature enacted House Bill 2644, which created the KanWork program, whose goal is to help AFDC recipients become job ready and self-reliant.[1] This act replaced the existing Work Incentive Program with the Job Opportunities and Basic Skills Program.[2] Four counties—Barton, Finney, Sedgwick and Shawnee—were designated to establish pilot programs to provide training and employment support services. The Kansas Department of Social and Rehabilitation Services (SRS) administers the KanWork Program. SRS area directors have considerable latitude to develop and administer local programs designed to meet the needs of the community they serve.

This paper examines KanWork clients' participation at the Wichita Area office, in Sedgwick County, because a unique part of the Wichita program is the coordination of KanWork programs with the private sector. The results presented are those in action at the time this article was written.

Methodology

The SRS central office provided a random sample of 120 clients, taken from a total population of 3,602 Sedgwick County clients who were active participants in the program between November 1992 and June 1993. This study will be limited to an examination of the effect of the KanWork program on single females, who comprised 73 percent of the sample.

Clients' job-readiness is assessed at initial orientation. A client is job-ready if she has either a high school diploma or its equivalency (GED), and has either worked six of the past 12 months or has a current skill. Twenty percent of clients in the sample were initially job-ready. KanWork provides job-readiness activities to help these clients enter the labor force. These activities include Survival Skills (SS), that provide work and life skills essential for workers, and the

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WORKFORCE DEVELOPMENT LEGISLATIVE OVERSIGHT COMMITTEE

SENATOR RODNEY ELLIS
CHAIRMAN
REPRESENTATIVE RENE OLIVEIRA
VICE CHAIRMAN

SENATOR ROYCE WEST
REPRESENTATIVE KIM BRIMER
MATTHEW DOWD
REX MCKINNEY

MATERIALS ON TEXAS WORKFORCE LEGISLATION

- House Research Organization summary of ARTICLE 11 workforce provisions in final version of House Bill 1863 (74th Legislature)
- Texas Workforce Commission summary of ARTICLE 11 workforce provisions in final version of HB 1863
- Texas Comptroller of Public Accounts summary of final recommendations on implementation of workforce provisions in HB 1863

Senate Education
1-12-2000
Attachment 7

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TED MELINA RAAB, EXECUTIVE DIRECTOR • MICHELLE D. ROBERTS, COMMITTEE COUNSEL • PEDRO P. GARCIA, COMMITTEE CLERK

summary of conference report (5/22/9_,

~~The court in determining~~ whether a spouse was eligible for maintenance ~~would specify the nature, amount and manner of the period of payments~~ by ~~considering a list of factors. These~~ would include both spouses' ~~financi~~al ~~positions, education, duration of the marriage and whether misconduct occurred in the disposition of community property~~.

~~A presumption would exist that maintenance was not warranted unless the spouse seeking maintenance had exercised diligence in seeking work or developing work skills. This presumption would not exist, however, for a disabled spouse or a spouse caring for a disabled child~~.

~~These provisions would not affect unmarried~~ couples. ~~These provisions would take effect September 1, 1995.~~

Workforce Development

The Senate added as a floor amendment various provisions consolidating workforce development programs into a new agency replacing the Texas Employment Commission. The Senate provisions were retained, with modifications, by the conference committee. These include the following:

Texas Workforce Commission. A new agency, the Texas Workforce Commission, based on the Texas Employment Commission (TEC), would be charged with meeting the business demands for highly skilled labor and the needs of workers for education and skills training to enhance their standard of living and the needs of the people making transitions into the workforce, from public assistance and from the home.

The commission would consolidate more than 20 education and job training programs that are now administered by eight state agencies. The commission would also administer the unemployment compensation program now under the TEC.

Any reference to the Texas Employment Commission (TEC) would mean the Texas Workforce Commission; TEC would be abolished September 1, 1995. All TEC property and staff would transfer to the workforce commission. The comptroller would study the requirements of the transition and make recommendations to the governor, lieutenant governor and speaker of the House on an integrated structure for the Texas Workforce Commission. A transition oversight committee would be created.

The commission would be composed of three members appointed by the governor. One member would be a representative of labor, one would be a representative of employers, and one would represent the public. The governor would designate the chair of the commission to serve for a two-year term.

The public member could not be an officer, employee or paid consultant of a labor-oriented or employer-oriented trade association. A person required to register as a lobbyist could not serve as a member of the commission or act as general counsel to the commission. A member of the commission could not engage in any other business during the term.

Members of the commission would be appointed for staggered six-year terms, with one member's term expiring on February 1 of each odd-numbered year. If the bill did not take immediate effect (requiring approval by a two-thirds vote of the membership of each house), the governor would have to appoint initial members of the commission not later than December 31, 1995. The commission would be subject to the Texas Sunset Act, and would be abolished September 1, 1999.

The commission would appoint the executive director to administer the daily operations of the commission, and the executive director would appoint and prescribe the duties of a staff. Career-ladder and job-posting requirements would be imposed.

The workforce commission would not be able to request criminal history record information, but could request that an applicant for a security sensitive position provide either a complete set of fingerprints or the applicant's complete name, driver's license number, and social security number. The executive director could deny employment for a security-sensitive position to an applicant who fails to provide the requested fingerprints or information.

The executive director would also prepare and maintain a written policy statement to ensure implementation of a program of equal employment opportunity under which all personnel transactions would be made without regard to race, color, disability, sex, religion, age, or national origin. The policy statement would have to be updated annually, reviewed by the Commission on Human Rights for compliance and delivered to the Governor's Office. The Governor's Office would deliver a biennial report, including information relating to the policy statement, to the Legislature.

The commission would have a division of workforce development and a division of unemployment compensation. The executive director could establish additional divisions within the commission for effective administration. The executive director would appoint the directors of the divisions of the commission.

Jurisdiction of division of workforce development. The following job-training, employment and employment-related educational programs and functions would be consolidated under the authority of the division:

• adult education programs under Education Code sec. 11.18, and apprenticeship programs under Chapter 33, and postsecondary vocational and technical job-training programs that do not lead to licensing, certification or an assistant degree under Chapters 61, 108, 130 and 135 and Subchapter E, Chapter 88, all currently administered by the Central Education Agency;

• Human Resources Code programs, including employment incentive programs under Chapter 31, currently administered by the Texas Department of Human Services;

• senior citizens employment program under Chapter 101, Texas Department on Aging;

• the work and family policies program, Chapter 81, Texas Employment Commission;

• Labor Code programs including job-training programs funded under the Job Training Partnership Act, Department of Commerce; job counseling

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program for displaced homemakers under Chapter 304, and the Communities in Schools program, Chapter 305, both currently administered by the Texas Employment Commission; the reintegration of offenders program, Chapter 306, Texas Employment Commission;

• the inmate employment counseling program under Government Code sec. 499.051 (f), administered by the Texas Department of Criminal Justice;

• the continuity of care program under Government Code sec. 501.059, Texas Employment Commission;

• a literacy program from funds available to the state under Government Code sec. 481.026, Texas Department of Commerce;

• the employment service, currently administered by the Texas Employment Commission;

• the community service program under the National and Community Service Act of 1990 (42 U.S.C. Section 12501 et seq.), currently administered by the Governor's Office;

• the trade adjustment assistance program under Part 2, Subchapter II, Trade Act of 1974 (19 U.S.C. Section 2271 et seq.), currently administered by the Texas Employment Commission;

• the Job Opportunities and Basic Skills program under Part F, Subchapter IV, Social Security Act (42 USC sec. 682), currently administered by the Department of Human Services;

• the food stamp employment and training program authorized under 7 USC sec. 2015(d), currently administered by the Department of Human Services; and

• the function of the State Occupational Information Coordinating Committee.

The division would also administer the following programs:

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• state programs to enhance the employment opportunities of veterans of the armed services, including the employment program funded under Chapters 41 and 42, Title 38, United States Code, currently administered by the Central Education Agency;

• child care services provided under Chapter 44, Human Resources Code, currently administered by the Department of Human Services; and

• programs established through federal funding to conduct full service career development centers and school-to-work transition services.

To the extent permitted under federal law, the division would also administer the programs funded through the education coordination funds under Section 123, Job Training Partnership Act (29 U.S.C. Section 1533).

Division of workforce development. The executive director would, to the extent feasible under federal law, consolidate the administrative and programmatic functions of the programs under the authority of the commission to achieve efficient and effective delivery of services. In addition, the executive director would administer each program and implement corresponding federal and state legislation consolidated under the authority of the commission.

The executive director would also have a number of other duties in the division, including contracting with local workforce development boards for program planning and service delivery and designing and administering a statewide comprehensive labor market information system. The executive director could obligate funds from the skills development fund in a manner consistent with the rules adopted by the commission for that program.

The director of the division would have to develop a uniform, statewide client application and enrollment process to determine an applicant's eligibility for workforce training and services funded through the division.

Local workforce development boards. The director would have to design and implement a state-local planning process for workforce training and services under the division. The commission would review the local workforce training and services plans developed under the Workforce and

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Economic Competitiveness Act, and would make recommendations to the state Council on Workforce and Economic Competitiveness — the state workforce development coordinating agency — regarding the implementation of those plans. The division would provide management and board development training for all members of local workforce development boards.

The board would ensure that employment services are provided for persons seeking employment in the local workforce development area. The board would have to develop a plan that:

- assesses the labor market needs of the local workforce development area;

- identifies existing workforce development programs;

- evaluates the effectiveness of existing programs and services;

- sets broad goals and objectives for all workforce development programs in the local area; and

- establishes an operation component specifying how all of the resources available from the commission will be used to achieve the goals set.

Before a local workforce development board could be created under the Workforce and Economic Competitiveness Act, at least three-fourths of the chief elected officials in the workforce development area who represent units of general local government would have to agree to the creation of the board. Members of the local workforce development board could not be held personally liable unless an act constituted official misconduct, wilful disregard of the requirements of the bill or gross negligence.

The local workforce development system would be composed of two major components — an employer services component that provides labor market information, and an integrated service delivery system composed of a network of career development centers. Local workforce development boards would have to establish career development centers accessible to students and workers.

The executive director could delegate all or part of the administration of a program that is eligible for block grant funding to a local workforce development board in an area in which a board had been certified and a local plan approved by the governor or to another appropriate state or local entity.

Funding. Unless superseded by federal law, the commission could use an amount not to exceed 20 percent of the funds available to the commission for workforce training and services to implement state-level responsibilities, including administration, research and planning, system design and development and training and technical assistance.

Effective July 1, 1996, the commission would provide through a block grant process funds available for workforce training and employment services to certified local workforce development boards with plans approved by the governor, unless superseded by federal law. Administrative costs under this section could not exceed 5 percent of the total amount of funds available to the commission for block grants for workforce training.

In each area without a certified local workforce development board, the executive director would have to provide workforce training and services to the extent allowed by federal law and specify an entity, which could be the commission, for the performance of employment services in that area.

At least 80 percent of the funds available to the commission for workforce training would have to be provided to a certified local workforce development board, or in an area without a certified board or plan, to the entity specified by the executive director. If a local workforce development board had been certified and a local plan approved, the funds would be provided through the block grant process. Unless superseded by federal law, total administrative costs for local workforce training could not exceed 15 percent of the funds allocated under this subsection.

Block grant funding would not apply to a program under the skills development fund, the Communities in Schools program, the reintegration of offenders program, apprenticeship programs, the continuity of care program or the senior citizens employment program.

For funds that are allocated to the state or its regions through established formulas, the commission would allocate funds using the same formula. For funds that are not allocated by formula, the commission would develop a need-based formula to equitably allocate funds. Contingent on the availability of funds in any fiscal biennium, the commission could not allocate to a local workforce development area less than 90 percent or more than 125 percent of the amount received by that area during the preceding state fiscal biennium.

Skills Development Fund. The skills development fund would be created from money in the general revenue fund. Start-up money for colleges would be available to develop customized training programs for businesses and trade unions and sponsoring small and medium-sized business networks and consortiums. Money from the skills development fund could not be used to pay the training costs and other related costs of an employer who relocated the employer's worksite from one location in this state to another in-state location.

A public community or technical college could recover customized assessment and training costs if there was an actual or projected labor shortage in an occupation that was not being addressed in the area and the wages at the time of job placement for those who complete the customized training are equal to the prevailing wage.

The Texas Higher Education Coordinating Board would review all customized training programs biennially to verify that state funds are being used appropriately.

A statement of purpose would refer to removal of administrative barriers that impede the response of public community and technical colleges to industry and workforce training needs and to develop incentives for public community and technical colleges to provide customized assessment and training in a timely and efficient manner.

Communities in Schools Program. The Communities in Schools program, a dropout prevention program, would be revised. In the second year of the fiscal 1996-1997 biennium, a funding formula would be implemented for funding that reduced, over a five-year period, the funds annually contributed by the state to the current participants. Savings could then be used to extend participation in the program to additional campuses.

The commissioner of education would, for each year of the fiscal 1996-1997 biennium, withhold at least $16.3 million of compensatory education allotments and distribute that amount for the Communities in Schools program. The commissioner would then reduce each district's tier-one allotments appropriately.

Council on Workforce and Economic Competitiveness. The composition of the Council on Workforce and Economic Competitiveness would be changed. The training and apprenticeship advisory committee would be created as a standing committee to advise the council on all matters relating to apprenticeship. However, the State Job Training Coordinating Council, the Texas Council on Vocational Education, the Texas Literacy Council and the Apprenticeship and Training Advisory Committees would be abolished. The council would no longer be a separate agency but would be attached to the Governor's Office.

Skill Standards Board. The Texas Skill Standards Board would be created as an advisory board to the governor and Legislature on the development of a statewide system of industry-defined and industry-recognized skill standards and credentials for all major skilled occupations that provide strong earning opportunities without a baccalaureate degree. The board would be composed of 11 members appointed by the governor.

Legislative oversight. The Workforce Development Legislative Oversight Committee would be created, composed of two members of the House of Representatives and one public member appointed by the speaker of the House and two members of the Senate and one public member appointed by the lieutenant governor. The speaker of the House and the lieutenant governor would appoint the presiding officer on an alternating basis, who would serve a two-year term. The committee would be subject to sunset review, and would be abolished September 1, 1999.

The committee would receive information about rules proposed or adopted by the commission and would review specific recommendations for legislation proposed by the commission. In addition, the committee would

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monitor the implementation and efficiency of the workforce development system. To perform its duties, the committee could request reports and other information from the chair and the executive director of the commission.

The committee would have to report to the governor, lieutenant governor and speaker before December 31 of each even-numbered year. The report would have to include identification of significant problems in the workforce development system, with recommendations for action, and the status of the effectiveness of the workforce development system.

Workforce Amendment to HB 1863
Texas Workforce Commission

The Texas Workforce Commission
This Texas Workforce Commission is charged with administering the job training and employment related programs in Texas.

Membership Of Commission
The Commission is composed of three members appointed by the Governor representing the following:

1 member representing the general public;
1 member representing businesses;
1 member representing labor.

Commission members serve six year, staggered terms.

The Governor designates one of the members to serve as chair every two years. A member may be redesignated to serve as chair.

Executive Director
The Commission hires the executive director who is responsible for the day-to-day administration of the agency.

Consolidation of Workforce Programs
The Commission is responsible for administering the following programs at the state level:

Program	Agency Currently Responsible
The Job Training Partnership Act	Texas Department of Commerce
The Employment Service Program	Texas Employment Commission
Work and Family Policies Program	Texas Employment Commission
Employment Counseling Program for Displaced Homemakers	Texas Employment Commission
Job Opportunities and Basic Skills Program	Texas Department of Human Services
Food Stamp Employment and Training Program	Texas Department of Human Services
Apprenticeship Program	Texas Education Agency
Adult Literacy Programs	Texas Education Agency
Senior Texans Employment Program	Texas Department on Aging
The Inmate Employment Counseling Program	Texas Department of Criminal Justice
Community Services Programs	General Services Commission
The Trade Adjustment Assistance Program	Texas Employment Commission
The Continuity of Care Program	Texas Employment Commission
Employment Incentive Program	Department of Human Services
Community in Schools Program	Texas Employment Commission
The Reintegration of Offenders Program	Texas Employment Commission
Literacy Programs	Texas Department of Commerce
Veterans Training Program	Texas Education Agency
Employment-Related Child Care Services	Department of Human Services
Unemployment Insurance Program	Texas Employment Commission
Minimum Wage Law	Texas Employment Commission
Payday Law	Texas Employment Commission
Child Labor Law	Texas Employment Commission
Regulation of Proprietary Schools	Texas Education Agency
Developing a one-stop approach to service delivery for workforce services	Texas Employment Commission
School-to-Work Programs in Texas	
The Texas Skills Development Fund	

Budget and Staffing of Texas Workforce Commission
The new agency will receive $1.6 Billion in state and federal funding for the biennium. There are over 6000 employees working in the programs that will be transferred into the new agency.

Other Functions of Agency
The Commission is responsible for consolidating and integrating the administrative and programmatic functions of the programs transferred under the authority of the Commission.

The Commission is responsible for developing a local-state planning process for workforce training and services in Texas.

The Commission is responsible for developing a plan to ensure client accessibility to workforce programs.

Block Grants to Local Areas of State
The Commission is required to block grant down to local areas of the state where local workforce development boards have been formed no less than 80% of the funds that would otherwise be spent by the agency to provide services to that region. These funds will go to local workforce development boards created by the chief elected officials in a region. The block grants will begin flowing July 1, 1996.

In areas of the state where local workforce development boards have not been formed, the same amount of resources that would have been provided in a block grant will be spent by the agency to provide services. The Private Industry Councils in those areas where boards have not formed will still carry out their JTPA functions, but the commission will be responsible for the delivery of all other services.

Funds from the following programs will be subject to block grants: JTPA, Employment Service, JOBS, and Food Stamp Employment and Training.

The Commission is required to come back to the next legislature with recommendations of whether the programs not part of the block grant should be part of the block grant.

Skills Development Fund
The Skills Development Fund is created to assist with start-up or emergency funds by public community colleges and technical colleges to develop customized training programs for businesses and the sponsoring of small and medium-sized business networks. The fund is to be used to assist employers with targeted training of employees to increase skill levels so that new manufacturing processes may be used and Texas companies may become globally competitive.

The Texas Higher Education Coordinating Board shall review all customized training programs biennially to verify that state funds are being used appropriately by community and technical colleges.

Legislative Oversight Committee
A legislative oversight committee is created. It consists of 6 members, three appointed by the Speaker and three appointed by the Lieutenant Governor.

Amendments to Texas Council on Workforce and Economic Competitiveness
The Texas Council on Workforce and Economic Competitiveness, which was created by the 73rd Legislature, is reduced from a 42 member Governor's advisory council with state agency status to a 20 member Governor's advisory council that is attached administratively to the Governor's Office.

The Council serves as a strategic planner and evaluator of all workforce programs in Texas. The Council was created by merging the following state-level advisory councils: State Job Training Advisory Council, Job Service Employer Committee, Texas Literacy Council, Texas Council on Vocational Education, Texas State Occupational Information Coordinating Committee.

The legislation creates the Adult Basic Education and Literacy Advisory Committee as a technical advisory committee to the Council.

Texas Skill Standards Board
The Texas Skill Standards Board is created as an 11 member advisory board to the Governor to help with the establishment of industry-defined and industry recognized skill standards.

This board will involve industry and employers in setting skill standards for all workforce training provided in this state. This will ensure that the training Texans receive is that needed by Texas businesses to be globally competitive.

The Texas Skill Standards Board consists of 7 members representing business; 2 representing labor; 1 representing secondary education; and 1 representing postsecondary education. All appointments are by the Governor.

The Texas Council on Workforce and Economic Competitiveness provides staff support to the Texas Skill Standards Board.

Transition Section

The Comptroller of Public Accounts is required to evaluate the programs to be consolidated into the new agency and recommend to the Governor, the Speaker and the Lieutenant Governor how to integrate and consolidate the programs and what the organizational structure of the new agency should be. The report shall be completed by December 1, 1995.

The Commission shall implement the recommendations contained in the report as practicable.

Between August 31, 1995 and September 30, 1995, the Governor shall appoint the members of the Texas Workforce Commission. Upon appointment of these members, the Texas Employment Commission shall cease to exist. All of the employees and programs of the Texas Employment Commission shall continue to function as employees of the Texas Employment Commission. The Texas Workforce Commission shall serve as the governing board for these programs.

The executive director of the Texas Workforce Commission shall transfer the programs to be transferred to the new agency by September 1, 1996. The employees of the programs that are being transferred to the Texas Workforce Commission shall become employees of the new Commission upon the transfer of their program.

A transition oversight committee is created consisting of the following members:

Executive Director of the Texas Workforce Commission;
Agency Administrator of the Texas Employment Commission;
Commissioner of Education;
Commissioner of Human Services;
Executive Director of Texas Department of Aging;
Executive Director of Texas Department of Commerce;
Representative of the Governor;
Representative of the Lieutenant Governor; and
Representative of the Speaker.

The transition oversight committee shall assist the Comptroller in developing the plan on the organizational structure of the agency and assist the Commission in smoothly carrying out the transition of programs required in this Act.

The Texas Workforce Commission, the Texas Council on Workforce and Economic Competitiveness, the Smart Jobs Program and the Adult Basic Education Program are up for Sunset Review in 1999.

The Act takes effect September 1, 1995.

SUMMARY

TEXAS WORKFORCE COMMISSION FINAL REPORT

DECEMBER 1995

Texas spends more than $1.5 billion each year on a bewildering array of workforce development and job training programs to prepare the Texans of today for the high-skill, high-wage jobs of tomorrow.

There's just one problem. The system doesn't work—and neither do many of its graduates.

That's why the Texas Workforce Commission (TWC) was created. Based on a package of proposals in my *Gaining Ground* report and approved by state lawmakers in groundbreaking legislation earlier this year, the new agency is a dramatic departure from the past. It will streamline the state's scattered job training efforts into a single structure stressing customized services driven by, and responsive to, the needs of Texas businesses, Texas workers—and Texas taxpayers.

> ***"Work force development can be Texas' new Oil Depletion Allowance. Just as that unique incentive helped drive the economy of the past, a highly trained work force will be the key to our future prosperity."* — John Sharp**

This report provides a blueprint for the new TWC. Of necessity, it walks a perilous path between generality and micromanagement, and those who expect it to be a step-by-step guide through every twist and turn of the reorganization may be surprised—because key decisions will be left up to TWC and local communities on the front lines of workforce development. Such freedom is essential to a decentralized, responsive and successful system.

If all the recommendations in this report are implemented, taxpayers will save $5.6 million during the current two-year budget period. Beginning in 1998, savings will reach $6.4 million each year, most of which should be reinvested in worthy local programs.

TWC's success depends on a number of factors, not the least of which are the experience and creative input of seasoned state workers. In many cases, these hardworking men and women have been trapped in worn-out, wasteful bureaucracies, and they now face great challenges in bringing disparate programs into an efficient and effective new system.

But the most dramatic change will come at the grassroots level. The state's new workforce development efforts will require the support and involvement of local officials and business leaders. Underlying every step in this process is a clear understanding that each community will have the tools and freedom to meet its unique challenges. Local workforce development boards will have, for the first time, the chance to fix a system that has thus far failed to keep its promise.

Partnerships among business, labor and the education community will have quick and ready access to the Skills Development Fund to help community colleges and technical schools create customized training programs for local businesses, labor organizations and other interested parties. Among its most innovative aspects is that grants will be awarded solely by TWC's executive director—acting as a "dealmaker"—doing away with frustrating delays and piles of paperwork associated with the old system.

At the direction of the Legislature, this report also looks at existing adult education programs and the Smart Jobs Fund, established in 1993 to provide training grants to Texas employers. Our review of the Smart Jobs Fund cites unecessary delays and excessive paperwork requirements, as well as praise from more than a few participating businesses, and our review of state adult education identifies certain drawbacks and some key benefits involved in a potential transfer of this program from their current home in the Texas Education Agency to TWC.

Perhaps the most important economic and social issue facing Texas today is the quality of our workforce. Today, we have the opportunity to do something dramatic about it.

John Sharp

A Plan For the Texas

H.B. 1863, approved by the 74th Legislature, called upon the Comptroller to write a plan consolidating 28 programs spread among 10 agencies into a new Texas Workforce Commission (TWC).

This blueprint is intended to do more than break down institutional walls or simply change the names of existing agencies. Instead, the goal has been to foster a workforce development system driven by the needs of local businesses and workers across Texas.

By carrying out these recommendations, communities will control their own economic destinies, free from red tape and state and federal regulation.

Organizing the New TWC

- Composed of three gubernatorial appointees, the **Texas Workforce Commission** will oversee major state employment and training programs, but the commission will not simply be a renamed state employment agency.

- Twenty-eight programs scattered among 10 agencies will shift to TWC. Contributing agencies include **the Texas Employment Commission, Texas Education Agency, Texas Department of Criminal Justice, Texas Youth Commission, Texas Council on Workforce and Economic Competitiveness (TCWEC), Texas Department on Aging, Texas Department of Commerce, General Services Commission, Texas Higher Education Coordinating Board and Texas Department of Human Services.**

- Major programs moving under TWC include **Unemployment Insurance, Employment Services, Proprietary Schools, Veterans Education Certification, Child Care Services, Job Training Partnership Act, Food Stamp Employment and Training, and Job Opportunities and Basic Skills.**

- Projected savings will total **$5.6 million** for the 1996-97 biennium and reach **$6.4 million** in fiscal 1998. Most of these savings will defray consolidation costs or pay for improving services at the local level.

Principles Behind Reform

- Complex, conflicting state and federal regulations have hindered past workforce programs. The new system should be designed to satisfy labor market and employer needs with the understanding that **business and labor participation is critical to collective success.**

- **All Texans should be able to use the workforce system to develop skills.**

Texas Workforce Commission:

Bill Hammond of Dallas, chairman and business representative

Jo Betsy Norton of Austin, public respresentative

David Perdue of Arlington, labor representative

Ronald Kapche of Houston, executive director

- Local communities have their own economic problems and opportunities, so the new system should **allow community leaders to develop their own short- and long-term plans.**

- Texans generally use workforce programs only after losing a job or as they apply to college. **Texans should instead feel welcome to use the system regardless of where they find themselves in their lives or careers.**

- The old system provided little information to employers and employees on training opportunities. TWC should **allow job seekers to make their own decisions about how and when they will learn new skills, taking into account business needs.**

- The patchwork approach to workforce development has not lent itself to measuring real-world results, such as gains in employment and pay. The new design anticipates **increased accountability through real-world, results-based performance measures.**

Local Control

- The new system will encourage local initiative by delivering funds **through block grants.** Other states have consolidated workforce programs, but none have granted as much freedom to local communities to control how programs operate in their areas.

- In each of 29 **local workforce areas** designated by the governor, leaders have the option of forming a **local workforce development**

Workforce of the Future

board to tailor employment and training programs to local needs.

- Each workforce board must adopt a **"one-stop"** approach to service, featuring a **business services unit** to market workforce services to businesses and a **career development center** offering employment information and labor market services to residents.

- Although funding to get local boards started is available through TCWEC, more money is needed to get the new system off the ground. Each board will be challenged to find additional funding sources.

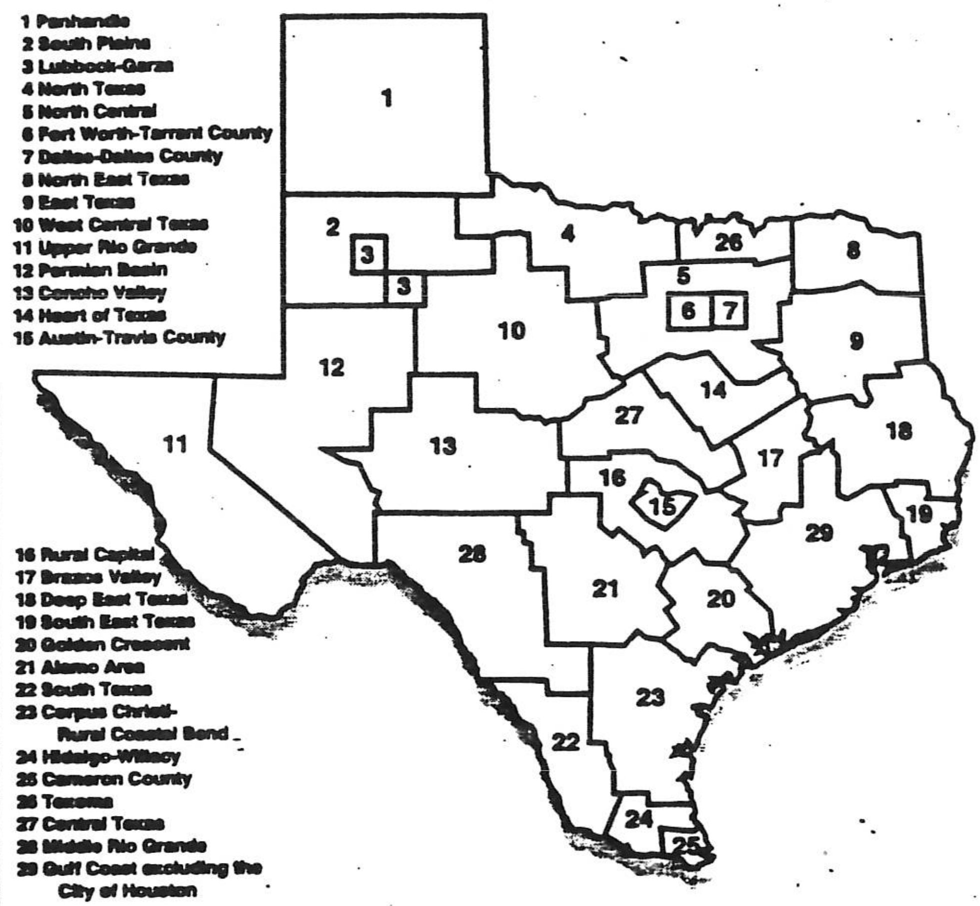
TWC Nuts and Bolts

- Faced with an ambitious but workable timeline, TWC must move quickly to **hire top managers, arrange for smooth employee transfers, restructure job duties and begin merging computer information systems.**

- TWC's **executive director**, overseeing consolidation, will **set precise timetables** for program transfers, emerge as a **dealmaker** linking the private sector to state workforce programs and **manage** the new **Skills Development Fund.**

- TWC should be structured with an emphasis on **serving business and labor interests.** Specifically, the agency should establish a **Business Services Division** entrusted with building strong business sector involvement in agency activities. The ideal relationship would result in customized training programs boosting businesses and workers toward enhanced economic prosperity.

Designated Local Workforce Development Areas



- As TWC coalesces, TCWEC must **develop a single statewide strategic plan** for workforce development, continue evaluating the workforce system and make ongoing recommendations to the governor for improvements.

Accountability to Taxpayers

- To ensure the accountability of workforce programs to Texas taxpayers, TWC should **ask the Senate/House Joint General Investigating Committee to include workforce programs in proposed audits of state agency contracts.** TWC should use the

(continued on back)

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(continued from inside)

committee's conclusions to identify practices that need to be changed.

- TWC should implement **performance-based contracts** with local boards to encourage accountabilty for achieving local objectives. In addition, steps should be taken to instill **fiscal integrity.**

Skills Development Fund

- TWC will administer a new **Skills Development Fund** supported during the 1996-97 biennium with **$25 million** in state funds. The fund, proposed by Comptroller John Sharp in ***Gaining Ground,*** is designed to help public community and technical colleges meet industry and workforce training needs.

- TWC's executive director will award **grants** from the fund to local partnerships of businesses, labor unions and educational institutions to run **customized training programs.**

- The fund should have two goals: creating new jobs and improving the training of the current workforce. Guidelines for awarding grants should be flexible so that **funds can be committed quickly when Texas vies for new jobs.**

- The Comptroller envisions the **Skills Development Fund competing with the Smart Jobs program, a** customized job-training program created by the Legislature in 1993. **The new fund should be more flexible and immediately responsive than Smart Jobs.**

Smart Jobs and Adult Education

- At the request of the Legislature, the Comptroller reviewed the **Smart Jobs** program, which provides grants to businesses for specialized training. During the 1994-95 biennium, the state program gave out **$7.7 million** to train **more than 5,000 Texas workers.** The review found the program generally pays for useful training, but improvements are possible by reducing paperwork and excessive delays in grant approvals.

- Also at the request of the Legislature, the Comptroller evaluated the Adult Education Program and concluded that its programs should be transferred to TWC. A transfer would better **integrate services and focus state efforts on links between education and employment.**

Workforce Transition Timeline

September 1995—H.B. 1863 takes effect.

October 1995—Three members of Texas Workforce Commission take oaths of office.

November 1995—TWC names executive director, Ronald Kapche.

December 1995—Comptroller submits recommendations for integrated workforce development system. Executive director begins hiring staff and planning transfer of initial round of workforce programs on March 1.

January 1996—Local workforce development boards may apply for certification from the Governor's Office, allowing six months for boards to finalize operational plans, negotiate contracts and prepare to receive funds from the state.

March 1996—Programs involving minimal direct services by the state transfer to TWC. These include the Senior Texans Employment Program, School-to-Work, Job Training Partnership Act, Job Corps, Labor Market Information, One-Stop Career Center System Grants and State Occupational Information Coordinating Committee.

June 1996—Remaining job search, regulatory and educational programs transfer to TWC, including Food Stamp Employment and Training, Child Care, Proprietary Schools, Veterans Education Certification, Job Opportunities and Basic Skills, Communities in Schools, Employment Service, Unemployment Insurance and Project RIO. All are transferred 30 days before block grants may start flowing to local boards.

July 1996—TWC begins distributing block grants to local areas that have established boards and have had service delivery plans approved by the state. Boards may begin contracting for local service delivery.

September 1996—Statutory deadline for transferring all designated programs to TWC, except for Child Care.

Kansas Workforce System Review

Briefing Hearings on Workforce Development Policy

January 11-13, 2000

Senate Education
1-12-2000
Attachment 8

Action	Federal	Kansas Now	KWIP's Plan	State Examples
Level I: Required Actions				
Appoint four legislators to the KWIP – legislative leadership of each chamber appoints two	✓	✕	✕	Arkansas, Connecticut, Hawaii, Indiana, and Vermont have added the legislative membership to their state workforce board statute based on WIA.
Appropriate all federal training dollars	✓	✕		Oregon reiterated in statute that the legislature would be appropriating all federal training funds. N.C. established a grant fund to more easily manage the appropriating. Florida used this appropriating power to earmark money to certain legislative priorities.
Approve the inclusion of secondary vocational funds if it's the state's intent to make vocational education part of the workforce system	✓	✕	✕	Florida, Indiana and Wyoming approved the inclusion of secondary vocational funds with the workforce system
Level II: Suggested Actions				
Direct the workforce development system by defining a policy vision, i.e., client driven, outcome focused, adaptable, coordinated, locally controlled.	✓	✕	✓ & ✕[1]	The legislatures of Connecticut, Florida, Texas and Utah all played a critical role in defining and shaping their workforce development policy.
Decide how much of the state structure you want to set in statute, i.e., directives for the state board, board membership (including legislators), local boards and their authority, youth councils, possible local councils for any other specific client group – rural or hard-to-serve workers, and accountability measures and sanctions. Any or all of the WIA structure can be legislated to signal a long-term commitment to reform.		✕	✕	Arkansas, Hawaii, Indiana, North Carolina, and Oregon listed the structural changes to their workforce system based on WIA. Arkansas incorporated the WIA template into their overall system, which included numerous provisions to keep the legislature informed of the state board actions. Indiana was very thorough in setting its structure in statute and created incumbent worker councils in addition to the WIA mandated youth councils.
Examine the benefits of consolidating programs on two levels: at the state level by moving programs from the current 5 agencies to 1 agency, and at the local level by mandating a consolidation and coordination of multiple delivery areas.		✕	✕[2]	States that have merged programs into one agency include Indiana, Iowa, Michigan, Tennessee, Texas and Utah. Although Florida reformed their system, programs were not merged into one agency.
Level III: Optional Actions				
Develop a performance management system with benchmarks, outcome measures and sanctions for poor performance.	✓[3]		✓	Florida, Illinois, Iowa, Maine, Massachusetts, New York, Oregon, Texas, Utah, Washington and Wisconsin all statutorily mandated that responsibility to the state workforce investment board.
Mandate that the state agency or agencies develop and implement an integrated case management system with common intake forms and databases and shared assessments. Possibly even provide a line item for upgrading the computer system to facilitate this new approach and accountability.		✕	✓	Connecticut, Florida, Iowa, Minnesota, North Carolina, and Utah have all been working toward these goals. In 1999, California earmarked money for the infrastructure needed to conform to the data collection, reporting and performance management requirements under WIA.

[1] Although the KWIP's Blueprint does timidly approach this shift in philosophy for the system, the Blueprint also embraces the status quo and the current bureaucracy.

[2] The KWIP's Blueprint wants a "virtual organization" through which "a consensus for consolidation ***may*** emerge." (emphasis added) "Rather than focus time and energy now on how to merge programs," the KWIP wants the governor to hire a workforce czar to oversee the creation of this "virtual organization."
As for consolidation of delivery areas on the local level, the Blueprint speaks only of bi-state compacts for SDAs, not of harmonizing boundaries across programs.

[3] WIA established a new set of performance measures for all of the federal training programs. WIA strongly urges states to set benchmarks based on these measures.

Prepared by the National Conference of State Legislatures

LEGISLATIVE SERVICES AGENCY
OFFICE OF FISCAL AND MANAGEMENT ANALYSIS
301 State House
(317) 232-9855

FISCAL IMPACT STATEMENT

LS 7946
BILL NUMBER: HB 1652

DATE PREPARED: Apr 30, 1999
BILL AMENDED: Apr 29, 1999

SUBJECT: Workforce investment system.

FISCAL ANALYST: Beverly Holloway
PHONE NUMBER: 232-9851

FUNDS AFFECTED: X GENERAL
X DEDICATED
X FEDERAL

IMPACT: State & Local

Summary of Legislation: (CCR Amended) This bill establishes the Workforce Investment System (System). It provides that the System is administered by the Department of Workforce Development under a state plan developed by the State Human Resource Investment Council. This bill sets forth requirements for regional boards, the one stop service delivery system, and one stop partners. This bill changes the membership of the State Human Resource Investment Council and it specifies the membership of the regional boards.

This bill removes the $1,500,000 cap on the annual amount of certain penalties deposited into the Special Employment and Training Fund. It increases the amount of money in the Special Employment and Training Fund that can be used annually to provide training to participants in certain programs from $4,500,000 to $5,000,000. It also increases the maximum amount of training funds the Department of Workforce Development may use for its administrative expenses from $67,500 to $150,000.

The Department of Workforce Development is required to make an annual report on training projects to the Governor, the Legislative Council, and the Unemployment Insurance Board.

This bill authorizes the use of $6,500,000 from the available balance of the Special Employment and Training Fund to provide training to incumbent workers during the four year period that begins July 1, 1999, and ends June 30, 2003.

Effective Date: (CCR Amended) Upon passage; July 1, 1999; July 1, 2000.

Explanation of State Expenditures: (Revised) This bill is in response to the requirements of the federal Workforce Investment Act of 1998 (29 U.S.C. 2801 et. seq.). All states are to have the requirements of the federal Act implemented by July 1, 2000. The purpose of the federal Workforce Investment Act is to consolidate the many separately funded workforce and adult education literacy programs. The federal Workforce Investment Act consolidates federal funding (including but not limited to federal funding under

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the Carl D. Perkins Vocational and Applied Technology Act, the Wagner-Peyser Act, Community Services Block Grant Act) for numerous programs into three basic grants: adult employment and training, disadvantaged youth employment and training, and adult education and family literacy programs. The federal Workforce Investment Act requires new state and local workforce boards to guide and coordinate workforce investment systems that meet local needs. The newly formed boards and the consolidation of programs and funding are to provide increased flexibility and local control of workforce development programs and funding. No new federal funding is providing under the federal Act.

This bill requires the State Human Resource Investment Council to develop a unified state plan for the workforce investment system. Members of the State Human Resource Investment Council is entitled to salary per diem and reimbursement for travel expenses. The fiscal impact is dependent on the number of times the Council has to meet to develop the unified state plan. The Department of Workforce Development (DWD) has not requested additional funding in FY 2000 to implement this requirement.

This bill requires the DWD to designate not more than 16 workforce investment areas that follow the state plan (developed by the State Human Resource Investment Council). The DWD did not request additional funding in FY 2000 to implement this requirement.

This bill removes the $1,500,000 cap on the annual amount of certain penalties deposited into the Special Employment and Training Fund. Previously, any additional amount collected above the $1,500,000 was deposited into the Unemployment Insurance Benefit Trust Fund. An employer's contribution to the Unemployment Insurance Benefit Fund was then pro rated according to the employer's experience account. The removal of the cap will reduce the amount of money contributed to the Unemployment Insurance Benefit Trust Fund and will increase revenue to the Special Employment and Training Fund. The balance of the Unemployment Benefit Trust Fund as of December 7, 1998 was $1.4 billion.

The bill also increases from $4.5 million to $5 million the amount that the Commissioner of the DWD may use from the Special Employment and Training Services Fund per year. These funds can be spent for training and counseling assistance and training provided to participants in joint labor and management apprenticeship programs. It also increases the maximum amount of training funds the DWD may use for its administrative expenses from $67,500 to $150,000. Additionally, this bill authorizes the use of $6.5 million from the available balance of the Special Employment and Training Fund to provide training to incumbent workers during the four year period that begins July 1, 1999, and ends June 30, 2003. The balance of the fund as of 4/6/99 was $14,158,877. The FY 98 revenue into the fund was $3,729,043.

The DWD is required to make an annual report on training projects to the Governor, the Legislative Council, and the Unemployment Insurance Board. This can be done within the existing budget.

Explanation of State Revenues:

Explanation of Local Expenditures: (Revised) This bill, in response to the federal Workforce Investment Act, requires the creation of a regional board (referred to in the federal Act as the local workforce board) and the formation of partnerships with local elected officials. The regional boards/elected official partnerships are responsible for establishing new one-stop centers. The participation of a municipality and a county and its chief elected official in meeting the mandates of the federal Act will be done within the existing budget of the municipality and county.

Explanation of Local Revenues:

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State Agencies Affected: Department of Workforce Development; State Human Resource Investment Council; Legislative Council; Governor; Unemployment Insurance Board.

Local Agencies Affected: Municipalities.

Information Sources: Craig Hartzer, Commissioner, Department of Workforce Development, (317) 233-5661. *Federal Funds Information for State, Issue Brief 98-14*, "Finally, Job Training Reform Happens," September 1, 1998, p.p. 1-4.

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First Regular Session 111th General Assembly (1999)

PRINTING CODE. Amendments: Whenever an existing statute (or a section of the Indiana Constitution) is being amended, the text of the existing provision will appear in this style type, additions will appear in **this style type**, and deletions will appear in ~~this style type.~~

Additions: Whenever a new statutory provision is being enacted (or a new constitutional provision adopted), the text of the new provision will appear in **this style type**. Also, the word **NEW** will appear in that style type in the introductory clause of each SECTION that adds a new provision to the Indiana Code or the Indiana Constitution.

Conflict reconciliation: Text in a statute in *this style type* or ~~*this style type*~~ reconciles conflicts between statutes enacted by the 1998 General Assembly.

HOUSE ENROLLED ACT No. 1652

AN ACT to amend the Indiana Code concerning labor and industrial safety.

Be it enacted by the General Assembly of the State of Indiana:

SECTION 1. IC 22-4-11-2 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 1999]: Sec. 2. (a) The commissioner shall for each year determine the contribution rate applicable to each employer.

(b) The balance shall include contributions with respect to the period ending on the computation date and actually paid on or before July 31 immediately following the computation date and benefits actually paid on or before the computation date and shall also include any voluntary payments made in accordance with IC 22-4-10-5:

(1) for each calendar year, an employer's rate shall be determined in accordance with the rate schedules in section 3 of this chapter; and

(2) for each calendar year, an employer's rate shall be two and seven-tenths percent (2.7%), except as otherwise provided in IC 22-4-37-3, unless and until:

(A) the employer has been subject to this article throughout the thirty-six (36) consecutive calendar months immediately preceding the computation date; and

(B) there has been some annual payroll in each of the three (3)

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twelve (12) month periods immediately preceding the computation date.

(c) In addition to the conditions and requirements set forth and provided in subsection (b)(2)(A) and (b)(2)(B), an employer's rate shall not be less than five and four-tenths percent (5.4%) unless all required contribution and wage reports have been filed within thirty-one (31) days following the computation date and all contributions, penalties, and interest due and owing by the employer or his predecessors for periods prior to and including the computation date have been paid:

(1) within thirty-one (31) days following the computation date; or

(2) within ten (10) days after the commissioner has given the employer a written notice by registered mail to the employer's last known address of:

(A) the delinquency; or

(B) failure to file the reports;

whichever is the later date.

The board or the board's designee may waive the imposition of rates under this subsection if the board finds the employer's failure to meet the deadlines was for excusable cause. The commissioner shall give written notice to the employer before this additional condition or requirement shall apply.

(d) However, if the employer is the state or a political subdivision of the state or any instrumentality of a state or a political subdivision, or any instrumentality which is wholly owned by the state and one (1) or more other states or political subdivisions, the employer may contribute at a rate of one percent (1%) until it has been subject to this article throughout the thirty-six (36) consecutive calendar months immediately preceding the computation date.

(e) On the computation date every employer who had taxable wages in the previous calendar year shall have the employer's experience account charged with the amount determined under the following formula:

STEP ONE: Divide:

(A) the employer's taxable wages for the preceding calendar year; by

(B) the total taxable wages for the preceding calendar year.

STEP TWO: Multiply the quotient determined under STEP ONE by the total amount of benefits charged to the fund under section 1 of this chapter.

(f) One (1) percentage point of the rate imposed under subsection (c) or the amount of the employer's payment that is attributable to the increase in the contribution rate, whichever is less, shall be imposed as

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a penalty that is due and ~~except as provided in subsection (g),~~ shall be deposited upon collection into the special employment and training services fund established under IC 22-4-25-1. The remainder of the contributions paid by an employer pursuant to the maximum rate shall be:

(1) considered a contribution for the purposes of this article; and
(2) deposited in the unemployment insurance benefit fund established under IC 22-4-26.

~~(g) After the total amount deposited into the special employment and training services fund under subsection (f) equals one million five hundred thousand dollars ($1,500,000) during a program year, any additional amount collected under subsection (f) shall be deposited into the unemployment insurance benefit fund established under IC 22-4-26-1. Money deposited in the unemployment insurance benefit fund under this subsection shall be credited pro rata to the experience accounts of employers subject to contribution.~~

SECTION 2. IC 22-4-18-7 IS ADDED TO THE INDIANA CODE AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 1999]: **Sec. 7. (a) The department annually shall prepare a written report of its training activities and the training activities of the various workforce investment boards during the immediately preceding state fiscal year. The department's annual report for a particular state fiscal year must include information for each training project for which either the department or a workforce development board provided any funding during that state fiscal year. At a minimum, the following information must be provided for such a training project:**

(1) A description of the training project, including the name and address of the training provider.
(2) The amount of funding that either the department or a workforce investment board provided for the project and an indication of which entity provided the funding.
(3) The number of trainees who participated in the project.
(4) Demographic information about the trainees, including the age of each trainee, the education attainment level of each trainee, and for those training projects that have specific gender requirements, the gender of each trainee.
(5) The results of the project, including skills developed by trainees, any license or certification associated with the training project, the extent to which trainees have been able to secure employment or obtain better employment, and descriptions of the specific jobs which trainees have been able

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to secure or to which trainees have been able to advance.

(b) With respect to trainees that have been able to secure employment or obtain better employment, the department of workforce development shall compile data on the retention rates of those trainees in the jobs which the trainees secured or to which they advanced. The department shall include information concerning those retention rates in each of its annual reports.

(c) On or before October 1 of each state fiscal year, each workforce investment board shall provide the department with a written report of its training activities for the immediately preceding state fiscal year. The workforce development board shall prepare the report in the manner prescribed by the department. However, at a minimum, the workforce development board shall include in its report the information required by subsection (a) for each training project for which the workforce development board provided any funding during the state fiscal year covered by the report. In addition, the workforce development board shall include in each report retention rate information as set forth in subsection (b).

(d) The department shall provide a copy of its annual report for a particular state fiscal year to the:

(1) governor;

(2) legislative council; and

(3) unemployment insurance board;

on or before December 1 of the immediately preceding state fiscal year.

SECTION 3. IC 22-4-18.1-5 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2000]: Sec. 5. (a) ~~The council shall be comprised of the following members:~~

~~(1) The directors of the various state agencies, including the state superintendent of public instruction with regard to the department of education or the state superintendent's designee, directed to administer the applicable federal programs who shall serve as ex officio members of the council.~~

~~(2) Not more than thirty (30) members appointed by the governor according to the following guidelines:~~

~~(A) Not more than ten (10) members if thirty (30) members are appointed under this subdivision (or one-third (1/3) of the appointed members under this subdivision if less than thirty (30) members are appointed) who represent business and industry, including individuals who represent business and industry on private industry councils in Indiana.~~

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~~(B) Not more than ten (10) members if thirty (30) members are appointed under this subdivision (or one-third (1/3) of the appointed members under this subdivision if less than thirty (30) members are appointed) who represent labor, special populations, and community-based organizations (with a majority of the members described in this clause as representing labor).~~

~~(C) Not more than ten (10) members if thirty (30) members are appointed under this subdivision (or one-third (1/3) of the appointed members under this subdivision if less than thirty (30) members are appointed) who represent education and government.~~ **Not later than June 30, 2000, the membership of the state human resource investment council established under IC 22-4-18.1 must consist of the following:**

(1) The governor.

(2) Two (2) members of the senate, appointed by the president pro tempore of the senate. The members appointed under this subdivision may not be members of the same political party.

(3) Two (2) members of the house of representatives, appointed by the speaker of the house of representatives. The members appointed under this subdivision may not be members of the same political party.

(4) The following members appointed by the governor:

(A) Representatives of business in Indiana who:

(i) are owners of businesses, chief executives, or operating officers of businesses, and other business executives or employers with optimum policy making or hiring authority, including members of regional boards under IC 22-4.5-3-3(b)(1)(A) (as described in Section 117(b)(2)(A)(i) of the Workforce Investment Act of 1998);

(ii) represent businesses with employment opportunities that reflect the employment opportunities of Indiana; and

(iii) are appointed from among individuals nominated by state business organizations and business trade associations.

(B) Chief elected officials representing municipalities and counties.

(C) Representatives of labor organizations who have been nominated by the Indiana State AFL-CIO.

(D) Representatives of individuals and organizations that

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have experience with respect to youth activities.

(E) Representatives of individuals and organizations that have experience and expertise in the delivery of workforce investment activities, including chief executive officers of any community colleges established in Indiana and community-based organizations in Indiana.

(F) Lead state officials with responsibility for the programs, services, and activities described in Section 121(b) of the Workforce Investment Act of 1998 and carried out by one stop partners or, if there is no lead state official with responsibility for such a program, service, or activity, a person with expertise relating to the program, service, or activity.

(G) Other representatives and state officials designated by the governor.

(b) The governor shall appoint ~~the~~ as chairman of the council ~~from within the council's membership.~~ **a member described in subsection (a)(4)(A).**

(c) A majority of the members of the council must be members described in subsection (a)(4)(A).

(d) At least fifteen percent (15%) of the members of the council must be representatives of labor.

(e) Members of the council that represent organizations, agencies, or other entities shall be individuals with optimum policy making authority within the organizations, agencies, or entities. The members of the council must represent diverse regions of Indiana, including urban, rural, and suburban areas.

SECTION 4. IC 22-4-25-1 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 1999]: Sec. 1. (a) There is created in the state treasury a special fund to be known as the special employment and training services fund. All interest on delinquent contributions and penalties collected under this article, together with any voluntary contributions tendered as a contribution to this fund, shall be paid into this fund. The money shall not be expended or available for expenditure in any manner which would permit their substitution for (or a corresponding reduction in) federal funds which would in the absence of said money be available to finance expenditures for the administration of this article, but nothing in this section shall prevent said money from being used as a revolving fund to cover expenditures necessary and proper under the law for which federal funds have been duly requested but not yet received, subject to the charging of such expenditures against such funds when received.

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The money in this fund shall be used by the board for the payment of refunds of interest on delinquent contributions and penalties so collected, for the payment of costs of administration which are found not to have been properly and validly chargeable against federal grants or other funds received for or in the employment and training services administration fund, on and after July 1, 1945. Such money shall be available either to satisfy the obligations incurred by the board directly, or by transfer by the board of the required amount from the special employment and training services fund to the employment and training services administration fund. No expenditure of this fund shall be made unless and until the board finds that no other funds are available or can properly be used to finance such expenditures, except that expenditures from said fund may be made for the purpose of acquiring lands and buildings or for the erection of buildings on lands so acquired which are deemed necessary by the board for the proper administration of this article. The board shall order the transfer of such funds or the payment of any such obligation or expenditure and such funds shall be paid by the treasurer of state on requisition drawn by the board directing the auditor of state to issue the auditor's warrant therefor. Any such warrant shall be drawn by the state auditor based upon vouchers certified by the board or the commissioner. The money in this fund is hereby specifically made available to replace within a reasonable time any money received by this state pursuant to 42 U.S.C. 502, as amended, which, because of any action or contingency, has been lost or has been expended for purposes other than or in amounts in excess of those approved by the bureau of employment security. The money in this fund shall be continuously available to the board for expenditures in accordance with the provisions of this section and shall not lapse at any time or be transferred to any other fund, except as provided in this article. Nothing in this section shall be construed to limit, alter, or amend the liability of the state assumed and created by IC 22-4-28, or to change the procedure prescribed in IC 22-4-28 for the satisfaction of such liability, except to the extent that such liability may be satisfied by and out of the funds of such special employment and training services fund created by this section.

(b) The board, subject to the approval of the budget agency and governor, is authorized and empowered to use all or any part of the funds in the special employment and training services fund for the purpose of acquiring suitable office space for the department by way of purchase, lease, contract, or in any part thereof to purchase land and erect thereon such buildings as the board determines necessary or to assist in financing the construction of any building erected by the state

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or any of its agencies wherein available space will be provided for the department under lease or contract between the department and the state or such other agency. The commissioner may transfer from the employment and training services administration fund to the special employment and training services fund amounts not exceeding funds specifically available to the commissioner for that purpose equivalent to the fair, reasonable rental value of any land and buildings acquired for its use until such time as the full amount of the purchase price of such land and buildings and such cost of repair and maintenance thereof as was expended from the special employment and training services fund has been returned to such fund.

(c) The board may also transfer from the employment and training services administration fund to the special employment and training services fund amounts not exceeding funds specifically available to the commissioner for that purpose equivalent to the fair, reasonable rental value of space used by the department in any building erected by the state or any of its agencies until such time as the department's proportionate amount of the purchase price of such building and the department's proportionate amount of such cost of repair and maintenance thereof as was expended from the special employment and training services fund has been returned to such fund.

(d) Whenever the balance in the special employment and training services fund is deemed excessive by the board, the board shall order payment into the unemployment insurance benefit fund of the amount of the special employment and training services fund deemed to be excessive.

(e) Subject to the approval of the board, the commissioner may use not more than ~~four~~ **five** million ~~five hundred thousand~~ dollars ~~($4,500,000)~~ **($5,000,000)** during a program year for:

(1) training and counseling assistance under IC 22-4-14-2 provided by state educational institutions (as defined in IC 20-12-0.5-1) or counseling provided by the department for individuals who:

(A) have been unemployed for at least four (4) weeks;

(B) are not otherwise eligible for training and counseling assistance under any other program; and

(C) are not participating in programs that duplicate those programs described in subdivision (2); or

(2) training provided by the state educational institution established under IC 20-12-61 to participants in joint labor and management apprenticeship programs approved by the United States Department of Labor's Bureau of Apprenticeship Training.

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During a particular program year, the department may not use more than one hundred fifty thousand dollars ($150,000) of the money available under this subsection for its administrative expenses. During a particular program year, at least ~~ninety~~ **ninety-four** percent ~~(90%)~~ **(94%)** of the money used under this subsection **(excluding money used by the department for its administrative expenses)** shall be allocated for training programs described in subdivision (2). ~~divided equally between~~. **Of the money allocated for training programs described in subdivision (2), forty-five percent (45%) is designated for** industrial programs, and **the remaining fifty-five percent (55%) is designated for** building trade programs. During a particular program year, not more than ~~ten~~ **six** percent ~~(10%)~~ **(6%)** of the money used under this subsection **(excluding money used by the department for its administrative expenses)** may be allocated for training and counseling assistance under subdivision (1). ~~In addition, not more than fifteen percent (15%) of the money used for training and counseling assistance under subdivision (1) may be used for administrative expenses of the department.~~ Training or counseling provided under IC 22-4-14-2 does not excuse the claimant from complying with the requirements of IC 22-4-14-3. Eligibility for training and counseling assistance under subdivision (1) shall not be determined until after the fourth week of eligibility for unemployment training compensation benefits.

SECTION 5. IC 22-4.5 IS ADDED TO THE INDIANA CODE AS A **NEW** ARTICLE TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]:

ARTICLE 4.5. THE WORKFORCE INVESTMENT SYSTEM

Chapter 1. Purpose

Sec. 1. The workforce investment system is established to achieve the following goals:

(1) To coordinate activities at the state and local levels to increase the employment, retention, occupational skills, and earnings of the workforce.

(2) To reduce welfare dependency.

(3) To enhance the productivity and competitiveness of Indiana business and industry.

(4) To encourage continuous improvement in worker preparation from kindergarten through adulthood.

Chapter 2. Definitions

Sec. 1. The definitions in this chapter apply throughout this article.

Sec. 2. "Chief elected official" means:

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(1) the executive of a second or third class city that:
(A) has a population of not less than five thousand (5,000);
(B) is located in a workforce investment area; and
(C) is the only city located in the workforce investment area that has a population of at least five thousand (5,000);
(2) a member of the executive body of a county located in a workforce investment area, selected by the executive body of the county; or
(3) if there is more than one (1) chief elected official in the workforce investment area meeting the definition of subdivision (1) or (2), the elected official designated by an agreement between the cities and counties to carry out the responsibilities of the chief elected official under the Workforce Investment Act;

who is designated by an agreement between the cities and counties to carry out the responsibilities of the chief elected official under the Workforce Investment Act.

Sec. 3. "Department" refers to the department of workforce development established under IC 22-4.1-2.

Sec. 4. "Executive" has the meaning set forth in IC 36-1-2-5.

Sec. 5. "Incumbent worker council" refers to an advisory committee to a regional board under IC 22-4.5-3-3.

Sec. 6. "One stop center" means a physical location that:
(1) provides access to all one stop services and one stop partners;
(2) is certified by the regional board; and
(3) includes an onsite information resource area that meets minimum criteria established by the department.

Sec. 7. "One stop partner" refers to:
(1) a mandatory partner under IC 22-4.5-4-2; or
(2) an optional partner under IC 22-4.5-4-3.

Sec. 8. "One stop system" means a regional system of service delivery that complies with IC 22-4.5-4-1.

Sec. 9. "Regional board" means a local workforce investment board established under Title I, section 117 of the Workforce Investment Act.

Sec. 10. "State board" refers to the state human resource investment council established under IC 22-4-18.1.

Sec. 11. "State plan" means the unified state plan developed under Title I, section 112 of the Workforce Investment Act that complies with IC 22-4.5-3-1.

Sec. 12. "Workforce investment area" means an area designated

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under section 116 of the Workforce Investment Act.

Sec. 13. "Workforce Investment Act" refers to the federal Workforce Investment Act of 1998 (29 U.S.C. 2801 et seq.).

Sec. 14. "Youth council" refers to an advisory committee to a regional board under IC 22-4.5-3-4.

Chapter 3. State Plan and Establishment of Workforce Investment Areas

Sec. 1. The state board shall recommend to the governor a unified state plan for the workforce investment system that includes:

(1) secondary vocational education programs authorized under the Carl D. Perkins Vocational and Applied Technology Education Act (20 U.S.C. 2301 et seq.); and

(2) the programs of one stop partners designated by the governor.

Sec. 2. (a) The department shall designate not more than sixteen (16) workforce investment areas consistent with the state plan. An initial designation as a workforce investment area may not have a duration of more than two (2) years. If a designated workforce investment area meets all criteria under subsection (b) and the performance requirements of the department and federal law during the two (2) year period, the area's designation as a workforce investment area shall be continued for the next three (3) years.

(b) The department shall use the following criteria in designating a workforce investment area:

(1) The geographic areas served by local educational agencies.

(2) The geographic areas served by postsecondary educational institutions and area vocational schools.

(3) The extent to which the geographic areas are consistent with labor market areas.

(4) The distance that individuals will need to travel to receive services.

(5) The resources that are available to effectively administer workforce investment activities.

(6) Requests from the chief elected officials who represent at least fifty-one percent (51%) of the population of the area requesting designation.

(c) The department shall:

(1) require areas that share a labor market or an economic region to develop a single joint plan; and

(2) align other administrative areas of the department with

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the regional planning areas to the extent practicable.

Sec. 3. (a) A workforce investment area shall be overseen by a regional board that complies with the Workforce Investment Act. The regional board shall serve as a board or council for any future federal or state workforce investment fund that requires the use of a local or regional board or council.

(b) The governor, in partnership with the state board, shall establish criteria to be used by chief elected officials in the workforce investment areas for appointment of members of the regional boards. The criteria must include at least the following:

(1) The membership of each regional board must include the following:

(A) Representatives of business in the workforce investment area who:

(i) are owners of businesses, chief executives, or operating officers of businesses, and other business executives, or employers with optimum policy making or hiring authority;

(ii) represent businesses with employment opportunities that reflect the employment opportunities of the workforce investment area; and

(iii) are appointed from among individuals nominated by local business organizations and business trade associations.

(B) Representatives of local educational entities, including representatives of local educational agencies, local school boards, entities providing adult education and literary activities, and postsecondary educational institutions (including representatives of community colleges, if applicable). Members described in this clause must be selected from among individuals nominated by regional or local educational agencies, institutions, or organizations representing local educational entities.

(C) Representatives of labor organizations (for a workforce investment area in which employees are represented by labor organizations) who have been nominated by local central labor councils. If no employees in the workforce investment area are represented by labor organizations, members selected under this clause must be representatives of employees.

(D) Representatives of community based organizations, including organizations representing individuals with

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disabilities and veterans, for a local area where these organizations exist.

(E) Representatives of economic development agencies, including private sector economic development entities.

(F) Representatives of each of the one stop partners.

(2) The membership of each regional board may also include any other individuals or representatives of entities that the chief elected official in the workforce investment area determines to be appropriate.

(c) Members of a regional board who represent organizations, agencies, or other entities must be individuals with optimum policy making authority within the organizations, agencies, or entities.

(d) A majority of the members of each regional board must be members described in subsection (b)(1)(A).

(e) Each regional board shall elect a chairperson for the regional board from among the members described in subsection (b)(1)(A).

(f) At least fifteen percent (15%) of the voting members of the regional board must be representatives of labor.

Sec. 4. (a) Each regional board shall establish an incumbent worker council as an advisory committee to the regional board.

(b) The regional board, with the cooperation of the chief elected official, shall appoint members of the incumbent worker council under criteria established by the department. At least thirty-three percent (33%) of the members of the incumbent worker council must be representatives of labor.

(c) A member of the incumbent worker council who is not a member of the regional board at the time the member is appointed to the incumbent worker council is:

(1) a voting member of the incumbent worker council; and

(2) a nonvoting member of the regional board.

(d) The incumbent worker council shall develop and recommend to the regional board a plan to develop the incumbent workforce of the workforce investment area. The department shall provide technical assistance to the incumbent worker council and regional board in the development of the plan.

(e) Subject to approval by the regional board, the incumbent workforce development plan developed under this section must be incorporated into the workforce investment plan submitted by the regional board to the department.

Sec. 5. (a) Each regional board shall establish a youth council as an advisory committee to the regional board.

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(b) The regional board, with the cooperation of the chief elected official, shall appoint members of the youth council under criteria established by the department. The regional board and chief elected official may appoint the school-to-work partnership serving the area as the youth council if the school-to-work partnership meets the membership requirements for the youth council set forth in the Workforce Investment Act.

(c) A member of the youth council who is not a member of the regional board at the time the member is appointed to the youth council is:

(1) a voting member of the youth council; and

(2) a nonvoting member of the regional board.

(d) The youth council shall:

(1) develop and recommend to the regional board a plan for eligible youth;

(2) recommend to the regional board eligible providers of youth activities to which the regional board may award grants or contracts on a competitive basis;

(3) oversee eligible providers of youth activities in the workforce investment area; and

(4) coordinate youth activities authorized under the Workforce Investment Act.

(e) The youth plan developed under this section must be incorporated into the workforce investment plan submitted by the regional board to the department.

Chapter 4. The One Stop System and One Stop Partners

Sec. 1. A regional board shall establish a one stop system that meets the following criteria:

(1) The system provides core services (as defined in 20 U.S.C. 9201) through at least one (1) physical site that is certified as a workforce development center by the regional board.

(2) The system provides access to intensive services and training (as defined in 20 U.S.C. 9201).

(3) The system provides access to the programs and activities of one stop partners.

(4) The system provides access to the information described in section 15 of the Wagner-Peyser Act and all job search, placement, recruitment, and other labor exchange services authorized under the Wagner-Peyser Act (29 U.S.C. 49 et seq.).

(5) The system makes the programs, services, and activities of one stop partners available through:

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(A) a network of affiliated sites that consist of physical locations; or

(B) electronically or technologically linked access points.

(6) The system assures individuals that information on the availability of core services will be available regardless of where the individual initially enters the one stop system.

Sec. 2. Mandatory one stop partners in the one stop system include the entities that administer the following workforce investment programs:

(1) Programs under Title I of the Workforce Investment Act.

(2) Wagner-Peyser Act (29 U.S.C. 49, et seq.).

(3) Adult education and literacy programs under Title II of the Workforce Investment Act.

(4) Title I of the Rehabilitation Act of 1973 (29 U.S.C. 720 et seq.).

(5) Section 403(5)(a) of the Social Security Act (42 U.S.C. 603(a)(5)).

(6) Title V of the Older Americans Act of 1965 (42 U.S.C. 3056 et seq.).

(7) Postsecondary vocational education activities authorized under the Carl D. Perkins Vocational and Applied Technology Education Act (20 U.S.C. 2301 et seq.).

(8) Chapter 2 of Title II of the Trade Act of 1974 (19 U.S.C. 2271 et seq.).

(9) Chapter 41 of Title 38 of the United States Code.

(10) Employment and training activities carried out under the Community Services Block Grant Act (42 U.S.C. 9901 et seq.).

(11) Employment and training activities carried out by the Department of Housing and Urban Development.

(12) Programs authorized under the state unemployment compensation law (IC 22-4).

Sec. 3. (a) In addition to the one stop partners identified under section 2 of this chapter, a regional board may submit a proposal under this section to the governor and the state board to do any of the following:

(1) Incorporate the planning, policy, and oversight functions of any existing local or regional boards or councils.

(2) Include any other employment and training program that is funded on the federal, state, or local level as an optional one stop partner.

(b) An employment and training entity not designated under section 2 of this chapter may volunteer to become an optional one

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stop partner at the regional level with the approval of the regional board.

(c) A proposal submitted under this section must set forth the following:

(1) The proposed optional one stop partner.

(2) Whether the chief elected official or regional board will receive the proposed optional one stop partner's funding and have budgetary control over the proposed optional one stop partner, and, if so, a plan to ensure that staff of the regional board are not also staff of any mandatory or optional one stop partner.

(3) Whether the regional board will incorporate other councils and boards for planning, policy, and oversight purposes.

(4) Whether resources of the proposed optional one stop partner will be used to provide financial support for the independent staff of the regional board and the administrative functions of the fiscal agent.

(d) A proposed optional one stop partner that is approved under this section shall:

(1) be represented on the regional board; and

(2) enter into a memorandum of understanding with the regional board that identifies how the optional one stop partner will support the operating and administrative costs of the one stop system to the extent that the optional one stop partner may do so under the statutes, rules, or regulations governing the optional one stop partner.

Chapter 5. Powers and Duties of the Regional Board and One Stop Partners

Sec. 1. (a) The regional board, with the agreement of the chief elected official, shall develop and enter into a memorandum of understanding with each one stop partner concerning the operation of the workforce investment delivery system of the area.

(b) A memorandum of understanding entered into under this section must comply with instructions issued by the state.

Sec. 2. The regional board, together with the chief elected official, has planning, policy, and oversight responsibilities for the one stop system.

Sec. 3. The staff of the regional board may deliver services only under the following circumstances:

(1) The one stop system in the region includes only mandatory one stop partners and voluntary optional one stop partners.

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(2) The management of service delivery is shared jointly among not less than three (3) of the mandatory one stop partners that are not employed by the same entity. The management partnership shall enter into a memorandum of understanding with the regional board that outlines the individual and collective responsibilities of the partners in service delivery and management.

Chapter 6. Fiscal Authority

Sec. 1. The chief elected official is the grant recipient for youth, adult, and dislocated worker funds under Title I of the Workforce Investment Act.

Sec. 2. The chief elected official:

(1) may designate a fiscal agent; and

(2) may not designate or assign liability to any other entity for youth, adult, and dislocated worker funds distributed by the fiscal agent.

SECTION 6. [EFFECTIVE UPON PASSAGE] (a) The definitions in IC 22-4.5-2, as added by this act, apply to this SECTION.

(b) Notwithstanding IC 22-4.5-3-2, as added by this act, a chief elected official may request that the governor designate an existing entity as a temporary regional board under the following conditions:

(1) The local area overseen by the existing entity closely corresponds to the workforce investment area.

(2) The existing entity was in existence on December 31, 1997, and either:

(A) was established under section 102 of the Job Training Partnership Act; or

(B) is substantially similar to the local board described in the Workforce Investment Act.

(3) The existing entity includes representatives of business in the local area and either:

(A) for a local area in which employees are represented by labor organizations, representatives of labor organizations nominated by local labor federations; or

(B) for a local area in which no employees are represented by labor organizations, representatives of employees in the local area.

(4) The request includes a transition plan that will bring the existing entity into compliance with the membership provisions of a local workforce investment board as defined by section 117 of the Workforce Investment Act not later than

July 1, 1999.

(c) This SECTION expires July 1, 2000.

SECTION 7. [EFFECTIVE UPON PASSAGE] **(a) Subject to the approval of the unemployment insurance board, the department of workforce development may use up to six million five hundred thousand dollars ($6,500,000) of the available balance of the special employment and training services fund (as set forth in IC 22-4-25-1) for incumbent worker training. Not more than five percent (5%) of that amount may be used by the department of workforce development for its costs of administering incumbent worker training.**

(b) For each state fiscal year that this SECTION is in effect, the department of workforce development shall prepare an annual report for the unemployment insurance board on the department of workforce development's use of the funds provided by this SECTION. The department of workforce development shall include in each annual report any information requested by the unemployment insurance board.

(c) This SECTION expires July 1, 2003.

SECTION 8. **An emergency is declared for this act.**

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DEPARTMENT OF WORKFORCE SERVICES EXECUTIVE SUMMARY AND OVERVIEW

March, 1997

Michael O. Leavitt
Governor

Robert C. Gross
Executive Director

Utah Department of Workforce Services
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Senate Education
1-12-2000
Attachment 10

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INTRODUCTION

The creation of the Utah Department of Workforce Services is a bold and innovative effort aimed at consolidating all workforce functions, including what is commonly known as welfare, into one integrated service delivery system. Many other states are experimenting with integration on a limited basis, but only Utah is completely revamping its delivery structure and system.

The consolidated department will officially begin on July 1, 1997, however successful integration is well underway in preparation for the start of the new department.

Mission Statement
The mission of the Utah Department of Workforce Services is to provide quality, accessible and comprehensive employment-related and supportive services responsive to the needs of employers, job seekers, and the community.

Vision Statement
We will set the national standard of a high quality workforce by being the employment connecting point for employers, job seekers and the community.

National Alliance of Business Award
On October 4, 1996 the National Alliance of Business named Utah as its "State of the Year" for outstanding and innovative leadership in workforce development. The Alliance recognized Utah as the one state that is truly implementing a comprehensive system which will build a quality workforce for the future. Executive Director Robert Gross and State Senator David Steele went to Los Angeles to accept the award on behalf of the State of Utah.

Focus Groups
In working to implement a consolidated delivery system that takes into account the needs of all customers, the department has undertaken an ongoing client and employer-friendly initiative that reaches out to stakeholders in the community. Intensive focus groups have been conducted with (1) employees impacted by the reorganization, (2) employers who will access services of the new department, and (3) clients who will be accessing all of the employment services provided by the department. This information will be used to fine tune customer satisfaction initiatives.

Implementation of Kiosks
The department has started a technology initiative which seeks to serve individuals accessing services through the use of new and modern technological methods. The most recent example is the implementation of kiosks as part of Access Utah, where a person can use a touch screen to gather information rather than going to an office. Currently kiosks are in Green River, Tremonton and several locations in Salt Lake City. Expansion to other areas of the state is planned.

Consolidation of Employment Services
In an effort to be proactive, many local areas have started to work on ways to do business better. This "thinking out of the box" encompasses many programs including welfare, which was once an entitlement program but is now an employment program. Proactive partnerships between employees who are currently in separate agencies, but who will be merging into the department, have led directly to many of the service delivery initiatives which will seek to provide streamlined and customer-focused services.

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Hotline

A "Red-Hot" hotline was established for those individuals desiring answers to questions or information on the Department. The number is 1-800-483-5877 and can be accessed 24 hours a day. All questions are responded to within 24 hours.

Employment Centers

Utah was awarded a One-Stop Implementation Grant by the Department of Labor. This funding along with other state initiatives already underway provides critical resources to assist in the creation of a comprehensive one-stop system. Utah refers to one-stops as Employment Centers. A statewide system of 48 Employment Centers will be created from 106 existing offices of those agencies being consolidated. Electronic linkages will enable distribution of services beyond the physical infrastructure.

Utah established two pilot Employment Centers in 1995, which have proved very successful and have provided necessary legwork in establishing additional Employment Centers. Another pilot site was established late in 1996. Several agencies throughout Utah, though not formally referred to as Employment Centers, are already either co-located or are linked electronically to share intake and referral forms, case notes, and other client information.

In addition, a Clientbase (data sharing) pilot project initiated in 1995 provides the framework to enable agencies to share necessary information electronically. A sub-group on Information Technology coordinated their work with the pilot project. An Information Technology Director was hired for the Department and will oversee Phase II of the Clientbase pilot project.

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OVERVIEW

The 1996 Legislature passed House Bill 375, "The Department of Workforce Services", in order to combine and integrate all job placement, job training and welfare functions in the State of Utah. Inherent in this integration effort was the belief that states would be receiving block grant funding from the federal government. Therefore, states such as Utah would be provided opportunities for increased flexibility and effectiveness in serving clients.

The formation of the Department of Workforce Services is a proactive and innovative effort which is being observed by other states and federal agencies. Other states are working to co-locate many of the same functions that are involved in Utah's effort, but few are actually integrating service delivery systems in a one-stop manner.

The basic objectives of the department are to simplify programs, to operate more efficiently, to improve services, and to provide a vehicle for true welfare reform. The department focuses on employment and will seek to serve employers by providing qualified applicants. At the same time, the department will seek to serve job seekers by helping them find appropriate employment or activities that will lead to gainful employment tailored to meet the needs of special populations, as defined by statute.

In order to effectively meet the intent of House Bill 375, the department has used a series of guiding principles when making decisions and recommendations. The guiding principles were developed by the Workforce Development Task Force formed by Governor Leavitt that met over an 18 month period during 1994-95:

- The system must be customer-driven.
- The system must measure results and be accountable throughout.
- The department should simplify governance and operation of programs.
- The system will be state-based with local input on design and delivery.
- Private sector leadership and direct involvement at all levels will be promoted.
- Continuous improvement is critical.
- Training and education will be market-driven.
- Funding levels will be commensurate with need.

House Bill 375 created a basic framework for the Department of Workforce Services, and also devised a process by which detailed recommendations could be made for the full development of the department. The workgroups that made recommendations are illustrated in **Attachment 1**. The workgroups, with the exception of the Service Delivery Workgroup, completed their initial assignments in December 1996 since the top level managerial structure was then in place. The Executive Director along with the regional directors, division directors, and directors for the Offices of Finance, Human Resources, and Public Affairs formulate the department's Management Team.

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The Management Team meets weekly to ensure critical administrative issues are dealt with in a timely manner. A timeline of critical elements is shown in **Attachment 3.**

The agencies being brought into the Department are graphically summarized in **Attachment 2.** If the Legislature were to take no further action, those agencies outlined in Attachment 2 would become part of the new department, effective July 1, 1997. These include:

- **The Department of Employment Security** which oversees Unemployment Insurance, Employment Services, and Labor Market Information.
- **The Office of Family Support** which administers public assistance programs such as the Family Employment Program, Food Stamps and subsidized Child Care.
- **The Office of Job Training** which coordinates all job training programs including the Job Training Partnership Act (JTPA).
- **The Office of Child Care** which works with employers in the state to ensure that quality child care is available to those who are employed.
- **The Turning Point Program** which serves displaced homemakers by providing educational opportunities and other employment-related services.

Initially, the Industrial Commission of Utah was slated to join the department. The Industrial Commission administers programs concerned with labor and safety issues such as occupational safety and hazards, anti-discrimination and industrial accidents. However, it was determined in the 1997 Legislature that there will be a separate Labor Commission headed by one Labor Commissioner.

In addition, by combining these agencies, a large number of complex programs, as outlined in **Attachment 3**, will be integrated into the new department. The job placement and labor exchange functions of the current Department of Employment Security will be a continual focus of the new department. The clear connection between employers and job-ready employees must be maintained.

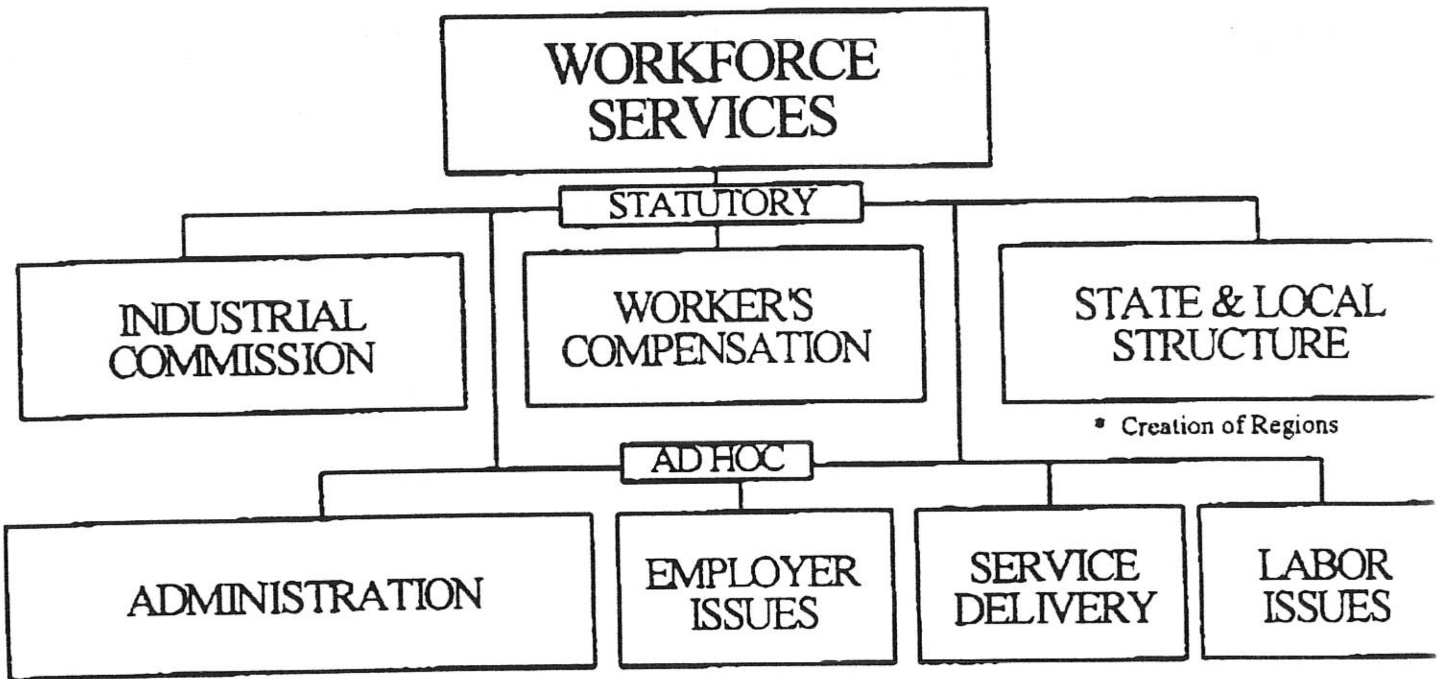
The focus of the service delivery system in the Department of Workforce Services will be to help unemployed and underemployed people find an appropriate connection with the job market. No longer will an individual have to travel to five or more different offices and deal with a different worker at each place. The development of Employment Centers in the Department of Workforce Services will allow unified case management to occur and better customer service to be realized.

House Bill 375 developed a basic structure for the department as outlined in **Attachment 4** and called for three divisions: the Labor, Safety and Program Regulation Division, which is responsible for the regulatory functions of the department; the Adjudication Division, which is responsible for all appeals and administrative remedies; and the Employment Development Division, which is the service delivery arm of the department.

However, it was determined in the 1997 Legislature that there will be a separate Labor Commission; therefore, the Labor, Safety and Program Regulation Division was repealed in Senate Bill 166. All divisions answer directly to the Executive Director who in turn reports to the Governor.

ATTACHMENT 1

Department of Workforce Services Work Groups



- Coordination
- Communications
- Financial Management
  - ** Budget
  - ** Cost Allocation
- Information Systems
- Physical Facilities
  - ** Local
  - ** Administrative
- Personnel
  - ** Job Comparison
  - ** Interim Staff
- Program Planning

- Child Care
- Client Advocacy

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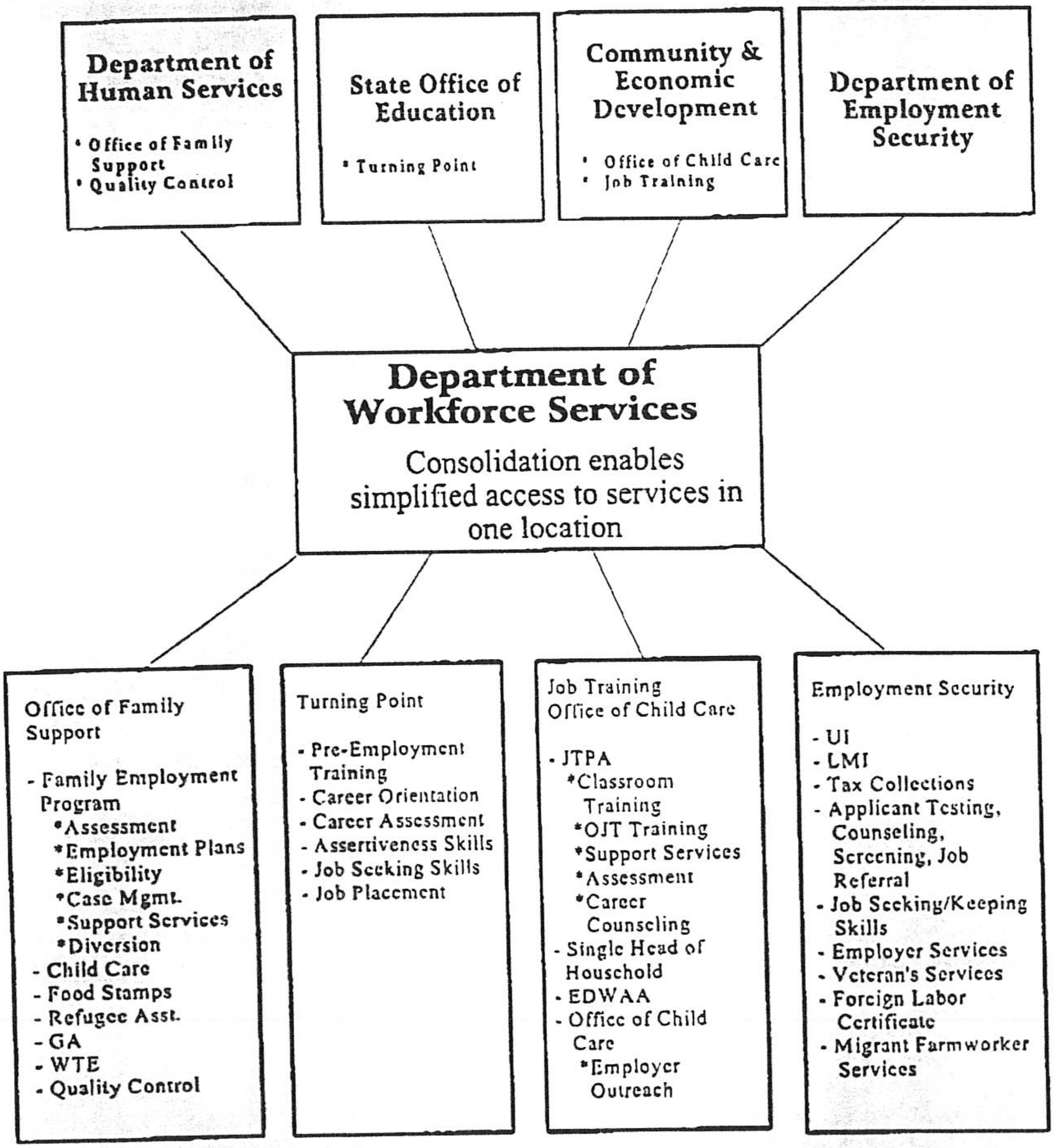
ATTACHMENT 2

Department of Workforce Services Program Consolidation



Services Consolidation

10-8

ATTACHMENT 3

DEPARTMENT OF WORKFORCE SERVICES

Timeline of Critical Elements
To Be Implemented by July 1, 1997

Certain top level managers appointed	January 1, 1997
Interim State Council on Workforce Services named	January 1, 1997
Regional Directors hired	January 1, 1997
Establish Interim State Council	January 1, 1997
Recommendations for regional headquarters made	February 1, 1997
Regional Workforce Services Councils named	February 1, 1997
Define unified case management	February 3, 1997
Regional administrative staff in place	March 1, 1997
Collapse of divisional lines	March 31, 1997
Define Human Resource Functions (job descriptions, benefits)	April 1, 1997
State Council becomes official	April 1, 1997
Plan developed for the transition of employees	April 1, 1997
The Year One Employment Centers identified	April 4, 1997
Install office automation tools	May 30, 1997
IT plan filed with state	June 1, 1997
Completion of waiver review	June 1, 1997
Seamless transfer of clients	June 30, 1997
Workforce Appeals Board selected	June 30, 1997
Cost Allocation Methods in Use	July 1, 1997

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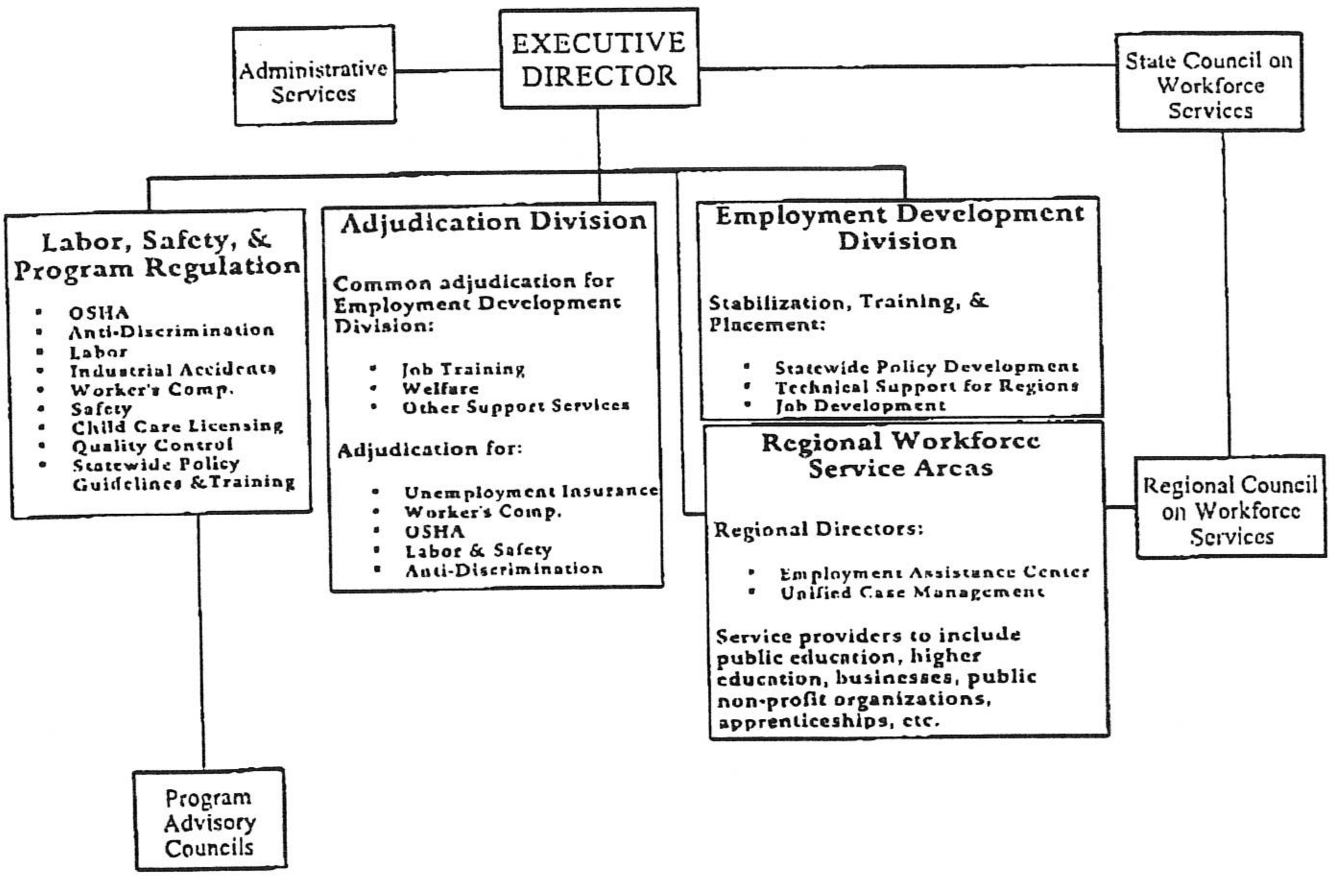
ATTACHMENT 4

Initial Department of Workforce Services



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REGIONALIZATION

An overriding principle of the Department of Workforce Services is that services will be delivered in a localized manner while maintaining an overall statewide focus. Utah is a very diverse state with the needs of employers and employees being drastically different from county to county. Yet, it is important to the integrity of those services being delivered that customers receive equal treatment in all areas of the state.

House Bill 375 created Regional Workforce Service Councils as a vehicle for local input and decision-making. According to House Bill 375, the purpose of the Regional Workforce Service Council is to:

- determine the locations of employment centers;
- develop a regional workforce services plan;
- develop training priorities for the region;
- work cooperatively with the State Council on Workforce Services;
- jointly with the Executive Director appoint the regional workforce services area director;
- coordinate the planning and delivery of workforce development services with public education, higher education, vocational rehabilitation, and human services;
- report annually to the State Council on Workforce Services.

Members of the Regional Workforce Services Councils include state agency representatives, representatives of large and small employers, representatives of employee organizations, community-based organization representatives, county commissioners and the Regional Director. Because the federal government did not institute a block grant for job training programs, current federal law mandates the formation of Private Industry Councils. To avoid duplication, the State and Local Structure Workgroup has concluded that Private Industry Councils can be folded into Regional Workforce Services Councils by increasing private sector membership to 51% of the Council. A private sector member will chair the Council as well.

The State and Local Structure Workgroup also commissioned the Creation of Regions Subgroup to formulate recommendations for the number of regions to be formed. Proposals ranged from four to eight regions. After examining the various proposals, both the representative of the Utah Association of Counties and the Executive Director of the Department of Workforce Services agreed that the most efficient proposal incorporated a five region administrative structure and an eight region planning structure **(see Attachment 5)**.

The five regions include:

(1) **Northern Region:** Bear River Planning Region (Box Elder, Cache and Rich counties), and Three County Planning Region (Weber, Davis and Morgan counties)

(2) **Central Region:** Wasatch Planning Region (Salt Lake and Tooele counties)

10-11

(3) **Mountainland Region:** Mountainland Planning Region (Utah, Summit and Wasatch counties)

(4) **Eastern Region:** Uintah Basin Planning Region (Duchesne, Uintah and Daggett counties) and Four Corners Planning Region (Carbon, Emery, Grand and San Juan counties)

(5) **Western Region:** Six County Planning Region (Juab, Millard, Beaver, Sanpete and Sevier counties) and Five County Planning Region (Iron, Washington, Piute, Garfield and Kane counties)

Each planning region will have a Regional Workforce Services Council and each administrative region will have one regional director. **Attachment 6** provides a framework for how dollars and decisions will flow between state administration and regions.

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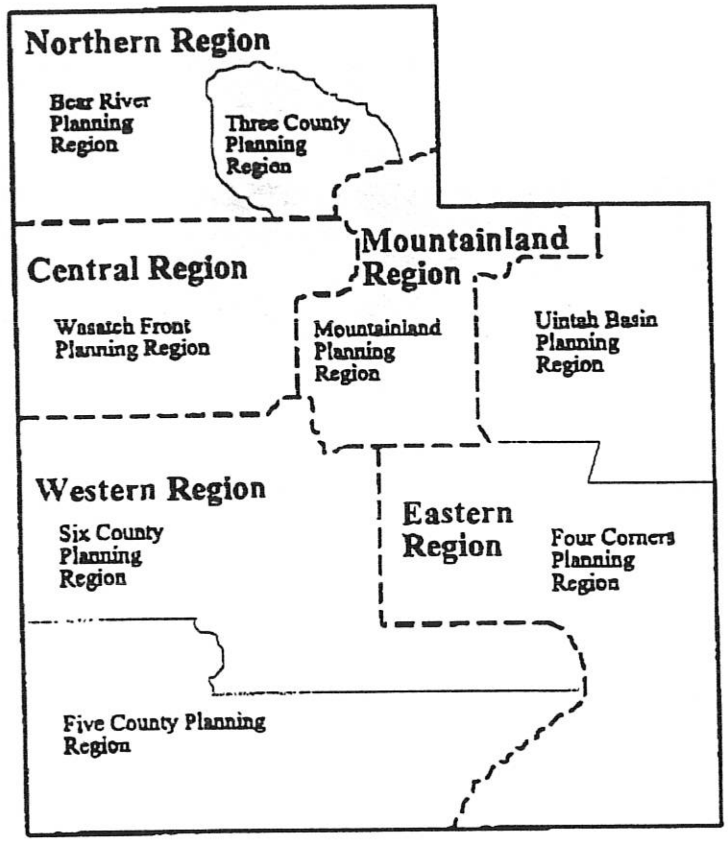
ATTACHMENT 5



Northern Region	Central Region	Mountainland Region	Eastern Region	Western Region
Bear River Planning Region • Cache • Rich • Box Elder *Three County Planning Region* • Weber • Davis • Morgan	*Wasatch Front Planning Region* • Tooele • Salt Lake	*Mountainland Planning Region* • Summit • Wasatch • Utah	*Uintah Basin Planning Region* • Daggett • Duchesne • Uintah *Four Corners Planning Region* • Carbon • Emery • Grand • San Juan	*Six County Planning Region* • Wayne • Piute • Sanpete • Sevier • Millard • Juab *Five County Planning Region* • Beaver • Garfield • Iron • Kane • Washington

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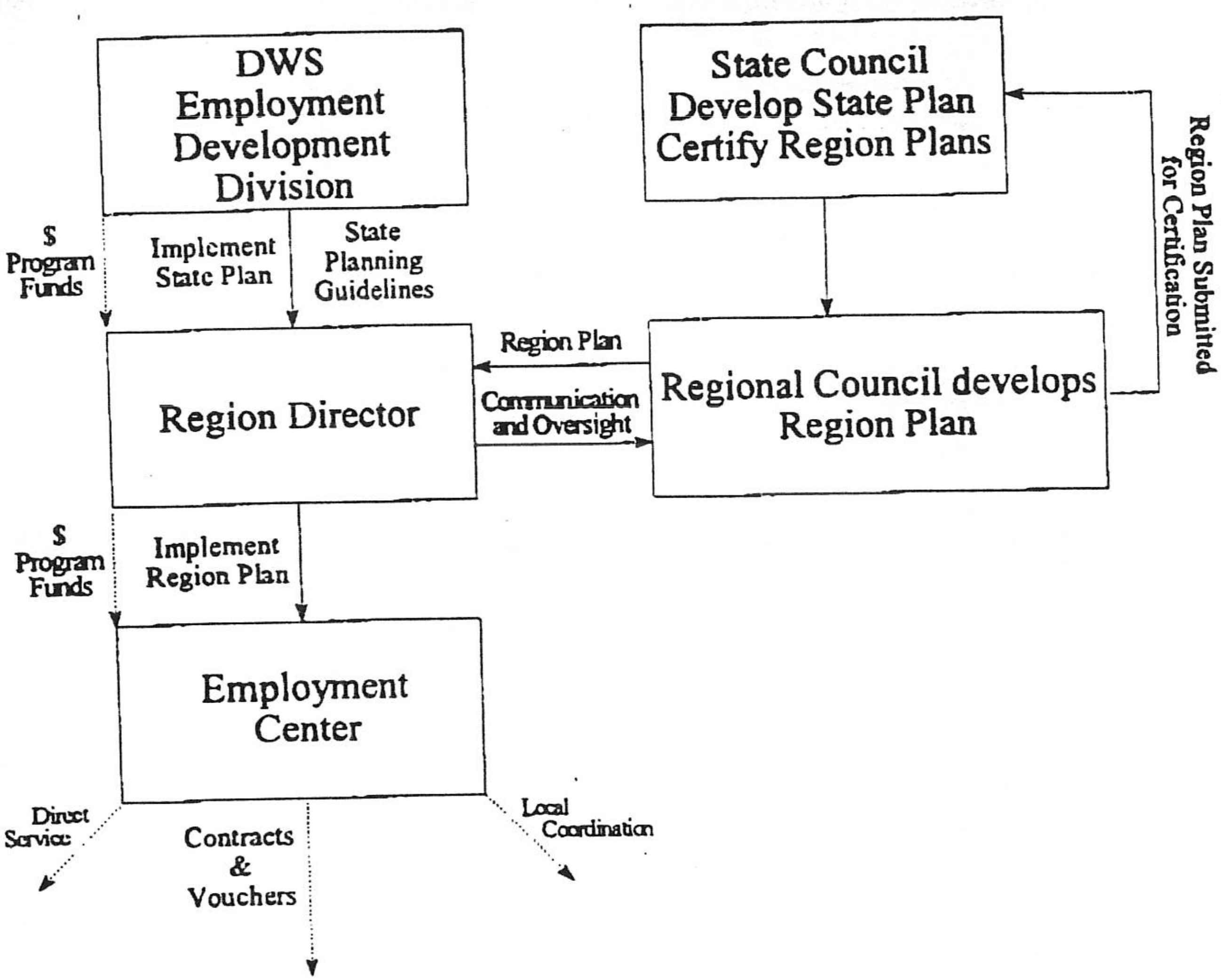
ATTACHMENT 6

Five Administrative Regions
Eight Planning Regions



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STATE COUNCIL ON WORKFORCE SERVICES

The State Council on Workforce Services by statute was to be in place by March 1, 1997. Also by statute, Governor Leavitt in conjunction with the Executive Director determined the membership and the chair of the council.

The State Council on Workforce Services will annually develop a state workforce services plan which includes:

- analysis of the workforce needs of employers and clients;
- policy standards in programs and process when required by statute or considered necessary by the council to ensure statewide consistency;
- state outcome-based standards for measuring program performance;
- state oversight systems to review regional compliance with state polices;
- strategies to ensure program responsiveness, universal access, unified case management;
- an absence of unnecessary barriers to access services.

On January 7, 1997, Governor Leavitt by Executive Order established an Interim State Council on Workforce Services to function during the interim period prior to March 1, 1997. The Council will assume all responsibilities and privileges of the State Council on Workforce Services as designated in statute until the permanent Council is fully constituted and functioning. The Council will also carry out the responsibilities of the State Job Training Coordinating Council until the permanent Council is constituted.

Planning guidelines were disseminated to all regions by February 1, 1997. At that time regional council establishment was commenced.

STRUCTURAL RECOMMENDATION

House Bill 375 required that a study would be conducted to review whether the Industrial Commission should remain in the Department of Workforce Services. Recommendations from this workgroup were to be completed by October 15, 1996. A thirty day extension was granted to the workgroup, but no final decision was negotiated.

In the 1997 Legislature, Senate Bill 166 (the Department of Workforce Services implementation bill) provides for all of the functions outlined in House Bill 375 to be included in the department, with the exception of the Industrial Commission. It was determined that there will be a separate Labor Commission.

A change to the departmental structure created in House Bill 375 was also made. In October and January, two-day retreats were held with Management Team members. The purpose of these retreats was to define a timeline for key decisions, develop a top level managerial structure, discuss integration and duplication of various functions, develop concepts for the mission and vision statements, and to discuss other major issues such as centralization/decentralization of functions.

Attachment 7 provides a graphical representation of the structure recommended during the 1997 Legislative Session. Interim appointments have been made and are reflected in the organizational chart. A Division of Workforce Information and Payment Services was recommended in addition to the Division of Employment Development. **Attachment 8** outlines many of the functions which will exist in each division.

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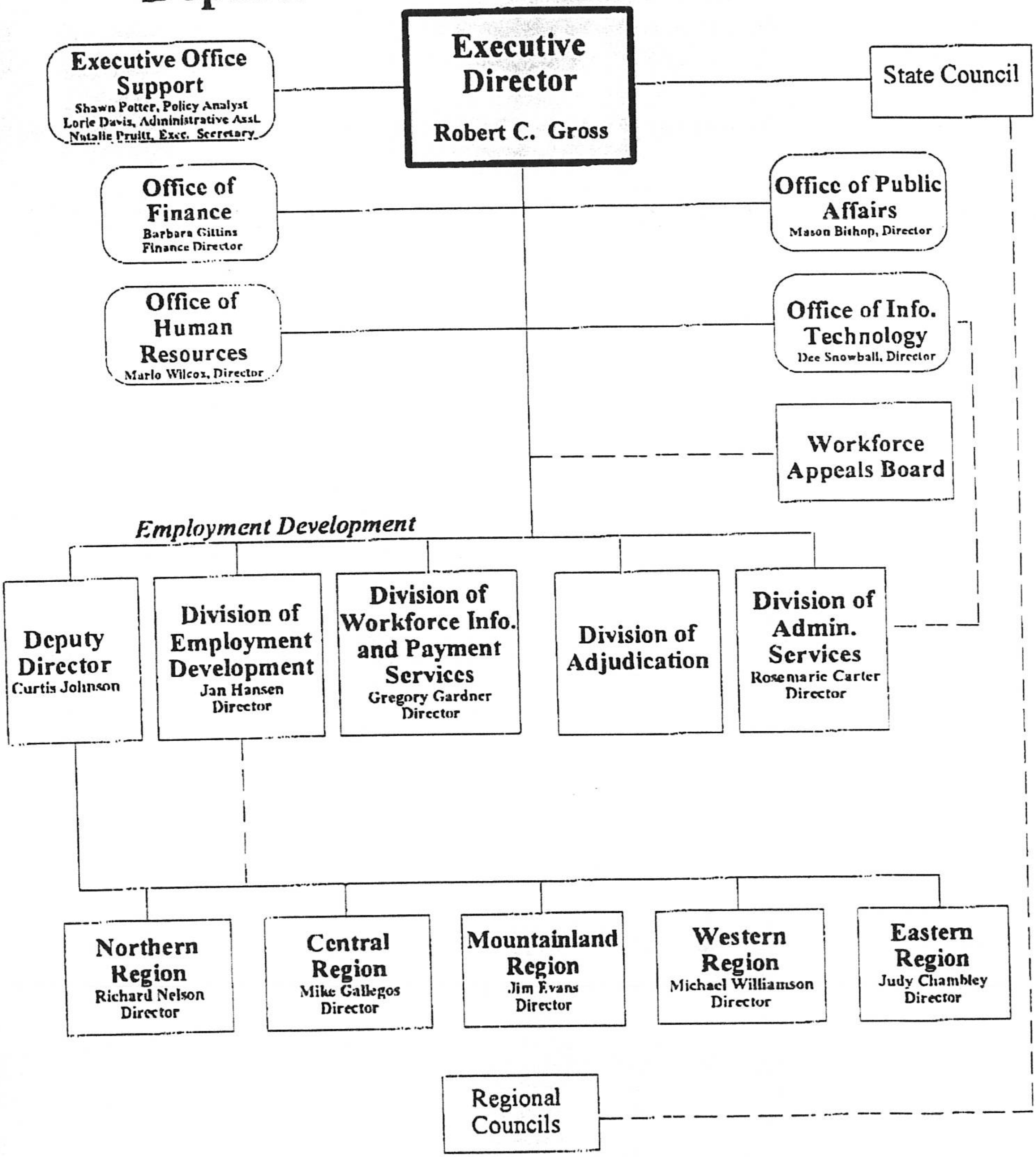
ATTACHMENT 7

Department of Workforce Services



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ATTACHMENT 8

Because of final legislative review and action, this top level management structure is not finalized. Nor have all the functions been identified and grouped under each of the offices or divisions. However, some preliminary functions have been placed under divisions (these are subject to change and further refinement). Functions include:

A. DIVISION OF EMPLOYMENT DEVELOPMENT

- Program evaluation
- Quality
- Program direction
- State Workforce Services Council staff
- Staff development

B. DIVISION OF WORKFORCE INFORMATION AND PAYMENT SERVICES

- Direct response
  - Rapid Response
- Labor Market Information
  - Occupational Analysis
  - West Research Development Centers
- Contributions
- Fraud investigations
- Client payments
- Office of Child Care

C. OFFICE OF PUBLIC AFFAIRS

- Public information
- Legislative coordination
- Marketing

D. REGIONAL SUPPORT

- Regional Directors
- Regional Administration
- Employment Assistance Centers

E. DIVISION OF ADMINISTRATIVE SERVICES

- Central stores
- Purchasing

F. OFFICE OF HUMAN RESOURCES

- Training
- Classification/Compensation

WELFARE REFORM - WHERE IS UTAH?

The new federal welfare program is entitled Temporary Assistance for Needy Families (TANF). In Utah, the welfare reform program is known as the Family Employment Program (FEP). The TANF block grant eliminates the individual entitlement to Aid to Families with Dependent Children (AFDC).

Utah has been a national leader in changing the welfare system from an entitlement program to an employment-focused program. The Family Employment Program, Utah's innovative welfare reform effort, began in January 1993 and was initially known as the Single Parent Employment Demonstration Program (SPED). The initial startup offices were so successful in moving clients into employment, that the program was implemented in other areas of the state. By July 1996, FEP was implemented statewide even before the ushering in of federal welfare reform with the signing by President Clinton of the Personal Responsibility and Work Opportunity Reconciliation Act on August 22, 1996.

One of the key strengths of the Family Employment Program has been the dramatic philosophical shift and continual focus on this new philosophy. The main goal of the program is to increase family income by supporting employment and increased child support collections. This is a radical departure from traditional welfare which sought to maintain families financially by providing a basic sustenance.

A NEW PHILOSOPHY

The Family Employment Program radically changes the old entitlement system by emphasizing four main principles:

1. **Self-sufficiency planning occurs before eligibility determination with diversion from ongoing cash assistance as an option.**

   In order to stress the program's employment focus, self-sufficiency assessment and planning occurs prior to an eligibility interview. From the customer's initial contact with the agency, participation requirements and the program's employment goals are clear.

   Under the diversion component, people with immediate employment prospects or other sources of income are offered job placement assistance, a financial payment to meet immediate needs, and transitional medical and child care support services.

2. **Universal participation in employment-related activities is mandatory based on individualized self-sufficiency plans.**

   Every parent regardless of age, or the age of their children, develops a self-sufficiency plan and participates in appropriate employment-related activities. There are no exemptions. Illness, medical problems, lack of transportation, and time to search for quality child care are taken into consideration in developing the plan.

   Children over age 16 who are not in school are also required to participate in activities which support school completion and employment.

Plans are individualized. The number of participation hours vary from one participant to another, just as the type of activity varies. One participant may be working full-time, another involved in mental health treatment, another in full-time education and yet another in part-time work combined with education.

Child support is emphasized. Child support collections are expedited for diversion cases and cases with earnings.

Participation is supported. Families participating in full-time self-sufficiency activities receive an extra $40 payment per month. $8,000 in equity value of one car and educational income is not counted.

An improved conciliation process has been implemented. If a parent does not participate in agreed-upon employment activities, the grant is reduced by $100 a month until the parent chooses to participate. After a formal conciliation process, continual non-participation results in complete case closure. When the parent resumes participation, the full grant is restored.

3. **Employment is supported rather than penalized.**

   Cash assistance: With traditional welfare, the financial incentive for working was time limited. After the first four consecutive months of employment, every dollar earned (over the first thirty dollars) resulted in a grant reduction of one dollar.

   In the Family Employment Program, the first $100 plus 50% of the remainder of earned income is not counted when determining the financial grant. This incentive is not time limited.

   Food Stamps: In order to take into account work expenses, $100 of earnings are not counted as income.

   Transitional Medicaid and Transitional Child Care: Any family with earned income that leaves assistance because of income, from any source, qualifies for transitional benefits. Transitional Medicaid is available for 24 months and Transitional Child Care is available indefinitely based on a sliding fee schedule.

4. **Cash assistance, Food Stamp, Medicaid and Child Care rules are simplified so that staff and participants can focus on self-sufficiency rather then eligibility requirements.**

STATE PLAN

Utah submitted its Temporary Assistance for Needy Families (TANF) state plan on September 30, 1996. The state plan submitted continues the Family Employment Program under the new welfare reform TANF block grant. The United States Department of Health and Human Services has announced that Utah's state plan is complete.

Department of Workforce Services -- A History of Consolidation

January-March 1996

- Legislature creates the Department of Workforce Services (House Bill 375).
  - -Combines six agencies/programs: Office of Family Support, Department of Employment Security, Office of Job Training, Office of Child Care, Turning Point Program, and the Industrial Commission
  - -Provides for a planning year (July 1, 1996 - June 30, 1997) prior to the operation of the department
  - -Creates citizen workgroups to study issues during the planning year
  - -Allows governor to appoint an Executive Director during the planning year
  - -Six agencies continue to operate and be budgeted separately during the planning year
- State receives $2 million one-stop grant from the U.S. Department of Labor to offset implementation costs.

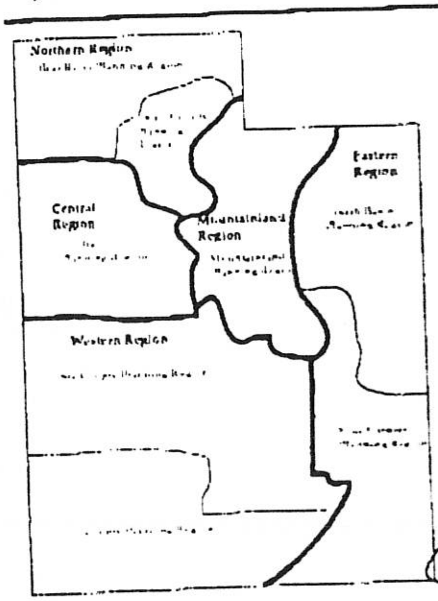
January-March 1996 **April-June 1996**

- Governor appoints Robert C. Gross as Executive Director with the unanimous consent of the State Senate.
- Twenty-five workgroups are created to plan the implementation of the Department.
  - -The Service Delivery workgroup examines issues relative to customer pathways.
  - -The State and Local Structure workgroup debates the role of state government and the role of county governments relative to the deliver of programs and services.
  - -The Industrial Commission workgroup discusses whether the Industrial Commission should be part of the Department.
  - -Other workgroups look at issues such as physical facilities, budget, and organizational structure.
- Robert Gross tours the state for one week and meets employees from all of the affected agencies.
- Employee focus groups are held throughout the state to solicit input.
- General Fund Budget for the combined agencies is $59,064,300.

General Fund Expenditures
For the year ended June 30, 1996

FISCAL YEAR 1996	$59,064,300

January-March 1996 **April-June 1996** **July-December 1996**



- Robert Gross and the Utah Association of Counties reach an agreement on the number of Workforce Services Regions.
- Consolidation begins as the Office of Job Training moves to the Department of Employment Security. The DES administration building is tabbed to be the Department of Workforce Services administration building.
- Representatives of the affected agencies meet during a two day retreat. An initial organization chart is developed including the creation of administrative divisions and offices.
- A Management Team is appointed.
- Customer notification and education concerning the transition to the Department begins.
- An initial cost allocation model is proposed.
  - -The following federal agencies must come to an agreement on allocating costs to certain funding sources: Department of Health and Human Services, Department of Labor, and Department of Agriculture.
  - -Department budget officials must create an employee education initiative concerning cost allocation. Costs in the new department will be based on a valid statistical sample rather than the common method of asking employees to spend time filling out cumbersome timesheets.

3

- A plan for moving employees and consolidating facilities is developed including the examination of building lease agreements. Details include downsizing from 106 facilities to 54 and allocating 2,000 full- and part-time employees to various locations.
- Robert Gross and the Utah Association of Counties interview candidates and appoint five regional directors.
- Guidelines for implementing Regional Councils on Workforce Services is finalized.
- All workgroups wrap up their work and issue final reports.

10-21

January-March 1996 ▼ April-June 1996 ▼ July-December 1996 ▼ January-June 1997 ▼

•**Interim State Council on Workforce Services is named.**

•**Planning guidelines for Regional Councils on Workforce Services are sent out.**

•**The Department works with legislators on two major pieces of legislation: Senate Bill 166, *Workforce Services and Labor Commission Implementation and Amendments* and House Bill 269, *Family Employment Program*.**
- -The decision is made to keep the Industrial Commission as a separate agency and rename it the Labor Commission.
- -Utah's welfare reform effort is brought into the Department. Massive federal welfare reform occurs simultaneously to the implementation of the Department.
- -The Legislature passes an integrated budget for the Department for Fiscal Year 1998.

General Fund Expenditures
For the year ended June 30, 1997

FISCAL YEAR 1996	$59,064,300
FISCAL YEAR 1997	$51,923,500

•**The Department mission and vision statements are created.**

•**The Department finalizes preparations for the start of operations on July 1, 1997.**
- -Certain lease agreements are terminated and employees all over the state move to offices designated as Workforce Services Employment Centers. Requests are made to sell federal facilities.
- -Department migrates five separate computer systems onto FINET.
- -Position Description Questionnaires are developed for all employees, policies and procedures are developed, and jobs are provided for employees through a slotting and competitive bid process.
- -The redesign and conversion of over 150 publications begins.
- -Customer notification continues to alleviate as much confusion as possible.
- -Employment Center open houses are held to invite the public to learn about the consolidation.

•**Unemployment Insurance claims-taking is centralized, and staff are removed from local offices. Customers no longer stand in long lines to apply for Unemployment Insurance.**

•**The State Council on Workforce Services and Regional Councils on Workforce Services meet for the first time.**

•**Robert Gross meets daily during May and June with civic clubs, Chambers of Commerce, and employer groups to educate the community concerning the new department.**

•**The Kanab Employment Center not only consolidates employees from the differing agencies, but also begins the process of integration by cross-training employees in the different programs and services.**

•**A video and handbook entitled "The Snowball Effect" are distributed to employees issuing guidelines on changeovers in answering phones, notifying "walk-in" customers, business cards, stationery, and other day-to-day changes.**

January-March 1996 ▼ April-June 1996 ▼ July-December 1996 ▼ January-June 1997 ▼ July-December 1997 ▼

•**Department becomes "official" on July 1. A kickoff is held at the Taylorsville Employment Center.**

•**The caseload for Utah's welfare reform effort is down 19% in the first year of statewide implementation.**

•**The Employment Center Design Team releases recommendations.** 2
- -The EC Design Team consists of employees from all levels of the organization including Employment Counselors.
- -The recommendations include a vision of how Employment Centers ought to operate and how customers ought to be served.
- -The recommendations set a strategic goal for the organization.
- -Processes for implementing the integration design begin immediately.
- -Presentation of the findings occurs in all offices.

•**Robert Gross spends four months as the Governor's Chief of Staff.**

•**The Office of Finance implements proposed cost allocation model and receives first results of "strikes" to various funding sources. Federal funding expenditure control is transferred to the Department.** 3R

•**The Division of Adjudication reassigns staff to handle legal work and support the newly implemented Workforce Appeals Board.**

•**Human Resources recruits and fills 600 job openings in 1997 that occurred as a result of retirements, terminations, and transfers**

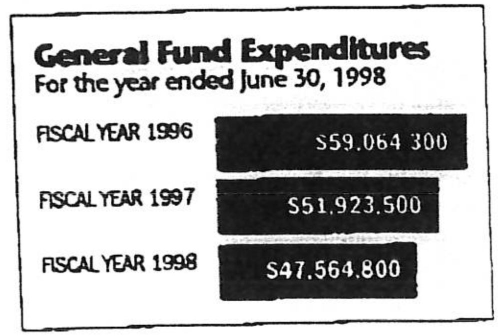
•**The Department begins its first full year of implementation with 54 locations, down from 106 locations under the previous separate arrangement. However, two new Salt Lake locations inherited from the Office of Family Support add $2 million in additional building costs.**

10-22

January-March 1996 ▼ April-June 1996 ▼ July-December 1996 ▼ January-June 1997 ▼ July-December 1997 ▼

January-June 1998 ▼

- **Employment Centers continue the difficult task of cross-training employees in the different programs and services offered by the department.**
- **The Department begins marketing efforts to notify employers and job seekers of the services available and office locations.**
- **Various job fairs and recruitments are held throughout the state. Most notably is the recruitment for Gateway Computers, which announces the opening of a facility in Salt Lake County.**



- **The 1998 Legislative General Session ends.**
  - -The Department is given one line item for Fiscal Year 1999 as well as non-lapsing authority.
  - -Legislation passes which makes additional technical amendments to the Workforce Services code.
- **A massive conversion to the state mainframe occurs. Previously, the Department of Employment Security had an independent mainframe system for issuing Unemployment Insurance benefits.**

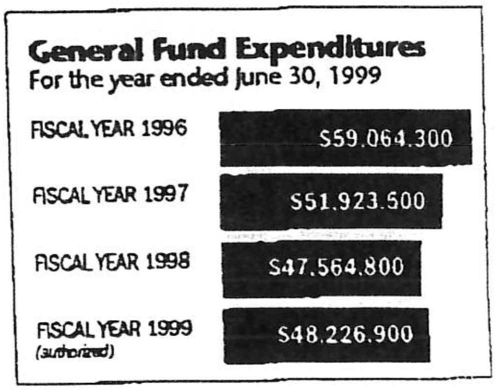
Utah's Job Connection

- **The Department logo is finalized.**
- **A one day training is held for Employer Relations Representatives on better assessment on employer needs and recognizing which services are most needed for individual employers.**
- **Robert Gross visits all offices as the one year anniversary of the Department approaches.**
- **A pay-for-performance initiative is implemented where employees must meet certain standards of job performance.**
- **Fiscal Year 1998 ends and the first year of cost allocation is evaluated with preliminary approval of cost allocation given by the federal government.**
  - -Due to the "employment focus" of the Department, employees have increased dealings with customers trying to access universal employment services.
  - -Because of audit findings before implementation of the Department, Unemployment Insurance funds cannot be used to supplement employment services dollars.
  - -Welfare reform works as caseloads continue to decline to an all-time low of just over 10,000 cases. Funding used to serve this population is restricted.
  - -Cost allocation plan is adjusted so that employment services for Food Stamp clients are charged to the Food Stamp program and employment services for Family Employment Program clients are charged to the TANF Block Grant.
- **The State Council on Workforce Services and the Regional Councils on Workforce Services complete their first year of integrated planning.**
- **The Department completes a statistical survey of job seekers that have used services. The survey shows a marked increase in customer satisfaction with the Department.**
- **The Department implements initial customer relations computer system to track and report constituent issues. Data is used to adjust pathways, alert local management to key issues, and monitor the progress of the Department.**

January-March 1996 ▼ April-June 1996 ▼ July-December 1996 ▼ January-June 1997 ▼ July-December 1997 ▼

January-June 1998 ▼ July-December 1998 ▼

- The Department begins second full year of operation. As an "anniversary gift" employees are given a packet that emphasizes the mission, vision and logo.
- The Unemployment Insurance claims center celebrates the first full year of operation by helping more customers in a shorter amount of time and with 16 fewer staff than the old office-based system.
- Due to the success of centralized Unemployment Insurance claims, the Department begins a pilot that centralizes ongoing claims for programs such as Food Stamps, Child Care, and the Family Employment Program.



- The Office of Public Affairs heads up a "franchising" effort which sets standards for Employment Centers on issues such as brochure display, poster display, and consistency of the "look and feel" of Centers.
- The Mountainland Region holds a job fair where 40 employers are recruiting. Approximately 1,900 job seekers visit the job fair during a four hour period.
- Pay for performance is completed for the first year. Budget efficiencies are created in order to offset any corresponding increases in individual employee pay.
- State and Federal Fiscal Years are completed -- accounts are balanced and approximately 200 reports are submitted.
- During the federal appropriations process, the Department takes a cut in universal employment services of $700,000.
- The Workforce Investment Act (WIA) becomes law. Some federal funding is consolidated, and WIA eliminates the Job Training Partnership Act (JTPA).
- In order to effectively implement the WIA, and in order to proactively influence federal regulation development, the Department forms a workgroup to analyze the law and make recommendations for its implementation.
- Robert Gross is named President-Elect of the Interstate Conference on Employment Security Agencies (ICESA), which is a national organization that all states belong to in order to effectively communicate issues on a national level.
- ICESA chooses Salt Lake City to host its annual conference in September 2000.

- The Department of Labor enters into an agreement with Workforce Services to develop a comprehensive case management computer system.
- The Department continues to work toward Y2K compliance. By December 1998, the Department is 60% compliant and will be 100% compliant by July 1, 1999.
- The Department begins development on a comprehensive employment exchange computer system to better support the matching of employers and job seekers.
- The Department creates a new web site which focuses on employment and recruiting.
- Analysis of long term Family Employment Program clients facing time limits occurs to proactively work with those facing closure due to time limit use.
- A new eight page newsletter is created that highlights employee accomplishments and the vision of the Department.
- The Department prepares to host the First Annual Utah Employer Conference to be held at the Salt Palace Convention Center on January 14, 1999.

THE FLORIDA LEGISLATURE

Report No. 98-34

Office of Program Policy Analysis And Government Accountability

John W. Turcotte, Director

December 1998

Review of the Workforce Development Board of Enterprise Florida, Inc.

Abstract

- Although responsible for designing, coordinating, and evaluating Florida's workforce development system, Enterprise Florida's Workforce Development Board, more commonly known as the Jobs and Education Partnership (JEP), has not established outcomes to comprehensively assess its performance. Nor has it made adequate progress in developing an integrated accountability system that can be used to evaluate and report on the effectiveness of Florida's workforce development system.
- Several factors have and will continue to contribute to JEP's inability to fully develop the workforce development system. These include lack of clarity in the roles and responsibilities of JEP and other workforce partners, a shift in emphasis from preparing individuals for high skill/high wage jobs to accommodating the "work first" philosophy of welfare reform, and the inherent difficulty of overseeing a system comprising multiple programs and funding streams.
- In light of recent changes in federal legislation that are consistent with Florida's workforce development strategy and will increase JEP's capacity to oversee the further integration of the system, the Legislature should continue JEP.

Purpose

The Legislature directed the Office of Program Policy Analysis and Government Accountability to review the Workforce Development Board of Enterprise Florida, Incorporated.[1] In this review we sought to determine:

- the board's progress toward achieving established outcomes;
- circumstances contributing to the board's ability to achieve, not achieve, or exceed its established outcomes; and,
- whether it would be sound public policy to continue or discontinue funding the board and the consequences of doing so.

Background

Enterprise Florida's Workforce Development Board, more commonly known as the Jobs and Education Partnership (JEP), is responsible for designing, coordinating, and evaluating the state's workforce development system. In this role, JEP serves as Florida's Human Resource Investment Council, overseeing job training programs funded through the federal Job Training Partnership Act (JTPA). JEP charters and monitors the state's 24 regional workforce development boards that administer most local job training programs.

[1] This is one of seven reports that OPPAGA will issue as part of its review of Enterprise Florida, Inc. The other reports will be on the Technology Development Board, the International Trade and Economic Development Board, the Capital Development Board, the Cypress Equity Fund, private matching contributions, and an overall assessment of Enterprise Florida, Inc.

Senate Education
1-12-2000
Attachment 11

JEP also administers two incentive programs designed to link workforce development efforts with the needs of business. These two incentive programs are the performance-based incentive fund and the quick response training program. The performance-based incentive fund awards incentives to community colleges and vocational schools that train students for and place them in targeted occupations. The quick response training program provides grants to new and expanding businesses for customized training.

JEP, established in 1994, is one of four boards affiliated with Enterprise Florida, Inc., a government/business partnership within the Executive Office of the Governor's Office of Tourism, Trade and Economic Development.[2] JEP's affiliation with Enterprise Florida, Inc., is intended to link the state's workforce development efforts with its economic development needs.

Boards of directors comprising business, labor, community, and state government leaders govern JEP and its constituent regional boards. These boards and their staffs are charged with developing a workforce system that is market driven, placement based, community managed, and customer focused. Of the JEP and regional board members, nearly 53% represent private industry.

State and local workforce efforts are concentrated on four strategic components.

- **School-to-Work** helps public school students achieve long-term career goals by providing students career development and job preparation training.
- **Welfare-to-Work** encourages self-sufficiency for welfare recipients by emphasizing job placement and support services for welfare recipients.
- **High Skill/High Wage** aligns the state's business job demands with relevant education and training programs by providing incentives to job training programs that prepare individuals for and place them in high demand jobs.
- **One-Stop Career Centers** consolidate the delivery of the state's workforce development programs, providing clients with information about the full range of workforce services available from the state.

While JEP is responsible for designing and overseeing a workforce development system centered around these four strategic components, other state and local agencies have direct authority for most workforce programs (see Appendix A). JEP's role is to coordinate the efforts of these partners, ensure that programs are aligned with the needs of business, and assess the overall effectiveness of Florida's workforce development system.

For Fiscal Year 1998-99, JEP has 17 staff and an operating budget of nearly $1.5 million to coordinate and oversee the state's workforce programs and to administer the performance-based incentive fund and the quick response training program. In Fiscal Year 1998-99, it will distribute approximately $26 million through these two incentive programs.

Findings

JEP has not established outcome measures that provide a comprehensive assessment of its coordinating and oversight responsibilities. Nor has it made adequate progress in developing an integrated accountability system that can be used to evaluate and report on the effectiveness of Florida's workforce development system.

Florida law charges JEP with broad responsibilities related to designing, implementing, and overseeing the state's workforce development system. Critical to this charge is the need for JEP to provide information that assesses its progress in fulfilling these responsibilities as well as assessing how well Florida's workforce development system is doing. While JEP is currently operating under performance-based budgeting (PB^2) and is working with other workforce partners to develop a framework for three tiers of workforce performance measures, it has not provided sufficient information to comprehensively assess its performance or the performance of the overall system.

JEP's PB^2 measures do not allow a comprehensive assessment of JEP's progress in achieving its coordinating and oversight responsibilities. As a component of Enterprise Florida, JEP began operating under PB^2 in Fiscal Year 1998-99. However, the PB^2 performance measures approved for JEP are not appropriate, as they cannot be used to assess JEP's progress in fulfilling its responsibilities.

Although JEP is responsible for coordinating and overseeing the state's workforce development system, its PB^2 measures focus only on the two incentive funds that it administers, both of which are part of the high skill/high wage strategic component.[3] There are no

[2] The other Enterprise Florida boards are the International Trade and Economic Development, Capital Development, and Technology Development boards.

[3] This refers to the performance-based incentive fund and the quick response training program.

measures that report on other aspects of JEP's responsibilities. For example, measures are needed that focus on the other three strategic components as well as on JEPs coordination and oversight responsibilities for the overall workforce development system.

In addition to focusing only on a small slice of JEP's responsibilities, the current PB² outcome measures are not meaningful indicators of the impact of the high skill/high wage component. These measures, currently expressed as numbers, could be improved by expressing them as rates. For example, the "percentage of participants/completers placed and retained in targeted occupations for at least one year" is a better indicator of the impact of the performance-based incentive fund than the two current related measures: "individuals completing training programs and placed in targeted occupations"; and "individuals exiting at a defined program point and placed in target occupations." (See Appendix B for a list of suggested PB² measures for JEP to consider.)

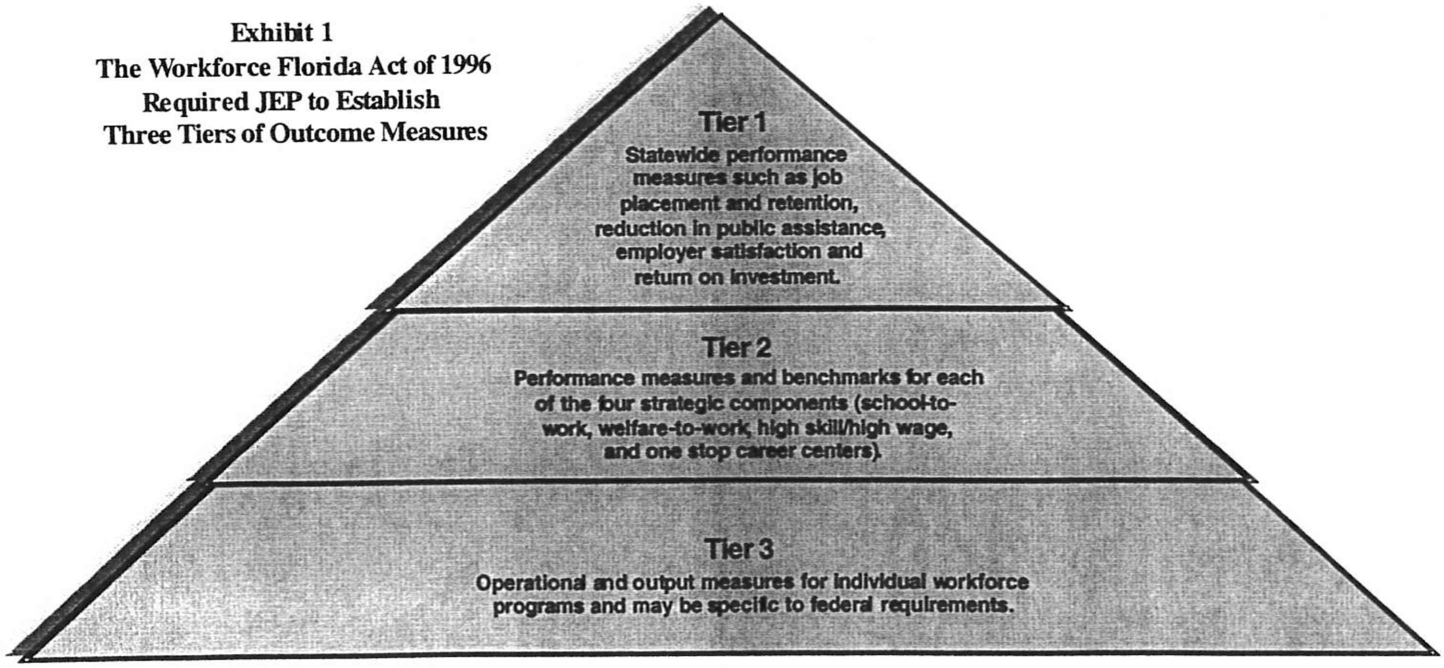
Workforce partners generally believe that JEP has played an important role in Florida's workforce development efforts. In the absence of adequate PB² outcome measures, we surveyed the regional workforce development boards and interviewed state-level partners to assess JEP's performance. We found that these workforce partners generally perceive JEP as playing an important role in designing, implementing, and coordinating a workforce development system that responds to Florida's economic needs.

The regional boards credit JEP with providing them with consistent and timely information related to workforce development issues and policies. This has helped the local boards understand how the system fits together. JEP has also assisted regional boards to develop their local workforce systems and to coordinate local workforce and economic development activities. In addition, a majority of the regional boards believe that JEP has increased the responsiveness of state government to local workforce needs as well as increased flexibility in how state and federal funds are used to deliver local services.

State-level partners see JEP as playing an important role by providing a vision of how the state's workforce development system should be structured and implemented. Some of these partners describe JEP as high-powered, committed, and ever mindful that a trained workforce is an important part of economic development. State-level partners also view JEP as being more flexible and independent than state bureaucracies.

However, JEP has not developed an integrated accountability system that can be used to evaluate and report on the effectiveness of the state's workforce development system. The Workforce Florida Act of 1996 requires JEP to establish uniform performance measures and standards to evaluate the workforce development system and the effectiveness of the four strategic components. Specifically, the act directs that measures and standards be organized in three outcome tiers (see Exhibit 1). The first tier is to provide benchmarks for systemwide performance, such as job retention, reduction in public assistance, and employer satisfaction. The second tier is to provide benchmarks for each of the four strategic components and the third tier is to contain operational and output measures of agencies that implement workforce programs.

Exhibit 1
The Workforce Florida Act of 1996 Required JEP to Establish Three Tiers of Outcome Measures



To implement this requirement, JEP convened a working group of partners in early 1997. While the workgroup recommended measures for evaluating the effectiveness of the system and the four strategic components, JEP has not facilitated the development of an integrated data system that will allow for the production of reports on overall system performance. Nor has JEP produced the baseline information needed to establish standards for systemwide or strategic component performance measures. This information is needed to enable stakeholders to judge whether Florida's workforce development system is meeting the needs of the state's employers and employees.

A lack of consistent definitions and reporting requirements has contributed to the difficulty in developing these performance reports. Various workforce programs define performance outcomes such as completion differently. Consequently, valid comparisons can be made only within similar programs. In addition, the various agencies that operate workforce programs have different reporting formats and requirements.[4] Consistency in definitions and reporting is needed for JEP to assess how well the workforce system is doing across employment and training programs. Further, while the Department of Education's Florida Education and Training Placement Information Program (FETPIP) is expected to provide job placement, earnings, and retention information on the workforce development system, it matches records received by the various agencies and is not responsible for ensuring that definitions and reporting formats are consistent. Rather, JEP is responsible for doing so.[5]

Florida's Legislature has recognized the need for better workforce development information. Chapter 98-58, Laws of Florida, requires that the Department of Education, community colleges, and school districts develop, by July 1, 1999, an information system for allocating funds to and reporting performance of vocational education programs. Additional steps should be taken to ensure consistency in how information is defined and captured across all workforce development programs. Until Florida has an adequate system for integrating information from these varied programs, stakeholders will not be able to determine how well the state's workforce development system is meeting the needs of Florida's employe... ..ıd employees.

Several factors have contributed to JEP's inability to fully achieve the Legislature's expectations for Florida's workforce development system.

Three major factors have affected and could continue to affect JEPs ability to develop an integrated workforce development system:

- the lack of clarity in roles and responsibilities of workforce partners in a collaborative environment;
- a shift in emphasis from preparing for high skill/high wage jobs to accommodating the "work first" philosophy of welfare reform; and
- the difficulty inherent in overseeing a system comprising a number of programs and funding streams.

Providing leadership in a collaborative environment requires clear articulation of the authority and responsibilities of all workforce partners. Although the Workforce Florida Act of 1996 broadened JEP's responsibilities, JEP does not directly administer most education or training programs. However, as the state's Human Resource Investment Council, the Legislature expects JEP to integrate federal and state workforce development programs and policies and to evaluate the success of Florida's workforce strategy. While state law provides that JEP may take any actions it deems necessary to achieve the purposes of the act, JEP is expected to accomplish this in partnership with other entities, such as public agencies and private enterprises.

While providing leadership in an environment of partnership and collaboration is challenging and likely to require special skills such as the ability to build consensus, it also requires that roles and responsibilities be clearly articulated. For example, building consensus helps ensure that workforce partners have an opportunity to understand and "buy into" issues related to designing and implementing the system. However, for JEP to be an effective leader of the state's workforce development efforts, its oversight authority as well as the responsibilities of other state-level partners need to be clearly articulated in state law. For example, state law could prescribe formal mechanisms such as written interagency agreements to encourage coordination and integration of services. Such agreements between JEP and state-level partners could delineate how partners will work together to achieve workforce goals and include dates for agencies

[4] Prior OPPAGA reports have noted that consistent definitions and reporting protocols are necessary to adequately evaluate the state's workforce development system. These include Report No. 95-16, *Review of Enterprise Florida Jobs and Education Partnership;* Report No. 95-24, *Employment Training Programs: Varied Purposes and Varied Performance;* and Report No. 98-03, *Follow-up Report on the Enterprise Florida Jobs and Education Partnership.*

[5] Due to an omission by statutory revision, the 1997 and subsequent versions of the Workforce Florida Act do not contain reference to the required performance measurement system. JEP staff suggested that this omission has also contributed to JEP's difficulty in developing workforce system performance reports.

to deliver required information as well as indicate sanctions for agencies that do not meet requirements.

Welfare reform has caused JEP to shift its focus from training workers for targeted occupations to placing people who may have limited skills in entry-level jobs. JEP has been responsible for including individuals from selected populations such as recipients of public assistance in its education and training activities since it was first established in 1994. However, federal and state welfare reform which emphasizes "work-first" has necessitated a shift in JEP's focus.

While JEP initially focused its efforts on training people for high skill/high wage jobs, it must now help a sizeable number of welfare recipients find jobs within established time limits.[6] Thus, JEP now serves a large constituency that needs to find work prior to obtaining the education and training that would enable them to qualify for high skill/high wage jobs. To accommodate this change, JEP has devoted time and resources to help regional boards develop an infrastructure capable of serving the full spectrum of the workforce, from entry level job seekers who need intensive assistance to find and maintain their jobs to highly skilled workers who attract industries to the state.

As it continues to serve welfare recipients, JEP will face the additional challenge of finding ways to help recipients to not only find jobs but to move towards self-sufficiency. This will involve enabling recipients to retain jobs by helping them get the support services they need, such as health care and child care. It will also involve identifying opportunities for recipients to obtain the education and training necessary to move along a career ladder towards self-sufficiency. Further, as Florida's welfare rolls continue to decrease, the remaining pool of recipients will likely be the most difficult to serve, as they will lack basic education and job skills necessary to obtain minimum wage jobs. Thus, JEP and other workforce partners will need to accommodate the needs of larger numbers of individuals needing intensive services. As a result, JEP may need to develop more subsidized and on-the-job training experiences for welfare recipients with limited work experience so they may obtain the needed experience.

Multiple agencies, programs, and funding streams contribute to confusion, duplication, and lack of integration. Although JEP is responsible for designing the state's workforce development system centered around four integrated strategic components (school-to-work, welfare-to-work, high skill/high wage jobs, and one-stop career centers), other state agencies either share or have direct authority over these strategies. In addition, the specific programs comprising these components have different eligibility criteria, allowable expenses, planning processes, and reporting requirements.

At both the state and local levels, separate processes are involved in planning the four strategic components of the state's workforce strategy. For example, the Department of Education (DOE) takes the lead in developing school-to-work activities, while the Department of Labor and Employment Security (DLES) has the lead in developing one-stop career centers. Assisted by DOE and DLES, JEP is primarily responsible for the high skill/high wage component. The welfare-to-work component is even more diffuse. Four separate entities have responsibilities related to planning, administering, and funding this component.[7]

To further complicate the situation, the nature of JEP's relationship with the state's Work and Gain Economic Self-sufficiency (WAGES) board is confusing. In 1996, Florida's Legislature established a WAGES structure separate from but closely parallel to JEP's structure. Although WAGES legislation allows regions to combine workforce development and WAGES boards at the local level, not all of them have chosen to do so. This situation contributes not only to confusion but also to the perception that duplication of effort and lack of integration exists at both the state and local levels. For example, individuals who sit on both boards attend multiple meetings focusing on similar issues. In addition, separate plans address WAGES activities and JEP's welfare-to-work strategic component.

All of these factors have compromised JEP's ability to develop an integrated workforce development system that avoids duplication and meets the needs of job seekers and employers. To address these challenges and to ensure that the policies set forth by the Legislature are carried out requires that one entity have oversight authority of the state's workforce development system. However, strengthening the ability of JEP to be successful will require state law to clearly specify JEP's authority as well as the specific responsibilities of the other workforce partners.

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[6] In general, clients who qualify for temporary cash assistance are limited to receiving benefits for 24 months in any consecutive 60-month period and may not receive a lifetime total of more than 48 months of benefits.

[7] The following entities have major responsibilities for the welfare-to-work strategic component: JEP and the local regional boards, the WAGES state board and local coalitions, the Department of Labor and Employment Security and the Department of Children and Families.

In light of its experience and continued progress in establishing an integrated workforce development system and recent changes in federal law, the Legislature should continue JEP.

JEP is in an excellent position to lead the state in implementing the intent and provisions of the federal Workforce Investment Act of 1998 (WIA). The WIA prescribes a structure and operating philosophy that is similar to the Workforce Florida Act of 1996 currently being implemented under JEP's leadership. For example, the state-level workforce investment board and the local workforce investment areas prescribed by the new federal act mirror Florida's JEP and regional workforce structure. As the state's Human Resource Investment Council since 1996, JEP is experienced in coordinating and overseeing federal job training programs. In addition, under the Workforce Florida Act, JEP is charged with developing a workforce system that includes one-stop service delivery, a vital component of the workforce system envisioned by the WIA. (See Exhibit 2 for the key principles of the federal Workforce Investment Act.)

The changes in federal law provide an opportunity for states to build comprehensive workforce investment systems intended to help employers get the workers they need and empower job seekers to obtain the training they need for the jobs they want. State and local workforce investment systems are expected to improve the quality of the workforce, reduce dependency on welfare, and enhance productivity and competitiveness. To achieve these goals, the WIA gives states broad authority to develop systems comprising workforce activities that are expected to increase participant employment rates, retention rates, earnings, and skill attainment. States' performance will be monitored against goals established by the federal act and states could receive sanctions or incentive funds based on their performance.

While Florida could eliminate JEP, there will still be a need for some entity to fulfill this responsibility and such an action would likely reduce the state's ability to expeditiously implement the new federal legislation.[8]

[8] All states must implement the WIA by July 1, 2000; however, states may choose to submit a five-year plan and begin implementation a year early.

Exhibit 2
The Federal Workforce Investment Act of 1998 Provides for Major Reforms in National and State Job Training Programs to Be Built Around Several Key Principles

- ***Streamlined services*** -- Multiple employment and training programs will be integrated through one-stop centers. States should build on their one-stop implementation efforts already underway. Local workforce boards will be responsible for overseeing the one-stop system in their area

- ***Empowered individuals*** -- Eligible participants will be able to choose the qualified training program that best meets their needs. With limited exceptions states are to provide training services through Individual Training Accounts (ITAs). States will decide how to structure their ITA system.

- ***Universal access*** -- Every individual will have access to core employment-related services through one-stop centers. Core services include eligibility determination, initial assessment, job search assistance, career counseling, and provision of information on the labor market, training providers, unemployment insurance, and support services.

- ***Increased accountability*** -- States, local boards, and training providers will be held accountable for their performance. States will be expected to meet performance goals in identified core indicators. Core indicators will include job placement rates, earnings, employment retention, credentials earned, and gains in skills. Failure to meet performance goals will lead to sanctions, while exceeding goals could lead to incentive funds.

- ***Strong role for local boards and the private sector*** -- Local boards will become business-led "boards of directors" for their areas. Boards will be expected to focus on strategic planning, policy development, and oversight of the local workforce system.

- ***State and local flexibility*** -- States and their local partners will be able to implement innovative and comprehensive workforce investment systems by building on existing reforms. Through mechanisms such as unified planning, waivers and grandfathering provisions, states will have the flexibility to tailor delivery systems to meet local needs.

- ***Improved youth services*** -- Youth programs will be linked more closely to local labor market and community needs and will provide a strong connection between academic and occupational learning. Each local area is to establish a youth council as a subgroup of the local board. Youth council responsibilities will include recommending providers to be awarded grants, overseeing these providers, and coordinating youth activities.

Source: Workforce Investment Act of 1998

The experience that JEP has gained working with many of the agencies and programs that are required partners under the new federal act coupled with its experience in developing an integrated workforce system, suggests that it would be in Florida's best interest to continue JEP. It would be wiser for the state to build on the foundation already established than to begin anew.

Conclusions and Recommendations

Based on surveys of the regional boards and interviews with state-level workforce partners, we concluded that JEP has made reasonable progress in establishing an integrated workforce development system. However, several conditions have impeded JEP and its progress. Even so, JEP should be continued, especially in light of recent changes to federal law affecting workforce development, some which could strengthen JEP's ability to meet the challenges it has faced. Several of the changes required by the federal Workforce Investment Act of 1998 are already in place in Florida. Thus, Florida is in a good position to consider implementing the WIA a year early.

To ensure that Florida has a fully developed workforce system that meets the needs of both employers and employees and that produces the results expected of the WIA, the Legislature may wish to revisit and make revisions to the Workforce Florida Act of 1996. It is particularly opportune to revisit the Act at this time given the changes in federal law. Legislative action could strengthen the ability of the designated Workforce Investment Board to fulfill its role by clearly articulating a vision for Florida's workforce investment system as well as the responsibilities of the board and other workforce partners. We believe that the Legislature should continue to build on the foundation already established and design a workforce investment system that will meet the needs of all of the state's employers and employees. We, therefore, recommend the Legislature take the following actions:

- **Continue funding JEP and designate it the state's workforce investment board, allowing the state to build on the foundation already established in implementing federal reform.** The federal WIA requires states to establish a state-level workforce investment board and local workforce investment areas comprising representatives similar to Florida's current structure. JEP and the regional boards are in a good position to meet these requirements of the WIA.

- **Clearly define JEP's oversight responsibilities and authority in the development of Florida's workforce development system, making it clear that the board is to focus on policy issues by developing, overseeing, and evaluating the integration of the state's system of workforce activities.** The new federal law requires the development of an integrated accountability system that includes performance information at all levels of the workforce system. Given JEP's lack of progress in developing both adequate measures and an integrated data system to facilitate reporting on performance, the Legislature should establish deadlines for their completion. Periodic reporting by JEP on the progress made and factors impeding its progress in developing an integrated accountability system should also be required.

- **Direct JEP as the state's workforce investment board to develop PB² measures that allow a comprehensive assessment of its coordinating and oversight responsibilities.** For example, a major responsibility under both state and federal law is the development of a one-stop delivery system. Thus, it would be appropriate to include a PB² measure to assess the board's progress in developing the one-stop delivery system.

- **Clearly articulate the responsibilities and expectations of all state-level workforce partners and prescribe sanctions or disincentives for partners who do not adhere to agreed upon deliverables or do not perform as expected.** To ensure the Legislature's expectations for the state's workforce system are met, the Legislature should clearly articulate the responsibilities and expectations of the major workforce partners, to include the timely reporting of performance information to JEP. The Legislature should also prescribe sanctions or disincentives for major partners that do not comply with reporting requirements.

- **Require the state to submit a unified workforce investment plan that includes secondary vocational education.** The WIA allows states to submit a unified plan for two or more of the required one-stop partners. While a unified plan is not required, it would serve to help ensure coordination and avoid duplication between workforce activities. However, since vocational education activities will continue to be funded under a separate funding stream, federal law requires the Legislature to give its approval for the board to include secondary vocational education.

ENTERPRISE **FLORIDA**

Government & Business Developing Florida's Economy

December 29, 1998

John W. Turcotte, Director
Office of Program, Policy Analysis
and Government Accountability
P. O. Box 1735
Tallahassee, FL 32302

Dear Mr. Turcotte:

I am submitting the response to the preliminary findings and recommendations of the OPPAGA review of The Workforce Development Board of Enterprise Florida, Inc. As you know, in this process there will be disagreements as to the purposes and relative success in accomplishing these purposes of government programs. However, I want to thank you for the fair and professional manner of the review staff in conducting the review. They conducted their business in such a manner as to reinforce the standards I have come to expect from OPPAGA.

If you have any questions concerning the response, please call me at 921-1119.

Sincerely,

Curtis C. Austin
President of the Workforce Development Board

325 John Knox Road, Building 200 · Tallahassee, Florida 32303 · Phone (850) 921 -1119 · Fax (850) 921-1101

JEP's RESPONSE TO THE OPPAGA REVIEW

The OPPAGA review of the Jobs and Education Partnership (JEP), the workforce development board of Enterprise Florida, Inc. is a fair and constructive look at how JEP can better be used to move the workforce development goals of the state forward.

COMPREHENSIVE MEASUREMENT SYSTEM

Given the oversight responsibilities that the workforce development board of Enterprise Florida, Inc. has been granted by the legislature, it is appropriate that the OPPAGA review begin with the ability of JEP to monitor progress in the workforce system. While we agree with some of the concerns articulated in the review, it is important to note that the OPPAGA review does not accurately reflect the current state of the law.

The review details the value and the mandate of the 1996 legislature to provide a systemwide, three-tiered performance review. This analysis, except for footnote No. 5, ignores the fact that the legislative mandate changed in 1997. What footnote No. 5 does not explain is that with the passage of Chapter 97-97, Laws of Florida (L.O.F.), the requirement and the statutory authority of the workforce development board to develop such a measurement system was no longer the law in Florida. Chapter 97-97, L.O.F., known as the adoption act, ratified any changes made by statutory revision and any other subsequent changes by the legislature as the "official statute law of the state . . ." The passage of Chapter 97-97, L.O.F., had the effect of repealing the three-tiered measurement system.

<u>OPPAGA Comments</u>. OPPAGA's intent was not to advocate the development of the three-tier system outlined in the 1996 Workforce Florida Act but rather to reinforce the need for JEP to develop a system of accountability that allows stakeholders to assess the performance of the state's workforce development system. At a minimum, such a system should contain several well-articulated systemwide objectives with associated performance targets. OPPAGA's footnote No. 5 was intended to acknowledge the change in legislation and the impact this may have had on JEP's efforts to develop an integrated accountability system.

Given this fact, it is surprising that the OPPAGA review did not discuss those measurement systems used by the workforce development board to assess workforce performance. During the OPPAGA review, the state workforce development board issued the Regional Year-end Outcome Report for the 1997-98 program year. This second annual report is a region-by-region accounting for the performance by the local workforce boards in serving the various clients eligible for services under federal law. It also attempts to measure performance of local boards in conjunction with the local offices of the Division of Jobs and Benefits of the Florida Department of Labor and Employment Security. In this report, the number of persons applying for services, number of persons placed in employment, wage rate at entry, and number of other factors are tracked and compared. In response to the 1997-98 program year report, the lowest performing regions of the state were asked to review the data and all confirmed the data's accuracy.

Likewise, there is no examination of the reports done on the performance-based incentive funding program or a discussion of the occupational forecasting responsibilities of the JEP board. In addition to the reports issued by JEP, the workforce development board has played a significant role coordinating the workforce evaluation system in Florida. JEP has worked closely with the Department of Education's Florida Education and Training Placement Information Program (FETPIP) and the WAGES (Work and Gain Economic

Self-sufficiency) state board in developing appropriate performance measurement instruments. In concert with the Bureau of Labor Market Performance Information, JEP is working to integrate all performance reporting systems, particularly to be compatible with the performance measures in the federal Workforce Investment Act of 1998.

It is clear that there would be a value to a unified statewide report relating to the success or failures of Florida's workforce development system. JEP staff is currently working toward such a product even without statutory mandate.

<u>OPPAGA Comments</u>. OPPAGA recognizes that JEP monitors the performance of the regional workforce areas and has worked with its partners to identify performance objectives and to obtain data to support these objectives. While OPPAGA applauds JEP's efforts, they have not been adequate. The information provided by these reports is not sufficient for assessing the overall performance of the state's workforce development system. For example, JEP evaluates the workforce regions by comparing them to the statewide average; however, JEP does not set statewide targets for these indicators. In the absence of established targets or standards, it is difficult to judge whether Florida's workforce development system is meeting expectations. In addition, definitions and reporting requirements continue to be inconsistent among the workforce partners. Until the state has an adequate system that integrates information from the varied workforce programs, stakeholders will not be able to determine how well the workforce development system is meeting the needs of Florida's employers and employees.

PERFORMANCE BASED BUDGETING

JEP agrees that the PB2 measures are not comprehensive measures of all of the responsibilities of the workforce development board. PB2 measures are generally attempts to measure those activities over which an agency or entity has direct (or principal) control. The PB2 measures approved by the legislature reflect attempts at measuring programs over which Enterprise Florida has direct or principal control and for which it can be logically held responsible (for budgetary purposes). PB2 measures are not designed to be the only measures of performance.

<u>OPPAGA Comments</u>. OPPAGA's position is that JEP's PB^2 measures should be comprehensive. JEP's purpose is to coordinate and oversee the development of the state's workforce development system. For stakeholders to be able to determine the extent to which JEP has influenced or impacted workforce development efforts in the state, it is particularly important that PB^2 measures include indicators that focus on JEP's coordination and oversight responsibilities as well as on all four strategic components.

REVIEW RECOMMENDATIONS

In terms of the recommendations and conclusions of the OPPAGA review, the actions suggested would strengthen the ability of the workforce development board to perform its oversight and coordination responsibilities. With the exception already noted relative to the measurement system required in the Workforce Development Act of 1996, the recommendations of the review are harmonious to JEP's current mission.

Appendix A
JEP Has Multiple State and Local Workforce Development Partners[1]

Major Partners STATE LEVEL	Role in the Workforce Development System	Relationship to JEP
Florida Department of Labor and Employment Security	• Administers federal JTPA funds • Administers federal one-stop grants • Administers federal welfare-to-work grant • Administers federal Wagner-Peyser funds and the regional Jobs and Benefits Offices	• JEP approves the state JTPA plan • JEP approves the state one-stop plan • JEP approves the state welfare-to-work plan • JEP works with the department in tracking client outcomes
WAGES State Board	• Develops a statewide WAGES plan • Provides oversight to the 24 local WAGES coalitions (17 of the coalitions are combined with regional workforce development boards)	• JEP consults with the state WAGES Board as it designs its statewide plan • JEP president sits on the Board of Directors of the WAGES State Board
Florida Department of Children and Families	• Administers temporary assistance to needy families (TANF) funds • Determines which TANF clients must participate in WAGES work activities • Applies sanctions to clients who do not participate in work activities as required	• JEP involves the department in decisions affecting WAGES clients • JEP works with the department in tracking client outcomes
Florida Department of Education	• Administers vocational education programs offered by school districts and community colleges • Administers federal school-to-work grants • Administers the Florida Education and Training Placement Information Program (FETPIP), a data collection and analysis system that provides accountability information.	• JEP participates in an occupational forecasting process that designates high skill/high wage occupations • JEP oversees the performance-based incentive fund program • JEP reviews but does not approve the state school-to-work plan, although the state school-to-work leadership team is a subcommittee of JEP • JEP uses FETPIP to follow up on people who have participated in workforce development programs
Enterprise Florida, Inc. (EFI) and its affiliate boards	• EFI's Technology Development Board creates new high technology and high wage jobs. • EFI's International Trade and Economic Development Board coordinates with local economic development organizations to promote Florida as a competitive business center. • EFI's Capital Development Board develops products that ensure high growth Florida businesses have access to capital to finance their growth.	• As EFI's Workforce Development Board, JEP coordinates with theother EFI affiliates to ensure that Florida's workforce is prepared to meet the demands of businesses served by the other affiliate boards. • JEP also administers the quickresponse training program.

Major Partners LOCAL LEVEL	Role in the Workforce Development System	Relationship to JEP
Regional Workforce Development Boards	• Develop local plans for the use of JTPA funds • Develop local plans for the use of welfare-to-work funds • Designate the fiscal and administrative entities for JTPA funds • Designate all local service providers • Responsible for the development of local one-stop career centers • Coordinate with local economic development initiatives • Provide oversight related to all local workforce activities	• JEP grants charters to regional boards based on how well they align resources and services • JEP approves local JTPA and welfare-to-work plans • JEP monitors the job placement outcomes of regional boards, and rewards positive outcomes and penalizes negative outcomes • JEP staff participate with the Department of Labor and Employment Security in approving applications for local one-stop career centers
Local WAGES Coalitions	• Develop plans for the use of WAGES funds (Some regions, 17 of 24, have combined WAGES and Workforce Development boards.)	• JEP has the same relationship with combined WAGES/Workforce Development Boards as it does with stand-alone Workforce Development Boards (see relationship to regional boards, above)
Local school districts	• Oversee local school-to-work programs	• JEP's constituent Regional Workforce Development Boards review local school-to-work plans, but only five boards have approval authority.

[1] This table does not provide an exhaustive list of all Florida's workforce partners; rather, it focuses on the major partners with which JEP is involved.
Source: Office of Program Policy Analysis and Government Accountability

Appendix B
OPPAGA Suggests New Measures for Assessing JEP's Workforce Development Responsibilities

Area of JEP Responsibility	OPPAGA Suggested Measures	OPPAGA Comments
Strategic Components	• Percentage of regions/counties with at least one established fully integrated one-stop career center. • Percentage of regions/school districts in which at least 75% of the high schools offer school-to-work programs. • Percentage of welfare recipients placed and retained in jobs for at least one year. • Percentage of participants/completers placed and retained in targeted high skill/high wage occupations for at least one year.	These measures would provide an assessment of how well JEP, in its oversight and coordinating role is facilitating the development of each of the state's four strategic components.
Administration of Performance-based Incentive Programs	• Percentage increase in the number of new jobs created for which individuals were trained and placed through quick response programs. • Average cost of quick response training as a percent of average beginning annual salary (Return on Investment). • Percentage of programs offered by community colleges and school districts that provide training in targeted occupations. • Percentage of participants/completers placed and retained in targeted occupations for at least one year.	These measures would give stakeholders an indication of the benefit and continued benefit derived from the two incentive programs administered by JEP.
Coordination of Federal, State, Local, and Private Funds for Maximum Impact	• Ratio of total funds to state funds (Leveraging state funds).	This measure would report on the outcome of JEP's efforts to leverage state funds to obtain funding sources outside the state treasury.
Advisement and Coordination of Statewide Workforce Development System	• Customer satisfaction measured by surveys of regional and state-level partners.	While qualitative, surveys of workforce partners would provide useful information about how JEP is perceived in fulfilling its responsibilities.

Source: Office of Program Policy Analysis and Government Accountability

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View the complete text of this act

ACT NO. 27

(H.290)

Postsecondary Education; Vermont Higher Education Endowment Trust Fund; Commission on Higher Education Funding; State Workforce Investment Board; Federal Family Education Loan Program

This act creates a Vermont Higher Education Endowment Trust Fund to make funds available to the University of Vermont, the Vermont State Colleges and the Vermont Student Assistance Corporation for non-loan financial aid for Vermont students attending a Vermont postsecondary institution, and to UVM and VSC, on a two-to-one matching basis, for the purpose of creating or increasing a permanent endowment. In addition, the act creates a Commission on Higher Education Funding for the purpose of developing and refining Vermont's higher education goals and recommending state financial support which will help higher education institutions to meet the goals. The commission is also charged with reviewing expenditures from the endowment trust fund and making recommendations for further expenditures from the fund..

Act 27 also establishes the Human Resources Investment Council (HIRC) as the Vermont State Workforce Investment Board for purposes of the Federal Workforce Investment Act of 1998, and somewhat revises the composition and mandate of the board in order to comply with the federal act. The mandates of the regional workforce investment boards are also somewhat revised to ensure greater consistency with the work of the HRIC.

Finally, the act directs the Commission on Higher Education Funding to study the effects of allowing Vermont students to borrow from the Federal Family Education Loan Program.

Effective Date: July 1, 1999, except the provisions relating to the state and regional workforce investment boards which took effect on May 19, 1999.

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1-12-2000
Attachment 12

NO. 27. AN ACT RELATING TO AN ENDOWMENT TRUST FUND TO PROVIDE FINANCIAL AID TO VERMONT POSTSECONDARY STUDENTS AND INSTITUTIONS.

(H.290)

It is hereby enacted by the General Assembly of the State of Vermont:

Sec. 1. 16 V.S.A. chapter 90 is added to read:

CHAPTER 90. FUNDING OF POSTSECONDARY INSTITUTIONS

§ 2885. VERMONT HIGHER EDUCATION ENDOWMENT TRUST FUND

(a) A Vermont higher education endowment trust fund is established in the office of the state treasurer to be comprised of the following:

(1) Appropriations made by the general assembly.

(2) In any fiscal year in which a general fund surplus exists and the general fund stabilization reserve is funded to its required statutory level, funds raised by the estate tax levied under chapter 190 of Title 32 which are more than 125 percent of the amount projected by the emergency board in the July annual forecast made pursuant to section 305a of Title 32.

(3) Contributions from any other sources.

(b) The state treasurer may invest the monies in the fund.

(c) In August of each year, beginning in the year 2000, the state treasurer shall withdraw five percent of the assets which were in the fund on the previous June 30, and shall divide the amount equally among the University of Vermont, the Vermont state colleges and the Vermont student assistance corporation. Therefore, up to five percent of the fund assets are hereby annually appropriated pursuant to this section, provided that the amount appropriated shall not exceed an amount which would bring the fund balance below the initial appropriation made in fiscal year 2000. The University of Vermont and the Vermont state colleges shall use the funds to provide nonloan financial aid to Vermont students attending their institutions; the Vermont student assistance corporation shall use the funds to provide nonloan financial aid to Vermont students attending a Vermont postsecondary institution.

(d) In August of each year, beginning in the year 2000, the commission on higher education funding may authorize the state treasurer to make an amount equal to up to two percent of the assets which were in the fund on the previous June 30 available to Vermont public institutions for the purpose of creating or increasing a permanent endowment. Therefore, up to two percent of the fund assets are hereby annually appropriated pursuant to this section, provided that the amount appropriated shall not exceed an amount which would bring the fund balance below the initial appropriation made in fiscal year 2000. One-half of the amount appropriated shall be available to the University of Vermont and one-half shall be available to the Vermont state colleges. The University of Vermont or Vermont state colleges may withdraw funds upon receipt of private donations which are double the amount withdrawn and upon a finding by the commission that the funds will be used to create or increase a permanent endowment.

(e) Annually, the state treasurer shall render a financial report on the receipts, disbursements and earnings of the fund to the commission on higher education funding.

(f) All balances in the fund at the end of any fiscal year shall be carried forward and used only for the purposes set forth in this section. Earnings of the fund which are not withdrawn pursuant to this section shall remain in the fund.

§ 2886. COMMISSION ON HIGHER EDUCATION FUNDING

(a) A commission on higher education funding is created for the purpose of:

(1) developing and, when necessary, refining Vermont's goals for higher education;

(2) developing and, when necessary, updating a multiyear plan to meet Vermont's higher education needs;

(3) annually recommending to the governor a level of state financial support for higher education which best uses state resources to meet the goals developed by the commission;

(4) reviewing expenditures made from the higher education endowment trust fund, evaluating the impact of the expenditures made, and making recommendations to the general assembly for further expenditures from the fund.

(b) The commission shall consist of 14 members as follows:

(1) The president of the University of Vermont;

(2) The president of the Vermont student assistance corporation;

(3) The chancellor of the Vermont State Colleges;

(4) A sitting president of a Vermont state college, appointed by the chancellor in consultation with the governor;

(5) The president of the association of Vermont independent colleges and one sitting president of an independent college, selected by the association in consultation with the governor;

(6) A representative of the Vermont low income advocacy council;

(7) Two members at large appointed by the governor;

(8) Four legislative members, who shall be entitled to per diem expenses from the legislative appropriation, as follows:

(A) Two members from the house appointed by the speaker of the house;

(B) Two members of the senate appointed by the committee on committees;

(9) The secretary of administration.

(c) The executive, legislative and higher education staff shall provide support to the commission as appropriate to accomplish its tasks.

(d) The cost of the commission, including any costs for per diem and expenses for at-large members and the representative of the low income advocacy council, shall be equally apportioned among the following: the administration, the University of Vermont, Vermont state colleges, the Vermont student assistance corporation and the association of Vermont independent colleges.

(e) The commission shall elect one of its members to be chair.

Sec. 2. 10 V.S.A. § 541 is amended to read:

§ 541. HUMAN RESOURCES INVESTMENT COUNCIL; STATE WORKFORCE INVESTMENT BOARD; MEMBERS; TERMS

(a) The human resources investment council is created as the successor to and the continuation of the governor's human resources investment council and shall be the state workforce investment board under Public Law 105-220, the Workforce Investment Act of 1998. The council shall consist of the following members: the governor, the commissioner of employment and training, the chancellor of Vermont state colleges, the president of the University of Vermont, the secretary of human services, ~~the commissioner of agriculture, food and markets, one member representing independent colleges appointed by the governor~~ the president of the association of Vermont independent colleges, the secretary of commerce and community development, the commissioner of education, ~~the commissioner of labor and industry, five representatives of business appointed by the governor and representing as much as possible the diversity of business interests within the state, five~~ the director of Vermont associates for training and development, the president of the Vermont student assistance corporation, the director of the Vermont jobs corps center, at least four representatives of labor appointed by the governor, at least one of which shall be from names submitted by labor organizations, one representative of the low income community appointed by the governor, ~~one member~~ two

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members of the senate appointed by the senate committee on committees, ~~one member~~ and two members of the house appointed by the speaker~~, and one representative of the office of the governor appointed by the governor~~. In addition, the governor shall appoint enough other members who are representatives of business or employers so that one-half plus one of the members of the council are representatives of business or employers. At least one-third of those appointed by the governor as representatives of business or employers shall be chosen from a list submitted by the regional workforce investment boards. In this section, "representative of business" means a business owner, a chief executive operating officer or other business executive and "employer" means an individual with policy-making or hiring authority, including a public school superintendent or school board member and including the nonprofit, social services and health sectors of the economy.

(b) Members representing business, employers, labor and the low income community shall be appointed for terms of three years. Appointed members, except legislative appointees, shall serve at the pleasure of the governor.

(c) A vacancy shall be filled for the unexpired term in the same manner as the initial appointment.

(d) ~~The chancellor of Vermont state colleges, representing the Vermont higher education council, and the commissioner of employment and training shall be co-chairs of the council and shall jointly appoint all staff of the~~

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~~council.~~ The governor shall appoint one of the business or employer members to chair the council.

* * *

(h) The human resources investment council shall:

(1) Advise the governor on ~~Vermont's work force~~ the establishment of an integrated network of workforce education and training ~~system~~ for Vermont.

(2) Coordinate planning and services for ~~Vermont's work force~~ an integrated network of workforce education and training ~~system~~, and oversee its implementation.

(3) Establish and oversee ~~work force~~ workforce investment boards as provided in section 542 of this title.

(4) Establish goals for and coordinate the state's ~~work force~~ workforce education and training policies.

(5) Appoint an executive director, who shall be an exempt employee.

(6) Receive annual reports from the legislative joint fiscal office on the workforce education and training revenues and expenditures of agencies and institutions which are members of the council.

(7) Annually review and comment on workforce education and training revenues and expenditures of member agencies and institutions.

(8) Negotiate memoranda of understanding between the council and agencies and institutions involved in Vermont's integrated network of

workforce education and training in order to ensure that each is working to achieve annual objectives developed by the council.

(9) Carry out the duties assigned to the state workforce investment board, as required for a single-service delivery state, under P.L. 105-220, the Workforce Investment Act of 1998 and any amendments that may be made to it.

(10) Annually, on or before January 15, report to the general assembly on activities carried out during the previous year in order to accomplish its mandate.

Sec. 3. 10 V.S.A. § 542 is amended to read:

§ 542. ~~WORK FORCE~~ REGIONAL WORKFORCE INVESTMENT BOARDS

(a) At the request of a regional group recognized by the council as interested in ~~work force~~ workforce training, the human resources investment council shall establish a regional ~~work force~~ workforce investment board in the region. ~~Work force~~ Regional workforce investment boards shall act with oversight from the human resources investment council.

(b) Members of each ~~work force~~ regional workforce investment board shall ~~be approved by the human resources investment council from a slate of nominees submitted by a regional group recognized by the council as interested in work force training. In approving members, the council shall ensure a balance between employers, employees and work force program~~

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~~providers, but shall also ensure that employer and employee interests predominate. Members may~~ include individuals or representatives of employers and employees from large and small businesses, secondary and post-secondary educational institutions, regional technical centers, economic development organizations, ~~work force~~ workforce education and training organizations, and public agencies with work force education and training responsibilities. The human resources investment council shall review the regional workforce investment board membership to ensure a balance between employers, employees and workforce program providers with 51 percent of membership representing employers. Members shall not receive compensation or reimbursement for expenses.

(c) Each ~~work force~~ regional workforce investment board may:

(1) Coordinate a delivery system of ~~work force~~ workforce education and training services that is responsive to the needs of employers, employees and individuals interested in receiving ~~work force~~ workforce training and is consistent with policies established by the human resources investment council. The system shall avoid duplication of services among ~~work force~~ workforce education and training programs and service providers.

(2) Perform periodic regional needs assessments and establish priorities for regional ~~work force~~ workforce development, and report on such assessments and priorities to the human resources investment council.

(3) Determine whether each program and provider collaborates and coordinates its activities with other programs.

(4) Review and endorse requests by ~~work force~~ workforce programs and providers for waivers of state and federal regulations in support of high performance, if such requests are consistent with the goals of the statewide ~~work force~~ integrated network of workforce education and training ~~system~~ as established by the human resources investment council.

(5) Ensure the most effective use of funds by encouraging collaborative work on budget preparation and grant proposals submitted by programs and providers.

(6) Encourage partnerships with businesses and providers to develop new education and training opportunities that meet regional labor market needs and that are consistent with policies established by the human resources investment council.

(7) ~~Coordinate the~~ Continue to support school-to-work efforts through a youth council and integrate school-to-work, and welfare reform initiatives so that these initiatives are integrated into the ~~work force~~ workforce education and training system.

(8) ~~Coordinate service delivery by regional work force education and training providers, including one-stop-shopping career centers~~ Develop an integrated network of service providers including department of employment

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and training career resource centers consistent with policies established by the human resources investment council.

(9) Maintain a process for sharing information about program needs and opportunities among programs, providers, employers and the general public.

(10) Coordinate the dissemination of, and assure access to pertinent labor market information.

(11) Coordinate the dissemination of, and assure access to pertinent ~~work force~~ workforce education and training program and services information for individuals and businesses.

(12) Explore new ideas and models ~~for programs~~ that advance policies established by the human resources investment council, and act as a clearinghouse for all providers and programs in the region.

(13) Ensure that new program ideas complement the goals of the human resources investment council including the goal of ~~developing a coordinated system of work force~~ an integrated network of workforce education and training.

(14) Conduct an inventory of businesses for potential alternate learning environments.

(15) Advise the human resources investment council about standards and procedures for a uniform accountability and information data base for programs and providers.

(16) Perform such other duties identified by the human resources investment council to be necessary or desirable in carrying out the purposes of this chapter.

(d) Each work force investment board shall report to the human resources investment council in the manner described by the council.

Sec. 4. FEDERAL FAMILY EDUCATION LOAN PROGRAM; PARTICIPATION BY VERMONT STUDENTS ENROLLED IN HIGHER EDUCATION INSTITUTIONS; STUDY

The commission on higher education funding shall study the effects of allowing Vermont students the option to borrow from the Federal Family Education Loan Program administered by the Vermont student assistance corporation on students and on administration of loan programs. On or before February 1, 2000, the commission shall report its findings to the general assembly.

Sec. 5. EFFECTIVE DATES

(a) Secs. 2 and 3 of this act shall take effect on passage. The remaining sections shall take effect on July 1, 1999.

(b) Fiscal year 2000 shall be the first year in which funds raised by the estate tax are eligible for payment to the Vermont Higher Education Endowment Trust Fund pursuant to subdivision 2885(a)(2) of Title 16.

Approved: May 19, 1999

Information on this page is generally current to within an hour.

***HB1875 by *Kisber, *McDaniel, *McAfee, *Caldwell, *Kent, *Cole (Carter), *Whitson, *Maddox, *Walker (Rhea), *Naifeh. (SB1796 by *Cooper, *Atchley, *McNally, *Clabough.)**

Labor - Enacts "Tennessee Workforce Development Act of 1999." - Amends TCA Titles 4, 8, 12, 13, 29, 36, 37, 38, 41, 49, 50, 56, 59, 62, 67, 68, and 71

Fiscal Summary for HB1875

Increase State Expenditures - Not Significant One-Time Decrease State Expenditures - Exceeds $100,000 Recurring Other Fiscal Impact: Increase Federal Expenditures - Exceeds $100,000 One-Time Decrease Federal Expenditures - Exceeds $100,000 Recurring

Bill Summary for HB1875

This bill would create the department of labor and workforce development (hereinafter referred to as the department). This bill would also transfer the programs, property and staff of the departments of labor and employment security to the department created by this bill. This bill would designate the department as the entity in Tennessee to be responsible for implementation and administration of the following federal programs: (1) The Workforce Investment Act of 1998 (The purpose of which is to provide workforce investment activities through statewide and local workforce investment systems, that increase the employment, retention, and earnings of participants, and increase occupational skill attainment by participants, and, as a result, improve the quality of the workforce, reduce welfare dependency, and enhance the productivity and competitiveness of the United States); (2) The Wagner-Peyser Act (Which authorizes the secretary of labor to transfer property used by the United States Employment Service to states that establish and maintain systems of public employment offices); and (3) The Job Training Partnership Act (The purpose of which is to establish programs to prepare persons who face serious barriers to employment for participation in the labor force by providing job training and other services that will result in increased employment and earnings, increased educational and occupational skills, and decreased welfare dependency, thereby improving the quality of the work force and enhancing the productivity and competitiveness of the United States). This bill would require the department to do the following: (1) Cooperate with the authorities of the United States as required by the aforementioned federal acts to secure the benefit of such acts for Tennessee; and (2) Coordinate the collaborative activities and functions of other state governmental entities to reduce duplication of employment services, maximize Tennessee's efforts to increase the skills of the state's workforce, and foster economic growth through job placement and training services. This bill would authorize the department to

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Attachment 13

have full and complete charge of the following: (1) Adult basic education authorized by the state board of education and presently administered by the department of education; (2) Employment and employment training programs required under the Food Stamp Act; and (3) Except for the supervisory responsibilities of the department of commerce and insurance, administration of Tennessee's workers' compensation law, employment security law, Tennessee's state employment service, and any functions presently exercised by the department of employment security and/or the department of labor. This bill would authorize the department to do the following: (1) Perform all acts and functions necessary to carry out the department's powers, including contracting with local government units or corporations to provide services to assist the department in carrying out the department's duties; (2) Exercise authority over any other functions that the governor assigns to the department by executive order; (3) Receive, administer, allocate, disburse and supervise any grants and funds from any sources with respect to any programs and/or duties outlined in this bill or assigned to the department by law, regulation or order; and (4) Modify or rescind orders, rules, regulations, decisions and policies and adopt, issue or promulgate new orders, rules regulations, decisions and policies. This bill would require all liens in favor of the department of employment security against the property of employers who failed to pay unemployment insurance premiums to inure to the department upon transfer. This bill would create a commissioner position to supervise the department. In addition to any powers or duties that the commissioner would assume through transfer or as provided by law, the commissioner would be required to do the following: (1) Develop and implement activities and programs that enhance Tennessee's workforce; (2) Ensure maintenance of a fair and fully funded unemployment insurance program; (3) Administer a workforce development system that protects Tennessee's workforce; and (4) Make a progress report to the governor and certain committees of the general assembly before implementation of the provisions of this bill occurs. This bill would require transfer of any of the following from the department of labor and/or the department of employment security to the department: (1) Any programs presently administered by the department of labor and/or the department of employment security; and (2) All staff, staff positions, offices, equipment, supplies, property, facilities, funds and resources of any program under the department of labor and/or the department of employment security. All contracts and leases entered into by the department of labor and/or the department of employment security before such transfer occurs would continue in full force to the same extent as if such contracts or leases were entered into by the department. Also, all rules, regulations, policies, orders and decisions promulgated or issued by the department of labor and/or the department of employment security before such transfer occurs would remain in effect following the transfer and would be administered and enforced by the department until amended, repealed, expired, modified or superseded. This bill would specifically prohibit any person from being denied the benefits of or otherwise subjected to discrimination under any of the department's programs or activities based on such person's race, color, national origin, age or sex. Present law prohibits any person from hiring an illegal alien without having been granted an exemption by the department of labor. This bill would clarify that such exemption come from the United States department of labor. Present law authorizes the commissioner of employment security to appoint employees of the department of employment

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security to act as appeals referees in appeals of denials of benefits. This bill would require that only employees within the unemployment compensation division be appointed as appeals referees. Present law requires the unemployment compensation division and the state employment service to be administered by a full time civil service director. This bill would delete the civil service director requirement for such entities. Present law authorizes the commissioner of employment security to appoint a state advisory council and to appoint local or industry advisory councils. This bill would remove authorization to appoint local or industry advisory councils. NOTE: Section 45(c) and Section 46 (c) of this bill contain identical directory and amendatory language. ON MAY 19, 1999 THE HOUSE ADOPTED AMENDMENTS #1, #2, #3 AND #4, AND PASSED HOUSE BILL 1875 AS AMENDED. AMENDMENT #1 sunsets the department of labor and workforce development on June 30, 2001. AMENDMENT #2 creates three divisions within the department to be separate administrative entities. T he divisions are: employment security, workers' compensation, and occupational safety and health, and creates the office of administrator as the chief administrative officer of each division. The unemployment compensation bureau is created within the division of employment security, and a separate division of the Tennessee state employment service is also created but is subject to the supervision and control of the commissioner. Each administrator would be appointed by the commissioner for a four year term, the first appointment to be made July 1, 1999 or as soon as practical thereafter. The commissioner can only remove the administrator for non performance of duties and responsibilities. The administrators must have a minimum of five years credible experience in the field covering the division the person will supervise and have a comprehensive knowledge of and experience in the operation and programs of the division as well as being recognized by the representatives of the business and labor communities as a person of good standing and reputation in such field. One of the duties of the administrators is to prepare and submit to the commissioner an annual budget. The administrator of the division of employment security would not have responsibility for the WOTC alien certification, veterans programs or the Tennessee state employment service (jobs service). This amendment also requires the state advisory council to have at least two meetings a year with the administrator of the division of workers' compensation and the labor advisory council to meet at least twice with the administrator of the division of occupational safety and health. The administrators are to advise the council on the status of all operations of the division and the programs administered within the division. This amendment also makes conforming changes to the TCA. AMENDMENT #3 specifies that it is not the intent of this bill to expand or authorize contracting services beyond that authorized under state law. This amendment adds a provision that services for employees should focus on assisting employees to obtain jobs of their choice, which provide health insurance, job security and the opportunity for self-sufficiency. This amendment also directs that the department of human services have responsibility for contracting for the activities required of Families First participants. This amendment specifies that the transfer of functions to the department is not to result in any state employee suffering loss of employment, compensation, benefits, or civil service status. This amendment specifies that the department is to maintain funds separately and expend such funds only for their intended purpose. AMENDMENT #4 prohibits the transfer of functions to the department of labor from causing any career service state

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employee, instead of any state employee, to suffer loss of employment, compensation, benefits or civil service status.

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FISCAL NOTE

HB 1875 - SB 1796

March 15, 1999

SUMMARY OF BILL : Creates the Department of Labor and Workforce Development for the purpose of the consolidation of job training, employment, employment-related educational programs, and unemployment insurance programs. Transfers the programs, property and staff of the Departments of Labor and Employment Security to the Department of Labor and Workforce Development. Transfers the adult basic education program, currently administered by the Department of Education, and employment and training programs authorized under 7 U.S.C. Section 2015 of the Food Stamp Act of 1977, currently administered by the Department of Human Services, to the Department of Labor and Workforce Development. Continues all contracts entered into by the Departments of Labor or Employment Security. Provides that all rules, regulations, policies, orders and decisions promulgated or issued by the Departments of Labor or Employment Security prior to, and in effect on the effective date of this act, shall remain in force. Creates within the new department two coordinate entities, the division of unemployment compensation and the Tennessee State employment service. Provides for maintaining the separate identity of all funds received for the purpose of administering the state unemployment insurance program.

ESTIMATED FISCAL IMPACT:

Increase State Expenditures - Not Significant One Time
Decrease State Expenditures - Exceeds $100,000 Recurring

Other Fiscal Impact:
Increase Federal Expen ditures - Exceeds $100,000 One-Time
Decrease Federal Expenditures - Exceeds $100,000 Recurring

Estimate assumes:

- an increase in state expenditures to make changes to computer programs, forms and other related expenses in the Department of Labor as a result of the combination of Departments.
- one-time expenditures in the Department of Employment Security for computer program modifications, changes to the auto-attendant unemployment insurance telephone claims system and other expenses related to the transfer of all staff and property to the Department of Labor and Workforce Development. Employment Security maintains its own mainframe computer system and the department operates 76 Employment Service offices statewide. Administrative expenses of the Department of Employment Security are federally funded.
- a decrease in state and federal expenditures based on the assumption that consolidating the two departments will result in the consolidation of functions and some offices and the elimination of duplicate administrative positions.

CERTIFICATION:

This is to duly certify that the information contained herein is true and correct to the best of my knowledge.

James A. Davenport

James A. Davenport, Executive Director

HB 1875 - SB 1796