

HOUSE BILL ANALYSIS

HB 1632

Brief Description: Creating a State Work Force Investment Board.

Sponsors: Conway and Clements

Hearing: February 11, 1999

Brief Summary of Bill

- Changes the name of the Workforce Training and Education Coordinating Board to the Workforce Development Board, changes the makeup and increases the number of members.
- Defines the workforce development system to include a broader array of programs than the current workforce training system.
- Refocuses the Board's activity emphasizing increased accountability and performance measurement throughout the workforce development system and directing a stronger link with economic development.
- Establishes local workforce development councils.
- Facilitates access to services through a One-Stop delivery system and allows for data-sharing arrangements among the partner agencies.

BACKGROUND:

In August of 1998 Congress enacted the Workforce Investment Act. The federal act repeals the Joint Training Partnership Act (JTPA) effective July 1, 2000, and amends other federal workforce development programs. The federal act encourages coordination but does not take the full step of consolidating funding of federal workforce development programs.

The federal Workforce Investment Act

The act requires states to establish a state Workforce Investment Board. Board membership must include a majority of business representatives. An existing state board may be designated as the new Workforce Investment Board if it was in existence as of December 30, 1997.

The Act also requires states to develop a five-year plan for the state's workforce investment system. The plan must cover certain federal programs. However, states have the option of including additional state and federal programs into a unified state plan.

The act requires appointment of local workforce investment boards by local elected officials based on criteria set by the Governor and the state board. The local board is responsible for developing local plans and overseeing the local program. The board recommends local providers of training services who must meet minimum criteria established by the Governor to be placed on an approved list of service providers. Training providers must meet certain performance criteria to maintain their eligibility as training providers.

The act directs establishment of One-Stop delivery system of training and related services at the local level. Certain core services must be provided through this delivery system to anyone seeking services. The delivery system must also provide access to more intensive services and training services.

Both state boards and local boards are accountable for meeting negotiated performance measures. Sanctions may include technical assistance to those entities that fail to meet performance standards. If the failure continues at the state level, grant money can be withheld from the state. At the local level, the board may be reorganized or replaced. Incentive grants may be awarded to states that exceed their performance measures. States may develop similar incentive grants for high performing local boards.

The Workforce Training and Education Coordinating Board (WTECB)

The Workforce Training and Education Coordinating Board was created in 1991. Its purpose is to provide planning, coordination, evaluation, monitoring, and policy analysis for the state's training system. Several agencies are involved in implementing the programs that make up the state training system.

The WTECB includes 11 representatives; three from business, three from labor, three from state government including the Superintendent of Public Instruction, the Executive Director of the State Board for Community and Technical Colleges, the Commissioner of the Employment Security Department, a member representing under served individuals, and a chairperson appointed by the Governor.

The WTECB is charged with 27 duties to be performed in cooperation with the agencies involved in the state's workforce training system. These duties include developing and maintaining a comprehensive plan for workforce training, establishing minimum standards to be used by agencies in evaluating programs they implement, requiring standards for collecting data and setting a minimum of core data to be collected by each reporting agency, and performing an outcome-based evaluation of the workforce training and education system using net-impact and cost-benefit analysis.

Employment Security Department (ESD)

The ESD oversees implementation of federal JTPA programs through 12 service delivery areas administered by local private industry councils in partnership with local elected officials. Members of the private industry councils are appointed by local elected officials.

ESD acts as the lead agency to administer the state's implementation grant for the development of One-Stop service delivery. The department also maintains labor market information and the public labor exchange under the Wagner-Peyser Act.

Primary Training Provider

The state's community and technical college systems serve as the primary training provider along with private career schools and colleges.

SUMMARY OF BILL:

A number of changes are made to the state's current workforce training system. Some changes address the new requirements under the federal Workforce Investment Act.

The Workforce Training and Education Coordinating Board is renamed the Workforce Development Board. The Workforce Development Board serves as the State Workforce Investment Board required under the federal act. The state's workforce development system is defined as programs that use state or federal funds to prepare and retrain workers or provide employment or retention services. This definition expands the list of programs included in the state's workforce development system.

The Workforce Development Board consists of 18 voting members; five business members, five labor members, five state agency representatives, one representative of private career schools, one representative of community-based organizations, and one representative of local elected officials. The Department of Social and Health Services and the Department of Trade and Economic Development are added as two of the five state agency

representatives. The director of the board is to be appointed by the Governor and confirmed by the Senate.

The board must develop a state unified plan for the workforce development system, advocate for the workforce development system, keep an inventory of programs, assess employer and worker needs for workforce training, work with local Workforce Development Councils, work in partnership with the training related components of the state's WorkFirst, community services and vocational rehabilitation programs, measure performance, make recommendations to the Governor, and assist in implementing a One-Stop delivery system for workforce development.

The Workforce Development Board is to perform the JTPA coordinating role in the state until the expiration of that act on July 1, 2000.

Local Workforce Development Councils, required under the federal Workforce Investment Act, are created to develop local unified plans, oversee local One-Stop systems, and coordinate workforce development activities at the local level.

Obligations of the ESD regarding the programs under the federal act are specified. The department must provide labor market information to the Workforce Development Board and provide elements of the state plan for the state's public labor exchange (Wagner-Peyser), youth activities and adult employment and training activities (former JTPA programs). The department receives the funding for these federal programs and must recommend allocations to the Governor. The department must work out data-sharing arrangements necessary to implement the One-Stop career development system but individual records and confidential information are protected.

Provisions relating to the comprehensive plan, evaluations and assessments by the Workforce Training and Education Coordinating Board are repealed. Provisions relating to the Job Training Coordinating Council are repealed.

RULES AUTHORITY: The bill does not contain provisions addressing the rule making powers of an agency.

FISCAL NOTE: Requested on February 10, 1999.

EFFECTIVE DATE: *The bill contains an emergency clause and takes effect immediately.*