



May 14, 2009  
11:00 a.m. – 12:00 p.m. EDT  
or conclusion of business  
Executive Committee Teleconference  
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Agenda Posted on Website

## **AGENDA**

### **MEETING OF THE WORKFORCE FLORIDA EXECUTIVE COMMITTEE**

**A. WELCOME AND INTRODUCTIONS.....Chair Belinda Keiser**

**B. ACTION ITEMS**

**1. Allocation of Federal Stimulus Funds (ARRA) To State-Level Initiatives**

**C. OPEN DISCUSSION**

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**Upcoming meetings:**

**WFI Council Meetings  
May 27, 2009  
WFI Board of Directors Meeting  
May 28, 2009  
WFI Executive Committee Meeting  
June 17, 2009**

# Action Item 1

## ALLOCATION OF FEDERAL STIMULUS FUNDS (ARRA) TO STATE-LEVEL INITIATIVES

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### BACKGROUND:

The American Recovery and Reinvestment Act of 2009 (Public Law 111-5) or ARRA was signed into law by President Obama on February 17, 2009. The Employment and Training Administration (ETA) of the US Department of Labor subsequently issued a preliminary notice on March 4<sup>th</sup> and a more detailed **Guidance Letter** on March 6<sup>th</sup>. This guidance letter provided the final state-by-state allotments for the Workforce Investment Act (Title I Adult, Dislocated Worker, and Youth Activities) and Wagner-Peyser (29 U.S.C. 49e), which were needed for purposes of preparing sub-state or regional allocations. During the March 18<sup>th</sup>, Executive Committee Teleconference, action was taken to allocate funding to the 24 regional workforce boards in compliance with the authorizing legislation. Action to allocate state level funding was deferred, awaiting further guidance on the use of funding.

**Workforce Investment Act (WIA)** - As shown in the “Stimulus Funding Workforce Investment Act” chart attached to this Action Item, Florida received **\$142,873,204** in PY 2008 WIA funding. This amount is comprised of three separate funding streams as shown on this chart: Adult, Youth, and Dislocated Worker. The federal act allocates 15% of each of these funding streams, or **\$21,430,981**, for use by the Governor for state-level initiatives. Chapter 445, Florida Statutes, defines more specifically, the use of these funds:

*445.003(3)(a)2. - Fifteen percent of Title I funding shall be retained at the state level and shall be dedicated to state administration and used to design, develop, induce, and fund innovative Individual Training Account pilots, demonstrations, and programs. Of such funds retained at the state level, \$2 million shall be reserved for the Incumbent Worker Training Program, created under subparagraph 3. Eligible state administration costs include the costs of: funding for the board and staff of Workforce Florida, Inc.; operating fiscal, compliance, and management accountability systems through Workforce Florida, Inc.; conducting evaluation and research on workforce development activities; and providing technical and capacity building assistance to regions at the direction of Workforce Florida, Inc.*

From the state level 15% funds, the Florida Legislature authorizes and appropriates certain funding for administrative and program costs of the Agency for Workforce Innovation and Workforce Florida. During the recent legislative session, action was taken to provide budget authority for current year 08-09 and 09-10.

**State Level Management and Administration** – Estimates of funding needed by Workforce Florida and the Agency for Workforce Innovation is estimated to be \$3,225,000 for fiscal year 08-09 and 09-10. Since ARRA funds may span three fiscal years, beginning with fiscal year 2008-09, staff had to prepare estimates of costs that may be incurred in managing the ARRA funds - these costs include federal indirect costs, allocated costs for AWI’s Financial Management, Inspector General, Information Technology, Legal, and direct program management functions, and costs for state oversight and accountability by Workforce Florida. In total, these estimates amount to \$3,225,000 for the three fiscal year period.

However, as required by Federal Cost principles applicable to these funds, agencies must allocate costs for management and administration of each federal grant program in compliance with negotiated indirect cost rates or through direct charges such as actual time spent by staff working on the specific programs. Because staff must charge their time and effort on the specific grant worked on, in this case ARRA, costs that would normally have been charged to other grant awards such as the recurring WIA grant program will shift to ARRA funding instead, with appropriate reductions in the other awards. Because of this cost allocation process, it is estimated that \$1.2 - \$1.5 million in costs will be shifted from other grant programs, ultimately reducing the total costs that would normally be charged to those programs.

	<u><b>ARRA Total</b></u>
Total WIA Set-Aside Pool	\$21,430,981
Less AWI / WFI Program Services	<u>-3,225,000</u>
<b>Balance of PY 2008 ARRA Funds Available</b>	<b>\$18,205,981</b>

Staff recommendations on the use of the remaining \$18,205,981 from stimulus funding follow:

**1. WFI Council Allocations (\$6,000,000)** – Staff recommends the allocation of \$3 million each to the Business Competitiveness Council and the Workforce Readiness & Performance Council. These Councils will be asked to consider a variety of funding initiatives to support workforce priorities as defined by the Board and included in the state strategic plan, and as required by the Stimulus Act. The Act stipulates that the funds are “intended to preserve and create jobs, promote the nation’s economic recovery, and to assist those most impacted by the recession.” Special emphases of note contained in the Training and Employment Guidance Letter (TEGL) No. 14-08 include:

- Serving low-income, displaced and under-skilled adults and disconnected Youth as well as those needing special assistance (e.g., ex-felons, the disabled, and military veterans);

- Providing Reemployment Services, helping unemployed workers quickly find work;
- Green Jobs to include renewable energy infrastructure, energy-efficiency home retrofitting, biofuel development, and advanced drive train/vehicle development and manufacturing. The guidance also recognized that not all “green jobs” are necessarily new or unique occupations, but represent layers of green skills upon existing occupations; and
- Connecting to other Federal Recovery Act Investments, recognizing the jobs and opportunities for unemployed workers in areas such as electronic medical records and health information technology, school renovations and constructions, Veterans Affairs hospital and medical facility construction, repair and restoration of public facilities, parks and Department of Defense facilities, construction of highways, public transportation, and air and rail transportation infrastructure

As stated in the ARRA implementing instructions:

*State, regional, and local workforce development strategies should include robust approaches to helping these workers access training and employment services that advance them along career pathways in high-growth industries, and help them gain access to and remain in the middle class.*

To fulfill its critical role in the U.S. economic recovery, states are encouraged to take an expansive view of how the funds can be integrated into transformational efforts to improve the effectiveness of the public workforce system, where all citizens and businesses prosper, and through a more innovative system enable future economic growth and advanced prosperity. The TEGl expressly identifies key industries for service delivery innovation as renewable energy, broadband and telecommunications, health care, advanced manufacturing, and other high-demand industry sectors identified by local areas. These sectors should become an integral part of comprehensive approaches to workforce development and regional growth.

In implementing the Stimulus program, the WIA State Plan must be modified, approved and submitted to USDOL. Of particular interest is how the state(s) will address the needs as specified within the TEGl and outlined above. In preparing the update to the State plan, it will be necessary to outline the approach that Florida will use to address these areas of emphasis.

## **2. Employ Florida Healthcare Workforce Initiative (\$3,000,000) -**

During the January 2009 Executive Committee, action was taken to establish the Employ Florida Healthcare Workforce Initiative as a pilot in South Florida (given its economic need and early identification of partnerships) comprised of two components:

- Training would be provided for persons unemployed in the region who have the appropriate aptitude and interest in entering the healthcare professions. These individuals

will be pre-screened by the regional workforce board to assess skill levels. Once assessed, these individuals will be referred to appropriate training by public/private training providers. Training providers will be selected by the proposed employer(s) and the regional board based on flexibility in training schedules, negotiated costs, and other factors. All licensure and testing fees will be covered for individuals completing training. Once licensed, these individuals will be referred to the proposed employer(s) for employment in entry-level healthcare occupations currently open and/or vacated by incumbent workers who have moved into higher positions.

- Incumbent worker training funds will be available to enable an employer's existing workforce in critical healthcare occupations to move to the next appropriate level of licensure, providing entry points for persons recently retrained under the first component above. Furthermore, IWT will be available for those initial entry-level workers placed in health services employment after a negotiated period of time.

WFI is currently working with the four Southern regional workforce boards (RWB 20 – 23) to develop workforce solutions addressing 18 critical healthcare occupations in employer hospital settings and are outlining the contributions of each partner as well as performance accountabilities throughout the pilot's life (estimated at two years).

Subsequent roll outs of this pilot initiative into Central and North Florida were anticipated as soon as the initial pilot got underway. With the influx of additional funding through the Stimulus program, staff recommends that an additional \$3,000,000 from the state-level set-aside funds be reserved for expansion of this program into other parts of the state.

### **3. Targeted Initiatives (\$5,500,000) –**

As emphasized in the USDOL guidance, key industry sectors are identified that offer workers new opportunities that may require additional training and certification. In combination with other funding sources provided through the Stimulus Act, ETA encourages states to leverage WIA and Wagner-Peyser funds to address the training needs to prepare workers for these sectors. The types of training allowable are quite broad and comprehensive: occupational skills training, on-the-job training, programs that combine workplace training and related instruction, including registered apprenticeship, training programs operated by the private sector, skill upgrade and retraining, entrepreneurship training, job readiness training, adult education and literacy training, and customized training. States also have the authority to enter into contracts with institutions of higher education, such as community colleges, or other eligible training providers to facilitate the training of multiple individuals in high-demand occupations.

Also included under this initiative is a recommendation for up to \$500,000 for a rural community support project to replicate the WIRED (Workforce Innovations for Regional Economic Development) "REAL" (Rural Entrepreneurship through Action Learning) Initiative in Region 24 into two other RACEC (Rural Areas of Critical Economic Concern) areas of the state.

Towards this end, staff recommends that the Board allocate \$5.5 million in stimulus funds to be used in targeted sectors. One example of a significant and critically needed project is to coordinate with the Florida Energy and Climate Commission (Energy Efficiency), the Department of Community Affairs (Weatherization), and major residential construction associations (e.g., FHBA), and others yet to be determined as necessary to rapidly deploy short-term training that would enable persons adversely affected by the recession, particularly in residential construction, to obtain work associated with energy efficiency projects.

Other projects may include those that address the sectors outlined above such as renewable energy, broadband and telecommunications, health care, advanced manufacturing, and other high-demand industry sectors identified by local areas.

#### **4. WFI Talent Tool Kit (\$2,000,000) –**

The Federal Workforce Investment Act allows states the option of funding “innovative incumbent worker initiatives.” Further, Section 445.003(3)(a)3 Florida Statutes, establishes and requires \$2 million of the WIA state-level set-aside funds to be reserved annually for the purpose of funding an Incumbent Worker Training Program (IWT). The IWT program provides grant funding for continuing education and training of incumbent employees at existing Florida businesses. A business that is awarded an IWT award must provide matching contributions to the training project, including but not limited to, wages paid to trainees or the purchase of capital equipment used in the training project. All awards are performance-based with specific measurable performance outcomes, including completion of the training project and job retention. Due to the success of these programs, staff recommends that an additional \$2 million in Federal stimulus funds be reserved for use in the state-level IWT program.

Regional boards are encouraged to implement similar initiatives, known as “employed worker training or EWT” programs to assist businesses within their areas with needed skills upgrade and retention training.

To further address some of the basic tenets within the Stimulus Act, staff also recommends that the current IWT program policy be relaxed to accommodate smaller businesses, require less fund match, and provide additional flexibility to businesses at risk of closing or facing reductions in workforce.

#### **5. Data Capture and Labor Vacancy Studies (\$1,400,000) –**

USDOL is encouraging states to use some of its stimulus funding to enhance workforce and economic information availability and utilization. This information will be critical in identifying economic sectors and businesses that presently need skilled workers or will need additional workers as the economy grows, as well as providing information regarding the transferability of skills of individuals who have lost their jobs to these new career opportunities.

Staff recommends that the Board reserve \$1,400,000 of the WIA stimulus funds for purposes of funding data capture and labor vacancy studies – these studies would include for example, multi-regional studies, rural regions, and economic sectors, and other data modeling efforts. In addition to the WIA funding identified for these purposes, staff is also recommending additional funding from Wagner-Peyser 7B Re-employment Services, which will be discussed separately.

**Wagner-Peyser 7(b) ARRA Funding** – As noted during the March Executive Committee, Florida received \$2,214,658 in Wagner-Peyser 7B funding from the ARRA. This amount represents 10% of the total Wagner-Peyser funding received by the State from the stimulus package as shown on the accompanying Stimulus Funding chart. In accordance with 7(b) of the Wagner-Peyser Act, the 10% funding allotted to each state shall be reserved for use by the Governor to provide performance incentives, services to groups with special needs, and for costs associated with exemplary models for delivering job services through the one-stop system.

**Wagner-Peyser 7(b)** – Due to the major emphasis with the ARRA to get individuals back to work, Congress included specific language regarding the use of W-P funding, including sections a through c of the W-P act, requiring that 62.5% of all such funding be used by the states for re-employment services, with the balance, or 37.5%, available to the states for the provision of the host of services normally provided through the Wagner-Peyser program.

Application of these required percentages to the total W-P 7(b) funding provided to Florida is shown as follows:

<b>Total ARRA W-P 7(b)</b>	<b>\$2,214,658</b>
Re-Employment Services (62.5%)	<u>\$1,384,161</u>
Regular 7(b) Funding (37.5%)	\$ 830,497

**Wagner-Peyser 7(b) (37.5% Funds)** – During the 2009 legislative session, budget authority for Workforce Florida operations was split and funded from WIA and W-P 7(b) funds. From the \$830,497 available, \$100,000 was approved for Workforce Florida operations for state-level oversight and accountability.

Additionally, staff recommends that the Board allocate \$500,000 to assist with establishing linkages between regional boards and local economic development partners to work with businesses in targeted industries to identify workforce needs and opportunities for job placements. One such project that has been submitted and is worthy of consideration is the *Florida JOBS! Retain, Expand, Create Program* suggested by the Florida Economic Development Council and other economic development partners. This project will facilitate short-term economic recovery and long-term business expansion opportunities. Specifically, the pilot would conduct industry analysis and employer interviews to determine immediate needs to maintain operations and capitalize on future growth opportunities, identify and refer available local, state and federal resources that could

provide financial assistance to businesses through workforce training programs, economic gardening or entrepreneurial assistance, and would help to retain jobs in Florida.

**Wagner-Peyser 7(b) Re-Employment Services** – As defined in the ARRA and as shown above, 62.5% of the total W-P 7b funding (\$1,384,161) must be used to assist with the provision of re-employment services for UI claimants, such as job search and other employment-related assistance services.

The Employment and Training Administration, in its March 18, 2009, Training and Employment Guidance Letter (TEGL) #14-08, identified a number of ways and suggestions regarding the use of the Re-employment services funding to better target and serve UI claimants. Some of the specific recommendations provided in the TEGL included:

- Integrating and/or significantly improving the communication and data transfer of UI claimant identification and characteristics data between UI and One-Stop management information systems;
- Implementing O\*Net-SOC AutoCoder software and/or system in the UI claims taking process and in One-Stop Career Center operations;
- Integrating labor market data into a strategic decision-making system to provide immediate and future benefit to the efficiency of service delivery; and
- Infrastructure upgrades to administrative systems, case management, and Internet access to improve efficiency.

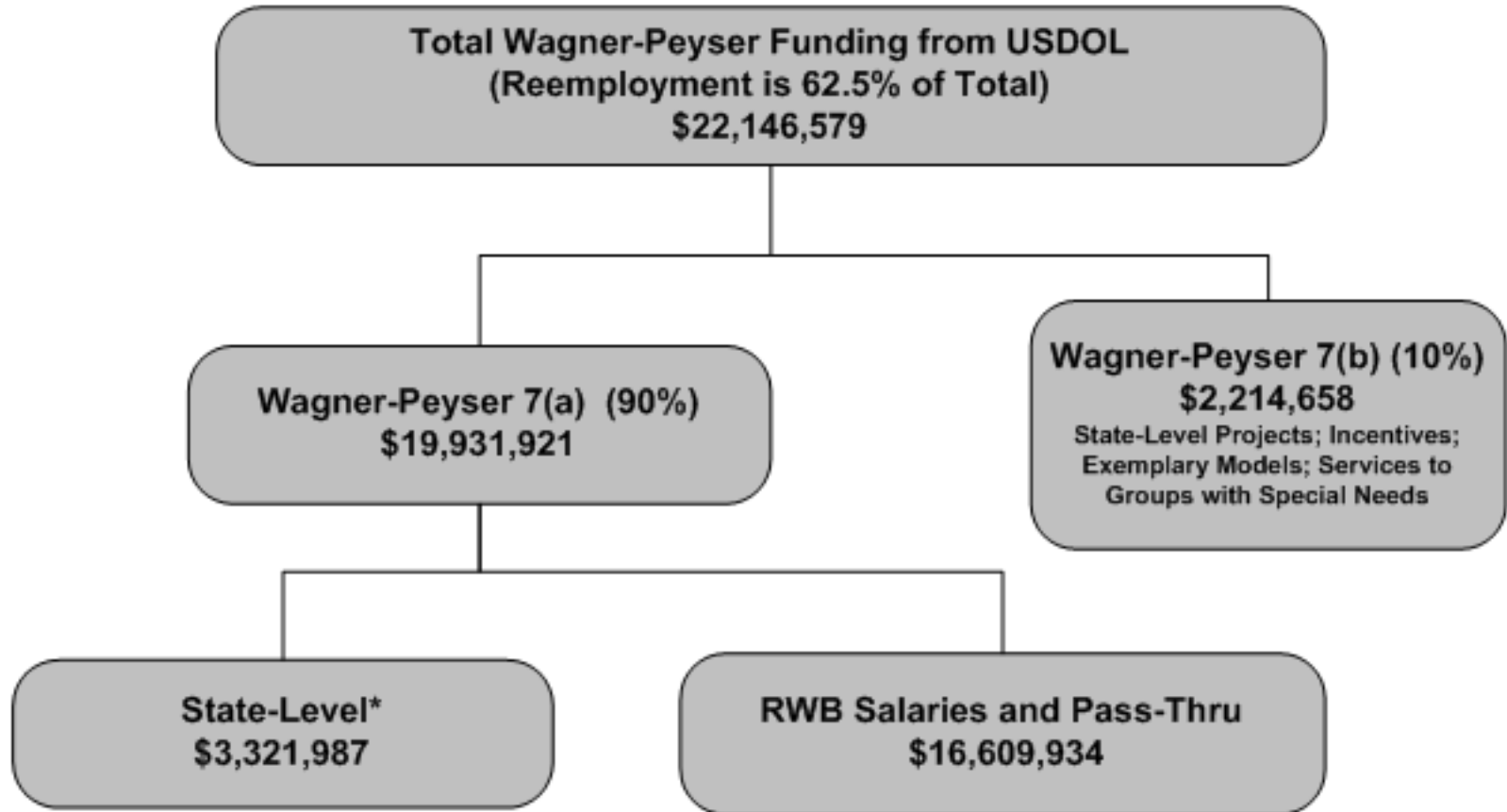
To better assist with the delivery of services to the UI claimants, staff recommends that \$600,000 of the W-P 7(b) Re-employment Services funding be allocated by the Board to the Strategy Council for the purposes enumerated above, or for other similar initiatives.

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## **NEEDED ACTION**

**To consider and approve the state-level allocations of federal stimulus funds from state-level WIA and Wagner-Peyser 7B funds.**

# STIMULUS FUNDING WAGNER-PEYSER



\* State-Level includes WFI and AWI functions such as: Agency Management; Financial Management; Grant Management, Compliance Monitoring; Training and Technical Assistance; Participant and Performance Tracking; Planning and Policy Development; and may include Labor Market Statistics services.

# STIMULUS FUNDING WORKFORCE INVESTMENT ACT (WIA)

