

- 24 ▶ creates the Employability to Careers Program Board within the Governor's Office of
- 25 Management and Budget;
- 26 ▶ authorizes the board to enter into a results-based contract with a fiscal intermediary;
- 27 ▶ requires the Governor's Office of Management and Budget to staff the board;
- 28 ▶ describes the components of an education, employability training, and workforce
- 29 placement program that may be funded by money from the restricted account;
- 30 ▶ authorizes the board to obtain the services of a programmatic intermediary to assist
- 31 the board with validating the feasibility of entering into a results-based contract;
- 32 ▶ requires an independent evaluation of the performance outcomes of the
- 33 Employability to Careers Program; and
- 34 ▶ authorizes payments from the restricted account to the fiscal intermediary if certain
- 35 benchmarks are met by a service provider.

36 **Money Appropriated in this Bill:**

37 This bill appropriates:

- 38 ▶ to the General Fund Restricted -- Employability to Careers Program Restricted
- 39 Account, as a one-time appropriation:
 - 40 • from the General Fund, ~~\$→ [\$10,000,000]~~ \$1,000,000 ←\$;
- 41 ▶ to the Governor's Office of Management and Budget, as a one-time appropriation:
 - 42 • from the General Fund Restricted -- Employability to Careers Program
 - 43 Restricted Account, ~~\$→ [\$10,000,000]~~ \$1,000,000 ←\$.

44 **Other Special Clauses:**

45 None

46 **Utah Code Sections Affected:**

47 AMENDS:

48 63J-1-602.4, as last amended by Laws of Utah 2016, Chapters 193 and 240

49 ENACTS:

- 50 63J-4-701, Utah Code Annotated 1953
- 51 63J-4-702, Utah Code Annotated 1953
- 52 63J-4-703, Utah Code Annotated 1953
- 53 63J-4-704, Utah Code Annotated 1953
- 54 63J-4-705, Utah Code Annotated 1953

86 (13) The Employability to Careers Program Restricted Account created in Section
87 63J-4-703.

88 [~~13~~] (14) Appropriations to the Utah Science Technology and Research Initiative
89 created in Section 63M-2-301.

90 [~~14~~] (15) Appropriations to fund the Governor's Office of Economic Development's
91 Enterprise Zone Act, as provided in Title 63N, Chapter 2, Part 2, Enterprise Zone Act.

92 [~~15~~] (16) The Motion Picture Incentive Account created in Section 63N-8-103.

93 [~~16~~] (17) Certain money payable for commission expenses of the Pete Suazo Utah
94 Athletic Commission, as provided under Section 63N-10-301.

95 Section 2. Section **63J-4-701** is enacted to read:

96 **Part 7. Employability to Careers Program**

97 **63J-4-701. Definitions.**

98 As used in this chapter:

99 (1) "Board" means the Employability to Careers Program Board created in Section
100 35A-14-201.

101 (2) "Education, employability training, and workforce placement program" means a
102 pay-for-success program that helps adults earn a high school diploma and obtain a full-time job
103 with benefits in a career path through integrated employability skills development.

104 (3) (a) "Eligible participant" means an individual who at the time of enrollment in an
105 education, employability training, and workforce placement program:

106 (i) is between 18 and 50 years of age;

107 (ii) does not have a high school diploma or the equivalent; and

108 (iii) (A) is enrolled in a public assistance program; ~~§~~ [or] and ~~←§~~

109 (B) is unemployed ~~§~~ or underemployed ~~←§~~ .

110 (4) "Eligible program provider" means an organization or group of organizations with
111 the demonstrated capability of operating an education, employability training, and workforce
112 placement program.

113 (5) "Employability programs and services" means programs that assist adults in
114 developing job skills, attaining education, obtaining employment, increasing income, and
115 realizing self-sufficiency.

116 (6) "Employability skills" means technical, professional, and life skills that are

117 necessary for success in the labor market, which may include verbal and written
 118 communication, time management, problem solving, professionalism, and teamwork.

119 (7) "Fiscal intermediary" means a nonprofit community foundation located in the state
 120 that establishes and manages charitable funds and that has the necessary experience to
 121 coordinate the funding and management of a results-based contract and related program.

122 (8) "Multitiered system of supports" means a systemic, continuous improvement
 123 framework in which data-based problem solving and decision making is practiced for
 124 supporting participants.

125 (9) "Performance outcome measure" means an education or workforce placement
 126 outcome for an eligible participant, including earning an accredited high school diploma,
 127 employment placement, job retention, and wage advancement within a career path, which
 128 results in a demonstrated benefit to the state through increased tax revenue or lower state
 129 expenditures for public assistance programs.

130 (10) "Programmatic intermediary" means a nonprofit entity or academic institution that
 131 has the necessary experience in results-based financing and evidence-based policy to:

132 (a) validate a feasibility analysis of an eligible program provider;

133 (b) structure the terms and conditions of results-based contracts by developing
 134 cost-benefit financial models, performance outcome measures, payment schedules, and
 135 performance thresholds; and

136 (c) raise the private investment capital necessary to fund program services related to a
 137 results-based contract.

138 (11) "Restricted account" means the Employability to Careers Program Restricted
 139 Account created in Section 63J-4-703.

140 (12) "Results-based contract" means a contract entered into between the board, a fiscal
 141 intermediary, and an eligible program provider that will result in repayment to the fiscal
 142 intermediary if certain performance outcome measures are achieved.

143 Section 3. Section **63J-4-702** is enacted to read:

144 **63J-4-702. Employability to Careers Program Board.**

145 (1) There is created within the office the Employability to Careers Program Board
 146 composed of the following members:

147 **§→ [(a) two members appointed by the governor;Ⓢ**

- 148 ~~●(b) two members appointed by the speaker of the House of Representatives; and~~
 149 ~~(c) two members appointed by the president of the Senate.]~~
- 149a (a) the executive director of the Department of Workforce Services or the executive
 149b director's designee;
- 149c (b) the executive director of the Department of Human Services or the executive
 149d director's designee; and
- 149e (c) three members appointed by the governor with the consent of the Senate as follows:
- 149f (i) one member from the private or nonprofit sector with expertise in finance;
 149g (ii) one member from the private or nonprofit sector chosen from among two
 149h individuals recommended by the president of the Senate; and
- 149i (iii) one member from the private or nonprofit sector chosen from among two
 149j individuals recommended by the speaker of the House of Representatives. ←\$
- 150 (2) (a) \$→ [A] An appointed ←\$ member of the board shall serve for a term of three years,
 150a but may be
 151 reappointed for one additional term.
- 152 (b) If a vacancy occurs in the board for any reason, the \$→ [person appointing the board
 153 member] governor with the consent of the Senate ←\$ shall appoint a replacement to serve the
 153a remainder of the board member's term.
- 154 (3) The \$→ [governor shall appoint a] board shall elect a ←\$ chair from among the
 154a board's membership.
- 155 (4) The board shall meet at least quarterly upon the call of the chair.
- 156 (5) Four members of the board constitute a quorum.
- 157 (6) Action by a majority present constitutes the action of the board.
- 158 (7) A board member may not receive compensation or benefits for the member's
 159 service, but a member \$→ [who is not a legislator] ←\$ may receive per diem and travel expenses in
 160 accordance with:
- 161 (a) Section 63A-3-106;
 162 (b) Section 63A-3-107; and
 163 (c) rules made by the Division of Finance pursuant to Sections 63A-3-106 and
 164 63A-3-107.
- 165 (8) The office shall provide staff support to the board.
- 166 Section 4. Section **63J-4-703** is enacted to read:
- 167 **63J-4-703. Employability to Careers Program Restricted Account.**
- 168 (1) There is created in the General Fund a restricted account known as the

303 (g) determining feasible results-based contract terms and financing structures;
 304 (h) determining the potential pool of investors likely to invest both in and outside the
 305 state;

306 (i) developing performance measures to project and measure financial and social
 307 outcomes;

308 (j) ensuring an experimental or quasi-experimental research design can be used to
 309 measure the attained performance measures attributable to the intervention;

310 (k) estimating how many eligible participants the potential eligible program provider
 311 plans to serve;

312 (l) preparing a financial model, including the proposed payment terms, the
 313 methodology used to calculate outcome payments, the payment schedule, and performance
 314 thresholds; and

315 (m) reviewing the project budget and timeline.

316 Section 8. Section **63J-4-707** is enacted to read:

317 **63J-4-707. Components of an education, employability training, and workforce**
 318 **placement program.**

319 (1) In addition to the other requirements of this part, an education, employability
 320 training, and workforce placement program approved under this part may include the following
 321 components:

322 (a) an employability skills certification program;

323 (b) resilience intervention for eligible participants;

324 (c) a multitiered system of supports for eligible participants; and

325 (d) a learning and employability plan for each eligible participant.

326 (2) Subject to ~~§~~ → [~~§~~ → ~~money in the restricted account~~] ~~legislative appropriations from the~~
 326a ~~restricted account~~ ← ~~§~~] ~~legislative appropriations~~ ← ~~§~~ , and in accordance with the contract
 327 between the board and the fiscal intermediary, a separate payment shall be made by the board
 328 from the restricted account to the fiscal intermediary in a specific amount for each successful
 329 result in accordance with the terms and conditions of the results-based contract.

330 Section 9. Section **63J-4-708** is enacted to read:

331 **63J-4-708. Reporting.**

332 (1) On or before October 1, the board shall provide an annual written report to the
 333 Social Services Appropriations Subcommittee and the Economic Development and Workforce

334 Services Interim Committee.

335 (2) The written report shall include:

336 (a) information regarding the fiscal intermediary, the programmatic intermediary, the
337 eligible program provider, and the independent evaluator that have been selected;

338 (b) the results of the feasibility analysis conducted in accordance with Section
339 63J-4-706;

340 (c) information regarding how many eligible participants have been served by the
341 education, employability training, and workforce placement program;

342 (d) a description of program expenses, including what payments have been made to the
343 intermediary and the cost to the state for each successful eligible participant outcome; and

344 (e) recommendations to the Legislature on any potential improvements to the
345 Employability to Careers Program, including whether the program should continue to receive
346 funding from the state.

347 **Section 10. Appropriation.**

348 The following sums of money are appropriated for the fiscal year beginning July 1,
349 2017, and ending June 30, 2018. These are additions to amounts previously appropriated for
350 fiscal year 2018. Under the terms and conditions of Title 63J, Chapter 1, Budgetary Procedures
351 Act, the Legislature appropriates the following sums of money from the funds or accounts
352 indicated for the use and support of the government of the state of Utah.

353 ITEM 1

354 To Restricted Fund and Account Transfers -- General Fund Restricted --
355 Employability to Careers Program Restricted Account

356 From General Fund, One-time $\$ \rightarrow$ [\$10,000,000] \$1,000,000 $\leftarrow \$$

357 Schedule of Programs:

358 General Fund Restricted -- Employability to

359 Careers Program Restricted Account $\$ \rightarrow$ [\$10,000,000]

359a \$1,000,000 $\leftarrow \$$

360 ITEM 2

361 To Governor's Office of Management and Budget -- Operations and Policy

362 From General Fund Restricted -- Employability to Careers Program

363 Restricted Account, One-time $\$ \rightarrow$ [\$10,000,000] \$1,000,000 $\leftarrow \$$

364 Schedule of Programs:

365 Employability to Careers Program

→ ~~[\$10,000,000]~~ \$1,000,000

365a ←

366 The Legislature intends that:

367 (1) under Subsection 63J-1-601(2), appropriations provided under this section not

368 lapse; and

369 (2) the use of any nonlapsing funds be limited to the purposes described in Section

370 63J-4-703.