

## HB0240S01 compared with HB0240

~~{deleted text}~~ shows text that was in HB0240 but was deleted in HB0240S01.

Inserted text shows text that was not in HB0240 but was inserted into HB0240S01.

**DISCLAIMER:** This document is provided to assist you in your comparison of the two bills. Sometimes this automated comparison will NOT be completely accurate. Therefore, you need to read the actual bills. This automatically generated document could contain inaccuracies caused by: limitations of the compare program; bad input data; or other causes.

Representative Mike Schultz proposes the following substitute bill:

### EMPLOYABILITY TO CAREERS PROGRAM

2017 GENERAL SESSION

STATE OF UTAH

**Chief Sponsor: Mike Schultz**

Senate Sponsor: ~~{ }~~ Allen M. Christensen

Cosponsors:

Paul Ray

Brad M. Daw

Mike Winder

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#### LONG TITLE

##### General Description:

This bill creates the Employability to Careers Program ~~{Act}~~ within the ~~{Department of Workforce Services}~~ Governor's Office of Management and Budget.

##### Highlighted Provisions:

This bill:

- ▶ defines terms;
- ▶ creates a restricted account called the Employability to Careers Restricted Account;
- ▶ creates the Employability to Careers Program Board within the ~~{Department of Workforce Services}~~ Governor's Office of Management and Budget;

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- ▶ authorizes the board to enter into a results-based contract with an intermediary;
- ▶ requires the ~~{Department of Workforce Services}~~ Governor's Office of Management and Budget to staff the board;
- ▶ describes the components of an education, employability training, and workforce placement program that may be funded by money from the restricted account;
- ▶ requires an independent evaluation of the performance outcomes of the Employability to Careers Program; and
- ▶ authorizes payments from the restricted account to the intermediary if certain benchmarks are met by a service provider.

### Money Appropriated in this Bill:

This bill appropriates:

- ▶ to the General Fund Restricted -- Employability to Careers Restricted Account, as an ongoing appropriation:
  - from the General Fund, \$5,000,000;
- ▶ to the ~~{Department of Workforce Services}~~ Governor's Office of Management and Budget, as an ongoing appropriation:
  - from the General Fund Restricted -- Employability to Careers Restricted Account, \$5,000,000.

### Other Special Clauses:

None

### Utah Code Sections Affected:

AMENDS:

**63J-1-602**, ~~{2}~~4, as last amended by Laws of Utah ~~{2015}~~2016, Chapters ~~{86, 93}~~193 and ~~{189}~~240

ENACTS:

~~{35A-14-101}~~63J-4-701, Utah Code Annotated 1953

~~{35A-14-102}~~63J-4-702, Utah Code Annotated 1953

~~{35A-14-201}~~63J-4-703, Utah Code Annotated 1953

~~{35A-14-202}~~63J-4-704, Utah Code Annotated 1953

~~{35A-14-203}~~63J-4-705, Utah Code Annotated 1953

~~{35A-14-204}~~63J-4-706, Utah Code Annotated 1953

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~~{35A-14-205}~~ 63J-4-707, Utah Code Annotated 1953

~~{ 35A-14-206, Utah Code Annotated 1953~~

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*Be it enacted by the Legislature of the state of Utah:*

Section 1. Section ~~{35A-14-101 is enacted to read:~~

### ~~CHAPTER 14. EMPLOYABILITY TO CAREERS PROGRAM ACT~~

#### ~~Part 1. General Provisions~~

~~35A-14-101. Title:~~

~~This chapter is known as the "~~63J-1-602.4 is amended to read:

#### 63J-1-602.4. List of nonlapsing funds and accounts -- Title 61 through Title 63N.

(1) Funds paid to the Division of Real Estate for the cost of a criminal background check for a mortgage loan license, as provided in Section 61-2c-202.

(2) Funds paid to the Division of Real Estate for the cost of a criminal background check for principal broker, associate broker, and sales agent licenses, as provided in Section 61-2f-204.

(3) Certain funds donated to the Department of Human Services, as provided in Section 62A-1-111.

(4) Appropriations from the National Professional Men's Basketball Team Support of Women and Children Issues Restricted Account created in Section 62A-1-202.

(5) Certain funds donated to the Division of Child and Family Services, as provided in Section 62A-4a-110.

(6) Appropriations from the Choose Life Adoption Support Restricted Account created in Section 62A-4a-608.

(7) Appropriations to the Division of Services for People with Disabilities, as provided in Section 62A-5-102.

(8) Appropriations to the Division of Fleet Operations for the purpose of upgrading underground storage tanks under Section 63A-9-401.

(9) A portion of the funds appropriated to the Utah Seismic Safety Commission, as provided in Section 63C-6-104.

(10) Funds appropriated or collected for publishing the Office of Administrative Rules' publications, as provided in Section 63G-3-402.

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(11) The Immigration Act Restricted Account created in Section 63G-12-103.

(12) Money received by the military installation development authority, as provided in Section 63H-1-504.

(13) The Employability to Careers Program ~~{Act.}~~ Restricted Account created in Section 63J-4-703.

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

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

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

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

Section 2. Section ~~{35A-14-102}~~ 63J-4-701 is enacted to read:

### Part 7. Employability to Careers Program

#### ~~{35A-14-102}~~63J-4-701. Definitions.

As used in this chapter:

(1) "Board" means the Employability to Careers Program Board~~{,}~~ created in Section 35A-14-201.

(2) "Education, employability training, and workforce placement program" means a program that meets the requirements described in Section ~~{35A-14-205}~~63J-4-706.

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

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

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

(iii) (A) is enrolled in a public assistance program;~~{ or}~~

(B) is unemployed~~{,}~~ or

~~{b}~~C) ~~{"Eligible"} meets the definition for low income for the county in which the eligible participant~~{,}~~ does not include an individual concurrently enrolled in a school, enrolled in an institution of higher education, or participating in a job training program, while participating in an education, employability training, and workforce placement program}~~ resides as determined by the federal Department of Housing and Urban Development.

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

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

~~(5)~~6) "Employability skills" means technical, professional, and life skills that are necessary for success in the labor market, which may include verbal and written communication, time management, problem solving, professionalism, and teamwork.

~~(6)~~7) "Intermediary" means a ~~{non-profit}~~nonprofit community foundation located in the state that establishes and manages charitable funds and that has the necessary experience to coordinate the funding and ~~{the }~~management of a results-based contract and related program.

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

~~(7)~~9) "Performance outcome measure" means an education or workforce placement outcome for an eligible participant, including earning an accredited high school diploma, employment placement, ~~{and }~~job retention, and wage increase, which results in a demonstrated benefit to the state through increased tax revenue or lower state expenditures for public assistance programs.

~~{~~ (8) "Resilience intervention" means providing employability training, resource integration, and navigation services to remove employability barriers to improve the ability of an individual to adapt to changing conditions and withstand and rapidly recover from disruption due to emergencies or crises.

~~†~~ ~~(9)~~10) "Restricted account" means the Employability to Careers Program Restricted Account created in Section ~~{35A-14-202}~~63J-4-703.

~~(10)~~11) "Results-based contract" means a contract entered into between the board, an intermediary, and an eligible program provider that will result in repayment to the intermediary if certain performance outcome measures are achieved.

Section 3. Section ~~{35A-14-201}~~63J-4-702 is enacted to read:

~~{Part 2. Employability to Careers Program~~

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### ~~§~~ ~~35A-14-201~~ 63J-4-702. **Employability to Careers Program Board.**

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

(a) ~~the executive director of the department or the executive director's designee~~ two members appointed by the governor;

(b) two members appointed by the speaker of the House of Representatives; and

(c) two members appointed by the president of the Senate.

(2) (a) ~~An appointed~~ A member of the board shall serve for a term of three years, but may be reappointed for one additional term.

(b) If a vacancy occurs ~~for an appointed member of~~ in the board for any reason, the person appointing the board member shall appoint a replacement to serve the remainder of the board member's term.

(3) The ~~executive director or the executive director's designee is the chair of the board~~ governor shall appoint a chair from among the board's membership.

(4) The board shall meet at least quarterly upon the call of the chair.

(5) ~~Three~~ Four members of the board ~~is~~ constitute a quorum.

(6) Action by a majority present constitutes the action of the board.

(7) A board member may not receive compensation or benefits for the member's service, but ~~an appointed board~~ a member who is not a legislator may receive per diem and travel expenses in accordance with:

(a) Section 63A-3-106;

(b) Section 63A-3-107; and

(c) rules made by the Division of Finance pursuant to Sections 63A-3-106 and 63A-3-107.

(8) The ~~department~~ office shall provide staff support to the board.

Section 4. Section ~~35A-14-202~~ 63J-4-703 is enacted to read:

### ~~35A-14-202~~ 63J-4-703. **Employability to Careers Program Restricted Account.**

(1) There is created in the General Fund a restricted account known as the "Employability to Careers Program Restricted Account."

(2) The restricted account consists of:

(a) money appropriated to the restricted account by the Legislature;

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(b) income and interest derived from the deposit and investment of money in the account; and

(c) private donations.

(3) Subject to legislative appropriations, money in the restricted account may be used for the following purposes:

(a) to contract with an intermediary for the management of a results-based contract;

(b) to contract with an independent evaluator as described in Section ~~35A-14-203~~63J-4-704;

(c) to pay for department expenses related to administering the Employability to Careers Program and providing staff support to the board;

(d) to make payments to an intermediary that has entered into a results-based contract with the board as described in Section ~~35A-14-203~~63J-4-704, if the independent evaluator selected by the board determines that the performance-based results have been met; and

(e) to contract for other services as necessary to implement the Employability to Careers Program.

Section 5. Section ~~35A-14-203~~63J-4-704 is enacted to read:

**~~35A-14-203~~63J-4-704. Results-based education, training, and workforce placement contracts -- Board duties.**

(1) (a) The board may negotiate and enter into a results-based contract with an intermediary to provide payments to the intermediary upon the successful ~~completion~~achievement of specific outcome measures in accordance with Subsection ~~35A-14-205~~63J-4-706(2) and the other requirements of this ~~chapter~~part.

(b) The board may not issue a results-based contract that would cause the total outstanding obligations under this ~~chapter~~part to exceed \$15,000,000.

(2) A results-based contract shall include:

(a) a requirement that the repayment to the intermediary be conditioned on specific performance outcome measures described in the results-based contract and in accordance with this ~~chapter~~part;

(b) a requirement for an independent evaluator to determine whether the performance outcome measures have been achieved; and

(c) a provision that payment to the program intermediary is:

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- (i) based upon available money in the restricted account at the time of payment; and
- (ii) subject to legislative appropriation.

(3) The board shall select an independent program evaluator that:

(a) is a research organization ~~{ from a public university in the state };~~

(b) has experience conducting research in labor economics ~~{ and the use of econometric methods };~~

(c) has  ~~{ produced peer reviewed publications that are relevant to the evaluation design }~~ experience in conducting experimental or quasi-experimental design or other research methodologies as described in Subsection  ~~{ 35A-14-204(3)(d) }~~ 63J-4-705(3)(e) that allow for the strongest possible causal inferences to determine whether the initiative has met the initiative's proposed outcomes; and

(d) has access to state data required to implement the evaluation design.

(4) (a) In accordance with timelines established in  ~~{ the }~~ a results-based contract, the independent evaluator shall implement the evaluation design described in Subsection 63J-4-705(3)(e) to determine whether the performance outcome measures set in  ~~{ a }~~ the results-based contract have been met.

(b) If the independent evaluator determines under Subsection (4)(a) that the performance outcome measures have been met, the board shall pay the program intermediary according to the terms of a results-based contract.

(5) (a) The eligible program provider described in Section  ~~{ 35A-14-204 }~~ 63J-4-705 shall ensure that each participant in a program funded in a results-based contract has given written permission and signed an acknowledgment that the participant's data may be shared with an intermediary, an independent evaluator, and the department for evaluation and reporting purposes.

(b) The board shall maintain a record of each written permission and signed acknowledgment described in Subsection (5)(a).

(6) As further described in Section  ~~{ 35A-14-204 }~~ 63J-4-705, for an education, employability training, and workforce placement program funded under this  ~~{ chapter }~~ part, the board shall:

(a) select an eligible program provider; and

(b) consider the recommendations of the  ~~{ program }~~ intermediary in selecting an



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eligible program provider.

(7) The board, with the assistance of the ~~{department}~~office and other state agencies that provide services to eligible participants, ~~{shall}~~may cooperate with an eligible program provider to identify eligible participants.

Section 6. Section ~~{35A-14-204}~~63J-4-705 is enacted to read:

~~{35A-14-204}~~63J-4-705. **Employability to Careers Program.**

(1) There is created the Employability to Careers Program to provide funding for the implementation of a results-based education, employability training, and workforce placement program for eligible participants.

(2) With the assistance of the intermediary, the board shall establish evaluation criteria for selecting an eligible program provider and shall consider recommendations from the intermediary in evaluating and selecting an eligible program provider.

(3) The board and the intermediary shall include the following requirements and criteria for selecting an eligible program provider:

(a) the potential eligible program provider's capacity to effectively implement the components of an education, employability training, and workforce placement program as described in Section ~~{35A-14-205}~~63J-4-706;

(b) the potential eligible program provider's experience in enrolling and serving the eligible participants the program intends to serve, including participants who are economically disadvantaged;

(c) the potential eligible program provider's ability to access state collaborative partner networks and community resources;

~~(d)~~ the potential eligible program provider's ability to address labor market needs and workforce demands;

~~(d)~~e) the potential eligible program provider's ability to provide an experimental or quasi-experimental evaluation design for the education, employability training, and workforce placement program described in Section ~~{35A-14-205}~~63J-4-706, which has been developed by a nationally recognized research organization that has significant national pay-for-success experience;~~{and}~~

~~(e)~~f) the potential eligible program provider's ability to attract investors with a history of providing capital for projects with social impact.

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~~(4) Before an eligible program provider is selected, a potential eligible program provider shall provide to the board and the intermediary:~~ private or philanthropic investors:

~~(g) the potential eligible program provider's:~~

~~(a) strategy to implement the components described in Section~~ 35A-14-205;

~~(b) 63J-4-706;~~

(h) a feasibility study prepared by the potential eligible program provider describing how the program will be based on evidence of effectiveness and demonstrating how the achievement of the outcome measures will result in cost savings, cost avoidance, cost-effectiveness, or increased tax revenues to the state, including:

(i) assessing the size and characteristics of the eligible population in the state that could benefit from the employment programs and services funded through the Employability to Careers Program;

(ii) assessing the eligible program provider's capacity to make effective use of funding supplied through the Employability to Careers Program and with the likelihood to meet predefined and measurable outcomes based on the following factors:

(A) the economic feasibility of the programs and services provided;

(B) the capacity of the program to serve an increased customer base; and

(C) the degree to which the program and services will help individuals attain self-sufficiency;

(iii) developing a viable expansion plan and determining how much the expansion plan will cost;

(iv) projecting the impact of the expansion plan on outcomes to the community;

(v) projecting the financial value of the improvements that may result from the Employability to Careers Program investment, including projected public sector savings and projected returns to investors;

(vi) conducting a cost-benefit analysis of the program;

(vii) determining feasible results-based contract terms and financing structures;

(viii) determining the potential pool of investors likely to invest both in and outside the state; and

(ix) developing performance measures to project and measure financial and social outcomes;

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(i) an estimate of how ~~many~~ many eligible participants the potential eligible program provider plans to serve;

~~(c) estimate of how many accredited high school diplomas, successful job placements, and other services the provider plans to complete for eligible participants; and~~

~~(d) estimated cost per performance measure;~~

~~(5)j) the potential eligible program provider's proposed payment terms, the methodology used to calculate outcome payments, the payment schedule, and performance thresholds;~~

(k) the potential eligible program provider's project budget; and

(l) the potential eligible program provider's project timeline.

(4) To be selected as an eligible program provider under this chapter, the eligible program provider shall agree to:

(a) allow the evaluator, chosen in accordance with Section ~~{35A-14-203}~~63J-4-704, to review data from the provider to ensure that the components described in Section ~~{35A-14-205}~~63J-4-706 are implemented; and

(b) assign a unique identifier to each eligible participant enrolled in an education, employability training, and workforce placement program with the eligible program provider and maintain records of the performance outcome measures achieved by each eligible participant.

Section 7. Section ~~{35A-14-205}~~63J-4-706 is enacted to read:

**~~{35A-14-205}~~63J-4-706. Components of an education, employability training, and workforce placement program.**

(1) An education, employability training, and workforce placement program approved under this part shall include the following components:

(a) a complete high school completion program aligned to evidence-based best practices for dropout recovery, including all courses necessary to earn an accredited high school diploma ~~{completion program that is }~~recognized by the state;

~~{~~(b) a comprehensive intake process, including enrollment counseling and the ability to collect transcripts, school records, proof of identification, proof of residency, and other necessary enrollment documents;

~~}~~(~~{c}~~b) an employability skills development and certification program;

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~~(d)~~(c) resilience intervention for eligible participants;

~~(e)~~(d) a ~~{data-driven approach to intervention}~~multitiered system of supports for eligible participants;

~~(f)~~(e) a learning and employability plan for each eligible participant;

~~(g) an integrated support network, including:~~

~~— (i) a case management approach for intensive barrier removal;~~

~~— (ii) proactive coaching for academic pace and progress;~~

~~— (iii) licensed teachers for every course;~~

~~— (iv) specialized math support; and~~

~~— (v) tutoring for eligible participants;~~

~~(h)~~(f) a comprehensive career preparation program ~~{, including planning, advising, mentoring, research tools, and exploration coursework;~~

~~(i); and~~

(g) a facilitated job placement program ~~{,};~~

~~{~~ ~~(j) ongoing analysis of local employer skill needs and requirements;~~

~~— (k) training in life skills, goal setting, prioritization, work-life balance, and financial self-sufficiency;~~

~~— (l) proactive mentoring for job retention and career advancement; and~~

~~— (m) the provision of work learning opportunities.~~

~~†~~ (2) The success of an education, employability training, and workforce placement program shall be measured by the following outcomes for each eligible participant:

(a) an eligible participant is awarded an accredited high school diploma recognized by the state;

(b) an eligible participant is hired at a full-time job that:

(i) provides health insurance or ~~{other}~~equivalent benefits;

(ii) pays at least \$12 per hour; and

(iii) is in a career path; and

(c) an eligible participant remains employed continuously at the job described in Subsection (2)(b) or a comparable job for at least six months.

(3) Subject to money in the restricted account, and in accordance with the contract between the board and the intermediary, a separate payment shall be made by the board from

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the restricted account to the intermediary in a specific amount for each successful result described in Subsection (2).

Section 8. Section ~~{35A-14-206}~~63J-4-707 is enacted to read:

~~{35A-14-206}~~63J-4-707. **Reporting.**

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

(2) The written report shall include:

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

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

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

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

~~{~~ Section 9. Section ~~63J-1-602.2~~ is amended to read:

~~63J-1-602.2. List of nonlapsing funds and accounts -- Title 31 through Title 45.~~

~~(1) Appropriations from the Technology Development Restricted Account created in Section 31A-3-104.~~

~~(2) Appropriations from the Criminal Background Check Restricted Account created in Section 31A-3-105.~~

~~(3) Appropriations from the Captive Insurance Restricted Account created in Section 31A-3-304, except to the extent that Section 31A-3-304 makes the money received under that section free revenue.~~

~~(4) Appropriations from the Title Licensee Enforcement Restricted Account created in Section 31A-23a-415.~~

~~(5) Appropriations from the Health Insurance Actuarial Review Restricted Account created in Section 31A-30-115.~~

~~(6) Appropriations from the Insurance Fraud Investigation Restricted Account created~~

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~~in Section 31A-31-108:~~

~~—— (7) Appropriations from the Underage Drinking Prevention Media and Education Campaign Restricted Account created in Section 32B-2-306.~~

~~—— (8) Funding for the General Assistance program administered by the Department of Workforce Services, as provided in Section 35A-3-401.~~

~~—— (9) The Youth Development Organization Restricted Account created in Section 35A-8-1903.~~

~~—— (10) The Youth Character Organization Restricted Account created in Section 35A-8-2003.~~

~~—— (11) The Employability to Careers Program Restricted Account created in Section 35A-14-202.~~

~~—— [(11)] (12) Funding for a new program or agency that is designated as nonlapsing under Section 36-24-101.~~

~~—— [(12)] (13) Appropriations to the Utah National Guard, created in Title 39, Militia and Armories.~~

~~—— [(13)] (14) Appropriations from the Oil and Gas Conservation Account created in Section 40-6-14.5.~~

~~—— [(14)] (15) Appropriations from the Electronic Payment Fee Restricted Account created by Section 41-1a-121 to the Motor Vehicle Division.~~

~~—— [(15)] (16) Funds available to the Tax Commission under Section 41-1a-1201 for the:~~

~~—— (a) purchase and distribution of license plates and decals; and~~

~~—— (b) administration and enforcement of motor vehicle registration requirements.~~

~~—— [(16)] (17) Appropriations from the Motor Vehicle Enforcement Division Temporary Permit Restricted Account created by Section 41-3-110 to the Tax Commission:~~

‡ Section ~~{10}~~9. **Appropriation.**

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

ITEM 1

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To Restricted Fund and Account Transfers -- General Fund Restricted --

Employability to Careers Restricted Account

From General Fund \$5,000,000

Schedule of Programs:

General Fund Restricted -- Employability to

Careers Restricted Account \$5,000,000

### ITEM 2

To ~~{Department of Workforce Services}~~ ~~Governor's Office of Management and Budget~~

-- Operations and Policy

From General Fund Restricted -- Employability to Careers

Restricted Account \$5,000,000

Schedule of Programs:

Employability to Careers Program \$5,000,000

The Legislature intends that:

(1) the appropriation under this section be ongoing in fiscal years 2018, 2019, and 2020

only;

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

lapse; and

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

~~{35A-14-202}~~ ~~63J-4-703~~.

†

**Legislative Review Note**

**~~Office of Legislative Research and General Counsel~~**