

EMPLOYABILITY TO CAREERS PROGRAM

2017 GENERAL SESSION

STATE OF UTAH

Chief Sponsor: Mike Schultz

Senate Sponsor: Allen M. Christensen

LONG TITLE

General Description:

This bill creates the Employability to Careers Program Act within the Department of Workforce Services.

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;
- ▶ authorizes the board to enter into a results-based contract with an intermediary;
- ▶ requires the Department of Workforce Services 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



28 an ongoing appropriation:

- 29 • from the General Fund, \$5,000,000;
 - 30 ▶ to the Department of Workforce Services, as an ongoing appropriation:
 - 31 • from the General Fund Restricted -- Employability to Careers Restricted
- 32 Account, \$5,000,000.

33 **Other Special Clauses:**

34 None

35 **Utah Code Sections Affected:**

36 AMENDS:

37 [63J-1-602.2](#), as last amended by Laws of Utah 2015, Chapters 86, 93, and 189

38 ENACTS:

39 [35A-14-101](#), Utah Code Annotated 1953

40 [35A-14-102](#), Utah Code Annotated 1953

41 [35A-14-201](#), Utah Code Annotated 1953

42 [35A-14-202](#), Utah Code Annotated 1953

43 [35A-14-203](#), Utah Code Annotated 1953

44 [35A-14-204](#), Utah Code Annotated 1953

45 [35A-14-205](#), Utah Code Annotated 1953

46 [35A-14-206](#), Utah Code Annotated 1953



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

49 Section 1. Section **35A-14-101** is enacted to read:

50 **CHAPTER 14. EMPLOYABILITY TO CAREERS PROGRAM ACT**

51 **Part 1. General Provisions**

52 **35A-14-101. Title.**

53 This chapter is known as the "Employability to Careers Program Act."

54 Section 2. Section **35A-14-102** is enacted to read:

55 **35A-14-102. Definitions.**

56 As used in this chapter:

- 57 (1) "Board" means the Employability to Careers Program Board, created in Section
- 58 [35A-14-201](#).

59 (2) "Education, employability training, and workforce placement program" means a
60 program that meets the requirements described in Section [35A-14-205](#).

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

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

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

65 (iii) (A) is enrolled in a public assistance program; or

66 (B) is unemployed.

67 (b) "Eligible participant" does not include an individual concurrently enrolled in a
68 school, enrolled in an institution of higher education, or participating in a job training program,
69 while participating in an education, employability training, and workforce placement program.

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

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

76 (6) "Intermediary" means a non-profit community foundation located in the state that
77 establishes and manages charitable funds and that has the necessary experience to coordinate
78 the funding and the management of a results-based contract.

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

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

87 (9) "Restricted account" means the Employability to Careers Program Restricted
88 Account created in Section [35A-14-202](#).

89 (10) "Results-based contract" means a contract entered into between the board, an

90 intermediary, and an eligible program provider that will result in repayment to the intermediary
91 if certain performance outcome measures are achieved.

92 Section 3. Section **35A-14-201** is enacted to read:

93 **Part 2. Employability to Careers Program**

94 **35A-14-201. Employability to Careers Program Board.**

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

97 (a) the executive director of the department or the executive director's designee;

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

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

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

102 (b) If a vacancy occurs for an appointed member of the board, the person appointing
103 the board member shall appoint a replacement to serve the remainder of the board member's
104 term.

105 (3) The executive director or the executive director's designee is the chair of the board.

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

107 (5) Three members of the board is a quorum.

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

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

112 (a) Section [63A-3-106](#);

113 (b) Section [63A-3-107](#); and

114 (c) rules made by the Division of Finance pursuant to Sections [63A-3-106](#) and
115 [63A-3-107](#).

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

117 Section 4. Section **35A-14-202** is enacted to read:

118 **35A-14-202. Employability to Careers Program Restricted Account.**

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

- 121 (2) The restricted account consists of:
- 122 (a) money appropriated to the restricted account by the Legislature;
- 123 (b) income and interest derived from the deposit and investment of money in the
- 124 account; and
- 125 (c) private donations.
- 126 (3) Subject to legislative appropriations, money in the restricted account may be used
- 127 for the following purposes:
- 128 (a) to contract with an intermediary for the management of a results-based contract;
- 129 (b) to contract with an independent evaluator as described in Section [35A-14-203](#);
- 130 (c) to pay for department expenses related to administering the Employability to
- 131 Careers Program and providing staff support to the board;
- 132 (d) to make payments to an intermediary that has entered into a results-based contract
- 133 with the board as described in Section [35A-14-203](#), if the independent evaluator selected by the
- 134 board determines that the performance-based results have been met; and
- 135 (e) to contract for other services as necessary to implement the Employability to
- 136 Careers Program.

137 Section 5. Section **35A-14-203** is enacted to read:

138 **35A-14-203. Results-based education, training, and workforce placement**

139 **contracts -- Board duties.**

- 140 (1) (a) The board may negotiate and enter into a results-based contract with an
- 141 intermediary to provide payments to the intermediary upon the successful completion of
- 142 specific outcome measures in accordance with Subsection [35A-14-205](#)(2) and the other
- 143 requirements of this chapter.
- 144 (b) The board may not issue a results-based contract that would cause the total
- 145 outstanding obligations under this chapter to exceed \$15,000,000.
- 146 (2) A results-based contract shall include:
- 147 (a) a requirement that the repayment to the intermediary be conditioned on specific
- 148 performance outcome measures described in the results-based contract and in accordance with
- 149 this chapter;
- 150 (b) a requirement for an independent evaluator to determine whether the performance
- 151 outcome measures have been achieved; and

152 (c) a provision that payment to the program intermediary is:
153 (i) based upon available money in the restricted account at the time of payment; and
154 (ii) subject to legislative appropriation.
155 (3) The board shall select an independent program evaluator that:
156 (a) is a research organization from a public university in the state;
157 (b) has experience conducting research in labor economics and the use of econometric
158 methods;
159 (c) has produced peer reviewed publications that are relevant to the evaluation design
160 described in Subsection 35A-14-204(3)(d); and
161 (d) has access to state data required to implement the evaluation design.
162 (4) (a) In accordance with timelines established in the results-based contract, the
163 independent evaluator shall determine whether the performance outcome measures set in a
164 results-based contract have been met.
165 (b) If the independent evaluator determines under Subsection (4)(a) that the
166 performance outcome measures have been met, the board shall pay the program intermediary
167 according to the terms of a results-based contract.
168 (5) (a) The eligible program provider described in Section 35A-14-204 shall ensure
169 that each participant in a program funded in a results-based contract has given written
170 permission and signed an acknowledgment that the participant's data may be shared with an
171 intermediary, an independent evaluator, and the department for evaluation and reporting
172 purposes.
173 (b) The board shall maintain a record of each written permission and signed
174 acknowledgment described in Subsection (5)(a).
175 (6) As further described in Section 35A-14-204, for an education, employability
176 training, and workforce placement program funded under this chapter, the board shall:
177 (a) select an eligible program provider; and
178 (b) consider the recommendations of the program intermediary in selecting an eligible
179 program provider.
180 (7) The board, with the assistance of the department and other state agencies that
181 provide services to eligible participants, shall cooperate with an eligible program provider to
182 identify eligible participants.

183 Section 6. Section **35A-14-204** is enacted to read:

184 **35A-14-204. Employability to Careers Program.**

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

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

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

193 (a) the potential eligible program provider's capacity to effectively implement the
194 components of an education, employability training, and workforce placement program as
195 described in Section [35A-14-205](#);

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

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

201 (d) the potential eligible program provider's ability to provide an evaluation design for
202 the education, employability training, and workforce placement program described in Section
203 [35A-14-205](#), which has been developed by a nationally recognized research organization that
204 has significant national pay-for-success experience; and

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

207 (4) Before an eligible program provider is selected, a potential eligible program
208 provider shall provide to the board and the intermediary the potential eligible program
209 provider's:

210 (a) strategy to implement the components described in Section [35A-14-205](#);

211 (b) estimate of how many eligible participants the provider plans to serve;

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

214 (d) estimated cost per performance measure.

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

217 (a) allow the evaluator, chosen in accordance with Section 35A-14-203, to review data
218 from the provider to ensure that the components described in Section 35A-14-205 are
219 implemented; and

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

224 Section 7. Section 35A-14-205 is enacted to read:

225 **35A-14-205. Components of an education, employability training, and workforce**
226 **placement program.**

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

229 (a) an accredited high school diploma completion program that is recognized by the
230 state;

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

234 (c) an employability skills certification program;

235 (d) resilience intervention for eligible participants;

236 (e) a data-driven approach to intervention for eligible participants;

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

238 (g) an integrated support network, including:

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

240 (ii) proactive coaching for academic pace and progress;

241 (iii) licensed teachers for every course;

242 (iv) specialized math support; and

243 (v) tutoring for eligible participants;

244 (h) a comprehensive career preparation program, including planning, advising,

245 mentoring, research tools, and exploration coursework;

246 (i) a facilitated job placement program;

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

248 (k) training in life skills, goal setting, prioritization, work-life balance, and financial

249 self-sufficiency;

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

251 (m) the provision of work learning opportunities.

252 (2) The success of an education, employability training, and workforce placement

253 program shall be measured by the following outcomes for each eligible participant:

254 (a) an eligible participant is awarded an accredited high school diploma recognized by

255 the state;

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

257 (i) provides health insurance or other benefits;

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

259 (iii) is in a career path; and

260 (c) an eligible participant remains employed continuously at the job described in

261 Subsection (2)(b) or a comparable job for at least six months.

262 (3) Subject to money in the restricted account, and in accordance with the contract

263 between the board and the intermediary, a separate payment shall be made by the board from

264 the restricted account to the intermediary in a specific amount for each successful result

265 described in Subsection (2).

266 Section 8. Section **35A-14-206** is enacted to read:

267 **35A-14-206. Reporting.**

268 (1) On or before October 1, the board shall provide an annual written report to the

269 Economic Development and Workforce Services Interim Committee.

270 (2) The written report shall include:

271 (a) information regarding the intermediary, eligible program provider, and independent

272 evaluator that have been selected;

273 (b) information regarding how many eligible participants have been served by the

274 education, employability training, and workforce placement program;

275 (c) a description of program expenses, including what payments have been made to the

276 intermediary and the cost to the state for each successful eligible participant outcome; and
277 (d) recommendations to the Legislature on any potential improvements to the
278 Employability to Careers Program, including whether the program should continue to receive
279 funding from the state.

280 Section 9. Section **63J-1-602.2** is amended to read:

281 **63J-1-602.2. List of nonlapsing funds and accounts -- Title 31 through Title 45.**

282 (1) Appropriations from the Technology Development Restricted Account created in
283 Section [31A-3-104](#).

284 (2) Appropriations from the Criminal Background Check Restricted Account created in
285 Section [31A-3-105](#).

286 (3) Appropriations from the Captive Insurance Restricted Account created in Section
287 [31A-3-304](#), except to the extent that Section [31A-3-304](#) makes the money received under that
288 section free revenue.

289 (4) Appropriations from the Title Licensee Enforcement Restricted Account created in
290 Section [31A-23a-415](#).

291 (5) Appropriations from the Health Insurance Actuarial Review Restricted Account
292 created in Section [31A-30-115](#).

293 (6) Appropriations from the Insurance Fraud Investigation Restricted Account created
294 in Section [31A-31-108](#).

295 (7) Appropriations from the Underage Drinking Prevention Media and Education
296 Campaign Restricted Account created in Section [32B-2-306](#).

297 (8) Funding for the General Assistance program administered by the Department of
298 Workforce Services, as provided in Section [35A-3-401](#).

299 (9) The Youth Development Organization Restricted Account created in Section
300 [35A-8-1903](#).

301 (10) The Youth Character Organization Restricted Account created in Section
302 [35A-8-2003](#).

303 (11) The Employability to Careers Program Restricted Account created in Section
304 [35A-14-202](#).

305 [(H)] (12) Funding for a new program or agency that is designated as nonlapsing under
306 Section [36-24-101](#).

307 [~~(12)~~] (13) Appropriations to the Utah National Guard, created in Title 39, Militia and
308 Armories.

309 [~~(13)~~] (14) Appropriations from the Oil and Gas Conservation Account created in
310 Section 40-6-14.5.

311 [~~(14)~~] (15) Appropriations from the Electronic Payment Fee Restricted Account
312 created by Section 41-1a-121 to the Motor Vehicle Division.

313 [~~(15)~~] (16) Funds available to the Tax Commission under Section 41-1a-1201 for the:

314 (a) purchase and distribution of license plates and decals; and

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

316 [~~(16)~~] (17) Appropriations from the Motor Vehicle Enforcement Division Temporary
317 Permit Restricted Account created by Section 41-3-110 to the Tax Commission.

318 Section 10. **Appropriation.**

319 The following sums of money are appropriated for the fiscal year beginning July 1,
320 2017, and ending June 30, 2018. These are additions to amounts previously appropriated for
321 fiscal year 2018. Under the terms and conditions of Title 63J, Chapter 1, Budgetary Procedures
322 Act, the Legislature appropriates the following sums of money from the funds or accounts
323 indicated for the use and support of the government of the state of Utah.

324 ITEM 1

325 To Restricted Fund and Account Transfers -- General Fund Restricted --
326 Employability to Careers Restricted Account

327 From General Fund \$5,000,000

328 Schedule of Programs:

329 General Fund Restricted -- Employability to

330 Careers Restricted Account \$5,000,000

331 ITEM 2

332 To Department of Workforce Services -- Operations and Policy

333 From General Fund Restricted -- Employability to Careers
334 Restricted Account \$5,000,000

335 Schedule of Programs:

336 Employability to Careers Program \$5,000,000

337 The Legislature intends that:

338 (1) the appropriation under this section be ongoing in fiscal years 2018, 2019, and 2020
339 only;
340 (2) under Subsection [63J-1-601](#)(2), appropriations provided under this section not
341 lapse; and
342 (3) the use of any nonlapsing funds be limited to the purposes described in Section
343 [35A-14-202](#).

Legislative Review Note
Office of Legislative Research and General Counsel