

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

6	Cosponsors:	Paul Ray
7	Brad M. Daw	Mike Winder

LONG TITLE

General Description:

This bill creates the Employability to Careers Program within the 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 Governor's Office of Management and Budget;
 - ▶ authorizes the board to enter into a results-based contract with an intermediary;
 - ▶ requires the 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

1st Sub. H.B. 240



25 ▶ authorizes payments from the restricted account to the intermediary if certain
26 benchmarks are met by a service provider.

27 **Money Appropriated in this Bill:**

28 This bill appropriates:

29 ▶ to the General Fund Restricted -- Employability to Careers Restricted Account, as
30 an ongoing appropriation:

31 • from the General Fund, \$5,000,000;

32 ▶ to the Governor's Office of Management and Budget, as an ongoing appropriation:

33 • from the General Fund Restricted -- Employability to Careers Restricted
34 Account, \$5,000,000.

35 **Other Special Clauses:**

36 None

37 **Utah Code Sections Affected:**

38 AMENDS:

39 **63J-1-602.4**, as last amended by Laws of Utah 2016, Chapters 193 and 240

40 ENACTS:

41 **63J-4-701**, Utah Code Annotated 1953

42 **63J-4-702**, Utah Code Annotated 1953

43 **63J-4-703**, Utah Code Annotated 1953

44 **63J-4-704**, Utah Code Annotated 1953

45 **63J-4-705**, Utah Code Annotated 1953

46 **63J-4-706**, Utah Code Annotated 1953

47 **63J-4-707**, Utah Code Annotated 1953



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

50 Section 1. Section **63J-1-602.4** is amended to read:

51 **63J-1-602.4. List of nonlapsing funds and accounts -- Title 61 through Title 63N.**

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

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

56 [61-2f-204](#).

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

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

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

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

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

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

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

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

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

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

76 (13) The Employability to Careers Program Restricted Account created in Section
77 [63J-4-703](#).

78 [~~13~~] (14) Appropriations to the Utah Science Technology and Research Initiative
79 created in Section [63M-2-301](#).

80 [~~14~~] (15) Appropriations to fund the Governor's Office of Economic Development's
81 Enterprise Zone Act, as provided in Title 63N, Chapter 2, Part 2, Enterprise Zone Act.

82 [~~15~~] (16) The Motion Picture Incentive Account created in Section [63N-8-103](#).

83 [~~16~~] (17) Certain money payable for commission expenses of the Pete Suazo Utah
84 Athletic Commission, as provided under Section [63N-10-301](#).

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

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

87 63J-4-701. Definitions.

88 As used in this chapter:

89 (1) "Board" means the Employability to Careers Program Board created in Section
90 35A-14-201.

91 (2) "Education, employability training, and workforce placement program" means a
92 program that meets the requirements described in Section 63J-4-706.

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

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

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

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

98 (B) is unemployed; or

99 (C) meets the definition for low income for the county in which the eligible participant
100 resides as determined by the federal Department of Housing and Urban Development.

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

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

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

110 (7) "Intermediary" means a nonprofit community foundation located in the state that
111 establishes and manages charitable funds and that has the necessary experience to coordinate
112 the funding and management of a results-based contract and related program.

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

116 (9) "Performance outcome measure" means an education or workforce placement
117 outcome for an eligible participant, including earning an accredited high school diploma,

118 employment placement, job retention, and wage increase, which results in a demonstrated
119 benefit to the state through increased tax revenue or lower state expenditures for public
120 assistance programs.

121 (10) "Restricted account" means the Employability to Careers Program Restricted
122 Account created in Section [63J-4-703](#).

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

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

127 **63J-4-702. Employability to Careers Program Board.**

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

130 (a) two members appointed by the governor;

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

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

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

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

137 (3) The governor shall appoint a chair from among the board's membership.

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

139 (5) Four members of the board constitute a quorum.

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

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

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

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

146 (c) rules made by the Division of Finance pursuant to Sections [63A-3-106](#) and
147 [63A-3-107](#).

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

149 Section 4. Section **63J-4-703** is enacted to read:

150 **63J-4-703. Employability to Careers Program Restricted Account.**

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

153 (2) The restricted account consists of:

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

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

157 (c) private donations.

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

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

161 (b) to contract with an independent evaluator as described in Section [63J-4-704](#);

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

164 (d) to make payments to an intermediary that has entered into a results-based contract
165 with the board as described in Section [63J-4-704](#), if the independent evaluator selected by the
166 board determines that the performance-based results have been met; and

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

169 Section 5. Section **63J-4-704** is enacted to read:

170 **63J-4-704. Results-based education, training, and workforce placement contracts**
171 **-- Board duties.**

172 (1) (a) The board may negotiate and enter into a results-based contract with an
173 intermediary to provide payments to the intermediary upon the successful achievement of
174 specific outcome measures in accordance with Subsection [63J-4-706\(2\)](#) and the other
175 requirements of this part.

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

178 (2) A results-based contract shall include:

179 (a) a requirement that the repayment to the intermediary be conditioned on specific

180 performance outcome measures described in the results-based contract and in accordance with
181 this part;

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

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

185 (i) based upon available money in the restricted account at the time of payment; and

186 (ii) subject to legislative appropriation.

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

188 (a) is a research organization;

189 (b) has experience conducting research in labor economics;

190 (c) has experience in conducting experimental or quasi-experimental design or other
191 research methodologies as described in Subsection 63J-4-705(3)(e) that allow for the strongest
192 possible causal inferences to determine whether the initiative has met the initiative's proposed
193 outcomes; and

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

195 (4) (a) In accordance with timelines established in a results-based contract, the
196 independent evaluator shall implement the evaluation design described in Subsection
197 63J-4-705(3)(e) to determine whether the performance outcome measures set in the
198 results-based contract have been met.

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

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

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

208 (6) As further described in Section 63J-4-705, for an education, employability training,
209 and workforce placement program funded under this part, the board shall:

210 (a) select an eligible program provider; and

211 (b) consider the recommendations of the intermediary in selecting an eligible program
212 provider.

213 (7) The board, with the assistance of the office and other state agencies that provide
214 services to eligible participants, may cooperate with an eligible program provider to identify
215 eligible participants.

216 Section 6. Section **63J-4-705** is enacted to read:

217 **63J-4-705. Employability to Careers Program.**

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

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

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

226 (a) the potential eligible program provider's capacity to effectively implement the
227 components of an education, employability training, and workforce placement program as
228 described in Section [63J-4-706](#);

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

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

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

236 (e) the potential eligible program provider's ability to provide an experimental or
237 quasi-experimental evaluation design for the education, employability training, and workforce
238 placement program described in Section [63J-4-706](#), which has been developed by a nationally
239 recognized research organization that has significant national pay-for-success experience;

240 (f) the potential eligible program provider's ability to attract private or philanthropic
241 investors;

242 (g) the potential eligible provider's strategy to implement the components described in
243 Section 63J-4-706;

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

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

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

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

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

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

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

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

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

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

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

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

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

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

272 (j) the potential eligible program provider's proposed payment terms, the methodology

273 used to calculate outcome payments, the payment schedule, and performance thresholds;

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

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

276 (4) To be selected as an eligible program provider under this chapter, the eligible

277 program provider shall agree to:

278 (a) allow the evaluator, chosen in accordance with Section [63J-4-704](#), to review data

279 from the provider to ensure that the components described in Section [63J-4-706](#) are

280 implemented; and

281 (b) assign a unique identifier to each eligible participant enrolled in an education,

282 employability training, and workforce placement program with the eligible program provider

283 and maintain records of the performance outcome measures achieved by each eligible

284 participant.

285 Section 7. Section **63J-4-706** is enacted to read:

286 **63J-4-706. Components of an education, employability training, and workforce**

287 **placement program.**

288 (1) An education, employability training, and workforce placement program approved

289 under this part shall include the following components:

290 (a) a complete high school completion program aligned to evidence-based best

291 practices for dropout recovery, including all courses necessary to earn an accredited high

292 school diploma recognized by the state;

293 (b) an employability skills development and certification program;

294 (c) resilience intervention for eligible participants;

295 (d) a multitiered system of supports for eligible participants;

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

297 (f) a comprehensive career preparation program; and

298 (g) a facilitated job placement program.

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

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

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

302 the state;

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

304 (i) provides health insurance or equivalent benefits;
305 (ii) pays at least \$12 per hour; and
306 (iii) is in a career path; and
307 (c) an eligible participant remains employed continuously at the job described in
308 Subsection (2)(b) or a comparable job for at least six months.

309 (3) Subject to money in the restricted account, and in accordance with the contract
310 between the board and the intermediary, a separate payment shall be made by the board from
311 the restricted account to the intermediary in a specific amount for each successful result
312 described in Subsection (2).

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

314 **63J-4-707. Reporting.**

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

318 (2) The written report shall include:

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

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

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

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

328 Section 9. **Appropriation.**

329 The following sums of money are appropriated for the fiscal year beginning July 1,
330 2017, and ending June 30, 2018. These are additions to amounts previously appropriated for
331 fiscal year 2018. Under the terms and conditions of Title 63J, Chapter 1, Budgetary Procedures
332 Act, the Legislature appropriates the following sums of money from the funds or accounts
333 indicated for the use and support of the government of the state of Utah.

334 ITEM 1

335 To Restricted Fund and Account Transfers -- General Fund Restricted --
336 Employability to Careers Restricted Account
337 From General Fund \$5,000,000
338 Schedule of Programs:
339 General Fund Restricted -- Employability to
340 Careers Restricted Account \$5,000,000

341 ITEM 2

342 To Governor's Office of Management and Budget -- Operations and Policy
343 From General Fund Restricted -- Employability to Careers
344 Restricted Account \$5,000,000
345 Schedule of Programs:
346 Employability to Careers Program \$5,000,000

347 The Legislature intends that:

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

349 only;

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

351 lapse; and

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

353 [63J-4-703](#).