

**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:	Lynn N. Hemingway	Dixon M. Pitcher
7	Carl R. Albrecht	Eric K. Hutchings	Tim Quinn
8	Bruce R. Cutler	John Knotwell	Paul Ray
9	Brad M. Daw	A. Cory Maloy	Norman K Thurston
10	Steve Eliason	Kelly B. Miles	Logan Wilde
11	Gage Froerer	Derrin R. Owens	Brad R. Wilson
12	Adam Gardiner	Lee B. Perry	Mike Winder
13	Francis D. Gibson	Jeremy A. Peterson	
	Timothy D. Hawkes		

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**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 Program Restricted Account;



- 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;
- 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.

**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

55 [63J-4-706](#), Utah Code Annotated 1953  
56 [63J-4-707](#), Utah Code Annotated 1953  
57 [63J-4-708](#), Utah Code Annotated 1953



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

60 Section 1. Section [63J-1-602.4](#) is amended to read:

61 **[63J-1-602.4. List of nonlapsing funds and accounts -- Title 61 through Title 63N.](#)**

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

64 (2) Funds paid to the Division of Real Estate for the cost of a criminal background  
65 check for principal broker, associate broker, and sales agent licenses, as provided in Section  
66 [61-2f-204](#).

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

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

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

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

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

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

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

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

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

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

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

109 (B) is unemployed.

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.

150 (2) (a) A member of the board shall serve for a term of three years, 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 shall appoint a replacement to serve the remainder of the board member's term.

154 (3) The governor shall appoint a chair from among the 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  
169 "Employability to Careers Program Restricted Account."

170 (2) The restricted account consists of:

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

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

174 (c) private donations.

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

177 (a) to contract with a fiscal intermediary for the management of a results-based  
178 contract;

179 (b) to contract with a programmatic intermediary to validate a feasibility analysis and  
180 structure the terms and conditions of a results-based contract, including developing cost-benefit  
181 financial models, performance outcome measures, payment schedules, and success thresholds;

182 (c) to contract with an independent evaluator as described in Section 63J-4-704;

183 (d) to pay for office expenses related to administering the Employability to Careers  
184 Program and providing staff support to the board;

185 (e) to make payments to a fiscal intermediary that has entered into a results-based  
186 contract with the board as described in Section 63J-4-704, if the independent evaluator selected  
187 by the board determines that the performance-based results have been met; and

188 (f) to contract for other services as necessary to implement the Employability to  
189 Careers Program.

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

191 **63J-4-704. Results-based contracts -- Board duties.**

192 (1) (a) The board may negotiate and enter into a results-based contract with a fiscal  
193 intermediary to provide payments to the fiscal intermediary upon the successful achievement of  
194 specific outcome measures in accordance with Subsection 63J-4-706(2)(i) and the other  
195 requirements of this part.

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

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

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

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

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

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

206 (ii) subject to legislative appropriation.

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

208 (a) is a research organization;

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

210 (c) has experience in conducting experimental or quasi-experimental design or other  
211 research methodologies as described in Subsection 63J-4-706(2)(j) that allow for the strongest  
212 possible causal inferences to determine whether the initiative has met the initiative's proposed  
213 outcomes; and

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

215 (4) (a) In accordance with timelines established in a results-based contract, the  
216 independent evaluator shall implement an experimental or quasi-experimental evaluation  
217 design to determine whether the performance outcome measures set in the results-based  
218 contract have been met.

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

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

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

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

230 (a) select an eligible program provider;

231 (b) consider the recommendations of the programmatic intermediary in selecting an  
232 eligible program provider; and

233 (c) engage the services of the programmatic intermediary to complete a feasibility  
234 analysis in accordance with Section 63J-4-706 to assess the viability of the board entering into  
235 a results-based contract with the selected eligible program provider.

236 (7) The board, with the assistance of the office and other state agencies that provide  
237 services to eligible participants, may cooperate with an eligible program provider to identify  
238 and refer eligible participants for the program.

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

240 **63J-4-705. Employability to Careers Program.**



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

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

248 (3) The board and the programmatic intermediary shall consider the following  
249 requirements and criteria for selecting an eligible program provider:

250 (a) the potential eligible program provider's capacity to effectively implement the  
251 components of an education, employability training, and workforce placement program as  
252 described in Section [63J-4-707](#);

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

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

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

260 (e) the potential eligible program provider's ability to demonstrate that performance  
261 outcome measures for the education, employability training, and workforce placement program  
262 can be measured through an experimental or quasi-experimental design;

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

265 (g) the potential eligible program provider's strategy to implement the components of  
266 an education, employability skills, and workforce placement program; and

267 (h) the potential eligible program provider's ability to provide the necessary data to a  
268 programmatic intermediary for the feasibility analysis described in Section [63J-4-706](#).

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

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

272 from the provider to ensure that the components described in Section 63J-4-707 are  
273 implemented; and

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

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

279 **63J-4-706. Feasibility analysis.**

280 (1) The board shall engage a programmatic intermediary to complete, within two  
281 months of selecting an eligible program provider in accordance with Section 63J-4-705, a  
282 feasibility analysis that assesses the ability of the potential eligible program provider to provide  
283 a program that will successfully achieve performance outcome measures that are cost effective  
284 and will result in cost savings or increased tax revenue to the state.

285 (2) The feasibility analysis shall include:

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

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

292 (i) the economic feasibility of the programs and services provided;

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

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

296 (c) developing a viable expansion plan and determining how much the expansion plan  
297 will cost;

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

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

302 (f) developing a cost-benefit analysis of the program;

- 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, 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 \$10,000,000

357 Schedule of Programs:

358 General Fund Restricted -- Employability to

359 Careers Program Restricted Account \$10,000,000

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 \$10,000,000

364 Schedule of Programs:

365                                    Employability to Careers Program                                    \$10,000,000  
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](#).