



February 17, 1999

HOUSE BILL No. 1652

DIGEST OF HB 1652 (Updated February 16, 1999 12:35 pm - DI 96)

Citations Affected: IC 22-4.5; noncode.

Synopsis: Workforce investment system. Establishes the workforce investment system (system). Provides that the system is administered by the department of workforce development under a state plan developed by the state human resource investment council. Sets forth requirements for regional boards, the one stop service delivery system, and one stop partners.

Effective: Upon passage.

Hasler, Murphy, Liggett

January 21, 1999, read first time and referred to Committee on Labor and Employment.
February 16, 1999, amended, reported — Do Pass.

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HB 1652—LS 7946/DI 71+



February 17, 1999

First Regular Session 111th General Assembly (1999)

PRINTING CODE. Amendments: Whenever an existing statute (or a section of the Indiana Constitution) is being amended, the text of the existing provision will appear in this style type, additions will appear in **this style type**, and deletions will appear in ~~this style type~~.

Additions: Whenever a new statutory provision is being enacted (or a new constitutional provision adopted), the text of the new provision will appear in **this style type**. Also, the word **NEW** will appear in that style type in the introductory clause of each SECTION that adds a new provision to the Indiana Code or the Indiana Constitution.

Conflict reconciliation: Text in a statute in *this style type* or ~~this style type~~ reconciles conflicts between statutes enacted by the 1998 General Assembly.

HOUSE BILL No. 1652

A BILL FOR AN ACT to amend the Indiana Code concerning labor and industrial safety.

Be it enacted by the General Assembly of the State of Indiana:

- 1 SECTION 1. IC 22-4.5 IS ADDED TO THE INDIANA CODE AS
2 A NEW ARTICLE TO READ AS FOLLOWS [EFFECTIVE UPON
3 PASSAGE]:
4 **ARTICLE 4.5. THE WORKFORCE INVESTMENT SYSTEM**
5 **Chapter 1. Purpose**
6 **Sec. 1. The workforce investment system is established to**
7 **achieve the following goals:**
8 (1) **To coordinate activities at the state and local levels to**
9 **increase the employment, retention, occupational skills, and**
10 **earnings of the workforce.**
11 (2) **To reduce welfare dependency.**
12 (3) **To enhance the productivity and competitiveness of**
13 **Indiana business and industry.**
14 (4) **To encourage continuous improvement in worker**
15 **preparation from kindergarten through adulthood.**
16 **Chapter 2. Definitions**
17 **Sec. 1. The definitions in this chapter apply throughout this**

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- 1 article.
- 2 **Sec. 2. "Chief elected official" means:**
- 3 (1) the executive of a second or third class city that:
- 4 (A) has a population of not less than five thousand (5,000);
- 5 (B) is located in a workforce investment area; and
- 6 (C) is the only city located in the workforce investment
- 7 area that has a population of at least five thousand (5,000);
- 8 (2) a member of the executive body of a county located in a
- 9 workforce investment area, selected by the executive body of
- 10 the county; or
- 11 (3) if there is more than one (1) city that has a population of
- 12 at least five thousand (5,000) located in a workforce
- 13 investment area, the executive of one (1) of the cities;
- 14 designated by an agreement between the cities and counties to
- 15 carry out the responsibilities of the chief elected official under the
- 16 Workforce Investment Act.
- 17 **Sec. 3. "Department" refers to the department of workforce**
- 18 **development established under IC 22-4.1-2.**
- 19 **Sec. 4. "Executive" has the meaning set forth in IC 36-1-2-5.**
- 20 **Sec. 5. "Incumbent worker council" refers to an advisory**
- 21 **committee to a regional board under IC 22-4.5-3-3.**
- 22 **Sec. 6. "One stop center" means a physical location that:**
- 23 (1) provides access to all one stop services and partners;
- 24 (2) is certified by the regional board; and
- 25 (3) includes an onsite information resource area that meets
- 26 minimum criteria established by the department.
- 27 **Sec. 7. "One stop partner" refers to:**
- 28 (1) a mandatory partner under IC 22-4.5-4-2; or
- 29 (2) an optional partner under IC 22-4.5-4-3.
- 30 **Sec. 8. "One stop system" means a regional system of service**
- 31 **delivery that complies with IC 22-4.5-4-1.**
- 32 **Sec. 9. "Regional board" means a local workforce investment**
- 33 **board established under Title I, section 117 of the Workforce**
- 34 **Investment Act.**
- 35 **Sec. 10. "State board" refers to the state human resource**
- 36 **investment council established under IC 22-4-18.1.**
- 37 **Sec. 11. "State plan" means the unified state plan developed**
- 38 **under Title I, section 112 of the Workforce Investment Act that**
- 39 **complies with IC 22-4.5-3-1.**
- 40 **Sec. 12. "Workforce investment area" means an area designated**
- 41 **under section 116 of the Workforce Investment Act.**
- 42 **Sec. 13. "Workforce Investment Act" refers to the Workforce**

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1 Investment Act of 1998 (29 U.S.C. 2801 et seq.).

2 Sec. 14. "Youth council" refers to an advisory committee to a
3 regional board under IC 22-4.5-3-4.

4 Chapter 3. State Plan and Establishment of Workforce
5 Investment Areas

6 Sec. 1. The state board shall recommend to the governor a
7 unified state plan for the workforce investment system that
8 includes:

9 (1) secondary vocational education programs authorized
10 under the Carl D. Perkins Vocational and Applied Technology
11 Education Act (20 U.S.C. 2301 et seq.); and

12 (2) the programs of one stop partners designated by the
13 governor.

14 Sec. 2. (a) The department shall designate not more than sixteen
15 (16) workforce investment areas consistent with the state plan. An
16 initial designation as a workforce investment area may not have a
17 duration of more than two (2) years. If a designated workforce
18 investment area meets all criteria under subsection (b) and the
19 performance requirements of the department and federal law
20 during the two (2) year period, the area's designation as a
21 workforce investment area shall be continued for the next three (3)
22 years.

23 (b) The department shall use the following criteria in
24 designating a workforce investment area:

25 (1) The geographic areas served by local educational agencies.

26 (2) The geographic areas served by postsecondary educational
27 institutions and area vocational schools.

28 (3) The extent to which the geographic areas are consistent
29 with labor market areas.

30 (4) The distance that individuals will need to travel to receive
31 services.

32 (5) The resources that are available to effectively administer
33 workforce investment activities.

34 (6) Requests from the chief elected officials who represent at
35 least fifty-one percent (51%) of the population of the area
36 requesting designation.

37 (c) The department shall:

38 (1) require areas that share a labor market or economic
39 region to develop a single joint plan; and

40 (2) align other administrative areas of the department with
41 the regional planning areas to the extent practicable.

42 Sec. 3. A workforce investment area shall be overseen by a

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1 regional board that complies with the Workforce Investment Act.
 2 At least fifteen percent (15%) of the members of the regional board
 3 must be representatives of labor.

4 Sec. 4. (a) Each regional board shall establish an incumbent
 5 worker council as an advisory committee to the regional board.

6 (b) The regional board, with the cooperation of the chief elected
 7 official, shall appoint members of the incumbent worker council
 8 under criteria established by the department. At least thirty-three
 9 percent (33%) of the members of the incumbent worker council
 10 must be representatives of labor.

11 (c) A member of the incumbent worker council who is not a
 12 member of the regional board at the time the member is appointed
 13 to the incumbent worker council is:

- 14 (1) a voting member of the incumbent worker council; and
- 15 (2) a nonvoting member of the regional board.

16 (d) The incumbent worker council shall develop and recommend
 17 to the regional board a plan to develop the incumbent workforce
 18 of the workforce investment area. The department shall provide
 19 technical assistance to the incumbent worker council and regional
 20 board in the development of the plan.

21 (e) The incumbent workforce development plan developed
 22 under this section must be incorporated into the workforce
 23 investment plan submitted by the regional board to the
 24 department.

25 Sec. 5. (a) Each regional board shall establish a youth council as
 26 an advisory committee to the regional board.

27 (b) The regional board, with the cooperation of the chief elected
 28 official, shall appoint members of the youth council under criteria
 29 established by the department. The regional board and chief
 30 elected official may appoint the school-to-work partnership serving
 31 the area as the youth council if the school-to-work partnership
 32 meets the membership requirements for the youth council set forth
 33 in the Workforce Investment Act.

34 (c) A member of the youth council who is not a member of the
 35 regional board at the time the member is appointed to the youth
 36 council is:

- 37 (1) a voting member of the youth council; and
- 38 (2) a nonvoting member of the regional board.

39 (d) The youth council shall:

- 40 (1) develop and recommend to the regional board a plan for
 41 eligible youth;
- 42 (2) recommend to the regional board eligible providers of



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1 youth activities to which the regional board may award grants
2 or contracts on a competitive basis;

3 (3) oversee eligible providers of youth activities in the
4 workforce investment area; and

5 (4) coordinate youth activities authorized under the
6 Workforce Investment Act.

7 (e) The youth plan developed under this section must be
8 incorporated into the workforce investment plan submitted by the
9 regional board to the department.

10 **Chapter 4. The One Stop System and One Stop Partners**

11 **Sec. 1. A regional board shall establish a one stop system that**
12 **meets the following criteria:**

13 (1) The system provides core services (as defined in 20 U.S.C.
14 9201) through at least one (1) physical site that is certified as
15 a workforce development center by the regional board.

16 (2) The system provides access to intensive services and
17 training (as defined in 20 U.S.C. 9201).

18 (3) The system provides access to the programs and activities
19 of one stop partners.

20 (4) The system provides access to the information described
21 in section 15 of the Wagner-Peyser Act and all job search,
22 placement, recruitment, and other labor exchange services
23 authorized under the Wagner-Peyser Act (29 U.S.C. 49 et
24 seq.).

25 (5) The system makes the programs, services, and activities of
26 one stop partners available through:

27 (A) a network of affiliated sites that consist of physical
28 locations; or

29 (B) electronically or technologically linked access points.

30 (6) The system assures individuals that information on the
31 availability of core services will be available regardless of
32 where the individual initially enters the one stop system.

33 **Sec. 2. Mandatory one stop partners in the one stop system**
34 **include the entities that administer the following workforce**
35 **investment programs:**

36 (1) Programs under Title I of the Workforce Investment Act.

37 (2) Wagner-Peyser Act (29 U.S.C. 49, et seq.).

38 (3) Adult education and literacy programs under Title II of
39 the Workforce Investment Act.

40 (4) Title I of the Rehabilitation Act of 1973 (29 U.S.C. 720 et
41 seq.).

42 (5) Section 403(5)(a) of the Social Security Act (42 U.S.C.

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- 1 **603(a)(5)).**
 2 **(6) Title V of the Older Americans Act of 1965 (42 U.S.C. 3056**
 3 **et seq.).**
 4 **(7) Postsecondary vocational education activities authorized**
 5 **under the Carl D. Perkins Vocational and Applied Technology**
 6 **Education Act (20 U.S.C. 2301 et seq.).**
 7 **(8) Chapter 2 of Title II of the Trade Act of 1974 (19 U.S.C.**
 8 **2271 et seq.).**
 9 **(9) Chapter 41 of Title 38 of the United States Code.**
 10 **(10) Employment and training activities carried out under the**
 11 **Community Services Block Grant Act (42 U.S.C. 9901 et seq.).**
 12 **(11) Employment and training activities carried out by the**
 13 **Department of Housing and Urban Development.**
 14 **(12) Programs authorized under the state unemployment**
 15 **compensation law (IC 22-4).**
 16 **Sec. 3. (a) In addition to the one stop partners identified under**
 17 **section 2 of this chapter, a regional board may submit a proposal**
 18 **under this section to the governor and the state board to include**
 19 **any other employment and training program that is funded on the**
 20 **federal, state, or local level as an optional one stop partner.**
 21 **(b) An employment and training entity may volunteer to become**
 22 **an optional one stop partner at the regional level.**
 23 **(c) A proposal submitted under this section must set forth the**
 24 **following:**
 25 **(1) The proposed optional one stop partner.**
 26 **(2) Whether the chief elected official or regional board will**
 27 **receive the proposed optional one stop partner's funding and**
 28 **have budgetary control over the proposed optional one stop**
 29 **partner, and, if so, a plan to ensure that staff of the proposed**
 30 **optional one stop partner are not also staff of the regional**
 31 **board.**
 32 **(3) Whether the regional board will incorporate other**
 33 **councils and boards by including the proposed optional one**
 34 **stop partner.**
 35 **(4) Whether resources of the proposed optional one stop**
 36 **partner will be used to provide financial support for the**
 37 **independent staff of the regional board and the administrative**
 38 **functions of the fiscal agent.**
 39 **(d) A proposed optional one stop partner that is approved under**
 40 **this section shall:**
 41 **(1) be represented on the regional board; and**
 42 **(2) enter into a memorandum of understanding with the**

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1 regional board that identifies how the optional one stop
 2 partner will support the operating costs of the one stop system
 3 to the extent that the optional one stop partner may do so
 4 under the statutes, rules, or regulations governing the
 5 optional one stop partner.

6 **Chapter 5. Powers and Duties of the Regional Board and One**
 7 **Stop Partners**

8 **Sec. 1. (a) The regional board, with the agreement of the chief**
 9 **elected official, shall develop and enter into a memorandum of**
 10 **understanding with each one stop partner concerning the operation**
 11 **of the workforce investment delivery system of the area.**

12 **(b) A memorandum of understanding entered into under this**
 13 **section must comply with instructions issued by the state.**

14 **Sec. 2. The regional board, together with the chief elected**
 15 **official, has planning, policy, and oversight responsibilities for the**
 16 **one stop system.**

17 **Sec. 3. The staff of the regional board may deliver services only**
 18 **under the following circumstances:**

19 **(1) The one stop system in the region includes only mandatory**
 20 **one stop partners and voluntary optional one stop partners.**

21 **(2) The management of service delivery is shared jointly**
 22 **among not less than three (3) of the mandatory one stop**
 23 **partners that are not employed by the same entity. The**
 24 **management partnership shall enter into a memorandum of**
 25 **understanding with the regional board that outlines the**
 26 **individual and collective responsibilities of the partners in**
 27 **service delivery and management.**

28 **Chapter 6. Fiscal Authority**

29 **Sec. 1. The chief elected official is the grant recipient for youth,**
 30 **adult, and dislocated worker funds under Title I of the Workforce**
 31 **Investment Act.**

32 **Sec. 2. The chief elected official:**

33 **(1) may designate a fiscal agent; and**

34 **(2) may not designate or assign liability to any other entity for**
 35 **youth, adult, and dislocated worker funds distributed by the**
 36 **fiscal agent.**

37 **SECTION 2. [EFFECTIVE UPON PASSAGE] (a) The definitions**
 38 **in IC 22-4.5-2, as added by this act, apply to this SECTION.**

39 **(b) Notwithstanding IC 22-4.5-3-2, as added by this act, a chief**
 40 **elected official may request that the governor designate an existing**
 41 **entity as a temporary regional board under the following**
 42 **conditions:**



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(1) The local area overseen by the existing entity closely corresponds to the workforce investment area.

(2) The existing entity was in existence on December 31, 1997, and either:

(A) was established under section 102 of the Job Training Partnership Act; or

(B) is substantially similar to the local board described in the Workforce Investment Act.

(3) The existing entity includes representatives of business in the local area and either:

(A) for a local area in which employees are represented by labor organizations, representatives of labor organizations nominated by local labor federations; or

(B) for a local area in which no employees are represented by labor organizations, representatives of employees in the local area.

(4) The request includes a transition plan that will bring the existing entity into compliance with the membership provisions of a local workforce investment board as defined by section 117 of the Workforce Investment Act not later than July 1, 1999.

(5) The request includes a transition plan for creating, not later than June 30, 2000, an independent regional board staff that meets criteria established by the department.

(c) This SECTION expires July 1, 2000.

SECTION 3. An emergency is declared for this act.

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COMMITTEE REPORT

Mr. Speaker: Your Committee on Labor and Employment, to which was referred House Bill 1652, has had the same under consideration and begs leave to report the same back to the House with the recommendation that said bill be amended as follows:

Page 2, line 3, delete "municipality" and insert "**second or third class city**".

Page 2, line 6, delete "municipality" and insert "**city**".

Page 2, line 8, delete "or".

Page 2, between lines 8 and 9, begin a new line block indented and insert:

"(2) a member of the executive body of a county located in a workforce investment area, selected by the executive body of the county; or".

Page 2, line 9, delete "(2)" and insert "(3)".

Page 2, line 9, delete "municipality" and insert "**city**".

Page 2, line 12, delete "municipalities" and insert "**cities;**".

Page 2, line 12, block left beginning with "designated".

Page 2, line 13, delete "municipalities" and insert "**cities and counties**".

Page 2, line 18, delete "'Municipality' has the meaning set forth in IC 36-1-2-11." and insert "'**Incumbent worker council**' refers to an advisory committee to a regional board under IC 22-4.5-3-3."

Page 2, between lines 40 and 41, begin a new paragraph and insert:

"Sec. 14. "Youth council" refers to an advisory committee to a regional board under IC 22-4.5-3-4."

Page 3, line 1, delete "develop" and insert "**recommend to the governor**".

Page 3, line 9, delete "that follow" and insert "**consistent with**".

Page 3, line 9, delete "A" and insert "**An initial**".

Page 3, line 11, after "years." insert "**If a designated workforce investment area meets all criteria under subsection (b) and the performance requirements of the department and federal law during the two (2) year period, the area's designation as a workforce investment area shall be continued for the next three (3) years.**".

Page 3, line 29, delete "ensure that the workforce partnership areas and" and insert "**align other administrative areas of the department with the regional planning areas to the extent practicable.**".

Page 3, delete lines 30 through 31.

Page 3, line 33, after "Act." insert "**At least fifteen percent (15%)**".



of the members of the regional board must be representatives of labor."

Page 3, delete lines 34 through 36, begin a new paragraph and insert:

"Sec. 4. (a) Each regional board shall establish an incumbent worker council as an advisory committee to the regional board.

(b) The regional board, with the cooperation of the chief elected official, shall appoint members of the incumbent worker council under criteria established by the department. At least thirty-three percent (33%) of the members of the incumbent worker council must be representatives of labor.

(c) A member of the incumbent worker council who is not a member of the regional board at the time the member is appointed to the incumbent worker council is:

- (1) a voting member of the incumbent worker council; and**
- (2) a nonvoting member of the regional board.**

(d) The incumbent worker council shall develop and recommend to the regional board a plan to develop the incumbent workforce of the workforce investment area. The department shall provide technical assistance to the incumbent worker council and regional board in the development of the plan.

(e) The incumbent workforce development plan developed under this section must be incorporated into the workforce investment plan submitted by the regional board to the department.

Sec. 5. (a) Each regional board shall establish a youth council as an advisory committee to the regional board.

(b) The regional board, with the cooperation of the chief elected official, shall appoint members of the youth council under criteria established by the department. The regional board and chief elected official may appoint the school-to-work partnership serving the area as the youth council if the school-to-work partnership meets the membership requirements for the youth council set forth in the Workforce Investment Act.

(c) A member of the youth council who is not a member of the regional board at the time the member is appointed to the youth council is:

- (1) a voting member of the youth council; and**
- (2) a nonvoting member of the regional board.**

(d) The youth council shall:

- (1) develop and recommend to the regional board a plan for eligible youth;**



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- (2) recommend to the regional board eligible providers of youth activities to which the regional board may award grants or contracts on a competitive basis;
- (3) oversee eligible providers of youth activities in the workforce investment area; and
- (4) coordinate youth activities authorized under the Workforce Investment Act.

(e) The youth plan developed under this section must be incorporated into the workforce investment plan submitted by the regional board to the department."

Page 4, line 21, delete "Youth, adult, and dislocated worker services, and the Job" and insert "**Programs**".

Page 4, line 22, delete "Corps".

Page 5, line 2, delete "Optional one stop partners in the one stop system include" and insert "(a) **In addition to the one stop partners identified under section 2 of this chapter, a regional board may submit a proposal under this section to the governor and the state board to include any other employment and training program that is funded on the federal, state, or local level as an optional one stop partner.**

(b) An employment and training entity may volunteer to become an optional one stop partner at the regional level.

(c) A proposal submitted under this section must set forth the following:

- (1) The proposed optional one stop partner.
- (2) Whether the chief elected official or regional board will receive the proposed optional one stop partner's funding and have budgetary control over the proposed optional one stop partner, and, if so, a plan to ensure that staff of the proposed optional one stop partner are not also staff of the regional board.
- (3) Whether the regional board will incorporate other councils and boards by including the proposed optional one stop partner.
- (4) Whether resources of the proposed optional one stop partner will be used to provide financial support for the independent staff of the regional board and the administrative functions of the fiscal agent.

(d) A proposed optional one stop partner that is approved under this section shall:

- (1) be represented on the regional board; and
- (2) enter into a memorandum of understanding with the



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regional board that identifies how the optional one stop partner will support the operating costs of the one stop system to the extent that the optional one stop partner may do so under the statutes, rules, or regulations governing the optional one stop partner."

Page 5, delete lines 3 through 20.

Page 5, delete lines 32 through 42, begin a new paragraph and insert:

"Sec. 3. The staff of the regional board may deliver services only under the following circumstances:

- (1) The one stop system in the region includes only mandatory one stop partners and voluntary optional one stop partners.**
- (2) The management of service delivery is shared jointly among not less than three (3) of the mandatory one stop partners that are not employed by the same entity. The management partnership shall enter into a memorandum of understanding with the regional board that outlines the individual and collective responsibilities of the partners in service delivery and management."**

Page 6, delete lines 2 through 17, begin a new paragraph and insert:

"Sec. 1. The chief elected official is the grant recipient for youth, adult, and dislocated worker funds under Title I of the Workforce Investment Act.

Sec. 2. The chief elected official:

- (1) may designate a fiscal agent; and**
- (2) may not designate or assign liability to any other entity for youth, adult, and dislocated worker funds distributed by the fiscal agent."**

Page 7, delete lines 7 through 12.

Renumber all SECTIONS consecutively.

and when so amended that said bill do pass.

(Reference is to HB 1652 as introduced.)

LIGGETT, Chair

Committee Vote: yeas 12, nays 1.

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