

**TRANSMITTAL # 5**

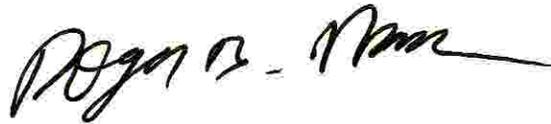
**MEMORANDUM**

**October 27, 2009**

**TO:** Workforce Development Council

**FROM:** Roger B. Madsen, Director

**SUBJECT:** Idaho Youth Corps



**ACTIONS REQUESTED:** Support legislation to allow the department to accept private donations and to allow the use of Administrative Tax funds to begin initial funding of Idaho Youth Corps

**BACKGROUND:**

The 2009 Summer Youth Employment Program was a tremendous success. More than 840 youth were employed throughout the state this summer, of which 250 were a part of the Idaho Youth Conservation Corps. The great expansion of this effort from the 2008 Youth Conservation Corp pilot was due largely to the department receiving additional Workforce Investment Act resources through the American Reinvestment and Recovery Act of 2009.

While we are uncertain whether we will receive continued federal funding for the summer youth program next year, we are excited about the potential of continuing a version of this program next year and beyond. To make that possible, Ben Phillips and Clete Edmunson (who recently moved from the Governor's Office to the Department of Labor) will be working to secure resources from other federal, state and local partners this fall and winter.

In addition, Governor Otter visited many of the participants throughout the state and strongly supported the program. As a part of expanding the program in the future, the Governor has stated his goal of providing an opportunity for Idaho businesses to participate in this effort and work to make it a public-private partnership.

As we strive to expand the partners and opportunities for youth and to lessen confusion for our partners and the public, we decided to make a change that will encompass both the Summer Youth Employment Program and the Idaho Youth Conservation Corps effort into a single program. As a result, we are now referring to both programs as a single program - **The Idaho Youth Corps**. With a new logo:



This change will not only help us promote the program statewide but also help communicate that fact that Idaho Youth Corp participants will have the opportunity to work in a variety of meaningful work settings as individuals or as part of crews that enhance Idaho's natural resources. We feel that making this change to the Idaho Youth Corps is a logical first step in leading this great program towards an even more successful future.

**PROPOSED LEGISLATION:**

Currently the department does not have the statutory authority to accept private donations. In order to develop the public-private partnership requested by the Governor, the department has drafted the attached legislation that would allow the department to accept private donations for the Idaho Youth Corps program. These donations would be administered by the department and the Idaho Workforce Development Council would be the advisory council that oversees these funds.

This draft legislation has been reviewed and accepted by the Governor's office and the Governor's staff has informed the department that it will be introduced as part of the Governor's legislative package for the 2010 legislation session.

**PROPOSED ADMIN TAX FUNDING:**

The department is proposing use of Administrative Tax funds to help establish the Idaho Youth Corps as a self-sustaining program. Because of the restrictions and limitations on the use of federal WIA funding – no services to non-WIA participants- the department proposes to utilize the Administrative Tax funds to assist the Idaho Youth Corps program to manage leveraged funding during the coming the year. Please refer to the attachment, Idaho Department of Labor-Workforce Development Council *Administrative Tax Spending Request*.

In addition to the Administrative Tax funds, supplemental funding for the Idaho Youth Corps program would be provided through the private donations obtained by the above legislation and leveraged funds from participating state and federal organizations.

**Staff Recommendation:**

- The staff recommends support of the proposed Governor's legislation and approval of the use of Administrative Tax funds for the Idaho Youth Corps program.

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## DRAFT LEGISLATION

**72-1336A. Youth employment and job training programs.** -- (1) Subject to the availability of funds from public and private sources and in consultation with the workforce development council, the director shall develop and implement youth employment and job training programs to increase employment opportunities for Idaho's youth.

(2) The director shall establish eligibility criteria for participants. At a minimum, participants shall be lawful residents of the United States and the state of Idaho and eligibility criteria shall not render employment and job training programs ineligible for federal funding.

(3) The director may apply for and accept grants or contributions of funds from any public or private source.

(4) To the extent practicable, the director shall enlist state and federal agencies, local governments, nonprofit organizations, private businesses, and any combination of such entities to act as sponsors for programs administered under this section. Selection of sponsors shall be based on criteria that includes the availability of other resources on a matching basis, including contributions from private sources, other federal, state and local agencies, and moneys available through the federal workforce investment act of 1998, as amended (29 U.S.C. 2801 *et seq.*).

(5) Programs developed and implemented under this section shall:

(a) Result in an increase in employment opportunities for youth that would not otherwise be available;

(b) Not result in the displacement or partial displacement of currently employed workers; (c) Not impair existing contracts for services or result in the substitution of funds available under this section for other funds in connection with work that would otherwise be performed;

(d) Not substitute jobs assisted under this section for existing federally assisted jobs;

(e) Not employ any person when any other person is on layoff by an employer from the same or any substantially equivalent job in the same area; and

(f) Not be used to employ any person to fill a job opening created by the act of an employer in laying off or terminating employment of any regular employee in anticipation of filling the vacancy by hiring a person to be supported under this section.

(6) Participants in youth employment and job training programs under this section shall not be employees of the state of Idaho and are not entitled to personnel benefits under the state personnel system, chapter 53, title 67, Idaho Code.

**IDAHO DEPARTMENT OF LABOR**  
**Workforce Development Council**  
**Administrative Tax Spending Request**  
**PROGRAM YEARS 2009 and 2010/FISCAL YEARS 2010 and 2011**  
*November 2009*

Beginning in 1995, the department asked the Employment Security Advisory Council for authority to spend Unemployment Insurance Reserve Fund interest earnings for specific purposes, with exact amounts to be determined later by the department. Prior to 1995, the department based its request to the Advisory Council on an estimate of what was needed to accomplish specific objectives. Uncertainty relating to federal funding levels made the pre-1995 approach impossible. Since federal funding is still unreliable and unpredictable, the department would like to continue the 1995 practice. As required in 72-1347A(c) of the Idaho Code, the Idaho department of Labor requests approval from the Workforce Development Council to spend Reserve Fund interest earnings, also referred to as the Special Administration Fund, for the following purposes:

1. **FEDERAL FUNDING REDUCTIONS/ENHANCE THE DEPARTMENT'S ABILITY TO PROVIDE WORKFORCE SERVICES:** Due to federal funding reductions in Employment Services, Unemployment Insurance, and related programs such as Career Information Systems and Alien Labor Certification, maintaining the current service structure of 25 local offices requires supplemental funding. Federal funding reductions can include failure of federal grants to increase sufficiently to cover general inflation, or a reduction in grant funds. For example, the department has experienced several instances where the legislature enacted pay increases and the federal government did not fund them in its grants.
2. **AUTOMATION:** To invest in the equipment, development or purchase of software, training and related items needed to continually modernize department automated systems to make the department more efficient and effective. This includes efforts such as construction of the Idaho Works System and its various components including the Workforce Investment Information System and the Labor Market Information/Career Information Systems; enhancement of the department's Internet offering and maintenance and enhancement of the unemployment insurance benefits and tax systems. Included in this category is funding for department staff as well as for private sector contractors to provide support on department PC's, LAN's, and mainframe.
3. **FACILITIES:** To cover the cost of remodeling owned facilities or purchasing new facilities for Department of Labor operations around the state. These facility enhancements are partially funded by Idaho's Permanent Building Fund and are dedicated primarily to establishing or enhancing Idaho Works Career Centers. These facility enhancement efforts have resulted in greater premises costs to the department. The department needs to use Reserve Fund interest earnings to augment federal grants because of increased premises costs and because some costs such as those for construction are not allowable charges to federal grants.
4. **WORKFORCE INVESTMENT ACT:** To supplement federal funding in the department's operation of the Workforce Investment Act of 1998.
5. **WORKFORCE DEVELOPMENT COUNCIL COSTS:** To cover the Department of Labor's share of any operating costs of the Workforce Development Council.
6. **IDAHO YOUTH CORPS:** To supplement private donations for Department of Labor administration of the Idaho Youth Corps.

Annually, the department reports actual use of the Special Administration Fund to both the Workforce Development Council and to the Joint Finance and Appropriations Committee of the Idaho Legislature. A copy of the most recent report to the Legislature is attached. This request for authority to expend monies from the Special Administration Fund was reviewed by the Workforce Development Council and is hereby approved.

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**Chair, Workforce Development Council**

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**DATE**