

HOUSE BILL NO. 278

INTRODUCED BY REAM, HALLIGAN

IN THE HOUSE

JANUARY 17, 1989	INTRODUCED AND REFERRED TO COMMITTEE ON STATE ADMINISTRATION.
JANUARY 18, 1989	FIRST READING.
FEBRUARY 4, 1989	COMMITTEE RECOMMEND BILL DO PASS AS AMENDED. REPORT ADOPTED.
FEBRUARY 6, 1989	PRINTING REPORT.
FEBRUARY 7, 1989	SECOND READING, DO PASS.
FEBRUARY 8, 1989	ENGROSSING REPORT.
FEBRUARY 9, 1989	THIRD READING, PASSED. AYES, 98; NOES, 1.
	TRANSMITTED TO SENATE.

IN THE SENATE

FEBRUARY 10, 1989	INTRODUCED AND REFERRED TO COMMITTEE ON STATE ADMINISTRATION.
	FIRST READING.
MARCH 13, 1989	COMMITTEE RECOMMEND BILL BE CONCURRED IN. REPORT ADOPTED.
MARCH 14, 1989	SECOND READING, CONCURRED IN.
MARCH 16, 1989	THIRD READING, CONCURRED IN. AYES, 40; NOES, 8.
	RETURNED TO HOUSE.

MARCH 17, 1989

IN THE HOUSE

RECEIVED FROM SENATE.

SENT TO ENROLLING.

REPORTED CORRECTLY ENROLLED.

1 *House* BILL NO. *278*
 2 INTRODUCED BY *Ream*
 3
 4 A BILL FOR AN ACT ENTITLED: "AN ACT REVISING THE STATE
 5 COMPETITIVE BIDDING REQUIREMENTS TO PERMIT STATE AGENCIES TO
 6 PURCHASE SUPPLIES USING ADVERTISED OR CATALOG PRICES UNDER
 7 CERTAIN CIRCUMSTANCES; PROVIDING SPECIAL PURCHASING
 8 PROCEDURES FOR OFFICE SUPPLIES AVAILABLE UNDER A
 9 BULK-PURCHASE PROGRAM OR TERM CONTRACT; REMOVING THE
 10 TERMINATION DATE FOR CERTAIN PROCUREMENT-RELATED
 11 DEFINITIONS; AMENDING SECTION 18-4-302, MCA, AND SECTION 6,
 12 CHAPTER 303, LAWS OF 1987; AND PROVIDING AN EFFECTIVE DATE
 13 AND AN APPLICABILITY DATE."
 14

15 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:

16 **Section 1.** Section 18-4-302, MCA, is amended to read:

17 "18-4-302. (Temporary) Methods of source selection.

18 (1) Unless otherwise authorized by law, all state contracts
 19 for supplies and services must be awarded by competitive
 20 sealed bidding, pursuant to 18-4-303, except as provided in
 21 18-4-133, 18-4-304 through 18-4-306, chapters 5 and 8 of
 22 this title, and subsections (2) and (3). Supplies or
 23 services offered for sale, lease, or rental by public
 24 utilities are exempt from this requirement if the prices of
 25 the supplies or services are regulated by the public service

1 commission or other governmental authority.

2 (2) At the time the department or a purchasing agency
 3 mails--an--invitation--for opens bids or a--request--for
 4 proposals for--office--supplies, if a Montana supplier's
 5 current publicly advertised or established catalog price
 6 available--to-the-public-may-be-registered-as-a is less than
 7 any bid if-it-meets-the-specifications, terms, and--delivery
 8 requirements--of--the--invitation--for--bid--or--request-for
 9 proposals--The or proposal received, the department shall
 10 certify--the-exact-time-that-the-advertised-or-catalog-price
 11 was-received-before-the-invitation-for-bids-or--request--for
 12 proposals--was--mailed--An-advertised-or-established-catalog
 13 price-registered-as-a-bid-must-be-available--for--inspection
 14 to--all--prospective-bidders or purchasing agency may reject
 15 all bids and purchase the supply from that supplier without
 16 meeting the requirements of 18-4-303 through 18-4-306.

17 (3) Any An office supply procured by the department
 18 through under a bulk-purchase program or contracted--for--by
 19 means--of--a term contract may be purchased by a purchasing
 20 agency, without meeting the requirements of 18-4-303 through
 21 18-4-306, from a Montana supplier whose publicly advertised
 22 or established catalog price available-to-the-public, at the
 23 time of the--mailing-of-the-invitation-for-bids-or-request
 24 for-proposals purchase, is less than the price for which the
 25 office supply is available from the department or under the

1 ~~provisions--of-the~~ term contract. ~~At~~ A state office supply
2 term contracts contract must include a provision by which
3 the contracting parties acknowledge and agree to the
4 provisions of this subsection.

5 18-4-302. (Effective July 1, 1989) Methods of source
6 selection. (1) Unless otherwise authorized by law, all state
7 contracts for supplies and services must be awarded by
8 competitive sealed bidding, pursuant to 18-4-303, except as
9 provided in 18-4-133, 18-4-304 through 18-4-306, and
10 chapters 5 and 8 of this title, and subsections (2) and (3).

11 Supplies or services offered for sale, lease, or rental by
12 public utilities are exempt from this requirement if the
13 prices of the supplies or services are regulated by the
14 public service commission or other governmental authority.

15 (2) At the time the department or a purchasing agency
16 opens bids or proposals, if a supplier's current publicly
17 advertised or established catalog price is less than any bid
18 or proposal received, the department or purchasing agency
19 may reject all bids and purchase the supply from that
20 supplier without meeting the requirements of 18-4-303
21 through 18-4-306.

22 (3) An office supply procured by the department under
23 a bulk-purchase program or a term contract may be purchased
24 by a purchasing agency, without meeting the requirements of
25 18-4-303 through 18-4-306, from a supplier whose publicly

1 advertised or established catalog price, at the time of the
2 purchase, is less than the price for which the office supply
3 is available from the department or under the term contract.
4 A state office supply term contract must include a provision
5 by which the contracting parties acknowledge and agree to
6 the provisions of this subsection."

7 **Section 2. Extension of authority.** Any existing
8 authority to make rules on the subject of the provisions of
9 [this act] is extended to the provisions of [this act].

10 **Section 3.** Section 6, Chapter 303, Laws of 1987, is
11 amended to read:

12 "Section 6. Termination date. ~~This--act---terminates~~
13 [Sections 2 through 6] terminate June 30, 1989."

14 **Section 4. Effective date.** [This act] is effective
15 July 1, 1989.

16 **Section 5. Applicability.** This act applies to a term
17 contract entered into after [the effective date of this
18 act].

-End-

STATE OF MONTANA - FISCAL NOTE

Form BD-15

In compliance with a written request, there is hereby submitted a Fiscal Note for HB278, as introduced.

DESCRIPTION OF PROPOSED LEGISLATION:

An act revising the state competitive bidding requirements to permit state agencies to purchase supplies using advertised catalog prices in certain circumstances; providing special purchasing procedures for office supplies.

ASSUMPTIONS:

1. The department has 66 statewide term contracts awarded to vendors which represent an estimated \$5.2 million annually. (The dollar amount for the Purchasing Bureau term contracts of \$5 million is estimated as actual documented figures are not available.) The Purchasing Bureau term contracts average 15% less than suggested retail pricing for an estimated annual savings of \$750,000. The Publications and Graphics Bureau term contracts average an estimated 37.5% off of retail for an estimated annual savings of \$87,336.
2. The Purchasing Bureau of the department awards 694 bids and proposals annually for a total of \$36.2 million. These contracts result in a savings of 13% over the expected dollars estimated by the agencies, for an annual savings of \$5.6 million.
3. The Publications & Graphics Bureau of the department write 709 purchase orders annually for a total of \$2.1 million. These contracts result in an average estimated savings of 27.5% less than retail at an estimated annual savings of \$594,578.
4. The Property and Supply Bureau purchases and resells \$2.7 million under the bulk purchase program averaging 56% off of retail, at an annual savings over retail of \$3.4 million. Section 3 only refers to office supplies, however, Section 2 includes all bidding for goods and services which would impact all items purchased by the bureau for resale to state agencies. (69% of the Bureau's dollars of purchases are spent with Montana vendors.)
5. Vendors may underbid bid prices for approximately one year. After that time period, participation in the bid process with vendors will progressively decline. Bid prices will only serve as target prices to be beaten by other vendors that are not participating in the bid process. For the purpose of this note it is assumed during the first year a 1% savings will be realized by state government. (This assumption is believed to be the most savings that could be derived and could very easily be a loss in the first year.) During the second year it is assumed that there will be at least 25% of state bids that will not have vendor participation creating an increased cost to the state.
6. When no published state volume discounted price is there for a benchmark, bid prices or otherwise obtained prices to the state will increase toward suggested retail pricing.
7. No inflation is reflected in estimates.

Ray Shackelford

RAY/SHACKLEFORD, BUDGET DIRECTOR
OFFICE OF BUDGET AND PROGRAM PLANNING

1/24/87

DATE

BOB REAM, PRIMARY SPONSOR,

DATE

Fiscal Note for HB278, as introduced

HB 278

Fiscal Note Request, HB278 as introduced

Form BD-15

Page 2

8. No dollar estimate can be calculated for merchandise purchased that does not meet specifications or bid conditions.
9. No dollar amount is included in the fiscal statement for the loss of unsold inventory and lost revenue for the Central Stores Program.
10. No dollar amount is included for other purchasing agencies that have purchasing authority.
11. No dollar amount is included for litigation awards, for state agencies not complying with Montana Preference Laws.

FISCAL IMPACT:

Expenditures for all goods and services purchased for the state would be impacted by this legislation.

<u>FY90</u>			<u>FY91</u>		
Current	Proposed	<u>Difference</u>	Current	Proposed	<u>Difference</u>
<u>Law</u>	<u>Law</u>		<u>Law</u>	<u>Law</u>	
\$44,100,000	\$43,659,000	\$441,000	\$44,100,000	\$46,707,978	\$2,607,978

The net cost of this legislation is estimated at \$2,166,978 over the 1990 biennium. It is not possible to determine the impact on each fund type because it is dependent upon the funding sources of each agency.

LONG RANGE EFFECTS OF PROPOSED LEGISLATION:

1. This note assumes 25% of all bid items will no longer be established by bid in FY91. If all bids are lost due to non-participation, the potential cost to user state agencies would total at least \$10.4 million dollars annually.
2. Administrative costs to the agencies may increase with more transfer warrant claims and no one-stop shopping for the Central Stores Program.

TECHNICAL OR MECHANICAL DEFECTS IN PROPOSED LEGISLATION OR CONFLICTS WITH EXISTING LEGISLATION:

Preference laws could be circumvented.

HB 278

APPROVED BY COMMITTEE
ON STATE ADMINISTRATION

HOUSE BILL NO. 278

INTRODUCED BY REAM, HALLIGAN

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BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:

Section 1. Section 18-4-302, MCA, is amended to read:**"18-4-302. (Temporary) Methods of source selection.**

(1) Unless otherwise authorized by law, all state contracts for supplies and services must be awarded by competitive sealed bidding, pursuant to 18-4-303, except as provided in 18-4-133, 18-4-304 through 18-4-306, chapters 5 and 8 of this title, and subsections (2) and (3). Supplies or services offered for sale, lease, or rental by public utilities are exempt from this requirement if the prices of

the supplies or services are regulated by the public service commission or other governmental authority.

(2) At the time the department or a purchasing agency mails--an--invitation--for opens bids or a--request--for proposals for--office--supplies, if a Montana supplier's current publicly advertised or established catalog price available-to-the-public-may-be-registered-as-a IS RECEIVED AT OR BEFORE THE TIME THE BIDS OR PROPOSALS ARE OPENED AND is less than any THE bid if--it--meets--the--specifications; terms--and--delivery-requirements-of-the-invitation-for-bid or-request-for-proposals--The OF THE LOWEST RESPONSIBLE AND RESPONSIVE BIDDER OR OFFEROR or IMPROVES UPON THE CONDITIONS FOR THE BEST PROPOSAL RECEIVED USING THE SAME FACTORS AND WEIGHTS INCLUDED IN THE proposal received, the department shall-certify-the-exact-time-that-the-advertised-or--catalog price-was-received-before-the-invitation-for-bids-or-request for--proposals--was--mailed--An--advertised--or-established catalog-price-registered-as-a--bid--must--be--available--for inspection--to--all-prospective-bidders or purchasing agency may reject all bids and purchase the supply from that supplier without meeting the requirements of 18-4-303 through 18-4-306.

(3) Any An office supply procured by the department through under a--bulk-purchase DEPARTMENT'S CENTRAL STORES program THROUGH BULK PURCHASE or contracted-for-by-means--of

1 a PROCURED UNDER A term contract may be purchased by a
 2 purchasing agency, without meeting the requirements of
 3 18-4-303 through 18-4-306, from a Montana supplier whose
 4 publicly advertised or established catalog price ~~available~~
 5 ~~to--the-public--at-the-time-of-the-mailing-of-the-invitation~~
 6 ~~for-bids-or-request-for-proposals purchase,~~ is less than the
 7 price ~~for-which-the-office--supply-is--available--from--the~~
 8 ~~department--or--under--the~~ provisions ~~of-the~~ term contract
 9 OFFERED BY THE CENTRAL STORES PROGRAM OR UNDER THE TERM
 10 CONTRACT AND CONFORMS IN ALL MATERIAL RESPECTS TO THE TERMS,
 11 CONDITIONS, AND QUALITY OFFERED BY THE CENTRAL STORES
 12 PROGRAM OR UNDER THE TERM CONTRACT. All A state office
 13 supply term contracts contract must include a provision by
 14 which the contracting parties acknowledge and agree to the
 15 provisions of this subsection.

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 16 requirements of 18-4-303 through 18-4-306, from a supplier
 17 whose publicly advertised or established catalog price ~~at~~
 18 ~~the-time-of-the-purchase,~~ is less than the price ~~for--which~~
 19 ~~the--office-supply-is-available-from-the-department-or-under~~
 20 ~~the-term-contract~~ OFFERED BY THE CENTRAL STORES PROGRAM OR
 21 UNDER THE TERM CONTRACT AND CONFORMS IN ALL MATERIAL
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 23 THE CENTRAL STORES PROGRAM OR UNDER THE TERM CONTRACT. A
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 25 by which the contracting parties acknowledge and agree to

1 the provisions of this subsection."

2 NEW SECTION. Section 2. Extension of authority. Any
3 existing authority to make rules on the subject of the
4 provisions of [this act] is extended to the provisions of
5 [this act].

6 **Section 3.** Section 6, Chapter 303, Laws of 1987, is
7 amended to read:

8 "Section 6. Termination date. ~~This act terminates~~
9 [Sections 2 through 6] terminate June 30, 1989."

10 NEW SECTION. Section 4. Effective date. [This act] is
11 effective July 1, 1989.

12 NEW SECTION. Section 5. Applicability. This act
13 applies to a term contract entered into after [the effective
14 date of this act].

-End-

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In compliance with a written request, there is hereby submitted a Fiscal Note for HB278, third reading.

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An act revising the state competitive bidding requirements to permit state agencies to purchase supplies using advertised catalog prices in certain circumstances; providing special purchasing procedures for office supplies.

ASSUMPTIONS:

1. This legislation would not result in any direct increase in expenditures for goods and services.
2. Savings may be derived in the purchase of goods and services for the state.

FISCAL IMPACT:

There isn't any basis for projecting the savings that may be realized.

Ray Shackelford 3/10/89
RAY SHACKLEFORD, BUDGET DIRECTOR DATE
OFFICE OF BUDGET AND PROGRAM PLANNING

Bob Ream 3/10/89
BOB REAM, PRIMARY SPONSOR, DATE

Fiscal Note for HB278, third reading

HB 278

HOUSE BILL NO. 278

INTRODUCED BY REAM, HALLIGAN

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 7 BEST PROPOSAL RECEIVED USING THE SAME FACTORS AND WEIGHTS
 8 INCLUDED IN THE proposal received, the department or
 9 purchasing agency may reject all bids and purchase the
 10 supply from that supplier without meeting the requirements
 11 of 18-4-303 through 18-4-306.

12 (3) An office supply procured by the department--under
 13 a--bulk-purchase DEPARTMENT'S CENTRAL STORES program THROUGH
 14 BULK PURCHASE or PROCURED UNDER a term contract may be
 15 purchased by a purchasing agency, without meeting the
 16 requirements of 18-4-303 through 18-4-306, from a supplier
 17 whose publicly advertised or established catalog price, at
 18 the time of the purchase, is less than the price for--which
 19 the--office supply is available from the department or under
 20 the term contract OFFERED BY THE CENTRAL STORES PROGRAM OR
 21 UNDER THE TERM CONTRACT AND CONFORMS IN ALL MATERIAL
 22 RESPECTS TO THE TERMS, CONDITIONS, AND QUALITY OFFERED BY
 23 THE CENTRAL STORES PROGRAM OR UNDER THE TERM CONTRACT. A
 24 state office supply term contract must include a provision
 25 by which the contracting parties acknowledge and agree to

1 the provisions of this subsection."

2 NEW SECTION. Section 2. Extension of authority. Any
3 existing authority to make rules on the subject of the
4 provisions of [this act] is extended to the provisions of
5 [this act].

6 Section 3. Section 6, Chapter 303, Laws of 1987, is
7 amended to read:

8 "Section 6. Termination date. ~~This--act--terminates~~
9 [Sections 2 through 6] terminate June 30, 1989."

10 NEW SECTION. Section 4. Effective date. [This act] is
11 effective July 1, 1989.

12 NEW SECTION. Section 5. Applicability. This act
13 applies to a term contract entered into after [the effective
14 date of this act].

-End-

1 House BILL NO. 279
2 INTRODUCED BY Cobb
3
4 A BILL FOR AN ACT ENTITLED: "AN ACT PROVIDING LEGISLATIVE
5 DIRECTION AND OVERSIGHT OF PROGRAMS ADMINISTERED UNDER THE
6 FEDERAL JOB TRAINING PARTNERSHIP ACT IN ORDER TO ENSURE THAT
7 WELFARE RECIPIENTS OBTAIN THE EMPLOYMENT AND TRAINING NEEDED
8 TO AVOID LONG-TERM DEPENDENCY ON PUBLIC ASSISTANCE;
9 REQUIRING THAT TITLE II-A JOB TRAINING PROGRAMS SERVE
10 WELFARE RECIPIENTS AS A PRIORITY TARGET GROUP; MANDATING
11 PERFORMANCE STANDARDS; COORDINATING JOB TRAINING PROGRAMS
12 WITH PROGRAMS AND SERVICES OF PUBLIC ASSISTANCE AGENCIES;
13 MAKING EACH JOB TRAINING PLAN SUBJECT TO LEGISLATIVE REVIEW;
14 AND PROVIDING AN IMMEDIATE EFFECTIVE DATE AND AN
15 APPLICABILITY DATE."
16

17 WHEREAS, multiple employment and training programs
18 exist in Montana to help individuals avoid long-term
19 dependency on welfare, including the work incentive (WIN)
20 program for recipients of aid to families with dependent
21 children (AFDC), the project work program for general
22 assistance (GA) recipients, the displaced homemakers
23 program, and the Job Training Partnership Act (JTPA)
24 program; and

25 WHEREAS, the JTPA program is the state's primary

1 employment and training program, with annual funding that is
2 more than double the yearly cost of the entire state GA cash
3 welfare program; and

4 WHEREAS, employment and training programs in this state
5 lack coordination among agencies and oftentimes duplicate or
6 overlap services to similar categories of clients; and

7 WHEREAS, the coordination and elimination of
8 duplicative services is necessary to assure the delivery of
9 comprehensive employment and training services in the most
10 efficient and cost-effective means possible; and

11 WHEREAS, the JTPA program could potentially serve as a
12 building block for a comprehensive system of employment and
13 training programs for welfare recipients; and

14 WHEREAS, there is increasing recognition at the state
15 and federal levels of the need to coordinate JTPA programs
16 with other employment and training programs to better meet
17 the needs of welfare recipients; and

18 WHEREAS, the legislatures of other states are assuming
19 a greater role to assure the effectiveness of JTPA programs
20 and to establish priorities for providing employment and
21 training to groups such as recipients of public welfare.

22 THEREFORE, the Legislature of the State of Montana
23 finds it appropriate to enact this legislation.
24

25 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:

NEW SECTION. Section 1. Purpose and intent. (1) The purpose of [this act] is to provide legislative direction and oversight of programs in Montana administered under the federal Job Training Partnership Act.

(2) The intent of the legislature in establishing [this act] is to ensure that welfare recipients obtain the employment and training needed to avoid long-term dependency on public assistance.

NEW SECTION. Section 2. State goals. It is a goal of the state in providing employment and training under [this act] to:

(1) coordinate all available resources from federal, state, and local governments to develop and promote a balanced, integrated, and cost-effective employment and training system;

(2) encourage consultation between the governor, the Montana job training council, the private industry councils, and the state legislature in developing plans for administering programs under the Job Training Partnership Act; and

(3) make employment and training programs under the Job Training Partnership Act performance-oriented by requiring review and monitoring of program performance based on standards designed to measure the overall effectiveness of the program.

NEW SECTION. Section 3. Definitions. For the purposes of [this act], unless the context requires otherwise, the following definitions apply:

(1) "Job Training Partnership Act" means the federal Job Training Partnership Act of 1982, Public Law 97-300 (29 U.S.C. 1501, et seq.), as amended.

(2) "Job training plan" means the plan for providing services and training in a service delivery area, as required in [section 7].

(3) "Program" means the program created under [section 4] to implement the Job Training Partnership Act.

(4) "Program year", as provided in section 161 of the Job Training Partnership Act (29 U.S.C. 1571), means the fiscal year beginning on July 1 of the year for which an appropriation is made for the program established under [this act].

(5) "Service delivery area" means an area designated as provided in section 101 of the Job Training Partnership Act (29 U.S.C. 1511).

(6) "Service provider" means a person, agency, or organization that has a contract to provide services and training under the program.

(7) "Welfare recipient" means a person who receives general relief assistance or aid to families with dependent children.

1 NEW SECTION. Section 4. Establishment and
 2 administration of program. (1) There is a program to
 3 implement the Job Training Partnership Act. The program must
 4 provide employment, training, and supportive and related
 5 services for economically disadvantaged individuals and
 6 other persons who have serious barriers to employment and
 7 are in special need of services in order to obtain
 8 productive employment.

9 (2) The department of labor and industry shall
 10 administer the program in accordance with a job training
 11 plan that meets the requirements of [section 7] and sections
 12 103 through 105 of the Job Training Partnership Act (29
 13 U.S.C. 1513 through 1515).

14 NEW SECTION. Section 5. State job training council.
 15 (1) There is a Montana job training council. The council
 16 shall perform the functions of the state job training
 17 coordinating council provided under section 122 of the Job
 18 Training Partnership Act (29 U.S.C. 1532).

19 (2) The governor shall appoint the members of the
 20 council. Appointments are subject to approval by the senate.

21 NEW SECTION. Section 6. Private industry councils.
 22 (1) There is a private industry council in each service
 23 delivery area. Each council must be established as provided
 24 in section 102 of the Job Training Partnership Act (29
 25 U.S.C. 1512).

1 (2) Each private industry council shall carry out the
 2 duties and responsibilities provided in section 103 of the
 3 Job Training Partnership Act (29 U.S.C. 1513).

4 NEW SECTION. Section 7. Job training plan --
 5 requirements. (1) No funds appropriated for the program for
 6 any fiscal year may be provided to any service delivery area
 7 except pursuant to an approved job training plan that has
 8 been prepared in accordance with [this act] and sections 103
 9 through 105 of the Job Training Partnership Act (29 U.S.C.
 10 1513 through 1515).

11 (2) A job training plan must contain all information
 12 required by [this act] and the Job Training Partnership Act,
 13 including but not limited to:

14 (a) priorities for providing services to eligible
 15 groups within the service delivery area, including priority
 16 for services to welfare recipients as required in [section
 17 8];

18 (b) procedures for identifying and selecting
 19 participants and for determining and verifying their
 20 eligibility;

21 (c) the type of services and training to be provided,
 22 including the estimated cost per participant;

23 (d) criteria for evaluating the content and quality of
 24 services and training;

25 (e) performance standards as required under [section

1 9];

2 (f) procedures for selecting service providers, as
3 provided in [section 11] and section 107 of the Job Training
4 Partnership Act (29 U.S.C. 1517);

5 (g) a plan for coordinating services and training with
6 programs and services of public assistance agencies as
7 required under [section 12];

8 (h) an estimated budget for 2 program years that
9 conforms to [section 13] and section 108 of the Job Training
10 Partnership Act (29 U.S.C. 1518);

11 (i) a procedure for preparing and submitting to the
12 governor and the legislature an annual report that describes
13 the activities conducted during the program year, the
14 characteristics of program participants, and the extent to
15 which activities exceeded or failed to meet the performance
16 standards adopted under the plan; and

17 (j) procedures for ensuring that programs operated
18 under the plan meet the requirements of the Job Training
19 Partnership Act and comply with the legislative purpose and
20 intent of [this act].

21 **NEW SECTION. Section 8. State policy -- priority for**
22 **services.** (1) It is the policy of this state that programs
23 administered under Title II-A of the Job Training
24 Partnership Act must emphasize services to welfare
25 recipients to help them obtain the employment and training

1 needed to avoid long-term dependency on public assistance.

2 (2) Consistent with the policy in subsection (1), each
3 job training plan must provide assurance that welfare
4 recipients will be served as a priority target group for
5 programs administered under Title II-A of the Job Training
6 Partnership Act.

7 **NEW SECTION. Section 9. Performance standards.** Each
8 job training plan must provide standards, consistent with
9 section 106 of the Job Training Partnership Act (29 U.S.C.
10 1516), to measure the performance and effectiveness of the
11 program in the service delivery area. Such standards must
12 include an objective, quantifiable measure of the extent to
13 which participation in the program increases the employment
14 and earnings of welfare recipients and decreases their
15 dependency on public assistance. These standards must also
16 include the factors for evaluating programs, which factors
17 are described in [section 10].

18 **NEW SECTION. Section 10. Monitoring and evaluation of**
19 **programs -- incentive grants.** (1) In order to determine
20 whether performance standards are met, the department of
21 labor and industry shall monitor and evaluate the program in
22 each service delivery area on the basis of appropriate
23 factors that must include the following:

24 (a) the attainment of enrollment and placement goals
25 for the program as determined by:

(i) the number of persons actually enrolled in the program during the program year as compared to the number planned for enrollment;

(ii) the number of persons in subsection (1)(a)(i) who are members of a specific target group;

(iii) the number of persons who obtained a job placement as a result of participation in the program and the quality of such placements as determined in accordance with the criteria established in subsection (1)(b);

(iv) the number of persons in subsection (1)(a)(iii) who are members of a specific target group;

(v) the number of persons who were unsuccessful in being placed in employment following completion of the program; and

(vi) the number of persons who failed to complete the program, including the reasons for failure and the point in time during participation in the program that the failure occurred;

(b) the quality of job placements as indicated by:

(i) the length of time that each person was retained in the original job placement;

(ii) the actual wages earned by each person upon placement in employment;

(iii) the average wages of all persons receiving job placements; and

(iv) the type of employment obtained by each person upon placement; and

(c) the number of persons who have ceased receiving public assistance as a result of participation in the program and the number who return to or stay on public assistance despite enrollment in and successful completion of the program.

(2) In monitoring and evaluating the performance of programs, the department shall determine reasons for high and low levels of performance, administrative efficiencies, and program coordination.

(3) The department shall determine the appropriate allocation of funds under section 202(b)(3) of the Job Training Partnership Act (29 U.S.C. 1602(b)(3)) for incentive grants to service providers that exceed performance standards.

NEW SECTION. Section 11. Selection of providers. Each job training plan must contain a procedure for selecting service providers that takes into primary consideration:

(1) the effectiveness of the agency or organization in delivering services comparable or related to those to be provided under the job training plan; and

(2) past performance as a service provider in programs administered under the Job Training Partnership Act.

NEW SECTION. Section 12. Coordination requirements.

Pursuant to the provisions of section 121 of the Job Training Partnership Act (29 U.S.C. 1531) and 42 U.S.C. 683, programs administered under the Job Training Partnership Act must be coordinated with:

(1) programs operated under section 201 of the federal Family Support Act of 1988 (42 U.S.C. 681, et seq.); and

(2) programs and services of public assistance agencies, including the programs established under 53-3-304.

NEW SECTION. Section 13. Limitation on costs. (1) Not more than 10% of the funds available to a service delivery area for any fiscal year for programs under Title II-A of the Job Training Partnership Act may be spent for the cost of administration. For purposes of this section, the cost of administration includes:

(a) the cost of activities of the department of labor and industry in its capacity as the administrative entity for the program; and

(b) costs of a service provider that are not directly related to training and participant support.

(2) Costs of program support, such as counseling, that are directly related to the provision of education or training and any additional costs that are attributable to the development of training programs under section 204(28) of the Job Training Partnership Act (29 U.S.C. 1604(28)) are not part of the cost of administration.

NEW SECTION. Section 14. Review and approval of plan.

(1) By January 15 of each odd-numbered year, the governor shall submit the proposed job training plan for the next 2 program years to the president of the senate and the speaker of the house of representatives. They shall refer the plan to a proper standing committee in each house of the legislature for review, comment, and appropriate action.

(2) The final job training plan must be approved, published, and submitted to the governor not later than 80 days before the first of the 2 program years. The governor shall approve or disapprove the plan as provided in section 105 of the Job Training Partnership Act (29 U.S.C. 1515).

NEW SECTION. Section 15. Federal requirements -- conflict and accord. No provision of [this act] may be implemented if the U.S. secretary of labor finds it to be inconsistent with the provisions of the federal Job Training Partnership Act.

NEW SECTION. Section 16. Audit -- report to the legislature. (1) The legislative auditor shall conduct a performance audit of the program provided for in [section 4] at least once every 2 years following [the effective date of this act].

(2) At the commencement of each legislative session, the legislative auditor shall submit to the legislature a report containing the results of the audit required in

1 subsection (1).

2 NEW SECTION. **Section 17. Severability.** If a part of
3 [this act] is invalid, all valid parts that are severable
4 from the invalid part remain in effect. If a part of [this
5 act] is invalid in one or more of its applications, the part
6 remains in effect in all valid applications that are
7 severable from the invalid applications.

8 NEW SECTION. **Section 18. Modification of plan.** Any
9 job training plan approved by the governor prior to [the
10 effective date of this act] that is subject to the
11 provisions of [this act] must be modified, as provided in
12 section 104 of the Job Training Partnership Act (29 U.S.C.
13 1514), to conform to the requirements of [this act].

14 NEW SECTION. **Section 19. Effective date --**
15 **applicability.** [Sections 1 through 13, sections 15 through
16 18, and this section] are effective on passage and approval
17 and apply to the job training plan for the 2 program years
18 beginning July 1, 1989.

-End-