

Tab 3	SB 7036 by GO; School District Purchasing				
953366	A	S	AED, Ring	Delete L.24:	01/20 08:59 AM

Tab 1	CS/SB 142 by JU, Ring (CO-INTRODUCERS) Joyner; (Similar to H 0923) Student Loans				
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Tab 2	SB 962 by Gaetz; (Identical to H 1359) Vocational Rehabilitation				
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The Florida Senate
COMMITTEE MEETING EXPANDED AGENDA
APPROPRIATIONS SUBCOMMITTEE ON EDUCATION
Senator Gaetz, Chair
Senator Montford, Vice Chair

MEETING DATE: Thursday, January 21, 2016
TIME: 9:00 a.m.—12:00 noon
PLACE: Pat Thomas Committee Room, 412 Knott Building

MEMBERS: Senator Gaetz, Chair; Senator Montford, Vice Chair; Senators Bullard, Galvano, Legg, Ring, Simmons, and Stargel

TAB	BILL NO. and INTRODUCER	BILL DESCRIPTION and SENATE COMMITTEE ACTIONS	COMMITTEE ACTION
1	CS/SB 142 Judiciary / Ring (Similar H 923, Compare H 291)	Student Loans; Creating the For the Greater Good Attorney Student Loan Repayment Program to increase employment and retention of attorneys in the public sector; providing eligibility requirements; specifying the loans that will be covered by the repayment program; requiring the Department of Education to make payments to eligible attorneys, etc. JU 12/01/2015 Fav/CS GO 01/11/2016 Favorable AED 01/21/2016 Favorable AP	Favorable Yeas 7 Nays 0
2	SB 962 Gaetz (Identical H 1359)	Vocational Rehabilitation; Requiring the Division of Vocational Rehabilitation to initiate, by a specified date, a performance improvement plan designed to achieve specified goals; requiring the division to submit a performance report annually, by a specified date, to the Governor and the Legislature which includes specified information, etc. HE 01/11/2016 Favorable AED 01/21/2016 Favorable FP	Favorable Yeas 7 Nays 0
3	SB 7036 Governmental Oversight and Accountability	School District Purchasing; Requiring each district school board to use certain agreements and contracts for purchasing nonacademic commodities and contractual services under certain circumstances; requiring a district school board to post a written justification for certain determinations on the board's website, etc. AED 01/21/2016 Temporarily Postponed FP	Temporarily Postponed

Other Related Meeting Documents

The Florida Senate
BILL ANALYSIS AND FISCAL IMPACT STATEMENT

(This document is based on the provisions contained in the legislation as of the latest date listed below.)

Prepared By: The Professional Staff of the Appropriations Subcommittee on Education

BILL: SB 7036

INTRODUCER: Governmental Oversight and Accountability Committee

SUBJECT: School District Purchasing

DATE: January 20, 2016

REVISED: _____

	ANALYST	STAFF DIRECTOR	REFERENCE	ACTION
	<u>Peacock</u>	<u>McVaney</u>		GO Submitted as Committee Bill
1.	<u>Sikes</u>	<u>Elwell</u>	<u>AED</u>	Pre-meeting
2.	_____	_____	<u>FP</u>	_____

I. Summary:

SB 7036 requires each district school board, when purchasing nonacademic commodities and services, to use the purchasing agreements and state term contracts through the Department of Management Services pursuant to s. 287.056, F.S., unless the district school board determines that it is not to the economic advantage of that school district to use the agreements and contracts.

For each determination that the agreements and contracts are not to the economic advantage of the school district, the district school board must provide a written statement justifying such determination and post the statement on the district school board's website.

The bill may result in indeterminate cost savings by district school boards.

The bill takes effect July 1, 2016.

II. Present Situation:

Chapter 287, Florida Statutes

Chapter 287, F.S., regulates state agency¹ procurement of personal property and services.² Agencies may use a variety of procurement methods, depending on the cost and characteristics

¹ As defined in s. 287.012(1), F.S., "agency" means any of the various state officers, departments, boards, commissions, divisions, bureaus, and councils and any other unit of organization, however designated, of the executive branch of state government. "Agency" does not include the university and college boards of trustees or the state universities and colleges.

² Local governments are not subject to the provisions of ch. 287, F.S. Local governmental units may look to the chapter for guidance in the procurement of goods and services, but many have local policies or ordinances to address competitive solicitations.

of the needed good or service, the complexity of the procurement, and the number of available vendors. These include the following:

- "Single source contracts," which are used when an agency determines that only one vendor is available to provide a commodity or service at the time of purchase;
- "Invitations to bid," which are used when an agency determines that standard services or goods will meet needs, wide competition is available, and the vendor's experience will not greatly influence the agency's results;
- "Requests for proposals," which are used when the procurement requirements allow for consideration of various solutions and the agency believes more than two or three vendors exist who can provide the required goods or services; and
- "Invitations to negotiate," which are used when negotiations are determined to be necessary to obtain the best value and involve a request for high complexity, customized, mission-critical services, by an agency dealing with a limited number of vendors.³

Contracts for commodities or contractual services in excess of \$35,000 must be procured utilizing a competitive solicitation process.⁴ However, specified contractual services and commodities are not subject to competitive-solicitation requirements.⁵

The chapter establishes a process by which a person may file an action protesting a decision or intended decision pertaining to contracts administered by the Department of Management Services (DMS), a water management district, or state agencies.⁶

State Contracts and Purchasing Agreements

DMS's Division of State Purchasing procures state term contracts and establishes purchasing agreements for selected products and services.⁷ Section 287.056(1), F.S., requires state agencies to purchase commodities and contractual services from purchasing agreements and state term contracts in accordance with s. 287.057, F.S. Other eligible users of state term contracts and purchasing agreements include any local government, school board or other special district, authority, or government entity and any independent, nonprofit college or university located within the state and accredited by the Southern Association of Colleges and Schools.⁸ Statewide contracts and purchasing agreements enable eligible users to pool their buying power to lower total costs and reduce administrative burden in the purchase of products and services.

³ See ss. 287.012(6) and 287.057, F.S.

⁴ Section 287.057(1), F.S., requires all projects that exceed the Category Two (\$35,000) threshold contained in s. 287.017, F.S., to be competitively bid. As defined in s. 287.012(6), F.S., "competitive solicitation" means the process of requesting and receiving two or more sealed bids, proposals, or replies submitted by responsive vendors in accordance with the terms of a competitive process, regardless of the method of procurement.

⁵ See s. 287.057(3)(e), F.S.

⁶ See ss. 287.042(2)(c) and 120.57(3), F.S.

⁷ Section 287.042(1)(a) and (2)(a), F.S.

⁸ See s. 287.056(1), F.S., and Rule 60A-1.005, F.A.C.

District School Boards

Purchases and leases by school districts must comply with requirements of law and rules of the State Board of Education.⁹ Each school district is required to establish purchasing rules.¹⁰ Section 1010.04(3), F.S., permits the district school board to purchase from current county contracts if such contracts are to the economic advantage of these entities and the county purchasing agent is authorized by law to make purchases for the benefit of other governmental agencies within the county.

Section 1001.451, F.S., authorizes school districts with 20,000 or fewer unweighted full-time equivalent students to enter into cooperative agreements to form regional consortium service organizations to provide purchasing.

Section 1006.27, F.S., requires the Department of Education to assist district school boards with procuring school buses, contractual needs, equipment, and supplies at reasonable prices by providing a plan under which district school boards may voluntarily pool their bids for such purchases.

Section 1006.283, F.S., authorizes a consortium of school districts to implement an instructional materials program that includes purchase of instructional materials.

III. Effect of Proposed Changes:

Section 1 amends s. 1010.04, F.S., to require each district school board, when purchasing nonacademic commodities and services, to use the purchasing agreements and state term contracts available under s. 287.056, F.S., unless the district school board determines that it is not to the economic advantage of that school district to use the agreements and contracts. For each determination that the agreements and contracts are not to the economic advantage of the school district, the district school board must provide a written statement justifying such determination and post the statement on the district school board's website.

Section 2 provides an effective date of July 1, 2016.

IV. Constitutional Issues:

A. Municipality/County Mandates Restrictions:

The mandate restrictions do not apply because the bill does not require counties and municipalities to spend funds, reduce counties' or municipalities' ability to raise revenue, or reduce the percentage of state tax shares with counties and municipalities.

B. Public Records/Open Meetings Issues:

None.

⁹ Section 1010.04(1)(a), F.S. *See also* s. 1001.42(12)(j), F.S.

¹⁰ Section 1010.04(2), F.S. *See also* Rule 6A-1.012, F.A.C.

C. Trust Funds Restrictions:

None.

V. Fiscal Impact Statement:

A. Tax/Fee Issues:

None.

B. Private Sector Impact:

The bill may shift some contracting dollars towards businesses that have entered into purchasing agreements with the DMS and vendors who hold state term contracts.

C. Government Sector Impact:

District school boards may realize some cost savings to the extent goods and services are available at lower costs through the state term contracts and purchasing agreements.

VI. Technical Deficiencies:

None.

VII. Related Issues:

None.

VIII. Statutes Affected:

This bill amends section 1010.04 of the Florida Statutes.

IX. Additional Information:

A. Committee Substitute – Statement of Changes:

(Summarizing differences between the Committee Substitute and the prior version of the bill.)

None.

B. Amendments:

None.



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LEGISLATIVE ACTION

Senate

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House

Appropriations Subcommittee on Education (Ring) recommended the following:

Senate Amendment (with title amendment)

Delete line 24

and insert:

agreements and contracts, or the cooperative state purchasing programs managed through regional consortium service organizations pursuant to s. 1001.451(3). For each determination that the

===== T I T L E A M E N D M E N T =====



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11 And the title is amended as follows:
12 Delete line 6
13 and insert:
14 services under certain circumstances or specified
15 cooperative state purchasing programs; requiring a

By the Committee on Governmental Oversight and Accountability

585-01765-16

20167036__

1 A bill to be entitled
 2 An act relating to school district purchasing;
 3 amending s. 1010.04, F.S.; requiring each district
 4 school board to use certain agreements and contracts
 5 for purchasing nonacademic commodities and contractual
 6 services under certain circumstances; requiring a
 7 district school board to post a written justification
 8 for certain determinations on the board's website;
 9 providing an effective date.
 10
 11 Be It Enacted by the Legislature of the State of Florida:
 12
 13 Section 1. Subsection (1) of section 1010.04, Florida
 14 Statutes, is amended to read:
 15 1010.04 Purchasing.—
 16 (1) (a) Purchases and leases by school districts and Florida
 17 College System institutions shall comply with the requirements
 18 of law and rules of the State Board of Education.
 19 (b) For purchasing nonacademic commodities and contractual
 20 services, each district school board must use the purchasing
 21 agreements and state term contracts available under s. 287.056,
 22 unless the district school board determines that it is not to
 23 the economic advantage of that school district to use the
 24 agreements and contracts. For each determination that the
 25 agreements and contracts are not to the economic advantage of
 26 the school district, the district school board must provide a
 27 written statement justifying such determination and post the
 28 statement on the district school board's website.
 29 (c) ~~(b)~~ Purchases and leases by state universities shall

Page 1 of 2

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30 comply with the requirements of law and regulations of the Board
 31 of Governors.
 32 Section 2. This act shall take effect July 1, 2016.

Page 2 of 2

CODING: Words ~~stricken~~ are deletions; words underlined are additions.



THE FLORIDA SENATE

Tallahassee, Florida 32399-1100

COMMITTEES:
Governmental Oversight and Accountability, *Chair*
Judiciary, *Vice Chair*
Appropriations
Appropriations Subcommittee on Education
Children, Families, and Elder Affairs
Commerce and Tourism

SENATOR JEREMY RING

29th District

December 22, 2015

The Honorable Don Gaetz
Appropriations Subcommittee on Education
201 The Capitol
404 South Monroe Street
Tallahassee, FL 32399

Dear Mr. Chairman,

I am writing to respectfully request your cooperation in placing Senate Bill 7036, relating to School District Purchasing, on the Education Appropriations agenda at your earliest convenience. I would greatly appreciate the opportunity to discuss the bill at greater length before your committee.

Thank you in advance for your assistance. As always, please do not hesitate to contact me with any questions or comments you may have.

Very Truly Yours,

A handwritten signature in cursive script that reads "Jeremy Ring".

Jeremy Ring
Senator District 29

cc: Tim Elwell, Staff Director
JoAnne Bennett, Committee Administrative Assistant

REPLY TO:

- 5790 Margate Boulevard, Margate, Florida 33063 (954) 917-1392 FAX: (954) 917-1394
- 405 Senate Office Building, 404 South Monroe Street, Tallahassee, Florida 32399-1100 (850) 487-5029

Senate's Website: www.flsenate.gov

ANDY GARDINER
President of the Senate

GARRETT RICHTER
President Pro Tempore

The Florida Senate
BILL ANALYSIS AND FISCAL IMPACT STATEMENT

(This document is based on the provisions contained in the legislation as of the latest date listed below.)

Prepared By: The Professional Staff of the Appropriations Subcommittee on Education

BILL: CS/SB 142

INTRODUCER: Judiciary Committee and Senator Ring and others

SUBJECT: Student Loans

DATE: January 21, 2016

REVISED: _____

	ANALYST	STAFF DIRECTOR	REFERENCE	ACTION
1.	<u>Brown</u>	<u>Cibula</u>	<u>JU</u>	Fav/CS
2.	<u>McVaney</u>	<u>McVaney</u>	<u>GO</u>	Favorable
3.	<u>Sikes</u>	<u>Elwell</u>	<u>AED</u>	Favorable
4.	_____	_____	<u>AP</u>	_____

Please see Section IX. for Additional Information:

COMMITTEE SUBSTITUTE - Substantial Changes

I. Summary:

CS/SB 142 creates the “For the Greater Good Attorney Student Loan Repayment Program” within the Florida Department of Education (DOE). The program provides student loan repayment assistance to eligible attorneys employed in the public sector.

Under the bill, an attorney is eligible for loan repayment assistance for any student loan not in default which was issued or guaranteed by a state or by the federal government, if the attorney:

- Is employed full-time in Florida by a local government, or the state or federal government;
- Is a member of the Florida Bar who has not received any disciplinary action;
- Has completed no less than four years and no more than 10 years of government service;
- Earns less than \$65,000 in salary; and
- Is not eligible for any other state, local, or federal grant or private fund that assists in student loan repayment.

The bill authorizes up to \$3,000 in loan payments annually for qualifying attorneys having at least 4 and up to 7 years of government employment. When an attorney reaches 7 years of employment, the amount authorized increases to \$5,000. When the attorney completes 10 years of service, loan payments cease. Funding for the program is contingent upon a specific appropriation in the General Appropriations Act.

According to the DOE, the total administrative cost of the program for the 2016-2017 fiscal year would be \$140,865. The total cost includes \$11,600 in nonrecurring costs and \$58,000 in recurring costs for updates and maintenance on the State Student Financial Aid Database including an online application and administrative capabilities, as well as \$71,265 for one new full-time position to administer the program.

II. Present Situation:

The Higher Education Act of 1965

Title IV of the Higher Education Act of 1965 established a federal loan program for eligible student and parent borrowers.¹ The program is known as the William D. Ford Federal Direct Loan Program (Direct Loan program).²

Today, the U.S. Department of Education oversees a variety of loan programs within the Direct Loan program.³ These programs include the following offerings:

- Federal Perkins Loan, a loan made by the recipient's school, for undergraduate and graduate students who qualify based on financial need. Total loan amounts are capped.
- Direct Subsidized Loan, a loan available to undergraduate students enrolled at least half-time and with demonstrated financial need. Students are not charged interest during certain time periods, such as while they are attending school.
- Direct Unsubsidized Loan, a loan available to undergraduate and graduate students who are enrolled at least half-time. Financial need is irrelevant. Interest accrues regularly.
- Direct PLUS Loan, a loan for parent borrowers of dependent students attending school as undergraduate or graduate-level students. Interest accrues regularly.
- Direct Consolidation Loan, an optional loan that combines one or more federal student loans into one new loan to streamline billing into a single monthly payment.
- Federal Family Education Loan Program (FFEL), a program in which private lenders provided students loans that the federal government guaranteed. These loans included subsidized Federal Stafford Loans, unsubsidized Federal Stafford Loans, FFEL PLUS Loans, and FFEL Consolidation Loans. In 2010, Congress passed the Health Care and Education Reconciliation Act. The Act effectively ended the FFEL, and therefore the practice of the government providing guaranteed loans.⁴ As of July 1, 2010, no new FFEL Program loans were made. Still, some loans taken out before this date continue in repayment.⁵

¹ Pub. L. 89-329 (Nov. 8, 1965).

² Federal Student Aid, U.S. Department of Education, *Public Service Loan Forgiveness*, <https://studentaid.ed.gov/repay-loans/forgiveness-cancellation/charts/public-service> (last visited Oct. 8, 2015).

³ Federal Student Aid, U.S. Department of Education, *About Us*, <https://studentaid.ed.gov/about> (last visited Oct. 8, 2015).

⁴ Federal Student Aid, U.S. Department of Education, *Federal Family Education Loan Program Lender and Guaranty Agency Reports*, <https://studentaid.ed.gov/about/data-center/lender-guaranty> (last visited Oct. 8, 2015).

⁵ Federal Student Aid, U.S. Department of Education, *Subsidized and Unsubsidized Loans*, <https://studentaid.ed.gov/types/loans/subsidized-unsubsidized#eligibility> (last visited Oct. 8, 2015).

Law School Costs and Debt

Many law school students in Florida graduate with considerable debt. The table below details debt of recent law school graduates by the public and private school attended in Florida.⁶ The report from which the information is detailed below does not expressly indicate whether the amount of debt identified includes debt incurred for undergraduate or education other than for law school.

Name of Institution	Average Indebtedness of 2015 Graduates	Percent of Graduates With Debt
Ave Maria School of Law	\$132,236	87%
Nova Southeastern University	\$136,450	86%
Florida Coastal School of Law	\$162,785	93%
Florida International University	\$ 89,815	88%
Florida State University	\$ 80,375	85%
Stetson University	\$148,394	83%
St. Thomas University	\$140,808	91%
University of Florida	\$ 82,410	79%

In fact, the Florida Coastal School of Law ranks fourth in the country for highest average indebtedness of 2015 graduates.⁷

Loan Assistance and Forgiveness Programs

Federal Program

Congress created the Public Service Loan Forgiveness (PSLF) Program to encourage individuals to commit to public service, an area typically known for lower pay. The federal government provides loan forgiveness to applicants who work in certain public service jobs, including government organizations at the federal, state, or local level and private, not-for-profit organizations that provide public interest law services.

Loan forgiveness is available for government-held loans that are not in default. Additionally, the applicant must have made 120 monthly payments to qualify. The 120-month payment period started on October 1, 2007, so that the first loans will not be cancelled until October 1, 2017.⁸

Additionally, parents who received a Direct PLUS loan (on behalf of their child's education) may be eligible for loan forgiveness if the parent borrower works for a public service organization.⁹

⁶ U.S. NEWS & WORLD REPORT GRAD COMPASS, *Which law school graduates have the most debt?*, <http://grad-schools.usnews.rankingsandreviews.com/best-graduate-schools/top-law-schools/grad-debt-rankings/> (last visited Oct. 9, 2014).

⁷ *Id.*

⁸ Federal Student Aid, *supra* note 1.

⁹ *Id.*

The Florida Bar Foundation Loan Repayment Assistance Program (LRAP)

The Florida Bar Foundation operates a Loan Repayment Assistance Program (LRAP) for attorneys employed at Florida legal aid and legal services organizations. The LRAP serves organizations that receive general support funding from The Florida Bar Foundation. Money is available to assist attorneys with student loan payments through proceeds on the Bar's "Interest on Trust Accounts," or IOTA program. Staff attorneys who qualify for the benefit receive a \$5,000 annual loan to pay down student loan debt. The annual loan issued by The Florida Bar is then forgiven, provided that the attorneys remain employed at qualifying organizations for a minimum of 12 months full-time or part-time (at least 50 percent of the full-time hours).¹⁰

Legislation in Other States

A total of seven states have adopted legislation that offers loan assistance to lawyers working in certain public sector jobs. These states are California, Georgia, Illinois, Maryland, Nebraska, New Mexico, and Texas. Of these, only Maryland and New Mexico have funded their programs.¹¹

Law Schools

Many law schools offer loan repayment assistance to law school graduates working in the public interest sector. Pursuant to a survey request, 133 law schools responded that they have a loan repayment assistance program. Of the law schools in Florida, only the St. Thomas University School of Law responded affirmatively.¹²

Federal Income Taxation Implications for Cancellation of Debt or Loan Repayments

Under federal tax law, gross income includes income from the discharge of any indebtedness of \$600 or more in any calendar year.¹³ However, two types of student loan assistance may be tax free: student loan cancellation and student loan repayment assistance.

Under federal law¹⁴, to qualify for tax-free treatment, the loan must have been made by a qualified lender to assist the student in attending an eligible educational institution and contain a provision that all or part of the debt will be cancelled if the student works:

- For a certain period of time;
- In certain professions (including medicine, nursing, teaching and law); and
- For any of a broad class of employers.

Student loan repayments made to the student are tax free if received for any of the following:

- The National Health Service Corps (NHSC) Loan Repayment Program;

¹⁰ The Florida Bar Foundation, *General Grant Support Program*, <http://www.flabarfdn.org/grant-programs/lap/loan.aspx> (last visited Oct. 9, 2015).

¹¹ American Bar Association, *State Loan Repayment Assistance*, http://www.americanbar.org/groups/legal_aid_indigent_defendants/initiatives/loan_repayment_assistance_programs/state_loan_repayment_assistance_programs.html (last visited Oct. 9, 2015).

¹² Equal Justice Works, *Law School LRAPS*, <http://www.equaljusticeworks.org/ed-debt/students/loan-repayment-assistance-programs/school-LRAPs/law-school-list> (last visited Oct. 9, 2015).

¹³ 26 U.S.C. s. 61(a)(12).

¹⁴ 26 U.S.C. s. 108(f).

- A state education loan repayment program eligible for funds under the Public Health Service Act; or
- Any other state loan repayment or loan forgiveness program that is intended to provide for the increased availability of health services in underserved or health professional shortage areas (as determined by the state).

The following loan forgiveness and cancellation programs are eligible for tax-free status:

- Public Service Loan Forgiveness;
- Teacher Loan Forgiveness;
- National Health Service Corps Loan Repayment Program;
- Perkins Loan Cancellation and Discharge for teachers in teacher shortage areas, members of the US Armed Forces (service in combat pay areas), nurses, medical technicians, firefighters, law enforcement or corrections officers, public defenders, librarians and speech pathologists serving certain schools, Head Start workers, special education teachers, child or family services workers and professional providers of early intervention services, and faculty at tribal colleges and universities;
- College or University Loan Repayment Assistance Programs for service in national need areas; and
- Law School Loan Repayment Assistance Programs.

III. Effect of Proposed Changes:

The bill establishes the “For the Greater Good Attorney Student Loan Repayment Program” within the Florida Department of Education (DOE). The program provides student loan repayment assistance to eligible attorneys employed in the public sector. The bill authorizes the DOE to adopt rules to administer the program.

Funding for the program is contingent upon, and funded entirely through appropriations from the General Revenue Fund. As such, even if the bill passes, the program cannot be implemented without funding.

The program is intended to attract more attorneys to public service, and help government agencies retain attorneys, thereby reducing turnover and costs of repeated trainings.

Under the bill, an attorney is eligible for loan repayment assistance for any student loan not in default which was issued or guaranteed by a state or by the federal government, if the attorney:

- Is employed full-time in Florida by a local government, or the state or federal government;
- Is a member of the Florida Bar who has not received any disciplinary action;
- Has completed no more than 10 years of government service;
- Earns less than \$65,000 in salary as reported to the Internal Revenue Service; and
- Is not eligible for any other state, local, or federal grant or private fund that assists in student loan repayment.

Qualifying Loans and Payments

To be a qualifying loan, the loan must be secured for a law school education, government-held, and not in default. The bill, however, does not explain how DOE will segregate law school loans that have been consolidated with other education loans.

Loans eligible for repayment are limited to student loans issued or guaranteed by a state or the federal government. Loans that are privately-held do not qualify. The bill further declares that the payments are not taxable income.¹⁵

The annual allowance for loan repayment assistance is:

- \$3,000 if the attorney has at least 4 years, and up to 7 years of employment in the public sector; and
- \$5,000 if the attorney has more than 7, but no more than 10 years of employment in the public sector.

Process for Application and Payment

The DOE will administer the program and make payment on the loans.

To apply for loan repayment assistance, an attorney must annually submit a certification affidavit to his or her employer within 30 days after his or her employment anniversary. The affidavit must certify that the attorney is an eligible career attorney with one or more eligible student loans as of his or her last employment anniversary. Within 60 days after the most recent employment anniversary, the employer must submit the affidavit to the DOE.

Once approved, the DOE will make payments to the financial institution that services an attorney's student loan. However, if an attorney has multiple loans, the DOE must prioritize payments to the loan having the highest current interest rate.

Because the program is contingent upon appropriations by the Legislature, the Legislature may choose not to fund the program or to underfund the program. If funds appropriated are insufficient to make full payments for all eligible attorneys, the DOE must uniformly prorate payments.

The bill takes effect July 1, 2016.

IV. Constitutional Issues:

A. Municipality/County Mandates Restrictions:

The mandate restrictions do not apply because the bill does not require counties and municipalities to spend funds, reduce counties' or municipalities' ability to raise revenue, or reduce the percentage of a state tax shares with counties and municipalities.

¹⁵ This provision is most likely unnecessary because Florida does not impose a personal income tax. For federal tax purposes, the federal law determines whether loan repayment assistance is taxable income.

B. Public Records/Open Meetings Issues:

None.

C. Trust Funds Restrictions:

None.

V. Fiscal Impact Statement:

A. Tax/Fee Issues:

None.

B. Private Sector Impact:

The attorneys receiving this benefit will enjoy a reduction in personal liabilities. However, based on the federal tax laws, the attorney may be subject to additional federal personal income taxes.

Increasing payments based on years of service provides an incentive for attorneys to make a long-term commitment to public service.

Florida attorneys employed in any public sector position, whether by the state or a local government or the federal government may qualify for loan repayment assistance.

C. Government Sector Impact:

Employers in the public sector may benefit from this program by having decreased turnover.

The DOE estimates that the total administrative cost of the program for the 2016-2017 fiscal year would be \$140,865. The total cost includes \$11,600 in nonrecurring costs and \$58,000 in recurring costs for updates and maintenance for the State Student Financial Aid Database, including an online application and administrative capabilities, as well as \$71,265 for one new full-time position to administer the program. The bill does not address funding for DOE.

The appropriation needed to fund this program is unknown at this time due to the broad reach of the program. Under the bill, any attorney in the public sector may qualify for loan repayment. Also, the pool of employers is broad, including any local, state, or federal organization. Finally, the bill excludes from participation attorneys who are eligible for any other kind of repayment program. As a number of other programs offer loan repayment, ascertaining the number of attorneys who do not qualify on this basis is difficult.

VI. Technical Deficiencies:

None.

VII. Related Issues:

Although the Federal Family Education Loan Program (FFEL) no longer exists, some applicants for loan assistance under the bill may have received private loans through the FFEL, which were then consolidated into a Direct Loan. The bill provides that only loans issued through the Higher Education Act (Direct Loan program) qualify for assistance. The Higher Education Act created the FFEL. Therefore, under this bill, borrowers may receive loan assistance for loans that were initially privately-held.

Also, the bill provides that payments on loans are not taxable income. Florida does not tax state income. Therefore, whether loan repayment assistance is taxable income will be determined by federal law.

VIII. Statutes Affected:

This bill creates section 1009.675 of the Florida Statutes.

IX. Additional Information:**A. Committee Substitute – Statement of Substantial Changes:**
(Summarizing differences between the Committee Substitute and the prior version of the bill.)**CS by Judiciary on December 1, 2015:**

- Broadens the pool of potential participants from assistant state attorneys, assistant public defenders, assistant attorneys general, and assistant statewide prosecutors to any attorney employed by the state or a local government or the federal government;
- Changes the administering bodies from the Justice Administrative Commission and the Office of the Attorney General to the Department of Education;
- Creates the “For the Greater Good Attorney Student Loan Repayment Program” and houses the Program in the DOE;
- Removes the cap on the dollar amount of payments that can be made for each attorney;
- Requires qualifying attorneys to earn less than \$65,000, be a member of the Florida Bar without prior disciplinary action, and not be eligible for other loan repayment programs;
- Excludes from participation attorneys who are eligible for any other repayment program; and
- Reduces the number of eligible years for repayments by revising the required number of years of work in the public sector from 3 to 12 years, to 4 to 10 years.

B. Amendments:

None.

This Senate Bill Analysis does not reflect the intent or official position of the bill's introducer or the Florida Senate.

By the Committee on Judiciary; and Senators Ring and Joyner

590-01778-16

2016142c1

1 A bill to be entitled
 2 An act relating to student loans; creating s.
 3 1009.675, F.S.; creating the For the Greater Good
 4 Attorney Student Loan Repayment Program to increase
 5 employment and retention of attorneys in the public
 6 sector; providing eligibility requirements; specifying
 7 the loans that will be covered by the repayment
 8 program; requiring the Department of Education to make
 9 payments to eligible attorneys; providing procedures
 10 to administer the program; providing that a payment is
 11 not taxable income; providing procedures if
 12 appropriated funds are insufficient; authorizing
 13 rulemaking; providing an effective date.

15 Be It Enacted by the Legislature of the State of Florida:

16
 17 Section 1. Section 1009.675, Florida Statutes, is created
 18 to read:

19 1009.675 For the Greater Good Attorney Student Loan
 20 Repayment Program.—

21 (1) There is established within the Department of Education
 22 the For the Greater Good Attorney Student Loan Repayment
 23 Program. The primary function of the program is to increase
 24 employment and retention of attorneys in the public sector by
 25 making payments that offset student loans issued or guaranteed
 26 by a state or the Federal Government. The department shall
 27 administer the program.

28 (2) To be eligible to participate in this program, an
 29 attorney:

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30 (a) Must be a member of The Florida Bar;
 31 (b) Must be employed full time by a local, state, or
 32 federal government;
 33 (c) Must be employed in this state;
 34 (d) Must have completed not more than 10 years of
 35 government service, regardless of whether the attorney had a
 36 break in employment of less than 2 weeks while transferring to
 37 another governmental entity;
 38 (e) Must be earning less than \$65,000 in salary as reported
 39 to the Internal Revenue Service;
 40 (f) Must not have received any disciplinary action from The
 41 Florida Bar;
 42 (g) Must have an unsatisfied student loan that was issued
 43 or guaranteed by a state or the Federal Government; and
 44 (h) Is not eligible for any other state, local, or federal
 45 grant or private fund that assists in student loan repayment.
 46 (3) Only loans that are not in default and that were issued
 47 pursuant to the Higher Education Act of 1965, 20 U.S.C. ss. 1001
 48 et seq., as amended, to fund an eligible attorney's law school
 49 education shall be covered.
 50 (4) From the funds available, the Department of Education
 51 shall make an annual payment as follows:
 52 (a) Three thousand dollars if the attorney has at least 4
 53 years, but not more than 7 years, of continuous government
 54 service.
 55 (b) Five thousand dollars if the attorney has more than 7
 56 years, but not more than 10 years, of continuous government
 57 service.
 58 (5) Each payment is contingent upon an annual receipt of a

Page 2 of 3

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59 certification affidavit. Within 30 days after the employment
60 anniversary of an eligible attorney, in order to receive a
61 payment under the program, such attorney must submit to his or
62 her employer a certification affidavit on a form authorized by
63 the department which certifies that the attorney was an eligible
64 attorney as of his or her last employment anniversary. If the
65 employer signs the affidavit, the employer shall submit the
66 affidavit to the department within 60 days after the most recent
67 employment anniversary of the eligible attorney, and each year
68 thereafter.

69 (6) Payments are not deemed taxable income. Each payment
70 shall be made directly to the financial institution that
71 services the loan and, if the eligible attorney holds more than
72 one eligible loan, for the loan that has the highest current
73 interest rate.

74 (7) If funds appropriated are insufficient to provide
75 maximum payment for eligible attorneys, the department shall
76 prorate payments for all eligible attorneys by an equal
77 percentage reduction for the year for which funds appropriated
78 are insufficient.

79 (8) The Department of Education may adopt rules necessary
80 to administer this program.

81 (9) The Greater Good Attorney Student Loan Repayment
82 Program may be funded annually contingent upon a specific
83 appropriation in the General Appropriations Act for the Greater
84 Good Attorney Student Loan Repayment Program.

85 Section 2. This act shall take effect July 1, 2016.

The Florida Senate
BILL ANALYSIS AND FISCAL IMPACT STATEMENT

(This document is based on the provisions contained in the legislation as of the latest date listed below.)

Prepared By: The Professional Staff of the Appropriations Subcommittee on Education

BILL: SB 962

INTRODUCER: Senator Gaetz

SUBJECT: Vocational Rehabilitation

DATE: January 21, 2016

REVISED: _____

	ANALYST	STAFF DIRECTOR	REFERENCE	ACTION
1.	<u>Graf</u>	<u>Klebacha</u>	<u>HE</u>	Favorable
2.	<u>Sikes</u>	<u>Elwell</u>	<u>AED</u>	Favorable
3.	_____	_____	<u>FP</u>	_____

I. Summary:

SB 962 requires the Division of Vocational Rehabilitation (division) to develop and implement a performance improvement plan to achieve specified goals and annually submit a performance report with specified data to the Governor, the President of the Senate, and the Speaker of the House of Representatives.

The 2015-2016 General Appropriations Act (GAA) included proviso language requiring the division to report significant measurable quarterly progress on specific performance indicators related to the VR program. These performance provisions will expire on July 1, 2016, unless the Legislature acts to codify the policy beyond the 2015-2016 fiscal year. SB 962 modifies and codifies the VR program performance policy enacted in the 2015-2016 GAA.

The bill has no impact on state funds. The performance measures specified in the bill are expected to make the division more effective in spending their appropriated funds.

The bill takes effect July 1, 2016.

II. Present Situation:

Approximately 2.4 million individuals with disabilities live in Florida, representing over 13 percent of the state's population. Ten percent of the state's working-age (i.e., ages 18-64) population is composed of individual's with a disability.¹ Such individuals may qualify for

¹ U.S. Census Bureau, *2009-2014 American Community Survey 5-Year Estimates*, http://factfinder.census.gov/faces/tableservices/jsf/pages/productview.xhtml?pid=ACS_14_5YR_DP02&prodType=table (last visited Dec. 30, 2015).

vocational rehabilitation (VR) services. VR is a federal-state program that helps people who have disabilities obtain and maintain employment.²

Federal Law

Rehabilitation Act of 1973

The Rehabilitation Act of 1973, as amended, establishes the purpose of VR services to:³

- Empower individuals with disabilities to maximize employment, economic self-sufficiency, independence, and inclusion and integration into society; and
- Ensure that the federal government plays a leadership role in promoting the employment of individuals with disabilities and in assisting states and providers of services fulfill gainful employment and independent living aspirations of individuals with disabilities.

The Rehabilitation Services Administration (RSA) oversees grant programs that help individuals with disabilities obtain employment and live more independently through supports such as counseling, medical and psychological services, job training, and other individualized services.⁴ “RSA’s major Title I formula grant program provides funds to state VR agencies to provide employment-related services for individuals with disabilities, giving priority to individuals who are significantly disabled.”⁵

Workforce Innovation and Opportunity Act

The Workforce Innovation and Opportunity Act (WIOA), enacted on July 22, 2014,⁶ replaces the Workforce Investment Act of 1998 and “represents a renewed commitment to workforce development with an eye to the future through innovation and support for individual and national economic growth.”⁷ WIOA aims to increase opportunities for individuals facing barriers to employment and invests in the “important connection between education and career preparation.”⁸

State Law

The Division of Vocational Rehabilitation (division), within the Florida Department of Education (DOE), is designated as the administrative unit for the purposes of effecting compliance with the Vocational Rehabilitation Act of 1973, as amended.⁹ The division is responsible for maintaining an internal system of quality assurance and monitoring compliance with state and federal laws, rules, and regulations.¹⁰ To administer VR services, the division is

² Florida Department of Education, *Frequently Asked Questions*, <http://www.rehabworks.org/faq.shtml> (last visited Dec. 30, 2015).

³ 29 U.S.C. s. 701(b); *see also* Pub. L. No. 93-112, 87 Stat. 355 (Sep. 26, 1973).

⁴ U.S. Department of Education, *Welcome to RSA*, <http://www2.ed.gov/about/offices/list/osers/rsa/index.html> (last visited Dec. 30, 2015).

⁵ *Id.*

⁶ Pub. L. No. 113-128, 128 Stat. 1425 (July 22, 2014).

⁷ U.S. Department of Education, *RSA: Workforce Innovation and Opportunity Act*, <http://www2.ed.gov/about/offices/list/osers/rsa/wioa-reauthorization.html> (last visited Dec. 30, 2015).

⁸ *Id.*

⁹ Section 413.202, F.S.; *see also* Pub. L. No. 93-112, 87 Stat. 355 (Sep. 26, 1973).

¹⁰ Section 413.207, F.S.

entrusted with making eligibility determinations for VR services, providing VR services in collaboration with state and local entities, conducting research, and performing VR needs assessments.¹¹ The Florida Rehabilitation Council is responsible for assisting the division in VR program planning and evaluation efforts.¹²

There are six VR regions, with 89 field locations throughout the state.¹³ During the 2015-2016 state fiscal year, the division had 931 full-time equivalent (FTE) positions including administrative staff, counselors, and other staff.¹⁴

Eligibility Requirements for Vocational Rehabilitation Services

Under Florida law, a person with a disability¹⁵ is eligible for VR services if the person requires VR services to prepare for, engage in, or retain gainful employment.¹⁶ The division is responsible for determining eligibility of an individual for VR services.¹⁷ If the division determines that an individual is eligible for VR services, the division must:¹⁸

- Complete an assessment for determining the eligibility and vocational rehabilitation needs and
- Ensure that an individualized plan for employment (IPE)¹⁹ is prepared, which must be jointly developed and signed by VR counselor or coordinator and the eligible individual, or in an appropriate case, a parent, family member, guardian, advocate, or authorized representative of the individual.²⁰ Each IPE must be reviewed annually and revised, as needed.²¹

Vocational Rehabilitation Service Delivery

Based on an individual's VR needs, VR services may include a variety of services such as vocational evaluation and planning, career counseling and guidance, job-site assessment and accommodations, job placement, job coaching, and on-the-job training.²²

¹¹ Section 413.23, F.S.

¹² Section 413.405, F.S.

¹³ Office of Program Policy Analysis and Government Accountability, Presentation to the Florida Senate Appropriations Subcommittee on Education (Oct. 7, 2015), available at http://www.flsenate.gov/PublishedContent/Committees/2014-2016/AED/MeetingRecords/MeetingPacket_3162.pdf, at 8.

¹⁴ The 931 FTE staff positions also include vacancies. *Id.*

¹⁵ Disability means "a physical or mental impairment that constitutes or results in a substantial impediment to employment." Section 413.20(7), F.S.

¹⁶ Section 413.30(1), F.S.

¹⁷ Section 413.30(4), F.S.

¹⁸ Section 413.30(5), F.S.

¹⁹ An individualized plan for employment (IPE) includes a "comprehensive assessment of the unique strengths, resources, priorities, concerns, abilities, capabilities, interests, and informed choice, including the need for supported employment, of an eligible individual to make a determination of the goals, objectives, nature, and scope of vocational rehabilitation services." Section 413.20(3), F.S.

²⁰ Section 413.30(5)(a), F.S.; Rule 6A-25.007, F.A.C.

²¹ Section 413.30(5)(c), F.S.

²² Florida Department of Education, *Frequently Asked Questions*, http://www.rehabworks.org/faq_shtml (last visited Dec. 30, 2015).

The division operates under a prioritization methodology called the Order of Selection (OOS).²³ The Rehabilitation Act of 1973, as amended, requires the VR program to serve individuals with the most significant disabilities first when there are not enough resources to serve everyone who is eligible for VR services.²⁴ The OOS categories include:²⁵

- Category 1 comprising of individuals with the most significant disabilities.
- Category 2 comprising of individuals with significant disabilities; and
- Category 3 comprising of individuals with disabilities.

The division has reduced the waiting list by 12,527 individuals since the first quarter of the 2014-2015 fiscal year.²⁶ As of December 23, 2015, there are no wait lists for individuals under Category 1 or Category 2.²⁷ The OOS trends are different for individuals under Category 3 compared to individuals under categories 1 and 2; the number of individuals on wait list and the average wait time for Category 3 have increased since September 2014.²⁸ As of December 23, 2015, there are 1,674 individuals on the wait list for Category 3, with an average wait time of 654 days.²⁹

Vocational Rehabilitation Accountability

Accountability requirements for the VR program are directed by both federal and state law.³⁰

Requirements

The Rehabilitation Act of 1973, as amended, requires the RSA to establish evaluation standards and performance indicators for the VR program including outcome and related measures of program performance.³¹ The RSA has established the minimum levels of performance for each performance indicator.³² Each year, state VR agencies are required to report program performance data to the RSA.³³ State agencies that fail to meet the established performance

²³ Office of Program Policy Analysis and Government Accountability, Presentation to the Florida Senate Appropriations Subcommittee on Education (Oct. 7, 2015), available at http://www.flsenate.gov/PublishedContent/Committees/2014-2016/AED/MeetingRecords/MeetingPacket_3162.pdf, at 11.

²⁴ U.S. Department of Education, *RSA – Frequently Asked Questions About RSA*, <https://rsa.ed.gov/faqs.cfm> (last visited Dec. 31, 2015).

²⁵ Office of Program Policy Analysis and Government Accountability, Presentation to the Florida Senate Appropriations Subcommittee on Education (Oct. 7, 2015), available at http://www.flsenate.gov/PublishedContent/Committees/2014-2016/AED/MeetingRecords/MeetingPacket_3162.pdf, at 11.

²⁶ Florida Department of Education, Presentation to the Florida House of Representatives Education Appropriations Subcommittee (Jan. 11, 2016), available at <http://www.myfloridahouse.gov/Sections/Documents/loaddoc.aspx?PublicationType=Committees&CommitteeId=2830&Session=2016&DocumentType=Meeting%20Packets&FileName=edas%201-11-16.pdf>.

²⁷ *Id.*

²⁸ *Id.*

²⁹ *Id.*

³⁰ Office of Program Policy Analysis and Government Accountability, Presentation to the Florida Senate Appropriations Subcommittee on Education (Oct. 7, 2015), available at http://www.flsenate.gov/PublishedContent/Committees/2014-2016/AED/MeetingRecords/MeetingPacket_3162.pdf, at 6.

³¹ U.S. Department of Education, *Evaluation Standards and Performance Indicators for the Vocational Rehabilitation Services Program*, <http://www2.ed.gov/rschstat/eval/rehab/standards.html> (last visited Dec. 31, 2015).

³² *Id.*

³³ *Id.*

levels must develop a Program Improvement Plan outlining specific actions to improve program performance.³⁴

In addition, Florida law, applicable for the 2015-2016 fiscal year only, requires the division to report significant measurable quarterly progress in the following measures:³⁵

- Average wait list time;
- Number of persons receiving services (active cases);
- Number and percentage of customers receiving postsecondary education;
- Number and percentage of customers receiving CAPE industry certifications;
- Number and percentage of customers gainfully employed;
- Average earnings of customers at placement; and
- Number of students receiving preemployment transition services.

The Florida Rehabilitation Council (council) is established to assist the division in the planning and development of statewide rehabilitation programs and services, recommend improvements to such programs and services, and perform specified functions.³⁶ The council is responsible for performing functions such as developing and reviewing state goals and priorities in accordance with federal law, and evaluating VR program effectiveness and submitting progress reports and annual reports to the Governor, the President of the Senate, the Speaker of the House of Representatives, and the U.S. Secretary of Education.³⁷

Data

The 2013-2014 annual report prepared by the council indicates that 7,214 persons with disabilities entered gainful employment during 2013-2014, resulting in nearly 11 percent improvement over the previous year.³⁸ Average annual earnings for closed cases increased from \$17,242 during 2012-2013 to \$17,536 during 2013-2014.³⁹ Additionally, during 2013-2014, approximately 80 percent of customers were self-supporting at time of case closure.⁴⁰ However, notwithstanding the gains in employment and self-sufficiency outcomes, the average number of active customers, median monthly caseload per field staff carrying a caseload, number of IPEs created during a year, and rehabilitation rate decreased compared to the previous year.⁴¹

³⁴ U.S. Department of Education, *Evaluation Standards and Performance Indicators for the Vocational Rehabilitation Services Program*, <http://www2.ed.gov/rschstat/eval/rehab/standards.html> (last visited Dec. 31, 2015).

³⁵ Specific Appropriation 35, s. 2, ch. 2015-232, L.O.F. These provisions, in the 2015-2016 General Appropriations Act, will expire on July 1, 2016, unless the Legislature acts to codify the policy beyond the 2015-2016 fiscal year. The Division of Vocational Rehabilitation staff provided data on each of the specified performance measures. Florida Department of Education, Presentation to the Florida Senate Appropriations Subcommittee on Education (Oct. 7, 2015), available at http://www.flsenate.gov/PublishedContent/Committees/2014-2016/AED/MeetingRecords/MeetingPacket_3162.pdf, at 4-10.

³⁶ Section 413.405, F.S. Members of the Florida Rehabilitation Council (Council) are appointed by the Governor. The council membership must include at least 15 members but no more than 25 at a time. Section 413.405(3)-(4), F.S.

³⁷ Section 413.405, F.S.

³⁸ Florida Rehabilitation Council, *Florida Rehabilitation Council 2013-2014 Annual Report*, available at <http://www.rehabworks.org/rehab/AnnualReport13.pdf>, at 10.

³⁹ *Id.*

⁴⁰ *Id.*

⁴¹ *Id.*

Additionally, the percentage of cases closed successfully⁴² has decreased from 62 percent in 2007 to 37 percent in 2015.⁴³ Nationally, during 2013:⁴⁴

- Thirty one states exceeded the federal benchmark for employment rate (i.e., 55.8%).
- Nine states fell below, but were within 10 percent of, the federal benchmark for employment rate.
- Florida, at 44 percent,⁴⁵ was among 10 states that fell significantly below the federal benchmark for employment rate (10 percent or more below).

Florida, during 2013, also ranked in the lower half on the percentage of VR cases closed with employment when compared to other states that use an order of selection methodology and that serve a high percentage (i.e., at least 98%) of individuals with significant disabilities.⁴⁶

In comparison to most peer states (i.e., California, Georgia, Illinois, Michigan, North Carolina, New York, Ohio, Pennsylvania, and Texas), Florida has a higher percentage of administrative staff, ranking 7th highest in the nation.⁴⁷ Regarding the percentage of staff who are counselors, Florida is similar to peer states but ranks in the bottom third of all states, at 36th in the nation.⁴⁸

III. Effect of Proposed Changes:

SB 962 requires the Division of Vocational Rehabilitation (division) to develop and implement a performance improvement plan to achieve specified goals and annually submit a performance report with specified data to the Governor, the President of the Senate, and the Speaker of the House of Representatives.

The purpose of the bill is to direct administrative efforts toward improving the state Vocational Rehabilitation (VR) program by establishing measurable metrics that focus on outcomes related to employment, independence, and other meaningful measures of success.

The 2015-2016 General Appropriations Act included proviso language requiring the division to report significant measurable quarterly progress on specific performance indicators related to the VR program. These performance provisions will expire on July 1, 2016, unless the Legislature acts to codify the policy beyond the 2015-2016 fiscal year. SB 962 modifies and codifies the VR program performance policy enacted in the 2015-2016 GAA.

⁴² Cases closed successfully means individuals who received VR services secured employment. Office of Program Policy Analysis and Government Accountability, Presentation to the Florida Senate Appropriations Subcommittee on Education (Oct. 7, 2015), available at http://www.flsenate.gov/PublishedContent/Committees/2014-2016/AED/MeetingRecords/MeetingPacket_3162.pdf, at 15.

⁴³ *Id.*

⁴⁴ *Id.* at 24.

⁴⁵ *Id.* at 25.

⁴⁶ Email, Office of Program Policy Analysis and Government Accountability (Jan. 6, 2016).

⁴⁷ Office of Program Policy Analysis and Government Accountability, Presentation to the Florida Senate Appropriations Subcommittee on Education (Oct. 7, 2015), available at http://www.flsenate.gov/PublishedContent/Committees/2014-2016/AED/MeetingRecords/MeetingPacket_3162.pdf, at 26.

⁴⁸ *Id.*

Performance Improvement Plan

The bill establishes performance goals for the VR program, which are based on the measurable quarterly progress indicators that the division must report regarding VR service delivery, wait time, education, training, and employment outcomes. Specifically, the bill requires the division to develop and implement, by October 1, 2016, a performance improvement plan that must be designed to elevate Florida's VR program to one of the top 10 VR programs nationally and achieve the following goals:

- Decrease the average wait list time for reportable individuals.
- Increase the percentage of participants who:
 - Are in unsubsidized employment during the second quarter after they exit the program.
 - Are in unsubsidized employment during the fourth quarter after they exit the program.
 - Obtained a recognized postsecondary credential or a secondary school diploma or its recognized equivalent during participation in, or within 1 year after their exit from, the program.
 - During a program year, are in an education or training program that leads to a recognized postsecondary credential or to employment and who are achieving a measurable gain of skill, including documented academic, technical, occupational gains or other forms of progress toward a postsecondary credential or employment.
- Increase the number of:
 - Persons earning CAPE industry certifications and CAPE postsecondary industry certifications approved pursuant to s. 1008.44.
 - Students receiving pre-employment transition services.
- Increase the median earnings of participants who are in unsubsidized employment during the second quarter after they exit the program.
- Increase the percentage of youth who received preemployment transition services without applying for additional vocational rehabilitation services and who obtained a recognized postsecondary credential or a secondary school diploma or its recognized equivalent during participation in, or within 1 year after their exit from, the program.
- Increase the division's effectiveness in serving employers, based on indicators developed as required by section 116(b)(2)(A)(iv) of the federal Workforce Innovation and Opportunity Act.

Specifying the VR performance goals in law will likely help the division with strategic planning to improve the performance of the state's VR program in service delivery and preparing individuals for employment. Attaining nationally-recognized industry certifications will assist individuals in demonstrating to potential employers the mastery of specific skills, abilities, and competencies associated with the education or certifications. Workforce education and training will facilitate such efforts in securing employment and living independently.

Performance Accountability Report

The bill modifies the current VR reporting requirements by specifying the data the division must report annually to the Governor and the Legislature. Compared to the annual report prepared by the Florida Rehabilitation Council (council), the VR program performance report to be prepared by the division, as required under the bill, will include additional VR data (e.g., financial data) as well as a breakdown of performance data by service type and service area.

Specifically, the bill requires the division to annually submit, by December 1, a performance report to the Governor, the President of the Senate, and the Speaker of the House of Representatives. The performance report must include the following information for the five most recent fiscal years, reported statewide and by service area:

- Caseload data, including the number of individuals who apply for services and who receive services, by service type.
- Service use data, by service type, including the number of units of service provided.
- Financial data, by service type, including expenditures for administration and the provision of services. Expenditures for education-related services must be identified in specific categories such as tuition and fees, program fees, and support services.
- Outcome data, including the number of cases closed without employment and the number of cases closed with employment. Employment data must be provided separately for supported employment.

The VR program performance report will help the state assess the performance of the state's VR program in preparing individuals for employment and identifying mechanisms to improve the operations and management of the VR program. The performance report will also assist in identifying trends in VR program performance and outcomes.

The bill takes effect July 1, 2016.

IV. Constitutional Issues:

A. Municipality/County Mandates Restrictions:

None.

B. Public Records/Open Meetings Issues:

None.

C. Trust Funds Restrictions:

None.

V. Fiscal Impact Statement:

A. Tax/Fee Issues:

None.

B. Private Sector Impact:

The performance measures specified in the bill are expected to improve division services, thereby leading to better employment outcomes for individuals receiving those services.

C. **Government Sector Impact:**

The bill has no impact on state funds. The performance measures specified in the bill are expected to make the division more effective in spending their appropriated funds

VI. Technical Deficiencies:

None.

VII. Related Issues:

None.

VIII. Statutes Affected:

This bill substantially amends section 413.207 of the Florida Statutes.

IX. Additional Information:

A. **Committee Substitute – Statement of Changes:**

(Summarizing differences between the Committee Substitute and the prior version of the bill.)

None.

B. **Amendments:**

None.

By Senator Gaetz

1-00821D-16

2016962__

A bill to be entitled

An act relating to vocational rehabilitation; amending s. 413.207, F.S.; requiring the Division of Vocational Rehabilitation to initiate, by a specified date, a performance improvement plan designed to achieve specified goals; requiring the division to submit a performance report annually, by a specified date, to the Governor and the Legislature which includes specified information; providing an effective date.

Be It Enacted by the Legislature of the State of Florida:

Section 1. Section 413.207, Florida Statutes, is amended to read:

413.207 Division of Vocational Rehabilitation; quality assurance; performance improvement plan.—

(1) The Division of Vocational Rehabilitation shall maintain an internal system of quality assurance, have proven functional systems, perform due diligence, review provider systems of quality assurance, and be subject to monitoring for compliance with state and federal laws, rules, and regulations.

(2) No later than October 1, 2016, the division shall develop and implement a performance improvement plan designed to achieve the following goals:

(a) Decrease the average wait list time for reportable individuals.

(b) Increase the percentage of participants who are in unsubsidized employment during the second quarter after they exit from the program.

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(c) Increase the percentage of participants who are in unsubsidized employment during the fourth quarter after they exit from the program.

(d) Increase the number of persons earning CAPE industry certifications and CAPE postsecondary industry certifications approved pursuant to s. 1008.44.

(e) Increase the median earnings of participants who are in unsubsidized employment during the second quarter after they exit from the program.

(f) Increase the percentage of participants who obtained a recognized postsecondary credential or a secondary school diploma or its recognized equivalent during participation in, or within 1 year after their exit from, the program.

(g) Increase the percentage of youth who received preemployment transition services without applying for additional vocational rehabilitation services and who obtained a recognized postsecondary credential or a secondary school diploma or its recognized equivalent during participation in, or within 1 year after their exit from, the program.

(h) Increase the percentage of participants who, during a program year, are in an education or training program that leads to a recognized postsecondary credential or to employment and who are achieving a measurable gain of skill, including documented academic, technical, occupational gains or other forms of progress toward a postsecondary credential or employment.

(i) Increase the number of students receiving pre-employment transition services.

(j) Increase the division's effectiveness in serving

Page 2 of 3

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1-00821D-16

2016962__

59 employers, based on indicators developed as required by section
60 116(b)(2)(A)(iv) of the federal Workforce Innovation and
61 Opportunity Act.

62 (3) The goals established under subsection (2) must be
63 designed to elevate the state vocational rehabilitation program
64 to one of the top 10 in the nation.

65 (4) By December 1 of each year, the division shall submit a
66 performance report to the Governor, the President of the Senate,
67 and the Speaker of the House of Representatives which includes
68 the following information for each of the 5 most recent fiscal
69 years:

70 (a) Caseload data, including the number of individuals who
71 apply for services and who receive services, by service type,
72 reported statewide and by service area.

73 (b) Service use data, by service type, including the number
74 of units of service provided, statewide and by service area.

75 (c) Financial data, by service type, including expenditures
76 for administration and the provision of services. Expenditure
77 data shall be reported on a statewide basis and by service area,
78 and expenditures for education-related services must be
79 identified in specific categories such as tuition and fees,
80 program fees, and support services.

81 (d) Outcome data, statewide and by service area, including
82 the number of cases closed without employment and the number of
83 cases closed with employment. Employment data must be provided
84 separately for supported employment.

85 Section 2. This act shall take effect July 1, 2016.

THE FLORIDA SENATE

APPEARANCE RECORD

(Deliver BOTH copies of this form to the Senator or Senate Professional Staff conducting the meeting)

1/21

Meeting Date

SB 142

Bill Number (if applicable)

Topic Loan Assistance

Amendment Barcode (if applicable)

Name Nikki Fried

Job Title Attorney

Address 3980 W Broward Blvd

Phone

Street

Lauderdale

Email nfried@woodhymart.com

City

State

Zip

Speaking: For Against Information

Waive Speaking: In Support Against
(The Chair will read this information into the record.)

Representing Fla. Bar

Appearing at request of Chair: Yes No

Lobbyist registered with Legislature: Yes No

While it is a Senate tradition to encourage public testimony, time may not permit all persons wishing to speak to be heard at this meeting. Those who do speak may be asked to limit their remarks so that as many persons as possible can be heard.

This form is part of the public record for this meeting.

THE FLORIDA SENATE
APPEARANCE RECORD

(Deliver BOTH copies of this form to the Senator or Senate Professional Staff conducting the meeting)

1/21/16

Meeting Date

142

Bill Number (if applicable)

Topic Attorney Student Loans

Amendment Barcode (if applicable)

Name Greg Pound

Job Title _____

Address 9166 Sunrise Dr.

Phone _____

Street

Largo

City

Fla.

State

33773

Zip

Email _____

Speaking: For Against Information

Waive Speaking: In Support Against
(The Chair will read this information into the record.)

Representing _____

Appearing at request of Chair: Yes No

Lobbyist registered with Legislature: Yes No

While it is a Senate tradition to encourage public testimony, time may not permit all persons wishing to speak to be heard at this meeting. Those who do speak may be asked to limit their remarks so that as many persons as possible can be heard.

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THE FLORIDA SENATE

APPEARANCE RECORD

(Deliver BOTH copies of this form to the Senator or Senate Professional Staff conducting the meeting)

1/21/2016*Meeting Date*142*Bill Number (if applicable)*Topic Student Loans*Amendment Barcode (if applicable)*Name Sheldon GuskyJob Title Executive DirectorAddress 103 North Gadsden StreetPhone 850.606.1000*Street*TallahasseeFlorida32301Email sgusky@fpda.org*City**State**Zip*Speaking: For Against InformationWaive Speaking: In Support Against
(The Chair will read this information into the record.)Representing Florida Public Defender Association, Inc.Appearing at request of Chair: Yes NoLobbyist registered with Legislature: Yes No*While it is a Senate tradition to encourage public testimony, time may not permit all persons wishing to speak to be heard at this meeting. Those who do speak may be asked to limit their remarks so that as many persons as possible can be heard.****This form is part of the public record for this meeting.***

S-001 (10/14/14)

CourtSmart Tag Report

Room: KN 412
Caption: Senate Appropriations Sub Committee on Education

Case No.:

Type:
Judge:

Started: 1/21/2016 9:02:47 AM

Ends: 1/21/2016 9:15:13 AM

Length: 00:12:27

9:02:47 AM	Call to order and roll call
9:03:14 AM	Chair Gaetz Comments
9:03:37 AM	Senator Ring - CS/SB 142
9:05:01 AM	Public Testimony
9:05:09 AM	Nikki Fried, Attorney - Florida Bar (waives in support)
9:05:17 AM	Greg Pound
9:07:28 AM	Sheldon Gusky, Executive Director - Florida Public Defender Association (waives in support)
9:07:54 AM	Favorable - CS/SB 142
9:08:16 AM	Pass chair to V. Chair Montford
9:08:31 AM	Senator Gaetz - SB 962
9:09:33 AM	Favorable - SB 962
9:10:03 AM	Pass chair back to Chair Gaetz
9:10:24 AM	Senator Ring - SB 7036 TP
9:12:06 AM	SB 7036 Temporary Postponed
9:12:13 AM	Senator Galvano - Record show voting yes on CS/SB 142
9:12:22 AM	Senator Gaetz Closing Comments
9:15:03 AM	Meeting Adjourned