

**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 Education Pre-K - 12 Committee

BILL: SB 2042

INTRODUCER: Senator Wise

SUBJECT: College and Career Transition Assistance Act

DATE: March 31, 2010                      REVISED: \_\_\_\_\_

	ANALYST	STAFF DIRECTOR	REFERENCE	ACTION
1.	<u>Carrouth</u>	<u>Matthews</u>	<u>ED</u>	<b>Favorable</b>
2.	_____	_____	<u>GO</u>	_____
3.	_____	_____	<u>FT</u>	_____
4.	_____	_____	<u>EA</u>	_____
5.	_____	_____	_____	_____
6.	_____	_____	_____	_____

**I. Summary:**

The bill establishes the College and Career Transition Assistance Act, a school-to-work program to ensure a skilled workforce in order for Florida to be competitive in a changing economy. The goal of the program is to facilitate student transition from school to work and to provide additional funding to achieve this goal. Programs may be operated in any school, Department of Juvenile Justice facility, or charter school.

The bill also creates an endowment fund within the Florida Endowment Foundation for Florida's Graduates (Foundation) and provides for the deposit and investment of funds in the foundation's operating account. The Foundation would be established as a direct-support organization (DSO) within the Department of Education and would establish a board of directors to administer the goals of the Foundation.

This bill creates an undesignated section of the Florida Statutes.

**II. Present Situation:**

**School-to-Work Programs**

The federal School-to-Work Opportunities Act (STWOA) of 1994<sup>1</sup> provided venture capital for states and local partnerships to design systems to prepare students to make successful transitions from school to careers. The STWOA was designed as a systems-building strategy, intended to support and extend state and local education reform as well as workforce and economic

<sup>1</sup> <http://www.doleta.gov/grants/sga/97-017sga.cfm>

development efforts.<sup>2</sup> Prior to the discontinuation of federal funding in 2001, four major types of federal grants were authorized:

- Planning and development grants awarded to states;
- Implementation grants awarded to states;
- Local implementation grants awarded to local partnerships; and
- Urban/rural opportunities grants awarded to locations defined as high-poverty areas.

The Florida Department of Education, the recipient of federal planning and implementation funds, awarded School-to-Work (STW) grants to 28 local STW partnerships. The STW grants supported partnerships of educators, employers, postsecondary institutions, students, parents, government, labor, and community organizations. The program encourages partners to align expectations to the skills needed to prepare young people for work, lifelong learning, and informed citizenship. STW programs use a variety of program designs customized to suit local circumstances. Career academies, occupational-academic cluster programs, restructured career and technical education, and apprenticeship are all promoted in the STW system. The STWOA promoted work-based learning and was viewed as one strategy to provide students with a sense of relevance, a way to observe the workplace in action, and to explore future career options. With the sunset of the federal law, most states, including Florida, built and sustained the principles from the STWOA movement.<sup>3</sup>

**History of the Jobs for Florida’s Graduates Program and the Florida Endowment Foundation for Florida’s Graduates**

The 1998 Legislature created the Jobs for Florida's Graduates Program<sup>4</sup> to help high-risk students make the transition from school to work. The program targets high school seniors and provides services to help these students graduate and to continue their education or find meaningful employment within nine months of their graduation. Florida's program was part of a 20-year nationwide initiative coordinated by the Jobs for America's Graduates, Inc. (JAG), based in Alexandria, Virginia. The program is implemented by the Florida Endowment Foundation for Florida’s Graduates (Foundation) and supported by funding as follows:

Source of Funds	09-10	08-09	07-08	06-07	05-06	04-05	03-04	02-03	01-02	00-01	99-00
Legislative Appropriation		\$1.37mil	\$1.4mil					500K		\$3 mil	\$3 mil
Workforce, Florida Inc.					350K						
Partnerships (Multiple)	\$1.4mil			500K							

Performance deliverables for the Jobs for Florida’s Graduates Program grant for the 2008-2009 grant, as reported by the Foundation, include the following:

- Establishment of new and continuing educational sites;

<sup>2</sup> <http://www.ncjrs.gov/App/Publications/abstract.aspx?ID=185977>

<sup>3</sup> Florida Department of Education Governmental Relations, bill analysis, dated February 24, 2010, on file with the Education Pre-K – 12 Committee.

<sup>4</sup> ch. 98-218, L.O.F.

- Hire or retention of qualified teachers;
- Creation of an Advisory Board;
- Establishment of a Career Association;
- Report of student enrollment progress for up to 840 students actively served across Florida with 80 percent (672) showing a minimum of one positive outcome toward school success;
- Report of program-wide average of 8,811 hours of student academic remediation in areas of deficiency;
- Student participation in career exploration and leadership development and skills-building activities;
- Requirement of no fewer than 2,000 hours of work-based learning and related field trips and guest speakers;
- Report of no fewer than two leadership workshops;
- Minimum of 10,00 hours of community service or career association exposure provided by enrolled students;
- Report of no fewer than three site visits for staff review and verification of compliance with data/record keeping requirements;
- Report of no fewer than three staff development and training sessions on the Jobs for America's Graduates model, policies and procedures;
- Reduction of an average 13.34 percent in academic and behavioral barriers to success; and
- Report of no fewer than 70 average hours of contact with career coaches per active student.<sup>5</sup>

Contract deliverables and reporting of results to the Department by the Foundation appear to be input-related for the most part, i.e., creation of an advisory board, remediation provided to students, and documentation of training sessions attended. The reporting results lack a focus on student achievement and job placement outcomes. The Foundation did, however, provide information relative to student achievement, learning gains, or job placement figures when requested by the Committee. The information provided includes the following:

- In October, 132 took one or both components of the FCAT, 92 passed reading (67 percent) 55 passed math (42 percent);
- In March, 640 students took the FCAT 169 passed math (26 percent), 141 passed reading (22 percent);
- 89 percent of students who took the GED passed;
- 110 out of 120 high school seniors graduated (92 percent); and
- 100 percent of 8<sup>th</sup> graders successfully transitioned into 9<sup>th</sup> grade<sup>6</sup>

The following chart represent learning gains provided by the Foundation based on results of initial and subsequent GED and Test of Adult Basic Education (TABE) test results:

<sup>5</sup> According to the Florida Endowment Foundation for Florida's Graduates, all of its performance outcomes were achieved. Information provided by the Foundation is on file with the Education Pre-K – 12 Committee.

<sup>6</sup> Email correspondence from the Foundation Director on March 31, 2010, on file with the Education Pre-K – 12 Committee.

	<b>Mid-Year Grade Level</b>	<b>End-of-Year Grade Level</b>	<b>Improvement Rate</b>
Reading Average	7.55	8.4	11%
Math Average	6.1	7.6	24%
Language Average	5.4	8.9	65%
Work Readiness Test	-	-	28%

Student achievement data based on the FCAT was not available.

**III. Effect of Proposed Changes:**

**School-to-Work Program**

The bill establishes the College and Career Transition Assistance Act, a school-to-work program to ensure a skilled workforce in order for Florida to be competitive in a changing economy. The purpose of the program is to facilitate transition from school to work and to provide additional funding to achieve this goal. The goals of the program are to increase each student’s understanding of postsecondary educational opportunities and career and work readiness, to increase individual and corporate support and involvement, and to promote employment opportunities for Florida’s students. The program may be operated in any school district, Department of Juvenile Justice facility, or charter school, provided that such sites are demographically balanced and include urban and rural schools. Selection of sites must reflect schools in all geographic areas of the state. The bill also requires that student participation be based on a student’s classification as an at-risk student. As the term “at-risk” is undefined, the Department of Education would need to define the term in rule.

**Revenue for the Endowment Fund**

The bill creates the endowment fund as a long-term source of revenue to include legislative appropriations and donations from public or private sources. Funds received must be invested with interest and income earned deposited in the foundation’s operating account.

**Direct-Support Organization**

Under the bill, the Foundation would be established as a direct-support organization (DSO) and operate under contract with the Department.<sup>7</sup> As a DSO, the Foundation: a) must be organized as a direct-support organization; b) must maintain articles of incorporation; c) must include a board of directors recommended by the Commissioner of Education and appointed by the Governor<sup>8</sup>; d) must submit to an external annual audit by the Auditor General; and e) must provide a mechanism for the reversion to the state of moneys in the foundation and any other funds and accounts held in trust by the Foundation if the Foundation is dissolved.

<sup>7</sup> This will require the DSO to operate as a Florida corporation, not for profit, incorporated under chapter 617, and approved by the Department of State.

<sup>8</sup> The board must consist of fifteen (15) members with at least nine (9) members from the private sector. The remaining members may be from the public sector and must include representatives from secondary education, vocational education, and job-training programs.

According to the Department, the creation of the Foundation as a DSO raises significant concerns. The creation of the Foundation as a direct support organization of the agency (Department) and then providing appointments to the Foundation's Board by the Governor, appears to mix several concepts (DSO, private corporation, and a public commission or agency). This sort of entity is likely to raise many operational questions and undercut the purpose of creating the Foundation.<sup>9</sup>

### **Board of Directors**

The bill prescribes the organization, powers, and duties of the board to include:

- Solicitation and receipt of bequests, gifts, grants, donations, goods, and services;
- The monitoring, review, and annual evaluation of funded programs;
- Establishment of a financial operating account;
- Operation of programs to ensure that the goals of the program are met; and
- Use of funds in an operating account to provide for—
  - Planning, research, and policy development for issues related to school-to-work transition and publications and dissemination of the information;
  - Promotion of initiatives for school-to-work transition; and
  - Funding of programs that engage in, contract for, foster, finance, or aid in job training and counseling for school-to-work transition research, education, or demonstration.

The bill directs the Commissioner of Education to remove any member for poor performance. Presumably, this authority extends only to the non-ex-officio members of the board of directors.

### **Assessment of Program Results**

The bill directs the Foundation to review the program's activities and submit a report to the Department and the Legislature on or before August 1 each year. To ensure a return on taxpayer investment or funds provided by public and private donors, it may be beneficial to require annual baseline and end-of-year data relative to student achievement, learning gains, postsecondary enrollment, and job placement as these encompass the overall goals of the program.

### **Annual Report**

Under the bill, the Board of Directors is required to submit a report to the Governor, the President of the Senate, the Speaker of the House of Representatives, and the Commissioner of Education on or before January 1 of each year. Again, student achievement and job placement results should be included in this report.

### **Rulemaking**

The bill directs the Department of Education to adopt rules to implement the act. This rulemaking authority is inconsistent with the remainder of the Education Code, which designates the State Board of Education, as head of the Department of Education, as the rulemaking authority for the Department of Education.

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<sup>9</sup> Florida Department of Education Governmental Relations, bill analysis, dated February 24, 2010, on file with the Education Pre-K – 12 Committee.

**IV. Constitutional Issues:**

## A. Municipality/County Mandates Restrictions:

None.

## B. Public Records/Open Meetings Issues:

None.

## C. Trust Funds Restrictions:

None.

## D. Other Constitutional Issues:

According to the Department, the creation of the Foundation as a DSO raises significant constitutional concerns. Based upon the appointment of the board by the Governor and the powers given the entity, the entity is tantamount to an agency and is inconsistent with Art. IV, Section 6, of the Florida Constitution. This provision allots all executive government among 25 departments and was drafted, in part, to eliminate the proliferation of many commissions, boards, or agencies, regardless of the name, and place all executive functions in 25 departments. Additional constitutional concerns are raised by the appointment of the Board by the Governor based upon Art. IX, Section 2, of the Florida Constitution, given that the Department of Education is headed by the State Board of Education, and not the Governor.<sup>10</sup>

**V. Fiscal Impact Statement:**

## A. Tax/Fee Issues:

None.

## B. Private Sector Impact:

Private donations may be solicited from businesses and organizations to support the goals of the Act.

## C. Government Sector Impact:

The fiscal impact of the bill is indeterminate and depends on appropriations, if any, provided by the Legislature.

**VI. Technical Deficiencies:**

None.

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<sup>10</sup> Florida Department of Education Governmental Relations, bill analysis, dated February 24, 2010, on file with the Education Pre-K – 12 Committee.

**VII. Related Issues:**

None.

**VIII. Additional Information:**

A. **Committee Substitute – Statement of Substantial Changes:**  
(Summarizing differences between the Committee Substitute and the prior version of the bill.)

None.

B. **Amendments:**

None.

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

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