

SENATE STAFF ANALYSIS AND ECONOMIC IMPACT STATEMENT

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

Date: April 10, 1998 Revised: _____

Subject: Jobs for Florida's Graduates

	<u>Analyst</u>	<u>Staff Director</u>	<u>Reference</u>	<u>Action</u>
1.	<u>Chasteen</u>	<u>O'Farrell</u>	<u>ED</u>	<u>Favorable/CS</u>
2.	<u>Rhea</u>	<u>Wilson</u>	<u>GO</u>	<u>Favorable</u>
3.	_____	_____	<u>WM</u>	_____
4.	_____	_____	_____	_____
5.	_____	_____	_____	_____

I. Summary:

This committee substitute creates a school-to-work program to be known as Jobs for Florida's Graduates. The program is intended to encourage public and private support in order to enhance students' transition from school to work. It creates an endowment foundation as a direct-support organization with specified duties. It creates an endowment fund and provides for earnings on investment of funds therein to be deposited in an operating account for use by the foundation. It requires a legislative review of the program.

This committee substitute creates section 446.609, Florida Statutes.

II. Present Situation:

The Florida School-To-Work Program

The terms "school-to-work" (STW) or "school-to-career" have replaced the phrase "vocational education," reflecting a transformation to technical education which integrates academic and vocational skills. The transformation was given impetus by the federal government with the passage of the 1994 School-to-Work Opportunities Act which provides "venture capital" for state and local partnerships. For 1997-98, Florida received \$13.645 million from funds available through the act. Twenty-eight regional partnerships were funded for implementation activities under the state plan, with awards ranging from \$239,488 to \$526,685. To date, Florida has distributed approximately \$40 million of its allotted \$41,795,458 to school districts, community colleges, state universities, and community-based organizations for implementation and support of goals and activities under the Florida STW State Plan.

Section 229.595, F.S., requires school accountability efforts to include information regarding the provision for accurate, timely career and curricular counseling to students. This information must address career opportunities, educational requirements for each career, educational institutions that prepare students to enter each career, and student financial aid available to enable students to pursue any postsecondary instruction required to enter that career. Accountability efforts must also specify procedures for identifying individual student interests and aptitudes in order to prepare the student for enrolling in postsecondary education and entering the workforce. Any assessment required for receipt of a high school diploma must include items designed to assess student preparation for entry into the workforce. The Florida Commission on Education Reform and Accountability must identify the employability skills associated with successful entry into the workforce from which such items must be derived.

Section 229.601, F.S., establishes a career education program to be administered by the Commissioner of Education or his staff. The purpose of the program is to promote positive career opportunities for all students. The section requires the development and dissemination of career education instructional materials, programs for preservice and inservice training regarding career education incorporated into the basic curricula of public schools, core curricula of community colleges and state universities, and preservice and inservice programs for counselors and occupational and placement specialists. The Commissioner must coordinate with business and industry, community-based organizations, and governmental agencies that are concerned with education and work. Career education must be integrated into the curricula of all public schools and at the post-secondary level, with emphasis on high-technology needs.

Section 229.602, F.S., requires that DOE encourage and enhance partnerships between education and the private sector, to disseminate materials, to provide training and consultation to school districts, to distribute funds to local districts for priority partnership activities such as improved teacher development strategies, high school completion by at-risk students, and telecommunications. School districts must, among other things, provide information to local employers and postsecondary education institutions regarding the Florida Gold Seal Vocational Endorsement Program, and must seek partnerships to provide gold seal recipients with job and advanced training opportunities. The Commissioner is authorized to distribute challenge grants to school districts which can be used for a variety of programs, including career education.

Section 229.602, F.S., also establishes the Florida Compact pilot program, the purpose of which is to provide incentives for local school districts to enter into formal agreements with business, industry, vocational programs, postsecondary institutions, government, and other community resources in an effort to reduce the rate of school dropouts, to provide jobs for high school graduates, and to increase opportunities for high school graduates to attend vocational programs and other postsecondary institutions.

Model programs include the special Gold Zone Achievement Awardees of the Volusia-Flagler Partnership in 1997. This program features extensive partnership with the Volusia Manufacturers Association and the Volusia County Commission. The Academy of Manufacturing and Design at Mainland High School and the partnership VISA, a career portfolio recognized by local

employers, are specifically cited by DOE. The 1998 Valencia, Orange, Osceola Partnership features partnership with the Orlando Regional Medical Center system and focuses on related health industry careers. The partnership serves all students in the region with one or more STW activity as part of the student’s regular school curriculum.

DOE reports the following statewide data:

- 1,571,773 students served by at least one STW activity (K-16)
- 23,119 employer partners identified
- 88,891 students participating in work-based learning activities
- 3,086 elementary schools providing STW activities
- 312 secondary schools providing STW activities
- 25,661 work-based learning slots provided by private sector employers

The National Jobs for America’s Graduates Program

Jobs for America’s Graduates (JAG) is a nationally-networked program founded in 1979 in the State of Delaware by Governor Pete du Pont. The JAG mission is to assist at-risk youth in graduating from high school, or receiving a general education diploma (GED), and in finding and keeping quality jobs through a statewide school-to-work transition system. The program is currently serving 42,000 participants in 28 states and 600 communities. It leverages nearly \$42 million in public and private funds. The JAG program model consists of three parts:

School-based activities	Work-based activities	Connecting activities
Competency-based instruction Pre/post assessment Graduation plan Career plan Student-led organization (JAG Career Association) Guidance & Counseling JAG Documentation System Guest Speakers Vocational Education Linkage	Job Shadowing Mentors Tours/Field Trips Work/Field Trips Work Experience (Paid/Unpaid) Cooperative Experience (Vocational Education Linkage) Youth Internship Youth Apprenticeship	Employer Marketing & Job Development Placement Services Follow-up Services (9 months minimum) Business Advisory Councils Community Partners Career Fairs State Career Association Activities

According to JAG, the program costs approximately \$900 - \$1,400 per participant for 18 months of services. Success rates quoted for the 18-month service period for each student are:

- 90% graduation rate (high school diploma or GED)
- 80% positive outcome rate (employed, in the military, or furthering education)
- 60% employment rate (full, part-time, or military)

The Florida JAG affiliate, Jobs for Florida Graduates, operated in five schools in the Jacksonville area. The 1995-96 funding for the Florida program was \$250,000, derived from Job Training Partnership Act (JTPA) Title IIA funds from the Jacksonville Private Industry Council. The

program began in 1995 and has served a total of 564 students. The Jacksonville program was not accredited for the 1996-97 year and as a result, did not operate under the auspices of JAG.

Proponents of school-to-work initiatives note that such programs stimulate student interest in particular occupations or occupation clusters, and students learn skills that will be useful in future education and career plans. Furthermore, participants show a greater interest in postsecondary training.

Some opponents of school-to-work programs believe that the programs are not economically feasible, that the benefits in the form of student productivity and potential reduced hiring costs do not offset the program costs. In addition, it can be difficult to generate enough employer interest to accommodate all students.

III. Effect of Proposed Changes:

Section 1. This section creates the “Jobs for Florida’s Graduates Program.” Definitions are provided in subsection (2) of the section. A statement of legislative intent is provided that specifies that the intent of the Legislature is to help assure the presence of a skilled workforce by facilitating the transition from school to work, and to encourage individual and corporate support and involvement, as well as state support and involvement, to promote employment opportunities for Florida’s students.

The program is to be associated with the Job’s for America’s Graduates (JAG) Program. In the first year, it would be available in 25-50 Florida high schools with a goal of having a minimum of 300 high schools participating by the end of the 2000-2001 school year. Schools would be chosen to represent a demographically balanced population, including rural and urban schools. Students would be chosen based on being classed as at-risk in grade 12.

The committee substitute creates an endowment fund as a long-term, stable, growing source of revenue to be administered by the foundation. The fund principal is to consist of legislative appropriations and bequests, gifts, grants, and donations from public or private sources.

The committee substitute creates a direct-support organization for the DOE, the Florida Endowment for Florida’s Graduates, which is charged with encouraging public and private support to enhance the school-to-work transition. The foundation is to operate as a non-profit incorporated entity under contract with DOE and is required to perform an annual financial and performance review. The foundation’s nine-member board of directors is to be appointed by the Commissioner of Education. Members serve staggered terms of one to three years initially, and terms of three years thereafter. The board is to hold meetings as necessary. The board is authorized to enter into contracts with the Federal Government, state or local agencies, private entities, or individuals in order to accomplish the goals of the program. The board is required to perform an annual evaluation of funded programs to determine whether funding should be continued, terminated, reduced, or increased.

In order to provide for first year startup funds, \$250,000 of the money allocated during the 12-month period beginning July 1, 1998, is not available for investment, but is to be transmitted quarterly to the foundation board and is to be available for fund distribution.

The board is required to cause an independent annual audit of the foundation's financial accounts to be conducted, the results of which must be submitted to the Auditor General and DOE for review. The board is required to submit an annual report to the Governor, the President of the Senate, the Speaker of the House of Representatives, and the Commissioner of Education starting as of March 1, 1999. Reporting requirements must include a summary of the performance of the endowment fund for the previous fiscal year and the foundation's fund raising activities.

Section 2. This section requires that the Legislature conduct a review of the Jobs for Florida's Graduates Program after the fifth year of operation with recommendations for continuation, expansion, or termination of the program.

Section 3. The section specifies that the act takes effect July 1, 1998.

IV. Constitutional Issues:

A. Municipality/County Mandates Restrictions:

None.

B. Public Records/Open Meetings Issues:

None.

C. Trust Funds Restrictions:

None.

V. Economic Impact and Fiscal Note:

A. Tax/Fee Issues:

None.

B. Private Sector Impact:

Indeterminate.

C. Government Sector Impact:

Initial funding for program startup and investment will be necessary. The appropriations bill passed by the Committee on Ways and Means includes funds which could be used for several programs, including the Jobs for Florida's Graduates Program. The appropriations bill introduced in the House of Representatives contains \$2.5 million in funds to be used solely for the program.

VI. Technical Deficiencies:

None.

VII. Related Issues:

The committee substitute does not contain some of the standards often required by direct-support organizations in other statutes. Specifically:

- ◆ Page 4, Line 15 - There is no requirement that the articles of incorporation be approved by the department.
- ◆ Page 4, Line 15 - There is no reference to corporate bylaws and no requirement that the bylaws be approved by the department.
- ◆ There is no requirement that the annual budget of the foundation be submitted to the department for its approval. Further, there is no requirement that the annual budget comply with rules adopted by the department.
- ◆ There is no delineation of what items must be in the contract between the department and the direct-support organization.
- ◆ There is no requirement that the department make an annual certification that the direct-support organization is complying with the terms of the contract and in a manner consistent with the goals and purposes of the foundation and in the best interest of the state. Further, there is no requirement that such certification be reported in the official minutes of the foundation.
- ◆ There is no requirement that donors be advised of the material provisions of the contract between the department and the direct-support organization and of the distinction between the department and the direct-support organization.
- ◆ There is no statement setting forth what the fiscal year for the direct-support organization is.

VIII. Amendments:

None.

This Senate staff analysis does not reflect the intent or official position of the bill's sponsor or the Florida Senate.
