

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 7, 1998 Revised: _____

Subject: Alternative Education Programs

	<u>Analyst</u>	<u>Staff Director</u>	<u>Reference</u>	<u>Action</u>
1.	<u>Dugger</u>	<u>Miller</u>	<u>CJ</u>	<u>Favorable/CS</u>
2.	_____	_____	<u>ED</u>	_____
3.	_____	_____	<u>WM</u>	_____
4.	_____	_____	_____	_____
5.	_____	_____	_____	_____

I. Summary:

The CS/SB 2480 substantially rewords s. 230.23162, F.S., by designating the educational facility authorized to be constructed by the Alternative Education Institute (AEI) under this section as a residential public education facility that will be jointly operated by the Department of Juvenile Justice (DJJ) and the Hillsborough County School Board through a cooperative agreement. The facility will serve students residing in specified counties who have not been adjudicated and are at-risk, as defined in the cooperative agreement.

Section 230.23162, F.S., relating to the AEI, was amended during the Special Session to address the AEI's ineffectiveness in providing oversight of the Adam Paine Academy, a residential alternative education facility in Hillsborough County designed to serve serious juvenile offenders.

The CS transfers ownership of the educational facility and property from AEI to the State of Florida. It also authorizes the Department of Management Services to take necessary actions to complete construction of the facility and provides that the department will have access to state funds previously appropriated to AEI.

Funding for the residential part of the program is to be provided through appropriations to the DJJ, and funding for the educational part of the program is to be provided through the Florida Education Finance Program (FEFP).

This CS substantially amends section 230.23162 of the Florida Statutes.

II. Present Situation:

Background on the AEI

In 1994, the Legislature enacted s. 39.085, F.S., which created the AEI within the Department of Education (DOE). ch. 94-209, L.O.F. (This section was renumbered during the 1997 Legislative Session as s. 985.402, F.S., by ch. 97-238, L.O.F.) The AEI was a 13-member board, comprised of seven members appointed by the Governor, three members appointed by the President of the Senate, and three members appointed by the Speaker of the House of Representatives. The law specified that the AEI be a not-for-profit corporation acting as an instrumentality of the state, receiving, holding, investing, and administering property and any received moneys for the benefit of the institute and its mission. The AEI's duties were expressly enumerated under this law.

The AEI was authorized to contract immediately with a private provider for alternative education programs in residential school facilities, using Public Education Capital Outlay (PECO) funds. The alternative education programs were to serve juvenile offenders who had been prosecuted as adults or committed to a high-risk or maximum-risk residential commitment program within the DJJ.

As a result of this law, \$30 million in PECO funds was appropriated for the construction of a 500-bed residential school facility in Hillsborough County, known as the Adam Paine Academy. Construction of the facility was initiated pursuant to a contract between the AEI and the Griff Mills Schools, Inc., a recently formed for-profit corporation.

However, in 1997, the Commissioner of Education stopped payments to the AEI pending an investigation into allegations of possible misuse of public moneys. In response to the requested investigation, the Governor's Chief Inspector General released a report on June 30, 1997, entitled *Inquiry into the Development, Design and Construction Agreement for the Adam Paine Academy between the Alternative Education Institute, Inc. And Griff Mills Schools, Inc.* Generally, the report found that the AEI had not provided effective oversight of the project.

Special Session Legislation in Response to the AEI's Ineffectiveness

As a result of the report's findings, the Legislature passed SB 8-A during the 1997 Special Session. See ch. 97-382, L.O.F. The CS renumbered s. 985.402, F.S., as s. 230.23162, F.S., and amended it to provide for the replacement of the board of AEI within ten days of the bill's effective date, November 22, 1997, and mandated the appointment of new board members. The membership of the board changed from thirteen to seven, with two members each being appointed by the Governor, the President of the Senate, and the Speaker of the House. The Commissioner of Education was authorized to appoint the seventh member.

The Department of Management Services (DMS), on behalf of the board, was directed to oversee the remaining construction, be responsible for change orders in existing construction contracts, and provide site inspection services as necessary. (The facility is about 50% complete.) Funds

were prohibited from being used for staff housing construction unless specifically authorized by the DMS after consulting with the DOE. The new law provides that if the construction contract is terminated, or the AEI is dissolved, ownership of the facility is to be transferred to the DMS until a plan for the operation of the school facility has been adopted. The DOE is directed to provide administrative support to the board and the Department of Legal Affairs is directed to provide legal counsel.

The new law also deleted the language in s. 985.402, F.S., which required the alternative education facility to serve adjudicated juvenile offenders committed to the DJJ. The newly constituted board is charged with developing plans for the use of the facility and reporting its recommendations to the Commissioner of Education and the Legislature by February 1, 1998. The plan was to address the option of transferring the facility to a local school district, a university or community college, a state agency, or a private provider for operation under the revised mission of the facility. The Commissioner of Education was required to consider the board's recommendations and make a final recommendation to the Legislature for the appropriate use of the educational facility.

Finally, the new law provides for the expiration of this statute on June 30, 1998, which will deauthorize the AEI and dissolve the governing board. Once the law expires, the Auditor General is required to perform a post-audit of all financial activities of the facility.

Actions and Recommendations by the Newly Created AEI Board

Since the passage of this legislation, the newly created board has met twice to conduct business, to receive public testimony, and to fulfill its statutory duties. The board has taken the following actions: authorized the DMS to secure the facility and to take necessary steps to protect the structure and any equipment on the construction site; authorized payment for securing the property with the \$18,000 in the institute's PECO account; and requested the Florida Department of Law Enforcement to investigate any criminal activity on the part of any of the parties involved in the contractual agreements.

In addition, the board submitted the following recommendations to the Commissioner of Education and to the Legislature: place the educational facility under the regulatory authority of the DJJ and use it for regional purposes to benefit preadjudicated and at-risk middle-school aged and older children in Hillsborough County. The board also recommended establishing a local community advisory board. The Commissioner of Education concurred with these recommendations.

III. Effect of Proposed Changes:

The CS/SB 2480 substantially rewords s. 230.23162, F.S., by designating the educational facility authorized to be constructed by the AEI under this section as a residential public education facility that will be jointly operated by the DJJ and the Hillsborough County School Board through a cooperative agreement. The CS provides that the DJJ and the Hillsborough County School Board

can operate the facility directly or by contracting for services. The facility will serve students residing in the following counties: Hillsborough, Pinellas, Manatee, Polk, or any other county that has entered into an agreement with the DJJ and the Hillsborough County school district. In addition, the facility will serve students residing in these counties who have not been adjudicated and are at-risk, as defined in the cooperative agreement.

The CS transfers ownership of the educational facility and property from AEI to the State of Florida. It also authorizes the Department of Management Services to take necessary actions to complete construction of the facility and provides that the department will have access to state funds previously appropriated to AEI.

The CS also specifies that funding for the residential part of the program is to be provided through appropriations to the DJJ, and funding for the educational part of the program is to be provided through the Florida Education Finance Program (FEFP).

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:

None.

C. Government Sector Impact:

The CS/SB 2480 provides that funding for the residential part of the program will come through appropriations to the DJJ and funding for the educational portion of the program will come through the FEFP. At this writing, numbers from the DOE were unavailable.

The DJJ estimates that the per diem needed for this program is \$140 to \$160. The department bases this estimate on the “intensity of developmental, employment, self-sufficiency services, and special needs such as mental health and behavioral services required for the proposed population.”

The department further states that the pool of potential youths that may be eligible depending on the definition of “at-risk” in the interagency agreement could be quite large. According to the DJJ, if 500 youths are served annually for an average of a one-year length of stay, it will cost the department \$25,550,000 per year in contracted services.

VI. Technical Deficiencies:

None.

VII. Related Issues:

None.

VIII. Amendments:

None.