

STORAGE NAME: h0393a.ed

DATE: April 11, 1999

**HOUSE OF REPRESENTATIVES
AS FURTHER REVISED BY THE COMMITTEE ON
EDUCATION APPROPRIATIONS
ANALYSIS**

BILL #: HB 393 (formerly PCB 99-01, CCCP)

RELATING TO: Workforce Development Education

SPONSOR(S): Committee on Community Colleges and Career Prep and Representative Harrington

COMPANION BILL(S):

ORIGINATING COMMITTEE(S)/COMMITTEE(S) OF REFERENCE:

- (1) COMMUNITY COLLEGES & CAREER PREP YEAS 11 NAYS 0
- (2) EDUCATION INNOVATION YEAS 7 NAYS 0
- (3) EDUCATION APPROPRIATIONS YEAS 9 NAYS 0
- (4)
- (5)

I. SUMMARY:

The concepts in this bill are some of the "glitch" issues identified in a report required by CS/CS/SB 1124, submitted to the Legislature by the Workforce Development Implementation Team.

The bill will define literacy completion points (LCPs) in statute, and authorize LCPs for use in the Workforce Development Education Fund (WDEF) formula.

The bill will clarify fee provisions for continuing workforce education (CWE) to allow flexibility at the local educational institutions. The requirement that the state appropriation for CWE from the WDEF shall not exceed 50% of the cost of instruction (50/50 match) will be maintained.

The bill will permit performance exemptions for new programs to be built into the formula for the Workforce Development Education Fund. This provision will allow for the lag in the time between when dollars are expended for a new program and the time which performances will begin to occur.

No additional state funds in the Workforce Development Education Fund (WDEF) are required to implement the provisions of this bill. The provisions of this bill affect the formula for distributing funds, but not the total amount of funds distributed. However, the reporting of up to .3 FTE for coenrolled students for FEFP funding will require an increased state appropriation.

II. SUBSTANTIVE ANALYSIS:

A. PRESENT SITUATION:

For the past two years the Legislature has made sweeping changes in the funding and service delivery of workforce development education through the passage of CS/CS/SBs 1688 and 1124. CS/CS/SB 1124 charged the Department of Education and the State Board of Community Colleges to make recommendations to the Legislature for a funding formula which implements the intent of the Act.

In order to ensure that a consensus process was used to develop the funding recommendations, the Workforce Development Implementation Team (WDIT) was created of representatives from the Division of Workforce Development, Division of Community Colleges, the Office of Workforce Development Information Systems, JEP, and others. The WDIT was assisted as needed by an advisory team made of representatives from individual community colleges and school district vo-tech centers.

The WDIT submitted a report to the Legislature providing the recommendations for a funding formula for workforce development education. The WDIT also recommended a few changes needed in statute for purposes of clarification.

Literacy Completion Points

Occupational completion points (OCPs) are currently defined and authorized for use in the Workforce Development Education Fund (WDEF) formula. According to s. 239.105, F.S., OCPs are vocational competencies that qualify a person to enter an occupation that is linked to a vocational program. Similarly, the concept of literacy completion points (LCPs) was presented last year. LCPs were proposed to represent competencies that qualify a person for further basic education or vocational education, or for a job. It was decided that more research was needed before LCPs could be fully implemented for funding. Therefore, researching the implementation of OCPs and LCPs was one of the charges the Legislature gave to the Department of Education in CS/CS/SB 1124.

The WDIT has identified LCPs for adult education programs and has recommended implementing LCPs for curriculum and funding purposes.

Continuing Workforce Education Fees

CS/CS/SB 1124 amended s. 239.115 (6)(a), F.S., to state that "for a continuing workforce education course, state funding shall equal 50 percent of the cost of instruction, with student fees, business support, quick response training funds, or other means making up the remaining 50 percent." This language means that state funding for a continuing workforce education (CWE) course is 50% of the cost of instruction, and community colleges and school districts have the flexibility to make up the remaining 50% from fees, business support, or other means. However, the fee schedule required pursuant to s. 239.117, F.S., requires CWE fees to be 50% of the prior year's cost of a CWE course. This is not consistent with the language in s. 239.115, F.S., and does not give community colleges and school districts the flexibility granted in s. 239.115, F.S.

The WDIT has recommended clarifying that fees for CWE courses are flexible at the local level, consistent with s. 239.115, F.S.

Performance Exemptions

The current funding formula for the WDEF requires that 15% of state funds for community colleges and school districts must be earned on performances including program completion and job placement. The formula does not expressly allow for performance exemptions to be made for new programs. There is a lag in the time between when dollars are expended for a new program and the time which performances will begin to occur.

The WDEF has recommended that performance exemptions for new programs be allowed in the WDEF formula.

Coenrolled Instruction

Coenrolled instruction was funded in the FEFP prior to the creation of the Workforce Development Education Fund(WDEF) , and is currently funded in the WDEF. An example of coenrolled instruction is a regular high school student taking an adult high school course to makeup a failed course. Therefore, there is concern by some interested parties that coenrolled instruction is not appropriately funded in the WDEF.

B. EFFECT OF PROPOSED CHANGES:

Literacy Completion Points

The bill defines literacy completion points (LCPs) in s. 239.105, F.S., and authorizes LCPs for use in the Workforce Development Education Fund (WDEF) formula.

Continuing Workforce Education Fees

The bill clarifies fee provisions for continuing workforce education (CWE) to allow flexibility at the local educational institutions. The requirement that the state appropriation for CWE from the WDEF shall not exceed 50% of the cost of instruction (50/50 match) is maintained.

Performance Exemptions

The bill permits performance exemptions for new programs to be built into the formula for the Workforce Development Education Fund. This provision allows for the lag in the time between when dollars are expended for a new program and the time which performances will begin to occur.

Coenrolled Instruction

The bill provides that a school district's K-12 program shall reimburse adult education programs operated by a school district for instruction to coenrolled students, as provided in the General Appropriations Act; and that school districts may claim basic FTE for such students in the FEFP at a level which does not exceed .3 FTE-per student annually.

C. APPLICATION OF PRINCIPLES:

1. Less Government:

a. Does the bill create, increase or reduce, either directly or indirectly:

(1) any authority to make rules or adjudicate disputes?

No.

(2) any new responsibilities, obligations or work for other governmental or private organizations or individuals?

No.

(3) any entitlement to a government service or benefit?

No.

b. If an agency or program is eliminated or reduced:

No agency or program is eliminated or reduced.

(1) what responsibilities, costs and powers are passed on to another program, agency, level of government, or private entity?

N/A

(2) what is the cost of such responsibility at the new level/agency?

N/A

(3) how is the new agency accountable to the people governed?

N/A

2. Lower Taxes:

a. Does the bill increase anyone's taxes?

No.

b. Does the bill require or authorize an increase in any fees?

The bill allows fees for continuing workforce education courses to be determined at the local educational institutions. In some cases, fees for some courses could go up if the market would bear an increase in fees. Some fees could also be reduced. Those decisions would be made at the local level.

- c. Does the bill reduce total taxes, both rates and revenues?

No.

- d. Does the bill reduce total fees, both rates and revenues?

No.

- e. Does the bill authorize any fee or tax increase by any local government?

The bill allows fees for continuing workforce education courses to be determined at the local educational institutions. In some cases, fees for some courses could go up if the market would bear an increase in fees. Some fees could also be reduced. Those decisions would be made at the local level.

3. Personal Responsibility:

- a. Does the bill reduce or eliminate an entitlement to government services or subsidy?

No.

- b. Do the beneficiaries of the legislation directly pay any portion of the cost of implementation and operation?

Businesses, community organizations, and students could all benefit from a student's continuing workforce education. The bill allows local educational institutions the flexibility to determine how those beneficiaries would pay for a continuing workforce education course.

4. Individual Freedom:

- a. Does the bill increase the allowable options of individuals or private organizations/associations to conduct their own affairs?

Given the local flexibility for setting fees for continuing workforce education, businesses and community organizations could potentially realize more options for continuing workforce education in their community.

- b. Does the bill prohibit, or create new government interference with, any presently lawful activity?

No.

5. Family Empowerment:

- a. If the bill purports to provide services to families or children:

The bill does not purport to provide services to families or children.

- (1) Who evaluates the family's needs?

N/A

- (2) Who makes the decisions?

N/A

- (3) Are private alternatives permitted?

N/A

- (4) Are families required to participate in a program?

N/A

- (5) Are families penalized for not participating in a program?

N/A

- b. Does the bill directly affect the legal rights and obligations between family members?

N/A

- c. If the bill creates or changes a program providing services to families or children, in which of the following does the bill vest control of the program, either through direct participation or appointment authority:

- (1) parents and guardians?

N/A

- (2) service providers?

N/A

- (3) government employees/agencies?

N/A

D. STATUTE(S) AFFECTED:

Amends sections: 236.081, 239.105, 239.115, and 239.117, Florida Statutes.

E. SECTION-BY-SECTION ANALYSIS:

- Section 1. Amends s. 236.081, F.S.; providing for school districts to be reimbursed for coenrolled instruction from the FEFP.
- Section 2. Amends s. 239.105, F.S.; defining "literacy completion point".
- Section 3. Amends s. 239.115, F.S.; providing for adult general education programs to include courses that lead to a literacy completion point; including literacy completion points in the performance output measures for adult general education; and authorizing the formulas for workforce development education to include performance exemptions for new programs.
- Section 4. Amends s. 239.117, F.S.; requiring that fees for continuing workforce education be locally determined.
- Section 5. Amends s. 393.514, F.S.; allowing funds to be used to upgrade workforce development programs to establish industry standards in accordance with program updates conducted by the Division of Community Colleges or the Division of Workforce Development.
- Section 6. Provides an effective date of July 1, 1999.

III. FISCAL ANALYSIS & ECONOMIC IMPACT STATEMENT:

A. FISCAL IMPACT ON STATE AGENCIES/STATE FUNDS:

1. Non-recurring Effects:

None.

2. Recurring Effects:

No additional state funds in the Workforce Development Education Fund (WDEF) are required to implement the provisions of this bill. The provisions of this bill affect the formula for distributing funds, but not the total amount of funds distributed.

However, the provisions in Section 1 of this bill which allow school districts to report up to .3 FTE per coenrolled student for FEFP funding will require increased state appropriations. In 1996-97, roughly \$16 million was included in the FEFP for students coenrolled in adult education programs. These funds were transferred to the Workforce Development Education allocation in conjunction with enactment of SB 1688.

3. Long Run Effects Other Than Normal Growth:

None.

4. Total Revenues and Expenditures:

None.

B. FISCAL IMPACT ON LOCAL GOVERNMENTS AS A WHOLE:

1. Non-recurring Effects:

None.

2. Recurring Effects:

No additional state funds in the Workforce Development Education Fund (WDEF) are required to implement the provisions of this bill. The provisions of this bill affect the formula for distributing funds, but not the total amount of funds distributed.

However, the provisions in Section 1 of this bill which allow school districts to report up to .3 FTE per coenrolled student for FEFP funding will require increased state appropriations. In 1996-97, roughly \$16 million was included in the FEFP for students coenrolled in adult education programs. These funds were transferred to the Workforce Development Education allocation in conjunction with enactment of SB 1688.

3. Long Run Effects Other Than Normal Growth:

None.

C. DIRECT ECONOMIC IMPACT ON PRIVATE SECTOR:

1. Direct Private Sector Costs:

The bill allows local educational institutions the flexibility to determine how businesses, community organizations, and students will pay for a continuing workforce education course. The bill allows fees for continuing workforce education courses to be determined at the local educational institutions. In some cases, fees for some courses could go up if the market would bear an increase in fees. Some fees could also be reduced. Those decisions would be made at the local level.

2. Direct Private Sector Benefits:

Businesses, community organizations, and students could all benefit from a student's continuing workforce education.

3. Effects on Competition, Private Enterprise and Employment Markets:

The provisions of this bill would grant flexibility to community colleges and school districts to align fees for continuing workforce education more closely with the supply and demands of their local geographical area. This could increase competition for providing CWE courses and produce a greater amount of students with skills needed in the employment market.

D. FISCAL COMMENTS:

IV. CONSEQUENCES OF ARTICLE VII, SECTION 18 OF THE FLORIDA CONSTITUTION:

A. APPLICABILITY OF THE MANDATES PROVISION:

N/A

B. REDUCTION OF REVENUE RAISING AUTHORITY:

N/A

C. REDUCTION OF STATE TAX SHARED WITH COUNTIES AND MUNICIPALITIES:

N/A

V. COMMENTS:

N/A

VI. AMENDMENTS OR COMMITTEE SUBSTITUTE CHANGES:

On January 20, 1999, the Committee on Community Colleges and Career Prep considered PCB 99-01 and passed it unanimously with one amendment which was incorporated into the bill. The amendment added a new section 1, providing for the reimbursement of coenrolled instruction from the FEFP, and renumbered subsequent sections of the bill.

The proposed committee bill was prefiled on January 26, 1999, and became HB 393. It was referred to the Committee on Education Innovation, which heard and amended the bill on February 15, 1999. The bill passed unanimously as amended. The three amendments change the bill in the following ways:

- ◆ Removes provisions for school districts to be reimbursed from the FEFP.
- ◆ Clarifies workforce development program finance formula exemption to be limited to programs defined in s. 239.105 (workforce development) and for exemptions not to exceed two years.
- ◆ Adds a new section to the bill to permit funds for use in upgrading workforce development programs.

On April 9, 1999 the Education Appropriations Committee considered HB 393 and passed it with one amendment. The amendment: (1) adds a new section authorizing that students in workforce development programs who meet specific requirements may be exempt from paying out-of-state fees, and (2) adds a new section authorizing students in workforce development programs who meet specific requirements may pay resident fees.

VII. SIGNATURES:

COMMITTEE ON COMMUNITY COLLEGES & CAREER PREP:

Prepared by:

Staff Director:

Stacey S. Webb

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AS REVISED BY THE COMMITTEE ON EDUCATION INNOVATION:

Prepared by:

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Pamela M. Allen

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AS FURTHER REVISED BY THE COMMITTEE ON EDUCATION APPROPRIATIONS:

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