

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.)

BILL: CS/SB 1208

SPONSOR: Commerce and Economic Opportunities Committees and Senator Kirkpatrick

SUBJECT: Adult Workforce Development Education

DATE: April 26, 2000 REVISED: _____

	ANALYST	STAFF DIRECTOR	REFERENCE	ACTION
1.	<u>Pierce/Maclure</u>	<u>Maclure</u>	<u>CM</u>	<u>Favorable/CS</u>
2.	_____	_____	<u>FP</u>	_____
3.	_____	_____	_____	_____
4.	_____	_____	_____	_____
5.	_____	_____	_____	_____

I. Summary:

The committee substitute creates the “Workforce Development Education Unification Act of 2000,” to allow school districts and community colleges to exercise local decision-making authority related to the delivery of adult workforce development education programs. Specifically, the committee substitute:

- Sets forth state-level priorities in the transfer of adult workforce development education programs;
- Provides assurances to students, businesses, and staff relating to the transfer;
- Requires local determination of several workforce development system options;
- Creates an independent statewide panel to resolve disagreements between school districts and community colleges; and
- Requires a study on the feasibility of additional independent public postsecondary institutions within the Florida Community College System to operate workforce development educational programs.

The committee substitute creates section 239.214, Florida Statutes.

II. Present Situation:

Workforce Education and Training

Section 239.101(2), F.S., expresses the Legislature’s intent that public secondary schools prepare students to enroll in postsecondary-level coursework, to attain employment, and to continue self-directed learning. Moreover, the Legislature has expressed that career education is a crucial component of the educational programs conducted within school districts and community colleges. (s. 239.101(7), F.S.) To that end, workforce development education programs, provided by school districts and community colleges, include vocational, adult, and community education. Workforce development education encompasses adult general education or vocational

education, and may consist of a continuing workforce education course or program of study leading to an occupational completion point, a vocational certificate, an applied technology diploma, or vocational education degree. (s. 239.105(28), F.S.) Florida has established the Workforce Development Education Fund in s. 239.115, F.S., to provide performance-based funding for these programs. The funding for these programs must be provided from the Workforce Development Education Fund and be based upon cost categories, performance output measures, and performance outcome measures. (s. 239.115(4), F.S.) Fifteen percent of these funds are subject to performance criteria based on how well those schools place students in high skill/high wage jobs. (s. 239.115, F.S.)

Section 20.15(3), F.S., creates the Division of Workforce Development and the Division of Community Colleges within the Department of Education. The Division of Workforce Development oversees the local school districts' implementation of adult workforce development education and is responsible for ensuring the greatest possible coordination, efficiency, and effectiveness of workforce development education. Section 230.63, F.S., provides that a school board or two or more contiguous school boards may, after first obtaining approval of the Department of Education, organize, establish, and operate an area technical center or acquire and operate an existing vocational-technical school. According to the Department of Education, there are currently 41 school district technical centers operating in the state at over 101 sites. These centers serve approximately 300,000 students. An estimated 110,000 students are enrolled in vocational certificate programs and an additional 180,000 students are enrolled in continuing workforce education.

The state community college system's primary mission and responsibility is responding to the community's need for postsecondary academic education and degree career education. (s. 240.301, F.S.) Community colleges are responsible for providing lower level undergraduate instruction, awarding associate degrees, and preparing students for vocations that require less than baccalaureate degrees. (s. 240.301(3), F.S.) Community colleges provide students career education consisting of certificate-based programs, credit courses leading to associate degrees, and vocational programs in fields which have lesser academic or technical requirements. The Division of Community Colleges, directed by the State Board of Community Colleges under ch. 240, F.S., is responsible for ensuring the coordination, efficiency, and effectiveness of community colleges, except for the duties assigned to the Division of Workforce Development in ch. 239, F.S.

State Workforce Development Board

The state Workforce Development Board, established in 1996 and revised in 1999, operates as a separately incorporated division of Enterprise Florida, Inc., and is given the purpose to design and implement strategies that help Floridians enter, remain in, and advance in the workplace, becoming more highly skilled and successful, benefiting these Floridians, Florida businesses, and the entire state. (s. 288.9952, F.S.) The Workforce Development Board is governed by a 25-voting member board of directors whose membership must be consistent with the federal Workforce Investment Act and contain three representatives of organized labor. (s. 288.9952(2)(a), F.S.) Florida's 24 regional workforce development boards are governed by s. 288.9953, F.S.

Workforce and Economic Development

As part of its economic development efforts, Florida has in place a variety of programs that are designed to encourage the location of new businesses and support the expansion and retention of existing businesses in the state. In particular, the Quick-Response Training (QRT) Program, ss. 288.046 and 288.047, F.S., and the Incumbent Worker Training Program, s. 288.9956(3), F.S., reflect the relationship between economic development and workforce issues. Under the QRT Program, specially tailored job training is provided on behalf of a new, expanding, or existing Florida business. The training is delivered through, and funds are allocated to, Florida's community colleges, school districts, area vocational-technical centers, state universities, and, under certain conditions, private postsecondary institutions. The instruction, which cannot exceed 18 months, must promote economic development by providing specialized entry-level skills to new workers or supplemental skills to current employees whose job descriptions are changing. (s. 288.047(4), F.S.) Program funds may not be expended to subsidize the ongoing staff development program of any business or industry or to provide training related to retail businesses. The program is administered by Enterprise Florida, Inc., acting through the Workforce Development Board.

Also administered by Enterprise Florida, Inc., through the state Workforce Development Board, is the Incumbent Worker Training Program. The program was created to provide grant funding for continuing education and training of incumbent employees at existing Florida businesses. (s. 288.9956(3)(a)3., F.S.) Priority for funding is given to eligible businesses with 25 employees or fewer, those in rural areas, distressed inner-city areas, or those businesses whose grant proposals represent a significant upgrade in employee skills. (s. 288.9956(3)(a)3.b., F.S.) Businesses approved for the program's grant funding are reimbursed for pre-approved, direct, training-related costs; reimbursable administrative costs cannot exceed 5 percent of the grant amount. (s. 288.9956(3)(a)3.c., F.S.)

Examinations of the Workforce Development System

OPPAGA Study of Workforce System

Chapter 99-251, L.O.F., required the Office of Program Policy Analysis and Government Accountability (OPPAGA) to review the workforce development system of the state and identify divisions, bureaus, units, programs, duties, commissions, boards, and councils that could be eliminated, consolidated, or privatized.

The report, released in February 2000, found that:

Florida's workforce development system is made up of a complex array of other systems (e.g., education, job training, vocational education) administered or influenced by 272 organizations at the state and local level. . . . These entities share the mission of training eligible people for jobs, matching potential employers and employees, and providing support services to assist people in finding and retaining gainful employment

(Review of the Workforce Development System, OPPAGA, Report No. 99-34, February 2000, Executive Summary, p. 1.)

In addition to recommending consolidation of the Workforce Development Board and the board of directors of the Work and Gain Economic Self-sufficiency (WAGES) Program, the OPPAGA report offered two options for systematic redesign of the workforce system. Option 1 was a major reorganization and consolidation of the system, including creation of a Florida Workforce Development Office to develop and implement a comprehensive plan of action. Option 2 was an evaluation of the overlap among and within programs. As part of this second option, OPPAGA said the Workforce Development Board, in consultation with the Department of Education and the State Board of Community Colleges, should evaluate the Postsecondary Vocational Education Program and report to the Legislature on whether the responsibility for the program should be consolidated within the community college system.

(Review of the Workforce Development System, OPPAGA, Report No. 99-34, February 2000, Executive Summary, pp. iii-iv.)

Senate Select Committee on Workforce Innovation

In October 2000, the President of the Senate announced the formation of the Senate Select Committee on Workforce Innovation, responsible for development of legislation to create a statewide integrated workforce system including school-to-work, welfare-to-work, and high skills/high wages. The 12-member committee identified a number of issues confronting the workforce system, including:

- Disconnect between the workforce system and the state's economic development strategy;
- Insufficient number of potential employees with technical or professional skills to meet the needs of Florida employers;
- Insufficient number of potential employees with adequate literacy skills, work ethic, and good work habits to meet the needs of Florida employers;
- Problems of welfare transition clients and other "working poor" Floridians related to wages and benefits, transportation, child care, and other employment support services;
- Employers need for continual enhancement of employee skills;
- Small business workforce needs;
- Strategic, effective, and innovative use of workforce system resources; and
- Multiple and overlapping administrative structures.

(Workforce Innovation Act of 2000, Report of the Select Committee on Workforce Innovation, The Florida Senate, March 2000, pp. 4-6.)

Commissioner's Workforce Development Task Force

In January 2000, the Commissioner of the Department of Education created a Task Force on Workforce Development Issues. The task force members included school district superintendents, community college presidents, directors of regional workforce development boards, and representatives of business and industry who have worked closely with school districts and community colleges on workforce development issues.

A final report from the task force provides the following recommendations:

- Local communities should decide which educational entity should offer workforce development educational and training programs.
- Community colleges and school districts, in consultation with locally determined representative of business, industry, and consumers/students, should make the decisions about program delivery.
- If a school district and a community college cannot decide on which educational entity should deliver which workforce development programs, the matter should be arbitrated by the state Workforce Development Board.

(Commissioner's Workforce Development Task Force, Final Report, Florida Department of Education, March 2000, p. 2.)

III. Effect of Proposed Changes:

The committee substitute creates s. 239.214, F.S., to be entitled the "Workforce Development Education Unification Act of 2000." The committee substitute states the intent of the Legislature that school districts and community colleges exercise local decision-making authority related to the delivery of adult workforce development education programs to accomplish several state level priorities:

- Focus public schools on the mission of educating K-12 students;
- Strengthen secondary vocational education programs that prepare students for postsecondary workforce development education opportunities;
- Eliminate duplicative adult workforce development education programs and services;
- Reduce administrative costs associated with the delivery of adult workforce development education;
- Identify single points of entry for businesses and students for workforce development certificate, adult education, and continuing workforce education;
- Provide one point of accountability relating to return on investment of public dollars;
- Minimize waste by maximizing transfer of credit hours without jeopardizing institutional accreditation; and
- Unify facilities' planning, funding and construction.

The committee substitute conditions transfer of adult workforce development education programs upon assurances that:

- No program will be eliminated in the transfer which has sufficient demonstrated workforce demand, as determined by the state Workforce Development Board, to warrant continuation of the program;
- The Division of Community Colleges will review workforce development programs operated at community colleges, attentive to the needs of business and industry, compression of program lengths, work/learn cycles consistent with business cycles, and applicability of distance learning as a method of instruction;
- Recommendations will be made by the Division of Community Colleges, in consultation with the state Workforce Development Board, to identify incentives that can be implemented under s. 239.115, F.S., which relates to workforce development funding, to increase workforce production in key occupational areas; and
- Full-time budgeted school district or adult vocational staff will be hired by community colleges for those programs transferred to the community colleges, including retirement provisions in accordance with ch. 121, F.S.

The committee substitute requires community colleges and school districts to locally agree to operate certain workforce development system options:

- School district vocational technical centers and adult centers are converted to community college branch campuses, consistent with the guidelines developed under s. 240.311, F.S., relating to the powers and duties of the State Board of Community Colleges.
- Cooperative partnerships between school districts and community colleges are formed to emphasize technical preparation in high schools that articulates into postsecondary programs of study where the school districts provide the secondary component and the community colleges provide the postsecondary component.
- The community college establishes a performance contract with the school district for all or part of the adult workforce development programs and courses provided by the school district, in accordance with s. 240.319, F.S., relating to the duties and powers of community college district boards of trustees.
- A school district vocational-technical center organizes and operates under a board of directors through a charter sponsored by the community college board of trustees.
- A school district vocational-technical center petitions to become an independent postsecondary institution with a local board of trustees under the Florida Community College System of governance and accountability.

The committee substitute also mandates that a formal joint agreement and implementation plan exist between every local community college board of trustees and affected school boards to implement these options by September 1, 2000. In those agreements reached by September 1, 2000, transferring all adult workforce programs and courses to the community college, the community college and school district may negotiate to allow the school district to retain up to 10 percent of the total state workforce development funds generated by the school district from the previous year. Options to establish branch campuses, charter institutions, and performance contracts may be used where there is complete sponsorship of the community college.

By September 1, 2000, an independent statewide panel is created to resolve disagreements between community colleges and school districts on workforce development program transfers. In

instances of lack of agreement, the independent panel would, by February 1, 2001, develop and recommend a transition plan to each respective board. The plan would go into effect on July 1, 2001. Fiscal year 2001-2002 workforce development funding would be appropriated to the local Workforce Development Board to determine the allocations of responsibility if the community college and school districts fail to agree with the panel's recommendation by March 1, 2001.

The committee substitute further requires an evaluation by OPPAGA to look at compensation issues related to the transfer of workforce development education facilities. Community College Board of Trustees and the State Board of Community Colleges must consider use of existing space; formation of partnerships with business and industry; and arrangements for leasing space from school districts and the private sector in assessing the facilities needs of community colleges. Funds from the Public Education Capital Outlay and Debt Service Trust Fund for renovation, remodeling, and construction may be used only after other options have been exhausted. The committee substitute also requires OPPAGA to conduct a feasibility study of the creation of additional independent postsecondary institutions within the community college system.

The committee substitute grants rule-making authority to the State Board of Education to implement the provisions of this act.

The act takes effect upon becoming a law.

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:

Should local agreements between a community college board of trustees and affected school boards fail to be developed and implemented by March 1, 2001, the committee substitute requires the appropriation of funding for affected colleges and districts to the local Workforce Development Board for allocation of responsibility and associated funds to service providers.

Indeterminate state costs for salaries and benefits could be incurred resulting from the transfer of teaching staff and support personnel currently employed by school district and assigned to area technical centers and similar facilities to the community colleges. Current school district staff needing staff development to meet qualifications and certification to be employed in a community college workforce development education program will also require additional state funds. A significant portion of the staff development needed for former school district staff could be provided by the community college.

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VI. Technical Deficiencies:

On page 8, line 19, the committee substitute provides for allocation of responsibility and associated funds by the local workforce development board in the event of an impasse, without regard to the provisions of *s. 239.214*. The cited section of the Florida Statutes is the new section of the statutes created by the committee substitute itself. If this is the intended citation, the language should read: "without regard to the provisions of this section," since the sentence would be included within *s. 239.214*, F.S.

VII. Related Issues:

None.

VIII. Amendments:

None.