

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/CS/SB 1484

SPONSOR: Governmental Oversight and Productivity Committee, Commerce and Economic Opportunities Committee and Senator Geller

SUBJECT: Workforce Development Education in Information Technologies

DATE: April 17, 2000 REVISED: _____

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

I. Summary:

To support the workforce needs of the information technology industry, this committee substitute:

- provides for the development of a comprehensive vocational certificate or 2-year distance learning curriculum;
- creates an information technology internship program for faculty of information technology programs and students; and
- creates a process whereby educational institutions can compete for funds to upgrade or build information technology training facilities.

Additionally, this committee substitute implements many of the recommendations of the 21st Century Digital Television and Education Task Force, including: identification of digital occupations; creation of the Digital Media Education Coordination Group; reservation of up to \$1 million in funds dedicated for Incumbent Worker Training for the digital media industry; development of a plan for the use of training funding; creation of a Digital Media Education Infrastructure Fund; requiring an organizational meeting of the digital media industry; provision for the award of a contract for the creation of a digital media incubator; and development of a marketing plan.

This committee substitute creates the following sections of the Florida Statutes: 239.521 and 240.710. This committee substitute amends the following sections of the Florida Statutes: 240.311 and 240.3341.

II. Present Situation:

Information Service Technology Development Task Force

Chapter 99-354, L.O.F., created the Information Service Technology Development Task Force for the purpose of developing policies that will benefit residents of this state by fostering the free market development and beneficial use of advanced communications networks and information technologies within this state. The task force, which dissolves July 1, 2001, must:

- Develop overarching principles to guide state policy decisions with respect to the free market development and beneficial use of advanced communications networks and information technologies, identify factors that will affect whether these technologies will flourish in Florida, and develop policy recommendations for each factor.
- By February 14 of the calendar years 2000 and 2001, submit a report to the Governor, the President of the Senate, and the Speaker of the House of Representatives outlining principles, policy recommendations, and any suggested legislation.

The task force created the eWorkforce Subcommittee to promote the development of strategies to assist educational institutions in establishing policies and programs that will produce a highly skilled information technology workforce, and encourage public-private partnerships in the development of information technology curriculum, research, funding, and training.

In the *1999 Annual Report to the Legislature*, the eWorkforce Subcommittee made two recommendations relating to distance learning and internships. First, the subcommittee recommended that colleges and universities identify and understand the strengths and weaknesses of different training delivery systems that will help their institutions maximize the value received for training expenditures. The subcommittee further recommended that initiatives should be developed that support the use of technology, distance learning, and other alternative delivery methods by community colleges and universities. (*1999 Annual Report to the Legislature*, Information Service Technology Development Task Force, page 58.) Second, the subcommittee found that the experience and knowledge gained through industry internships is a widely used and successful means of ensuring that the education students receive is aligned with the needs of industry, and internships also help maintain faculty interaction with industry. The subcommittee recommended that industry provide scholarships and guarantees of internships and employment for university students, and that information technology programs throughout the university system include provisions for internships. (*1999 Annual Report to the Legislature*, Information Service Technology Development Task Force, pages 48 & 50.)

Digital Television and Education Task Force

Chapter 99-251, L.O.F., provided for the formation of a 12-member task force to be called the "21st Century Digital Television and Education Task Force." The task force, to be established within the Office of Tourism, Trade, and Economic Development (OTTED), is directed to: devise a plan to recruit digital industries to locate in Florida; recommend economic incentives to assist in the recruitment of certain digital industries to Florida; devise a plan to create and maintain higher education opportunities for students interested in the digital television field; recommend methods to hasten the conversion of existing commercial television studios and sound stages from analog to digital technology; investigate means of assisting public broadcast stations in their conversion from analog to digital technology; and issue a report to the Legislature prior to February 1, 2000.

The 21st Century Digital Television and Education Task Force Final Report made various recommendations relating to the enhancement of the digital media industry, including:

Recommendation 1: Creation of the Digital Media Education Coordination Group.

The State University System should be directed to create a Digital Media Education Coordination Group assigned to coordinate the use of existing academic programs, research, and faculty resources to promote the development of a digital media industry in Florida. The group should also address strategies to improve opportunities for interdisciplinary study and research within the emerging field of digital media through the development of tracks in existing degree programs, new interdisciplinary degree programs, and interdisciplinary research centers. (*The 21st Century Digital Television and Education Task Force Final Report*, pages 2-4.)

Recommendation 2: Create and Market Digital Media Technical Education Programs.

The State Board of Community Colleges should be authorized to identify, via the Critical Jobs Initiative, the occupational forecasting process, or any other compatible mechanism, a collection of programs designed to train broadband digital media specialists. Programs identified by the board should be added to the statewide lists for demand occupations, if they meet the high skill/high wage criteria. Industry partners and the state community college system should be tasked with preparation of a marketing program to assist those making the transition from working with analog formats to digital formats. (*The 21st Century Digital Television and Education Task Force Final Report*, pages 4 & 5.)

Recommendation 3: Create an A+ Broadband Digital Media Workforce.

- The Workforce Development Board of Enterprise Florida, Inc. (EFI), should reserve up to \$1 million of the next fiscal year funds dedicated for Incumbent Worker Training for this industry. Training may be provided by public or private training providers for broadband digital media jobs listed on the Occupational Forecast List or the Targeted Occupations List.
- The Workforce Development Board should by July 31, 2000, develop a plan for the use of Temporary Assistance to Needy Families (TANF), Workforce Investment Act (WIA), Quick Response, Incumbent Worker Training, and other training related resources to enhance the workforce of digital media related industries.
- The Legislature should establish a Digital Media Education Infrastructure Fund, with an initial General Revenue appropriation of \$6 million over two years to upgrade the quality of media labs associated with university programs, community college programs, and other educational resources. As many as five media labs will be created and upgraded, with \$1 million of the fund expended the first year for design costs, and the remaining \$5 million expended in year two for implementation. Such funds should be spent according to the priorities established by an industry sector group and should be matched with industry contributions. (*The 21st Century Digital Television and Education Task Force Final Report*, pages 5 & 6.)

Recommendation 4: Designate and Support a Digital Media Education and Industry Sector.

- Enterprise Florida, Inc. (EFI), should convene an organizational meeting for industries involved in broadband digital media to organize and facilitate future activities of associated industry groups or facilitate the ongoing activities of a similar group. This

group should be charged with the responsibility of continuing the work begun by the task force.

- Industry representatives should work with EFI to develop a list of priority businesses for EFI recruiting contacts. EFI and industry representatives should ensure a strong Florida presence at critical industry conventions and gatherings.
- Establish a digital media incubator to encourage companies developing content and technology for digital broadband media and digital broadcasting to locate and grow their businesses in Florida. Provide operational and investment seed funding of \$2 million to encourage the financial and strategic participation of venture capital firms, corporate and institutional sponsors, and targeted start-up companies. (*The 21st Century Digital Television and Education Task Force Final Report*, pages 6 & 7.)

Recommendation 5: Finance the Transition.

- The Legislature should continue to support the transition of the public broadcasting stations to digital transmission by fully funding the programs already identified in the Governor's budget.
- The Legislature should implement a commercial and professional digital media equipment sales tax holiday for Florida entities to last no more than 36 months. The tax holiday should be designed to encourage the rapid transition to digital transmission and increase the digital production and manufacturing capacity of the state.
- The Legislature should support sales tax relief lasting 36 months for all professional digital media production equipment purchased by Florida entities and by related industries not already covered by tax relief. (*The 21st Century Digital Television and Education Task Force Final Report*, pages 7 & 8.)

Recommendation 6: Market the State as a Digital Media Leader.

ITFlorida and EFI should be tasked with the responsibility of putting together a marketing plan to promote the state as digital media friendly, a digital media ready environment, and a national leader in the development and distribution of broadband digital media content, technology, and education. (*The 21st Century Digital Television and Education Task Force Final Report*, page 8.)

Chapter 239, F.S., governs vocational, adult, and community education. Section 240.311, F.S., provides for powers and authorities of the State Board of Community Colleges. Section 240.3341, F.S., authorizes community colleges to provide incubator facilities to a business that is independently owned and operated, incorporated in Florida, not an affiliate or a subsidiary of a business dominant in its field of operation, and employs 25 or fewer full-time employees.

A State Technology Office exists under s. 282.3093, F.S., in the Department of Management Services and is charged with providing support to various workgroups, such as the State Technology Council and the Chief Information Officers Council, and with facilitating educational and training efforts with respect to the state's use and management of information technology resources.

III. Effect of Proposed Changes:

This committee substitute creates three initiatives to support the workforce needs of the information technology industry, and implements many of the recommendations of the 21st Century Digital Television and Education Task Force.

Comprehensive Distance Learning Curriculum Initiatives

The committee substitute provides for the development of a comprehensive vocational certificate or 2-year distance learning curriculum, built from competencies found in information technology jobs. The curriculum must be built by industry content experts and educational providers, and must involve the review of existing distance learning courses, evaluation and purchase of appropriate off-the-shelf products to be licensed on a statewide basis, and development of missing competency training using multi-media methodologies.

The curriculum must be developed by one or more institutions or consortiums that will compete for inclusion in the project. Participants are approved by the State Board of Community Colleges based on recommendations of the Florida Community College Distance Learning Consortium. Participants must meet the following criteria:

- Experience in providing training for information technology companies;
- Availability of technical infrastructure;
- Endorsement from information technology economic development agencies and local information technology business commitments to be actively involved;
- Demonstrated multi-media course and program development capabilities;
- Existing consortium efforts; and
- Availability of local support.

The committee substitute provides that the Legislature may annually appropriate \$2 million in the General Appropriations Act in support of this initiative, and that funds must be used to support, among other things, salaries, licensing commercial courseware, purchasing existing courseware, equipment and related course development expenses.

The Governor's Office of Information Technology and the State Board of Community Colleges acting through the Florida Community College Distance Learning Consortium are required to ensure that the curriculum is up-to-date, responsive to industry's changing needs, and delivered in the most cost-effective manner.

Information Technology Internship Opportunities for Faculty and Students

This committee substitute creates an information technology internship program for faculty and students of information technology programs. The Office of Information Technology is required to establish qualifying criteria and a process for matching faculty and students with business internship opportunities, and must use the following guidelines to administer the program:

- Information technology businesses providing faculty and student internships must pay 50 percent of the salary for each intern, provide workers' compensation benefits, and pay a certain wage;
- Economic development agencies such as chambers of commerce, economic development commissions, or regional consortia are eligible to apply and serve as a fiscal agent for the program;
- Priority must be given to existing local efforts that have proven successful and can be duplicated statewide; and
- Projects may be combined with federal tax relief efforts encouraging educational internship programs.

The committee substitute authorizes the Legislature to annually appropriate \$2 million in the General Appropriations Act to fund statewide internships.

Information Technology Training Facility Improvement Strategy Initiatives

This committee substitute creates a process whereby educational institutions can compete for funds to upgrade or build information technology training facilities. The State Board of Community Colleges must distribute funds on a competitive basis to projects that meet the following criteria:

- A concentration of information technology industries and workers in the service area; and
- Leverage state funds with other local funding initiatives or federal funding of an equal value to the state funds requested.

Priority may be given to facility improvement projects, including partnership efforts between two or more educational institutions, so that a broader range of educational services may be provided for information technology industries. Priorities may also be given to projects that include partnerships with a local municipality, county, or economic development agency as a way of demonstrating a synergy of efforts to support this industry.

The Legislature is authorized to annually appropriate \$2 million in the General Appropriations Act to fund two or more projects approved under the requirements of this initiative.

Digital Media

This committee substitute amends s. 240.311, F.S., to require the State Board of Community Colleges to identify, via the Critical Jobs Initiative, the occupational forecasting process, or any other compatible mechanism, a collection of programs designed to train broadband digital media specialists. Programs identified by the board should be added to the statewide lists for demand occupations, if they meet the high skill/high wage criteria.

Section 240.3341, F.S., is amended to encourage community colleges to establish incubator facilities through which emerging small businesses supportive of the development of content and technology for digital broadband media and digital broadcasting may be served.

The committee substitute requires the Board of Regents to create a Digital Media Education Coordination Group to develop a plan to enhance Florida's ability to meet the current and future workforce needs of the digital media industry. The plan must be submitted to the Governor and Legislature by January 1, 2001. The group is required to:

- Coordinate the use of existing academic programs, research, and faculty resources to promote the development of a digital media industry in Florida;
- Address strategies to improve opportunities for interdisciplinary study and research within the emerging field of digital media through the development of tracks in existing degree programs, new interdisciplinary degree programs, and interdisciplinary research centers;
- Address the sharing of resources among universities in such a way as to allow a student to take courses from multiple departments or multiple educational institutions in pursuit of competency in digital information and media technology.

The committee substitute requires the Workforce Development Board of Enterprise Florida, Inc., to reserve up to \$1 million of the next fiscal year funds dedicated for Incumbent Worker Training for the digital media industry. Training may be provided by public or private training providers for broadband digital media jobs listed on the Occupational Forecast List or the Targeted Occupations List. Programs that operate outside the normal semester time periods and coordinate the use of industry and public resources must be given priority status for such reserved funds.

The Workforce Development Board is required to develop a plan, by August 31, 2000, for the use of Targeted Assistance to Needy Families, Workforce Investment Act funds, Quick Response funds, Incumbent Worker Training, and other training related resources to enhance the workforce of digital media related industries.

The committee substitute creates a Digital Media Education Infrastructure Fund in the Office of Tourism, Trade, and Economic Development (OTTED) for the purpose of upgrading the quality of media labs associated with university programs, community college programs, and other educational resources. For fiscal year 2000-2001, \$1 million is appropriated to it from the General Revenue Fund, and all funds must be expended according to the priorities established by an industry sector group established by Enterprise Florida, Inc. (EFI), and must be matched with industry contributions.

EFI is required to convene an organizational meeting for industries involved in broadband digital media to organize and facilitate future activities of associated industry groups or facilitate the ongoing activities of a similar group. EFI is further required to identify and designate a digital media sector as part of its sector strategy and identify the sector as a priority recruitment and retention set of industries.

EFI is required to award a contract for the creation of a digital media incubator to encourage companies developing content and technology for digital broadband media and digital broadcasting to locate and grow their businesses in Florida. To qualify for receipt of the contract, the applicant must meet various qualifications. EFI is appropriated \$2 million for the purpose of

providing operational and investment seed funding to encourage the financial and strategic participation of venture capital firms, corporate and institutional sponsors, and targeted start-up companies. Initial state investment in the incubator must be matched with contributions from the industry.

By December 31, 2000, ITFlorida is required by this committee substitute to develop a marketing plan to promote the state as digital media friendly, a digital media ready environment, and a national leader in the development and distribution of broadband digital media content, technology, and education.

IV. Constitutional Issues:

A. Municipality/County Mandates Restrictions:

None.

B. Public Records/Open Meetings Issues:

None.

C. Trust Funds Restrictions:

Section 19(f)(1) of Art. III of the State Constitution specifies that a trust fund may only be created in a separate bill, must be limited to that purpose only, and must pass by a three-fifths vote of the membership of each house of the Legislature. Section 215.3207, F.S., establishes criteria, based on the constitutional requirements, for the contents of a bill creating a trust fund, including that such legislation specify at least the following:

- (1) The name of the trust fund;
- (2) The agency or branch of state government responsible for administering the trust fund;
- (3) The requirements or purposes that the trust fund is established to meet; and
- (4) The sources of moneys to be credited to the trust fund or specific sources of receipts to be deposited in the trust fund.

Section 215.3207, F.S., defines a trust fund as moneys received by the state which under law or under a trust agreement are segregated for a purpose authorized by law. To the extent that this committee substitute represents a segregation of funds in the creation of the Digital Media Education Infrastructure Fund, this committee substitute creates a trust fund which would necessitate separate legislation in order to comply with the constitutional requirements.

V. Economic Impact and Fiscal Note:

A. Tax/Fee Issues:

None.

B. Private Sector Impact:

None.

C. Government Sector Impact:

Public Sector Fiscal Impact Attributable to CS/CS/SB 1484				
	Authorized, not Appropriated	“Reserved”	Appropriated	Total
Distance Curriculum/Internship/ Training Facility	\$6,000,000			\$6,000,000
Incumbent Worker		\$1,000,000		\$1,000,000
Infrastructure Fund			\$1,000,000	\$1,000,000
Digital Incubator			\$2,000,000	\$2,000,000
TOTAL	\$6,000,000	\$1,000,000	\$3,000,000	\$10,000,000

Other entities may experience costs related to implementation of the provisions of this committee substitute, including the development of plans, contracts, and studies by the Workforce Development Board, EFI, and ITFlorida.

VI. Technical Deficiencies:

On page 1, line 9, of the committee substitute title the word “vocational” is used to describe the type of faculty and students eligible for internships, yet the substance of the committee substitute does not refer to vocational faculty or students.

Page 13, line 22, of the committee substitute refers to ITFlorida. If this term is meant to refer to the Internet Task Force, the correct reference would be the “Information Service Technology Development Task Force.”

VII. Related Issues:

The setting of salaries and other conditions of work for the faculty internships is likely a subject for collective bargaining as it materially affects wages, hours, and terms and conditions of employment, all of which are recognized in ch. 447, F.S., as bargainable items.

The committee substitute provides alternating reference to projects being “competitively based” or “competitively procured.” These terms are used rather loosely in the bill such that it becomes difficult to discern precisely what portions of ch. 287, F.S., apply in a given circumstance.

With two exceptions the bill makes the act of appropriating implementing funds a separate, discretionary act of the Legislature. It is less clear whether the conditions attached to their expenditure in this bill can bind future appropriations bills since general law will supersede provisions attached to an appropriation. Likewise, the funds appropriated to OTTED in the committee substitute are accompanied by a condition on their expenditure established by a private corporation. The propriety of this bears further review.

VIII. Amendments:

None.