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**DATE:** March 29, 2001

**HOUSE OF REPRESENTATIVES  
COMMITTEE ON  
WORKFORCE AND TECHNICALS SKILLS  
ANALYSIS**

**BILL #:** HB 1467  
**RELATING TO:** Education  
**SPONSOR(S):** Representative Jennings

**TIED BILL(S):**

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

- (1) WORKFORCE AND TECHNICALS SKILLS
  - (2) EDUCATION APPROPRIATIONS
  - (3) COUNCIL ON LIFELONG LEARNING
  - (4)
  - (5)
- 

I. SUMMARY:

HB 1467 provides legislative intent to provide access to quality career and technical education programs in high schools and that such programs must be certified or endorsed by an appropriate industry and that courses in the programs must articulate to an appropriate postsecondary institution. The bill provides for additional funding through the Florida Educational Finance Program (FEFP) for programs that are industry-certified or endorsed and that by July 1, 2006, all such programs must be so certified.

The bill provides that students who take career and technical courses and meet specified requirements for such programs and meets the normal graduation requirements shall have a special designation or endorsement on their diploma. Such endorsement will recognize that the student is prepared to continue with postsecondary education training without the need for remediation and that they have marketable job skills. School districts will receive incentive funding as determined by Department of Education (DOE) rule and available general revenue for each student who achieves the endorsement upon graduation.

The bill provides for enhanced weighted funding for career and technical programs that are industry-certified or endorsed by increasing the cost factor in the FEFP for such programs from 1.206 to 1.500. The bill requires the DOE to conduct a study of cost factors to determine if differential funding for industry-certified or endorsed programs is needed.

The bill also changes the name of "occupational specialists" to "career specialists" to conform to previously passed legislation.

The bill has an estimated fiscal impact of \$60.6 million over the next three years (see fiscal analysis in Section II) and goes into effect on July 1, 2001.

SUBSTANTIVE ANALYSIS:

A. DOES THE BILL SUPPORT THE FOLLOWING PRINCIPLES:

- |                                   |   |                             |   |
|-----------------------------------|---|-----------------------------|---|
| 1. <u>Less Government</u>         | Yes <input type="checkbox"/>            | No <input type="checkbox"/> | N/A <input checked="" type="checkbox"/> |
| 2. <u>Lower Taxes</u>             | Yes <input type="checkbox"/>            | No <input type="checkbox"/> | N/A <input checked="" type="checkbox"/> |
| 3. <u>Individual Freedom</u>      | Yes <input checked="" type="checkbox"/> | No <input type="checkbox"/> | N/A <input type="checkbox"/>            |
| 4. <u>Personal Responsibility</u> | Yes <input checked="" type="checkbox"/> | No <input type="checkbox"/> | N/A <input type="checkbox"/>            |
| 5. <u>Family Empowerment</u>      | Yes <input checked="" type="checkbox"/> | No <input type="checkbox"/> | N/A <input type="checkbox"/>            |

For any principle that received a "no" above, please explain:

B. PRESENT SITUATION:

The Florida Department of Education (DOE) and local school districts historically have piloted and evaluated strategies that assist students in preparing for a career while they also prepare for entry to a postsecondary educational institution to continue their education.

The 1999 Legislature directed the Department of Education in cooperation with a task force to study what strategies are successful in helping to make learning and the student's education experience relevant through the blending of career and technical education with the more academic education courses. The task force, in collaboration with DOE, also developed recommendations on ways students can best be prepared to meet the occupational demands and needs of the 21<sup>st</sup> century and the new economy.

The Division of Workforce Development within DOE is responsible for ensuring that there be available for students in the secondary and the postsecondary education systems, vocational and workforce development programs and courses that help provide students the opportunity to be made aware of career options and what academic and vocational preparations, courses, and programs are needed for the different occupations and careers.

An example of the blending of education and career preparation courses and programs in secondary education settings is what is referred to as school-to-work programs developed in Florida and in many states as a result of the federal School-to-Work Opportunities Act of 1994. These programs are intended to facilitate the education and career preparation of young people during their secondary school years by expanding and providing pathways to postsecondary education opportunities, productive work experiences, and eventually self-sufficiency.

The federal act specifies three kinds of school-to-work opportunities: school-based learning oriented to high academic standards; work-based learning leading to industry-recognized credentials; and connections between school-based and work-based learning, through career majors and applied or experiential learning.

The federal act called for the creation of systems, not merely the development and implementation of new programs. A revised education structure was expected that linked opportunities beginning in middle school, taking root in high school, and continuing through postsecondary education and vocational training.

Florida was one of the states that received federal funding under the federal act. Florida received \$54.6 million over five years (1995-2000), which was essentially “venture capital” to develop an integrated system of workforce education. Florida’s school-to-work system’s mission is designed to: enable each person to achieve economic independence and to attain the quality of life to which he or she aspires; and work in full partnership with business and industry to prepare a workforce that will allow Florida’s employers to remain competitive in the global economy. Goals of the school-to-work system are to create higher academic standards, improve career opportunities for all persons, lower the school dropout rate, and produce a more highly skilled workforce.

The Institute for Workforce Competitiveness (IWC) at Florida International University is an approved national school-to-work technical assistance provider and has conducted numerous evaluations on Florida’s and other states’ school-to-work initiatives. A 1999 report by IWC showed that Florida achieved significant progress in implementing school-to-work initiatives and principles in the state’s secondary education system. For example, career awareness activities were widely used in Florida’s elementary and middle schools such as one-time career awareness events, introducing career information in curriculum, and career exploration. School-based school-to-work activities also included the enhancement of the academic curriculum with references to the world of work, the integration of academic and work-related curriculum, and work-based learning experiences connected to an integrated curriculum.

IWC also conducted a study in 1998 of thirteen states that implemented school-to-work initiatives. A finding from the report was that the majority of state school-to-work directors cited the reluctance, misconceptions, or lack of acceptance of key stakeholder groups or individuals as a major barrier to school-to-work implementation and sustainability. The report recommended that state and local stakeholders participation, including the participation of the business community, enhances the success of the initiatives.

A recent report entitled *School-to-Work: Making a Difference in Education* (Institute on Education and the Economy, Teachers College, Columbia University, 2001) performed a meta-analysis on numerous school-to-work evaluations and studies to determine what impact the school-to-work (STW) initiatives has had. Some of the findings include the following:

- Students in school-to-work initiatives earn GPAs that are at least as high as comparable other students.
- Students in STW stay in school and complete their diploma.
- STW students are prepared for college.
- STW students are able to define their career interests and goals for the future.
- Graduates of STW programs have better labor market outcomes than do other high school graduates.
- Surveys of employers find that vast majorities support the STW vision and initiative.

The Florida Education Finance Program (FEFP) is the funding formula adopted by the Legislature in 1973 to allocate funds appropriated by the Legislature for public school operations. In order to ensure equalized funding, the FEFP takes into account the local property tax base, costs of education programs, costs of living (differential cost differential), and sparsity of student population.

The FEFP uses a unit of measurement for each student called a “full-time equivalent” (FTE). One FTE equals 900 hours or one school year of instruction provided to a student. Surveys are taken two times during the regular school year in each school to determine the number of students or unweighted FTEs that are enrolled in one or more of seven programs that include basic education programs, programs for limited English proficiency students, exceptional student education programs, and vocational education.

Each programs has an associated cost factor that adds weighting to an FTE. The program cost factor reflects the relative cost of serving students in each FEFP program. The additional weighting increases the amount of funds since the FTE is multiplied times the program cost factor. FTE’s and the related cost factors are as follows: kindergarten and grades 1-3, 1.036; grades 4-8, 1.000, grades 9-12, 1.096; intensive English, 1.0226; exceptional student Level 4, 3.948; exceptional student Level 5, 5.591; and vocational education, grades 6-12, 1.211.

FEFP funds are determined by multiplying the number of unweighted FTEs in each of the educational programs by cost factors to obtain weighted FTEs. Weighted FTEs are then multiplied by a base student allocation, as determined by the Legislature and by a district cost differential, to determine the base funding from state and local FEFP funds.

#### C. EFFECT OF PROPOSED CHANGES:

The bill provides legislative intent that ensures that all high schools provide access to high quality career and technical education programs (*section 1*).

The bill requires that a career and technical education program must be certified or endorsed by the appropriate industry and must articulate to an appropriate postsecondary education institution. By July 1, 2006, to receive funding through the Florida Education Financing Program (FEFP), all career and technical education programs must be certified or endorsed by an industry and must articulate to a postsecondary education institution. Exceptions to this are provided for courses classified as exploratory, orientation, or practical arts (*section 2*).

The bill requires the Department of Education (DOE) to adopt rules for the certification process, to certify the programs, and to re-certify programs every 5 years. The bill also provides for weighted funding for certified programs as an index of the weight for students in grades 9-12 (*section 2*).

The bill provides for requirements of students in career and technical education programs. These include:

- Math, science, and communication credits earned to meet graduation requirements must be level two and above.
- Attainment of at least one occupational completion point or two courses in technology education.
- Completion of a one-credit core course called “technical systems and applications,” which meets the graduation requirement for performing arts or practical arts.
- Participation in a work-based learning experience.
- Participation in a capstone activity including a career-related project as defined by DOE rule (*section 3*).

The bill provides legislative intent to recognize with an endorsement on their high school diploma, those students who: complete requirements for a comprehensive career and technical program in addition to completing requirements for high school graduation; complete two years of a foreign

language; and pass the college placement test or equivalent at a level which demonstrates that the student does not need to take remediation courses at the post secondary level. The bill provides that DOE may adopt rules that establish the standard for the endorsement on the student's diploma (*section 3*).

The bill provides that school districts will receive incentive funding, as provided in the General Appropriation Act, for each student who achieves the endorsement on his or her diploma as described above. The bill requires school districts to expend funds generated based on industry-certified programs and student endorsements in the comprehensive career and technical program and that the funds may not apply to indirect charges (*section 3*).

The bill provides for the establishment of pilot projects where schools would be industry-certified and sets specified timelines and requirements for the pilot project sites (*section 4*).

The bill provides conforming language in several sections of statutes (ss. 228.041, 229.601, 229.602, and 239.121, F.S.) to change the name of occupational specialists to career specialists as required by the 2000 Legislature and requires DOE to assist career specialists in the development of a professional development plan. The bill provides for career development requirements for high school counselors and career specialists (*sections 5-8 and 10*).

The bill provides for enhanced weighted funding through the FEFP for programs that are industry-certified or endorsed and that programs that are not industry-certified or endorsed will receive no funding unless they meet one of the exclusions as discussed above. The bill requires DOE to conduct a study of cost factors to determine if differential funding for industry-certified or endorsed programs is needed (*section 9*).

The bill restricts the substitution of a career and technical education course for an academic course only to programs that are industry-certified. The bill provides funding through the FEFP for career and technical education industry-certified courses at 1.5 times the basic grades 9-12 weight (*section 9*).

The bill requires school boards and superintendents to establish an orderly transition of high school career and technical programs to be industry-certified or endorsed and to implement the required components and procedures for students to receive the endorsement described above (*section 11*). And finally, the bill establishes an effective date of July 1, 2001 (*section 12*).

D. SECTION-BY-SECTION ANALYSIS:

See Section II.C.

II. FISCAL ANALYSIS & ECONOMIC IMPACT STATEMENT:

A. FISCAL IMPACT ON STATE GOVERNMENT:

1. Revenues:

N/A

2. Expenditures:

Based on a fiscal analysis prepared by DOE staff, the bill will have the following fiscal impact over the next three years. Increased funding in the FEFP for career and technical programs

that are industry-certified will be \$7,918,272 in FY 2001-02; \$16,311,640 in FY 2002-2003; and \$33,601,978 in FY 2003-04.

Incentives to school districts for students who complete requirements for an endorsement on their diploma will be \$400,000 for FY 2001-02; \$800,000 for FY 2002-03; and \$1,600,000 for FY 2003-04.

The total fiscal impact of the bill will be \$8,318,272 in FY 2001-02; \$17,111,640 in FY 2002-03; and \$35,201,978 in FY 2003-04. (See Fiscal Comments Section below.)

**B. FISCAL IMPACT ON LOCAL GOVERNMENTS:**

1. Revenues:

N/A

2. Expenditures:

Local school districts will have to expend an indeterminate amount of funds to initially ensure that career and technical programs meet the necessary requirements for industry certification. Once industry-certified, such programs will be eligible for the enhanced weighted FEFP FTE funding provided for in the bill.

**C. DIRECT ECONOMIC IMPACT ON PRIVATE SECTOR:**

Results from provisions in the bill should enhance the extent to which businesses and industries should have employees better prepared for the workforce. This ought to increase the productivity and profitability of such businesses and industries.

**D. FISCAL COMMENTS:**

The fiscal analysis prepared by DOE staff anticipated that there would be a phase in of the industry-certified provisions of the bill over five years. Increases in the FTE impact are based upon current base student FEFP allocations increased by the enhanced weighted FTE increase provided in the bill and projected FTE in industry-certified programs from 5,000 to 20,000 by FY 2003-04.

Performance incentives to districts for students who qualify for endorsement on their diplomas, as provided for in the bill, is based upon an estimate of endorsements from FY 2001-02 (2,000) to FY 2003-04 (8,000) and an amount for each endorsement of \$200.

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

**A. APPLICABILITY OF THE MANDATES PROVISION:**

The bill will require counties to spend funds or take action that requires the expenditure of funds. (See III.C. above.)

**B. REDUCTION OF REVENUE RAISING AUTHORITY:**

The bill does not reduce the authority that counties and municipalities have to raise revenues.

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

The bill does not reduce the percentage of a state tax shared with counties and municipalities.

IV. COMMENTS:

A. CONSTITUTIONAL ISSUES:

N/A

B. RULE-MAKING AUTHORITY:

The bill requires DOE to adopt rules for the purpose of implementing provisions of the bill.

C. OTHER COMMENTS:

Department of Education's Division of Workforce Development staff suggests that the bill will have the following impacts upon the secondary career and technical education system. First, it will encourage the continued improvement of the state's career and technical education programs in high schools and will support the importance and relevance of high academic skills while learning job specific skills and keeping students in school and graduating. Second, the bill will encourage students to continue their education following high school graduation through articulation agreements provided for in the bill. Third, the business and industry communities will be engaged in the local school system and will appreciate the skills level of students and should benefit from their entry in the workforce. Fourth, industry certification of career and technical programs will require additional expenses for enhanced facilities and equipment that justifies the enhanced weighted FEFP funding for these programs. However, school districts will be required to make an initial investment to meet industry-certification standards since the enhanced weighted FEFP funding only applies after a program is industry-certified or endorsed.

Committee staff note that it is the bill sponsor's intention that HB 1467 conform to SB 2004. Therefore, it is necessary to have a strike-all amendment to the bill that conforms to the Senate version of the bill.

V. AMENDMENTS OR COMMITTEE SUBSTITUTE CHANGES:

N/A

VI. SIGNATURES:

COMMITTEE ON WORKFORCE AND TECHNICALS SKILLS:

Prepared by:

Staff Director:

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Ken Winker

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Ken Winker