

SENATE STAFF ANALYSIS AND ECONOMIC IMPACT STATEMENT

(This document is based on the provisions contained in the legislation as of the latest date listed below.)

Prepared By: Commerce and Consumer Services Committee

BILL: CS/SB 2326

INTRODUCER: Education Committee and Senator Baker

SUBJECT: Postsecondary Career Education

DATE: April 19, 2006

REVISED: 04/20/06

	ANALYST	STAFF DIRECTOR	REFERENCE	ACTION
1.	<u>Carrouth</u>	<u>Matthews</u>	<u>ED</u>	<u>Fav/CS</u>
2.	<u>Gordon</u>	<u>Cooper</u>	<u>CM</u>	<u>Fav/1 amendment</u>
3.	<u> </u>	<u> </u>	<u>GO</u>	<u> </u>
4.	<u> </u>	<u> </u>	<u>EA</u>	<u> </u>
5.	<u> </u>	<u> </u>	<u> </u>	<u> </u>
6.	<u> </u>	<u> </u>	<u> </u>	<u> </u>

Please see last section for Summary of Amendments

- Technical amendments were recommended
- Amendments were recommended
- Significant amendments were recommended

I. Summary:

This committee substitute requires the State Board of Education to establish articulated career paths for specific professions. The bill also creates the GED Success Program to encourage students who complete a GED program and receive a high school diploma to attend a regionally or nationally accredited public or private technical center or community college program that trains for high-demand, high-skill or high-wage careers by granting those students scholarships. More specifically, the CS does the following:

- Encourages public postsecondary institutions to establish articulation agreements with institutions other than those that serve the same students in a specific geographic or service area;
- Requires the State Board of Education to establish an articulated career path for specific workforce education professions;
- Provides eligibility for certain students attending school district technical centers to receive grants under the Florida Public Student Assistant Grant Program (FSAG); and
- Establishes the General Education Diploma (GED) Success Scholarship program to encourage students to train in certain career paths that are listed in the top 15 occupations on the Agency for Workforce Innovation’s (AWI) Florida Statewide Targeted Occupations List or regional targeted occupations list.

The CS also creates the School District Career Center Facility Enhancement Challenge Grant Program to allow each school district career center, through a direct-support organization, to receive and match challenge grants to construct or improve career center facilities.

This CS substantially amends sections 1007.22, 1007.23, and 1009.50, and creates sections 1009.521 and 1011.802 of the Florida Statutes. The CS also creates one unnumbered section of law.

II. Present Situation:

Articulation

Current law requires articulation of appropriate workforce development programs and courses between school districts and community colleges.¹ The Department of Education (DOE) is presently working to develop statewide articulation based on existing postsecondary vocational programs to related Associate in Applied Science (A.A.S.) and Associate in Science (A.S.) degree programs.

Postsecondary Financial Aid

Section 1009.50, F.S., currently provides state student assistance grants under the Florida Public Student Assistance Grant to certain degree-seeking students enrolled in a state university or community college. This aid does not extend to postsecondary certificate seeking students. According to DOE, 56,923 students were enrolled in postsecondary career certificate programs in district technical centers and community colleges during the 2004-2005 school year.

III. Effect of Proposed Changes:

Articulation

The CS amends s. 1007.22, F.S., to encourage public postsecondary institutions to establish articulation agreements with institutions other than those that serve the same students in a specific geographic or service area.

This CS amends s. 1007.23, F.S., to include in a statewide articulation agreement credit earned in high school career and technical education majors and career academies. Also included is the admission of public and private postsecondary vocational, technical, and career graduates from school district or charter technical centers. The CS requires the State Board of Education by March 1, 2007, to establish an articulated career path for specific workforce education professions, including, but not limited to, criminal justice, business, nursing, allied health, and early childhood education. The career paths shall provide for the articulation of credit:

- Earned in vocational, technical, or career certificate or diploma programs to associate in science degrees or associate in applied science degrees;

¹ Section 1007.23(3), F.S. Section 1000.21 defines articulation as “the systematic coordination that provides the means by which students proceed toward their educational objectives...from grade level to grade level, from elementary to middle to high school, to and through postsecondary education, and when transferring from one educational institution nor program to another.” The term is frequently used to describe the infrastructure that allows for the transfer of college credits from one institution to another. See, e.g., 6A-10.024, F.A.C., *Articulation Between and Among Universities, Community Colleges and School Districts*.

- Earned in associate in science degree programs to credit in baccalaureate degree programs;
- Awarded by public and private institutions; and
- Awarded for experiential learning associated with minimum training requirements for employment.

Participating private institutions must be accredited by a regional or national accrediting agency recognized by the U.S. Department of Education and

- Be eligible to participate in the Florida Resident Access Grant Program (FRAG)² or
- Be licensed pursuant to s. 1005.31, F.S. (related to nonpublic postsecondary educational institutions) and use an assessment required under s. 1005.04(1)(b), F.S.,³ which has also been recommended by the State Board of Education.

In addition, the private institutions must also participate in the Florida Education and Training Placement Program (FETPIP).

Florida Public Student Assistance Grant Program (FSAG)

The CS amends s. 1009.50, F.S., to include students enrolled in postsecondary career certificate programs of at least 450 clock hours, for eligibility to receive FSAG aid. The postsecondary career certificate program may be held at a school district technical center for purposes of receiving the grant. This will benefit critical workforce needs and increase access for many students.

General Education Diploma (GED) Success Scholarship

The CS creates s. 1009.521, F.S., to establish the GED Success Scholarship Program, specifically for students who have successfully completed a GED program. To encourage these GED students to enroll in postsecondary workforce education programs, the students may receive a \$500 scholarship to train for high-demand, high-skill, or high-wage occupations at public or private institutions identified by DOE. DOE would allocate funds for the scholarship program on a first-come, first-served basis, and the scholarship would be contingent upon funding through the General Appropriations Act (GAA). In order to be eligible, a student must:

- Be a Florida resident for tuition purposes pursuant to s. 1009.21, F.S.;
- Successfully complete all sections of the GED test;
- Be enrolled in a program identified by DOE in a technical center or community college program that provides training in high-demand, high-skill occupations or other occupations identified by Enterprise Florida, Inc., or Workforce Florida, Inc. as critical or targeted occupations in the state; and

² An institution eligible to participate in FRAG includes “an independent nonprofit college or university which is located in and chartered by the state; which is accredited by the Commission on Colleges of the Southern Association of Colleges and Schools; which grants baccalaureate degrees; which is not a state university or state community college; and which has a secular purpose, so long as the receipt of state aid by students at the institution would not have the primary effect of advancing or impeding religion or result in an excessive entanglement between the state and any religious sect.” Section 1009.89, F.S.

³ Such an assessment would “use a reliable method to assess, before accepting a student into a program, the student’s ability to complete successfully the course of study for which he or she has applied.” Section 1005.04(1)(b), F.S.

- Submit a Florida Financial Aid Scholarship application.

It is not clear how many institutions would potentially be eligible under the CS as these institutions do not appear to be limited to in-state, whether chartered or having a branch within the state.

Funds for the GED Success Scholarship Program would be transmitted to the director or president of each eligible institution in advance of the registration period. Each institution must report to DOE the number of scholarships awarded each term, including student demographics and eligibility data. In order to determine the effectiveness of the program, it may be advisable to report student outcomes.

The CS also requires each participating private institution to submit a biennial report by March 1 in every even-numbered year to DOE to include a financial audit conducted by an independent certified public accountant. The CS does not specify penalties for non-compliance of these provisions. The State Board of Education is authorized to adopt rules for this program.

School District Career Center Facility Enhancement Challenge Grant Program

The CS creates s. 1011.802, F.S., to establish the School District Career Center Facility Enhancement Challenge Grant Program to encourage construction or improvement of high-priority instructional capital facilities within the career centers. The matching of the private donations would be coordinated through the school district's direct-support organization.

The direct support organization would solicit private contributions to be placed in a separate account and to be used solely for the development and construction of career center facilities.

The Legislature would appropriate matching funds and allocate those funds to school districts following the certification that private matching donations totaling one-third of the cost of the facility construction project have been received. The Legislature, contingent upon funding in the General Appropriations Act, would match the one-third and the school district would provide the remaining one-third from the district's local capital funds. In the event that state funding is insufficient, the district may renegotiate for additional private donations. The CS prohibits the use of Public Education Capital Outlay and Debt Service Trust Funds for the Program.

A direct support organization may expend available private funds to develop a project prospectus in an effort to raise additional private funds for career center facilities. All architectural plans, equipment, surveys, and facilities are considered school district property.

If a project is terminated, the CS requires that private donations and any accrued interest must revert to the direct support organization and be returned to the private donor. Unexpended project funds would be returned to the program account through the direct support organization. Fifty-percent of the funds must be reserved for future construction needs at the career center for which donations were originally intended and the balance of unexpended funds would revert to the General Revenue Fund.

Proposed district projects must be recommended as part of the district educational plant survey pursuant to s. 1013.31, F.S., included in the district's 5-year capital improvement plan, and approved by the State Board of Education.⁴

By September 1, DOE must annually provide to the Legislature a list of all eligible projects and a budget request necessary to complete each project.

Office of Program Policy Analysis and Government Accountability (OPPAGA) Reviews

The CS requires OPPAGA to conduct a review and assessment of existing articulation agreements, to identify programs that articulate to the A.S. or A.A.S. degree, and to submit a report by December 31, 2006, to the President of the Senate and the Speaker of the House of Representatives. OPPAGA is also required to conduct a review of career paths that provide for articulation to postsecondary credit and to include in the review an evaluation of student abilities, completion rates, and placement rates. The findings of the review must be submitted in a report to the President of the Senate and the Speaker of the House of Representatives by December 31, 2007.

Effective date

The effective date of the CS is July 1, 2006.

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:

Private Donors

Participation in the School District Career Center Facility Enhancement Challenge Grant Program would require the private sector to donate one-third the total cost of the construction or improvement of high-priority instructional capital facilities.

⁴ Section 1013.31, F.S. – Educational plant survey; localized need assessment; and PECO project funding.

GED Success Scholarship

DOE has estimated that approximately one-fourth of the estimated GED completers, 8,200 students, would enroll in a postsecondary program and receive a \$500 scholarship. Additionally, identified accredited private technical centers or community colleges would benefit in the amount of \$500 per student if students enroll in these institutions as a result of the scholarship program.

C. Government Sector Impact:*Florida Student Assistance Grant Program (FSAG) Expansion*

DOE estimates that expanding the FSAG program to eligible career certificate seeking students would cost the state between \$3.7 million and \$7.4 million. These figures are based on an individual grant of between \$707 and \$1,413 per student for an estimated proportion of students enrolled for 450 hours with financial need. For the 2004-2005 academic year, DOE reports that 11 state universities and 28 community colleges participated in the FSAG grant program at a cost of \$90.6 million for 94,810 students.

GED Success Scholarship

According to DOE, the estimated financial impact in the first year would be \$4.1 million, assuming that 25 percent of the estimated GED completers, or about 8,200 students, enroll in a postsecondary program and each receives a \$500 scholarship.

School District Career Center Facility Enhancement Challenge Grant Program

The fiscal impact to the state is indeterminate and would depend on capital projects and funds raised from the local and private sector to support facilities construction.

VI. Technical Deficiencies:

Section 4 of the bill provides that payment of GED Success scholarships must be sent to the director or president of an eligible institution prior to the school's registration period. However, the bill does not provide for recouping those funds if a student fails to enroll. A mechanism should be created to permit the state to recoup funds that are not used in the manner intended by the bill, or provide the funds to the school after the student is registered.

VII. Related Issues:

None.

VIII. Summary of Amendments:

Barcode 110100 by the Committee on Commerce and Consumer Services:

This strike-all amendment does the following:

- Requires that the State Board of Education establish statewide articulation agreements for articulated career paths rather than simply establishing those articulated career paths;
- Requires that the State Board of Education consult with the Board of Governors in developing those statewide articulation agreements;
- Adds “manufacturing” to the list of areas for which articulated career paths must be created by the State Board of Education;
- Requires nonpublic colleges and schools to participate in the Florida Education and Training Placement Information Program, as outlined in s. 1008.39, F.S., in order to participate in a statewide articulation agreement for articulated career paths; and
- Reorganizes the provisions of the bill. (WITH TITLE AMENDMENT)

This Senate staff analysis does not reflect the intent or official position of the bill’s introducer or the Florida Senate.
