

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: Education Committee

BILL: CS/SB 2326

INTRODUCER: Education Committee and Senator Baker

SUBJECT: Postsecondary Career Education

DATE: March 28, 2006

REVISED: _____

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

I. Summary:

The bill:

- 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;
- Provides eligibility for certain students attending school district technical centers to receive grants under the Florida Public Student Assistant Grant Program (FSAG);
- Requires the State Board of Education to establish an articulated career path for specific workforce education professions;
- Establishes the General Education Diploma (GED) Success Scholarship program to encourage students to train in career paths for specific high-demand, high-skill, and high-wage occupations at accredited public or private technical center or community college programs that are listed in the top 15 occupations on the Agency for Workforce Innovation's Florida Statewide Targeted Occupations List or regional targeted occupations list; and
- Establishes the School District Career Center Facility Enhancement Challenge Grant Program to match private contributions to construct or improve career center facilities;

This bill substantially amends sections 1007.22, 1007.23, and 1009.50, and creates sections 1009.521 and 1011.802 of the Florida Statutes. The bill 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 the 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 bill 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 bill 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 bill 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;
- 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;
- Be eligible to participate in the Florida Resident Access Grant Program (FRAG);
- Be licensed pursuant to s. 1005.31, F.S.;

¹ s. 1007.23(3), F.S.

- Use an assessment required under s. 1005.04(1)(b), F.S., which has also been recommended by the State Board of Education;
- Meet specific faculty credentialing requirements for courses not included in the statewide course numbering system; and
- Participate in the Florida Education and Training Placement Program (FETPIP).

Florida Public Student Assistance Grant Program (FSAG)

The bill 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 bill 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 the DOE. The 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 under s. 1009.21, F.S.;
- Successfully complete all sections of the GED test;
- Be enrolled in a program identified by the 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 or Workforce Florida, Inc. as critical or targeted occupations in the state; and
- Submit a Florida Financial Aid Scholarship application.

It is not clear how many institutions would potentially be eligible under the bill 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 the 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 bill also requires each participating private institution to submit a biennial report by March 1 in every even-numbered year to the DOE to include a financial audit conducted by an independent certified public accountant. The bill 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 bill 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 and community-related capital facilities within the career centers. The term “community-related capital facilities” is not defined. Accordingly, it may be advisable to narrow the scope of the term to avoid the state paying for the construction of facilities that may not further the career center purpose. 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 bill 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 bill 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.²

By September 1, the 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 bill 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

² Section 1013.31, F.S. – Educational plant survey; localized need assessment; and PECO project funding

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 bill 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 and community-related capital facilities.

GED Success Scholarship

The 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

The 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, the 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 the DOE, the estimated financial impact in the first year would be \$4.1 million, assuming that 25% 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:

None.

VII. Related Issues:

None.

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

VIII. Summary of Amendments:

None.

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