

HOUSE OF REPRESENTATIVES STAFF ANALYSIS

BILL #: CS/CS/HB 7057 PCB HEWS 14-01 Career Centers and Charter Technical Career Centers

SPONSOR(S): Education Committee, Education Appropriations Subcommittee, Higher Education & Workforce Subcommittee, Rodrigues

TIED BILLS: **IDEN./SIM. BILLS:**

REFERENCE	ACTION	ANALYST	STAFF DIRECTOR or BUDGET/POLICY CHIEF
Orig. Comm.: Higher Education & Workforce Subcommittee	9 Y, 0 N	Ammel	Sherry
1) Education Appropriations Subcommittee	13 Y, 0 N, As CS	Butler	Heflin
2) Education Committee	16 Y, 0 N, As CS	Ammel	Mizereck

SUMMARY ANALYSIS

The bill promotes better utilization of career centers and charter technical career centers and increases student access to programs that will prepare graduates for current and emergent careers in the following ways:

- Authorizes career centers and charter technical career centers to offer college credit certificate programs and creates a process for approval to offer associate in applied science (AAS) degree programs.
- Authorizes career centers and charter technical career centers who offer college credit certificate programs or AAS degrees to request a name change to "technical college."
- Establishes fees for college credit programs at career centers commensurate with Florida College System fees.
- Requires only those students pursuing a career certificate, college credit certificate, or associate in applied science degree (not adult general education students) to meet residency requirements.

The bill has an indeterminate fiscal impact on state or local governments (SEE FISCAL COMMENTS).

The bill has an effective date of July 1, 2014.

FULL ANALYSIS

I. SUBSTANTIVE ANALYSIS

A. EFFECT OF PROPOSED CHANGES:

Career Centers

Present Situation

Current law defines a career center as an educational institution offering terminal courses of a technical nature, and courses for out-of-school youth and adults.¹ Any district school board is authorized to establish and operate a career center after obtaining approval from the Department of Education (DOE).² In addition, district school boards of contiguous districts may enter into an agreement to establish a career center after obtaining approval from DOE.³

There are currently 48 public career centers operating in 30 school districts in Florida.⁴ Forty-seven of the career centers are accredited by the Council on Occupational Education (COE). Gadsden Technical Institute became a candidate for accreditation in 2013.⁵ The COE is recognized as a national institutional accrediting agency by the United States Secretary of Education for participation in Title IV programs.⁶ COE accredits educational institutions in 35 states, the District of Columbia, and two foreign countries,⁷ and its current scope includes accreditation of non-degree-granting and applied associate degree-granting postsecondary occupational education institutions.⁸

Both school districts and Florida College System (FCS) institutions offer workforce education programs.⁹ School districts may provide workforce education programs through one or more career centers, and may provide workforce education programs by sponsoring charter technical career centers in coordination with an FCS institution.¹⁰ Workforce education programs include: adult general education programs; career certificate programs; applied technology diploma programs; continuing workforce education courses; degree career education programs; and apprenticeship and preapprenticeship programs.¹¹ The career centers enrolled 46,739 students in career and technical education programs in 2012-13.¹²

Career centers in Florida are not currently authorized to award college credit or degrees. However, if an associate in applied science (AAS) or an associate in science degree program contains within it an occupational completion point that confers a certificate or applied technology diploma, that portion of the program may be conducted by a school district career center.¹³

¹ Section 1001.44(3), F.S.

² Section 1001.44(1), F.S.

³ Section 1001.44(2), F.S.

⁴ Department of Education, District Technical Center Directors List, available at <http://www.fldoe.org/workforce/pdf/DistrictTechnicalCenterDirectors.pdf>, last visited (Nov. 2013).

⁵ Council on Occupational Education, *Accredited Institutions – August 2013*, available at <http://www.council.org/accredited-institutions/>.

⁶ Financial Aid for Postsecondary Students, Accreditation in the United States, available at http://www2.ed.gov/admins/finaid/accred/accreditation_pg6.html.

⁷ COE, *Accredited Institutions – August 2013*, available at <http://www.council.org/accredited-institutions/>.

⁸ COE, *Handbook of Accreditation: 2013 Edition (Amended: 4-26-13)*, available at <http://www.council.org/manuals/>.

⁹ Section 1011.80(2), F.S.

¹⁰ Florida House of Representatives, Schools and Learning Council, *Use of the Designation “College” by Career Centers & Charter Technical Career Centers*, Interim Project Report (February 2008), available at <http://myfloridahouse.gov/Sections/Documents/publications.aspx?Committeeld=2370>, hereafter “Interim Report”.

¹¹ Section 1011.80(1), F.S.

¹² Florida Department of Education Presentation, *Postsecondary Education in District Technical Centers*, available at http://flsenate.gov/PublishedContent/Committees/2012-2014/AED/MeetingRecords/MeetingPacket_2435.pdf

¹³ Section 1011.80(2), F.S.

For some time, career centers have advocated for a name change from “technical center” to “technical college”, to create a positive image and perception of the programs, services, staff, and students. However, there was concern that the designation “college” may be perceived as inappropriate for an educational institution that is not authorized to award college credit or college degrees.¹⁴

Charter Technical Career Centers

Present Situation

Current law defines a charter technical career center as a public school or a public technical center operated under a charter granted by a district school board, FCS institution board of trustees, or consortium of the above entities, and managed by a board of directors.¹⁵ The purpose of a charter technical center is to:

- develop a competitive workforce to support local business and industry and economic development;
- create a training and education model that is reflective of marketplace realities;
- offer a continuum of career educational opportunities using a school-to-work, tech-prep, technical, academy, and magnet school model; and
- provide career pathways for lifelong learning and career mobility.¹⁶

Charter technical career centers are authorized, through charters with their school district or FCS institution, to offer workforce education programs.¹⁷ Charter technical career centers are not currently authorized to award college credit or degrees. However, if an associate in applied science or an associate in science degree program contains within it an occupational completion point that confers a certificate or applied technology diploma, that portion of the program may be conducted by a school district career center.¹⁸

There are currently two charter technical career centers operating in Florida, Lake Technical Center in Eustis and First Coast Technical College in St. Augustine. Both are accredited by COE.¹⁹

Effect of Proposed Changes

The bill authorizes career centers and charter technical career centers to offer college credit certificate programs and establishes a process by which they can seek approval from the State Board of Education (state board) to offer AAS degrees. The center must submit a notice of its intent to propose an AAS degree program to the Division of Career and Adult Education (DCAE) within the DOE and to the FCS institution within its service area. Among other requirements, the intent must include evidence that the center engaged in need, demand, and impact discussions with the FCS institution in its service area. The notice must be submitted 45 days before the proposal to offer an AAS degree program is submitted to the state board. The proposal must be submitted to DCAE, and include, at a minimum, the following:

- a description of the planning process and timeline for implementation;
- an analysis of workforce demand and unmet need for graduates of the program on a district or regional basis, as appropriate;
- identification of the facilities, equipment, and library and academic resources to be used;
- a cost analysis of creating a new AAS degree program;

¹⁴ Interim Report, pg. 1

¹⁵ Section 1002.34(3)(a), F.S.

¹⁶ Section 1002.34(2), F.S.

¹⁷ Section 1002.34(3)(a), F.S.

¹⁸ Section 1011.80(2), F.S., Although the subsection states school district career center, charter technical center is implied through its authorization by the school district career center under s. 1002.34(3)(a), F.S.

¹⁹ Office of Program Policy and Governmental Accountability, *Technical Centers*, presentation to Higher Education and Workforce Subcommittee (Jan. 8, 2014), available at <http://www.oppage.state.fl.us/Presentations.aspx>.

- the program’s admission requirements, academic content, curriculum, faculty credentials, student-to-teacher ratios, and accreditation plan;
- feedback from the FCS institution regarding the notice of intent to propose an AAS program;
- the program’s enrollment projections and funding requirements;
- a description of outcome measures used to determine success;
- a plan that describes how the career center’s college credit courses will meet the equivalent faculty credentials for inclusion in the statewide course numbering system; and
- a plan of action if the program is terminated.

DCAE shall review the proposal, and the Commissioner of Education shall make a recommendation to the state board. If approved by the state board, the center must obtain accreditation as an associate-in-applied-science-degree-granting institution from an accrediting agency that is recognized by the United States Department of Education.

The center must annually, and upon request of the state board, the Chancellor of DCAE, or the Legislature, submit a status report regarding the center’s AAS degree programs. The bill outlines specific performance and compliance indicators that must be included in the report.

The bill authorizes a career center or a charter technical career center that offers college credit certificates or AAS degree programs to use the designation “technical college” if the center:

- offers college credit certificate programs or has been authorized to offer associate in applied science degree programs;
- offers only career and technical education programs that are approved by an accrediting agency recognized by the United States Department of Education; and
- confirms that at least 75 percent of the career and technical education programs with enrollment during the current school year lead to an industry certification or licensure.

The bill clarifies that a technical center that changes its name to technical college remains under the control of the district school board of the school district in which the center is located.

Applied Technology Diploma

Present Situation

An applied technology diploma (ATD) is currently defined as a course of study that is part of a technical degree program, is less than 60 credit hours, and leads to employment in a specific occupation. It may consist of either technical (clock hour) or college credit; however a public school district (through a career center or charter technical career center), may offer the ATD only as technical credit, and college credit can be awarded to the student only upon articulation to an FCS institution.²⁰ As of October 2013, ten of the 30 districts in which career centers operate, were offering ATD programs with a statewide enrollment of 1,301 students.²¹

Effect of Proposed Changes

The bill renames and redefines “applied technology diploma” to “college credit certificate” to align with the centers’ authority to offer college credit. ATDs, currently offered as clock hour programs, will be converted to college credit. College credit courses may be offered by a career center only as part of a college credit certificate or AAS degree program, and faculty credentials must meet guidelines required in the state course numbering system to ensure appropriate transfer of credit.

Workforce Education Postsecondary Student Fees

²⁰ Section 1004.02(8), F.S.

²¹ Email, Florida Department of Education, Division of Career and Adult Education (Jan. 28, 2014).

Present Situation

In 2011, the Legislature established block tuition for adult general education (AGE) at \$45 per half year or \$30 per term for residents and nonresidents, and an additional out-of-state fee of \$135 per half year or \$90 per term for non-residents. Fee exemptions previously outlined in s. 1009.25(1), F.S., for students enrolled in adult basic, adult secondary, and career-preparatory instruction from payment of tuition and fees were repealed, creating an additional requirement to verify the residency status of all students enrolling in AGE programs. The legislation required AGE students to meet the residency documentation requirements outlined in s. 1009.21, F.S.²²

Effect of Proposed Changes

The bill specifies that, for tuition purposes, residency determinations for students in workforce education programs apply only to students pursuing a career certificate, college credit certificate, or an AAS degree. Associated out-of-state block tuition fees for non-resident students in AGE programs are eliminated. Eliminating cumbersome documentation requirements for AGE students and the out-of-state fee will promote access and affordability for students. Eliminating residency determination/verification for this population will also reduce administrative costs to institutions.

The bill also establishes fees for college credit courses at career centers commensurate with those charged at FCS institutions.

Workforce Education Funding

Present Situation

Funds provided for career and charter technical centers are appropriated separately in the General Appropriations Act (GAA) from other K-12 programs. Proviso language included in the GAA specifies that the funds appropriated shall not be used to support K-12 programs or district K-12 administrative indirect costs. The Auditor General is required to verify compliance with this requirement during scheduled audits of these institutions.²³ As part of the school district, career and charter technical centers benefit from the use of school district personnel and services for many activities which may include: payroll/human resources; building maintenance and repair; pest control; lawn care; risk management and liability insurance; marketing; financial and legal services; professional development; school police; technology and MIS; transportation for limited high school students; and utilities. By sharing services, the centers do not have to hire additional full-time staff, or contract for these activities. School districts, in turn, charge their center(s) associated indirect and administrative fees for usage. Currently the Department of Education's financial data system does not separate secondary expenditures from postsecondary expenditures; thus, it has been difficult to obtain data or ascertain how the career education centers' indirect service charges are calculated. The indirect costs charged by school districts to the 48 centers vary in percentage of total allocations.

Postsecondary education, including workforce education programs, once conformed to a calculated percentage of the average cost of instruction funded with 75 percent from state general revenue and 25 percent from student fees. This ratio is no longer applicable, as tuition and fee revenues currently make up a larger percentage of total funding. Funding for workforce education is currently calculated based on weighted enrollment minus fee revenues generated to offset program operational costs.

Effect of Proposed Changes

The bill requires each school district and Florida College System institution receiving state appropriations for workforce education programs to maintain adequate and accurate records including a system to record school district workforce education funding and expenditures in order to maintain

²² Section 11, ch. 2011-63, L.O.F.

²³ Chapter 2013-40, L.O.F., see Specific Appropriation 117 proviso referencing Specific Appropriations 10, 115, 117 and 117A

separation of postsecondary workforce education expenditures from secondary education expenditures.

The bill revises the calculation methodology for determining state funding for workforce education programs consistent with the current method used to allocate funds, and removes obsolete references for programs that are no longer funded.

The bill clarifies the requirements for workforce performance funding to reward all types of workforce education programs, including those that:

- prepare people to enter high-skill/high wage occupations;
- increase student achievement in Adult General Education courses; and
- award industry certifications

The bill also eliminates the automatic annual rate of inflation increases currently authorized for workforce education programs.

B. SECTION DIRECTORY:

Section 1. Amends s. 1001.44 F.S., authorizing a career center to offer college credit certificate programs and providing a process for approval to offer associate in applied science (AAS) degree programs upon approval of the State Board of Education and their accrediting agency; outlining the application and approval process for offering such programs; and allowing a career center that does offer college credit certificate programs or AAS programs to use the designation “technical college” after meeting specific requirements.

Section 2. Amends s. 1002.34, F.S., authorizing a charter technical career center to offer college credit certificate programs and providing a process for approval to offer AAS degree programs; and allowing a center that does offer college credit certificate or AAS programs to use the designation “charter technical college” with appropriate approval.

Section 3. Amends s. 1004.02, F.S., renaming the applied technology diploma program as the college credit certificate program to provide clarification and reflect that a career center or charter technical career center can now offer college credit in such programs.

Section 4. Amends s. 1007.23, F.S., correcting a cross reference from applied technology diploma to college credit certificate.

Section 5. Amends s. 1007.25, F.S., correcting a cross reference from applied technology diploma to college credit certificate.

Section 6. Amends s. 1009.22, F.S., requiring only those students pursuing a career certificate, college credit certificate, or associate in applied science degree (not adult general education students) to meet residency requirements, and removes the associated out-of-state fee requirements for adult general education students; updates the standard tuition rates per contact hour for career certificate programs to current rates authorized by the Legislature; provides a new tuition fee structure for college credit certificate and AAS degree programs at the same rates as those charged by the Florida College System for college credit programs; and eliminates the automatic annual rate of inflation increases currently authorized for workforce education programs.

Section 7. Amends s. 1009.53, F.S., correcting a cross reference from applied technology diploma to college credit certificate.

Section 8. Amends s. 1009.532, F.S., correcting a cross reference from applied technology diploma to college credit certificate.

Section 9. Amends s. 1009.536, F.S., correcting a cross reference from applied technology diploma to college credit certificate.

Section 10. Amends s. 1011.80, F.S., authorizing a career center or charter technical career center to offer AAS degree programs and college credit certificates; clarifying that a career center authorized to offer AAS degree programs may only offer those general education courses contained within the approved degree program; requiring school districts and colleges to maintain adequate and accurate records, separating postsecondary workforce education expenditures from secondary education expenditures; clarifying the requirements for funding calculations to align with the current methodology for determining workforce education funding; clarifying the requirements for workforce performance funding.

Section 11. Provides an effective date of July 1, 2014.

II. FISCAL ANALYSIS & ECONOMIC IMPACT STATEMENT

A. FISCAL IMPACT ON STATE GOVERNMENT:

1. Revenues:

None.

2. Expenditures:

None.

B. FISCAL IMPACT ON LOCAL GOVERNMENTS:

1. Revenues:

None.

2. Expenditures:

None.

C. DIRECT ECONOMIC IMPACT ON PRIVATE SECTOR:

By retooling applied technology degree programs to include credit courses and converting the tuition rates from contact hour to credit hour, the cost for students would increase by a minimal amount. The student does, however, receive an upgraded product with college credit that is more easily transferrable.

D. FISCAL COMMENTS:

The bill has an indeterminate fiscal impact. Repealing residency verification requirements for students enrolled in adult education courses could encourage increased student enrollment in adult general education programs. Authorizing career centers and charter technical centers to offer college credit certificate programs and AAS degree programs, as well as authorizing approved career centers to change the name to "technical college" could also encourage increased student enrollment in these programs. Increased enrollment in these programs is indeterminate.

III. COMMENTS

A. CONSTITUTIONAL ISSUES:

1. Applicability of Municipality/County Mandates Provision:

Not applicable. This bill does not appear to affect county or municipal governments.

2. Other:

None.

B. RULE-MAKING AUTHORITY:

The bill requires the State Board of Education to adopt rules providing guidelines for receiving, reviewing, and approving proposals to offer associate in applied science degree programs.

C. DRAFTING ISSUES OR OTHER COMMENTS:

None.

IV. AMENDMENTS/ COMMITTEE SUBSTITUTE CHANGES

On March 5, 2014, the Education Appropriations Subcommittee adopted 2 amendments and reported the bill favorable as a committee substitute. The amendments:

Include “career certificates” in the list of workforce education programs for which residency for tuition purposes must be determined.

Clarify the requirements for funding calculations to align with the current methodology for determining workforce education funding.

Increase transparency and accountability for workforce education funds by requiring school districts and FCS institutions that receive workforce funds to maintain separation of postsecondary workforce expenditures from secondary education expenditures.

Clarify the requirements for workforce performance funding to reward all types of workforce education programs, including those that:

- prepare people to enter high-skill/high wage occupations;
- increase student achievement in Adult General Education courses; and
- award industry certifications.

On March 20, 2014, the Education Committee reported CS/HB 7057 favorably as a committee substitute. The committee adopted three amendments that:

- Confirms that technical centers that change their name to “technical college” remain under the jurisdiction of their local district school board.
- Provides additional accountability measures that technical centers must meet in order to change their name to “technical college”.
- Eliminates the automatic annual rate of inflation increases currently authorized for workforce education programs.