

## HOUSE OF REPRESENTATIVES STAFF ANALYSIS

**BILL #:** CS/HB 465 Workforce Education

**SPONSOR(S):** Postsecondary Education & Workforce Subcommittee, Esposito

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

REFERENCE	ACTION	ANALYST	STAFF DIRECTOR or BUDGET/POLICY CHIEF
1) Postsecondary Education & Workforce Subcommittee	14 Y, 0 N, As CS	Dixon	Kiner

### SUMMARY ANALYSIS

The bill increases the cap on the amount the Department of Education may reimburse an institution to \$9,000, from \$3,000, per completed workforce training program by an eligible student participating in the Open Door Grant Program. The bill also clarifies that a student is eligible to receive funding after all other federal and state financial aid or any other private or public financial assistance is applied. The bill also prohibits an institution from imposing additional criteria to determine student eligibility from that which is provided under current law.

The bill does not have a fiscal impact to the state but may have an impact on the private sector. See fiscal comments.

The bill is effective upon becoming law.

# FULL ANALYSIS

## I. SUBSTANTIVE ANALYSIS

### A. EFFECT OF PROPOSED CHANGES:

#### Open Door Grant Program

In 2021, the Legislature established the Open Door Grant Program (ODG)<sup>1</sup> in order to create and sustain a demand-driven supply of credentialed workers for high-demand occupations, expand the affordability of workforce training and credentialing, and increase the interest of current and future workers in short-term, high-demand career and technical education credentialing and certificate programs.<sup>2</sup> Grants are provided to school districts' postsecondary technical centers and Florida College System institutions to cover up to two-thirds of the cost of short-term, high-demand programs for eligible students upon successful completion and award of a credential of value. The ODG provides short-term training for high-demand programs in Florida, offering job seekers an opportunity to obtain expedited and affordable training.

Subject to availability of funds, under the ODG, a student who enrolls in an eligible program offered by an institution<sup>3</sup> and who does not receive state or federal financial aid may apply for and be awarded a grant to cover two-thirds of the cost of the program<sup>4</sup>, if:<sup>5</sup>

- at the time of enrollment, the student pays one-third of the cost of the program and signs an agreement to either complete the program; or
- pay an additional one-third of the cost of the program in the event of noncompletion.

Once a student completes the program, the department<sup>6</sup> reimburses the institution in an amount equal to one-third of the cost of the program. An additional one-third will be provided upon attainment of a workforce credential or certificate by the student. Grant funds may be used to cover the student's one-third of the cost of the program for students in integrated education and training programs and students who do not have a high school diploma and meet the requirements established by the department. An institution may cover the student's one-third of the cost of the program based on student need, as determined by the institution.<sup>7</sup>

A student receiving state or federal financial aid who enrolls in an eligible program offered by an institution may apply for and be awarded a grant to cover the unmet need of the cost of the program after the application of all eligible financial aid. Financial aid and grants received by the student will be credited first to the student's costs before the award of a grant. After a student is enrolled in an eligible program, the department will award the grant to the institution for the amount of unmet need for the eligible student.<sup>8</sup> The department may not reimburse any institution more than \$3,000 per completed workforce training program by an eligible student.<sup>9</sup>

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<sup>1</sup> Section 1009.895, F.S.

<sup>2</sup> Section 1009.895(1)(d), F.S., "Program" means a noncredit industry certification preparation, clock hour career certificate program, or for-credit short-term career and technical education program that results in the award of credentials identified under s. 445.004(4).

<sup>3</sup> Section 1009.895(1)(c), F.S., "Institution" means school district postsecondary technical career centers under s. 1001.44, Florida College System institutions under s. 1000.21(3), charter technical career centers under s. 1002.34, and school districts with eligible integrated education and training programs.

<sup>4</sup> Section 1009.895(1)(a), F.S., "Cost of the program" means the cost of tuition, fees, examination, books, and materials to a student enrolled in an eligible program.

<sup>5</sup> Section 1009.895(4)(a), F.S.

<sup>6</sup> Section 1009.895(1)(b), F.S., "Department" means the Department of Education.

<sup>7</sup> *Id.*

<sup>8</sup> Section 1009.895(4)(b), F.S.

<sup>9</sup> Section 1009.895(5), F.S.

In fiscal year 2021-2022, the Florida Legislature appropriated \$35 million for the Open Door Grant Program, with \$15 million appropriated to school districts and \$20 million appropriated to the Florida College System.<sup>10</sup>

FY 2021 - 2022				
	Number of Institutions Applying for Awards	Median Award Amount	Amount Expended	Most Common Credentials
<b>FCS Institutions</b>	25 FCS Institutions	\$532,846	\$585,055	Public Safety Program – Firefighter, EMT, Law Enforcement)  Healthcare
<b>School Districts</b>	25 school districts	\$360,268	\$504,100	Welding  Public Safety – Firefighter, EMT, Law Enforcement  Healthcare

In fiscal year 2022-2023, the Florida Legislature appropriated \$15 million for the Open Door Grant program, with \$15 million appropriated to school districts and \$20 million appropriated to the Florida College System.<sup>11</sup>

### Effects of Proposed Changes

The bill increases the cap on the amount the Department of Education may reimburse an institution to \$9,000 from \$3,000 per completed workforce training program by an eligible student participating in the Open Door Grant Program. The bill also clarifies that a student is eligible to receive funding after all other federal and state financial aid or any other private or public financial assistance is applied. The bill also prohibits an institution from imposing additional criteria to determine student eligibility from that which is provided under current law.

#### B. SECTION DIRECTORY:

**Section 1:** Amends s. 1009.895; prohibiting institutions from imposing additional criteria to determine student eligibility; revising student eligibility requirements; increasing the amount the Department of Education may reimburse an institution through the Open Door Grant Program for a completed workforce training program.

**Section 2:** Provides an effective date.

## II. FISCAL ANALYSIS & ECONOMIC IMPACT STATEMENT

#### A. FISCAL IMPACT ON STATE GOVERNMENT:

1. Revenues:

None.

2. Expenditures:

See Fiscal Comments.

<sup>10</sup> Specific Appropriations 121A and 129A, s. 2, ch. 2021-36, L.O.F.

<sup>11</sup> Specific Appropriations 117 and 126, s. 2, ch. 2022-156, L.O.F.

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

1. Revenues:

None.

2. Expenditures:

None.

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

Due to the increased amount of Open Door Grant reimbursement a postsecondary education institution can receive, the bill may reduce the overall number of grants available to eligible workforce training program students.

**D. FISCAL COMMENTS:**

The bill does not have a fiscal impact to the state. However, by increasing the amount of grant reimbursement an institution can receive per completed workforce training program (from \$3,000 to \$9,000), the number of students able to participate in or benefit from the grant program may be reduced.

**III. COMMENTS**

**A. CONSTITUTIONAL ISSUES:**

1. Applicability of Municipality/County Mandates Provision:

None.

2. Other:

None.

**B. RULE-MAKING AUTHORITY:**

None.

**C. DRAFTING ISSUES OR OTHER COMMENTS:**

None.

**IV. AMENDMENTS/COMMITTEE SUBSTITUTE CHANGES**

On March 21, 2023, the Postsecondary Education & Workforce Subcommittee adopted a proposed committee substitute (PCS) and reported the bill favorably as a committee substitute. The PCS differed from HB 465 in the following ways:

- removes a provision related to the adoption of the Master Credentials List.
- prohibits an institution from imposing additional criteria to determine a student's eligibility to receive a grant; and
- providing that a student is eligible to receive an award after all other federal and state financial aid or any other private or public financial assistance is applied.

The bill analysis is drafted to the committee substitute adopted by the Postsecondary Education & Workforce Subcommittee.