

SENATE STAFF ANALYSIS AND ECONOMIC IMPACT STATEMENT

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

BILL: CS/SB 1994

SPONSOR: Senator Cowin

SUBJECT: Workforce Development Education

DATE: April 5, 1999 REVISED: _____

	ANALYST	STAFF DIRECTOR	REFERENCE	ACTION
1.	<u>White</u>	<u>O'Farrell</u>	<u>ED</u>	<u>Favorable/CS</u>
2.	_____	_____	<u>CM</u>	_____
3.	_____	_____	<u>FP</u>	_____
4.	_____	_____	_____	_____
5.	_____	_____	_____	_____

I. Summary:

This bill makes four changes in the implementation of the Workforce Development Education Fund. The bill:

1. Defines the term "literacy completion point" so that adult general education programs may generate state funds when students improve their competency.
2. Authorizes school districts and community colleges to charge more in fees than 50 percent of the cost of continuing workforce education programs. The programs will generate only 50 percent of their cost in state funds.
3. Authorizes the funding formula to delay for 2 years the application of performance-based funds for new programs.
4. Authorizes an exemption from out-of-state fees for students who reside in border counties of other states or who are employed by firms with headquarters in Florida.

This bill amends sections 239.105, 239.115, and 239.117 of the Florida Statutes.

II. Present Situation:

For the past 2 years the Legislature has made sweeping changes in the funding and service delivery of workforce development education through the passage of CS/CS/SBs 1688 and 1124. During those years, all workforce development programs for adults -- whether offered by community colleges or school districts -- have received state funding through a block grant in the same amount as the previous year. School year 1999-2000 is the first year in which each local education agency will risk up to 15 percent of its funding through a formula that provides rewards for certain student outcomes, primarily completing a program and becoming employed in an occupation for which the program prepared.

CS/CS/SB 1124 charged the Department of Education and the State Board of Community Colleges to make recommendations to the Legislature for a funding formula to implement its provisions.

To develop a consensus about the funding formula, the commissioner appointed a workforce development implementation team with representatives from the Division of Workforce Development, the Division of Community Colleges, the Office of Workforce Development Information Systems, the planning and budgeting office of the Department of Education, and the Jobs and Education Partnership. Local administrators representing individual school districts and community colleges formed an advisory team to assist the implementation team as needed.

The implementation team submitted a report to the Legislature providing the recommendations for a funding formula for workforce development education. The team also recommended a few changes needed in statute for purposes of clarification.

For clarity, the following analysis presents each area in which changes are recommended and gives a brief description of the present situation and the effect of proposed changes to each.

III. Effect of Proposed Changes:

1. LITERACY COMPLETION POINTS

Present Situation:

Section 239.105, F.S., defines the term “occupational completion point” but not “literacy completion point.” An occupational completion point is the level of competency needed to enter an occupation related to a vocational program. These points will serve as “small completions” so that performance funds may be generated before students complete a long program.

Typically, a student is able to leave a program to enter employment, and then return to achieve further competencies to upgrade the level of employment. A frequent example is a student in automotive mechanics who learns to repair brakes, goes to work in a large shop to work only on brakes, but continues in the program until she is accomplished enough to start her own shop. The local education agency collects a portion of its performance funds each time the student reaches a completion point, but the major benefit comes upon completion of the entire program.

The implementation team recommended that the term “literacy completion point” be defined so that the same funding increments will be available to adult education as to vocational education. A literacy completion point is a level of improved competency that qualifies a person for further basic education or a job. The implementation team has identified completion points for adult education programs and has recommended using them for funding.

Effect of Proposed Changes:

The bill defines “literacy completion point” in s. 239.105, F.S., and authorizes literacy completion points for use in the Workforce Development Education Formula.

2. CONTINUING WORKFORCE EDUCATION FEES:

Present Situation:

Continuing workforce education is not job preparatory but job enhancing. It is frequently offered to employees of a specific firm to upgrade their abilities in ways that benefit the firm. In those

cases, the firm pays the fees and requires the employee to take the course as part of the job requirements.

In CS/CS/SB 11124, the 1998 Legislature amended s. 239.115, F.S., to state that “for a continuing workforce education course, state funding shall equal 50 percent of the cost of instruction, with student fees, business support, quick response training funds, or other means making up the remaining 50 percent.” But s. 239.117, F.S., requires fees for continuing workforce education to be 50% of the prior year’s cost of the course. This inconsistency takes away the flexibility granted in s. 239.115, F.S. Discussions within the implementation team raised the question of why the state requires a certain fee for these courses, since the state will pay only 50 percent of their cost in any circumstance.

The implementation team has recommended clarifying that fees for continuing workforce education courses are flexible at the local level, consistent with s. 239.115, F.S.

Effect of Proposed Changes:

The bill amends s. 239.117, F.S., to authorize fees for continuing workforce development programs to be more than 50 percent of their cost.

3. PERFORMANCE EXEMPTIONS

Present Situation:

The implementation team questioned whether the performance based funding formula might discourage start up of new programs. The current funding formula for the workforce development education formula requires at least 15% of state funds for community colleges and school districts to be earned on performances including program completion and job placement. The formula does not allow for exemptions to be made for new programs, although new programs will have no completers or placements for up to 2 years.

The implementation team recommended that performance exemptions for new programs be allowed in the funding formula.

Effect of Proposed Changes:

The bill permits performance exemptions for new programs to be built into the formula for the Workforce Development Education Fund. During that time, the 15 percent funding for performances will be rolled into the base for those programs. This provision allows for the lag in the time between when dollars are expended for a new program and the time when students will begin to complete it and get jobs.

4. OUT-OF-STATE FEE EXEMPTIONS

Present Situation:

In s. 239.117., F.S., workforce development programs are required to charge the full cost of education to students who are not residents for tuition purposes. The term “resident for tuition purposes” is defined in s. 240.1201, F.S. There is no exemption for students who reside in counties that border on Florida but are in other states. Also, students are not exempt if they reside in other states but are employed by a firm whose headquarters are in Florida.

Effect of Proposed Changes:

The bill authorizes an exemption from out-of-state fees for students in workforce development programs who reside in border counties of other states or who are employed by firms with headquarters in Florida. The exemption is available only if the other state exempts Florida residents from nonresident fees.

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:

If local education agencies charge more than 50 percent of the cost in fees for continuing workforce education, private sector firms that use the program will have more in expenses.

Residents of border counties of Georgia and Alabama may enroll in Florida's workforce development education programs without paying the nonresident fee, which is 100 percent of the cost of the program. Employees who work in other states will be exempt from the nonresident fee if the firm that employs them has its headquarters in Florida.

C. Government Sector Impact:

None. The bill affects the distribution of funds in the formula, but not the total amount provided.

VI. Technical Deficiencies:

None.

VII. Related Issues:

None.

VIII. Amendments:

None.

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