

HOUSE OF REPRESENTATIVES STAFF ANALYSIS

BILL #: HB 1409 Talent and Economic Advancement Matching Grant Program

SPONSOR(S): Dorworth and others

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

	REFERENCE	ACTION	ANALYST	STAFF DIRECTOR
1)	State Universities & Private Colleges Policy Committee	11 Y, 0 N	Valenstein	Tilton
2)	State Universities & Private Colleges Appropriations Committee			
3)	Education Policy Council			
4)				
5)				

SUMMARY ANALYSIS

HB 1409 establishes the Talent and Economic Advancement Matching Grant Program to provide incentives for local businesses to partner with eligible postsecondary educational institutions to provide grants to eligible students enrolled in certain certificate or degree programs identified by the State Board of Education (SBE). Contributions from businesses to participating institutions are eligible to be matched dollar for dollar to the extent matching funds are provided in the General Appropriations Act. A postsecondary educational institution must be licensed by the Commission for Independent Education and accredited by a national or regional accrediting agency in order to participate in the matching grant program.

The SBE must annually identify those certificate or degree programs that prepare students for careers in science, technology, engineering, mathematics, allied health, or other high-skill, high-wage occupations as identified on the final targeted occupations lists published by Workforce Florida, Inc., and the Agency for Workforce Innovation.

A student must be enrolled in at least six hours per term in an identified certificate or degree program, must be a resident of Florida, and must attest to the accuracy, correctness, and completeness of their application in order to be eligible for the matching grant program.

The grant is limited to \$4,000 per year; however it cannot exceed the institution's estimated annual cost of attendance for the student. Additionally, participating institutions must agree to provide additional assistance to veterans or the spouse or child of active duty military personnel.

Participating institutions must provide certain information to the Department of Education.

The fiscal impact of this bill is limited to the extent funds are specifically provided for the matching grant program in the GAA.

The effective date provided is July 1, 2010.

HOUSE PRINCIPLES

Members are encouraged to evaluate proposed legislation in light of the following guiding principles of the House of Representatives

- Balance the state budget.
- Create a legal and regulatory environment that fosters economic growth and job creation.
- Lower the tax burden on families and businesses.
- Reverse or restrain the growth of government.
- Promote public safety.
- Promote educational accountability, excellence, and choice.
- Foster respect for the family and for innocent human life.
- Protect Florida's natural beauty.

FULL ANALYSIS

I. SUBSTANTIVE ANALYSIS

A. EFFECT OF PROPOSED CHANGES:

Background

Commission for Independent Education

The Commission for Independent Education (CIE) was created in 2001 through the combining of the State Board of Nonpublic Career Education and the State Board of Independent Colleges and Universities.¹ The mission of the CIE is to serve as a consumer protection agency by protecting the individual student and by promoting accountability at the independent postsecondary level; to protect the integrity of these institutions by assuring that certain standards are met; and to encourage independent institutions to offer programs that meet the needs of Florida citizens.²

In the 2008-2009 Annual Report, the CIE reported there were 336 degree granting institutions that fell under its jurisdiction. Of these institutions, 303 were accredited by a regional or national accrediting agency. For 2008-2009, these institutions enrolled 236,617 students and reported 46,457 graduates.³

Additionally, the CIE reported it had jurisdiction over 557 non-degree granting institutions. Of these institutions, 141 were accredited by a regional or national accrediting agency. For 2008-2009, these institutions enrolled 76,795 students and reported 48,861 graduates. These institutions reported an 83% placement rate for their graduates, which included employment, joining the military, or continuing education.⁴

Targeted Occupations List

The targeted occupations list identifies high-demand, high-wage occupations. This list is developed annually and is published by Workforce Florida, Inc. (WFI) and the Agency for Workforce Innovation (AWI).⁵ The Workforce Estimating Conference establishes the criteria for the targeted occupations list which includes occupations that are associated with certificate or degree training programs, provide a certain entry-level wage and a certain average hourly wage, and have at least 150 annual job openings with an average growth rate of 1.89% or at least 360 average job openings with positive growth. The

¹ *History of Higher Education in Florida*, Office of Program Policy Analysis and Government Accountability, December 8, 2009, p. 5, available at <http://www.oppaga.state.fl.us/Presentations.aspx> (last visited March 12, 2009).

² 2008-2009 Annual Report, Florida Department of Education, Commission for Independent Education, p. 2.

³ *Id.* at 4.

⁴ *Id.*

⁵ *Florida Should not use the Targeted Occupation Lists to Direct All State Funding for Career Education Programs*, Office of Program Policy Analysis and Government Accountability, Report No. 10-26, p. 2, March 2010.

Workforce Estimating Conference set the entry-level and average hourly wage thresholds for high-demand occupations at \$10.29 and \$12.66 respectively, for the 2010-2011 statewide targeted occupations list.⁶

Under the authority of WFI, AWI uses a similar process to create regional targeted occupations lists for each of Florida's 24 workforce regions. The regional lists take into account cost-of-living differences and the size of each region. Regional workforce boards review the lists and may propose changes. WFI approves any request for changes and publishes the final targeted occupations lists for each region.⁷

The Department of Education (DOE) reviews career education programs to identify those programs that prepare students to work in specific occupations, including those on the targeted occupations list. The occupational categories are typically broad and may include numerous programs that train students for the same occupational category. For example, 15 different training programs, including Phlebotomy, Health Unit Coordinator, and Patient Care Technician, all train students for positions in the 'Healthcare Support Worker, All Other' occupational category.⁸

Effect of Proposed Changes

HB 1409 creates the Talent and Economic Advancement Matching Grant program to provide incentives for Florida businesses to partner with eligible postsecondary educational institutions to expand access to higher education by providing grants to eligible students that enroll in certain certificate or degree programs. To be eligible for the matching grant program, a program must be identified by the State Board of Education (SBE) as a program that prepares students for careers in science, technology, engineering, mathematics, allied health, or other high-skill, high-wage occupations as identified on the final targeted occupations lists published by Workforce Florida, Inc. and the Agency for Workforce Innovation. The matching grant program will be administered by the DOE.

In order to participate in the program, a postsecondary educational institution must be licensed by the CIE and must also be accredited by a national or regional accrediting agency or association recognized by the United States Department of Education. In addition to being licensed and accredited, an institution must offer one of the programs identified by the SBE in order to receive funds to provide grants to students. The number of eligible institutions cannot be determined at this time, as the SBE has not yet identified the programs that prepare students for careers in science, technology, engineering, mathematics, allied health, or other high-skill, high-wage occupations as identified on the targeted occupations lists.

Contributions by businesses are eligible to be matched dollar for dollar by DOE to the extent matching funds are provided in the General Appropriations Act (GAA). The fiscal impact of this bill is limited to the extent funds are specifically provided for the matching grant program in the GAA.

DOE must allocate an amount equal to the amount of donations received by an eligible institution from businesses on a first-come, first-served basis. No eligible institution may receive more than 25% of the total amount appropriated for the matching grant program. If funds remain unallocated as of December 1st, an eligible institution with remaining unmatched private contributions can receive additional matching funds. Any balance remaining at the end of a fiscal year will remain in the State Student Financial Aid Trust Fund and continue to be used for the purposes of the matching grant program.

HB 1409 requires the Chief Financial Officer to authorize expenditures from the trust fund once DOE approved vouchers have been received.

HB 1409 requires that eligible grant recipients be enrolled for a minimum of six credit hours per term in a program identified by the State Board of Education. Additionally, an applicant must meet the general

⁶*Id.* at 3.

⁷ *Id.*

⁸ *Id.*

eligibility requirements set out in 1009.40, F.S. The general eligibility requirements set out in 1009.40, F.S., require a student to be accepted to the institution, be a Florida resident, and attest to the accuracy, completeness and correctness of their application.

HB 1409 limits the grant amount awarded to \$4000 per year; however, an award cannot exceed the institution's estimated annual cost of attendance for the student. Additionally, institutions participating in the program must agree to provide additional support to a veteran or to the spouse or child of active duty military personnel. The additional support provided by an institution can come in the form of reduced tuition or fees or additional scholarships.

A participating institution must certify to DOE any contributions received from businesses. Pledged contributions are not eligible for matching funds prior to the actual collection of total funds. The institution must also certify to the Office of Student Financial Assistance (OSFA) the recipients of the grant each term, the programs in which grant recipients were enrolled, and the amount disbursed. The institution must remit undisbursed funds to the Office by June 1st each year. If a participating institution fails to comply with these requirements, the institution is no longer eligible to participate in the matching grant program.

Each participating institution must report annually to the OSFA the participating businesses, the eligible programs that received contributions, the amount contributed, and any reductions in tuition and fees granted to participating students.

The OSFA must provide the Executive Office of the Governor and the presiding officers of the Legislature a summary of the reports submitted by the participating institutions.

HB 1409 authorizes the SBE to adopt any rules necessary to implement the provisions of the section.

B. SECTION DIRECTORY:

Section 1. Creates s. 1009.705, F.S., establishing the Talent and Economic Advancement Matching Grant Program to be administered by the Department of Education;

Section 2. Provides an effective date of July 1, 2010.

II. FISCAL ANALYSIS & ECONOMIC IMPACT STATEMENT

A. FISCAL IMPACT ON STATE GOVERNMENT:

1. Revenues:

None.

2. Expenditures:

See Fiscal Comments.

B. FISCAL IMPACT ON LOCAL GOVERNMENTS:

1. Revenues:

None.

2. Expenditures:

See Fiscal Comments.

C. DIRECT ECONOMIC IMPACT ON PRIVATE SECTOR:

The private sector may benefit from additional skilled workers if the matching grant program increases the number of graduates in high-demand positions.

D. FISCAL COMMENTS:

The fiscal impact of HB 1409 is limited to the extent funds are specifically provided for the matching grant program in the GAA.

III. COMMENTS

A. CONSTITUTIONAL ISSUES:

1. Applicability of Municipality/County Mandates Provision:

This bill does not appear to require a city or county to expend funds or to take any action requiring the expenditure of funds.

The bill does not appear to reduce the authority that municipalities or counties have to raise revenues in the aggregate.

This bill does not appear to reduce the percentage of state tax shared with counties or municipalities.

2. Other:

None.

B. RULE-MAKING AUTHORITY:

The State Board of Education is granted rulemaking authority to carry out the provisions of this bill.

C. DRAFTING ISSUES OR OTHER COMMENTS:

None.

IV. AMENDMENTS/COUNCIL OR COMMITTEE SUBSTITUTE CHANGES