

STORAGE NAME: h4131s1.ed

DATE: March 20, 1998

**HOUSE OF REPRESENTATIVES
AS REVISED BY THE COMMITTEE ON
EDUCATION APPROPRIATIONS
BILL RESEARCH & ECONOMIC IMPACT STATEMENT**

BILL #: CS/HB 4131 (formerly PCB CCCP 98-04)

RELATING TO: Postsecondary Education (Workforce Development Education)

SPONSOR(S): Committee on Community Colleges and Career Prep, Representative Sindler, and others

COMPANION BILL(S): SB 1194 by Senator Gutman, SB 2100 by Senator Forman, and SB 2160 by Senator Campbell

ORIGINATING COMMITTEE(S)/COMMITTEE(S) OF REFERENCE:

- (1) COMMUNITY COLLEGES AND CAREER PREP YEAS 13 NAYS 0
 - (2) EDUCATION APPROPRIATIONS YEAS 17 NAYS 0
 - (3)
 - (4)
 - (5)
-

I. SUMMARY:

This bill restructures the service delivery, funding, and transfer of credits for public and private postsecondary education institutions. Specifically, the bill implements the majority of recommendations of the Task Force on Workforce Development, which was created in CS/CS/SB 1688 as passed by the 1997 Florida Legislature.

Funding provisions in the bill include a model that distributes a base amount of funding, not to exceed 85%, on prior year enrollment, including the application of standard program lengths, program cost factors and district cost differentials. The remaining funds, at least 15%, are awarded for the achievement of prior year performance outputs and outcomes. The bill establishes a uniform statewide fee rather than fees which vary based on program cost.

A system is required for the reclassification of some current Associate in Science (AS) degrees into transitional Associate in Applied Science (AAS) degrees. Funds associated with AS and AAS degree programs are moved back to the Community College Program Fund.

The Associate in Applied Technology degree, as understood in CS/CS/SB 1688 to be the one-year technical component of an AS degree, is renamed the Applied Technology Diploma (ATD), to be offered by community colleges only.

The statewide articulation of appropriate workforce development education is guaranteed between school districts and community colleges. Additionally, the ATD is required to articulate into an AAS or an AS degree program, and appropriate AS degree coursework is required to articulate into bachelor degree programs.

The bill provides special funding of adult disabled students. The Employment Task Force for Adults with Disabilities is created to examine issues related to the delivery of workforce development education and funding for adult disabled students.

The State Board of Community Colleges is required to investigate the use of a joint use model for workforce development programs between community colleges and school districts which mirrors the model used by the state university system and community colleges.

The Commissioner of Education is required to further investigate several outstanding issues such as data collection and the implementation of funding mechanisms which fund performance outputs and outcomes for occupational completion points and literacy completion points, the implementation of the Workforce Development Information System, the expansion of the electronic transcript system, and articulation and accreditation issues related to the ATD and the AS degree.

The total fiscal impact is indeterminate at this time. Data for simulations on the impact of restructured workforce development provisions is currently being collected and verified by the Division of Workforce Development of the Department of Education.

II. SUBSTANTIVE RESEARCH:

A. PRESENT SITUATION:

Workforce Development Education

Committee Substitute for Senate Bill 1688 (SB 1688), passed by the 1997 Florida Legislature, makes major changes to the delivery structure, reporting requirements, and funding of workforce development education in Florida. SB 1688 restructures the funding of all adult and postsecondary vocational education instruction offered by community colleges and public school vocational-technical centers. All adult and postsecondary vocational education funds are moved from the Community College Program Fund (CCPF) and the Florida Education Finance Program (FEFP) to the newly created Workforce Development Education Fund (WDEF), to be administered by the newly created Division of Workforce Development of the Department of Education. Within the WDEF, certain funds are set aside to be earned by community colleges and school districts based on performance outputs such as program completions, and performance outcomes such as job placement and retention. SB 1688 repeals the interinstitutional articulation agreement, consequently "leveling the playing field" by permitting either community colleges or public schools to offer adult, postsecondary adult vocational, or college-credit instruction.

To aid in implementing the changes, SB 1688 creates a Task Force on Workforce Development to report to the Commissioner of Education who, in turn, reports to the legislature his recommendations. The Task Force on Workforce Development is made up of five working groups to study: program lengths and definitions, articulation and accreditation, MIS reporting and tracking, program costs, and funding formulas and fees.

Program Length and Definitions

Prior to the enactment of SB 1688, school districts and community colleges had *recommended* program lengths for vocational certificate programs. This resulted in wide variation of program lengths across the state. The Program Length and Definition Working Committee recommends common program lengths for vocational certificate programs. The group also recommends common definitions for many vocational and adult education terms.

Articulation and Accreditation

SB 1688 creates a new "Associate in Applied Technology" degree (AAT) to be offered by school districts and community colleges. Prior to SB 1688 school districts could offer certificates in districts where they were the designated postsecondary vocational provider. Since the new AAT degree is designed to be a 1 year degree, it creates some accreditation problems for school districts since "degrees" are defined as programs with a minimum of 60 credit hours. The Articulation and Accreditation Working Committee recommends renaming the AAT to the "Applied Technology Diploma" (ATD) and redefining it as a one-year diploma in order to facilitate the articulation of credit between institutions and across delivery systems. The working committee also proposes a statewide articulation agreement to standardize the transfer of credits from vocational certificates and the ATD to Associate in Science (AS) degrees. Prior to SB 1688, articulation agreements were locally negotiated by individual school districts with the community college that served their district.

MIS Reporting and Tracking

SB 1688 requires common reporting data elements for school districts and community colleges for purposes of funding performance. This requirement results in major changes for both school districts and community colleges since they had different reporting dates, and different definitions for many of the data elements that are used in the new reporting and tracking system. The MIS Reporting and Tracking Working Committee recommends a unified reporting system, common data elements, and common reporting formats and sequences, as well as a common data review process. This committee expresses great concern for the reliability and accuracy of the new Workforce Development Information System (WDIS) (as this information is now used for funding) and recommends that a transition period should be considered.

Program Cost Analysis, and Funding Formula and Fees

Prior to SB 1688 school districts and community colleges had different ways of calculating program costs and reporting program expenditures. The Program Cost Analysis Working Group recommends uniform expenditure reporting and funding categories. As SB 1688 requires, this group also recommends which programs should be classified as high, medium, or low cost for incentive purposes.

SB 1688 requires student fees to vary based on program costs. This means that students in a high cost program would pay a higher fee than students in a lower cost program. Because it is a concern that this would be confusing to students and difficult to administer, the Funding Formula and Fees Working Group recommends that fees do not vary with the cost of the programs, rather a uniform fee be calculated and set at the state level. Additionally, the working group concurs with the funding formula in SB 1688 which appropriates 85% of an institution's Workforce Development Education Funds based on enrollment hours including student fees. An institution would earn the remaining 15% based on program completions weighted by program costs (high, medium, and low) and length, and up to an additional 25% for outcomes of placement and retention. These two working groups also use the concept of a Workforce Development Enrollment Estimating Conference. Though somewhat unclear, it appears that the task force recommends using current year data for funding purposes.

Three Outstanding Workforce Development Education Issues

The Commissioner of Education states in a January 8, 1998, letter to the Speaker of the House of Representatives that he supports the task force recommendations in total. However, he acknowledges two issues of contention, and one issue that has yet to be resolved.

1. Including the AS degree in the Workforce Development Education Fund (WDEF)

SB 1688 moves the AS degree into the WDEF. The task force recommends keeping the AS degree in the WDEF. The community college system recommends that AS degree funds be kept out of the WDEF.

2. Using current year or prior years data for funding

SB 1688 requires current year data for funding. The task force recommends using current year data for funding. (However, the MIS working group expresses concern for the reliability of data and recommends at least one transition year.) The community college system recommends a funding model with a base consisting of 90% of the previous year's total funds upon enrollment. The remaining 10% would be grouped with any new money and would be distributed based on performance. Previous year data would be used to determine both the 90% base (previous year total funds) and the remaining 10% (previous years' performance data).

3. Adult Disabled Students

SB 1688 funds all adult and postsecondary vocational students, regardless of ability, through the Workforce Development Education Fund. The task force did not recommend specific changes to that policy, but the Commissioner of Education recommends dividing the population into three groups for purposes of special consideration.

- (1) Mainstreamed students should be in the WDEF and should be double funded for enrollment, completion and placement;
- (2) For students that cannot be mainstreamed, but have competitive employment as a goal, the WDEF should contribute a share of the cost of training with the remainder of funds coming from other agencies that have responsibility for this population of adults (i.e., the Department of Labor and Employment Securities and the Department of Children and Families); and
- (3) Students that do not have competitive employment as their goal should be funded from some source other than the WDEF, perhaps through a separate appropriation.

Other Issues

Articulation

In their report on *Participation in the Florida Statewide Course Numbering System*, PEPC recommends that *“the Office of Postsecondary Coordination should develop a Work Plan for submission to the Commissioner of Education that identifies the staff and other resources needed to support the increased participation of non-public institutions in the Statewide Course Numbering System.”* In their 1998 Master Plan, PEPC recommends, in order to further provide access and to increase the productivity of higher education in Florida, that the Articulation Coordinating Committee *“examine the feasibility of further integrating the educational experience across the public and private sectors and recommend specific measures which would reduce any artificial barriers that currently exist.”*

Barriers to WAGES participants accessing vocational education

Currently, statute provides that WAGES participants may receive an exemption from fees but requires that they first apply for, and be denied, federal financial aid. This process is several months long and can be a paperwork burden and needless barrier to WAGES participants receiving needed workforce development education.

B. EFFECT OF PROPOSED CHANGES:

The bill would implement the majority of recommendations of the Task Force on Workforce Development, which was created in CS/CS/SB 1688 as passed by the 1997 Florida Legislature. Additionally, the bill would implement decisions about the “outstanding issues” which were referenced in the Commissioner’s letter to the legislature.

Excluding the AS degree from the Workforce Development Education Fund (WDEF)

The AAT degree created in SB 1688 was intended to be the technical component that articulates into the AS degree. After consideration of accreditation problems, the task force recommends the AAT be renamed as the “Applied Technology Diploma” (ATD) and redefined as a 1-year diploma. However, to be consistent with national practice, the 2-year transitional degree may still be needed, in addition to a 2-year transferrable applied degree, in order to facilitate a seamless system. Therefore, the bill provides that the current AS degree programs are to be reviewed by the Articulation Coordinating Committee (ACC). Some would remain AS degrees which would be transferable to appropriate baccalaureate degrees. The remaining AS degrees would be reclassified/redefined as Associate in Applied Science (AAS) degrees which would be transitional in nature. A one-year transition would allow time for the reclassification of the current AS degrees to occur (it is estimated by the Division of Community Colleges that about 1/3 of the approximately 100 current AS degrees would become transferable AS degrees, the remaining would be reclassified as transitional AAS degrees.)

The main difference between the two degrees would be the general education component: AAS general education coursework would be more applied and industry specific in nature. The AAS is described as “transitional” because it could be a stand alone qualification for entry into the workforce. However, because the only difference between it and the AS is the general education component, if someone holding an AAS degree wanted to continue their workforce education, they could take the general education required of an AS and may then be able to transfer into a baccalaureate degree.

The ATD and the AAS and AS degrees would be offered by community colleges only. Because the *transferable* AS degrees and *transitional* AAS would be community college **degree** programs, they would be funded through the Community College Program Fund (CCPF) rather than the WDEF. The ATD may consist of **certificate** programs, and certificate programs can be offered by school districts; therefore the ATD funds would remain in the WDEF.

The concept of **performance funding** for AS and AAS degree funds (also from SB 1688) is upheld because the CCPF is funded through performance based program budgeting methods.

The performance funding of AS and AAS degrees could be strengthened by including accountability options to mirror the workforce funding system.

Articulation

The bill would require the statewide articulation of appropriate workforce development education between school districts and community colleges. Additionally, the articulation of the ATD into the AAS and AS, as well as the AS into the BS would be required.

Consistent with the recommendations of PEPC, private postsecondary institutions would be permitted to participate in the statewide course numbering system accommodating the transfer of credits between these schools and the public postsecondary institutions in the state. The required accreditation would also be changed from the Southern Association of Colleges and Schools to any regional or national accrediting agency recognized by the United States Department of Education in order to provide broader eligibility for participation.

The State Board of Community Colleges would investigate issues associated with the encouragement of a joint use facilities model for workforce development programs between community colleges and school districts which mirrors the model used by the state university system and community colleges.

One concept central to SB 1688 was ***leveling the playing field*** between school districts and community colleges. This concept would be partly achieved because courses and programs in adult education and postsecondary vocational certificates could be offered by either community colleges or school district vocational centers and the articulation between school districts and community colleges would be required. The tradition that community colleges are the only institutions authorized to offer college credit would be maintained by restricting the offering of the ATD and the newly-classified transferable AS and transitional AAS degrees to community colleges only. This restriction could be ill-perceived by school districts which were expecting, after the passage of SB 1688 and the recommendations of the task force, to be able to offer the ATD.

Alternatively, ***clarity in mission*** would be achieved by separating the responsibilities for workforce development education between delivery systems based on college credit. This upholds the belief of some that school districts should attend only to the business of K-12 instruction. With regard to the delivery of the ATD at school districts, the principles of ***leveling the playing field*** and ***clarity in mission*** conflict with one another.

The introduction of another two-year degree program (in addition to an AA and an AS) may confuse students and the public, at least for a short while. Additionally, it may be necessary to change other sections of statute and operating practices to ensure that students are best served by the benefits offered by the State of Florida, such as Bright Futures scholarships.

Increased ***consistency*** would be achieved because the newly redefined transitional AAS degree, in addition to the transferable AS degree, would serve to make Florida's system more like that of other postsecondary vocational systems in the nation.

Using prior year data for funding

This bill proposes a funding model based on a single fee for all programs. An amount not to exceed eighty-five percent (85%) of the total WDEF allocation would be distributed through the General Appropriations Act (GAA) based on the prior year's enrollment data after the application of standard program lengths, program cost factors, and district cost differentials. Using enrollment data to build the base may be perceived by some as reflecting an enrollment-driven versus performance-driven structure, however, this model would implement the work of the task force through the delineation of accountability mechanisms such as program lengths and program cost factors. The remaining amount, at least 15%, of "at risk" funds would be distributed based on the achievement of the previous year's performance outputs and outcomes (program completion and job placement and retention). The percentages would be set each year in the General

Appropriations Act, with adequate flexibility to increase the percentage of performance funds as valid data becomes more readily available.

The Department of Education (DOE), in conjunction with the Jobs and Education Partnership and the Florida Education and Training Placement Information Program office, would be charged with recommending performance incentive payment models for targeted student populations. The DOE would also recommend payment models which encourage programs that prepare people for high-wage, high-skill occupations or occupations on the WAGES list; and which discourage low-performing or low-demand programs.

For at least one more year, the bill would not implement occupational completion points (OCPs), which were created in SB 1688, and would not implement the task force recommended "literacy completion points" (LCPs). This would affect performance funding for fiscal year 1999-2000 because OCPs and LCPs would have allowed for at least partial performance funding to be earned when a student completes determined portions of a program that lead to employment in the workforce. Funding for fiscal year 1998-99 would be provided in the GAA and, most likely, would not have taken OCPs and LCPs into account. The absence of OCPs and LCPs in future years would require that performance funds be earned based on traditional program completion. The bill does, however, direct the Commissioner of Education to continue to collect data on OCPs and LCPs, as well as investigate funding mechanisms which would fund performance outputs and outcomes for OCPs and LCPs. This provision would allow more time to collect data on OCPs and LCPs, run simulations on their funding impact, and make assessments as to their validity and need.

SB 1688 referred to an 85-15-25 model which caused some confusion about how 125% is divided into a 100% pot of money, as well as the unknown source for the additional 25%. The funding structure in this bill would provide a more simplistic model with a base, not to exceed 85%, distributed on prior year enrollment and a pot of "at risk" money, at least 15%, that would be earned through output and outcome performance. It would preserve the integrity of the performance funding method while working within a finite pot of money.

The funding model proposed in the bill would be consistent with the philosophy of **performance based funding**. The pot of "at risk" money (at least 15% of the total WDEF allocation) which would be earned based on performance would serve to reward performance and attach negative consequences to non-performance. Discouraging the existence of non-performing programs or programs not on the occupational forecasting or WAGES lists (i.e., funding a program at less than 100% or not funding program completion and/or placement & retention) would make continuation of those programs less appealing while generating incentive funds that can be placed in the "at risk" incentive pot.

Valid reporting methods for completion, placement, and to some extent retention performance data has been established for a few years, therefore it would be unnecessary to take counts or make estimates throughout the current year. Not having to take counts during the year (as would have been necessary under the SB 1688 current year model) would reduce the reporting infrastructure needed, saving time and costs. However, a current year funding structure with adjustments made throughout the year based on "real-time" enrollments, outputs and outcomes would more closely reflect changes, including the addition of new programs or enrollment growth or decline. Additionally, school districts would need to adjust to reporting and funding based on previous year data instead of counts made throughout the year as is done with the FEFP.

Because funding would be based on prior year data and performance, institutions would be able to budget for the current year without the threat of adjustments made throughout the year. Any performance changes would be reflected in following years' allocations.

Funding for new and expanded workforce programs

A Workforce Development Capitalization Incentive Grant Program would be created, the criteria for which are designed to ensure that new or expanded programs are tied to state-wide need as

identified by the Occupational Forecasting Conference. The application process would require school districts and community colleges to project enrollments and costs for new or expanded programs. The Jobs and Education Partnership (JEP), also known as the Enterprise Florida Workforce Development Board, would accept applications and rank the proposed new and expanded programs for legislative appropriation. The Division of Workforce Development would administer the grant contracts upon JEP approval and legislative appropriation.

The Workforce Development Capitalization Grant Program could function as the planning nexus between projections for new or expanded program enrollments and projections of employment demands identified by the Occupational Forecasting Conference. There would be administration costs and efforts associated with the creation of a new grant program which are indeterminate at this time. The legislature would maintain control of the fiscal impact of the new grant program because the JEP only serves to review and rank the applications; the legislature would make the appropriation in the GAA.

Competition could be induced under this model because institutions would propose new programs through the Workforce Development Capitalization Incentive Grant Process along with expected enrollments and estimated costs. The JEP, then, would be in the position of considering all new program proposals in conjunction with information on state-wide need from the Occupational Forecasting Conference and ranking them for legislative appropriation.

Adult Disabled Students

Funding for adult disabled students is provided as recommended by the Commissioner of Education. The population would be divided into three groups for special consideration and funding. A separate funding mechanism, whether in the GAA through proviso or through some other mean, would be established for the funding of the third group of affected citizens. The Employment Task Force for Adults with Disabilities would be created to work with the affected parties to arrive at some consensus decisions about how disabled adult students can participate in the newly-created funding structure without adversely affecting the population. The bill would hold current funding levels constant for the 1998-99 fiscal year, to allow the task force time to examine the funding issue and make recommendations to the Legislature.

Removal of barriers to WAGES participants accessing vocational education

WAGES participants would not have to apply for, and be denied, financial aid prior to receiving fee exemptions. This should reduce the amount of paperwork necessary to get WAGES participants enrolled in employment and training programs. The provision that requires local WAGES coalitions to cover the exemption costs for WAGES clients would be maintained.

C. APPLICATION OF PRINCIPLES:

1. Less Government:

a. Does the bill create, increase or reduce, either directly or indirectly:

(1) any authority to make rules or adjudicate disputes?

The Department of Education would have authority to define certain groups of adult disabled students, establish a statewide articulation agreement, and establish a mechanism for the private postsecondary institutions to participate in the statewide course numbering system.

The ACC would have the responsibility of classifying transitional AAS degrees and transferrable AS degrees.

The Jobs and Education Partnership would have authority to add occupations eligible for incentive funding and approve rules for the Workforce Development Capitalization Incentive Grant Process.

The State Board of Education's rule making authority would be clarified with regards to fee schedules for school districts and community colleges.

- (2) any new responsibilities, obligations or work for other governmental or private organizations or individuals?

The ACC would be required to review and recommend the redefinition of certain AS degrees into terminal AAS degrees.

The Jobs and Education Partnership would have new duties with regards to the new Workforce Development Capitalization Grant Program and working with the Department of Education to make recommendations to the Legislature for performance funding models.

The Department of Education would have to establish a statewide articulation agreement, and a mechanism for private postsecondary institutions to participate in the statewide course numbering system.

- (3) any entitlement to a government service or benefit?

No.

- b. If an agency or program is eliminated or reduced:

- (1) what responsibilities, costs and powers are passed on to another program, agency, level of government, or private entity?

N/A

- (2) what is the cost of such responsibility at the new level/agency?

N/A

- (3) how is the new agency accountable to the people governed?

N/A

2. Lower Taxes:

- a. Does the bill increase anyone's taxes?

N/A

- b. Does the bill require or authorize an increase in any fees?

N/A

- c. Does the bill reduce total taxes, both rates and revenues?

N/A

- d. Does the bill reduce total fees, both rates and revenues?

The provision in SB 1688 which requires that fees vary with program costs potentially increases fees. This provision could make fees for high-cost programs be significantly higher than fees for low-cost programs. The provision has not yet been implemented, but this bill would modify the implementation by requiring the establishment of a uniform fee.

- e. Does the bill authorize any fee or tax increase by any local government?

N/A

3. Personal Responsibility:

- a. Does the bill reduce or eliminate an entitlement to government services or subsidy?

N/A

- b. Do the beneficiaries of the legislation directly pay any portion of the cost of implementation and operation?

N/A

4. Individual Freedom:

- a. Does the bill increase the allowable options of individuals or private organizations/associations to conduct their own affairs?

Requiring articulation and transfer of credits between programs and delivery systems would increase postsecondary education options available to students.

- b. Does the bill prohibit, or create new government interference with, any presently lawful activity?

N/A

5. Family Empowerment:

- a. If the bill purports to provide services to families or children:

- (1) Who evaluates the family's needs?

N/A

- (2) Who makes the decisions?

N/A

- (3) Are private alternatives permitted?

N/A

(4) Are families required to participate in a program?

N/A

(5) Are families penalized for not participating in a program?

N/A

b. Does the bill directly affect the legal rights and obligations between family members?

N/A

c. If the bill creates or changes a program providing services to families or children, in which of the following does the bill vest control of the program, either through direct participation or appointment authority:

(1) parents and guardians?

N/A

(2) service providers?

N/A

(3) government employees/agencies?

N/A

D. STATUTE(S) AFFECTED:

Amends sections: 229.551; 229.8075; 236.081; 239.105; 239.115; 239.117; 239.213; 239.229; 239.233; 239.249; 239.301; 240.115; 240.301; 240.35; 240.359; 246.013; and 446.052, F.S.

E. SECTION-BY-SECTION RESEARCH:

Section 1. Amends s. 229.551, F.S., relating to educational management (including non-public postsecondary education institutions in common course numbering).

Section 2. Amends s. 229.8075, F.S., relating to the Florida Education and Training Placement Program.

Section 3. Amends s. 236.081, F.S., relating to funds for the operation of schools (funds for co-enrolled students).

Section 4. Amends s. 239.105, F.S., relating to definitions.

Section 5. Amends s. 239.115, F.S., relating to funding for workforce development education.

Section 6. Amends s. 239.117, F.S., relating to postsecondary student fees.

Section 7. Amends s. 239.213, F.S., relating to vocational-preparatory instruction.

Section 8. Amends s. 239.229, F.S., relating to vocational standards.

Section 9. Amends s. 239.233, F.S., relating to reporting requirements.

- Section 10. Amends s. 239.249, F.S., relating to performance based incentive funding for vocational and technical education programs.
- Section 11. Amends s. 239.301, F.S., relating to adult general education (and information relating to disabled adult students).
- Section 12. Amends s. 240.115, F.S., relating to articulation agreements.
- Section 13. Amends s. 240.301, F.S., relating to community colleges mission (including the applied technology diploma and associate in applied science).
- Section 14. Amends s. 240.35, F.S., relating to student fees.
- Section 15. Amends s. 240.359, F.S., relating to the Community College Program Fund.
- Section 16. Amends s. 246.013, F.S., relating to participation in the common course numbering system.
- Section 17. Amends s. 446.052, F.S., relating to pre-apprenticeship programs.
- Section 18. Directive language, relating to the State Board of Community Colleges investigating issues associated with a joint use facilities model for workforce development.
- Section 19. Directive language, relating to the Commissioner of Education conducting further investigation into issues associated with the new workforce development system.
- Section 20. Directive language, creating the Employment Task Force for Adults with Disabilities.
- Section 21. Provides an effective date of July 1, 1998, except as otherwise provided in the bill.

III. FISCAL RESEARCH & ECONOMIC IMPACT STATEMENT:

A. FISCAL IMPACT ON STATE AGENCIES/STATE FUNDS:

1. Non-recurring Effects:

Indeterminate. Minimal cost associated with the creation of rules.

2. Recurring Effects:

Indeterminate. Refer to Fiscal Comments.

3. Long Run Effects Other Than Normal Growth:

Indeterminate. Community colleges and school districts may be more financially motivated to offer programs that are high skill/high wage, or in high demand. Over the long run, this should produce a labor force equipped with skills more in line with the market demands, which in turn should produce lower unemployment, and more citizens who are contributing to Florida's economy (and tax base).

4. Total Revenues and Expenditures:

Indeterminate. Refer to Fiscal Comments.

B. FISCAL IMPACT ON LOCAL GOVERNMENTS AS A WHOLE:

1. Non-recurring Effects:

Indeterminate. Refer to Fiscal Comments.

2. Recurring Effects:

Indeterminate. Refer to Fiscal Comments.

3. Long Run Effects Other Than Normal Growth:

Indeterminate. Community colleges and school districts may be more financially motivated to offer programs that are high skill/high wage, or in high demand. This, combined with the pay for performance concept, will result in funding increases if community colleges offer high demand programs and perform well in terms of completions and placements. Conversely, institutions that do not earn performance payments will realize a decrease in their total allocation.

C. DIRECT ECONOMIC IMPACT ON PRIVATE SECTOR:

1. Direct Private Sector Costs:

N/A

2. Direct Private Sector Benefits:

Indeterminate. Community colleges and school districts may be more financially motivated to offer programs that are high skill/high wage, or in high demand. Over the long run, this should produce a positive effect on the skilled labor supply in Florida; producing more graduates with skills which are in demand, rather than graduates looking for jobs in low-demand areas.

3. Effects on Competition, Private Enterprise and Employment Markets:

A workforce, equipped with skills which better match private sector demands, should propel Florida into a more competitive position to attract new businesses and expand employment markets.

D. FISCAL COMMENTS:

The total fiscal impact is indeterminate at this time. Data for simulations on the impact of restructured workforce development provisions is currently being collected and verified by the Division of Workforce Development of the Department of Education.

IV. CONSEQUENCES OF ARTICLE VII, SECTION 18 OF THE FLORIDA CONSTITUTION:

A. APPLICABILITY OF THE MANDATES PROVISION:

N/A

B. REDUCTION OF REVENUE RAISING AUTHORITY:

N/A

C. REDUCTION OF STATE TAX SHARED WITH COUNTIES AND MUNICIPALITIES:

N/A

V. COMMENTS:

House Bill 4131 was heard by Education Appropriations on March 18, 1998 and passed unanimously. The bill was adopted as a committee substitute with seven amendments, which are described as follows:

- | | | |
|----|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------|
| #1 | removed the reference to co-enrollment funding, which provided Florida Education Finance | Program funds directly to community colleges for co-enrolled students |
| #2 | removed the definition for co-enrollment | |
| #3 | provides that fees for workforce development education are adopted by the State Board of | Education, unless otherwise specified in the General Appropriation Act |
| #4 | removed the requirement that funds from the Workforce Development Education Fund (WDEF) cannot be commingled with funds from the Florida Education Finance Program or the Community College Program Fund | |
| #5 | specifies that funds awarded for the Workforce Development Capitalization Incentive Grants | cannot be used for |

STORAGE NAME: h4131s1.ed

DATE: March 20, 1998

PAGE 14

instr
uctional
indirect
costs

#6 requires that financial aid fees collected from students enrolled in Workforce Development

(WFD) programs be deposited in a separate WFD student fee trust fund (local) and spent only to support WFD students.

#7 clarifies that fees for students in college preparatory programs are the same as fees for AA

and AS degree programs

VI. AMENDMENTS OR COMMITTEE SUBSTITUTE CHANGES:

N/A

STORAGE NAME: h4131s1.ed

DATE: March 20, 1998

PAGE 15

VII. SIGNATURES:

COMMITTEE ON COMMUNITY COLLEGES AND CAREER PREP:

Prepared by:

Legislative Research Director:

Stacey E. Smelser

Theresa A. Klebacha, Ph.D.

AS REVISED BY THE COMMITTEE ON EDUCATION APPROPRIATIONS:

Prepared by:

Legislative Research Director:

Mark Armstrong

John Newman