

STORAGE NAME: h0321s1.ed

DATE: February 14, 2000

**HOUSE OF REPRESENTATIVES
AS REVISED BY THE COMMITTEE ON
Education Appropriations
ANALYSIS**

BILL #: CS/HB 321

RELATING TO: Jobs for Florida's Graduates

SPONSOR(S): The Committee on Education Innovation and Representative Wise

TIED BILL(S): None

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

- (1) EDUCATION INNOVATION YEAS 6 NAYS 0
 - (2) Education Appropriations
 - (3)
 - (4)
 - (5)
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I. SUMMARY:

CS/HB 321 makes the following changes to the Jobs for Florida's Graduates (JFG):

- Removes initial 5-year time limitations for the JFG Program.
- Removes some provisions pertaining to the first year of the program.
- Removes the end of school year 2001-2002 as the date the program will have 300 high schools participating. The bill sets the 300 high schools participating as a goal of the program.
- Adds language to include charter schools in the program.
- Removes obsolete language pertaining to start up funding.
- Removes reference to creation of an endowment fund and provisions for an endowment fund.
- Repeals provisions for an apprenticeship program at Okaloosa-Walton Community College.

CS/HB 321 does not have any significant fiscal impact on state or local revenues. The committee substitute eliminates the use of an endowment fund specified in existing law, including the provisions that the principal of the fund consist of legislative appropriations and funds from private sources, that the fund be administered by the foundation, that the principal in the fund be invested by the State Board of Administration, and that the interest and investment income go to the foundation's operating account. The approximate amount currently in the endowment fund is \$500,000.

II. SUBSTANTIVE ANALYSIS:

A. DOES THE BILL SUPPORT THE FOLLOWING PRINCIPLES:

- | | | | |
|-----------------------------------|---|-----------------------------|---|
| 1. <u>Less Government</u> | Yes ☒ | No ☐ | N/A ☐ |
| 2. <u>Lower Taxes</u> | Yes ☐ | No ☐ | N/A ☒ |
| 3. <u>Individual Freedom</u> | Yes ☐ | No ☐ | N/A ☒ |
| 4. <u>Personal Responsibility</u> | Yes ☐ | No ☐ | N/A ☒ |
| 5. <u>Family Empowerment</u> | Yes ☐ | No ☐ | N/A ☒ |

CS/HB 321 eliminates the endowment fund therefore supporting the principle of less government.

B. PRESENT SITUATION:

The Jobs for Florida's Graduates (JFG) Program is a school-to-work job training program created by the 1998 Legislature, for an initial 5-year period, in the "Jobs for Florida's Graduates Act". The intent was to facilitate a school-to-work transition by broadening the participation and funding potential and encouraging private and public support and involvement to promote employment opportunities. JFG is a not for profit organization and is based on the Jobs for America's Graduates (JAG) model. It is designed to carry out the JAG model within Florida.

Students are selected and approved for participation in the program by the educational institutions in which they are enrolled. General goals are to decrease high school dropout rates, increase graduation rates, and increase youth employment rates. Students are selected based on their classification as 12th grade at-risk students who have documented academic, personal, or vocational challenges that are impeding their success in school. . Specific outcomes are outlined in s. 446.609, F.S. The following paragraphs describe the statutorily required timeframes and outcomes, and the most recently available information on progress toward meeting the outcomes (*in italics*). All graduation, training, and employment rates will be counted on March 31 of the year following the end of the academic year in which the participants' respective high school classes graduated.

- During first year, programs must be operated in not less than 25 nor more than 50 high schools -- *During the 1998-99 school year, JFG's first year of operation, DOE reported 25 schools participating in the JFG program.*
- By the end of the 2001-2002 school year, programs must have a minimum of 300 high schools participating -- *DOE reports JFG plans to have 60 schools participating in the program by the end of January 2000.*

In year 1:

- Graduation rate, or GED test completion rate, of 82 percent of JFG participants -- *Currently the graduation rate for JFG participants is 76 percent. According to the JFG Quarterly Report, this puts the program "within reach of the legislative goal of 80 percent."*

- 70 to 75 percent of participants must be employed a minimum of 40 hours per week in the civilian sector or the military or enrolled in postsecondary training education, or any combination of these that together are equivalent to 40 hours per week. -- *This information will be available on March 1, 2000.*
- Average wage of participants who are working must be at or above the national average wage for all participants in programs affiliated with Jobs for America's Graduates, Inc. -- *This information will be available March 1, 2000.*

In year 2:

- Graduation rates, or GED test completion rates, of participants must be at least 85 percent
- 75 to 78 percent of participants must be employed a minimum of 40 hours per week in the civilian sector or the military or enrolled in postsecondary training education, or any combination of these

In years 2 through 5:

- Average wage of participants who are working must be at or above the national average wage for all participants in programs affiliated with Jobs for America's Graduates, Inc.

In years 3 through 5:

- Graduation rates, or GED test completion rates, of participants must be at least 90 percent
- 80 percent of participants must be employed a minimum of 40 hours per week in the civilian sector or the military or enrolled in postsecondary training education, or any combination of these

Key components of JFG's school to career transition system include:

- A full-time job specialist employed twelve months of the year who is held accountable for program participants.
- A program study focused on 37 employability competencies.
- A highly motivated student led organization, the Florida Career Association, that focuses on helping students attain leadership, social, civic, and vocational skills.
- Intensive employer marketing and job development is performed by the job specialists with assistance from site management to ensure that students are prepared for jobs that are currently available and that match their skills and interests. Work-based learning opportunities are created and employers are regularly invited into the classroom to work with the young people to help emphasize the connection between education and quality employment.
- Twelve full months of structured follow-up assistance is provided to each program participant.
- Extensive documentation is recorded on the Electronic Data Management System, which captures all program activities ranging from contract hours to pre-post test gain scores on competencies to employers to hours worked. This system allows tracking and research of performance.

Endowment Fund

The 1998 Act also created an endowment fund along with the JFG Program and Foundation as a long-term, stable, growing source of revenue to be administered by the

foundation. The principal of the endowment fund is required to consist of legislative appropriations and bequests, gifts, grants, and donations from public or private sources. The principal is invested by the State Board of Administration and the interest and investment income are transmitted annually to the foundation's operating account.

The board is required to use the funds in the operating account, by whatever means, to provide for:

- Planning, research, and policy development for issues related to school-to-work transition and publications and dissemination of information.
- Promotion of initiatives for school-to-work transition.
- Funding of programs which engage in, contract for, foster, finance, or aid in job training and counseling for school-to-work transition research, education, or demonstration, or other related activities.
- Funding of programs which engage in, contract for, foster, finance, or aid in activities designed to advance better public understanding and appreciation of the school-to-work transition.

Funding-In order to provide for first year startup funds, 50 percent of the money that was allocated during the 12-month period beginning July 1, 1998, was not available for investment but was transmitted quarterly to the foundation board and was available to the foundation.

According to DOE, the endowment fund has encumbered only legislative appropriations and has a current balance of approximately \$500,000.

The appropriation for Jobs for Florida's Graduates was \$1,000,000 in 1998-99: half was placed in an investment account and the other half was released to the Foundation Board. An additional \$836,000 was funded through the federal school-to-work funds from the Department of Education. The appropriation for 1999-2000 was \$3,000,000. The JAG program encourages development of private funding, however none was obtained during the first year of the Jobs for Florida's Graduates program.

The Florida Endowment Foundation for Florida's Graduates

The 1998 Act also created the Florida Endowment Foundation for Florida's Graduates as a direct-support organization of DOE to encourage public and private support to enhance school-to-work transition. As a direct-support organization, the foundation is required to:

- Be incorporated as a not for profit Florida corporation.
- Organize and operate exclusively to raise funds; submit requests and receive grants from the Federal Government, the state, private foundations, and individuals; receive, hold, and administer property; and make expenditures to or for the benefit of school-to-work transition programs approved by the board of directors.
- Create a board of directors appointed by the Commissioner of Education.
- Perform an annual financial and performance review to determine if the foundation is operating in a manner consistent with the goals of the Legislature in providing assistance for school-to-work transitions.
- Provide a mechanism for the reversion to the state of moneys in the foundation and in any other funds and accounts held in trust by the foundation if the foundation is dissolved.

Board of Directors -- The board of directors consists of 15 members from the public and private sector and appointed by the Commissioner of Education.

The board must hold meetings; may solicit and receive bequests, gifts, grants, donations, goods, and services; enter into contracts; and identify, initiate, and fund JFG programs. Additionally, they may make gifts or grants to the state, or any political subdivision, or any public agency of state or local government, a corporation, trust, association, or foundation organized and operated exclusively for charitable, educational, or scientific purposes, or to the department for purposes of program recognition and marketing, public relations and education, professional development, and technical assistance and workshops for grant applicants and recipients and the business community. The board may advertise and solicit applications for funding and must evaluate applications and program proposals; monitor, review, and annually evaluate funded programs to determine whether funding should be continued, terminated, reduced, or increased; establish an operating account for the deposit of funds; and operate the JFG program to ensure that outcome goals are met.

Accreditation

During the initial 5-year period, the board is required to request and contract with the national accreditation process of Jobs for America's Graduates, Inc., to ensure the viability and efficacy of the individual school-based Jobs for Florida's Graduates programs in the state. All Florida programs have received provisional accreditation.

Annual Audit

The board is required to conduct an annual audit of the foundation's financial accounts. The audit is to be conducted by an independent certified public accountant. The annual audit report is submitted to the Auditor General and the department for review. The Auditor General and the department may require from the foundation, or from its independent auditor, any relevant detail or supplemental data.

Assessment of Program Results

The Office of Program Policy and Government Accountability (OPPAGA) is required to review the annual report which JFG is required to submit regarding the activities of the JFG Program. OPPAGA will then audit and review the report and deliver the report, along with its analysis and any recommendations for expansion, curtailment, modification, or continuation, to the board no later than December 31 of the same year. *OPPAGA is currently in the process of finalizing this report.*

Beginning in the first year of the Jobs for Florida's Graduates Program, the Office of Economic and Demographic Research is required to conduct an ongoing longitudinal study of participants to determine the overall efficacy of the program. The Office is required to transmit its findings each year to OPPAGA for inclusion in their report.

Annual Report

The board is required to issue a report to the Governor, the President of the Senate, the Speaker of the House of Representatives, and the Commissioner of Education by March 1, 2000, and each year thereafter. The annual report will summarize the performance of the endowment fund for the previous fiscal year and the foundation's fund raising activities and performance and detailing those activities and programs supported by the earnings on the endowment principal or by bequests, gifts, grants, donations, and other valued goods and services received.

Rule making Authority -- The department is given the authority to promulgate rules for the implementation of the Act.

Legislative Review

The 1998 law, Chapter 98-218, LOT, requires a legislative review of the Jobs for Florida's Graduates Program after the 5th year of operation with recommendations for continuation, expansion, or termination of the program.

Pilot Apprenticeship Program

The 1998 Legislature also created a 1-year pilot apprenticeship program at Okaloosa-Walton Community College. The purpose of this program was to develop and implement programs designed to meet employee training needs of business and industry within the community college's service area. Okaloosa-Walton Community College was recognized as an apprenticeship sponsor and was entitled to four positions, which were funded by Enterprise Florida, Inc.

Okaloosa-Walton Community College was entitled to apply for continued funding of these positions for one additional year if it could prove substantial progress toward meeting the goals of the program. However, according to Chapter 98-218, LOT, it was the intent of the Legislature that, beginning with the third academic year, costs of this program be paid substantially by the businesses and industries that take part in the program. The 1999 Legislature failed to fund this program.

Florida Programs Before 1998

The Florida School-To-Work Program

The terms "school-to-work" (STW) or "school-to-career" have replaced the phrase "vocational education," reflecting a transformation to technical education which integrates academic and vocational skills. The transformation was given impetus by the federal government with the passage of the 1994 School-to-Work Opportunities Act which provides "venture capital" for state and local partnerships. For 1997-98, Florida received \$13,645,000, from funds available through the act. Twenty-eight regional partnerships were funded for implementation activities under the state plan, with awards ranging from \$239,488 to \$526,685. In the 1998-1999 fiscal year school-to-work programs received \$9.1 million, and in 1999-2000, they received \$4,450,000.

DOE reports the following statewide data:

- 170,700 students participating in work-based learning activities
- 27,622 work-based learning slots provided by private sector employers
- 29,672 employer partners identified

JAG Operation in Jacksonville

Before 1998 and the enactment of "The Jobs for Florida's Graduates Act," The Florida JAG affiliate, Jobs for Florida Graduates (JFG), operated in five schools in the Jacksonville area. The 1995-96 funding for the Florida program was \$250,000, derived from Job Training Partnership Act (JTPA) Title IIA funds from the Jacksonville Private Industry Council. The program began in 1995 and has served a total of 564 students. The Jacksonville program was not accredited for the 1996-97 year and as a result, did not operate under the auspices of JAG.

The National Jobs for America's Graduates Program

Jobs for America's Graduates (JAG) is a nationally-networked program founded in 1980. The JAG mission is to assist at-risk youth in graduating from high school, or receiving a general education diploma (GED), and in finding and keeping quality jobs through a statewide school-to-work transition system. The program is currently serving 55,000 young people in 28 states and territories. It leverages nearly \$55 million in public and private funds. The JAG program model consists of three parts: school-based activities, work-based activities, and connecting activities.

School-based activities include competency-based instruction, pre/post assessment, graduation plan, career plan, student-led organization (JAG Career Association), guidance and counseling, JAG documentation system, guest speakers, and vocational education linkage.

Work-based activities include job shadowing, mentors, tours/field trips, work/field trips, work experience (paid and unpaid), cooperative experience (vocational education linkage), youth internship, and youth apprenticeship.

Connecting activities include employer marketing & job development, placement services, follow-up services (nine month minimum), business advisory councils, community partners, career fairs, and state career association activities.

According to JAG, the program costs approximately \$1,100 to \$1,500 per participant for 18 months of services. Success rates quoted for the 18-month service period for each student are:

- 90% graduation rate (high school diploma or GED)
- 80% positive outcome rate (employed, in the military, or furthering education)
- 60% employment rate (full, part-time, or military)

C. EFFECT OF PROPOSED CHANGES:

CS/HB 321 removes the initial 5-year time limitations for the Jobs for Florida's Graduates Program. The outcome of having at least 25 but no more than 50 high schools participating is removed because it pertains to the first year of the program and is no longer applicable. The bill also removes the specific timeframe (end of the 2001-2002 school year) for having 300 high schools participating. Instead, it sets the 300 high schools participating as a goal of the program.

The committee substitute adds language to clarify that schools, *including charter schools*, are included in the JFG program.

The committee substitute eliminates the use of an endowment fund, including the provision that the principal in the endowment fund, which included legislative appropriations and funds from private sources, was to be invested by the State Board of Administration, the provision that the interest and investment income go to the foundation's operating account, and the provisions for the use of moneys in the endowment fund. According to the DOE fiscal analysis, the Foundation would operate entirely on general revenue appropriations and federal grant funds from DOE as it has to date.

The committee substitute removes obsolete language referencing start-up funding and reference to performance of the endowment fund and endowment principle in the annual reporting requirements.

The committee substitute also repeals the provisions for the apprenticeship program at Okaloosa-Walton Community College.

D. SECTION-BY-SECTION ANALYSIS:

Section 1 Amends s. 446.609, F.S., deleting a time-period limitation for the "Jobs for Florida's Graduates" school to work program; deleting provisions relating to an endowment fund; deleting provisions relating to distribution of earnings on the endowment fund; deleting provisions relating to start up funding.

Section 2 Repeals s 3, Ch. 98-218, Laws of Florida, eliminating a one year pilot apprenticeship program at Okaloosa-Walton Community College.

Section 3: Provides an effective date of July 1, 2000.

III. FISCAL ANALYSIS & ECONOMIC IMPACT STATEMENT:

A. FISCAL IMPACT ON STATE GOVERNMENT:

1. Revenues:

None

2. Expenditures:

None, because elimination of the Endowment will have no impact on any appropriation provided for the program. However, removal of the timelines for implementation of JAG in 300 schools will potentially reduce short term emphasis on a state appropriation for the program.

B. FISCAL IMPACT ON LOCAL GOVERNMENTS:

1. Revenues:

None, because elimination of the Endowment will have no impact on any appropriation provided for the program. However, removal of the timelines for implementation of JAG in 300 schools will potentially reduce short term emphasis on a state appropriation for the program.

2. Expenditures:

None

C. DIRECT ECONOMIC IMPACT ON PRIVATE SECTOR:

None

D. FISCAL COMMENTS:

The bill does not address the disposition of the \$500,000 plus interest presently in the endowment fund after the fund is abolished by this bill effective July 1, 2000.

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

A. APPLICABILITY OF THE MANDATES PROVISION:

This bill does not require counties or municipalities to expend funds.

B. REDUCTION OF REVENUE RAISING AUTHORITY:

This bill does not reduce the authority of counties or municipalities to raise revenue.

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

This bill does not reduce the percentage of state tax shared with counties and municipalities.

V. COMMENTS:

A. CONSTITUTIONAL ISSUES:

N/A

B. RULE-MAKING AUTHORITY:

Under current law, the Department of Education is required to promulgate rules for implementation of the JFG program. CS/HB 321 changes the wording but does not create new rule making authority.

C. OTHER COMMENTS:

N/A

VI. AMENDMENTS OR COMMITTEE SUBSTITUTE CHANGES:

The Committee on Education Innovation unanimously and favorably reported HB 321 out of committee on January 19, 2000, as a committee substitute.

The committee substitute differs from the original bill by restoring the program outcome goals and required legislative review that were removed in the original bill.

VII. SIGNATURES:

COMMITTEE ON EDUCATION INNOVATION:

Prepared by:

Staff Director:

Ouida J. Ashworth

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