

# SENATE STAFF ANALYSIS AND ECONOMIC IMPACT STATEMENT

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

BILL: SB 1498

SPONSOR: Senators Garcia and Meek

SUBJECT: Job Training

DATE: April 20, 2001                      REVISED: \_\_\_\_\_

	ANALYST	STAFF DIRECTOR	REFERENCE	ACTION
1.	<u>White</u>	<u>O'Farrell</u>	<u>ED</u>	<u>Favorable</u>
2.	<u>Gillespie</u>	<u>Maclure</u>	<u>CM</u>	<u>Favorable</u>
3.	_____	_____	<u>AED</u>	_____
4.	_____	_____	<u>AP</u>	_____
5.	_____	_____	_____	_____
6.	_____	_____	_____	_____

**I. Summary:**

Senate Bill 1498 establishes the Jobs for Florida's Graduates Program (program) as a permanent program instead of allowing the original five-year program, established in 1998, to expire. The program is a dropout prevention program for at-risk high school seniors which provides placement and support services after graduation. The bill also expands the eligibility for schools and students to participate in the program; revises membership of the program's board of directors; revises criteria for outcome goals and reporting requirements; and deletes obsolete provisions.

The bill also repeals a one-year pilot apprenticeship program at Okaloosa-Walton Community College.

This bill substantially amends section 446.609, Florida Statutes, and repeals section 3 of chapter 98-218, Laws of Florida.

**II. Present Situation:**

**Jobs for Florida's Graduates Program**

During the 1998 Regular Session, the Legislature created the Jobs for Florida's Graduates Program to help high-risk students make the transition from school to work.<sup>1</sup> The program targets high school seniors and provides services to help these students graduate and to either continue their education or find meaningful employment within nine months of their graduation. Florida's program is part of a 20-year nationwide initiative coordinated by Jobs for America's

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<sup>1</sup> Chapter 98-218, L.O.F.; s. 446.609, F.S.

Graduates, Inc., based in Arlington, Virginia. The organization is currently working with high school seniors in 27 states. (See further discussion, below.)

In Florida, the program is governed by the Florida Endowment Foundation for Florida's Graduates (foundation), which acts as a direct-support organization within the Department of Education. The foundation's board has 15 members representing the public and private sectors. The board hires a management team to run the day-to-day operations of the program, including the training and supervision of staff who work in participating high schools, collecting data, and conducting site visits at the participating high schools. The management team is also charged with encouraging public and private support and contributions to the program.

The program operates by identifying at-risk 12th-grade students and providing them with a variety of job counseling and training services. These students are selected by school managers and by "job specialists" employed by the program. These job specialists are hired to work with 35 to 45 students in each participating high school. The job specialists are hired by school managers but are to functionally report to the program's management team. The job specialists meet regularly with students to help them obtain specific job competencies. Much of this contact with students occurs in one-to-one mentoring sessions. However, the job specialists also interact with students after classroom hours, particularly during instructional meetings of the student-run Career Association, which comprises all students selected to the program. Job specialists are also expected to meet periodically with students and their parents.

The job specialists market the program to prospective employers and work to place students in quality jobs. Job specialists have a nine-month period after the date of the students' anticipated high school graduation to conduct follow-up activities that help the students find employment, stay employed and advance in their jobs, or continue their education beyond high school while establishing a positive part-time work record. The Jobs for America's Graduates policy calls for the provision of such services for students for 12 months after their classes graduate, and that is the basis upon which they have reported their results.

The Jobs for Florida's Graduates Program was established for an initial five-year period, starting in school year 1998-1999. The program was required to operate in at least 25 high schools (and no more than 50) in its first year of operation, with the eventual goal of operating in at least 300 high school sites by the end of the 2001-2002 school year. Participating schools are selected by the foundation's board and must enter into an agreement with the board that details the responsibilities of each party and the process and outcome goals for the program. The selected schools must be demographically and geographically representative of the state's population.

### **Nationwide Jobs for America's Graduates Program**

Jobs for America's Graduates (JAG) is a nationally networked program founded in 1980. The mission of JAG 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 27 states and territories. It leverages nearly \$55 million in public and private funds. The national program's 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, a 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 and job development, placement services, follow-up services (nine-month minimum), business advisory councils, community partners, career fairs, and state career association activities.

According to Jobs for America's Graduates, the program costs about \$1,100 to \$1,400 per participant for 18 months of services.<sup>2</sup> National success rates quoted for the 18-month service period for each student are:<sup>3</sup>

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

### **Funding Stream**

In Florida, the state funds the program by an annual appropriation to a direct-support organization called the Florida Endowment Foundation for Florida's Graduates. The foundation is encouraged to raise funds from private sources. The foundation's board of directors must have at least nine of its 15 members from the private sector, and the remainder may come from secondary education, vocational education, or job-training programs. The current board has five members from the private sector. The board has not raised any outside funding during the program's first two years.

### **Outcome Goals**

The Legislature established a goal that, by the end of the 2001-2002 school year, a minimum of 300 high schools would be participating in the program.<sup>4</sup> Currently, the program is operating in 34 schools. Under current law, the Legislature also established the following outcome goals for the program:<sup>5</sup>

- **Year one:**
  - 82 percent of students in the program achieve a high school diploma or GED.

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<sup>2</sup> Jobs for America's Graduates, Inc., *The JAG Track Record*, at <http://www.jag.org/whatis.html> (last visited Apr. 19, 2001).

<sup>3</sup> Jobs for America's Graduates, Inc., *The Performance Outcomes of Jobs for America's Graduates Participants*, at <http://www.jag.org/outcomes.html> (last visited Apr. 19, 2001).

<sup>4</sup> Section 446.609(4)(a), F.S.

<sup>5</sup> Section 446.609(8)(i), F.S.

- 70 to 75 percent of students in the program are employed (in the civil sector or military), enrolled in postsecondary training education, or a combination that equals at least 40 hours per week.
- **Year two:**
  - 85 percent of students in the program achieve a high school diploma or GED.
  - 75 to 78 percent of students in the program are employed (in the civil sector or military), enrolled in postsecondary training education, or a combination that equals at least 40 hours per week.
- **Years three through five:**
  - 90 percent of students in the program achieve a high school diploma or GED.
  - 80 percent of students in the program are employed (in the civil sector or military), enrolled in postsecondary training education, or a combination that equals at least 40 hours per week.

The Legislature also established an outcome goal that the average wage for students in the program who are working be above the national average for students in all programs associated with the national Jobs for America's Graduates.

The initial follow-up data show that the program has the potential to meet its statutory standards for year two. However, the success rate is not calculated as required by the statute. Only graduates are included in the report, rather than all participants. According to a recent status report by the Office of Program Policy Analysis and Government Accountability (OPPAGA), if all participants, including non-graduates, are included, the placement rate is 55.5 percent, compared to the reported rate of 77.6 percent of employed graduates who are working full time.<sup>6</sup>

## Evaluation

The Jobs for Florida's Graduates Program conducted a review of the program's activities and submitted a report to OPPAGA for evaluation. OPPAGA audited the report and made recommendations to the board regarding expansion, curtailment, modification, or continuation of the program. The OPPAGA report concluded:<sup>7</sup>

The Jobs for Florida's Graduates program has improved its operations and was awarded "Standard Accreditation" status by the national program in 2000. The program appears likely to meet or exceed its statutory performance goal with respect to graduation rate. However, it is less certain that the program will meet its performance goals with respect to employment and earnings when all participants are included in the calculation. In addition, the program will need to significantly expand its operations over the next year to meet the statutory goal to operate in 300 schools at the end of the 2001-02 school year; it is currently operated in only 34 high schools.

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<sup>6</sup> Florida Legislature, Office of Program Policy Analysis and Gov't Accountability, *Status Report: Jobs for Florida's Graduates Program Appears to Be Improving Its Performance*, Report No. 01-19, 4 (Mar. 2001).

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

Based upon the program's improved performance and general attainment of its statutory goals, we recommend that the Legislature continue the program, but future reports of the program performance need to be consistent with the established statutory goals.

### **Board of Directors**

Florida Endowment Foundation for Florida's Graduates (foundation) is operated by a board of directors. The board is charged with increasing and administering the endowment and with entering into such agreements as are necessary to carry out the Jobs for America's Graduates model within the state. The board consists of 15 members appointed by the Commissioner of Education. At least nine members are selected from the private sector. The remaining board members may come from secondary education, vocational education or job training programs. The chair of the board will be appointed for a two-year term and is not allowed to serve more than six consecutive years. Board members are appointed to staggered three-year terms. All members are accountable to the Commissioner of Education for the proper performance of job duties.

Members of the board are required to have an interest in school-to-work transition and, insofar as practicable, shall have skills in:

- Foundation/fundraising activities, financial consulting, investment banking or policymaking or senior management level positions, or
- Be distinguished in the fields of education, business, or industry.

The board is also required to:

- Solicit and receive bequests, gifts, grants, donations, goods, and services to increase and administer the endowment;
- Enter into contracts with the Federal Government, state or local agencies, private entities;
- Fund Jobs for Florida's Graduates programs;
- Fund programs to foster job training;
- Advertise and solicit applications for funding and evaluate applications and program proposals;
- Plan, research, and conduct policy development for school-to-work transition issues;
- Establish an operating account;
- Hire and fire employees (both at the state and local levels) based upon their performance (these employees are not considered state employees);
- Ensure that outcome goals are met (see next section);
- Make gifts or grants to state or political subdivisions or any public agency of state or local government corporations, trusts, associations, or foundations which are organized and operated exclusively for charitable, educational, or scientific purposes; 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.

### **One-Year Pilot Apprenticeship Program**

Section 3 of ch. 98-218, L.O.F., provided Okaloosa-Walton Community College with four positions and \$200,000 to survey and identify all businesses and industries which may benefit from an apprenticeship program, to develop programs to meet those needs, and to implement the programs utilizing the funding from the affected industry. The college may apply for continued funding of the positions for an additional year, but the intent is stated that, by the third academic year, the businesses and industries will bear the costs of continuing the program.

### **III. Effect of Proposed Changes:**

#### **Jobs for Florida's Graduates as Permanent Program (Section 1)**

The bill establishes the Jobs for Florida's Graduates program as a permanent program in lieu of allowing the original five-year program to terminate on July 1, 2003. The bill eliminates the time limit on the program's goal of expanding into at least 300 high schools by the end of the 2001-2002 school year, but retains the goal of 300 high schools participating.

#### **Florida Endowment Foundation for Florida's Graduates**

The bill removes the Florida Endowment Foundation for Florida's Graduates (foundation) from within the Department of Education and eliminates the foundation's status as a direct-support organization. The bill also removes the following specific requirements concerning the foundation's board of directors:

- The board must consist of 15 members.
- The board must include at least nine of the 15 members from the private sector, but allow the remaining to be from the public sector.
- The public sector members of the board must come from secondary education, vocational education, and job-training programs such as the Job Education Partnership.

Conversely, the bill requires the board to consist of at least 15 members, the majority of which must be from the private sector. The bill amends the current law, which allows the board's chair to be from either the private sector or public sector, and requires the chair to be from the private sector. Initially, the Commissioner of Education will appoint the chair and members of the board, but the bill provides that, effective July 1, 2001, reappointments to the board will be made by a membership committee comprised of current board members.

#### **Expands Participation**

The bill removes a requirement that participants in the program must be in the 12th grade. These students may be any at-risk students as classified under the Jobs for America's Graduates model. Charter schools may also participate in the program if chosen by the foundation's board.

## **Reporting Criteria**

The bill changes the current reporting dates from March 31 to June 30. This change allows the program's reporting schedule to be consistent with the Jobs for America's Graduates model, which would allow the Legislature and the Office of Program and Policy Analysis and Government Accountability (OPPAGA) to:

- Compare participants in the program with a Florida control group for longitudinal research and evaluation purposes.
- Compare participants in the Florida program with other Jobs for America's Graduates affiliates.

The bill also codifies current practice by changing the calculation of outcomes goals so that subsets of participants can be in the follow-up studies. Thus, the full-time employment rate would be calculated by following up only on the participants who have graduated and who are employed.

## **Elimination and Transfer of the Endowment Fund (Part of Section 1 and Section 2)**

The bill deletes reference to the endowment fund, which has not been established. It transfers all principal and interest in the endowment fund from the control of the State Board of Administration (state board) to the foundation's board of directors. According to the state board, the current balance of the endowment fund is about \$554,000. The bill requires that the funds be used for the Jobs for Florida's Graduates Program as provided by law. The bill also deletes obsolete provisions relating to the distribution criteria of the earnings on the endowment fund principal and the startup funding.

## **One-year Pilot Apprenticeship Program (Section 3)**

The bill repeals the one-year pilot apprenticeship program at Okaloosa-Walton Community College created in s. 3, ch. 98-218, L.O.F.

## **Effective Date (Section 4)**

The bill provides an effective date of July 1, 2001.

## **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:**

None.

**C. Government Sector Impact:**

The Legislature provided \$1 million for the program in FY 1998-1999,<sup>8</sup> \$3 million in FY 1999-2000,<sup>9</sup> and \$3 million in FY 2000-2001.<sup>10</sup> Although the bill establishes the Jobs for Florida's Graduates Program as a permanent program, continued funding is annually subject to the discretion of the Legislature in preparing the General Appropriations Act.

**VI. Technical Deficiencies:**

None.

**VII. Related Issues:**

The bill does not impact the statutory requirement that the Jobs for Florida's Graduates program should employ the staff to work in the sites.<sup>11</sup> However, the requirement is conditional: "To the maximum extent possible." Therefore, a statutory change is not mandatory for the program to continue its operation while allowing the specialists to be employed by the school districts.

**VIII. Amendments:**

None.

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

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<sup>8</sup> Specific Appropriation 150A, *General Appropriations Act FY 1998-1999*, ch. 98-422, L.O.F.

<sup>9</sup> Specific Appropriation 146, *General Appropriations Act FY 1999-2000*, ch. 99-226, L.O.F.

<sup>10</sup> Specific Appropriation 99B, *General Appropriations Act FY 2000-2001*, ch. 2000-166, L.O.F.

<sup>11</sup> See page 10, lines 13 through 18, of Senate Bill 1498 (2001).