

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: Senator Garcia

SUBJECT: Jobs for Florida's Graduates

DATE: April 11, 2001 REVISED: _____

| | ANALYST | STAFF DIRECTOR | REFERENCE | ACTION |
|----|---------|----------------|-----------|-----------|
| 1. | White | O'Farrell | ED | Favorable |
| 2. | _____ | _____ | CM | _____ |
| 3. | _____ | _____ | AED | _____ |
| 4. | _____ | _____ | AP | _____ |
| 5. | _____ | _____ | _____ | _____ |
| 6. | _____ | _____ | _____ | _____ |

I. Summary:

Jobs for Florida's Graduates is a dropout prevention program for at-risk high school seniors, which also provides placement and support services after graduation. This bill contains a number of provisions designed to allow the program to continue to operate. The bill codifies current practice or simplifies legislative requirements so that the program meets its goals and performance standards. To that end, the bill:

- Deletes the initial 5-year time limitation
- Broadens the definition of schools and students who can participate in the program
- Revises the qualifications and composition of the board of directors
- Revises criteria for the outcome goals, reporting requirements, and rule making authority
- Deletes obsolete provisions

The bill also repeals a pilot program in apprenticeship for Okaloosa-Walton Community College.

This bill substantially amends s. 446.609, F.S., and repeals s. 3 of ch. 98-218, L.O.F.

The bill takes effect July 1, 2001.

II. Present Situation:

Summary

The 1998 Legislature created the *Jobs for Florida Graduates* program to help high-risk students make the transition from school to work. The program operates by placing job specialists in high schools to select high-risk seniors for the program and to provide services to them with the goals of graduation and continuing education or working in meaningful employment within 12 months of their graduation. Florida's program is part of a 20-year nation wide initiative coordinated by

the Job's for American Graduates, Inc. (JAG), based in Arlington, VA. This organization is currently working with high school seniors in 28 states in the United States.

Cost

According to JAG, the program costs approximately \$1,100 to \$1,500 per participant for 18 months of services. National 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 continuing education)
- 60% employment rate (full, part-time, or military)

Operation

The program operates in schools by means of employing job specialists to work with the selected students. A program site is defined as the presence of a program specialist, so that a school with more than one specialist may have more than one site. Thus, Florida has 50 sites in 34 schools. According to the statute, the program is supposed to employ the job specialists, but in Florida the school districts employ them.

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 9 of its 15 members from the private sector; the rest may come from secondary education, vocational education or job training programs.

The current board has only five members from the private sector. The board has not raised any outside funding during the program's first 2 years.

Outcome Goal; Performance Measures

An outcome goal of the program is to have a minimum of 300 high schools participating in the program by the end of the 2000-2001 school year. Currently, the program is operating in 34 schools.

The program has the following statutory performance standards:

Year one:

- 82 percent of JFG students achieve a high school diploma or GED
- 70-75 percent must be employed (in the civil sector or military) or in postsecondary training that equals at least 40 hours per week

Year two:

- 85 percent of the JFG students achieve a high school diploma or GED
- 75-78 percent must be employed (in the civil sector or military) or in postsecondary training that equals at least 40 hours per week.

Years three through five:

- 90 percent of the JFG students achieve a high school diploma or GED

- 80 percent must be employed (in the civil sector or military) or in postsecondary training that equals at least 40 hours per week.

The initial follow-up data show that the program has the potential to meet its statutory standards for year 2. 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 the March 2001 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.

Evaluation

Jobs for Florida's Graduates conducted a review of the program's activities and submitted a report to OPPAGA. OPPAGA audited the report and made recommendations to the board regarding expansion, curtailment, modification, or continuation of the program. The OPPAGA report¹ concluded:

"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.

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."

One-Year Pilot Apprenticeship Program

Section 3 of ch. 98-218, L.O.F., allots to Okaloosa-Walton Community College four positions and \$200,000 to survey and identify all business and industry 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:

The legislation under consideration contains a number of provisions designed to allow *Jobs for Florida's Graduates* to continue to operate. The bill codifies current practice or simplifies legislative requirements so that the program meets its goals and performance standards.

¹ A complete copy of the March 2001 OPPAGA Status Report (Report No. 01-19) is available online at <http://www.oppaga.state.fl.us>

Continues Program

The bill removes the 5-year limitation on the Jobs for Florida's Graduates program, thus preventing its termination in 2002.

Expands Participation

The bill removes the requirement that participants must be at-risk students in the 12th grade. They may be any at-risk students as defined in the Jobs for America's Graduates model. Charter schools may participate in the program if the board selects them.

Does Not Require Endowment Fund

The bill deletes reference to the endowment fund, which has not been established. It transfers all principal and interest in the endowment fund to the board of directors. The Florida Endowment Foundation will not be a direct support organization of the Department of Education operating under contract with the Department of Education. The bill deletes obsolete provisions relating to the distribution criteria of the earnings on the endowment fund principal and the startup funding.

Simplifies Board of Directors

Under the bill, the board will consist of *at least 15 members, a majority of whom* are from the private sector. The bill removes detail about the public sector members. The chairperson will be from the private sector. Initially, the commissioner will appoint the chairperson and all the board members, but, effective July 1, 2001, a membership committee comprised of current board members will handle reappointments.

Improves Reporting Criteria

The bill changes the current reporting date from March 31 to June 30. This change allows the Florida JFG program to be in line with the JAG Model and also makes it easier for the Legislature and the Office of Program and Policy Analysis and Government Accountability to:

- Compare JFG participants with the Florida control group for longitudinal research and evaluation purposes.
- Compare JFG participants with other JAG affiliates.

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

The bill simplifies terminology relating to the adoption of rules.

One-year Pilot Apprenticeship Program

Finally, the bill repeals the temporary apprenticeship program created in section 3 of Chapter 98-218, Laws of Florida.

IV. Constitutional Issues:**A. Municipality/County Mandates Restrictions:**

None.

B. Public Records/Open Meetings Issues:

None.

C. Trust Funds Restrictions:

None.

V. Economic Impact and Fiscal Note:**A. Tax/Fee Issues:**

None.

B. Private Sector Impact:

If the bill does not become a law, the program will terminate in 2002, and its benefits to selected students in the 34 high schools will cease.

C. Government Sector Impact:

The program has been funded at \$3 million in past years. The bill will authorize it to continue without expanding to the 300 high schools required in current law.

VI. Technical Deficiencies:

None.

VII. Related Issues:

The bill does not eliminate the statutory requirement that the Jobs for Florida's Graduates program should employ the staff to work in the sites (page 10, lines 13-19). 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.