The Florida Senate

BILL ANALYSIS AND FISCAL IMPACT STATEMENT

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

Prepared By: The Professional Staff of the Education Pre-K-12 Committee

BILL:	CS/SB 1366
INTRODUCER:	Education Pre-K-12 Committee and Senator Gaetz
SUBJECT:	Education/Transparency/Economic Security Report
DATE:	January 24, 2012 REVISED:

	ANALYST	STAFF DIRECTOR	REFERENCE	ACTION
1.	Harkey	deMarsh-Mathues	ED	**Fav/CS**
2.			HE	
3.			BC	
4.				
5.				
6.				

Please see Section VIII. for Additional Information:

A. COMMITTEE SUBSTITUTE.....	X	Statement of Substantial Changes
B. AMENDMENTS.....		Technical amendments were recommended
		Amendments were recommended
		Significant amendments were recommended

I. Summary:

This bill requires changes in educational delivery and reporting to better inform students and their parents of the employment and economic outcomes for degrees earned at state universities and to provide opportunities for secondary and postsecondary students to earn science, technology, engineering and mathematics (STEM) industry certification necessary for employment. The bill requires:

- Reports of employment and earnings for graduates from state universities to be given to secondary school students and their parents and to university students when they register for classes;
- Reporting of university degrees conferred in STEM fields and university research and endowment funding;
- A career-themed course and a personalized academic and career plan for middle school students and their parents;
- Industry certification courses in middle school; and
- Priority enrollment for university students returning after being employed in a STEM field or a field in which industry certification is required.

The bill directs funding toward education in technical fields by:

- Authorizing universities to use a portion of the tuition differential fee for financial aid for students in technology fields;
- Providing weighted funding for K-12 students in industry certification courses; and
- Providing performance funding for state universities that are most successful in educating students who earn degrees in, and become employed in, technology fields.

This bill amends ss. 1001.03, 1001.42, 1001.706, 1002.20, 1003.4156, 1003.4935, 1008.39, 1009.24, and 1011.62, Florida Statutes. The bill creates ss. 445.07, 445.09, 445.11, 1004.323, and 1011.905, Florida Statutes.

II. Present Situation:

With the economic downturn in recent years and the difficulty many college graduates have had finding employment, many students have begun to question the economic value of a bachelor's degree.[1] In a survey by Rutgers University, 48 percent of the students surveyed said that in order to have economic security they would have been more careful in selecting a major or would have chosen a different major.[2]

Research by the Center on Education and the Workforce at Georgetown University found that a student's choice of major substantially affects employment prospects and earnings.[3] The study found that "majors with high technical, business, and healthcare content tend to earn the most among both recent and experienced college graduates."[4]

According to the TechAmerica Foundation, in a ranking of states on high technology measures based on 2010 data, Florida ranked fifth in high tech employment, third in number of high tech establishments, and second in defense systems manufacturing.[5] According to a Georgetown university report analyzing STEM jobs by state, Florida will require a total of 385,010 STEM jobs by 2018,[6] and 89 percent of those jobs will require postsecondary education and training in high technology employment. Forty-nine percent of Florida's STEM jobs will be in computer occupations by 2018. The report also projects that nine percent of all Florida jobs for holders of Master's degrees and ten percent of all jobs for holders of a PhD degree will be in STEM fields by 2018. However, since 2001, there has been a 46 percent decline in bachelor's degrees earned

[1] Kwoh, L. "Generation Jobless", Wall Street Journal, November 12, 2011, readable at: http://online.wsj.com/article/SB10001424052970204224604577032551908947414.html?KEYWORDS=value+of+a+college+degree ; Wooldridge, A., "Angst for the Educated," Schumpeter" column, The Economist, September 3, 2011, readable at:http://www.economist.com/node/21528226; and Fischer, Karin, "Crisis of Confidence Threatens Colleges", the Chronicle of Higher Education, May 15, 2011, readable at: http://chronicle.com/article/Higher-Education-in-America-a/127530/

[2] Godofsky, J.; Zukin, C.; Van Horn, C; "Unfulfilled Expectations: Recent College Graduates Struggle in a Troubled Economy", John J. Heldrich Center for Workforce Development, Rutgers University, May 2011, readable at: http://www.heldrich.rutgers.edu/sites/default/files/content/Work_Trends_May_2011.pdf.

[3] Carnevale, A.P.; Cheah, B.; and Strohl, J.; "Hard Times: College Majors, Unemployment and Earnings: Not All College Degrees are Created Equal," Georgetown University Center for Education and the Workforce, January 4, 2012.

[4] *Id.*, p. 6.

[5] http://www.techamericafoundation.org/cyberstates2011-florida.

[6] This number represents an increase of 62,450 jobs over the 2008 total of 322,560 jobs.

at state universities in computer, computer services, information technology, software engineering, management information systems and related high tech fields.[7]

Prioritizing STEM in education is one of seven key steps in the Governor's 2012 Job Creation and Economic Growth Agenda.[8] The agenda calls for prioritizing STEM to focus Florida's K-12 and higher education systems on producing graduates that can support a growing high-tech workforce.[9] The agenda cites Enterprise Florida's estimate that 15 of the 20 fastest growing job fields will require a STEM education.[10]

Section 1008.39, F.S., establishes the Florida Education and Training Placement Information Program (FETPIP), a data collection and consumer reporting system established to provide follow-up data on former students and program participants who have graduated, exited or completed a public education or training program within the state. The statute requires all elements of Florida's workforce development system to use information provided through FETPIP for any project they may conduct requiring automated matching of administrative records for follow-up purposes. The statute prohibits FETPIP from making public any information that could identify an individual or an individual's employer. FETPIP does not report employment and earnings by students earning industry certifications, but the DOE collects such data. The Industry Certification Funding list reports students earning industry certifications, by school district, on the K-12 student information system.

The Department of Education (DOE) annually calculates completion and placement rates and average earnings for career and technical education programs in a manner consistent with those used for annual accountability reporting required by the federal Carl D. Perkins Career and Technical Education Act grant, and the established targets are based on those agreed upon with the federal government. If a district or college program fails to achieve both the completion and placement targets and the average full-time/full-quarter earnings of completers is below the 25th percentile in the state for that program, the program is flagged in a performance report and the college or district is notified.

Section 1003.4156, F.S., requires students to take a course in career and education planning in 7th or 8th grade that must include career exploration using Florida CHOICES or a comparable cost-effective program. It must include educational planning using the online student advising system known as Florida Academic Counseling and Tracking for Students at the Internet website FACTS.org, and it must result in the completion of a personalized academic and career plan.

III. Effect of Proposed Changes:

The bill requires changes in educational delivery and reporting to better inform students and their parents of the employment and economic outcomes for degrees earned at state universities; to emphasize science, technology, engineering, and mathematics (STEM) fields; to better provide

[7] Florida State University Learning Systems Institute using state university system data, compiled October 2011.
[8] Governor Rick Scott's 2012 Job Creation and Economic Growth Agenda, p. 2, Readable at: http://www.flgov.com/2011/10/13/2012-job-creation-economic-growth-agenda/.
[9] *Id.*, p. 6.
[10] *Id.*, p. 6.

secondary and postsecondary students opportunities to earn industry certifications; and to begin preparing middle school students for a STEM bachelor's degree pathway.

Economic Security Report
To foster an understanding of the economic outcomes associated with various academic choices, the bill requires an Economic Security Report to be provided to students and their parents by the principal or teacher beginning in middle school and to the public via the internet, print media, and social media. The Department of Economic Opportunity (DEO) must prepare the report using the Florida Education and Training Placement Information Program (FETPIP) data, the federal Integrated Postsecondary Education Data System (IPEDS), State University System (SUS) data, and Florida College System (FCS) data. The report will include information on graduates, degrees, education delivery system, public assistance data, student loan debt data, employment, income, continuing education, and graduate degrees on all students who earn a degree in the SUS, the FCS, and those who hold industry certifications. The DEO must submit a link to the report to the Governor, the President of the Senate, the Speaker of the House of Representatives, the State Board of Education, the Board of Governors, each state university, each Florida College System institution, and each school district by August 1 of each year.

The Florida Education and Training Placement Information Program (FETPIP)
The bill requires the DOE to include in the FETPIP data base information on former participants who leave the state or are self-employed. The DOE is authorized to contract with an entity to provide the information.

Secondary School Industry Certification
The bill requires the DEO to refer a secondary school student who has been identified as having earned an industry certification in science, technology, engineering, or mathematics, as defined by the State Board of Education and included on the Industry Certified Funding List as described in ss. 1003.492, F.S., and 1003.493,F.S., to an online registration website established by the department or a private placement service that links the student with:

- State universities or FCS institutions that have programs aligned with the student's industry certification;
- Employment opportunities in the state which are linked to the student's industry certificate; and
- Information relating to employment rates, salary rates, and applicable training options.

Privacy of Student Records
The bill provides that the sharing of data regarding students' industry certification or college majors does not abrogate the provisions of s. 1002.22, F.S., or the requirements of 20 U.S.C. s. 1232g, the Family Educational Rights and Privacy Act (FERPA). The federal and state laws protect the privacy of student records. Section 1002.22, F.S., gives public school elementary and secondary school students and their parents the right to access their educational records, to challenge the content of the records, and to have privacy with respect to the records. Section 1002.221, F.S., prohibits the release of K-12 educational records without written consent of the student or parent except as permitted by the FERPA. Section 1002.225, F.S., requires all public postsecondary educations to comply with the FERPA, and provides a student whose rights are violated the immediate right to bring an action in circuit court to enforce his or her rights by injunction.

Career-themed Course
The current requirement for a career and education planning course in 7th or 8th grade is replaced by a requirement for a career-themed course, to be completed in 6th, 7th, or 8th grade, which would include a personalized academic and career plan for the student emphasizing technology or the application of technology in other fields and including instruction in using the DEO's economic security report. The bill deletes the current requirement for students to use Florida CHOICES and FACTS.org. in creating a personalized academic and career plan. The two DOE programs might still be used in conjunction with the DEO economic security report.

Unified STEM Plan
The State Board of Education, in conjunction with the Board of Governors and the DEO must adopt a unified state plan for science, technology, engineering and mathematics. The purpose of the plan is to prepare students for high-skill, high-wage, and high-demand employment.

Funding for Industry Certification Courses
The DOE must adopt rules to identify industry certifications in science, technology, engineering, or mathematics courses in middle school to be included on the Industry Certified Funding List which are eligible for additional full-time equivalent membership in the Florida Education Finance Program.[11] The bill revises the formula for providing weighted funding for industry-certified courses to:

- Require the SBOE to place a value of 0.1 FTE (but not to exceed 0.3 per student) to each student who completes the industry-certified career and professional course upon promotion to the 9th grade;
- Require each school district to allocate at least 80 percent of the funds for industry certification to the program that generated the funds; and
- Set the maximum appropriation at $15 million.

Economic Security Report to University Students
Beginning with the course registration process for the 2013-2014 academic year, state universities must provide each enrolled student with a link to the DEO's economic security report. In addition, each student must receive information regarding:

- The top 25 percent of degrees reported by the university in terms of highest full-time job placement and highest average annualized earnings in the year after earning the degree; and
- The bottom 10 percent of degrees reported by the university in terms of the lowest full-time job placement and lowest average annualized earnings in the year after earning the degree.

The bill requires the Board of Governors to submit a research and endowment report to the Governor, President of the Senate, and Speaker of the House of Representatives containing the following information for each state university:

- Beginning with the 2010 fall term and each fall term thereafter, the enrollment of students in science, technology, engineering, or mathematics by degree;

[11] s. 1011.62(1), F.S.

- Beginning with the 2011 spring term and each spring term thereafter, the graduation of students in science, technology, engineering, or mathematics by degree;
- The growth or decline in the number of students enrolling in and graduating with STEM degrees each year;
- The specific means by which, and the frequency with which, students were notified of the economic security report;
- The amount of the university's endowment;
- The amount of federal and state grant or research funds received by the university;
- The number of patents, copyrights, trademarks, or other intellectual property produced by the university;
- The number of start-up companies that have links to the university;
- The amount of private venture capital that is linked to university projects; and
- The number of baccalaureate degrees that may be earned through the use of distance learning, the number of baccalaureate degrees that may be earned in which 50 percent of the course instruction is delivered through distance learning, and the number of students enrolled and completing baccalaureate degrees through distance learning.

Universities' Use of the Tuition Differential Fee
The bill authorizes universities to use a portion of the tuition differential for financial aid for students in technology fields. After spending 70 percent of the tuition differential fee on undergraduate education, as required by s. 1009.24(16), F.S., a state university could expend up to 50 percent of the remaining revenues from the tuition differential or the equivalent amount of revenues from private sources to provide financial aid to undergraduate students who are pursuing a degree in computer and information science; computer engineering; information systems technology; information technology; and management information systems. The Board of Governors' annual report on the tuition differential must contain the number of students, by program enrollment and by degree, served under the tuition differential designated for students who exhibit financial need and who are pursuing a degree in computer and information science, computer engineering, information systems technology, information technology, and management information systems.

Recruitment of State University Students in Technology and Engineering.
The DEO and Workforce Florida, Inc., (WFI) are directed to recruit students who meet the following requirements and match them to potential employers:

- Students enrolled at a state university in a degree program in technology or engineering;
- Students who have graduated from a state university and have a degree in technology or engineering; and
- Students who have been identified as having earned an industry certification under ss. 1003.492 and 1003.493, F.S., in technology or engineering and which is on the Industry Certified Funding List as defined by the State Board of Education.

University students who leave their degree program to obtain employment under the provisions of newly created s. 445.09, F.S., may not be reported as a "noncompleter" if, upon leaving the degree program, they have a formal plan to complete their degree. The DEO and the Board of Governors must enter into an agreement to facilitate the re-enrollment and timely degree

completion of students who leave their degree program for a tech job and want to return to complete their degree.

Performance Funding for State Universities
In order to reverse the decline in bachelor's degrees in technology fields and to support and expand Florida's strong national position in tech employment and tech businesses, the bill provides performance funding for state universities. The universities that apply for the funding will be ranked based on the following formula:

- Twenty-five percent of a state university's score must be based on the percentage of employed graduates who have earned degrees in computer and information science, computer engineering, information systems technology, information technology; and management information systems;
- Twenty-five percent of a state university's score must be based on the percentage of graduates who earned baccalaureate degrees in computer and information science, computer engineering, information systems technology, information technology; and management information systems and who earned industry certifications in a related field from a Florida College System institution or state university prior to graduation; and
- Fifty percent of a state university's score must be based on factors determined by the Board of Governors which relate to increasing the probability that graduates who have earned degrees in computer and information science, computer engineering, information systems technology, information technology; and management information systems will be employed in high-skill, high-wage, and high-demand employment.

The bill requires the Board of Governors to award up to $15 million from funds appropriated for this purpose and provides that the minimum amount awarded to a state university must be at least 20 percent of the total appropriated.

IV. Constitutional Issues:

A. Municipality/County Mandates Restrictions:

None.

B. Public Records/Open Meetings Issues:

None.

C. Trust Funds Restrictions:

None.

V. Fiscal Impact Statement:

A. Tax/Fee Issues:

None.

B. Private Sector Impact:

The economic security report required by the bill will inform students and their parents regarding the employment and income of graduates of various college degree programs with the goal of helping them to choose academic fields that will lead to employment and economic security.

C. Government Sector Impact:

The bill authorizes weighted funding for industry certification courses in secondary school and extends the weighted funding to middle school industry certification courses in which a student was issued the highest level of industry certification in science, technology, engineering, or mathematics identified on the Industry Certification Funding List, according to State Board of Education rules. The bill provides that unless otherwise provided in the General Appropriations act, the amount of the weighted funding in secondary school will be $15 million.

The bill requires the Board of Governors to award up to $15 million in performance funding to state universities. By setting the minimum amount of a university's award at no less than 20 percent of the appropriation, the bill establishes a competitive process in which no more than 5 state universities could receive performance funding.

Universities are authorized to use a portion of the tuition differential fee to provide financial aid for students in technology fields. In 2010-11, the 11 state universities charged tuition differential fees ranging from $12.80 to $22.00 per credit hour. The total revenue from the fee in 2010-11 was $85.1 million. Of that amount, $61.4 million supported undergraduate education , and $23.7 was available for need-based financial aid.[12] Under the provisions of the bill, 50 percent of the $23.7 million, or $11.85 million, could be used to provide financial aid for students in technology fields.

VI. Technical Deficiencies:

None.

VII. Related Issues:

None.

[12] State University System of Florida Board of Governors, "Tuition Differential Fee Report," December 2011, readable at: http://www.flbog.edu/about/_doc/budget/Tuition-Differential-Report-andAttachment_2010-2011.pdf.

VIII. Additional Information:

A. Committee Substitute – Statement of Substantial Changes:
(Summarizing differences between the Committee Substitute and the prior version of the bill.)

CS by Education Pre-K-12 on January 24, 2012:
The committee substitute:

- Deletes a requirement that universities give priority enrollment to students who leave their degree program for a tech job and want to return to complete their degree and requires instead that DEO and the Board of Governors enter into an agreement to facilitate the re-enrollment and timely degree completion of such students; and
- Clarifies that universities must apply for performance based funding in order to be considered.

B. Amendments:

None.