

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 Committee on Appropriations

BILL: CS/SB 948

INTRODUCER: Higher Education Committee and Senator Gaetz

SUBJECT: Education

DATE: April 20, 2015

REVISED: _____

	ANALYST	STAFF DIRECTOR	REFERENCE	ACTION
1.	<u>Scott</u>	<u>Klebacha</u>	<u>HE</u>	Fav/CS
2.	<u>Sikes</u>	<u>Elwell</u>	<u>AED</u>	Recommend: Fav/CS
3.	<u>Sikes</u>	<u>Kynoch</u>	<u>AP</u>	Pre-meeting

Please see Section IX. for Additional Information:

COMMITTEE SUBSTITUTE - Substantial Changes

I. Summary:

CS/SB 948 updates terminology and revises criteria relating to apprenticeships, modifies Florida Education Finance Program (FEFP) funding, adds a requirement for designation as a preeminent state research university, establishes postsecondary performance-based incentive funding models, creates the Rapid Response Education and Training Program and the Florida Best and Brightest Teacher Scholarship Program.

Apprenticeships

The bill updates definitions, authorizes the appointment of independent public members to the State Apprenticeship Advisory Council, and revises the criteria for an apprenticeable occupation.

FEFP Funding

The bill:

- Extends and expands the requirement of providing an additional hour of intensive reading instruction to students enrolled in the 300 lowest-performing elementary schools.
- Authorizes performance funding for a career and professional education (CAPE) industry certification earned through a dual enrollment course.
- Establishes two new tiers of bonuses and raises the maximum annual bonus for CAPE industry certification teachers.
- Increases the discretionary millage compression supplement above the state average.

- Modifies the formula for calculating the sparsity supplement.
- Modifies the formula for calculating the virtual education contribution.
- Creates the federally connected student supplement.

Preeminent State Research University Designation

The bill adds a requirement that a state research university enter into and maintain a formal agreement with the National Merit Scholarship Corporation for designation as a preeminent state research university.

Performance-Based Funding

The bill establishes the State University System and Florida College System Performance-Based Incentive funding models based on metrics adopted by the Board of Governors and the State Board of Education (State Board), respectively.

Rapid Response Education and Training Program

The bill creates the Rapid Response Education and Training Program (Program) within the Complete Florida Plus Program to recruit and retain employees through industry-specific education and training. The bill:

- Specifies the responsibilities of the Program.
- Requires DOE to evaluate and report on the effectiveness of the Program.
- Requires DOE to develop standards.
- Requires the State Board to adopt rules.

Florida Best and Brightest Teacher Scholarship Program

The bill creates the Florida Best and Brightest Teacher Scholarship Program (Scholarship Program) to award teachers who demonstrate a high level of academic achievement, authorizes funding for the Scholarship Program, and requires the State Board to adopt rules.

The Senate's Fiscal Year 2015-2016 proposed General Appropriations Bill, SB 2500, appropriates a total of \$90 million for the additional hour of intensive reading instruction through the Supplemental Academic Instruction (SAI) and the Research-Based Reading Instruction Allocation categoricals in the FEFP. The increase in the discretionary millage supplement is funded at \$34 million and the federally connected student supplement categorical is funded at \$12.4 million. The State University System and Florida College System Performance-Based Incentive funding models are funded at \$400 million and \$60 million respectively. The Rapid Response Education and Training Program is funded at \$19.2 million.

The Florida Best and Brightest Program, which does not have an appropriation in SB 2500, has an estimated cost of \$45.5 million for the 2015-2016 fiscal year.

The bill provides an effective date of July 1, 2015.

II. Present Situation:

Apprenticeship Programs

Registered Apprenticeship (RA) “connects job seekers looking to learn new skills with employers looking for qualified workers, resulting in a workforce with industry-driven training and employers with a competitive edge.”¹

Federal Program Requirements

The United States Congress enacted the National Apprenticeship Act (also known as the Fitzgerald Act in honor of its author, Congressman William J. Fitzgerald)² in 1937.³ Following the passage of the act, RA programs consisted mainly of manufacturing, construction, and utilities industries.⁴ Since 1937, RA programs have grown to 24,000 programs providing education and training to approximately 400,000 apprentices in emerging and high-growth sectors such as energy conservation, health care, and information technology, in addition to traditional industries such as manufacturing and construction.⁵ “As the need for skilled workers increases and our economy faces greater global competition, RA continues to be a competitive advantage for all parties—individuals, businesses, labor management organizations, education, the workforce investment system and government. For these reasons, [the Employment and Training Administration, U.S. Department of Labor] issued revised regulations that increase program flexibility to better serve the needs of today’s apprentices and program sponsors.”⁶

For apprentices and program sponsors, the regulations:⁷

- Incorporate technology-based learning;
- Provide additional pathways to certification;
- Introduce interim credentials;
- Improve registration and review process;
- Update the reciprocal registration provision; and
- Introduce provisional registration.

For State Apprenticeship Agencies (SSAs), the regulations:⁸

- Increase linkages with the workforce investment system;
- Redefine the roles and responsibilities of SSAs and State Apprenticeship Councils (SACs);

¹ U.S. Department of Labor, *Apprentices*, <http://www.doleta.gov/oa/apprentices.cfm> (last visited March 2, 2015).

² U.S. Department of Labor, *Workforce System Results* (Sep. 30, 2012), available at <http://www.doleta.gov/Farmworker/pdf/workforceSystemResultsSept2012.pdf>, at 4 of 38.

³ U.S. Department of Labor, *Registered Apprenticeship*, <http://www.doleta.gov/oa/history.cfm> (last visited March 2, 2015); see 29 U.S.C., s. 50.

⁴ U.S. Department of Labor, *Registered Apprenticeship*, <http://www.doleta.gov/oa/history.cfm> (last visited March 2, 2015).

⁵ *Id.*

⁶ *Id.* “These revised regulations published, on October 29, 2008, update Title 29 CFR, part 29 and provide a framework that supports an enhanced, modernized apprenticeship system.” U.S. Department of Labor, *Regulations*, <http://www.doleta.gov/oa/regulations.cfm> (last visited March 2, 2015).

⁷ U.S. Department of Labor, *Apprenticeship Final Rule Fact Sheet*, available at http://www.doleta.gov/oa/pdf/Apprenticeship_Final_Fact_Sheet.pdf, at 1-2 of 4.

⁸ U.S. Department of Labor, *Apprenticeship Final Rule Fact Sheet*, available at http://www.doleta.gov/oa/pdf/Apprenticeship_Final_Fact_Sheet.pdf, at 2-3 of 4.

- Establish a process for continued recognition; and
- Increase flexibility for location of an SSA.

For the U.S. Department of Labor, the regulations:⁹

- Enhance program accountability; and
- Ensure national conformity with federal apprenticeship legislation and regulations.

Registered apprenticeship program sponsors (i.e., employers, employer associations, and labor management organizations)¹⁰ identify the minimum qualifications to apply into their apprenticeship program.¹¹ An individual must be at least 16 years of age to be an apprentice.¹² In hazardous occupations, individuals must generally be 18 years of age.¹³ Program sponsors may also identify additional minimum qualifications and credentials to apply (e.g., education, ability to physically perform the essential functions of the occupation, and proof of age). All applicants are required to meet the minimum qualifications. Additional qualification standards, such as fair aptitude tests and interviews, school grades, and previous work experience may be identified.¹⁴ Apprenticeship programs range from 1 year to 6 years, but the majority are 4 years in length.¹⁵ During the program, the apprentice receives both structured, on-the-job learning and related classroom instruction.¹⁶ For each year of the apprenticeship, the apprentice typically receives 2,000 hours of on-the-job learning and a recommended minimum of 144 hours of related classroom instruction.¹⁷

State Law

Florida law provides educational and training opportunities, in the form of apprenticeship and preapprenticeship programs, to prepare individuals for trades, occupations, and professions suited to their abilities.¹⁸

An apprenticeship program means “an organized course of instruction, registered and approved by the department, which course shall contain all terms and conditions for the qualifications, recruitment, selection, employment, and training of apprentices¹⁹ including such matters as the

⁹ U.S. Department of Labor, *Apprenticeship Final Rule Fact Sheet*, available at http://www.doleta.gov/oa/pdf/Apprenticeship_Final_Fact_Sheet.pdf, at 3 of 4.

¹⁰ Registered Apprenticeship program sponsors vary from small, privately owned businesses to national employer and industry associations. There are nearly 29,000 sponsors representing more than 250,000 employers, such as UPS, the United States Military Apprenticeship Program, Werner Enterprises, and CVS/pharmacy. U.S. Department of Labor, *Apprentices*, <http://www.doleta.gov/oa/apprentices.cfm> (last visited March 2, 2015).

¹¹ U.S. Department of Labor, *Apprentices*, <http://www.doleta.gov/oa/apprentices.cfm> (last visited March 2, 2015).

¹² *Id.*

¹³ U.S. Department of Labor, *Apprentices*, <http://www.doleta.gov/oa/apprentices.cfm> (last visited March 2, 2015).

¹⁴ *Id.*

¹⁵ U.S. Department of Labor, *Apprentices*, <http://www.doleta.gov/oa/apprentices.cfm> (last visited March 2, 2015).

¹⁶ *Id.*

¹⁷ *Id.*

¹⁸ Section 446.011(1), F.S.

¹⁹ An apprentice means “a person at least 16 years of age who is engaged in learning a recognized skilled trade through actual work experience under the supervision of journeyman craftsmen, which training should be combined with properly coordinated studies of technical and supplementary subjects, and who has entered into a written agreement, which may be cited as an apprentice agreement, with a registered apprenticeship sponsor who may be either an employer, an association of employers, or a local joint apprenticeship committee.” Section 446.021(2), F.S. A journeyman means “a person working in an apprenticeable occupation who has successfully completed a registered apprenticeship program or who has worked the

requirements for a written apprenticeship agreement.”²⁰ A preapprenticeship program means “an organized course of instruction in the public school system or elsewhere, which course is designed to prepare a person 16 years of age or older to become an apprentice and which course is approved by and registered with the department and sponsored by a registered apprenticeship program.”²¹

The Department of Education (DOE or department) is responsible for administering, facilitating, and supervising registered apprenticeship programs (e.g., developing and encouraging apprenticeship programs, cooperating with and assisting apprenticeship sponsors to develop apprenticeship standards and training requirements, monitoring RA programs, investigating complaints regarding failure to meet the standards²² established by the department, and canceling registration of programs that fail to comply with the standards and policies of the department).²³

Additionally, the department, the district school boards, and the community college district boards of trustees must work together with existing apprenticeship programs so that individuals completing the preapprenticeship programs may be able to receive credit towards completing a registered apprenticeship program.²⁴

The State Apprenticeship Advisory Council (Council) advises the department on matters related to apprenticeship.²⁵ The Council is comprised of 10 voting members appointed by the Governor and two ex officio nonvoting members.²⁶ The Commissioner of Education (commissioner) or the commissioner’s designee must serve ex officio as chair of the Council, but may not vote.²⁷ Two public members who are knowledgeable about registered apprenticeship and apprenticeable

number of years required by established industry practices for the particular trade or occupation.” Section 446.021(4), F.S. An apprenticeable occupation is a skilled trade which possesses all of the characteristics that are specified in law (e.g., customarily learned in a practical way through a structures, systemic program of on-the-job, supervised training and involves manual, mechanical, or technical skills and knowledge which require a minimum of 2,000 hours of work and training, which hours are excluded from the time spent at related instruction). Section 446.092, F.S.

²⁰ Section 446.021(6), F.S. An apprenticeship agreement may not operate to invalidate any apprenticeship provision in a collective agreement between employers and employees which establishes higher apprenticeship standards. Section 446.081(1), F.S.

²¹ Section 446.021(5), F.S.

²² The Department of Education (DOE or department) is responsible for developing apprenticeship and preapprenticeship uniform minimum standards for the apprenticeable trades and assisting district school boards and community college district boards of trustees in developing preapprenticeship programs. Sections 446.011(2), 446.032, and 446.052, F.S. Uniform minimum preapprenticeship standards means “the minimum requirements established uniformly for each craft under which a preapprenticeship program is administered and includes standards for admission, training goals, training objectives, curriculum outlines, objective standards to measure successful completion of the preapprenticeship program, and the percentage of credit which may be given to preapprenticeship graduates upon acceptance into the apprenticeship program.” Section 446.021(8), F.S.

²³ Section 446.041, F.S.

²⁴ Section 446.052(3), F.S.

²⁵ Section 446.045(2)(a), F.S.

²⁶ *Id.*

²⁷ Section 446.045(2)(b), F.S.

occupations are appointed by the Governor to the Council.²⁸ One of the public members must be recommended by joint organizations and one must be recommended by nonjoint organizations.²⁹

Florida Education Finance Program (FEFP)

Intensive Reading Instruction

A school district that has one or more of the 300 lowest-performing elementary schools based on the state reading assessment is required to provide an additional hour of intensive reading instruction beyond the normal school day for each day of the entire school year in those schools.³⁰ Funds for this program are designated in the Supplemental Academic Instruction and the Research-Based Reading Instruction Allocation categoricals in the FEFP within the General Appropriations Act (GAA).³¹

Dual Enrollment Industry Certification Funding

In 2007, the Legislature created the Florida Career and Professional Education (CAPE) Act to:³²

- Improve middle and high school academic performance by providing rigorous and relevant curriculum opportunities;
- Provide rigorous and relevant career-themed courses³³ that articulate to postsecondary-level coursework and lead to industry certification³⁴;
- Support local and regional economic development;
- Respond to Florida’s critical workforce needs; and
- Provide state residents with access to high-wage and high-demand careers.

The State Board of Education (SBE or State Board) adopts by rule, the list of industry certifications that are eligible for funding through the Florida Education Finance Program (FEFP).³⁵ The list of industry certifications approved by Workforce Florida, Inc., and the Florida Department of Education (DOE), called the Industry Certification Funding List, is updated annually.³⁶ Industry certifications on the “Gold Standard Career Pathways” list, which is

²⁸ *Id.*

²⁹ *Id.* A “joint organization” means an apprenticeship sponsor who participates in a collective bargaining agreement. Section 446.045(1)(a), F.S. A “nonjoint organization” means an apprenticeship sponsor who does not participate in a collective bargaining agreement. *Id.* at (1)(b).

³⁰ Section 1011.62(1)(f) and (9), F.S.

³¹ Chapter 2014-51, L.O.F.

³² Section 1003.491(1), F.S.

³³ A “career-themed course” is a course, or a course in a series of courses, that leads to an industry certification identified in the Industry Certification Funding List pursuant to rules adopted by the State Board of Education. Career-themed courses have industry-specific curriculum aligned directly to priority workforce needs established by the regional workforce board or the Department of Economic Opportunity. Section 1003.493(1)(b), F.S.

³⁴ Through third-party assessments called industry certifications, students demonstrate competency to perform specific industry-endorsed and -recognized skills and abilities required to perform particular jobs. Sections 1003.4203(8)(b) and 1003.492(2), F.S.

³⁵ Sections 1008.44 and 1003.492, F.S.

³⁶ Section 1003.492(2), F.S.

incorporated by reference in SBE rule,³⁷ articulate to Associate in Applied Science and Associate in Science degree programs and are a subset of the Industry Certification Funding List.³⁸

Performance funding for a CAPE industry certification earned through dual enrollment is allocated to the Florida College System institution or district career center providing the instruction only if the industry certification is eligible for funding on the Postsecondary Industry Certification Funding List approved by the State Board.³⁹

Bonus Funding

Bonus funding is authorized for school districts and for teachers if a student earns a qualifying score on the following examinations and certifications: International Baccalaureate (IB) examinations; Advanced International Certificate of Education (AICE) examinations; Advance Placement (AP) examinations; and CAPE industry certifications.⁴⁰

School District Bonus Funding

School district bonus funding is awarded as follows:⁴¹

- 0.16 full-time equivalent (FTE) bonus funding for every qualifying score earned on an IB or AP examination or full-credit AICE examination.
- 0.8 FTE bonus funding for every qualifying score earned on a half-credit AICE examination.
- 0.1, 0.2, 0.3, 0.5, or 1.0 FTE for CAPE industry certifications.

Teacher Bonus Funding

Teacher bonus funding is awarded for IB, AICE, and AP examinations, and CAPE industry certifications.⁴² For IB examinations, a bonus in the amount of \$50 is awarded for each student taught by the IB teacher who receives a qualifying score on the IB examination.⁴³ An additional bonus of \$500 is awarded to each IB teacher in a school designated with a grade of “D” or “F” who has at least one student earning a qualifying score on the IB examination.⁴⁴ IB bonuses must not exceed \$2,000 given to a teacher in any given school year. However, the maximum bonus shall be \$3,000 if at least 50 percent of the students enrolled in a teacher’s course earn a qualifying score in a school designated with a grade of “A,” “B,” or “C”; or if at least 25 percent of the students enrolled in a teacher’s course earn a qualifying score in a school designated with a grade of “D” or “F.”⁴⁵

For AICE examinations, a bonus in the amount of \$50 is awarded for each student taught by the AICE teacher in each full-credit AICE course who receives a qualifying score on the AICE

³⁷ Rule 6A-10.0401, F.A.C.

³⁸ Florida Department of Education, *Process for Establishing Gold Standard Career Pathways Industry Certification to AAS/AS Degree Statewide Articulation Agreements*, available at <http://www.fldoe.org/workforce/dwdframe/pdf/GSCPICprocess.pdf>.

³⁹ Section 1011.80, F.S.

⁴⁰ Section 1011.62(1)(l)-(o), F.S.

⁴¹ *Id.*

⁴² *Id.*

⁴³ *Id.*

⁴⁴ *Id.*

⁴⁵ *Id.*

examination.⁴⁶ A bonus in the amount of \$25 is awarded for each student taught by the AICE teacher in each half-credit AICE course who receives a qualifying score on the AICE examination.⁴⁷ An additional bonus of \$500 is awarded to each AICE teacher in a school designated with a grade of “D” or “F” who has at least one student earning a qualifying score on the full-credit AICE examination, or \$250 is awarded each to teachers of half-credit AICE classes in a school designated with a grade of “D” or “F” which has at least one student earning a qualifying score on the half-credit AICE examination.⁴⁸ AICE bonuses must not exceed \$2,000 given to a teacher in any given school year.⁴⁹

For AP examinations, a bonus in the amount of \$50 is awarded for each student taught by the AP teacher who receives a qualifying score on the AP examination.⁵⁰ An additional bonus of \$500 is awarded to each AP teacher in a school designated with a grade of “D” or “F” who has at least one student earning a qualifying score on the AP examination.⁵¹ AP bonuses must not exceed \$2,000 given to a teacher in any given school year.⁵² However, the maximum bonus shall be \$3,000 if at least 50 percent of the students enrolled in a teacher’s course earn a qualifying score in a school designated with a grade of “A,” “B,” or “C”; or if at least 25 percent of the students enrolled in a teacher’s course earn a qualifying score in a school designated with a grade of “D” or “F.”⁵³

For CAPE Industry Certifications, a bonus in the amount of \$25 is awarded for each student taught by a teacher who provided instruction in a course that led to the attainment of a CAPE industry certification on the CAPE Industry Certification Funding List with a weight of 0.1.⁵⁴ A bonus in the amount of \$50 is awarded for each student taught by a teacher who provided instruction in a course that led to the attainment of a CAPE industry certification on the CAPE Industry Certification Funding List with a weight of 0.2, 0.3, 0.5, and 1.0.⁵⁵ CAPE industry certification bonuses must not exceed \$2,000 given to a teacher in any given school year.⁵⁶

Discretionary Millage Compression Supplement

A school district that levies the full 0.748 discretionary millage authorized under s. 1011.71(1), F.S., and prescribed in the GAA,⁵⁷ and generates an amount of funds per unweighted FTE student that is less than the state average amount per unweighted FTE student, receives a discretionary millage compression supplement that brings the district up to the state average.⁵⁸

⁴⁶ *Id.*

⁴⁷ *Id.*

⁴⁸ *Id.*

⁴⁹ *Id.*

⁵⁰ *Id.*

⁵¹ *Id.*

⁵² *Id.*

⁵³ *Id.*

⁵⁴ *Id.*

⁵⁵ *Id.*

⁵⁶ *Id.*

⁵⁷ Chapter 2014-51, L.O.F.

⁵⁸ Florida Department of Education, 2014-15 Funding for Florida School Districts, Statistical Report, *available at* <http://fldoe.org/core/fileparse.php/7507/urlt/Fefpdist.pdf>.

Sparsity Supplement

The FEFP recognizes the relatively higher operating cost of smaller districts due to sparse student populations through a statutory formula in which the variable factor is a sparsity index.⁵⁹ This index is computed by dividing the FTE student membership of the qualified district by the number of permanent senior high school centers (not to exceed three).⁶⁰ A qualified district's FTE shall equal or be less than that prescribed annually by the Legislature in the GAA.⁶¹ The amount prescribed annually by the Legislature shall be no less than 17,000, but no more than 24,000 FTE.⁶²

Virtual Education Contribution

The virtual education contribution is calculated within the FEFP for the Florida Virtual School and its franchises, as well as other virtual instruction programs and options.⁶³ The virtual education contribution is the difference between the amount per FTE established in the GAA for virtual education and the amount per FTE for each district and the Florida Virtual School, which is calculated by taking the sum of the base FEFP allocation, the discretionary local effort, the state-funded discretionary contribution, the discretionary millage compression supplement, the research-based reading instruction allocation, and the instructional materials allocation, and then dividing by the total unweighted FTE.⁶⁴ In the 2014-2015 fiscal year, funding for virtual education was established at \$5,230 per FTE.⁶⁵

Federally Connected Students

Title VIII of the Elementary and Secondary Education Act of 1965 authorizes certain school districts to receive federal Impact Aid funding to support the education of students whose parents are employed by the federal government, including active duty uniformed services, or who live or work on federally owned property, such as military installations, National Aeronautics and Space Administration property, and Indian lands.⁶⁶

The Impact Aid funding for Florida school districts has decreased by 50 percent from \$13.9 million in the 1993-1994 fiscal year to \$6.9 million in the 2013-2014 fiscal year.⁶⁷ Currently, 14 school districts in Florida qualify for federal Impact Aid funding.⁶⁸

⁵⁹ Section 1011.62(7)(a), F.S. Florida Department of Education, 2014-15 Funding for Florida School Districts, Statistical Report, available at <http://fldoe.org/core/fileparse.php/7507/urlt/Fefpdist.pdf>.

⁶⁰ Section 1011.62(7)(b), F.S.

⁶¹ *Id.* at (7)(a).

⁶² *Id.*

⁶³ Section 1011.62(11), F.S. Students are eligible to participate in: (a) school-district operated part-time and full-time kindergarten through grade 12 virtual instruction programs, if enrolled in the school district; (b) full-time virtual charter school instruction programs; or (c) virtual courses offered in the course code directory within the school district or other school districts throughout the state. Section 1002.455(3), F.S.

⁶⁴ Section 1011.62(11), F.S.

⁶⁵ Chapter 2014-51, L.O.F., see Specific Appropriations 9 and 96 of the 2014-2015 GAA.

⁶⁶ 20 U.S.C. s. 7703.

⁶⁷ Florida Department of Education, presentation to the Senate Appropriations Subcommittee on Education (January 22, 2015), available at http://www.flsenate.gov/PublishedContent/Committees/2014-2016/AED/MeetingRecords/MeetingPacket_2761.pdf.

⁶⁸ *Id.*

Preeminent State Research Universities

The preeminent state research university program is a collaborative partnership between the Board of Governors (BOG) of the State University System of Florida and the Legislature to elevate the academic and research preeminence of Florida's highest performing state research universities.⁶⁹ A state research university that meets at least 11 of the 12 academic and research excellence standards specified in law is designated as a preeminent state research university.⁷⁰

The academic and research excellence standards are:⁷¹

- An average weighted grade point average of 4.0 or higher on a 4.0 scale and an average SAT score of 1800 or higher for fall semester incoming freshmen, as reported annually.
- A top-50 ranking on at least two well-known and highly respected national public university rankings, reflecting national preeminence, using most recent rankings.
- A freshman retention rate of 90 percent or higher for full-time, first-time-in-college students, as reported annually to the Integrated Postsecondary Education Data System (IPEDS).
- A 6-year graduation rate of 70 percent or higher for full-time, first-time-in-college students, as reported annually to the IPEDS.
- Six or more faculty members at the state university who are members of a national academy, as reported by the Center for Measuring University Performance in the Top American Research Universities (TARU) annual report.
- Total annual research expenditures, including federal research expenditures, of \$200 million or more, as reported annually by the National Science Foundation (NSF).
- Total annual research expenditures in diversified nonmedical sciences of \$150 million or more, based on data reported annually by the NSF.
- A top-100 university national ranking for research expenditures in five or more science, technology, engineering, or mathematics fields of study, as reported annually by the NSF.
- One hundred or more total patents awarded by the United States Patent and Trademark Office for the most recent 3-year period.
- Four hundred or more doctoral degrees awarded annually, as reported in the BOG Annual Accountability Report.
- Two hundred or more postdoctoral appointees annually, as reported in the TARU annual report.
- An endowment of \$500 million or more, as reported in the BOG Annual Accountability Report.

A preeminent state research university receives \$5 million in recurring funds annually, subject to appropriation in the GAA.⁷² Currently, only the Florida State University and University of Florida meet the standards for preeminent state research university designation and are Florida's only two preeminent state research universities.⁷³

⁶⁹ Section 1001.7065(1), F.S.

⁷⁰ *Id.* at (3).

⁷¹ *Id.* at (2).

⁷² Section 1001.7065, F.S.

⁷³ Florida Board of Governors, Strategic Planning Committee, Agenda Item 7, *Preeminent State Research University Benchmark Plans* (November 20, 2013) available at http://www.flbog.edu/documents_meetings/0184_0752_5480_399%20SPC%20Packet.pdf.

Performance-Based Funding

Performance-based funding models include performance metrics that evaluate the achievement and improvement of public postsecondary educational institutions.⁷⁴

State University System

In the 2014-2015 GAA, proviso specifically required performance funding be allocated based on the BOG's model approved on January 16, 2014.⁷⁵ The BOG model contained 10 performance metrics, which included the following:⁷⁶

- Percent of bachelor's degree graduates employed and/or continuing their education;
- Average wages of employed baccalaureate graduates;
- Cost per undergraduate degree;
- Six-year graduation rate (full-time and part-time first time in college (FTIC));
- Academic Progress Rate (second year retention with a grade point average above 2.0);
- Bachelor's degrees awarded in areas of strategic emphasis (including Science, Technology, Engineering and Math (STEM) education);
- University access rate (percent of undergraduates with a Pell Grant);
- Graduate degrees awarded in areas of strategic emphasis (including STEM);
- Two additional metrics, one chosen by each of the following:
 - Board of Governors, and
 - University Board of Trustees

SUS institutions will be evaluated for their performance based on benchmarks adopted by the BOG for achievement of excellence or improvement these specified metrics. The 2014-2015 GAA appropriated \$200 million for State University Performance Based Incentives in the 2014-2015 fiscal year, which included \$100 million in new funding and \$100 million redistributed from the state university's base funds.⁷⁷ Institutions qualifying for new funding also have their base funding restored. Any institution which fails to meet the minimum threshold set by the BOG will have a portion of its base funding withheld and must submit an improvement plan to the BOG. The BOG must approve the improvement plan and conduct progress monitoring of the improvement plan's implementation. An institution will have its full base funding restored upon BOG approval of the improvement plan monitoring report. Any institution that fails to make satisfactory progress will not have its full base funding restored.

Florida College System

In the 2014-2015 GAA, proviso directed the Commissioner of Education to recommend a performance funding formula that may be used to allocate funds to Florida College System

⁷⁴ Chapters 2013-40 and 2014-51, L.O.F.

⁷⁵ Chapter. 2014-51, L.O.F.

⁷⁶ See Florida Board of Governors, Meeting Archives (January 15-16, 2014) available at http://www.flbog.edu/pressroom/meeting_items.php?id=185&agenda=765&type=Past (last visited March 23, 2015); see also Florida Board of Governors, Meeting Minutes (January 16, 2014) available at http://www.flbog.edu/documents_meetings/0187_0790_5874_10.2.2%20BOG%202014_01_16_Board_of_Governors_minutes.pdf.

⁷⁷ ch. 2014-51, L.O.F.

institutions.⁷⁸ The commissioner's recommendations were to include up to ten performance measures, appropriate performance benchmarks for each measure, and a detailed methodology for allocating performance funds to the colleges.⁷⁹ At a minimum, the measures were to include job placement rates, cost per degree, and graduation / retention rates. In January 2015, these recommendations were finalized and included the required measures, as well as additional measures for:⁸⁰

- Pell Grant student graduation rate,
- Program completer entry level wages,
- Time to degree,
- Credit milestones, and a
- Local measure selected by each college's board of trustees.

Career and Workforce Education

The Legislature has established mechanisms to facilitate coordination between public and private postsecondary education institutions and employment agencies to assist students in completing degree programs to meet the state's workforce needs.

In 2012, the Legislature created the Complete Florida Plus Program⁸¹ at the University of West Florida (UWF) for the purpose of:⁸²

- Facilitating degree completion for the state's adult learners through the Complete Florida Degree Initiative.
- Providing information relating to and access to distance learning courses and degree programs offered by public postsecondary education institutions.
- Coordinating with the Florida College System (FCS) and the State University System (SUS) to identify and provide online academic support services and resources when the multi-institutional provision of such services and resources is more cost effective or operationally effective.
- Administering the Florida Academic Library Services Cooperative⁸³ (Cooperative) and consulting with the chancellors of the FCS and the SUS regarding the Cooperative.

The UWF must submit annual reports to the President of the Senate and the Speaker of the House of Representatives relating to the implementation and operation of the components of the Complete Florida Plus Program and the Cooperative.⁸⁴

⁷⁸ *Id.*

⁷⁹ Chapter 2014-51, L.O.F., see Florida Department of Education, Division of Colleges, *Florida College System Performance Funding Commissioner's Recommendations*, presentation to the Senate Appropriations Subcommittee on Education (February 11, 2015) available at http://www.floridahighereducation.org/doc_meetings/20150223/Senate-Education-Appropriations-Commissioners-FCS-Performance-Funding.pptx (last visited March 23, 2015).

⁸⁰ Florida Department of Education, Division of Colleges, *Florida College System Performance Funding Commissioner's Recommendations*, presentation to the Senate Appropriations Subcommittee on Education (February 11, 2015) available at http://www.floridahighereducation.org/doc_meetings/20150223/Senate-Education-Appropriations-Commissioners-FCS-Performance-Funding.pptx (last visited March 23, 2015).

⁸¹ The program was formerly established as the Degree Completion Pilot Project pursuant to s. 15, ch. 2012-34, L.O.F.

⁸² Section 1006.735(1), F.S.

⁸³ Section 1006.73, F.S. The cooperative provides a single library automation system and associated resources and services for public postsecondary institutions to use to support learning, teaching, and research needs. *Id.* at (1).

⁸⁴ Sections 1006.73(4) and 1006.735(5), F.S.

Complete Florida Degree Initiative

In 2014, the Legislature established the Complete Florida Degree Initiative (“Initiative”) within the Complete Florida Plus Program for the purpose of recruiting, recovering, and retaining the state’s adult learners⁸⁵ and assisting them in completing an associate degree or a baccalaureate degree aligned to the state’s high-wage, high-skill workforce needs.⁸⁶ The Initiative coordinates with FCS institutions, state universities, and private postsecondary institutions and partners with public and private job recruitment and placement agencies to identify associate, applied baccalaureate, and baccalaureate degree programs that meet the state’s workforce needs.⁸⁷

Specifically, the Initiative must:⁸⁸

- Give priority to degree programs using labor market data and projections, including data and projections included in the Board of Governor’s gap analysis,⁸⁹ to identify the specific workforce needs and targeted occupations of the state.
- Provide adult learners with a single point of access to information and links to innovative online and accelerated distance learning courses,⁹⁰ student and library support services, and electronic resources⁹¹ that will aid them in completing a postsecondary degree.
- Use existing or develop new competency-based instructional and evaluation tools to assess prior performance, experience, and education to award college credit and reduce the time required for adults to complete degrees.
- Develop and implement an evaluation process to collect and analyze appropriate data to report the effectiveness of the Initiative to the chancellors of the FCS and the SUS, the participating postsecondary education institutions, the chairs of the legislative appropriations committees, and the Executive Office of the Governor.
- Develop and implement a statewide student recruitment campaign targeted toward adult learners, particularly veterans and active duty members of the United States Armed Forces, for enrollment in degree programs offered through the Initiative.

III. Effect of Proposed Changes:

The bill updates terminology and revises criteria relating to apprenticeships, modifies Florida Education Finance Program (FEFP) funding allocations, adds a requirement for designation as a preeminent state research university, establishes postsecondary performance-based incentive

⁸⁵ Section 1006.735(2), F.S. Adult learners who are veterans or active duty members of the United States Armed Forces are given priority. *Id.* An “adult learner” is defined as “a student who has successfully completed college-level coursework in multiple semesters but has left an institution in good standing before completing his or her degree.” *Id.*

⁸⁶ Section 1006.735(2), F.S.; *see also*, s. 16, ch. 2014-56, L.O.F.

⁸⁷ Section 1006.735(2)(a), F.S.

⁸⁸ Section 1006.735(2), F.S.

⁸⁹ Section 1001.706(5), F.S.

⁹⁰ Section 1006.735(3), F.S. The Complete Florida Plus Program manages a statewide Internet-based catalog of distance learning courses, degree programs, and resources offered by public postsecondary education institutions to facilitate the institutions’ efforts in developing a statewide articulation system that allows students to rapidly proceed toward their educational objectives and transfer between institutions. *Id.*; *see also*, s. 1007.01, F.S.

⁹¹ Section 1006.735(4), F.S. Statewide online services and support include a streamlined online admissions application process for undergraduate transient students and a K-20 statewide computer-assisted student advising system that supports K-12 career and education planning and the advisement, registration, and certification of postsecondary students for graduation. *Id.*

funding models, creates the Rapid Response Education and Training Program, and creates the Florida Best and Brightest Teacher Scholarship Program.

Apprenticeships

The bill changes the term “journeyman” to “journeyworker.” Also, the bill clarifies the definition of the term “journeyworker” as a worker who has mastered the skills, abilities, and competencies required for an occupation through a formal apprenticeship or on-the-job experience or formal training. Such skills, abilities, and competencies may be evidenced through a formal apprenticeship, attainment of a nationally recognized industry certification, or through practical, on-the-job experience or formal training. The revised definition may benefit apprentices and apprenticeship programs by clarifying the criteria and enhancing the qualifications of “journeyworkers.”

The bill redefines “related instruction” by specifying that such instruction may be given in occupational or industrial courses taught in the classroom or by correspondence courses, including electronic media or other forms of self-study instruction approved by the Department of Education (DOE). The bill expands the definition to broaden the types of courses and options for receiving instruction on those courses, which may benefit people who would not otherwise have the opportunity to receive such instruction in a traditional setting.

The bill revises the criteria for an apprenticeable occupation as a skilled trade that is clearly defined and:

- May be associated with a nationally recognized industry certification.
- Involves skills and knowledge in accordance with the applicable industry standards.
- Includes a minimum number of hours of on-the-job training.
- Includes related instruction through occupational or industrial courses.

Also, the bill authorizes the Governor to appoint two public members to the State Apprenticeship Advisory Council who are independent of, rather than recommended by, joint or nonjoint organizations affiliated with apprenticeship sponsors.

The bill prohibits an apprenticeship program or agreement from invalidating special provisions for veterans, minority persons, or women.

FEFP Funding

Intensive Reading Instruction

The bill extends the requirement of providing an additional hour of intensive reading instruction daily to students enrolled in the 300 lowest-performing elementary schools through the 2017-2018 academic year.

Additionally, the bill requires participating schools to:

- Provide additional reading instruction through an equivalent number of hours in a summer program; and

- Continue to provide the additional hour of instruction to all students who have level 1 or 2 reading assessment scores in the subsequent year after the school is no longer classified as one of the 300 lowest performing.

Dual Enrollment Industry Certification Funding

The bill authorizes performance funding for a career and professional education (CAPE) industry certification earned through a dual enrollment course, which is not a fundable certification on the Postsecondary Industry Certification Funding List or is earned as a result of an agreement between a school district and a nonpublic postsecondary institution, to be funded in the same manner as a non-dual enrollment course industry certification. The bill authorizes a school district to provide for an agreement between a high school and a technical center, or the school district and the postsecondary institution may enter into an agreement for equitable distribution of the bonus funds.

CAPE Teacher Bonus Funding

The bill establishes two new tiers of bonuses available to CAPE industry certification teachers. A teacher providing instruction to a student in a course that led to the attainment of a CAPE industry certification on the CAPE Industry Certification Funding List with a weight of 0.3 will earn a \$75 bonus, which is \$25 more than currently authorized. A teacher providing instruction to a student in a course that led to the attainment of a CAPE industry certification on the CAPE Industry Certification Funding List with a weight of 0.5 or 1.0 will earn a \$100 bonus, which is \$50 more than currently authorized. The maximum annual bonus for teachers providing instruction in courses leading to these CAPE industry certifications is increased from \$2,000 to \$4,000.

Discretionary Millage Compression Supplement

The bill increases the discretionary millage compression supplement for the school district 0.748 mill discretionary levy for operations from the state average to five percent above the state average funds per full-time equivalent (FTE) student membership.

Sparsity Supplement

The bill modifies the calculation for determining the sparsity supplement for larger eligible districts with between 20,000 and 24,000 FTE, by dividing the total number of FTE by the number of permanent senior high school centers in the district, not in excess of four rather than three.

Virtual Education Contribution

The bill modifies the virtual education contribution calculation within the FEFP by including the declining enrollment supplement and exceptional student education (ESE) guaranteed allocation. The inclusion of the declining enrollment supplement and ESE guaranteed allocation in the virtual education contribution calculation ensures that eligible programs do not receive funding in excess of the maximum amount per FTE established for virtual education in the General Appropriations Act (GAA).

Federally Connected Student Supplement

The bill creates the federally connected student supplement categorical within the FEFP. Fourteen school districts, which currently receive federal impact aid under Title VIII of the Elementary and Secondary Education Act of 1965, could be eligible for additional FEFP funding under this new categorical.

The supplement is based on two components: a student allocation and an exempt-property allocation. The student allocation is based on the number of students in the district reported for federal impact aid, including students with disabilities, who

- Reside with a parent who is on active duty in the uniformed services or is an accredited foreign government official and military officer;
- Reside on eligible federally-owned Indian lands; or
- Reside with a civilian parent who lives or works on eligible federal property connected with a military installation or NASA. The number of these students shall be multiplied by a factor of 0.5.

The exempt-property allocation is based on the district's real property value of exempt federal property of federal impact aid lands reserved as military installations, NASA properties, or federally-owned Indian lands, multiplied by the millage authorized and levied under s. 1011.71 (2), F.S. The student allocation and the exempt-property allocation will be added together for each eligible district to produce the federally connected student supplement.

Preeminent State Research Universities

The bill specifies that any institution that meets the required academic and research excellence standards for consideration of preeminent status must also enter into, and maintain, a formal agreement with the National Merit Scholarship Corporation to offer College-sponsored Merit Scholarship® awards to be designated as a preeminent state research university.

Performance-Based Funding

State University System

The bill statutorily establishes State University System (SUS) Performance Based Incentive, which is based on indicators of institutional attainment of performance metrics adopted by the Board of Governors (BOG). These performance metrics include, but are not limited to, metrics that measure graduation and retention rates; degree production; affordability; postgraduation employment, salaries, or further education; student loan default rates; access; and any other metrics approved by the BOG. SUS institutions will be evaluated for their performance based on benchmarks adopted by the BOG for achievement of excellence or improvement on specified metrics.

Each fiscal year, the amount of funds available for allocation to universities based upon the performance funding model consists of a state investment, plus an institutional investment consisting of funds redistributed from the base funding for the SUS, as determined in the GAA. Institutions qualifying for the state's investment will also have their institutional investment restored. The institutional investment will be restored for all institutions that meet the board's

minimum performance funding threshold under the performance funding model. Any institution that is in the bottom three or fails to meet the board's minimum performance funding threshold will not be eligible for the state's investment, will have a portion of its institutional investment withheld, and must submit an improvement plan to the board that specifies the activities and strategies for improving the institution's performance.

Florida College System

The bill establishes Florida College System (FCS) Performance Based Incentive, which is based on indicators of institutional attainment of performance metrics adopted by the State Board of Education (state board). These performance metrics include, but are not limited to, metrics that measure retention; program completion and graduation rates; student loan default rates; job placement; and post-graduation employment, salaries, or further education. FCS institutions will be evaluated for their performance based on benchmarks adopted by the state board for achievement of excellence or improvement on specified metrics.

Each fiscal year, the amount of funds available for allocation to institutions based upon the performance funding model consists of a state investment, plus an institutional investment consisting of funds redistributed from the base funding for the Florida College System Program Fund, as determined in the GAA. Institutions qualifying for the state investment shall also have their institutional investment restored. Any institution which fails to meet the minimum threshold set by the state board will have a portion of its institutional investment withheld and must submit an improvement plan to the state board. The state board must approve the improvement plan and conduct progress monitoring of the improvement plan's implementation. An institution will have its full institutional investment restored upon state board approval of the improvement plan monitoring report. Any institution that fails to make satisfactory progress will not have its full institutional investment restored.

Rapid Response Education and Training Program

The bill creates the Rapid Response Education and Training Program (Program) within the Complete Florida Plus Program to work with Enterprise Florida, Inc., to recruit and retain employees through industry-specific education and training.

Specifically, the bill requires that the Program:

- Award matching grants to public and private education and training providers.
- Submit to the Legislature periodic reports generated by an independent forensic accounting or auditing entity.
- Keep administrative costs to a minimum through the use of existing organizational structures.
- Work with businesses to recruit individuals for education and training.
- Terminate an education and training program by giving 30-days' notice.
- Survey businesses regarding the effectiveness of the education and training programs.

Additionally, the bill requires that the Division of Career and Adult Education within DOE analyze and assess the effectiveness of the education and training programs offered through the Program in meeting labor market and occupational trends and gaps.

Finally, the bill requires the DOE to develop career education program standards that reflect the quality components of a career and technical education program, and requires the State Board of Education to adopt rules.

Florida Best and Brightest Teacher Scholarship Program

The bill creates the Florida Best and Brightest Teacher Scholarship Program (Scholarship Program) to award teachers who demonstrate a high level of academic achievement. The bill requires that the Scholarship Program be administered by the DOE. Also, the bill authorizes funding for the Scholarship Program as provided in the GAA, beginning in the 2015-2016 school year, and requires the State Board to adopt rules to implement the Scholarship Program which establish timeframes and requirements for submitting reports, identify eligibility criteria for scholarship recipients, establish requirements for the distribution of scholarship funds, and adopt any other rules required for implementation of the Scholarship Program.

The bill provides an effective date of July 1, 2015.

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:

CS/SB 948 increases the bonus funding for teachers who provide instruction to a student in a course that led to the attainment of a 0.3, 0.5, or 1.0 weighted industry certification. These teachers are eligible for up to an additional \$2,000 annually in bonus funding.

C. Government Sector Impact:

The bill modifies the calculation for the sparsity supplement to continue to include the Hernando County School District. The Hernando County School District would be eligible for an estimated \$2 million in sparsity supplement funds in the 2015-2016 fiscal year.

The bill modifies the virtual education contribution calculation in the Florida Education Finance Program (FEFP) by including the declining enrollment supplement and the exceptional student education (ESE) guaranteed allocation in the calculation to maintain funding for virtual education at 5,230 per full-time equivalent (FTE) student.

The bill extends the requirement of providing an additional hour of intensive reading instruction daily to students enrolled in the 300 lowest performing elementary schools through the 2017-2018 academic year, requires participating schools to also provide the required additional instruction through an equivalent number of hours in a summer program, and requires participating schools to continue to provide the additional hour of instruction to all students who have level 1 or 2 reading assessment scores in the subsequent year after the school is no longer classified as one of the 300 lowest performing. This additional hour of reading instruction is funded through the Supplemental Academic Instruction (SAI) and the Research-Based Reading Instruction Allocation categoricals in the FEFP. A total of \$90 million is provided for this instruction in SB 2500, the Senate's 2015-2016 fiscal year Fiscal Year General Appropriations Bill.

The bill increases the discretionary millage compression supplement for the school district 0.748 mill discretionary levy for operations from the state average to five percent above the state average funds per FTE student. This change will increase the discretionary millage supplement by approximately \$34 million.

The bill creates the federally connected student supplement categorical within the FEFP. The school districts eligible for funding through the categorical will receive their proportional share of the \$12,441,144, as proposed in SB 2500, allocated through the FEFP.

The bill statutorily establishes the State University Performance Based Incentive, which is funded at \$400 million in SB 2500. The state's investment consists of \$200 million and the institutional investment constitutes the remaining \$200 million. The funds received by an individual state university will be contingent upon the university's performance on the established metrics.

The bill establishes the Florida College System Performance Based Incentive, which is funded at \$60 million in SB 2500. The state's investment consists of \$30 million and the institutional investment constitutes the remaining \$30 million. The funds received by each institution will be contingent upon the institution's performance on the established metrics.

The bill establishes the Rapid Response Education and Training Program, which is funded at \$19.2 million in SB 2500.

VI. Technical Deficiencies:

None.

VII. Related Issues:

None.

VIII. Statutes Affected:

The bill substantially amends the following sections of the Florida Statutes: 446.021, 446.032, 446.045, 446.081, 446.091, 446.092, 1001.7065, 1004.92, 1006.735, 1011.62, and 1011.71.

The bill creates section 1012.731 of the Florida Statutes.

The bill creates undesignated sections of law.

IX. Additional Information:**A. Committee Substitute – Statement of Changes:**

(Summarizing differences between the Committee Substitute and the prior version of the bill.)

CS by Higher Education on March 23, 2015:

The committee substitute makes the following substantial changes to the bill:

Apprenticeships

Maintains the substance of the provisions of the bill relating to apprenticeships, except that a nationally recognized industry certification is added to the criteria indicating a journeyworker's or apprentice's skills, abilities, and competencies required for an occupation.

Florida Education Finance Program Funding

Includes FEFP funding provisions that:

- Expand the requirement that an additional hour of intensive reading instruction be provided for the 300 lowest-performing elementary schools.
- Authorize performance funding for a career and professional education (CAPE) industry certification earned through a dual enrollment course.
- Add tiers for and raise the cap on CAPE bonus funding that teachers may earn for instructing students who attain industry certifications.
- Increase the discretionary millage compression supplement.
- Modify the formula for calculating the K-12 sparsity supplement.
- Modify the formula for calculating the virtual education contribution.
- Create supplemental funding for students connected with federally owned military installations, National Aeronautics and Space Administration property, and Indian lands.

Preeminent State Research University Designation

Adds provisions requiring participation in the National Merit Scholarship Program for designation as a preeminent state research university or as a preeminent state research university institute for online learning.

Postsecondary Performance-Based Funding

Adds undesignated sections of law that establish State University System and Florida College System Performance-Based Incentive funding models based on metrics adopted by the Board of Governors and the State Board of Education (“State Board”), respectively, which include, but are not limited to, metrics that measure:

- Graduation and retention rates;
- Degree production;
- Affordability;
- Postgraduation employment, salaries, or continued education;
- Student loan default rates; and
- Access.

Florida Best and Brightest Teacher Scholarship Program

Adds a new section creating the Florida Best and Brightest Teacher Scholarship Program (“Scholarship Program”) to award teachers who demonstrate a high level of academic achievement; authorizing funding for the Scholarship Program; and requiring the State Board to adopt rules relating to reports, eligibility criteria for scholarship recipients, and distribution of scholarship funds.

B. Amendments:

None.