



**ACCESS AND DEGREE PRODUCTION  
STRATEGIES FOR MEETING  
FLORIDA'S CRITICAL WORKFORCE NEEDS**

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**Report and Recommendations by the  
Florida Postsecondary Education Planning Commission**

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**December 2000**

**POSTSECONDARY EDUCATION PLANNING COMMISSION**

*Access and Degree Production Strategies  
for Meeting Florida's Critical Workforce Needs*

Prepared in Response to Section 14 of Senate Bill 2050  
Chapter 2000-165, Laws of Florida

December 2000



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Language contained in Section 14 of Senate Bill 2050 (Chapter 2000-165, L.F.) requires that:

## **EXECUTIVE SUMMARY**

*By December 15, 2000, the Postsecondary Education Planning Commission, working in close consultation with Workforce Florida, Inc., and in consultation with the Division of Community Colleges and the Division of Workforce Development in the Department of Education, the State Board of Independent Colleges and Universities, and the State Board for Nonpublic Career Education to submit a report to the Governor, the President of the Senate, and the Speaker of the House of Representatives, recommending strategies to expand access to and production of certificates and degrees in programs that provide the skilled workforce needed for Florida's economy.*

The report shall address the following issues and options:

- New and innovative targeted financial aid programs.
- Initiatives to encourage the restructuring of curriculum to provide a better response to the needs of Florida's business and industries.
- Performance-based incentive funding to state universities for increased production of graduates from targeted programs.
- Performance-based incentive funding to state universities and other initiatives for providing accelerated articulation options to students awarded an Associate of Science degree.
- Innovative uses of federal Workforce Investment Act and Welfare to Work funds to provide the broadest eligibility for and promote access to targeted high priority educational programs.

As required by the statute, the Commission's study process has included collaboration and consultation with relevant agencies. During the Commission's development of issues and recommendations for the study, representatives from the following agencies have provided testimony or consulted with Commission staff on issues relative student financial aid and workforce development:

## **FINANCIAL AID PROGRAMS AND WORKFORCE DEVELOPMENT**

- Workforce Florida, Inc. (WFI);
- Agency for Workforce Innovation (AWI);
- Department of Education - Division of Community Colleges, Division of Workforce Development, and Bureau of Student Financial Assistance (BSFA);
- Florida Association of Postsecondary Schools and Colleges; and
- Department of Children and Families.

**Recommendations**    1.    ***The Careers for Florida’s Future program should be funded and implemented.*** *The program is warranted and well intended, and the Commission commends the program’s underlying principle of tying financial incentives for students to the State’s workforce demands. Furthermore, the Commission endorses the inclusion of students enrolled in career education programs that do not articulate into the baccalaureate degree. These students have historically been excluded from participation in the State’s primary need-based grant aid program and have found themselves largely unable to qualify for funding under the state’s merit-based scholarship program.*

*Yet, the Commission views the fact that the program was unfunded in its first year as a positive development which allowed for a critical review of program provisions. Based upon a review of the statute and consultation with Legislative, WFI, AWI, and BSFA staff, the Commission recommends the following program modifications intended to enhance the program’s effectiveness and administrative efficiency.*

- a.    ***The identification of specific eligible education and training fields should be removed from statute. Instead, the list of eligible occupational areas should be agreed upon annually by the principals of the Workforce Estimating Conference.*** *The careers needed for Florida’s economy in the 21<sup>st</sup> century will likely be dynamic. Therefore the education and training programs eligible for funding under the Careers for Florida’s Future program need not be limited to a set of fields codified in statute. The Conference is an established, consensus-based process that is well positioned to respond to annual fluctuations in the State’s workforce needs.*
- b.    ***The forgivable loan upon which the Careers for Florida’s Future Program is currently predicated should be replaced by the loan forgiveness model currently utilized by the Critical Shortage Loan Forgiveness Programs for teachers, occupational therapists, and physical therapists.*** *This recommendation would ensure that all recipients are working in occupational areas of critical need identified by the Workforce Estimating Conference and negate the need for a criterion requiring Florida residency in order to receive an award. However, if the current forgivable loan model is retained, the statutory provision allowing awards to lower division students in baccalaureate-articulating programs should be removed.*
- c.    ***The program should be managed by the Bureau of Student Financial Assistance.*** *Statute currently calls for Workforce Florida, Inc. to manage the program and to contract with the Bureau to administer the portion of the program for students pursuing baccalaureate degrees or degree career education*

*programs that articulate into baccalaureate degree programs. The Commission believes that the Bureau is best positioned to administer the program. This recommendation would also serve to ensure (a) proper inclusion of the CFF award in the institutional packaging of student financial aid and (b) smooth transferability of awards when students transfer between institutions and workforce regions.*

- d. **Amend the residency requirement from the current three years to the standard one-year as stipulated in Section 240.404, Florida Statutes.** According to Legislative and AWI staff, the purpose of the three-year provision was to ensure that the forgivable loan would be restricted to students whose intent was to remain in Florida beyond their schooling. The change from forgivable loan to loan forgiveness contained in Recommendation 3 will achieve the same purpose and allow the residency requirements for this program to be consistent with the residency required for the State's other financial aid programs.*
- 2. **The Vocational Student Assistance Grant should be reinstated and funded at the Department of Education's requested amount of \$12 million.** Administration of the Grant program should be decentralized, allowing each institution discretion as to whether to make awards from its allocation available to part-time students.*

Traditional educational curricular models are organized around semester lengths and regular attendance. The targeted populations for most workforce development programs are often limited in the amounts of time, money and transportation to adapt to such models. As a result, a more learner-centered focus seems to provide promise. Such a focus upon the learner has been much debated of late with the increased utilization of telecommunications technologies, including the Internet, for the delivery of educational programs and services. New modes of educational delivery offer the convenience of asynchronous delivery and since many distance learning programs are competency based, a learner's progress is often not dependent upon a fixed period of time. Thus a student's progress may be only limited by the amount of hard work contributed. Given the options presented by technological advances, the critical need for workers in specific targeted fields and the importance of such initiatives to the economic development of the state, a review of current and potential curricular structures and delivery models is warranted. Further, while distance learning technologies are not the best learning environments for all students, the student support and client centered focus of such educational programs is an appropriate strategy for workforce development activities.

## CURRICULAR RESTRUCTURING

- Recommendation 3.** *Workforce Development Capitalization Incentive Grant funding should be made available to institution programs participating in the curricular framework upgrade process. The institutions should be able to demonstrate improved performance of their programs through increased enrollments and completions, reduced time to completion or the incorporation of learner-centered instructional approaches within the curriculum.*

**PERFORMANCE-BASED INCENTIVE FUNDING TO STATE UNIVERSITIES FOR INCREASED PRODUCTION OF GRADUATES FROM TARGETED PROGRAMS.**

The state of Florida has made considerable progress in recent years in aligning its postsecondary educational systems, particularly at the community college and school district level, with the needs of Florida's skilled workforce. The intent of the Workforce Development Education Fund, established in 1997, was to focus state resources on the most effective programs in the production of the state's priority labor market needs (see "Workforce Development Funding Issues Report", Postsecondary Education Planning Commission, 2000, for a detailed analysis of this program). The development of incentive funding for state universities has not been so well developed. Although several measures have been adopted since 1995, there has not been consistency across time in these measures.

None of the measures attempted thus far for state universities have tied the funding to the production of specific types of graduates. The primary links in the other measures have focused on graduation rates or ratios of graduates to full-time equivalent (FTE) enrollment. Unlike the community college and school district postsecondary programs, the occupational outcomes of many undergraduate and even graduate degrees are varied. It is much more difficult to link a particular degree program to a single occupational outcome. This linkage problem is the greatest obstacle to performance incentive funding for targeted programs at state universities.

- Recommendation 4.** *The Legislature should establish an ad hoc task force, with representatives from the Workforce Estimating Conference, state universities and Florida business and industry, to develop a targeted list of undergraduate, graduate and professional programs from which graduates are expected to enter high-demand occupations that are necessary for Florida's skilled economy. This program list should serve as the basis for a performance incentive model which would consider the long-term demand for certain occupations and the current and projected supply of graduates from Florida's four-year universities under following conditions:*
- a. Only bachelor's degree programs with professional licensure requirements or those with a strong and direct linkage to*

- specific occupational outcomes should be considered for inclusion on the list. Any graduate or professional program with a linkage to high demand occupations should be considered.*
- b. Different university missions should be considered when developing performance incentive funding for targeted programs.*
  - c. Universities should be rewarded for an increase in the number of degrees granted in targeted programs, over a set base-year level.*
  - d. Universities should not be rewarded for increases in targeted programs that occurred prior to the adoption of the performance incentive model (i.e. the base-year must occur after the year the performance incentives were created.)*

Changes in the state's workforce development programs in the late 1990s resulted in the transformation of the terminal; occupation oriented Associate in Science Degree (AS) into a career education transfer degree to the university system. Until recently, students in AS degree programs completed general education courses tailored to an occupation rather than to academic standards for the college level. Because faculty did not always meet the Southern Association of Southern Colleges and Schools Commission (SACS) criteria for baccalaureate-degree instructors, AS degrees were not considered transfer degrees. SACS accreditation criteria are currently being revised and may affect a variety of articulation issues.

## **ACCELERATED ARTICULATION OPTIONS**

- 5. All Associate in Science Degree Programs not fully covered under the statewide Articulation Agreement should be renamed Associate in Applied Science Degree Programs.*
- 6. Capstone Agreements should be developed for Associate in Applied Science Degree Programs and should remain local agreements between participating community colleges and universities to reflect both the educational requirements of individual institutions as well as the labor needs in each service area.*
- 7. Community Colleges should ensure that students who wish to use an AAS degree to transfer to a state university are aware of what general education math and English courses meet the transferability requirements of the SUS.*

## **Recommendations**

## **OVERVIEW OF STATE PARTICIPATION IN WORKFORCE INVESTMENT ACT AND WELFARE TO WORK PROGRAMS**

Federal guidelines governing the expenditure of Workforce Investment Act (WIA), Workforce to Work (WtW), and Temporary Assistance to Needy Families (TANF) funds are restrictive but do allow for some state flexibility. However, because of Florida's commitment to the work first philosophy, it appears that educational and training related services often take a back seat to employment of any kind. While this philosophy has provided many former welfare recipients with temporary jobs, it might not serve the state well in times of high unemployment and economic downturn.

### **Recommendations**

8. *The State Workforce Development Board should conduct a thorough analysis of how federal and state laws are interpreted and enacted in each region to ensure that all workforce related services are standardized throughout the state and that all available resources are used for maximum effectiveness.*
9. *To prepare for economic downturns and related job lay-offs and terminations, future planning by the State Workforce Development Board should include strategies that stress future education and training for clients that could clearly benefit from these services.*

This report is one of several workforce-related assignments given to the Commission this year. Others include management of two additional RFP processes in addition to the Workforce Development Capitalization Incentive Grant Program, examining new methods for workforce funding, and assessing options for innovative financial aid programs.

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The report shall address the following issues and options:

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- Performance-based incentive funding to state universities and other initiatives for providing accelerated articulation options to students awarded an Associate of Science degree.
- Innovative uses of federal Workforce Investment Act and Welfare to Work funds to provide the broadest eligibility for and promote access to targeted high priority educational programs.

Assignments given to the Commission concerning student financial aid policy (Items 1 and 5 above) or university degrees/workforce needs (Items 3 and 4) above will also be addressed in separate studies assigned in the Commission's proviso. Item 2 of the language in Senate Bill 2050 will be specifically addressed in this report alone. Relevant work concerning the other sections was pulled from the larger comprehensive studies and combined with the work undertaken herein to form this final report.

## **INTRODUCTION**

### **Legislative Charge**

Since the enactment of SB 1688, teams of individuals representing the Division of Workforce Development, the Division of Community Colleges, the Workforce Education Outcome Information Systems Office, the Office of Budget and Management, the Enterprise Florida Jobs and Education Partnership, as well as school district and community college personnel have been working to assure the intent of the law is carried out. Since 1968, the community colleges and district school boards have shared responsibility for the delivery of vocational and adult education. During last session an unsuccessful attempt was made to assign total responsibility for workforce training to community colleges. Questions concerning which sector can best meet the State's needs for a responsive workforce remain. Further, workforce development issues and the link between state needs and institutional programs have been a source of continuing controversy for some years. Programs designed to provide financial support to citizens seeking to enter the workforce or upgrade their skills and to institutions that are responsive to the needs of the State, business and industry have taken a number of forms over the years. This report contains a discussion of the issues delineated in proviso and provides policy recommendations for consideration by policymakers as they discuss the structures and processes used to develop Florida's workforce.

Each of the five specific assignments is addressed in separate sections with accompanying recommendations.

Section 14 of Senate Bill 2050 required the Postsecondary Education Planning Commission to issue a report by December 15, 2000 recommending strategies to expand access to and production of certificates and degrees in programs that provide the skilled workforce needed for Florida's economy. The bill specified that new and innovative targeted financial aid programs were to be among the issues and options addressed. As required by the statute, the Commission's study process has included collaboration and consultation with relevant agencies. During the Commission's development of issues and recommendations for the study, representatives from the following agencies have provided testimony or consulted with Commission staff on issues relative student financial aid and workforce development:

- Workforce Florida, Inc. (WFI);
- Agency for Workforce Innovation (AWI);
- Department of Education - Division of Community Colleges, Division of Workforce Development, and Bureau of Student Financial Assistance (BSFA);
- Florida Association of Postsecondary Schools and Colleges; and
- Department of Children and Families.

In August 2000 the Connecticut Department of Higher Education issued a survey to the State Higher Education Executive Officer (SHEEO) in each of the 50 states in order to find out the types of economic development activities in which states are engaged and for which direct appropriations are provided. Twenty states responded, enabling the researchers to group states' economic development activities into five categories:

- I. Basic Research
  - A. Federal and private research state matching programs.
  - B. State programs to support broad-based and/or basic research.
  - C. State programs to support economic research and analysis.
- II. Technology Transfer
  - A. Direct state support of research with economic development potential (e.g. technology innovation).
  - B. Research partnerships (i.e. state, university, industry).
- III. New Business Development
  - A. Incubator space for new companies.
  - B. Technology parks.
  - C. Small business assistance.
- IV. Technical Assistance and Information
  - A. Information base listing faculty expertise by discipline.

## **FINANCIAL AID PROGRAMS AND WORKFORCE DEVELOPMENT**

### **Targeted Financial Aid Programs**

### **Economic Development Activities in the States**

- B. Referral service of faculty expertise.
  - C. Assistance centers.
  - D. Publication of economic trend data and analyses.
  - E. Education and employment information and referral centers.
  - F. Other business resource centers or networks.
- V. Workforce Development (capacity building, skills updating, life-long learning)
- A. New programs or increase graduates in certain fields.
  - B. Publications or web-based information sources on numbers of trained graduates in high demand fields.
  - C. Adult literacy programs.
  - D. State funding formula supports non-credit or short-term training programs.
  - E. Special articulation programs for students moving from two- to four-year programs in high demand fields (engineering, technology).
  - F. School to career and other K-16 initiatives (i.e., pipeline programs to promote math and science competency).
  - G. Scholarship or incentive programs to attract out-of-state students in high demand areas.
  - H. Scholarship, loan forgiveness or loan rebate programs for students enrolling in high demand areas.
  - I. Loan forgiveness or loan rebate programs for new hires.
  - J. Free or highly subsidized short-term training and certificate programs.

### Targeted Financial Assistance Initiatives in the States

Of the economic development activities identified by the Connecticut survey, the final four activities under the category of Workforce Development have to do with financial assistance initiatives. Of the 20 states that responded to the survey, 16 offer some type of financial assistance or incentive intended to align the workforce with the state's economic development needs (**Table 1**).

**TABLE 1**

Financial Aid Incentive	No. States Providing Aid
Free or highly subsidized short-term training or certification programs	14
Scholarships or loan forgiveness for students in high demand areas	13
Scholarships or incentives to attract out of state students in high demand areas	7
Loan forgiveness or rebate for new hires	4

Source: Connecticut Department of Higher Education, August 2000.

Among responding states, the most frequently cited strategy concerned free or highly subsidized short-term training or certification programs in areas such as nursing or teaching (14 states), followed by scholarships or loan forgiveness in high demand occupations (13 states).

In her charge to the Senate Select Committee on Workforce Innovation on October 22, 1999, then Senate President Toni Jennings challenged the Committee with the following words:

*While Florida has experienced remarkable success with its welfare-to-work program, more and more Floridians are working in low-wage jobs, without benefits, and with a very limited career path. At the same time, Florida's thriving economy continues to attract businesses looking for skilled employees. This mismatch of need and resource demands a new approach to workforce development.*

Senate Bill 2050, enacted by the 2000 Legislature and based largely on the work of the Senate Select Committee, sought to create a statewide integrated workforce system that addressed the perceived disconnect between the state's workforce system and its economic development strategy. Specifically, the legislature was concerned about the insufficient number of potential employees with technical or professional skills to meet the needs of Florida employers. One of the centerpiece strategies created by in the legislation was the Careers for Florida's Future (CFF) Program. While incentives for educational institutions are discussed elsewhere in this report, the philosophy behind CFF was to begin to address the mismatch between occupational supply and demand by providing financial incentive to students.

Section 155 of Senate Bill 2050 created the Careers for Florida's Future Incentive Grant Program, designed to encourage students in the state to obtain degrees or certificates in postsecondary programs that produce graduates with job skills in advanced technology which are critical to the state's economic future. Although the program's title implies a grant, CFF actually provides a forgivable loan that requires a student to enroll in and complete an eligible program and then to maintain employment in an eligible occupation in the state for one year for each year of grant receipt. The recipient must begin repayment of the grant one year after the recipient is no longer enrolled in an eligible institution or completes the program, unless the recipient obtains employment in an eligible occupation. The \$12 million appropriated by the Legislature from General Revenue was subsequently vetoed by the Governor.

## **Florida Initiatives**

### **Careers for Florida's Future Program**

Four of the program's general provisions are as follows.

1. To be eligible for an initial award:
  - The recipient must be a Florida high school diploma recipient or home education completer.
  - The recipient must have maintained Florida residency for three years for purposes other than education.
2. Statute specifies the following eligible education and training programs:
  - Information Technology/Telecommunications
  - Biomedical Technology
  - Manufacturing-Electronics
  - Aviation/Transportation
  - Skilled Building Trades
3. Overall duration of the award is limited to 110 percent of the credit or clock hours required to complete the degree or career education program.
4. The award will not pay for remedial coursework.

A more comprehensive summary of the statute's major provisions, by program type and level of the education or training program, is provided in **Table 2**.

**TABLE 2**

**Careers for Florida's Future Program: Summary of Current Provisions**

	Baccalaureate Degree Programs		Career Education Programs
	Lower Division <sup>1</sup>	Upper Division <sup>1</sup>	
<b>Initial Eligibility Criteria</b>	Enrolled in eligible PSE <sup>3</sup> institution for at least 6 credit hours or equivalent.  2.75 cumulative GPA or better on postsecondary course work.  Completed 18 postsecondary credits.	Enrolled in eligible baccalaureate degree program for at least 6 credit hours or equivalent.  2.75 cumulative GPA or better on postsecondary course work.	Enrolled in eligible Applied Technology Diploma program, certificate or degree career education program that does not articulate into a baccalaureate degree.  Completed 18 postsecondary credits.
<b>Renewal Criteria</b>	2.75 cumulative GPA or better.	Same.	Same.
<b>Award Amount</b>	\$100 per credit hour, up to \$1,500 per semester.	\$200 per credit hour, up to \$3,000 per semester.	\$2 per clock hour.
<b>Award Duration</b>	Up to 4 years of lower division course work.	Up to 4 years of upper division course work.	Up to 4 years of lower division course work.
<b>Repayment Schedule</b>	One year after the recipient either a) completes the program of studies or b) is no longer enrolled in an eligible institution, unless recipient is employed in an eligible occupation. <sup>4</sup> Ten-year time limit.	Same.	Same.
<b>Repayment Through Work</b>	Earn the baccalaureate degree, then maintain employment in an eligible occupation in Florida for 1 year for each year in which the award was received for full-time enrollment. Statute includes a provision for students who attended part-time.	Same, except the repayment period is defined as 6 months for every semester of full-time enrollment in the program.	Same, except the repayment period is defined as 6 months for every semester of full-time enrollment in the program.
<b>Repayment In Cash</b>	Short term T-Bill rate plus 2.3%.	Same.	Same.

Source: Section 445.012, Florida Statutes.

- Notes:
1. Lower Division = freshman or sophomore.
  2. Upper Division = junior or senior.
  3. PSE = postsecondary education.
  4. For repayment purposes, an eligible occupation remains eligible for the duration of the repayment period.

Historically, Florida has utilized both forgivable loan and loan forgiveness programs as inducements to individuals to pursue employment in occupations of critical need to the state. Though the terms sound similar, they have different meanings and have met with contrasting levels of success in achieving the desired outcome. Under the *forgivable loan* model, a student receives a loan for the express purpose of financing his or her education with the intent of becoming employed after graduation in area of critical state need. Under *loan forgiveness*, an individual already performing some critical service to the state (e.g., teaching, nursing, physical therapy) applies to have a portion of the value of the existing loan(s) forgiven, up to a maximum of four years.

**Forgivable Loans or Loan Forgiveness?**

In testimony to the Commission, the Bureau of Student Financial Assistance raised the following concerns based on their past experience with forgivable loan programs:

- Forgivable loans tend to be speculative. Most college students of traditional age, and particularly students in their first two years of college, are unsure of their career plans.
- Students may find themselves unable to secure a job in their chosen field, or they may be unable to move to the geographic area of the state in which the job is located.
- Forgivable loan programs are less effective in achieving the desired outcome, and for the foregoing reasons are even less effective still when offered to freshman and sophomore students.
- Forgivable loan programs are administratively less efficient and more staff-intensive, because they require the Bureau to certify recipients' enrollment, and eventually to certify that recipients are employed in an eligible occupational field.

In contrast, loan forgiveness programs:

- Are *by definition* 100 percent effective in achieving the desired employment outcome.
- Are administratively less time-consuming and less staff-intensive.
- Allow several type of loans to be forgiven
- Can extend eligibility to qualified individuals who received their loans outside the state and subsequently moved to Florida.

- Recommendations**
1. ***The Careers for Florida's Future program should be funded and implemented.*** *The program is warranted and well intended, and the Commission commends the program's underlying principle of tying financial incentives for students to the State's workforce demands. Furthermore, the Commission endorses the inclusion of students enrolled in career education programs that do not articulate into the baccalaureate degree. These students have historically been excluded from participation in the State's primary need-based grant aid program and have found themselves largely unable to qualify for funding under the state's merit-based scholarship program.*

*Yet, the Commission views the fact that the program was unfunded in its first year as a positive development which allowed for a critical review of program provisions. Based upon a review of the statute and consultation with Legislative, WFI, AWI, and BSFA staff, the Commission recommends the following program modifications intended to enhance the program's effectiveness and administrative efficiency.*

- a. ***The identification of specific eligible education and training fields should be removed from statute. Instead, the list of eligible occupational areas should be agreed upon annually by the principals of the Workforce Estimating Conference.*** *The careers needed for Florida's economy in the 21<sup>st</sup> century will likely be dynamic. Therefore the education and training programs eligible for funding under the Careers for Florida's Future program need not be limited to a set of fields codified in statute. The Conference is an established, consensus-based process that is well positioned to respond to annual fluctuations in the State's workforce needs.*
  
- b. ***The forgivable loan upon which the Careers for Florida's Future Program is currently predicated should be replaced by the loan forgiveness model currently utilized by the Critical Shortage Loan Forgiveness Programs for teachers, occupational therapists, and physical therapists.*** *This recommendation would ensure that all recipients are working in occupational areas of critical need identified by the Workforce Estimating Conference and negate the need for a criterion requiring Florida residency in order to receive an award. However, if the current forgivable loan model is retained, the statutory provision allowing awards to lower division students in baccalaureate-articulating programs should be removed.*
  
- c. ***The program should be managed by the Bureau of Student Financial Assistance.*** *Statute currently calls for Workforce Florida, Inc. to manage the program and to contract with the Bureau to administer the portion of the program for students pursuing baccalaureate degrees or degree career education programs that articulate into baccalaureate degree programs. The Commission believes that the Bureau is best positioned to administer the program. This recommendation would also serve to ensure (a) proper inclusion of the CFF award in the institutional packaging of student financial aid and (b) smooth transferability of awards when students transfer between institutions and workforce regions.*
  
- d. ***Amend the residency requirement from the current three years to the standard one-year as stipulated in Section 240.404, Florida Statutes.*** *According to Legislative and AWI staff, the purpose of the three-year provision was to ensure that the forgivable loan would be restricted to students whose intent was to remain in Florida beyond their schooling. The change from forgivable loan to loan forgiveness contained in Recommendation 3 will achieve the same purpose and allow the residency requirements for this program to be consistent with the residency required for the State's other financial aid programs.*

## Vocational Student Assistance Grant

The National Association of State Grant and Aid Programs (NASSGAP) reports that Florida state need-based grant expenditures in 1998-99 amounted to \$126 per full-time equivalent (FTE) student, ranking Florida 33<sup>rd</sup> among the 50 states. According to NASSGAP, only Georgia devotes a greater portion of its state financial aid program to non-need-based assistance. The state's reliance on a low-tuition strategy with small relative investment in its need-based aid program has been a source of consistent concern to the Commission. In the 1998 Master Plan for Florida postsecondary education, *Challenges and Choices*, the Commission held that low tuition is an inefficient form of financial aid because it subsidizes all students equally regardless of their ability to pay. The Commission further pointed out that tuition charges typically account for only about 20 percent of the overall cost of attendance. Finally, the State's current commitments to merit and need-based aid are in conflict with Section 240.437(2)(a), Florida Statutes, which states that "state student financial aid (shall) be provided primarily on the basis of financial need."

The relative lack of a commitment to need-based aid is particularly critical for students enrolled in postsecondary vocational credit- and clock-hour certificate programs that do not terminate in a degree. Virtually none of these students qualify for aid from the state's largest financial aid program, the merit-based Bright Futures Scholarship. In 1998-99, district vocational students accounted for less than one percent (0.2 percent) of all awards made from this program and only one percent of Gold Seal Vocational Awards. Further, these students are expressly excluded from the state's primary need-based aid program — the Florida Student Assistance Grant (FSAG) — by Section 240.409(2)(a), Florida Statutes, which stipulates that grants may be made only to full-time *degree-seeking* students (emphasis added).

The necessity for some type of need-based assistance was brought on by the increase in vocational fees over the past five years. As **Table 3** illustrates, annual fees in vocational certificate programs have more than tripled since 1996-97, or an average annual increase of about 34 percent per year.

**TABLE 3**

**Fee Trends for Vocational Certificates, 1996-97 Through 2000-01**

	1996-97	1997-98	1998-99	1999-2000	2000-01
<i>Fee per Contact Hour</i>	\$0.44	\$0.59	\$0.85	\$1.17	\$1.30
<i>Annual Fee</i>	\$369	\$531	\$765	\$1,053	\$1,170
<i>% increase over prior year</i>		43%	44.1%	37.6%	11.1%
<i>% increase since 1996-97</i>		43.9%	107.3%	185.4%	217.1%

Source: Department of Education, Division of Workforce Development.

To address this issue, the Commission supports the Department of Education's legislative \$12 million budget issue for 2001-02 to reinstate the Vocational Student Assistance Grant (VSAG). The VSAG was created by the 1990 Legislature but was deleted in 1996 after having gone unfunded since its inception. The program's purpose was to provide need-based assistance grants to full-time students enrolled in a public vocational-technical center, community college, or accredited nonpublic postsecondary vocational, technical, trade, or business school. Eligibility requirements, further outlined in Section 240.4093, Florida Statutes, further stipulated that:

- The student must be enrolled in a course or program of at least 900 clock hours, 36 quarter hours, or 24 semester hours which awards a diploma as defined in s. 246.203(6), F.S.
- The student applying for a VSAG must also apply for the Pell Grant.
- Priority in the distribution of grants shall be given to students with the lowest total family resources, taking into consideration the receipt of Pell Grants and student contributions to educational costs.
- The amount of the VSAG may not exceed \$1,000 and may not exceed the amount of demonstrated unmet need for tuition and fees.
- The student may not receive simultaneously a VSAG and any other form of student assistance grant or a Florida resident access grant.
- Renewal is based on continuous enrollment and satisfactory progress as defined by the institution for receipt of federal Title IV funds. The student may not receive a VSAG for more than two years.

In testimony before the Commission, the Division of Workforce Development estimated that there were 50,000 Pell-eligible students enrolled in vocational certificate programs in 1999-2000 at school districts, community colleges, and accredited nonpublic career schools. Were all these students to apply and be determined eligible for a VSAG, the \$12 million requested by the Department would provide an average award of \$240 per student, covering approximately 20 percent of the 2000-01 average annual fee.

2. ***The Vocational Student Assistance Grant should be reinstated and funded at the Department of Education's requested amount of \$12 million. Administration of the Grant program should be decentralized, allowing each institution discretion as to whether to make awards from its allocation available to part-time students.***

## **Recommendation**

It should be noted that concurrent to the Senate Bill 2050 study addressed here, the Commission is engaged in a review of state financial aid programs and policies, due to the State Board of Education and Legislature by February 2, 2001. The Commission reserves the right to address in its February report further financial aid issues relative to the state's workforce and economic development.



Colleges and universities are major engines for economic development in any state or region and they possess a range of courses and degree programs that closely match with critical job classifications. The ability or desire of some segments of the education sector to redirect a portion of their efforts to assist the state in the development of a trained workforce in critical jobs has been called into question. Most curriculum decisions are made at individual institutions and/or by faculty within individual departments. Continued concerns from business and industry suggest that, in many areas, our education system is not producing the right numbers or types of qualified workers needed by business and industry. Nowhere is this criticism heard more often than in high technology areas. The cause of this perceived failure to respond to the job market may lie in several key areas: 1) failure to attract students to advanced science programs or other critical disciplines; and 2) steering too many of those who do enter the programs to tracks that prepare them for careers in glutted or unneeded areas.

Apart from the recruitment and career advising issues, concerns over the length and structure of some programs have also been a source of concern. Traditional educational curricular models are organized around semester lengths and regular attendance. The targeted populations for most workforce development programs are often limited in the amounts of time, money and transportation to adapt to such models. As a result, a more learner-centered focus seems to provide promise. Such a focus upon the learner has been much debated of late with the increased utilization of telecommunications technologies, including the Internet, for the delivery of educational programs and services. New modes of educational delivery offer the convenience of asynchronous delivery and since many distance learning programs are competency based, a learner's progress is often not dependent upon a fixed period of time. Thus a student's progress may be only limited by the amount of hard work contributed. Given the options presented by technological advances, the critical need for workers in specific targeted fields and the importance of such initiatives to the economic development of the state, a review of current and potential curricular structures and delivery models is warranted. Further, while distance learning technologies are not the best learning environments for all students, the student support and client centered focus of such educational programs is an appropriate strategy for workforce development activities.

Course content can be influenced by a number of factors including faculty expertise, requirements of accrediting associations, and the demands of students and society. Many would argue that postsecondary institutions are too responsive to the demands of society for curricular change. A number of popular books have decried the decline of the classical curriculum in favor of more modern or practical approaches. The revision

## **CURRICULAR RESTRUCTURING**

### **Curricular Restructuring in Postsecondary Education**

of curricula is an expected and necessary activity within higher education just as is the inevitable discourse surrounding such activities. One question that has often surrounded curricular reform involves how an institution mixes the academic with the vocational aspects of a course of study, not whether it does so.

Today, the program review processes that exist at the institution and state level provide an opportunity to examine in a routine way, how the curricular content of a degree program measures up to the standards of accreditors and the needs of business and industry. Several processes exist within the State University System and the State Board of Community Colleges which are designed to ensure that the degree programs offered are meeting the needs of students, potential employers and society as a whole.

### **State University System Program Review Activities**

The Board of Regents Program Evaluation Unit has developed a model for program review that provides for scheduling opportunities that build upon existing institutional materials and data. The “Cooperative Model of Program Review” shares responsibility for the evaluation of instructional, research and service programs with the institutions themselves. Under this structure, the institutions adopt more responsibility for the design of quality assurance policies and practices while the Board assumes more of an oversight and facilitative role. The institutions gain greater flexibility in the scheduling of the reviews, however the Board still maintains the final authority for approving an institutions evaluation process. The process could be described as one of negotiation between the institution and the program evaluation unit to arrive at an evaluation plan that meets the needs of all concerned.

Specifically, under the cooperative process, each university submits to the Board a five-year plan (University Evaluation Plan) which indicates when each program or cluster of related programs will be reviewed. Each plan should contain a description of the proposed program evaluation processes, a description of the objectives, criteria, and data elements to be used and a proposed schedule for activities. Universities can combine a variety of review strategies to collect the evaluative data needed for the review. Review activities and data sources available to the institution could include:

- Regional accreditation materials or visits
- Professional accreditation materials or visits
- Council of Academic Vice Presidents review of Type I Institutes and centers
- Institutional accountability plans
- Progress reports against institutional strategic plans
- Existing internal review activities (e.g., graduate programs)

- FETPIP review reports
- Needs assessments and feasibility studies for new degree programs
- Follow-up data on new degree programs
- Programs that have been flagged by the BOR or the institution as needing to be reviewed

With the passage of the Workforce Innovation ACT OF 2000, the State University System has been further required to ensure that “industry driven competencies were included in its program reviews of high technology programs (240.209 FS). During a program review or accreditation self study, business and industry input is routinely sought through employer satisfaction surveys, focussed interviews and curricular advisory committees. When available, licensure pass rates for certain disciplines can also be used as an indicator of how well graduates have been prepared for employment. Given the flexible structure of the cooperative model and since the institutional program review plans are subject to modification to meet the needs of the Board or those of the Legislature or other external agencies, adjustments can easily be made when needed. Further, programs of timely or particular interest to the Board of Regents, the Legislature, the Commission, or other stakeholders may be scheduled earlier than originally planned by the institutions. Once the institutional program review plans are approved, the Program Evaluation Unit would begin working with each institution concerning the coordination of all of the program review activities for the coming year.

The State Community College System uses a three component program review process. The first component, Level I, is the annual generation of descriptive and follow-up information about each program for study and evaluation. The data run contains information on student enrollments, retention, completions, and student demographic data. The second component is an additional review by the community college personnel independently or in conjunction with appropriate independent, outside groups. For the associate in arts program, discipline groupings within the degree program are reviewed. A major element of this process concerns the meeting of discipline faculties at community colleges and universities where most of the community college’s students transfer. The Level I data plays a critical role in the selection of programs and discipline groupings for a Level II review. The Division receives annual reports from the institutions concerning which programs and discipline groupings will receive additional Level II reviews. The third component, Level III review involves a system-wide review of selected programs or groups of programs by the State Board of Community Colleges. The programs and issues for such reviews are determined by the Division based upon the data gained through Level I and II reviews, State Board of Community Colleges interests, legislative interests, State Board of Education interests

### **State Board of Community Colleges Program Review, Sector Strategies Initiative**

or other factors which may arise. The State Board of Community Colleges approves the 5-year program review schedule for the community colleges.

In the community colleges, a majority of the programs directly related to preparation of students to assume jobs in critical jobs reside in the associate in sciences degree track. The state-level curricular frameworks for these programs had not been revised for ten years in some cases. The curricular frameworks guide the institutions as to what knowledge, competencies, and skills form the basis for existing or new programs. While colleges had been keeping the programs up to date, there was no consistency in the content on a statewide basis. In an effort to undertake a more systemic effort toward improvement of the programs, the community college system initiated its Sector Strategies approach in 1999.

Sector Strategies is a systemic approach toward the review of critical degree programs with a goal of improving the programs' performance. The initiative is organized through an RFP process through which consortia of colleges combine their efforts to review targeted programs. In order to participate in the RFP process, colleges must form geographically diverse consortia, engage business and industry partners, show partnerships with the state university system and other four year institutions, and have prior experience in curriculum development for the targeted program. In order to be considered as a lead college, an institution must have strong business and industry partners. The review strategy involves an examination of the following areas:

- The development of new or revised curricula appropriate for the program or degree?
- The potential for employing distance learning technologies. What is available and can these new technologies be employed in new or better ways? What types of software and equipment can be used to complement the new or revised curricula?
- The credentials of the faculty involved in the teaching of the program.
- Development of schedules incorporating classroom instructional and on the job training that meets the needs of business and industry.
- Examine the available distance learning products and determine their applicability to the newly developed curricula and evaluate the potential for new product development to complement the new curricula.
- Deliver recommendations for future program development in the occupational area.

One of the most important aspects of the review process is the production of a DACUM Research Chart for the targeted program. A DACUM Research Chart is the result of highly focussed discussion with a panel of business and industry leaders representing employers for targeted program graduates. The DACUM process provides business and industry leaders an opportunity to give very specific information concerning the trends and concerns for the occupational area and the program curricula, desired worker behaviors, required general skills and knowledge for workers and the necessary tools, equipment, supplies and materials needed on the job. Once completed, the DACUM chart provides a basis for discussion on how well existing programs are meeting the needs of employers. For new programs, the chart is a foundation on which new curricula can be built.

The first round of programs reviewed were aviation/aerospace technology, health technology, information technology, silicon technology, and tourism, hospitality and restaurant management. The first round of reviews is to be completed by December 2000. The RFP for the second set of programs, business management technology, allied health technology, computer support and programming technology, manufacturing technology, and interactive media technology, has been released. Consortia are awarded \$120,000 per program sector to conduct the reviews. For the most part, the funds are used for travel and other expenses involved in the curricular revision. With the passage of the Workforce Innovation Act of 2000, the Division of Community Colleges, under Section 240.312 FS, is required to conduct reviews of associate in science and career education programs on a three year cycle. As a result this existing process places the colleges clearly in line and somewhat ahead as it relates to this new requirement.

As noted earlier, there are two distinct aspects that surround workforce development the first involves the relevance of the content to the needs of business and industry. The second concerns the structure and length of the courses and programs. For the most part, the curricular content and its relevance to the needs of business and industry are concerns that are traditionally addressed through the program review process in either sector. Issues of program length and structure can also be addressed in the review process, however the impact of distance learning technology has challenged traditional concepts of program length and structure such that special mention is warranted. The increase in the use of telecommunication technologies to deliver educational programs and services has given rise to a stronger focus upon the learner and as a result many institutions have modified their curricular structures to more effectively serve their students. While most courses are still offered between the hours of 8 a.m. and 5 p.m. during the week, an increasing number are being offered at night and during weekends. Many institutions are relaxing their adherence to rigid semester schedules and a heavy reliance on student seat time in the instructional process. Because of the

influence of distance learning, many courses and programs can be started when convenient for the learner and completed at the students own pace or schedule. Such structural revisions in the curriculum can make significant differences in the ability of many learners to access the educational programs offered.

Another important influence of distance learning concerns the increased use of learning assessment and the ability to tailor instructional programs to the knowledge and experience of the learner. Competency-based learning is not a new concept nor are tailored educational programs. What is new is acceptance of such programs on a wider scale. In the design of Internet-based instructional programs, a first step is to determine the competencies, skills and knowledge that will be the basis for learning. Once decided, a course can be organized around units containing the required knowledge and skills. A number of private companies and educational institutions have used the assessment at the beginning of a competency-based course to design a specific course of instruction which covers only those competencies not already possessed by the student. As a result, the amount of time needed by the student to complete a course or program of instruction can be significantly reduced. In addition, students do not have to expend time and money covering material they may already have mastered. Overall the model described is one of efficiency for the institution and for the student. Currently, such an instructional design is heavily in use in information technology training programs and it shows signs of spreading to other areas as more courses and entire degree programs are adapted for Internet based delivery.

## **Issues and Recommendations**

Based upon a review of the curricular review strategies used in the State University System and the Division of Community Colleges, opportunities exist for specific input from business and industry as the adequacy of course and program content. The Sector Strategies initiative appears to be a very effective means of achieving this goal for the community colleges. The process involves business and industry leaders in the specification of the skills and competencies needed for specific programs. As a result of Legislation contained in the Workforce Innovation Act of 2000, curricular frameworks will be reviewed at least every three years. In the interim, the Division of Community Colleges can utilize its annual Level 1 data displays to identify any problems which might occur. On the whole, the empanelling of business and industry leaders for the creation of a DACUM research chart for each curricular area suggests a focussed attempt to identify specific skills and competencies needed by graduates for specific occupations. The Division of Workforce Development has used a similar process in the creation of curricular frameworks for school districts to use in the operation or development of horizon job preparation programs. The State University System program review process has historically used such information

as employer satisfaction surveys, focussed interviews and licensure pass rates as useful indicators of program relevance to the needs of employers. The flexibility of the process allows institutions and board staff to modify the processes employed to better meet the needs of stakeholders. Further, to the extent that accrediting agencies represent the needs and interests of employers, educational institutions in both sectors must adhere to certain curricular standards to maintain their accredited status.

Most successful initiatives resulting in the production of desirable results include an incentive for those institutions that work to achieve targeted goals. In this instance, the state has historically attached incentive or performance based funding to programs that reach targeted behaviors. At the heart of discussion of curricular structure and relevance are two basic points:

- Business and industry representatives that constitute the employers for Florida students should be more closely involved in the curricular review process.
- New learner-centered instructional strategies that can reduce the time a student takes to complete a course of study and that allow for increased flexibility in scheduling and self-paced instruction should be employed when possible.

As a result, funding, incentives for programs which demonstrate the above behaviors can be a useful option for ensuring that the concerns of Legislators and business and industry leaders continue to be addressed in a more focussed way.

3. ***Workforce Development Capitalization Incentive Grant funding should be made available to institution programs participating in the curricular framework upgrade process. The institutions should be able to demonstrate improved performance of their programs through increased enrollments and completions, reduced time to completion or the incorporation of learner-centered instructional approaches within the curriculum.***

## **Recommendation**



The state of Florida has made considerable progress in recent years in aligning its postsecondary educational systems, particularly at the community college and school district level, with the needs of Florida's skilled workforce. The intent of the *Workforce Development Education Fund*, established in 1997, was to focus state resources on the most effective programs in the production of the state's priority labor market needs (see "Workforce Development Funding Issues Report", Postsecondary Education Planning Commission, 2000, for a detailed analysis of this program). This program rewards colleges and school districts for the production of completers and the placement of those completers. Under this system, fifteen percent of community college and school district funding for adult general education, vocational certificates, associate of science degrees and continuing workforce education is based on performance.

The development of incentive funding for state universities has not been so well developed. Although several measures have been adopted since 1995, there has not been consistency across time in these measures. In 1995, the Legislature provided more than \$15 million to recognize and encourage increased baccalaureate degree production and faculty teaching productivity. In 1997-98, the Legislature provided \$3.3 million for performance incentive funding based on three indicators: (1) the ratio of baccalaureate degrees to FTE enrollment; (2) a combined graduation-retention index for first-time-in-college students; and (3) five year change in FTIC and A.A. transfer graduation rates. An additional \$3.3 million was provided for 1998-99 using the same criteria. In 1999-00, \$3 million was allocated and required the establishment of performance standards for each university. One-half of the funding was allocated based on whether universities met the standards for graduation rates for FTICs and A.A. transfers, percent of students graduating with less than 115% of the credit hours required for their degree, percent of undergraduates enrolled in Florida upon bachelor's degree completion and the ratio of externally generated research and training grant funds to state research funds. The remainder was allocated based on university improvement on these measures from 1997-98 to 1998-99. Details on these measures are provided in Appendix C.

None of the measures attempted thus far for state universities have tied the funding to the production of specific types of graduates. The primary links in the other measures have focused on graduation rates or ratios of graduates to full-time equivalent (FTE) enrollment. Unlike the community college and school district postsecondary programs, the occupational outcomes of many undergraduate and even graduate degrees are varied. It is much more difficult to link a particular degree program to a single occupational outcome. This linkage problem is the greatest obstacle to performance incentive funding for targeted programs at state universities.

## **PERFORMANCE- BASED INCENTIVE FUNDING TO STATE UNIVERSITIES FOR INCREASED PRODUCTION OF GRADUATES FROM TARGETED PROGRAMS.**

### **Brief Overview of Florida's Performance-based Incentive Programs**

## **The Linkage between Supply of Graduates and Labor Market Demand**

When seeking to provide incentives for the production of graduates from targeted programs, a linkage must be made between the market demand (occupational projections) and the degree. In a December 2000 report, *An Analysis of the Extent to which Universities are Meeting the Skilled Workforce Needs of Florida's Economy*, the Commission highlights the difficulties in making this linkage between supply of university graduates and the demand in occupations requiring a bachelor's degree or higher. The two primary problems with this linkage involve:

- Matching specific degree programs with occupational information, and;
- Estimating the impact of in-migration and out-migration on occupational supply.

With the first problem, in many cases, it is not possible to directly match the labor market information systems (i.e. occupational employment codes) with university-level degree programs. Graduates of bachelor's, master's, and doctoral programs are qualified for and seek employment in a variety of occupations. There are few one-to-one matches between occupations and degree programs. For example, a graduate with a bachelor's degree in psychology, which is one of the largest degree programs in the state university system, may seek and achieve employment in a variety of occupational fields. Additionally, the available information on degree programs may not capture the level of specialization that students received in certain degree programs. The supply data does not reflect whether students are enrolled in particular tracks, which lead to employment in a particular occupation.

On the second issue, some estimates of out-migration are available through data systems which track the employment of recent university graduates. But while it is possible to estimate the number of graduates from state universities who were found employed in Florida, it is impossible to get an accurate estimate of the effect of graduates from other states moving to Florida for occupational reasons.

While direct linkages are difficult, except among a few program, the report concludes the overall that Florida's production of bachelor's, master's, and doctoral degrees through its public and private universities is well below the national average overall, and below the national average in most disciplines.

## **Performance Incentive Funding Based on Degree Outcomes**

A review of performance funding in other states indicates that Florida would be venturing into a new area by providing funding incentives for targeted programs. While there are some instances of funding based on the number of graduates, the added incentive for production in targeted areas has not been addressed in other states.

If Florida were to develop a performance incentive model that encourages the production of certain degrees, the following issues should be addressed: the criteria for the development of the targeted programs list and incentive model guidelines.

Due to difficulties in making direct linkages between occupations and programs, particularly at the bachelor's degree level, the model must emphasize only those programs where linkages can be made. Necessarily, any targeted program list may be limited to primarily graduate and professional programs with consideration for bachelor's degree programs that require licensure or professional certification or that have a direct occupational outcome.

Although the data on occupational employment projections and current supply data provide a framework for the development of a program list, the involvement of representatives from Florida's business and industry as well as educational institutions is essential. A strict comparison of the supply and demand data is not relevant for many degree programs and additional insight would be added through the participation of the businesses being served by Florida's graduates and the producers of those graduates.

Several circumstances exist in Florida that must be considered in the development of any performance incentive model. The state universities are classified according to primary mission into comprehensive, doctoral and research missions. If a performance incentive model does not consider university mission in the development of targeted program lists, then some universities with primarily undergraduate missions would be left out of the system and encouraged to develop programs in high demand areas. While in certain cases, the development of new programs may be advisable; it is possible that Florida's needs could be served through existing programs. An incentive structure should utilize the strengths of the universities in each mission classification without encouraging unnecessary duplication.

- 4. The Legislature should establish an ad hoc task force, with representatives from the Workforce Estimating Conference, state universities and Florida business and industry, to develop a targeted list of undergraduate, graduate and professional programs from which graduates are expected to enter high-demand occupations that are necessary for Florida's skilled economy. This program list should serve as the basis for a*

## **Criteria for the Targeted Programs List**

## **Incentive Model Guidelines**

## **Recommendation**

*performance incentive model which would consider the long-term demand for certain occupations and the current and projected supply of graduates from Florida's four-year universities under following conditions:*

- a. Only bachelor's degree programs with professional licensure requirements or those with a strong and direct linkage to specific occupational outcomes should be considered for inclusion on the list. Any graduate or professional program with a linkage to high demand occupations should be considered.*
- b. Different university missions should be considered when developing performance incentive funding for targeted programs.*
- c. Universities should be rewarded for an increase in the number of degrees granted in targeted programs, over a set base-year level.*
- d. Universities should not be rewarded for increases in targeted programs that occurred prior to the adoption of the performance incentive model (i.e. the base-year must occur after the year the performance incentives were created.)*

Changes in the state's workforce development programs in the late 1990s resulted in the transformation of the terminal, occupation oriented Associate in Science Degree (AS) into a career education transfer degree to the university system. Until recently, students in AS degree programs completed general education courses tailored to an occupation rather than to academic standards for the college level. Because faculty did not always meet the Southern Association of Southern Colleges and Schools Commission (SACS) criteria for baccalaureate-degree instructors, AS degrees were not considered transfer degrees. SACS accreditation criteria are currently being revised and may affect a variety of articulation issues.

## **ACCELERATED ARTICULATION OPTIONS**

Recent revisions to State Board of Education Rules 6A-10.024 and 6A-10.030 mandate that the general education courses taken as part of an AS degree program must meet the same academic criteria, including SACS faculty requirements, as those set for the Associate in Arts (AA) Degree. Because of those rule changes, community colleges now require that all AS programs must have "transferable" general education courses. Those that do not meet these criteria must be re-classified as Associate in Applied Science Degree Programs (AAS). The AAS curriculum is identical to the AS program except that a student may take a lower level math or English course or may be instructed in a technical course by someone who does not have a baccalaureate degree. In other words, the technical or career components of the AS and AAS are the same, except possibly for the instructor's credentials. The general education components are what distinguish the two degrees in that an AAS program may require or authorize a student to take an English or mathematics course that is tailored to the occupation, rather than a collegiate-level course. According to a 2000 interim project conducted by the Senate Committee on Education, only three community colleges (Edison, Seminole and Tallahassee Community College) have guaranteed that all of their former AS degree programs meet the new criteria. All Associate in Science degrees must have the general education courses stipulated in law or they are by default Associate in Applied Science Degrees. A select review of community college occupational deans reveals that there is no consistency in delineating the differences between an AS and AAS degree, including general education requirements/transferability, or the merits of choosing one track over the other.

Despite statewide efforts to facilitate the A.S. to BS pipeline, only five Associate in Science Programs are currently protected under a true articulation "career ladder" agreement between the community colleges and universities. These are Nursing, Radiography, Hospitality and Tourism Management, Electronics Engineering Technology, and Business Administration. In 1998, only 278 AS graduates (out of 9,339-degree holders) transferred to the State University System, compared to 8,663 AA degree recipients. While it is clear that the great majority of AS completers do not immediately articulate into the SUS, some do re-enter postsecondary education later. Most of these later transfers are adult

workers who do not benefit from the Bright Futures Scholarship Program but who would qualify for educational awards from the Careers for Florida's Future Incentive Grant Program. The program, part of the state's massive Workforce Innovation Act, was vetoed by Governor Bush in 2000 but is expected to be enacted into law in 2001.

Students who earn one of the other 100 Associate in Science degrees may be granted admission to a state university if their program is included in an interdisciplinary "capstone" agreement. (SBE 6A-10.024). Capstone degrees were developed to facilitate transfer to the university system for AS graduates whose programs were not included as career ladder or articulated degrees. Transferring to a capstone degree program does not guarantee a blanket acceptance of the career or technical components of the AS degree. All general education courses however, articulate into the capstone degree program. The universities have reported approximately thirteen capstone programs to the Board of Regents. One example of an existing capstone program is the BS in Health Sciences Administration agreement at the University of Florida. Students with AS degrees in a variety of related disciplines could transfer into that upper division program. Under such an agreement, the community college graduate is guaranteed admission to the University of Florida, but is not guaranteed course-by-course credit for the technical component of the degree. A variety of local capstone degree programs are available or are under development at universities around the state. Currently, there are no statewide capstone agreements codified into the articulation agreement. SUS universities have been asked by the Board of Regents to identify three capstone degree programs at their institutions that might be included in a statewide agreement. Until capstone programs are codified into law, such agreements remain local initiatives that vary throughout the state. There is concern among some community college vocational deans that the agreements will not remain in force or will change as the universities revise their requirements. Because most AS degree recipients who continue on to a university are likely to remain in their service area, local agreements may continue to adequately serve AS recipients who chose to pursue a baccalaureate degree.

In addition to the Associate in Science and Associate in Applied Science Degrees, community colleges also offer college credit certificates (the first year of an AS or AAS-degree program) and Applied Technology Diplomas. Thirteen Applied Technology Diploma programs are identified in the Articulation Manual and may be offered by a school district technical center as well as by a community college. The only difference is that a student at a technical center must earn the diploma before college credit is granted, and college credit is granted as block rather than on a course by course basis.

Despite the expansion of degree and certificate programs within the community college system, barriers to student transfers, such as

accreditation requirements, remain. According to the report conducted by the Senate Education Committee and staff conversations with Occupational Deans, some confusion exists among college counselors and within the business community regarding the educational record and preparation of students in workforce education programs.

- ◆ Changes in the state's workforce development programs resulted in the transformation of the terminal, occupation oriented AS Degree into a career education transfer degree to the SUS.
- ◆ Only five AS degree programs are currently protected under a true articulation agreement.
- ◆ AS graduates of one of the 13 existing interdisciplinary "capstone" degree programs are granted admission to a university, but are not granted blanket acceptance for all career or technical components of the degree.
- ◆ All AS degree programs that do not meet the new general education requirements must be re-classified as AAS degrees.
- ◆ The transferability of AAS degrees is not guaranteed.
- ◆ The great majority of AS degree recipients do not now transfer to the SUS.
- ◆ It is unclear if there is a need to include other AS degree programs in the articulation agreement or to codify capstone agreements.
- ◆ The new distinctions between AS, AAS degree programs and the creation of the capstone degree programs have caused some confusion among community college students and counselors as well as those in the business community.
- ◆ Occupational Deans note that it is clearer to the public and to businesses that an AAS degree is not designed to transfer into a baccalaureate degree program.

## Summary

5. *All Associate in Science Degree Programs not fully covered under the statewide Articulation Agreement should be renamed Associate in Applied Science Degree Programs.*
6. *Capstone Agreements should be developed for Associate in Applied Science Degree Programs and should remain local agreements between participating community colleges and universities to reflect both the educational requirements of individual institutions as well as the labor needs in each service area.*
7. *Community Colleges should ensure that students who wish to use an AAS degree to transfer to a state university are aware of what general education math and English courses meet the transferability requirements of the SUS.*

## Recommendations



The Workforce Investment Act Program is intended to focus on meeting the needs of business for skilled workers and the training, education and employment needs of individuals. The total funding allocated by the U.S. Department of Labor for 2000-01 is \$119,379,910; of which \$91,209,576 has been allocated to the regional workforce development boards. The allowable 15% state set-aside is \$28,170,334. States may merge the 15 percent set-asides for statewide activities from the three separate funding streams to increase services to one of the three groups: incumbent worker training projects, authorized youth, and adult activities.

Of all of the federally funded workforce programs, those under the auspices of the WIA are the most successful. Core services are available to all adults regardless of income, intensive services are available to unemployed individuals who cannot find a job and training services are available to those who need training linked to job opportunities. Youth programs are geared toward those low-income young people with at least one specific barrier to employment such as teenage pregnancy, literacy deficiency and homelessness. The most difficult clients to help are dislocated workers with fewer skills, less education and more barriers to employment.

The Welfare to Work (hereafter, WtW) grant program administered through the U.S. Department of Labor provides block grants to states for moving recipients of the Temporary Assistance to Needy Family (TANF) Program from welfare to work. The purpose of the WtW program is to assist *long-term* welfare recipients with job placement services, transitional employment, and other support services they need to progress into long-term unsubsidized employment. Program funds may be used to help move eligible individuals into long-term unsubsidized jobs using strategies such as job creation through short-term public or private sector wage subsidies; on-the-job training; contracts with public or private providers of job readiness, job placement, and post-employment services; job vouchers for similar services; community service or work experience; job retention and supportive services; or six months of pre-employment job training or vocational educational training. At least 70 percent of WtW funds must be spent on "hard-to-employ" individuals ; and not more than 30 percent may be used to assist individuals with long-term welfare dependence. Hard-to-employ individuals are those clients who will either become ineligible for TANF funds within 12 months, are former TANF recipients who no longer receive funds due to time limits, or are individuals who have received assistance for at least 30 months. Individuals with long-term welfare dependence include school drop-outs, victims of domestic violence, teen parents, or a resident of a public housing project and food stamp recipient for longer than two years. As is obvious, WtW recipients are the hardest to serve.

## OVERVIEW OF STATE PARTICIPATION IN WORKFORCE INVESTMENT ACT AND WELFARE TO WORK PROGRAMS

### Workforce Investment Act (WIA)

### Welfare to Work

WtW guidelines require that states provide one dollar of non-federal funding match for every two dollars of federal funding provided under the formula. Over \$98 million in federal funds have been allocated to Florida's Regional Workforce Boards for state board approved plans. According to available documentation, the state has spent less than four million dollars on TANF (welfare) recipients in the community college and vocational education systems as of October 2000. This amount provided the match for the \$7.7 million in WtW funds expended by the regional workforce development boards to date.

Why has the State not spent the federal WtW funds that are designed to move former and current welfare recipients into the job market as trained workers? Two barriers have been identified: 1. The requirement for a non-federal match has not been met because the State has not provided the general revenue funds required to access federal dollars. Unless the state match is provided, the intent of the federal program—to provide employment and work related educational opportunities for current and former welfare recipients—cannot be legally carried out. To help facilitate the match, the legislature created a challenge grant program designed to support welfare-to-work initiatives (Florida Statutes 445.013). This program attempts to find a non-federal source of matching funds for WtW grant monies by encouraging not-for-profit or for-profit organizations, educational institutions and units of government to sponsor eligible individuals in post-employment education and training. Under this program, the state would earmark WtW funds for the sponsored individual. In November 2000, the State Workforce Board awarded twelve “Step Up Challenge Grants”, totally \$1.2 million, out of a potential \$5 million set aside for the program. 2. The second barrier to accessing WtW funds is the strict eligibility guidelines established by the federal government. Although eligibility criteria were relaxed in January 2000, (long-term dependent clients must only qualify for one barrier to self-sufficiency) they are sufficiently stringent to further limit the pool of those eligible to participate in the program.

Although a high school equivalency is a prerequisite for most living wage jobs in any state, federal regulations require that WtW clients must work or be enrolled in vocational training while receiving GED preparation. This is particularly onerous in a state where 25 percent of its residents are without a high school diploma and of those nearly 40 percent have less than a 9<sup>th</sup> grade education.

Recent federal studies reveal that while millions of welfare recipients have joined the ranks of working Americans, they have not left behind the poverty that characterized their lives on welfare. Consequently, the goal of “work first” has largely been accomplished, while the goal of “make work pay” remains largely illusory. One reason the remaining welfare clients are experiencing difficulties in moving into employment that would help lift them and their families out of poverty is that they

lack the basic education and training required for anything but minimum wage employment. Yet very few states, Florida included, have pursued education-based strategies for either current or former welfare recipients—even though state laws and regulations allow more education and training than recipients are receiving.

The federal government has provided over \$176 million in TANF funds for Welfare Transition (separate from the WtW program) activities. The state's TANF funds are all obligated for this year. Federal law states that TANF monies are to be spent on needy families and each state defines what "needy" is. In Florida, it is 200 percent of the poverty level. The federal guidelines require that states must meet a work participation rate. At least 45 percent of the caseload has to be actively engaged in a work activity. Twenty to thirty percent of the caseload may be enrolled full-time in vocational education. There is no time limit for a client to receive job-related training while working. While it is not clear how much of those funds are used to provide educational opportunities in Florida, a nationwide report published by the Educational Testing Service revealed that fewer than one in ten welfare recipients who met the TANF work requirements in 1998 used educational activities to meet the work standards. According to the report, states had access to \$4.2 billion in unobligated TANF funds, one estimate suggests that this surplus could balloon to \$24 billion by 2002. Meanwhile, in Florida, clients who would be eligible for WtW funds are being served out of Welfare Transition and WIA funds when abundant funds are available through WtW to serve the specific needs of that population.

Federal guidelines governing the expenditure of Workforce Investment Act (WIA), Workforce to Work (WtW), and Temporary Assistance to Needy Families (TANF) funds are restrictive but do allow for some state flexibility. However, because of Florida's commitment to the work first philosophy, it appears that educational and training related services often take a back seat to employment of any kind. While this philosophy has provided many former welfare recipients with temporary jobs, it might not serve the state well in times of high unemployment and economic downturn.

Administratively, it appears that a lack of communication between the State Workforce Board, comprised mainly of business leaders, and the regional workforce boards is hampering the ability of the state to streamline services and maximize resources intended to serve Florida's most needy citizens. In addition, the plethora of federal and state laws and guidelines effecting the delivery of workforce programs and activities is so complex that misunderstanding and confusion over what services may be offered and to whom effects both the quality and quantity of WtW and TANF funded services.

- 
- Recommendations**
8. *The State Workforce Development Board should conduct a thorough analysis of how federal and state laws are interpreted and enacted in each region to ensure that all workforce related services are standardized throughout the state and that all available resources are used for maximum effectiveness.*
  9. *To prepare for economic downturns and related job lay-offs and terminations, future planning by the State Workforce Development Board should include strategies that stress future education and training for clients that could clearly benefit from these services.*

## **APPENDIX A**

# **FLORIDA STATUTE 445.012, CAREERS FOR FLORIDA'S FUTURE INCENTIVE GRANT PROGRAM**



**445.012 Careers for Florida's Future Incentive Grant Program.—**

(1) The Careers for Florida's Future Incentive Grant Program is created to encourage students in this state to obtain degrees or certificates in postsecondary programs that produce graduates with job skills in advanced technology which are critical to the economic future of this state. The program shall provide for a forgivable loan that requires a student to enroll in and complete an eligible program and then to maintain employment in an eligible occupation in this state for 1 year for each year of grant receipt. The recipient must begin repayment of the grant 1 year after the recipient is no longer enrolled in an eligible institution or completes the program, unless the recipient obtains employment in an eligible occupation.

(2) Workforce Florida, Inc., shall manage the Careers for Florida's Future Incentive Grant Program in accordance with rules and procedures established for this purpose. Workforce Florida, Inc., shall contract with the Office of Student Financial Assistance in the Department of Education to administer the incentive grant program for students pursuing baccalaureate degrees or degree career education programs that articulate into baccalaureate degree programs. The office shall advertise the availability of the grant program and collect all delinquent incentive grant repayments.

(a) The Office of Student Financial Assistance of the Department of Education shall issue awards from the incentive grant program each semester. Before the registration period each semester, the department shall transmit payment for each award to the president or director of the postsecondary education institution, or his or her representative, except that the department may withhold payment if the receiving institution fails to report or make refunds to the department as required in this section.

(b) Within 30 days after the end of regular registration each semester, the educational institution shall certify to the department the eligibility status of each student who receives an award. After the end of the drop-and-add period, an institution is not required to reevaluate or revise a student's eligibility status, but must make a refund to the department if a student who receives an award disbursement terminates enrollment for any reason during an academic term and a refund is permitted by the institution's refund policy.

(c) An institution that receives funds from the program shall certify to the department the amount of funds disbursed to each student and shall remit to the department any undisbursed advances within 60 days after the end of regular registration. The department may suspend or revoke an institution's eligibility to receive future moneys for the program if the department finds that an institution has not complied with this section.

(3) Workforce Florida, Inc., shall allocate to each regional workforce board its share of funds available for incentive grants in eligible diploma, certificate, and degree career education programs that do not articulate into baccalaureate programs. Each regional workforce board shall administer the program, including determining award recipients within funds available to it for that purpose. Workforce Florida, Inc., shall contract with the Office of Student Financial Assistance in the Department of Education for collecting delinquent incentive grant repayments.

(a) Workforce Florida, Inc., shall reallocate any funds not encumbered by the regional workforce boards by January 31 of each year to other regional workforce boards for additional awards, in accordance with rules and procedures established for this purpose.

(b) Within 30 days after the student begins classes, the educational institution shall certify to the regional workforce board the eligibility status of each student who receives an award. After this report, an institution is not required to reevaluate or revise a student's eligibility status, but must make a refund to the regional workforce board if a student who receives an

award disbursement terminates enrollment for any reason during the period that would permit a refund by the institution's refund policy.

(c) Regional workforce boards shall ensure that each recipient receives maximum funding possible by coordinating career education awards with Individual Training Accounts funded by the federal Workforce Investment Act, Retention Incentive Training Accounts funded by the federal Temporary Assistance for Needy Families Act, the federal Welfare-to-Work program, and other programs intended to assist incumbent workers in upgrading their skills.

(4) If funds appropriated are not adequate to provide the maximum allowable award to each eligible applicant, full awards must be provided in the order of priority established by Workforce Florida, Inc. Awards must not be reduced to increase the number of recipients.

(5) A recipient who is pursuing a baccalaureate degree shall receive \$100 for each lower-division credit hour in which the student is enrolled at an eligible college or university, up to a maximum of \$1,500 per semester, and \$200 for each upper-division credit hour in which the student is enrolled at an eligible college or university, up to a maximum of \$3,000 per semester. For purposes of this section, a student is pursuing a baccalaureate degree if he or she is in a program that articulates into a baccalaureate degree program by agreement of the Articulation Coordinating Committee. A student in an applied technology diploma program, a certificate career education program, or a degree career education program that does not articulate into a baccalaureate degree program shall receive \$2 for each vocational contact hour, or the equivalent, for certificate programs, or \$60 for each credit hour, or the equivalent, for degree career education programs and applied technology programs for which the student is enrolled at an eligible college, technical center, or nonpublic career education school.

(6) If a recipient who is enrolled in a diploma, certificate, or degree career education program that does not articulate into a baccalaureate degree program transfers from one eligible institution to another within the same workforce region and continues to meet eligibility requirements, the award shall be transferred with the student.

(7) If a recipient who is enrolled in a baccalaureate degree or a degree career education program that articulates into a baccalaureate degree program transfers from one eligible institution to another and continues to meet eligibility requirements, the award shall be transferred with the student.

(8) An award recipient may use an award for enrollment in a summer term if funds are available.

(9) Funds may not be used to pay for remedial, college-preparatory, or vocational-preparatory coursework.

*History.—s. 155, ch. 2000-165.*

**445.0121 Student eligibility requirements for initial awards.—**

(1) To be eligible for an initial award for lower-division college credit courses that lead to a baccalaureate degree, as defined in s. 445.0122(5), a student must:

(a)1. Have been a resident of this state for no less than 3 years for purposes other than to obtain an education; or

2. Have received a standard Florida high school diploma, as provided in s. 232.246, or its equivalent, as described in s. 229.814, unless:

a. The student is enrolled full-time in the early-admission program of an eligible postsecondary education institution or completes a home education program in accordance with s. 232.0201; or

b. The student earns a high school diploma from a non-Florida school while living with a parent or guardian who is on military or public service assignment outside this state.

(b) In addition to the residency requirements in paragraph (a), an eligible lower-division, baccalaureate degree-seeking student must:

1. Have earned a cumulative grade point average of at least 2.75 on a 4.0 scale in postsecondary coursework.

2. Have earned at least 18 credit hours at the postsecondary level.

3. Be enrolled in an eligible public or independent postsecondary educational institution in this state for at least 6 semester credit hours or the equivalent.

(2) To be eligible for an initial award for upper-division courses, a student must:

(a) Have been a resident of this state for the previous 3 years for purposes other than to obtain an education.

(b) Be enrolled in an eligible baccalaureate degree program, as specified in s. 445.0124, for at least 6 semester credit hours or the equivalent.

(c) Have earned a cumulative grade point average of at least 2.75 on a 4.0 scale in all postsecondary coursework.

(3) To be eligible for an initial award for an applied technology diploma program or a certificate or degree career education program that does not articulate into a baccalaureate degree program, a student must:

(a) Have been a resident of this state for not less than 3 years for noneducational purposes.

(b) Be enrolled in an eligible diploma, certificate, or degree career education program, as specified in s. 445.0124.

*History.—s. 156, ch. 2000-165.*

**445.0122 Student eligibility requirements for renewal awards.—**

(1) To be eligible to renew an incentive grant for a degree program, a student must:

(a) Complete at least 12 semester credit hours or the equivalent of program requirements in the previous academic year, including summer school.

(b) Maintain the equivalent of a grade point average of at least 2.75 on a 4.0 scale for all postsecondary education work.

(2) A student who is enrolled in a program that terminates in a baccalaureate degree or who is enrolled in an associate degree program that articulates into a baccalaureate degree may

receive an award for a maximum of 110 percent of the number of credit hours required to complete the program.

(3) To be eligible to renew an incentive grant for an applied technology diploma program or a certificate or degree career education program that does not articulate into a baccalaureate degree program, a student must have successfully attained the last occupational completion point attempted. If an occupational completion point requires more than one term to complete, a student may receive grants for the additional terms if the institution reports that the student is making adequate progress toward completion.

(4) A student who is enrolled in a program that terminates in an applied technology diploma or a certificate or degree career education program that does not articulate into a baccalaureate degree program may receive an award for a maximum of 110 percent of the credit hours or clock hours required to complete the program, up to 90 semester credit hours or the equivalent in quarter or clock hours.

(5) A student maintains eligibility for an award for 4 years following receipt of the initial award for courses in the lower division and 4 years following receipt of the initial award for courses in the upper division. For purposes of this subsection, lower-division courses include courses in an eligible applied technology diploma program or a certificate or degree career education program that does not articulate into a baccalaureate degree program by agreement of the Articulation Coordinating Committee, as well as courses in associate in arts and associate in science degree programs that articulate into a baccalaureate degree program.

*History.—s. 157, ch. 2000-165.*

**123.123 Eligible postsecondary education institutions.—**

A student is eligible for an award or the renewal of an award from the Careers for Florida's Future Incentive Grant Program if the student meets the requirements for the program as described in ss. 445.012-445.0125 and is enrolled in a postsecondary education institution that meets the description of any one of the following:

- (1) A public university, community college, or technical center in this state.
- (2) An independent college or university in this state which is recognized by the United States Department of Education and has operated in this state for at least 3 years.
- (3) An independent postsecondary education institution in this state which is chartered in Florida and accredited by the Commission on Colleges of the Southern Association of Colleges and Schools.
- (4) An independent postsecondary education institution in this state which is licensed by the State Board of Independent Colleges and Universities and which:
  - (a) Shows evidence of sound financial condition; and
  - (b) Has operated in this state for at least 3 years without having its approval, accreditation, or license placed on probation.
- (5) An independent postsecondary education institution in this state which is licensed by the State Board of Nonpublic Career Education and which:
  - (a) Has a program-completion and placement rate of at least the rate required by current

state law, the Florida Administrative Code, or the Department of Education for an institution at its level;

(b) Shows evidence of sound financial condition; and

(c)1. Is accredited at the institutional level by an accrediting agency recognized by the United States Department of Education and has operated in this state for at least 3 years during which there has been no complaint for which probable cause has been found; or

2. Has operated in this state for 5 years during which there has been no complaint for which probable cause has been found.

*History.—s. 158, ch. 2000-165.*

**445.0124 Eligible programs.—**

(1) A student must enroll in a program determined eligible by Workforce Florida, Inc.

(2) Eligible lower-division programs are those programs that prepare a student for admission to a degree program that prepares students for employment in targeted career occupations listed in subsection (3). These programs include any associate in science degree program that articulates into a baccalaureate degree program by agreement of the Articulation Coordinating Committee.

(3) Eligible upper-division programs are those programs that prepare students for employment in targeted career occupations in one of the following business sectors: information technology/telecommunications, biomedical technology, manufacturing-electronics, and aviation/transportation. Workforce Florida, Inc., must determine eligible programs within these sectors annually in cooperation with the Board of Regents.

(4) Eligible career education programs are those programs in the following business sectors: information technology/telecommunications, biomedical technology, manufacturing-electronics, aviation/transportation, and skilled building trades. Workforce Florida, Inc., must determine eligible programs within these sectors annually in cooperation with the State Board of Community Colleges and the Department of Education.

*History.—s. 159, ch. 2000-165.*

**445.0125 Repayment schedule.—**

(1) A recipient must repay an incentive grant from the Careers for Florida's Future Incentive Grant Program within 10 years after termination of the grant.

(a) Repayment must begin:

1. One year after completion of the program of studies, unless the recipient is employed in an eligible occupation; or

2. One year after the student is no longer enrolled in an eligible institution.

(b) Workforce Florida, Inc., shall determine whether a grant recipient is employed in an eligible occupation. For repayment purposes, an occupation determined to be eligible remains eligible

for the duration of the repayment period.

(c) The State Board of Education shall adopt repayment schedules by rule.

(2) Credit for repayment of an incentive grant shall be as follows:

(a) To repay an incentive grant for upper-division or lower-division courses that lead to a baccalaureate degree, a student must earn the baccalaureate degree and then maintain employment in an eligible occupation in this state for 1 year for each year in which the grant was received for full-time enrollment. If the student's actual enrollment was part-time, the grant repayment shall be calculated as the length of time required to complete the program based on full-time enrollment.

(b) For an incentive grant for a program that generates credit toward an occupational completion point, a certificate, or a career education degree that does not articulate into a baccalaureate degree, a student must complete the program and maintain employment in an eligible occupation in this state for 6 months for every semester of full-time enrollment in the program. If the student's actual enrollment in the program was part-time, the grant repayment shall be calculated as the length of time required to complete the program based on full-time enrollment, based on 6 months for each semester.

(3) Any incentive grant recipient who does not remain employed in an eligible occupation in this state must repay the loan plus accrued annual interest at the rate of the 3-month United States Treasury Bill, plus 2.3 percent.

(4) An incentive grant recipient may receive repayment credit for eligible employment rendered at any time during the scheduled repayment period. However, this repayment credit is applicable only to the current principal and accrued interest balance that remains at the time the repayment credit is earned. An incentive grant recipient may not be reimbursed for previous cash payments of principal and interest.

*History.—s. 160, ch. 2000-165.*

## **APPENDIX B**

### **FLORIDA STATUTE 240.4093, VOCATIONAL STUDENT ASSISTANCE GRANT FUND**



**240.4093 Vocational Student Assistance Grant Fund; eligibility for grants. —**

[Footnote 1] (1) There is created a Vocational Student Assistance Grant Fund to be administered by the Department of Education in accordance with rules of the State Board of Education.

[Footnote 1] (2) Vocational student assistance grants from the fund may be made only to full-time students who meet the general requirements for student eligibility as provided in s. 240.404, except as otherwise provided in this section. A grant from the fund may be awarded to a student who:

(a) 1. Is enrolled in a public vocational-technical center, community college, or any nonpublic [Footnote 2] degree career education, technical, trade, or business school accredited by the National Association of Trade and Technical Schools, the Association of Independent Colleges and Schools, the Accrediting Bureau of Health Education Schools, or the Southern Association of Colleges and Schools, which accrediting association maintains membership in the Commission on Recognition of Postsecondary Accreditation, and which school has never had its accreditation removed for any reason, has been in continuous operation for at least 5 years, has been issued a biennial license under s. 246.217, has not been the subject of a finding of probable cause and subsequent disciplinary action under s. 246.226 or s. 246.228, is not required by the Federal Government to apply for reimbursement for Title IV funding, and is located in and chartered by the state; or 2. Is enrolled in an institution that has been licensed continuously for the preceding 5 years by the State Board of Independent Colleges and Universities, or has met the requirements of s. 246.085(1)(a), and is accredited by the National Association of Trade and Technical Schools, the Association of Independent Colleges and Schools, the Accrediting Bureau of Health Education Schools, or the Southern Association of Colleges and Schools, which accrediting association maintains membership in the Commission on Recognition of Postsecondary Accreditation, and which school has not been the subject of a finding of probable cause and subsequent disciplinary action under s. 246.111, s. 246.226, or s. 246.228, has been issued a license under s. 246.217, is not required by the Federal Government to apply for reimbursement for Title IV funding, and is located in and chartered by the state.

(b) Is enrolled in a course or program of at least 900 clock hours, 36 quarter hours, or 24 semester hours which awards a diploma as defined in s. 246.203(6). 1. A student enrolled in a nonpublic school must be enrolled in a program which is comparable and compatible, as determined by the State Board of Independent Postsecondary Vocational, Technical, Trade, and Business Schools, with a public job-preparatory vocational-technical program and the program standards, including curriculum framework and student performance standards, as provided by rule of the State Board of Education. 2. A student enrolled in a nonpublic school must meet the same basic skills requirements as a student enrolled in public [Footnote 3] certificate career education as provided by rule of the State Board of Education.

(3) A student applying for a vocational student assistance grant must also apply for the Pell Grant. The Pell Grant entitlement shall be considered by the department when conducting an assessment of the financial resources available to each student. The criteria and procedure for establishing standards of eligibility shall be determined by the department in consultation with the State Board of Independent Postsecondary Vocational, Technical, Trade, and Business Schools and the State Board of Independent Colleges and Universities. The department shall establish a rating system upon which to base the approval of grants, including the use of a nationally recognized system of need analysis. The system shall include a certification of acceptability by the [Footnote 2] degree career education, technical, trade, or business school or other institution of the applicant's choice. Priority in the distribution of grants shall be given to students with the lowest total family resources, as determined pursuant to this subsection, taking into consideration the receipt of Pell Grants and student contributions to educational

costs.

(4) A student may not receive simultaneously a vocational student assistance grant and any other form of student assistance grant provided pursuant to s. 240.409, s. 240.4095, or s. 240.4097 or a Florida resident access grant provided pursuant to s. 240.605.

(5)

(a) The amount of the vocational student assistance grant may not exceed \$1,000 and may not exceed the amount of demonstrated unmet need for tuition and fees.

(b) A student may not receive a vocational student assistance grant for more than 2 years.

(c) As a condition for renewal of a vocational student assistance grant, a student shall be in compliance with the institutional definition of satisfactory progress for the receipt of federal Title IV programs and be eligible for continuous enrollment in the institution.

(d) Payment of vocational student assistance grants shall be transmitted to the eligible institution which the recipient is attending in advance of the registration period except in the case of delayed awards. If any recipient terminates his or her enrollment for any reason during the academic year, the unused portion of the grant, as determined by rules of the state board, shall be refunded within 60 days to the department.

[Footnote 1] (e) Each institution that receives moneys through the Vocational Student Assistance Grant Fund shall prepare an annual report that includes an independent external audit of the institution's administration of the fund and a complete accounting of the moneys in the fund. Such report shall be submitted to the department on or before March 1 every year. The department may conduct its own annual audit of an institution's administration of the fund. The department may suspend or revoke an institution's eligibility to receive future moneys from the fund or request a refund of any moneys overpaid to the institution through the fund if the department finds that an institution has not complied with the provisions of this section. Any refund requested pursuant to this paragraph shall be remitted within 60 days.

[Footnote 1] (6) There is created a Vocational Student Assistance Grant Trust Fund to be administered by the Commissioner of Education. Funds appropriated by the Legislature for vocational student assistance grants shall be deposited in the Vocational Student Assistance Grant Trust Fund. Notwithstanding the provisions of s. 216.301 and pursuant to s. 216.351, any balance in the trust fund at the end of any fiscal year shall remain therein and shall be available for carrying out the purposes of this section.

(7) This section shall be implemented during the 1991-1992 academic year and thereafter to the extent funded and authorized by law. History: s. 15, ch. 90-302; s. 14, ch. 92-321; s. 29, ch. 94-230; s. 11, ch. 94-310; s. 824, ch. 95-148; s. 32, ch. 95-376. [Footnote 1] Note. Section 32, ch. 95-376, amended the section catchline, subsections (1) and (2), paragraph (e) of subsection (5), and subsection (6), effective July 1, 1996, to read: 240.4093 Vocational Student Assistance Grant Program; eligibility for grants. (1) There is created a Vocational Student Assistance Grant Program to be administered by the Department of Education in accordance with rules of the State Board of Education. (2) Vocational student assistance grants through the program may be made only to full-time students who meet the general requirements for student eligibility as provided in s. 240.404, except as otherwise provided in this section. A grant from the fund may be awarded to a student who: (a)1. Is enrolled in a public vocational-technical center, community college, or any nonpublic [Footnote 2] degree career education, technical, trade, or business school accredited by the National Association of Trade and Technical Schools, the Association of Independent Colleges and Schools, the Accrediting Bureau of Health Education Schools, or the

Southern Association of Colleges and Schools, which accrediting association maintains membership in the Commission on Recognition of Postsecondary Accreditation, and which school has never had its accreditation removed for any reason, has been in continuous operation for at least 5 years, has

been issued a biennial license under s. 246.217, has not been the subject of a finding of probable cause and subsequent disciplinary action under s. 246.226 or s. 246.228, is not required by the Federal Government to apply for reimbursement for Title IV funding, and is located in and chartered by the state; or 2. Is enrolled in an institution that has been licensed continuously for the preceding 5 years by the State Board of Independent Colleges and Universities, or has met the requirements of s. 246.085(1)(a), and is accredited by the National Association of Trade and Technical Schools, the Association of Independent Colleges and Schools, the Accrediting Bureau of Health Education Schools, or the Southern Association of Colleges and Schools, which accrediting association maintains membership in the Commission on Recognition of Postsecondary Accreditation, and which school has not been the subject of a finding of probable cause and subsequent disciplinary action under s. 246.111, s. 246.226, or s. 246.228, has been issued a license under s. 246.217, is not required by the Federal Government to apply for reimbursement for Title IV funding, and is located in and chartered by the state. (b) Is enrolled in a course or program of at least 900 clock hours, 36 quarter hours, or 24 semester hours which awards a diploma as defined in s. 246.203(6).

1. A student enrolled in a nonpublic school must be enrolled in a program which is comparable and compatible, as determined by the State Board of Independent Postsecondary Vocational, Technical, Trade, and Business Schools, with a public job-preparatory vocational-technical program and the program standards, including curriculum framework and student performance standards, as provided by rule of the State Board of Education. 2. A student enrolled in a nonpublic school must meet the same basic skills requirements as a student enrolled in public certificate career education as provided by rule of the State Board of Education. (e) Each institution that receives moneys through the Vocational Student Assistance Grant Program shall prepare an annual report that includes an independent external audit of the institution's administration of the program and a complete accounting of the moneys in the State Student Financial Assistance Trust Fund allocated to the institution for the program. Such report shall be submitted to the department on or before March 1 every year. The department may conduct its own annual audit of an institution's administration of the program and its allocated funds. The department may suspend or revoke an institution's eligibility to receive future moneys from the trust fund for the program or request a refund of any moneys overpaid to the institution through the trust fund for the program if the department finds that an institution has not complied with the provisions of this section. Any refund requested pursuant to this paragraph shall be remitted within 60 days. (6) Funds appropriated by the Legislature for vocational student assistance grants shall be deposited in the State Student Financial Assistance Trust Fund. Notwithstanding the provisions of s. 216.301 and pursuant to s. 216.351, any balance in the trust fund at the end of any fiscal year that has been allocated to the Vocational Student Assistance Grant Program shall remain therein and shall be available for carrying out the purposes of this section. [Footnote 2] Note. The term "degree career education" was substituted for the term "postsecondary vocational" by the editors pursuant to the directive of the Legislature in s. 16, ch. 94-232. [Footnote 3] Note. The term "certificate career education" was substituted for the term "postsecondary adult vocational" by the editors pursuant to the directive of the Legislature in s. 16, ch. 94-232.



## **APPENDIX C**

### **PROVISO LANGUAGE REGARDING PERFORMANCE INCENTIVE FUNDING FOR STATE UNIVERSITIES 1997-98 THROUGH 1999-00**



**1995-96 General Appropriations Act**

198A	LUMP SUM INSTRUCTIONAL PERFORMANCE INCENTIVE FUND FROM GENERAL REVENUE FUND	15,275,255
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Funds in Specific Appropriation 198A shall be allocated to establish the Instructional Performance Incentive Fund to recognize and encourage university actions and results in increasing baccalaureate degree production and efficiency and faculty teaching productivity. From these funds each university will receive, on July 1, 1995, its proportionate share of the \$10,275,255 which was included in the incentive pool. Continuation of the incentive funding for 1995-96 shall be subject to the development of a Performance Incentive Plan by each university and the Board of Regents on or before December 1, 1995. This plan shall include the following:

- 1) Baseline data and improvement goals and targets for each of the following accountability measures.
  - a) Graduation rates as appropriate to the mission of each university.
  - b) Reduction in the average number of credit hours attempted above those required for the degree. The four-year goal shall be a 10 credit hour reduction in the average number of excess credit hours attempted by students and a 6 credit hour reduction in the average total hours required for the baccalaureate degree. The goal for 1995-96 shall be an average reduction of 3 credit hours in both categories.
  - c) Increase in the number of baccalaureate degrees per faculty full-time equivalent position.
  - d) Increase in the percentages of students graduating in programs requiring 120 credit hours.
  - e) Increased faculty teaching productivity as measured by:
    - 1) Increased sections taught per state-funded ranked faculty person year full-time equivalent faculty position.
    - 2) Increased student credit hours generated per state-funded ranked faculty person year full-time-equivalent faculty position.
    - 3) Reduced average section size.
    - 4) Increase in person years devoted to instruction, instruction-related activities and advising.
    - 5) Increased sections taught per headcount faculty position.
- 2) In establishing the targets, the Board of Regents shall consider the mission of each university, past improvements, and the current performance status of each university on each measure.
- 3) The Board of Regents, and each university, shall submit the baseline data, improvement goals and targets to the President of the Senate and the Speaker of the House of Representatives on or before November 1, 1995.

- 4) The improvement targets shall include the period through June 30, 1997 for measures related to graduation rates and reduction in excess hours. The targets for the remaining measures shall be referenced to June 30, 1996. The Board of Regents, however, shall develop procedures for monitoring the degree of accomplishment of these measures prior to the end of the target period. The Board of Regents shall submit reports to the Legislature reflecting the outcomes of the monitoring process.
- 5) The Board of Regents shall adopt a procedure for equating the progress made by each university in achieving each target to a specific level of performance funding. The procedure shall include a method by which the results on the different measures will be combined into an overall index of progress to be applied to the available performance funding.
- 6) Performance results shall be related to incentive funding beginning with the development and allocation of the 1997-98 budget during which adjustments shall be made to reflect the extent to which targets were met, not met or exceeded. The Board of Regents shall include an issue in its Legislative Budget Requests reflecting any reductions in funding resulting from not meeting the performance results.

Funds in specific appropriation 198A include \$5 million dollars which shall be allocated to recognize institutions which have implemented action plans including institutional resources to manage the assignment of faculty resources at the appropriate standard for the university or to increase the average faculty teaching load to meet or exceed the standard and to increase the university's instructional efficiency. In implementing this provision, the Board of Regents shall use the standards adopted above and shall allocate funding to institutions which have met the standard or have adjusted the Fall 1995 and Spring 1996 faculty assignments to increase the average sections taught as measured by the faculty teaching productivity model and have taken other actions to increase the university's instructional efficiency. The Board of Regents shall submit a report to the Legislature on or before February 1, 1996 reflecting the actions taken by the universities and the allocation of these discretionary funds.

### **1997-98 General Appropriations Act**

172A	LUMP SUM	
	PERFORMANCE BASED BUDGETING – INSTRUCTION	
	FROM GENERAL REVENUE FUND	\$3,300,000

Funds in Specific Appropriation 172A are provided to establish a performance recognition and incentive fund which measures the current effectiveness and improvements in baccalaureate degree production, graduation and retention. The Board of Regents shall develop procedures for measuring and allocating funding to recognize the following three indicators: (1) the ratio of baccalaureate degrees to FTE enrollment; (2) a combined graduation-retention index for first-time-in-college students; and (3) five year change in FTIC and A.A. transfer graduation rates. The methodology developed by the Board of Regents shall be submitted to the Office of Program Policy Analysis and

Government Accountability (OPPAGA) for review. The Board of Regents shall incorporate OPPAGA's findings into the methodology used to allocate the performance incentive fund.

**1998-99 General Appropriations Act**

178	LUMP SUM	
	PERFORMANCE BASED BUDGETING – INSTRUCTION	
	FROM GENERAL REVENUE FUND	\$3,300,000

Funds in Specific Appropriation 178 are provided to establish a performance recognition and incentive fund which measures the current effectiveness and improvements in baccalaureate degree production, graduation and retention. The Board of Regents shall develop procedures for measuring and allocating funding to recognize the following three indicators: (1) the ratio of baccalaureate degrees to FTE enrollment; (2) a combined graduation-retention index for first-time-in-college students; and (3) five year change in FTIC and A.A. transfer graduation rates. The methodology developed by the Board of Regents shall be submitted to the Office of Program Policy Analysis and Government Accountability (OPPAGA) for review. The Board of Regents shall incorporate OPPAGA's findings into the methodology used to allocate the performance incentive fund. These funds may be used for salary performance incentives, including the teaching incentive program, the professorial excellence program, and merit in a distribution similar to the \$6.3 million in line item 179 provided for Salary Performance Incentives.

**1999-00 General Appropriations Act**

183B	LUMP SUM	
	STATE UNIVERSITY SYSTEM PERFORMANCE INCENTIVE	
	FROM GENERAL REVENUE FUND	\$3,000,000

Funds in Specific Appropriation 183B shall not be released until the Board of Regents establishes standards for each university which will allow the State University System to meet the systemwide standards set for the following performance measures. From the funds in Specific Appropriation 183B, \$1.5 million shall be allocated to institutions whose 1998-99 data show performance which meets or exceeds these standards. The remaining funds shall be allocated to institutions based on the degree of improvement when their 1998-99 data are compared to their 1997-98 data for these measures. The measures and standards are as follows:

Graduation Rate for First Time in College (FTIC) students, using a six-year rate – 60%

Graduation Rate for AA Transfer Student, using a four-year rate – 69%

Percentage of students graduating with total accumulated credit hours that are less than or equal to

115% of the degree requirement – 16%

Percentage of undergraduate students enrolled in graduate school in Florida upon completion of the baccalaureate degree – 16%

Ratio of externally-generated research and training grant funds to state research funds (IFAS and Health Science Centers to be reflected separately) – Board of Regents to determine standard

These funds may be used for salary performance incentives, including merit pay, the Teaching Incentive Program and the Professorial Excellence Program.