FLORIDA HOUSE OF REPRESENTATIVES BILL ANALYSIS

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BILL #: HB 1145 COMPANION BILL: SB 742 (Simon)

TITLE: Workforce Education

SPONSOR(S): Shoaf

LINKED BILLS: None

RELATED BILLS: None

Committee References

Careers & Workforce 16 Y. 0 N

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Higher Education Budget

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Education & Employment

SUMMARY

Effect of the Bill:

The bill expressly authorizes charter schools to receive funds under the Workforce Development Capitalization Incentive Grant Program. Additionally, the bill requires school districts and Florida College System institutions to expand their money-back guarantee programs to cover six workforce education programs instead of the current requirement of three such programs.

Fiscal or Economic Impact:

The bill has an indeterminate impact on state expenditures due to the expansion of the money-back guarantee program from three programs per institution to six programs.

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EFFECT OF THE BILL:

The bill provides express authorization for charter schools to receive funds under the <u>Workforce Development</u> <u>Capitalization Incentive Grant Program</u> (CAP Grant). While the Department of Education (DOE) currently allows school district charter schools to submit proposals through their chartering school district, this change will permit such charter schools to submit proposals directly to the DOE. (Section <u>1</u>)

The bill requires school districts and Florida College System (FCS) institutions to expand their <u>money-back</u> <u>guarantee programs</u> to cover six workforce education programs instead of the current requirement of three such programs. The bill provides additional opportunities for students to be reimbursed their tuition costs if they are unable to secure employment within 6 months of completing selected programs. (Section <u>2</u>)

The effective date of the bill is July 1, 2025. (Section $\underline{3}$)

FISCAL OR ECONOMIC IMPACT:

STATE GOVERNMENT:

The bill expands the number of programs included in the money-back guarantee program. The money-back guarantee program refunds the cost of tuition to students unable to find a job within 6 months of completion of select workforce-related programs that prepare students for in-demand, middle-level to high-level wage occupations. Actual expenditures will vary depending on the number of guarantees that must be honored and the cost of tuition for those students, therefore the impact to state expenditures is indeterminate.

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DATE: 3/12/2025

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RELEVANT INFORMATION

SUBJECT OVERVIEW:

Workforce Development Capitalization Incentive Grant Program

The CAP Grant provides grants to school districts and FCS institutions to fund some or all of the costs associated with the creation or expansion of career and technical education programs that lead to industry certifications included on the CAPE Industry Certification Funding List.¹ To be eligible, programs may serve secondary students or postsecondary students, however, postsecondary career and technical education programs must also serve secondary students.² The DOE advised applicants that any proposals for school district charter schools must be included in the chartering school districts application. Only a charter school that was not chartered by a school district could apply as the primary fiscal agent.³ Therefore, as currently implemented by the DOE, school district charter schools could be blocked from applying for a CAP Grant if their school district elects not to apply and even should their school district apply, the charter school's proposal cannot be independently evaluated for a CAP Grant award.

Funds awarded for a CAP Grant may be used for instructional equipment, laboratory equipment, supplies, personnel, student services, or other expenses associated with the creation or expansion of a career and technical education program that serves secondary students. Under current law, expansion of a program may include either the expansion of enrollment capacity of a program or expansion into new areas of specialization within a program. No CAP Grant funds may be used for recurring instructional costs or for institutions' indirect costs.⁴ The DOE provided guidance to CAP Grant applicants that certain fixed capital outlay expenses, such as remodeling and renovation of existing facilities, are permissible, but that the purchase of land and land improvements or construction of new structures and buildings are non-allowable expenses.⁵

The DOE administers the CAP Grant and the State Board of Education (SBE) is authorized to adopt rules for its administration. The SBE must consider the statewide geographic dispersion of grant funds in ranking the applications and must give priority to applications from education agencies that are making maximum use of their workforce development funding by offering high-performing, high-demand programs. As of the publication of this analysis, the SBE has not adopted a rule regarding the CAP Grant to provide additional guidance on how it will rank applicants as "high-performing" or "high-demand."

In both 2023⁷ and 2024,8 the Legislature provided \$100 million for the CAP Grant.

Money-back Guarantee Program

Created as part of the workforce education efforts of the REACH Act⁹ in 2021, the money-back guarantee program requires each school district and FCS institution to refund the cost of tuition to students who are not able to find a job in the field in which the student was trained within 6 months of successful completion of workforce education programs selected by the institutions.¹⁰ The workforce programs selected by the school districts and FCS

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¹ The SBE is required to adopt, at least annually, based on recommendations by the Commissioner of Education, the CAPE Industry Certification Funding List that assigns additional fulltime equivalent membership to certifications identified in the Master Credentials List that meet a statewide, regional, or local demand, and courses that lead to such certifications. *See* <u>s.</u> 1008.44, F.S.

² Section <u>1011.801, F.S.</u>

³ Florida Department of Education, *2024-25 Workforce Development Capitalization Incentive Grant Program: Concept Proposal Release*, at 11, *available at* https://www.fldoe.org/core/fileparse.php/7515/urlt/2024-CAP-Grant-Concept-Proposal-Webinar-for-GoToWeb.pdf.

⁴ Section <u>1011.8</u>01(1), F.S.

⁵ Florida Department of Education, *2024-25 Workforce Development Capitalization Incentive Grant Program: Concept Proposal Release*, at 13-14, *available at* https://www.fldoe.org/core/fileparse.php/7515/urlt/2024-CAP-Grant-Concept-Proposal-Webinar-for-GoToWeb.pdf.

⁶ Section <u>1011.801(2)</u>, F.S.

⁷ Section 51, ch. 2023-81, L.O.F.

⁸ Specific Appropriation 120, s. 2, ch. 2024-231, L.O.F.

⁹ Chapter 2021-164, L.O.F.

¹⁰ Section 1011.803(1), F.S.

institutions should prepare students for in-demand, middle-level to high-level wage occupations. Current law requires each school district and FCS institution to establish a money-back guarantee program to:

- Offer a money-back guarantee on at least three workforce education programs.
- Establish student eligibility criteria for the money-back guarantee program that includes:
 - o Student attendance.
 - Student program performance.
 - o Career Service or Career Day attendance.
 - o Participation in internship or work-study programs.
 - o Job search documentation.
 - o Development of a student career plan with the institution's career services department.¹¹

The law provides school districts and FCS institutions discretion in establishing eligibility criteria for the money-back guarantee program, however a review of programs reveals large disparities between program requirements. For example, with regard to the criteria of job search documentation Orange Technical College¹² requires "3 letters from job search" while Broward College¹³ requires "evidence of 100 job applications" as well as "evidence of completing at least 20 good faith interviews." Additionally, some institutions require that students be willing to "travel or relocate to a new market to obtain employment" despite the selected programs being in-demand in the region.¹⁴

Each school district and FCS institution was required to notify the SBE, by July 1, 2022, of the money-back guarantee programs it offers. Information about these programs is made available on each school district's and FCS institution's website, on the DOE's website, and on EmployFlorida's website. By November 1 of each year, the DOE must report performance results by school district, FCS institution, and program to the Governor, the President of the Senate, and the Speaker of the House of Representatives. 16

The DOE issued the first report on the money-back guarantee program in November 2024.¹⁷ The report lists all programs offered by school district and FCS institutions while noting that certain school districts have fewer than the required three programs due to the school district only operating two programs meeting the requirements of the money-back guarantee program.¹⁸

Current law does not provide school districts or FCS institutions express authority to add application requirements for the money-back guarantee program other than enrollment in a selected program, but the DOE report reflects that of the 19,602 students enrolled in identified programs only 790 (4 percent) were considered by the FCS institution to be enrolled in the money-back guarantee program. Similarly, of the 6,019 students enrolled in school district programs only 3,082 (51 percent) were reported as enrolled in the money-back guarantee program. The report notes disparity, but indicates additional data collection is required.

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¹¹ Section 1011.803(2), F.S.

¹² Orange Technical College, Money Back Guarantee Program,

https://www.orangetechcollege.net/financial aid/money back guarantee (last visited March 9,2025).

¹³ Broward College, *Money Back Guarantee*, https://www.broward.edu/admissions/tuition-costs/money-back-guarantee.html (last visited March 9, 2025).

¹⁴ See e.g. Lively Technical College, Money Back Guarantee Eligible Programs, available at https://www.livelytech.com/wp-content/uploads/2024/03/Money-Back-Guarantee-Eligible-Programs.pdf and Palm Beach State College, PBSC's Money-Back Guarantee Program, https://www.palmbeachstate.edu/collegeaffordability/moneybackguaranteeprogram.aspx (last visited March 9, 2025).

¹⁵ Section 1011.803(3), F.S.

¹⁶ Section 1011.803(4), F.S.

¹⁷ Florida Department of Education, 2024 Money Back Guarantee Program Report, on file with the Careers & Workforce Subcommittee

¹⁸ The school districts offering only two money-back guarantee programs are Baker, Brevard, DeSoto, Dixie and Sumter County Schools. *Id.* at 5-11.

¹⁹ *Id*. at 7.

²⁰ *Id*. at 11.

²¹ *Id*. at 4.

As of the DOE report from November 2024, no school district or FCS institution reported reimbursing funds under the money-back guarantee program or receiving a request for a refund.²²

RECENT LEGISLATION:

YEAR	BILL#	HOUSE SPONSOR(S)	SENATE SPONSOR	OTHER INFORMATION
2023	<u>CS/CS/SB 240</u>	Melo	Hutson	Became law on July 1, 2023.
2021	<u>CS/CS/CS/HB</u> 1507	Yarborough, Melo	President Albritton	Became law on July 1, 2021.

BILL HISTORY

COMMITTEE REFERENCE	ACTION	DATE	STAFF DIRECTOR/ POLICY CHIEF	ANALYSIS PREPARED BY
Careers & Workforce	16 Y, 0 N	3/12/2025	Kiner	Wolff
<u>Subcommittee</u>				
<u>Higher Education Budget</u>				
<u>Subcommittee</u>				
Education & Employment				
<u>Committee</u>				

²² *Id*.

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