

Ideas in Action



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Preparing Tomorrow's Work Force: A Performance-Driven Approach

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As we draw closer to the year 2000, prognostications and initiatives to prepare our society for that date and beyond are very much in vogue. This applies particularly to Florida which, because of its growth, demographic changes and foreign economic influences, may be viewed as a microcosm of the global community and what lies ahead for all of us. Predictions for a passive, business-as-usual Florida tend to be dire -- a diminishing middle class, a rapidly growing under class, a crumbling infrastructure, all-consuming public assistance and prison programs and a widening gap in incomes between the "haves" and the "have-nots."

The December 1993 companion articles in *Florida Trend* by James R. Hagy and Philip Longman paint such a picture, but with the observation that we do have a choice. That choice involves difficult decisions and a reprioritization of public expenditures; e.g., one year of prison at \$22,000 versus one year of education at \$3,800. It also involves changing the nature of our economy and of our jobs, adding high-skilled and high value-added industries to the service economy as recommended by the Florida Chamber in its 1988 Cornerstone Report. Finally, it hinges on the development of a skilled workforce responsive to the new economy, the new technologies and the new workplace.

The "choice" referred to in *Florida Trend* begs attention to a part of our educational system which has been largely ignored -- technical education. Technical or vocational education, as it used to be known, was perfect for the other person's kid; but college remained the priority for most of our society. Yet, all predictions are that fewer than 30% of tomorrow's jobs will require a four-year degree. Ironically, this stepchild of our educational system may well prove to be the key to our economic future, but we will have to ensure that we provide training that is needed and which gives good value on the investment.

Several actions have taken place that will provide a solid basis for the direction of technical education. In 1992, the Florida Legislature enacted the recommendations of the Cornerstone Report and established Enterprise Florida, a public/private partnership to shape the economic future of Florida adding 200,000 high-wage jobs to the economy by the year 2005. This legislation

was followed in 1993 with the establishment of two Enterprise Florida affiliates: the Capital Partnership and the Innovation Partnership, each keyed to generating high-wage jobs.

Florida's traditional approach to developing technical education programs required that you be able to show demand for an occupational program before it could be established. This typically meant that jobs existed for four to five years before Florida-based training began -- not exactly responsive to the needs of business and industry.

The 1993 Legislature enacted a little-noticed bill creating the Occupational Forecasting Conference, a consensus process akin to those estimating state revenue and school enrollments. The purpose of this Conference is to identify the occupations of the future related to new, emerging and expanding industries which require less than a four-year degree. The intent of this legislation was to establish a foundation for planning workforce development programs and providing business and industry a "just-in-time" workforce as the jobs are generated.

During the 1993 legislative session, Lt. Gov. Buddy MacKay and the Board of Enterprise Florida also proposed the establishment of a third affiliate to complement the Capital and Innovation Partnerships. The Jobs and Education Partnership was to be chaired by the lieutenant governor and the education commissioner with a majority of the membership being from the private sector. Their mission was to create and maintain a highly skilled workforce that would be responsive to the rapidly changing technology and diversified market opportunity essential to a competitive Florida economy. The duties of the partnership encompassed the development of an employment, education and training policy which would ensure that our workforce development programs were responsive to economic development needs and to the initiatives of the Capital and Innovation Partnerships. To accomplish this, the partnership would also establish a funding system which would focus and redirect resources toward those occupations related to new, expanding and emerging industries; i.e., those identified in the Occupational Forecasting Conference.

This funding system has taken shape in a proposal by Senator George Kirkpatrick, D-Gainesville, and Representative Keith Arnold, D-Ft. Myers. Their proposal envisions funding for Florida's technical education system which is not based upon "seat time" and process, but rather on the production levels of the programs and their ability to turn out skilled, qualified workers in the desired occupations.

This performance-based funding approach has a number of positive attributes. First, you can understand it. Lay persons and businessmen are frustrated with the education jargon related to FTE caps, weights and other "inside" terms. Production and prices for production are concepts the public can understand. Secondly, it introduces cost containment to our public educational system.

Funding by "seat time" has no incentives to control costs. In fact, next year's funding is dependent upon this year's expenditures, so cost-cutting is in reality cutting your own throat. With performance-based funding, the motivation is to graduate your students in a manner which is as efficient and effective as possible. Techniques to reduce and cut costs are encouraged because they allow you to serve and graduate more students. Finally, performance-based funding, because it is tied to the Occupational Forecasting Conference, ensures that technical education is market driven and responsive to the needs of business and industry.

The Jobs and Education Partnership, occupational forecasting, and performance-based funding are not a panacea for the economic challenges of the 21st Century. They are, however, essential steps which represent a progressive new way of thinking about the preparation of our workforce. These are but a few of the "choices" we face in preparing for that day when we flip over the calendar to the year 2000.

About the Author

Dr. Lanny Larson received his Master of Science and Ph.D. in statistics from Florida State University. During his career, Dr. Larson has worked as a private consultant with the Navy involving evaluations, operating manuals and performance features of radars and sonars. His 20 years in Florida State government include positions as legislative economist, the governor's deputy inspector general and administrative services director at the Department of Labor. In that position, he assisted in implementing the then "New" Job Training Partnership Act and served on the State Council's Performance Standards and Auditing Committee, specializing in performance-based contracting.

Later, as Division of Administration director for the Florida Department of Education, Dr. Larson revamped the FEFP auditing program, served as chairman of the State Agency Task Force on Parental Involvement and as liaison with Florida TaxWatch and the Florida Council of 100's Partners in Productivity effort. As director of DOE's Division of Vocational, Adult and Community Education, Dr. Larson has dedicated his energies to developing school-to-work programs including Tech Prep, the Blueprint for Career Preparation, applied academics and occupational forecasting.

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Florida TaxWatch is the only statewide organization entirely devoted to state taxing and spending issues in Florida. Since its inception in 1979, Florida TaxWatch has become widely recognized as the watchdog of citizens' hard earned tax dollars. The nationally distributed *City and State* magazine published a poll of the nation's statewide taxpayer research centers. Based on this poll, the publication cited Florida TaxWatch as one of the six most influential and respected taxpayer assistance institutes in the nation.

In recent years, news stories about Florida TaxWatch have run in the *Wall Street Journal*, the *New York Times* and the *Washington Post*. In addition, Florida TaxWatch has been featured on the prestigious *MacNeil/Lehrer Newshour* and several times in the *Wall Street Journal*.

Florida TaxWatch is a private, non-profit, non-partisan research institute supported entirely by voluntary, tax-deductible membership contributions and philanthropic foundation grants. Membership is open to any organization or individual interested in supporting a credible research effort that promotes positive change. Florida TaxWatch members, through their loyal support, help Florida TaxWatch to bring about an effective, responsive government that is accountable to the citizens it serves.

Florida TaxWatch is supported by all types of taxpayers -- homeowners, small businesses, large corporations, professional firms, associations, individuals and philanthropic foundations -- representing a wide spectrum of Florida's citizens.

Florida TaxWatch is well-known and respected for its empirically sound research products which recommend productivity enhancements and explain statewide impact of economic and tax and spend policies and practices. Without lobbying, Florida TaxWatch has worked diligently and effectively to build government efficiency and promote responsible, cost effective improvements that add value and benefit taxpayers. This diligence has yielded impressive results: three out of four of TaxWatch's cost saving recommendations have been implemented, saving taxpayers \$2.5 billion. That translates to nearly \$350 for every Florida family.

With your help, we will continue our diligence to make certain your tax investments are fair and beneficial to you, the taxpaying customer who supports Florida's government. Florida TaxWatch is ever present to ensure that taxes are equitable, not excessive, that their public benefits and costs are weighed, and that government agencies are more responsive and productive in their use of public funds.



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