Florida Economic Development Program Evaluations – Year 6

A Presentation to the House Workforce Development and Tourism Subcommittee

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Chief Legislative Analyst

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Presentation Outline

1. Background and Overview of Economic Development Program Evaluations

2. Quick Response Training and Incumbent Worker Training Grants

3. Veterans Workforce Training and Entrepreneurship Grants

4. Recommendations
What is OPPAGA?

Office of Program Policy Analysis and Government Accountability

A joint office of the Legislature

Provides data, evaluative research, and objective analyses

Conducts research as directed by state law, presiding officers, or Joint Legislative Auditing Committee
Economic Development Program Evaluations

- Section 288.0001, *Florida Statutes*, requires detailed analyses by OPPAGA and the Office of Economic and Demographic Research of state economic development programs on a recurring schedule.

- OPPAGA evaluations provide information on program effectiveness and value to the taxpayer and include recommendations for consideration by the Legislature.

- *Economic Development Program Evaluations - Year 6*
  - Covers Fiscal Years 2014-15 through 2016-17
  - Includes several programs in the areas of space and defense, workforce training, veterans, and international trade.
CareerSource Florida and Veterans Florida Administer Workforce Training Programs

Administered by CareerSource Florida
- Quick Response Training (QRT)
- Incumbent Worker Training (IWT)

Administered by Veterans Florida
- Veterans Workforce Training Grant (WTG)
- Veterans Florida Entrepreneurship Program (VFEP)
Quick Response Training and Incumbent Worker Training Programs
Quick Response Training Grant (QRT)

- State funded
- Customized, skills-based training
- Businesses in state qualified target industries
- New or expanding businesses
- Training for new employees
- Uses fiscal agents to manage grants

Incumbent Worker Training Grant (IWT)

- Federally funded
- Training in any occupational or technical skills
- Businesses in any industry
- Existing businesses
- Training for current employees
## Quick Response Training (QRT) and Incumbent Worker Training (IWT) Program Funding

<table>
<thead>
<tr>
<th>Program</th>
<th>Fiscal Year 2014-15</th>
<th>Fiscal Year 2015-16</th>
<th>Fiscal Year 2016-17</th>
<th>Total for Fiscal Years 2014-15 Through 2016-17</th>
</tr>
</thead>
<tbody>
<tr>
<td>QRT</td>
<td>$12,000,000</td>
<td>$12,000,000</td>
<td>$12,000,000</td>
<td>$36,000,000</td>
</tr>
<tr>
<td>IWT</td>
<td>$3,000,000</td>
<td>$2,000,000</td>
<td>$3,000,000</td>
<td>$8,000,000</td>
</tr>
<tr>
<td>Total</td>
<td>$15,000,000</td>
<td>$14,000,000</td>
<td>$15,000,000</td>
<td>$44,000,000</td>
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</tbody>
</table>

Source: CareerSource Florida.
QRT and IWT Grant Awards Fluctuated Between Previous and Current OPPAGA Review Periods

<table>
<thead>
<tr>
<th></th>
<th>Fiscal Years 2014-15 Through 2016-17</th>
<th>QRT</th>
<th>Change since last review</th>
<th>IWT</th>
<th>Change since last review</th>
</tr>
</thead>
<tbody>
<tr>
<td>Number of grant contracts awarded</td>
<td>127</td>
<td>$305,980</td>
<td>$18,969</td>
<td>368</td>
<td>$18,969</td>
</tr>
<tr>
<td>Number of employees trained</td>
<td>18,997</td>
<td>$305,980</td>
<td>$18,969</td>
<td>6,788</td>
<td>$18,969</td>
</tr>
<tr>
<td>Average grant award per company</td>
<td>$305,980</td>
<td>$305,980</td>
<td>$18,969</td>
<td>$18,969</td>
<td>$18,969</td>
</tr>
<tr>
<td>Average number of employees trained per company</td>
<td>150</td>
<td>150</td>
<td>18</td>
<td>18</td>
<td>18</td>
</tr>
<tr>
<td>Total grant payments made</td>
<td>$32.2 million</td>
<td>$32.2 million</td>
<td>$3.3 million</td>
<td>$3.3 million</td>
<td>$3.3 million</td>
</tr>
</tbody>
</table>

Source: OPPAGA analysis of CareerSource Florida data.
## Employment and Wage Growth Varied for Businesses Receiving Grants from Current and Previous OPPAGA Review Periods

<table>
<thead>
<tr>
<th>Program</th>
<th>Between Fiscal Year 2013-14 and Fiscal Year 2016-17</th>
<th>Between Fiscal Year 2010-11 and Fiscal Year 2016-17</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Employment Growth</td>
<td>Wage Growth</td>
</tr>
<tr>
<td>QRT</td>
<td>60%</td>
<td>0%</td>
</tr>
<tr>
<td>IWT</td>
<td>26%</td>
<td>18%</td>
</tr>
<tr>
<td>Statewide</td>
<td>12%</td>
<td>9%</td>
</tr>
</tbody>
</table>

Source: OPPAGA analysis of Department of Economic Opportunity data.
Additional Findings for QRT and IWT

- QRT and IWT trainees had wage increases and these were associated with the training programs

- Most individuals from the previous review period who received QRT or IWT training are still employed in Florida, many with the same employer

- Most grant recipients are satisfied with the programs and report positive impacts on their businesses

- Businesses and fiscal agents reported benefits from fiscal agents’ roles
Quick Response Training Grant Program
Recommendation

- Consider making the use of fiscal agents optional and at the discretion of the business
  - If the use of fiscal agents were made optional, the funds previously used for their services could be used for additional QRT grants
Veterans Workforce Training Grant and Veterans Florida Entrepreneurship Program
Veterans Florida Administers Two Grant Programs to Help Meet Veteran Employment Needs

<table>
<thead>
<tr>
<th>Workforce Training Grant (WTG)</th>
<th>Veterans Entrepreneurship Program (VFEP)</th>
</tr>
</thead>
<tbody>
<tr>
<td>• Grant funding for customized, skills-based training for full-time veteran employees</td>
<td>• Entrepreneurship training for veterans</td>
</tr>
<tr>
<td>• Awarded to for-profit businesses</td>
<td>• Implemented by Veterans Florida and a network of partner entities</td>
</tr>
<tr>
<td>• Priority given to targeted industries and defense supply, cloud virtualization, or commercial aviation manufacturing industries</td>
<td>• Implemented through</td>
</tr>
<tr>
<td></td>
<td>• Self-paced online training</td>
</tr>
<tr>
<td></td>
<td>• Stand-alone workshops</td>
</tr>
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<td></td>
<td>• Intensive, multi-week advanced program</td>
</tr>
</tbody>
</table>
Veterans Workforce Training Grant (WTG) and Entrepreneurship Program (VFEP) Funding

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>WTG</td>
<td>$2,000,000</td>
<td>$2,000,000</td>
<td>$2,500,000</td>
<td>$2,910,918</td>
<td>$9,410,918</td>
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<tr>
<td>VFEP</td>
<td>$1,000,000</td>
<td>$1,000,000</td>
<td>$566,302</td>
<td>$783,152</td>
<td>$3,349,454</td>
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<tr>
<td>Total</td>
<td>$3,000,000</td>
<td>$3,000,000</td>
<td>$3,066,302</td>
<td>$3,694,070</td>
<td>$12,760,372</td>
</tr>
</tbody>
</table>

Source: Veterans Florida.
Veterans Workforce Training Grant Findings

- WTG participation continues to increase

- New marketing performance metrics require business participation in WTG to increase annually by 20%

- WTG recipients are generally satisfied with the program
  - 86% reported a positive impact on the business due to the grant

- Opportunities for outreach through other state jobs agencies remain

- Businesses receiving WTG grants experienced employment growth of 8% and wage growth of 1% during the review period
Veterans Florida Entrepreneurship Program Findings

- Revised VFEP program structure provides more training opportunities to veterans and may help increase completion rates for the advanced program.

- VFEP performance now more consistently tracked due to network partner information requirements and program graduate surveys.

- VFEP participants are generally satisfied with the program:
  - 85% of respondents reported that they benefit from participating in VFEP.
  - Business creation by VFEP participants increased after program participation.
  - Some advanced program participants reported that they are unsure how to access post-program resources.
Veterans Workforce Training Grant and Entrepreneurship Program Recommendations

- Ensure Veterans Florida’s programs are referenced by other state agencies that provide opportunities to promote job creation and employment opportunities for veterans

- Strengthen support provided to veterans after graduating from the VFEP through additional annual follow-up with each network partner
Questions?
FLORIDA LEGISLATURE’S OFFICE OF PROGRAM POLICY ANALYSIS & GOVERNMENT ACCOUNTABILITY

OPPAGA provides data, evaluative research and objective analyses that assist legislative budget and policy deliberations.