

**The Florida Senate**  
**BILL ANALYSIS AND FISCAL IMPACT STATEMENT**

(This document is based on the provisions contained in the legislation as of the latest date listed below.)

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Prepared By: The Professional Staff of the Appropriations Subcommittee on Higher Education

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BILL: SB 4

INTRODUCER: Senator Galvano and others

SUBJECT: Higher Education

DATE: November 7, 2017      REVISED: \_\_\_\_\_

	ANALYST	STAFF DIRECTOR	REFERENCE	ACTION
1.	<u>Bouck</u>	<u>Graf</u>	<u>ED</u>	<b>Favorable</b>
2.	<u>Sikes</u>	<u>Elwell</u>	<u>AHE</u>	<b>Pre-meeting</b>
3.	_____	_____	<u>AP</u>	_____

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**I. Summary:**

SB 4 establishes the “Florida Excellence in Higher Education Act of 2018” to expand financial aid provisions and incentivize postsecondary institutions to emphasize on-time graduation. The bill also expands policy and funding options for state universities to recruit and retain exemplary faculty and enhance the quality of professional and graduate schools. Specifically, the bill:

- Increases student financial aid and tuition assistance programs in the following ways:
  - Expands the Florida Bright Futures Scholarship Program Academic Scholars award to cover 100 percent of tuition and specified fees plus \$300 per semester for textbooks, and authorize use of the award for summer term enrollment as funded in the General Appropriations Act (GAA).
  - Expands the Florida Bright Futures Scholarship Program Medallion Scholars award to an amount equal to 75 percent of tuition and specified fees to pay for educational expenses.
  - Extends the Benacquisto Scholarship Program to eligible students from out of state.
  - Revises the state-to-private match requirements for contributions to the First Generation Matching Grant Program from 1:1 to 2:1.
  - Establishes the Florida Farmworker Student Scholarship Program for farmworkers and the children of farmworkers.
  - Requires each state university board of trustees to adopt, for implementation in the fall 2018 semester, a block tuition policy for full-time, first-time-in-college students.
- Modifies state university performance accountability metrics to promote on-time student graduation in 4 years.
- Establishes the World Class Faculty and Scholar Program to fund and support the efforts of state universities to recruit and retain exemplary faculty and research scholars.
- Establishes the State University Professional and Graduate Degree Excellence Program to enhance the quality of professional and graduate schools and degree programs in medicine, law, and business.
- Requires state universities to use data-driven gap analyses to identify internship opportunities in high-demand fields for students.

- Strengthens accountability of state university direct-support organizations.

The bill has an estimated fiscal impact of \$99.2 million in the 2018-19 fiscal year. The cost of the Florida Bright Futures award changes is estimated to be \$98 million from the Educational Enhancement Trust Fund (EETF) while the cost of the Benacquisto Scholarship Program expansion is an estimated \$1.2 million from the General Revenue Fund.

The fiscal impacts relating to the World Class Faculty and Scholar, State University Professional and Graduate Degree Excellence, and Florida Farmworker Student Scholarship programs are contingent upon appropriations provided in the GAA.

The bill takes effect upon becoming a law.

## II. Present Situation:

The present situation for the relevant portions of the bill is discussed in the Effect of Proposed Changes section of this bill analysis.

## III. Effect of Proposed Changes:

The State University System of Florida (SUS) is established to achieve excellence through teaching students, advancing research, and providing public service for the benefit of Florida's citizens, their communities and economies.<sup>1</sup> The Board of Governors of the State University System (BOG) must support, promote, and enhance accountability; fiscal responsibility; articulation among state universities and with public schools and other postsecondary educational institutions; and affordable access to postsecondary educational opportunities for Florida residents.<sup>2</sup>

The bill expands financial aid and tuition assistance programs, which may help to address financial insecurity concerns of students and their families and assist students to graduate on time. The bill also provides supports to enhance the national competitiveness of the state universities in Florida and modifies state university accountability mechanisms to emphasize on-time student graduation and institutional transparency.

### **Institution Accountability (Sections 2, 3, 4, 5, and 8)**

The BOG has established the following accountability mechanisms to maintain a consistent focus on state university excellence:<sup>3</sup>

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<sup>1</sup> Art. IX, Sec. 7(a), Fla. Const.

<sup>2</sup> Section 20.155(4)(b), F.S.

<sup>3</sup> Board of Governors, *Focus on Excellence: Board of Governors' State University System Initiatives*, Presentation to the Committee on Education, The Florida Senate (Dec. 12, 2016), available at [http://www.flsenate.gov/PublishedContent/Committees/2016-2018/ED/MeetingRecords/MeetingPacket\\_3540.pdf](http://www.flsenate.gov/PublishedContent/Committees/2016-2018/ED/MeetingRecords/MeetingPacket_3540.pdf).

- The annual *System Accountability Report*<sup>4</sup> tracks performance trends on key metrics over five years.
- The *2025 System Strategic Plan*<sup>5</sup> provides a long-range roadmap for the SUS.
- The *University Work Plans*<sup>6</sup> provide a three-year plan of action.

Additionally, the Legislature has established performance-based funding models in recent years to evaluate the performance of Florida's state universities based on identified metrics and standards.

The bill strengthens institutional accountability by modifying state university performance and accountability metrics and standards to promote on-time student graduation in 4 years with a baccalaureate degree.

#### ***State University System Performance-Based Incentive (Section 4)***

##### *Present Situation*

The SUS Performance-Based Incentive is awarded to state universities using performance-based metrics<sup>7</sup> adopted by the BOG.<sup>8</sup> The metrics include, but are not limited to, bachelor's degree graduates' employment and wages, average cost per bachelor's degree, a 6-year graduation rate, academic progress rates, access for students with a Pell grant,<sup>9</sup> and bachelor's and graduate degrees in areas of strategic emphasis.

Currently, the 6-year and 4-year graduation rates for first-time-in-college (FTIC) students within the SUS are approximately 70 percent<sup>10</sup> and 47 percent,<sup>11</sup> respectively. During the 2015-2016 academic year, the 6-year graduation rate for such students ranged from approximately 87 percent at the University of Florida (UF) to 41 percent at Florida Agricultural and Mechanical

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<sup>4</sup> Board of Governors, *2015-16 System Accountability Report*, available at [http://www.flbog.edu/board/doc/accountability/ar\\_2015-16/2015\\_16\\_System\\_Accountability\\_Report\\_Summary\\_FINAL\\_2017-03-30.pdf](http://www.flbog.edu/board/doc/accountability/ar_2015-16/2015_16_System_Accountability_Report_Summary_FINAL_2017-03-30.pdf).

<sup>5</sup> Board of Governors, *2025 System Strategic Plan*, available at [http://www.flbog.edu/board/doc/strategicplan/2025\\_System\\_Strategic\\_Plan\\_Amended\\_FINAL.pdf](http://www.flbog.edu/board/doc/strategicplan/2025_System_Strategic_Plan_Amended_FINAL.pdf).

<sup>6</sup> Board of Governors, *2017 Work Plan Reports*, [http://www.flbog.edu/board/workplan/2017\\_workplan.php](http://www.flbog.edu/board/workplan/2017_workplan.php) (last visited Oct. 6, 2017).

<sup>7</sup> Board of Governors, *Performance Funding Model Overview*, available at [http://www.flbog.edu/board/office/budget/doc/performance\\_funding/Overview-Doc-Performance-Funding-10-Metric-Model-Condensed-Version.pdf](http://www.flbog.edu/board/office/budget/doc/performance_funding/Overview-Doc-Performance-Funding-10-Metric-Model-Condensed-Version.pdf).

<sup>8</sup> Section 1001.92(1), F.S.

<sup>9</sup> Board of Governors, *Performance Funding Model Overview*, available at [http://www.flbog.edu/board/office/budget/doc/performance\\_funding/Overview-Doc-Performance-Funding-10-Metric-Model-Condensed-Version.pdf](http://www.flbog.edu/board/office/budget/doc/performance_funding/Overview-Doc-Performance-Funding-10-Metric-Model-Condensed-Version.pdf).

<sup>10</sup> State University System of Florida, *2015-16 System Accountability Report*, available at [http://www.flbog.edu/board/doc/accountability/ar\\_2015-16/2015\\_16\\_System\\_Accountability\\_Report\\_Summary\\_FINAL\\_2017-03-30.pdf](http://www.flbog.edu/board/doc/accountability/ar_2015-16/2015_16_System_Accountability_Report_Summary_FINAL_2017-03-30.pdf), at 7.

<sup>11</sup> *Id.* at 15.

University (FAMU).<sup>12</sup> The 4-year graduation rate during the same period ranged from approximately 67 percent at UF to 18 percent at FAMU.<sup>13</sup>

In comparison, the 4-year graduation rate for selected universities in other states during the same period was 86 percent at the University of Virginia; 81 percent at the University of North Carolina-Chapel Hill; 76 percent at the University of Michigan, Ann Arbor; 72 percent at the University of California, Berkeley; and 51 percent at the University of Texas at Austin.<sup>14</sup>

Graduation rates are one of the key accountability measures that demonstrate how well an institution is serving its FTIC students.<sup>15</sup> On-time graduation in 4 years with a baccalaureate degree may result in savings related to cost of attendance for students and their families. For example, nationally, every extra year beyond 4 years to graduate with a baccalaureate degree from a public 4-year college costs a student \$22,826.<sup>16</sup> This may also result in lost wages owing to delayed entrance into the workforce. The median wage of 2014-2015 baccalaureate degree graduates employed full-time one year after graduation was \$38,000.<sup>17</sup>

The BOG is required to adopt benchmarks to evaluate each state university's performance on the metrics.<sup>18</sup> The evaluation assists with measuring a state university's achievement of institutional excellence or need for improvement, which determines the university's eligibility to receive performance funding.<sup>19</sup>

#### *Effect of Proposed Changes*

Section 4 amends s. 1001.92, F.S., to require that, beginning with the BOG's determination of each university's performance improvement and achievement rating for 2018 and related distribution of the 2018-2019 fiscal year appropriation, the SUS performance-based metric for graduation rate must include a 4-year graduation rate.

The shift in focus from 6-year to 4-year graduation rate will likely prompt a modification to the SUS strategic plan, as well as state university accountability mechanisms, which may assist with elevating the prominence and national competitiveness of the state universities in Florida.

Additionally, section 4 specifies that the performance-based metric related to access must include benchmarks that reward institutions with access rates at or above 50 percent. In fall

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<sup>12</sup> *Id.* at 7.

<sup>13</sup> *Id.* at 15.

<sup>14</sup> Integrated Postsecondary Education Database, <https://nces.ed.gov/ipeds/datacenter/InstitutionByName.aspx> (last visited Oct. 6, 2017).

<sup>15</sup> Board of Governors, *2025 System Strategic Plan*, March 2016, at 26, available at [http://www.flbog.edu/board/doc/strategicplan/2025\\_System\\_Strategic\\_Plan\\_Amended\\_FINAL.pdf](http://www.flbog.edu/board/doc/strategicplan/2025_System_Strategic_Plan_Amended_FINAL.pdf).

<sup>16</sup> Complete College America, *Four-Year Myth: Make College More Affordable. Restore the Promise of Graduating on Time* (2014), available at <http://completecollege.org/wp-content/uploads/2014/11/4-Year-Myth.pdf>, at 5.

<sup>17</sup> State University System of Florida, *2015-16 System Accountability Report*, available at [http://www.flbog.edu/board/doc/accountability/ar\\_2015-16/2015\\_16\\_System\\_Accountability\\_Report\\_Summary\\_FINAL\\_2017-03-30.pdf](http://www.flbog.edu/board/doc/accountability/ar_2015-16/2015_16_System_Accountability_Report_Summary_FINAL_2017-03-30.pdf), at 7.

<sup>18</sup> Section 1001.92(1), F.S.

<sup>19</sup> *Id.*

2015, the access rate for the SUS was 39 percent. FAMU (at 65.4 percent) and Florida International University (at 51.4 percent) exceeded the specified access rate.<sup>20</sup>

### ***Preeminent State Research Universities Program (Section 3)***

#### *Present Situation*

The Preeminent State Research Universities Program is a collaborative partnership between the BOG and the Legislature to raise the academic and research preeminence of the highest performing state research universities in Florida.<sup>21</sup> A state university that meets 11 of the 12 academic and research excellent standards specified in law<sup>22</sup> is designated a “preeminent state research university.”<sup>23</sup> Currently, the University of Florida and the Florida State University are designated as preeminent state research universities.<sup>24</sup>

A state research university that meets at least 6 of the 12 standards is designated as an “emerging preeminent state research university.”<sup>25</sup> Currently, the University of Central Florida and the University of South Florida-Tampa are designated as emerging preeminent state research universities.<sup>26</sup> Each designated emerging preeminent state research university receives an amount of funding that is equal to one-half of the total increased amount awarded to each designated preeminent state research university.<sup>27</sup>

#### Courses Unique to the Institution

A university designated as a preeminent state research university may require its incoming FTIC students to take a six-credit set of unique courses.<sup>28</sup> Currently, UF lists two such courses and Florida State University lists 136 such courses.<sup>29</sup> The university may stipulate that credit for such

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<sup>20</sup> *Id.* at 8.

<sup>21</sup> Section 1001.7065(1), F.S.

<sup>22</sup> Section 1001.7065(2), F.S. The standards include: incoming freshman academic characteristics (average weighted GPA and average SAT score); institutional ranking nationally; freshman retention rate; 6-year graduation rate; national academy membership of institution faculty; research expenditures and patents awarded annually; doctoral degrees awarded annually; postdoctoral appointees annually; and institutional endowment.

<sup>23</sup> Section 1001.7065(3)(a), F.S.

<sup>24</sup> Board of Governors, State University System of Florida, *2017 System Summary of University Work Plans*, at 10, available at

[http://www.flbog.edu/board/doc/workplan/workplan\\_2017/2017\\_SYSTEM\\_WORK\\_PLAN\\_FINAL\\_2017-06-15.pdf](http://www.flbog.edu/board/doc/workplan/workplan_2017/2017_SYSTEM_WORK_PLAN_FINAL_2017-06-15.pdf).

<sup>25</sup> Section 1001.7065(3)(b), F.S.

<sup>26</sup> Board of Governors, State University System of Florida, *2017 System Summary of University Work Plans 2016*, available at

[http://www.flbog.edu/board/doc/workplan/workplan\\_2017/2017\\_SYSTEM\\_WORK\\_PLAN\\_FINAL\\_2017-06-15.pdf](http://www.flbog.edu/board/doc/workplan/workplan_2017/2017_SYSTEM_WORK_PLAN_FINAL_2017-06-15.pdf), at 10.

<sup>27</sup> Section 1001.7065(5)(c)2., F.S. The 2017-2018 GAA appropriated \$52,000,000 to fund the preeminent and emerging preeminent state research universities. Specific Appropriation 141, 2017-70, L.O.F.

<sup>28</sup> Section 1001.7065(6), F.S.

<sup>29</sup> The Florida Senate staff analysis of the Florida Statewide Course Numbering System (Oct. 6, 2017), at <http://scns.fldoe.org>.

courses may not be earned through any acceleration mechanism<sup>30</sup> or any other transfer credit specifically determined by the university.<sup>31</sup>

#### Programs of National Excellence

The BOG is encouraged to establish standards and measures to identify individual programs in state universities that objectively reflect national excellence and make recommendations to the Legislature about ways to enhance and promote such programs.<sup>32</sup>

#### *Effect of Proposed Changes*

Consistent with the emphasis on a 4-year graduation rate metric for the SUS Performance-Based Incentive program, section 3 amends s. 1001.7065, F.S., to revise the full-time FTIC student graduation rate metric for the preeminent state research university program from a rate of 70 percent or higher within 6 years to a rate of 60 percent or higher within four years.<sup>33</sup> However, for the 2018 determination of a university's preeminent designation and distribution of the 2018-2019 fiscal year appropriation, section 3 retains the current graduation rate metric (6-year graduation rate of 70 percent or higher) as of October 1, 2017. The BOG must confirm this 6-year graduation rate reported to the Integrated Postsecondary Education Data System (IPEDS).<sup>34</sup>

Section 3 also revises the amount of funding provided to emerging preeminent state research universities from one-half to one-quarter of the total additional funding awarded to preeminent state research universities, beginning in the 2018-2019 fiscal year.

#### Courses Unique to the Institution

Section 3 eliminates the authority for the preeminent state research universities to require FTIC students to take a 6-credit set of courses unique to the institution. By deleting the authority for unique courses, the bill may provide to students flexibility in applying earned college credits purposefully toward degree requirements, which may assist the students to graduate on time in 4 years with a baccalaureate degree.

#### Programs of National Excellence

Consistent with efforts to strengthen institutional accountability to elevate the prominence of state universities, section 3 requires, rather than merely permit, the BOG to establish standards and measures for programs of excellence throughout the SUS, including undergraduate,

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<sup>30</sup> Acceleration mechanisms include Advanced Placement (AP), International Baccalaureate (IB), Advanced International Certificate of Education (AICE), credit by examination, and dual enrollment. Section 1007.27(1), F.S.

<sup>31</sup> Section 1001.7065(6), F.S.

<sup>32</sup> Section 1001.7065(8), F.S.

<sup>33</sup> The bill also modifies the criterion for an increase in the tuition differential at a preeminent state research university from a 6-year to a 4-year graduation rate.

<sup>34</sup> IPEDS is a system of surveys conducted annually by the National Center for Education Statistics, which is a part of the Institute for Education Sciences within the United States Department of Education. National Center for Education Statistics, *IPEDS*, <https://nces.ed.gov/ipeds/> (last visited Oct. 6, 2017). Participation in the IPEDS surveys is mandatory for all institutions that participate in federal financial aid programs. 20 USC 1094, Section 487(a)(17) and 34 CFR 668.14(b)(19).

graduate, and professional degree programs. The BOG must make recommendations to the Legislature by September 1, 2018, regarding how these programs can be enhanced and promoted.

### ***Experiential Learning Opportunities (Section 2)***

#### *Present Situation*

The BOG is required to develop a strategic plan specifying goals and objectives for the State University System and each constituent university, including each university's contribution to overall system goals and objectives.<sup>35</sup>

The strategic plan must include criteria for designating baccalaureate and master's degree programs at specified universities as high-demand programs of emphasis.<sup>36</sup> Fifty percent of the criteria for designation as high-demand programs of emphasis must be based on achievement of performance outcome thresholds determined by the BOG, and 50 percent of the criteria must be based on achievement of performance outcome thresholds specifically linked to:<sup>37</sup>

- Job placement in employment of 36 hours or more per week and average full-time wages of graduates of the degree programs 1 year and 5 years after graduation.
- Data-driven gap analyses, conducted by the BOG, of the state's job market demands and the outlook for jobs that require a baccalaureate or higher degree.

In 2012, in response to a call from the chair of the BOG, the Commission on Higher Education Access and Educational Attainment (Commission) examined the alignment between higher education and workforce, which resulted in a method for a gap analysis of baccalaureate-level workforce demand.<sup>38</sup> In 2013, the Legislature appropriated \$15 million to the BOG to provide competitive awards to address high demand program areas identified in the Commission's gap analysis.<sup>39</sup> The gap analysis identified computer information and technology, and accounting and finance as high demand programs, requiring at least a bachelor's degree, with more than 1,000 unfilled annual openings in Florida.<sup>40</sup> In March 2014, the BOG approved four partnerships between universities and Florida College System institutions to receive \$15 million in funding for the Targeted Educational Attainment Grant Program, also known as the TEAm Grant Initiative.<sup>41</sup>

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<sup>35</sup> Section 1001.706(5)(b), F.S.

<sup>36</sup> Section 1001.706(5)(b)4., F.S.

<sup>37</sup> *Id.*

<sup>38</sup> Board of Governors, *Aligning Workforce and Higher Education for Florida's Future* (Nov. 21, 2013), available at <http://www.flbog.edu/board/advisorygroups/doc/commission-materials/Access-and-Educational-Attainment-Commission-Outline.docx>.

<sup>39</sup> Board of Governors, *TEAm Grant Initiative Update* (Sept. 21, 2016), available at [http://www.flbog.edu/documents\\_meetings/0201\\_1005\\_7558\\_2.10.1%20ASA%2010a\\_TEA%20Grant%20Initiative%20Update%20ai\\_JMI.pdf](http://www.flbog.edu/documents_meetings/0201_1005_7558_2.10.1%20ASA%2010a_TEA%20Grant%20Initiative%20Update%20ai_JMI.pdf).

<sup>40</sup> Board of Governors, *Aligning Workforce and Higher Education for Florida's Future* (Nov. 21, 2013), available at [http://www.flbog.edu/about/doc/commission-materials/Access-and-Attainment-Comm-FINAL-REPORT-10\\_29\\_13\\_rev.docx](http://www.flbog.edu/about/doc/commission-materials/Access-and-Attainment-Comm-FINAL-REPORT-10_29_13_rev.docx).

<sup>41</sup> *Id.*

*Effect of Proposed Changes*

Section 2 amends s. 1001.706, F.S., to modify the requirements of the strategic plan, developed by the BOG, to require state universities to use data-driven gap analyses to identify internship opportunities in high-demand fields for students.

*Developmental Education (Section 8)**Present Situation*

Developmental education is instruction through which a high school graduate who applies for any college credit program may attain the communication and computation skills necessary to successfully complete college credit instruction.<sup>42</sup> Developmental education may be delivered through a variety of strategies, including:<sup>43</sup>

- Modularized instruction that is customized and targeted to address specific skills gaps.
- Compressed course structures that accelerate student progression from developmental instruction to college-level coursework.
- Contextualized developmental instruction that is related to meta-majors.
- Corequisite developmental instruction or tutoring that supplements credit instruction while a student is concurrently enrolled in a credit-bearing course.

Each FCS institution board of trustees is required to develop a plan to implement the developmental education strategies defined in law<sup>44</sup> and rules<sup>45</sup> of the SBE.<sup>46</sup> A state university BOT may contract with a FCS institution to provide developmental education services for university students in need of developmental education.<sup>47</sup> A state university that offered college-preparatory instruction as of January 1, 1996, is allowed to provide such services without contracting with a FCS institution. Currently, Florida Agricultural and Mechanical University (FAMU) is the only state university authorized to offer developmental education.<sup>48</sup>

*Effect of Proposed Changes*

Section 8 amends s. 1008.30, F.S., to require a state university offering college-preparatory instruction to provide developmental education instruction as defined in s. 1008.02(1), F.S. As a result, FAMU may be required to revise its developmental education program to incorporate the developmental education strategies specified in law.

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<sup>42</sup> Section 1008.02(1), F.S.

<sup>43</sup> *Id.* Strategies include modularized instruction that is customized and targeted to address specific skills gaps, compressed course structures that accelerate student progression from developmental instruction to college level coursework, contextualized developmental instruction that is related to meta-majors, and corequisite developmental instruction or tutoring that supplements credit instruction while a student is concurrently enrolled in a credit-bearing course.

<sup>44</sup> *Id.*

<sup>45</sup> Rule 6A-14.030(12), F.A.C.

<sup>46</sup> Section 1008.30(5)(a), F.S.

<sup>47</sup> Section 1008.30(5)(c), F.S.

<sup>48</sup> Board of Governors Regulation 6.008(1).



## *State University System Direct Support Organizations (Section 5)*

### *Present Situation*

Each of the 12 state universities has at least one direct-support organization (DSO).<sup>49</sup> A state university DSO is:<sup>50</sup>

- A Florida corporation not for profit, incorporated under the provisions of chapter 617, and approved by the Department of State;
- Organized and operated exclusively to receive, hold, invest, and administer property and to make expenditures to, or for the benefit of, a state university; and
- An organization reviewed and certified by the state university board of trustees (BOT) to be operating in a manner consistent with the goals of the college or university and in the best interest of the state.

State university boards of trustees are currently authorized to permit the use of property, facilities, and personal services at their college or university by the university DSOs.<sup>51</sup> “Personal services” includes full-time or part-time personnel as well as payroll processing.<sup>52</sup> Each state university board of trustees must establish conditions with which a DSO must comply in order to use university property, facilities, or personal services and such additional conditions, controls, and requirements for support organizations as each board deems appropriate to provide for budget and audit review and oversight.<sup>53</sup>

State university DSOs are currently prohibited from giving, either directly or indirectly, any gift to a political committee for any purpose other than those certified by a majority roll call vote of the governing board of the DSO at a regularly scheduled meeting as being directly related to the educational mission of the institution.<sup>54</sup>

Currently, all records of the state university DSOs other than the auditor’s report, management letter, and any supplemental data requested by the BOG, university BOT, the Auditor General, and the Office of Program Policy Analysis and Government Accountability are confidential.<sup>55</sup>

### *Effect of Proposed Changes*

Section 5 amends s. 1004.28, F.S., to enhance transparency and strengthen accountability for state university DSOs. Specifically, this section:

- Prohibits state university BOTs from permitting:

<sup>49</sup> State University System of Florida, *University Direct-Support Organizations*, July 2016, available at [http://www.flbog.edu/pressroom/doc/DSO\\_Info\\_Brief\\_with\\_Attachments.pdf](http://www.flbog.edu/pressroom/doc/DSO_Info_Brief_with_Attachments.pdf).

<sup>50</sup> Section 1004.28(1)(a), F.S.

<sup>51</sup> *Id.* at (2)(a). Currently, all state universities, except for New College of Florida, have at least one DSO that utilizes state university personal services. Board of Governors, *2018 Bill Analysis for SB 4* (Sept. 22, 2017), at 9.

<sup>52</sup> Section 1004.28(1)(b).

<sup>53</sup> Board of Governors Regulation 9.011(1).

<sup>54</sup> Section 1004.28(4), F.S. Currently, state university DSOs do not give gifts to political committees. Board of Governors, *2018 Agency Bill Analysis for SB 4* (Sept. 22, 2017), at 10.

<sup>55</sup> *Id.* at (5)(b).

- Any university DSO to use personal services beginning July 1, 2023.<sup>56</sup>
- The use of state funds for travel expenses by any university DSO.
- Excludes DSO records related to the expenditure of state funds, and records related to the expenditure of private funds for travel from the current public records exemption for other records of the DSO that are deemed confidential and exempt from public records requirements. Accordingly, this section narrows the scope of the exemption from public records requirements for a state university DSO.
- Eliminates the exception that allows gifts to be made to a political committee if the gift is certified by a majority roll call vote of the governing board of the DSO at a regularly scheduled meeting as being directly related to the educational mission of the university.

### **Institution Excellence (Sections 6 and 7)**

The ability of the state universities to recruit talented faculty and researchers, make strategic investments in research infrastructure, and connect university research to economic development, is key to advancing Florida's research and innovation competitiveness and effectiveness.<sup>57</sup>

#### *Present Situation*

According to the BOG, for Florida to “secure its place as a national leader in the 21<sup>st</sup> century, it must prove competitive in discovery and innovation.”<sup>58</sup> The stronger the universities and the State of Florida are in research and development (R&D) performance and reputation, the more competitive Florida becomes in attracting and retaining the best and most promising faculty, students, staff, and companies.<sup>59</sup>

In a 2014-15 National Science Foundation survey of R&D spending across the United States, the State of Florida ranked 4<sup>th</sup> on total research and development expenditures among public universities, behind California, Texas, and Michigan.<sup>60</sup> States with strong and competitive research enterprises support the research infrastructure in their state with a wide range of statewide grant programs to make their state universities more competitive for federal grant opportunities.<sup>61</sup>

<sup>56</sup> According to the BOG, the prohibition on the use of personal services by a state university DSO may limit or reduce the number of staff working for the state university DSOs. Board of Governors, *2018 Agency Bill Analysis for SB 4* (Sept. 22, 2017), at 9.

<sup>57</sup> Board of Governors, *Draft of Advancing Research and Innovation Legislative Budget Request*, Presentation to the Board of Governors Task Force on University Research (Sept. 22, 2016), available at [http://www.flbog.edu/documents\\_meetings/0201\\_1017\\_7616\\_10.3.2%20TF-RSRCH%2003b%20LBR%Request%20VPRs%20\\_2017\\_18%201aug2016%20Form%201%20\(002\)\\_JMI.pdf](http://www.flbog.edu/documents_meetings/0201_1017_7616_10.3.2%20TF-RSRCH%2003b%20LBR%Request%20VPRs%20_2017_18%201aug2016%20Form%201%20(002)_JMI.pdf).

<sup>58</sup> Board of Governors, *Draft of Advancing Research and Innovation Legislative Budget Request*, Presentation to the Board of Governors Task Force on University Research (Sept. 22, 2016), available at [http://www.flbog.edu/documents\\_meetings/0201\\_1017\\_7616\\_10.3.2%20TF-RSRCH%2003b%20LBR%Request%20VPRs%20\\_2017\\_18%201aug2016%20Form%201%20\(002\)\\_JMI.pdf](http://www.flbog.edu/documents_meetings/0201_1017_7616_10.3.2%20TF-RSRCH%2003b%20LBR%Request%20VPRs%20_2017_18%201aug2016%20Form%201%20(002)_JMI.pdf).

<sup>59</sup> *Id.*

<sup>60</sup> Email. Board of Governors (Jan. 12, 2017).

<sup>61</sup> Board of Governors, *Draft of Advancing Research and Innovation Legislative Budget Request*, Presentation to the Board of Governors Task Force on University Research (Sept. 22, 2016), available at [http://www.flbog.edu/documents\\_meetings/0201\\_1017\\_7616\\_10.3.2%20TF-RSRCH%2003b%20LBR%Request%20VPRs%20\\_2017\\_18%201aug2016%20Form%201%20\(002\)\\_JMI.pdf](http://www.flbog.edu/documents_meetings/0201_1017_7616_10.3.2%20TF-RSRCH%2003b%20LBR%Request%20VPRs%20_2017_18%201aug2016%20Form%201%20(002)_JMI.pdf).

In Florida, the state universities have identified the need for funding to support university efforts to:<sup>62</sup>

- Increase research capacity, output, and impact through targeted cluster hiring of talented faculty and strategic investments in research infrastructure.
- Increase and enhance undergraduate student participation in research through undergraduate research programs.
- Connect university research to Florida's industry and economic development through industry-sponsored research at state universities and research commercialization activities.

#### *Effect of Proposed Changes*

Sections 6 and 7 establish the World Class Faculty and Scholar Program and the State University Professional and Graduate Degree Excellence Program to advance the national competitiveness of the state universities in Florida.

#### World Class Faculty and Scholar Program

Section 6 creates s. 1004.6497, F.S., to establish the World Class Faculty and Scholar Program to elevate the national prominence of state universities in Florida. Specifically, this section:

- Authorizes state university investments in recruiting and retaining talented faculty; and specifies that funding for the program will be as provided in the GAA, beginning in the 2017-2018 fiscal year.
- Specifies that such investments may include, but not be limited to, investments in research-centric cluster hires, faculty research and research commercialization efforts, instructional and research infrastructure, undergraduate student participation in research, professional development, awards for outstanding performance, and postdoctoral fellowships.
- Requires the BOG to, annually, by March 15, provide to the Governor, President of the Senate, and Speaker of the House of Representatives, an accountability report which includes specific expenditure information on program funds and the impact of those expenditures in elevating the national competitiveness of the universities, specifically relating to the:
  - Success in recruiting research faculty and the resulting research funding;
  - 4-year graduation rate;
  - Number of undergraduate courses offered with fewer than 50 students; and
  - Increased national academic standing of targeted programs.

Section 6 creates a funding mechanism to assist the state universities with faculty recruitment and retention efforts to attract exemplary faculty and research scholars to Florida, which may ultimately help Florida's state universities improve their national competitiveness.

#### State University Professional and Graduate Degree Excellence Program

Section 7 creates s. 1004.6498, F.S., to establish the State University Professional and Graduate Degree Excellence Program (Degree Excellence Program) to fund and support the efforts of state universities to enhance the quality and excellence of professional schools and graduate degree

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<sup>62</sup> *Id.*

programs in medicine, law, and business, and expand the economic impact of state universities. Specifically, this section:

- Authorizes quality improvement efforts of the state universities, and specifies that funding for the program will be as provided in the GAA, beginning in the 2017-2018 fiscal year.
- Specifies that such efforts may include, but not be limited to, targeted investments in faculty, students, research, infrastructure, and other strategic endeavors to elevate the national and global prominence of state university medicine, law, and graduate-level business degree programs.
- Requires the BOG to, annually, by March 15, provide to the Governor, President of the Senate, and Speaker of the House of Representatives, an accountability report which includes specific expenditure information on program funds and the impact of those expenditures in elevating the national and global prominence of the university medicine, law, and graduate-level business programs, specifically relating to the:
  - First-time pass rate on the United States Medical Licensing Examination;
  - First-time pass rate on the Florida Bar Examination;
  - Percentage of graduates enrolled or employed at a wage threshold that reflects the added value of a graduate-level business degree;
  - Advancement in rankings of the state university medicine, law, and graduate-level business degree programs; and
  - Added economic benefit of the universities to the state.

The Degree Excellence Program creates a funding mechanism to boost the excellence of state university professional schools and graduate degree programs in specified areas. The Degree Excellence Program may bolster the state universities' efforts to recruit and retain talented students and faculty, which may help to raise the national and international prominence of the state universities and the programs within such universities. The Degree Excellence Program may also assist in improving the national rankings of the state universities in medicine, law, and business. The table below lists the 2018 U.S. News and World Report rankings<sup>63</sup> for such programs.

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<sup>63</sup>The Florida Senate staff analysis of U.S. News & World Report, *Graduate School Rankings*, <https://www.usnews.com/best-graduate-schools> (last visited Oct. 6, 2017).

Institution	Medicine (Research) <sup>64</sup>	Medicine (Primary Care) <sup>65</sup>	Law <sup>66</sup>	Business <sup>67</sup>
Florida Atlantic University	Unranked <sup>68</sup>	Unranked		Unranked
Florida A&M University			RNP <sup>69</sup>	Unranked
Florida Gulf Coast University				Unranked
Florida International University	Unranked	Unranked	100	Unranked
Florida State University	RNP	RNP	48	Unranked
University of Central Florida	RNP	RNP		Unranked
University of Florida	40	61	41	40
University of North Florida				Unranked
University of South Florida	56	77		Unranked
University of West Florida				Unranked

**Access and Affordability**

The Legislature has established various student financial aid and tuition assistance programs to assist students in accessing and pursuing higher education in Florida.

***Florida Bright Futures Scholarship Program (Sections 9, 10, 11, 12, 13, 14, and 19)***

*Present Situation*

The Florida Bright Futures Scholarship (Bright Futures) Program was established in 1997<sup>70</sup> as a lottery-funded scholarship program to reward a Florida high school graduate who merits recognition for high academic achievement. The student must enroll in a degree program, certificate program, or applied technology program at an eligible public or private postsecondary

<sup>64</sup> The Florida Senate staff analysis of U.S. News & World Report, *Medical Schools (Research)*, <https://www.usnews.com/best-graduate-schools/top-medical-schools/research-rankings?int=af3309&int=b3b50a&int=b14409> (last visited Oct. 6, 2017).

<sup>65</sup> The Florida Senate staff analysis of U.S. News & World Report, *Medical Schools (Primary Care)*, <https://www.usnews.com/best-graduate-schools/top-medical-schools/primary-care-rankings?int=af3309&int=b3b50a&int=aac509> (last visited Oct. 6, 2017).

<sup>66</sup> The Florida Senate staff analysis of U.S. News & World Report, *Law Schools*, <https://www.usnews.com/best-graduate-schools/top-law-schools/law-rankings?int=a1d108> (last visited Oct. 6, 2017).

<sup>67</sup> The Florida Senate staff analysis of U.S. News & World Report, *Business Schools*, <https://www.usnews.com/best-graduate-schools/top-business-schools/mba-rankings?int=9dc208> (last visited Oct. 6, 2017).

<sup>68</sup> “Unranked” indicates a school or program attribute does not align with U.S. News & World Report ranking metrics.

<sup>69</sup> “RNP” indicates a ranking not published, which indicates the program is in the bottom 25 percent of the U.S. News & World Report rankings.

<sup>70</sup> Section 2, ch. 1997-77, L.O.F.

education institution<sup>71</sup> in Florida after graduating from high school.<sup>72</sup> The Bright Futures program consists of three types of awards:<sup>73</sup>

- Florida Academic Scholars (FAS);<sup>74</sup>
- Florida Medallion Scholars (FMS);<sup>75</sup> and
- Florida Gold Seal Vocational Scholars and Florida Gold Seal CAPE Scholars.<sup>76</sup>

Bright Futures program award amounts are specified annually in the General Appropriations Act (GAA).<sup>77</sup> The 2017-2018 GAA provides FAS awards equal to 100 percent of tuition and applicable fees, and an additional \$300 each fall and spring semester for textbooks and college-related expenses.<sup>78</sup> The applicable fees include the activity and service fee, health fee, athletic fee, financial aid fee, capital improvement fee, campus access/transportation fee, technology fee, and the tuition differential fee.<sup>79</sup> However, current law prohibits both the technology fee and tuition differential fee from being included in any Florida Bright Futures Scholarship Program award.<sup>80</sup> The Department of Education (DOE) authorized these fees to be included in the 2017-2018 FAS awards<sup>81</sup> as appropriated in the 2017-2018 GAA. Students attending a private postsecondary education institution receive a comparable amount.<sup>82, 83</sup>

A student may use a Bright Futures award for summer term enrollment if funds are available.<sup>84</sup> Funds have not been appropriated for Bright Futures summer term awards since the 2000-2001

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<sup>71</sup> A student who receives any award under the Florida Bright Futures Scholarship Program, who is enrolled in a nonpublic postsecondary education institution, and who is assessed tuition and fees that are the same as those of a full-time student at that institution, receives a fixed award calculated by using the average tuition and fee calculation as prescribed by the Department of Education for full-time attendance at a public postsecondary education institution at the comparable level. Section 1009.538, F.S.

<sup>72</sup> Sections 1009.53(1) and 1009.531(2)(a)-(c), F.S. Starting with 2012-2013 graduates, a student graduating from high school is able to accept an initial award for 2 years following high school and to accept a renewal award for 5 years following high school graduation.

<sup>73</sup> Section 1009.53(2), F.S.

<sup>74</sup> Section 1009.534, F.S.

<sup>75</sup> Section 1009.535, F.S.

<sup>76</sup> Section 1009.536, F.S.

<sup>77</sup> Sections 1009.534(2), 1009.535(2), and 1009.536(3), F.S.

<sup>78</sup> Specific Appropriation 4, 2017-70, L.O.F. The 2017-2018 GAA also provides FMS awards at \$77 at 4-year institutions, \$63 at 2-year institutions, \$53 for upper-division programs at Florida Colleges, and \$39 for career and technical centers. *Id.*

<sup>79</sup> Florida Department of Education, *2017-18 Bright Futures Scholarship Program Award Amounts Update*, July 12, 2017, available at <http://edr.state.fl.us/content/conferences/financialaid/DOEMemorandum.pdf>.

<sup>80</sup> Sections 1009.22(7), 1009.23(10), 1009.24(13) and (16), F.S.

<sup>81</sup> Florida Department of Education, *2017-18 Bright Futures Scholarship Program Award Amounts Update*, July 12, 2017, available at <http://edr.state.fl.us/content/conferences/financialaid/DOEMemorandum.pdf>.

<sup>82</sup> *Id.*

<sup>83</sup> Section 1009.538, F.S.

<sup>84</sup> Section 1009.53(9), F.S.

fiscal year.<sup>85</sup> However, the 2017-2018 GAA provides funds for 2018 summer term FAS awards at an amount equal to 100 percent of tuition and applicable fees.<sup>86</sup>

#### *Effect of Proposed Changes*

The bill modifies the awards for the Bright Futures FAS and FMS programs.

#### Florida Bright Futures Scholarship Program – Florida Academic Scholars

Section 13 amends s. 1009.534, F.S., to codify the FAS award amount<sup>87</sup> to cover 100 percent of tuition and certain tuition-indexed fees<sup>88</sup> plus \$300 for textbooks and educational expenses during each fall and spring semester or the equivalent, beginning in the 2017-2018 academic year. The Legislature appropriated \$397.3 million in the 2017-2018 GAA for the Bright Futures Program, which includes \$274.1 million<sup>89</sup> to provide FAS awards at an amount equal to 100 percent of tuition and specified fees, including a \$300 per semester textbook stipend.<sup>90</sup> Section 19 provides that section 13 applies retroactive to July 1, 2017.

Additionally, section 12 amends s. 1009.53, F.S., to limit the use of Florida Bright Futures Scholarship Program awards, including an FAS award, for summer term enrollment, only if such awards for summer term are funded in the GAA. In the 2017-2018 GAA, \$39.5 million is appropriated for 2018 summer term FAS awards. Section 19 provides that section 12 applies retroactively to July 1, 2017.

#### Florida Bright Futures Scholarship Program – Florida Medallion Scholars

Section 14 amends s. 1009.535, F.S., to increase the FMS award to an amount required to pay 75 percent of tuition and specified fees, beginning in the 2018 fall semester. Compared to 2017 FMS awards, the 75 percent award amount is projected to increase the per-credit-hour awards as shown in the table below:

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<sup>85</sup> Florida Office of Economic and Demographic Research, Student Financial Aid Impact Conference (March 2015), *available at* <http://edr.state.fl.us/Content/conferences/financialaidimpact/archives/150303financialaidimpact.pdf>.

<sup>86</sup> Specific Appropriation 4, 2017-70, L.O.F.

<sup>87</sup> The 2017-2018 GAA provides that Florida Academic Scholars must receive an award equal to 100 percent of tuition and applicable fees, and an additional \$300 each fall and spring semester for textbooks and college-related expenses. Specific Appropriation 4, 2017-70, L.O.F.

<sup>88</sup> The tuition-indexed fees specified in SB 4 include financial aid, capital improvements, technology enhancements, equipping buildings, or the acquisition of improved real property, and technology (s. 1009.22, F.S.); activity and service, financial aid, technology, capital improvements, technology enhancements, and equipping student buildings or the acquisition of improved real property (s. 1009.23, F.S.); financial aid, Capital Improvement Trust Fund, activity and service, health, athletic, technology, transportation access, and includes the tuition differential (s. 1009.24, F.S.). The bill specifies that only university-wide transportation access fees may be included in any Bright Futures award.

<sup>89</sup> Office of Economic & Demographic Research, *Florida Bright Futures Scholarship Program, Awards History and Forecast*, *available at* <http://edr.state.fl.us/Content/conferences/financialaid/ConferenceResults.pdf>, at 7.

<sup>90</sup> Specific Appropriation 4, 2017-70 L.O.F.

	<b>2017-2018 FMS Per-Credit-Hour Award<sup>91</sup></b>	<b>Projected 2018-2019 FMS Per-Credit-Hour Award</b>
4-Year Institutions	\$77	\$159
2-Year Institutions	\$63	\$80
Upper Division in the FCS	\$53	\$92
Career/Technical Education	\$39	\$62

Accordingly, the expansion of the FMS program further facilitates higher education access and affordability for a projected 43,892<sup>92</sup> eligible students.

Sections 9 through 11 amend ss. 1009.22, 1009.23, 1009.24, F.S., to eliminate the prohibitions in Florida law<sup>93</sup> regarding the inclusion of the following fees in Florida Bright Futures Scholarship Program awards:

- Technology fees at state universities and Florida College System institutions, and for postsecondary workforce education provided by school districts and Florida College System institutions.
- The tuition differential fee at a state university.

Section 19 provides that sections 9 through 11 apply retroactively to July 1, 2017.

***Benacquisto Scholarship Program (Section 16)***

*Present Situation*

The Benacquisto Scholarship Program, created in 2014,<sup>94</sup> rewards any Florida high school graduate who receives recognition as a National Merit Scholar (NMS) or National Achievement Scholar (NAS) and who enrolls in a baccalaureate degree program at an eligible Florida public or independent postsecondary education institution.<sup>95</sup> Among other statutory eligibility requirements,<sup>96</sup> the student must earn a standard Florida high school diploma or equivalent<sup>97</sup> and be a state resident.<sup>98</sup>

The award amounts are as follows:

<sup>91</sup> Specific Appropriation 4, 2017-70, L.O.F.

<sup>92</sup> Office of Economic & Demographic Research, *Florida Bright Futures Scholarship Program, Awards History and Forecast*, available at <http://edr.state.fl.us/Content/conferences/financialaid/ConferenceResults.pdf>, at 3.

<sup>93</sup> Sections 1009.22(7), 1009.23(10), and 1009.24(13), F.S.

<sup>94</sup> The Benacquisto Scholarship Program was formerly titled the Florida National Merit Scholar Incentive Program. Section 26, ch. 2016-237, L.O.F.

<sup>95</sup> Section 1009.893, F.S.

<sup>96</sup> Section 1009.893(4), F.S.

<sup>97</sup> Other graduation options include Academically Challenging Curriculum to Enhance Learning (ACCEL) options (s. 1002.3105, F.S.), early high school graduation (s. 1003.4281, F.S.), a high school equivalency diploma (s.1003.435, F.S.), completion of a home education program (s. 1002.41, F.S.), or earning a high school diploma from a school outside Florida while living with a parent or guardian who is on military or public service assignment outside Florida.

<sup>98</sup> Section 1009.893(4)(a), F.S. Section 1009.40(1)(a)2., F.S., specifies that a student must meet the requirements of Florida residency for tuition purposes under s. 1009.21, F.S.; see also Rule 6A-10.044, F.A.C.



- At a Florida public postsecondary education institution the award is equal to the institutional cost of attendance less the sum of the student's Bright Futures Scholarship and NMS or NAS award.<sup>99,100</sup>
- At a Florida independent postsecondary education institution the award is equal to the highest cost of attendance at a Florida public university, as reported by the BOG, less the sum of the student's Bright Futures Scholarship and NMS or NAS award.<sup>101</sup>

In the 2015-2016 and 2016-2017 academic years, an estimated average of 59102 National Merit Scholars and National Achievement Scholars who initially enrolled in a Florida college or university graduated from out-of-state high schools.

### *Effect of Proposed Changes*

Section 16 amends s. 1009.893, F.S., to modify eligibility requirements for the Benacquisto Scholarship Program to recruit talented and qualified students from out of state and assist out-of-state students to access higher education in Florida, graduate on time, and incur less education-related debt. Specifically, this section:

- Establishes student eligibility criteria, to apply to students who are not residents of the state and who initially enroll in a baccalaureate degree program in the 2018-2019 academic year or thereafter, requiring such students to:
  - Physically reside in Florida on or near the campus of the postsecondary education institution in which they enroll;
  - Earn a high school diploma or equivalent or complete a home education program, comparable to Florida; and
  - Be accepted by and enroll full-time in a baccalaureate degree program at an eligible regionally accredited public or private postsecondary education institution during the fall academic term following high school graduation.
- Provides that for an eligible student who is not a resident of the state and who attends:
  - A public postsecondary education institution, the award amount must be equal to the institutional cost of attendance<sup>103</sup> for a resident of the state less the student's National Merit Scholarship. The bill exempts such student from out-of-state fees.

<sup>99</sup> The National Merit Scholarship Corporation discontinued the National Achievement Scholarship Program with the conclusion of the 2015 program,

<http://www.nationalmerit.org/s/1758/interior.aspx?sid=1758&gid=2&pgid=433> (last visited Oct. 6, 2017).

<sup>100</sup> Section 1009.893(5)(a), F.S.

<sup>101</sup> *Id.* at (5)(b).

<sup>102</sup> Economic and Demographic Research, *Education Estimating Conference on Students Financial Aid Impact*, available at <http://edr.state.fl.us/Content/conferences/financialaidimpact/archives/170612financialaidimpact.pdf>, at 10.

<sup>103</sup> The 2017-2018 cost of attendance on campus for full time undergraduate Florida resident students includes tuition and fees, books and supplies, room and board, transportation, and other expenses; the average annual cost of attendance for the State University System is \$21,790.31. Board of Governors, *Fall/Spring Cost of Attendance On-Campus for Full-Time Undergraduate Florida Residents 2017-2018*, available at [http://www.flbog.edu/board/office/budget/\\_doc/attendance/CostAttendance2017\\_18\\_FINAL.xlsx](http://www.flbog.edu/board/office/budget/_doc/attendance/CostAttendance2017_18_FINAL.xlsx).

- A private postsecondary education institution, the award amount must be equal to the highest cost of attendance<sup>104</sup> for a resident of the state enrolled at a state university, less the student's National Merit Scholarship.

### ***First Generation Matching Grant Program (Section 15)***

#### *Present Situation*

The First Generation Matching Grant Program (FGMG) was established in 2006<sup>105</sup> to enable each state university to provide donors with a matching grant incentive for contributions to create grant-based student financial aid for undergraduate students who demonstrate financial need and whose parents have not earned a baccalaureate degree.<sup>106</sup> Funds appropriated for the program must be allocated by the Office of Student Financial Assistance (within the Florida Department of Education) to match private contributions on a dollar-for-dollar basis.<sup>107</sup>

In the 2016-2017 fiscal year, 8,361 state university and Florida College System (FCS) students received an initial or renewal average award of \$1,269.83.<sup>108</sup> Additionally, there were 15,442 students who were eligible for the FGMG award but did not receive the award.<sup>109</sup>

Although limited to state universities in the statutory provisions, the Legislature has expanded eligibility for participation to the FCS through proviso in the annual general appropriations acts since 2007. In the 2016-17 fiscal year, 51 percent (4,293) of all FGMG recipients were FCS students.

#### *Effect of Proposed Changes*

Section 15 amends s. 1009.701, F.S., to expand need-based financial aid by revising the state to private match requirements from a 1:1 match to a 2:1 match, beginning in the 2018-2019 fiscal year.

To the extent that an increase in the state matching contribution rate results in the availability of more funds for this purpose, the award amount may be increased, more eligible students may receive an award, or a combination of the two.

Section 15 also codifies the authority for FCS institutions to raise funds to match the state appropriations for FGMG to provide need-based financial assistance to students attending FCS institutions.

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<sup>104</sup> The highest State University System cost of attendance in 2017-2018 is \$23,960 at Florida Atlantic University. *Id.*

<sup>105</sup> Section 1, ch. 2006-73, L.O.F.

<sup>106</sup> Section 1009.701(1), F.S.

<sup>107</sup> *Id.* at (2).

<sup>108</sup> Florida Department of Education, Office of Student Financial Assistance, *End-of-Year Report, 2016-17, First Generation Matching Grant Program*, available at [https://www.floridastudentfinancialaidsg.org/pdf/EOY\\_Reports/2016-17/FGMG\\_2016\\_2017.pdf](https://www.floridastudentfinancialaidsg.org/pdf/EOY_Reports/2016-17/FGMG_2016_2017.pdf).

<sup>109</sup> *Id.*

### *Florida Farmworker Student Scholarship Program (Section 17)*

#### *Present Situation*

Student eligibility requirements for state financial aid awards and tuition assistance grants<sup>110</sup> typically include, but are not limited to, residency in this state for no less than one year preceding the award of aid or a tuition assistance grant for specific programs established in law.<sup>111</sup> Residency in this state must be for purposes other than to obtain an education.<sup>112</sup> The residency status for financial aid awards and tuition assistance must be determined in the same manner as resident status for tuition purposes.<sup>113</sup>

A dependent child who is a United States citizen may not be denied classification as a resident for tuition purposes based solely upon the immigration status of his or her parent.<sup>114</sup>

#### *Effect of Proposed Changes*

Section 17 creates s. 1009.894, F.S., to establish the Florida Farmworker Scholarship Program (Farmworker Scholarship) administered by the Department of Education (DOE). Beginning in the 2017-2018 academic year, up to 50 scholarships must be awarded annually to farmworkers, as defined in s. 420.503, F.S.,<sup>115</sup> and the children of such farmworkers, who meet the scholarship eligibility criteria. To be eligible for an initial scholarship, a student must, at a minimum:

- Have resident status as required by s. 1009.40 F.S.,<sup>116</sup> and rules of the State Board of Education;
- Earn a minimum cumulative 3.5 weighted grade point average (GPA) for all high school courses creditable towards a diploma;
- Complete a minimum of 30 hours of community service; and
- Have at least a 90 percent attendance rate and not have had any disciplinary action brought against him or her, as documented on the student's high school transcript.

A Farmworker Scholarship recipient, who is enrolled full-time, is eligible for an award equal to 100 percent of tuition and specified fees at a public postsecondary education institution. A scholarship recipient must maintain at least a cumulative 2.5 college GPA to renew the award, and may receive funding for a maximum of 100 percent of the number of credit hours required to complete an associate or baccalaureate degree program. The bill specifies that funding for the

<sup>110</sup> See section 1009.40, F.S.

<sup>111</sup> *Id.* at (1)(a)2., F.S. The residency requirement applies to programs under ss. 1009.50, 1009.505, 1009.51, 1009.52, 1009.53, 1009.60, 1009.62, 1009.72, 1009.73, 1009.77, 1009.89, and 1009.89, F.S.

<sup>112</sup> *Id.*

<sup>113</sup> *Id.*

<sup>114</sup> Section 1009.21(2)(d), F.S.

<sup>115</sup> A "Farmworker" is a laborer who is employed on a seasonal, temporary, or permanent basis in the planting, cultivating, harvesting, or processing of agricultural or aquacultural products and who derived at least 50 percent of her or his income in the immediately preceding 12 months from such employment.

Section 420.503(18)(a), F.S.

<sup>116</sup> Students must meet the requirement related to residency in this state for no less than 1 year preceding the award. Residency must be for purposes other than to obtain an education and the student's resident status must be determined in the same manner as the resident status for tuition purposes pursuant to s. 1009.21, F.S. Section 1009.40(1)(a)2., F.S.

Farmworker Scholarship is contingent upon an appropriation in the GAA.<sup>117</sup> Undocumented immigrants are not eligible for a Farmworker Scholarship award.

***William L. Boyd, IV, Florida Resident Access Grant (Section 20)***

*Present Situation*

The William L. Boyd, IV, Florida Resident Access Grant (FRAG) is a tuition assistance program that is available to full-time degree-seeking undergraduate students registered at an independent nonprofit college or university which is located in and chartered by the state; which is accredited by the Commission on Colleges of the Southern Association of Colleges and Schools; which grants baccalaureate degrees; which is not a state university or FCS institution; and which has a secular purpose.<sup>118</sup>

*Effect of Proposed Changes*

Section 20 directs the Division of Law Revision and Information to substitute the term “Effective Access to Student Education Grant Program” for “Florida Resident Access Grant Program” wherever that term appears in the Florida Statutes, effectively renaming the FRAG Program as the William L. Boyd, IV, Effective Access to Student Education (EASE) Grant Program.

***Stanley G. Tate Florida Prepaid College Program (Section 18)***

*Present Situation*

The Florida Prepaid College Program (Prepaid Program) provides families an affordable and secure way to save for tuition and specified fees at Florida’s postsecondary institutions.<sup>119</sup> The Prepaid Program allows a family to pay for tuition and specified fees in advance of enrollment in a state postsecondary institution at a rate lower than the projected corresponding cost at the time of actual enrollment.<sup>120</sup> These payments are invested in a manner that yields sufficient interest to generate the difference between the prepaid amount and the cost of tuition and specified fees at the time of actual enrollment. For the fall 2015 semester, 59,019 students used a Florida Prepaid College Plan at a state university.<sup>121</sup>

*Effect of Proposed Changes*

Section 18 amends s. 1009.98, F.S., to allow a Florida Prepaid College Program plan (Prepaid Plan), purchased prior to July 1, 2024, to pay only for the credit hours in which a student is enrolled. In effect, this provision maximizes the number of credit hours a Prepaid Plan will fund under a block tuition plan but may shift costs to the student to the extent the student enrolls in fewer credit hours than the rate at which the block tuition is set.

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<sup>117</sup> The 2017-2018 GAA appropriated \$500,000 to the Florida Farmworker Scholarship Program.

<sup>118</sup> Section 1009.89(1) and (3), F.S.

<sup>119</sup> Florida Prepaid College Board, *2016 Annual Report*, available at [http://www.myfloridaprepaid.com/wp-content/uploads/fpcb\\_2016\\_annual\\_report.pdf](http://www.myfloridaprepaid.com/wp-content/uploads/fpcb_2016_annual_report.pdf), at 6.

<sup>120</sup> Section 1009.98, F.S.

<sup>121</sup> Florida Prepaid College Board, *2016 Annual Report*, available at [http://www.myfloridaprepaid.com/wp-content/uploads/fpcb\\_2016\\_annual\\_report.pdf](http://www.myfloridaprepaid.com/wp-content/uploads/fpcb_2016_annual_report.pdf), at 11.

### ***Block Tuition (Section 11)***

#### *Present Situation*

The BOG is authorized to approve a proposal from a university board of trustees to implement flexible tuition<sup>122</sup> policies including, but not limited to, block tuition.<sup>123</sup> The block tuition policy for resident undergraduate students or undergraduate-level courses must be based on the established per-credit-hour undergraduate tuition.<sup>124</sup> The block tuition policy for nonresident undergraduate students must be based on the established per-credit-hour undergraduate tuition and out-of-state fee.<sup>125</sup> The BOG has not received a block tuition policy proposal for approval from any state university.<sup>126</sup>

Institutions in other states that have implemented a block tuition policy include, but are not limited to, the University of Michigan, the Ohio State University and the University of North Carolina at Chapel Hill.<sup>127</sup> Additionally, the University of Oklahoma<sup>128</sup> and Oklahoma State University<sup>129</sup> have implemented block tuition policies that incentivize students to complete 15 credits in each of the fall and spring semesters, or 30 credits in the fall, spring, and summer semesters.

Under current law, each state university must publicly notice and notify all enrolled students of any proposal to increase tuition and fees. Such notice must be given at least 28 days before the board of trustees considers such proposal.

#### *Effect of Proposed Changes*

Section 11 amends s. 1009.24, F.S., to require each state university boards of trustees (BOT) to adopt, for implementation beginning in the fall 2018 academic semester, a block tuition policy for the entering freshman class of full-time, FTIC students. Such policy may provide students with a financial incentive to enroll in additional courses and graduate in 4 years with a baccalaureate degree. Each block tuition policy must, at a minimum:

- Include block tuition and any required fees;
- Require the university to maximize the application of appropriate acceleration credits; and
- Enable students to have the flexibility to earn at least 30 credits in any combination of fall, spring, and summer academic semesters or terms.

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<sup>122</sup> Section 1009.01, F.S., defines tuition as the basic fee charged to a student for instruction provided by a public postsecondary education institution in this state.

<sup>123</sup> Section 1009.24(15)(a), F.S.

<sup>124</sup> *Id.* at 3.

<sup>125</sup> *Id.*

<sup>126</sup> Board of Governors, *2018 Bill Analysis for SB 4* (Sept. 22, 2017), at 6.

<sup>127</sup> Presentation to the Committee on Education, The Florida Senate (Dec. 12, 2016), Office of Program Policy and Government Accountability, *State University System Undergraduate Student Success Overview*, available at [http://www.flsenate.gov/PublishedContent/Committees/2016-2018/ED/MeetingRecords/MeetingPacket\\_3540.pdf](http://www.flsenate.gov/PublishedContent/Committees/2016-2018/ED/MeetingRecords/MeetingPacket_3540.pdf), at 33.

<sup>128</sup> University of Oklahoma, *Flat-Rate Tuition*, <http://www.ou.edu/bursar/flat-rate-tuition.html> (last visited Oct. 6, 2017).

<sup>129</sup> Oklahoma State University, *Block Rate Information*, <http://blockrate.okstate.edu/faq> (last visited Oct. 6, 2017).

Each state university BOT must submit to the BOG its block tuition policy by April 1, 2018, along with information on the potential impact of such policy on students. By August 1, 2018, the Chancellor of the State University System must submit to the Governor and the Legislature a summary of the block tuition policies, the status of the BOG's review and approval of such policies, and the BOG's recommendations for improving block tuition and fee benefits for students.

Section 11 also expands the public notification requirements placed upon state universities<sup>130</sup> related to tuition and fees to include any changes to tuition and fees rather than just increases to tuition and fees.

Section 21 provides that the bill takes effect upon becoming a law.

#### **IV. Constitutional Issues:**

##### **A. Municipality/County Mandates Restrictions:**

None.

##### **B. Public Records/Open Meetings Issues:**

None.

##### **C. Trust Funds Restrictions:**

None.

#### **V. Fiscal Impact Statement:**

##### **A. Tax/Fee Issues:**

None.

##### **B. Private Sector Impact:**

SB 4 increases financial aid and tuition assistance to students. Specifically, the bill:

- Modifies the Florida Medallion Scholars (FMS) award to an amount equal to 75 percent of public postsecondary education institution tuition and specified fees for educational expenses. The increase in the FMS award to cover 75 percent of tuition and specified fees may increase the current average FMS award per academic year by approximately:
  - \$2,000 if the student is enrolled at a 4-year institution.
  - \$300 if the student is enrolled at a 2-year institution.
- Expands the Benacquisto Scholarship Program to include out-of-state National Merit Scholar students who meet the specified eligibility criteria, which is likely to provide

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<sup>130</sup> Section 1009.24(20), F.S.

a significant cost savings to such students. Such students may be eligible for an annual award of approximately \$21,148.

- Doubles the state match for the First Generation in College Matching Grant, which may make the matching grant available to more students, result in an increased award amount for eligible students, or a combination of the two.
- Establishes the Florida Farmworker Student Scholarship Program for farmworkers and the children of farmworkers. Scholarship recipients are eligible for an award equal to 100 percent of tuition and specified fees at a public postsecondary institution. A scholarship recipient who enrolls in 30 credit hours per academic year at a state university is estimated to receive an award of approximately \$6,000.
- Requires state universities to adopt and implement a block tuition policy. The impact on students will depend upon the parameters of the various policies implemented and the number of credits in which a particular student enrolls. Some students may enjoy cost savings while other students may not be impacted or may incur additional costs.

### C. Government Sector Impact:

Section 13 codifies the funding policies set forth in the 2017-2018 General Appropriations Act for the Florida Academic Scholars (FAS) award, retroactively to July 1, 2017. Under the new funding policies for FAS, the workload increase for the 2018-2019 fiscal year is expected to cost \$21 million from the Educational Enhancement Trust Fund for 3,510 additional FAS students.<sup>131</sup>

Section 14 increases the FMS award to cover 75 percent of tuition and specified fees. In 2018-2019, for 43,892 FMS-eligible students,<sup>132</sup> such increase in the FMS award is projected to cost an additional \$77 million<sup>133</sup> from the Educational Enhancement Trust Fund.<sup>134</sup>

Section 16 expands eligibility in the Benacquisto Scholarship Program to include certain out-of-state students. Dependent upon the participation by the eligible students, this expansion may cost an estimated \$1.2 million from the General Revenue Fund for a projected 59 additional scholars.<sup>135</sup>

Additionally, the following provisions are expected to have an indeterminate impact on state revenues and expenditures:

<sup>131</sup> Office of Economic & Demographic Research, *Florida Bright Futures Scholarship Program, Awards History and Forecast*, available at <http://edr.state.fl.us/Content/conferences/financialaid/ConferenceResults.pdf>, at 3. There are projected to be 46,570 FAS awards in 2017-2018, and 50,080 FAS awards in 2018-2019.

<sup>132</sup> *Id.*

<sup>133</sup> Senate staff analysis of Economic and Demographic Research, *Education Estimating Conference on Students Financial Aid Impact*, available at <http://edr.state.fl.us/Content/conferences/financialaidimpact/archives/170612financialaidimpact.pdf>, at 10.

<sup>134</sup> Office of Economic & Demographic Research, *Florida Bright Futures Scholarship Program, Awards History and Forecast*, available at <http://edr.state.fl.us/Content/conferences/financialaid/ConferenceResults.pdf>, at 7.

<sup>135</sup> Economic and Demographic Research, *Education Estimating Conference on Students Financial Aid Impact*, available at <http://edr.state.fl.us/Content/conferences/financialaidimpact/archives/170612financialaidimpact.pdf>, at 10.

- Section 11, which requires state universities to adopt and implement a block tuition policy for resident and non-resident undergraduate students at the state universities.
- Sections 6, which establishes the World Class Faculty and Scholar Program and specifies that funding must be as provided in the GAA.
- Section 7, which establishes the State University Professional and Graduate Degree Excellence programs and specifies that funding must be as provided in the GAA.
- Section 17, which establishes the Florida Farmworker Student Scholarship Program, effective for the 2017-18 fiscal year, which was appropriated \$500,000 in the 2017-2018 GAA.

## VI. Technical Deficiencies:

Lines 452-504 relate to the authority of the Board of Governors to approve (or not) certain tuition and fee proposals. Embedded in this language (at lines 473-488) is a requirement for each university board of trustees to approve and implement a block tuition plan. Moving lines 473-488 (and any related provisions) to a statutory placement relating to board of trustee powers and duties may add clarity to the proposed law.

Lines 639-644 allows Florida Academic Scholar awards to be used for summer term enrollment “as funded in the General Appropriations Act” and other Bright Futures Scholarship awards to be used “if funded in the General Appropriations Act.” To give the Legislature the greatest flexibility authorizing the use of the awards for summer term enrollment, the Legislature may consider substituting the phrase “contingent upon an appropriation by the legislature.” Such an appropriation may be contained in a general appropriations act or another general bill that is not defined as a general appropriations act.<sup>136</sup>

Line 667 may be clarified by substituting the term “necessary” for the term “required”.

## VII. Related Issues:

None.

## VIII. Statutes Affected:

This bill substantially amends the following sections of the Florida Statutes: 1001.706, 1001.7065, 1001.92, 1004.28, 1008.30, 1009.22, 1009.23, 1009.24, 1009.53, 1009.534, 1009.535, 1009.701, 1009.893, and 1009.98.

This bill creates the following sections of the Florida Statutes: 1004.6497, 1004.6498, and 1009.894.

This bill creates three undesignated sections of the Florida Statutes.

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<sup>136</sup> Rule 2.2 of the Joint Rules of the Florida Legislature defines “general appropriations bill” to mean “a bill that provides for the salaries of public officers and other current expenses of the state and contains no subject other than appropriations.” A general appropriations act is subject to a 72-hour public review period before a vote is taken on final passage of the bill in the form that will be presented to the Governor.



**IX. Additional Information:**

- A. **Committee Substitute – Statement of Changes:**  
(Summarizing differences between the Committee Substitute and the prior version of the bill.)

None.

- B. **Amendments:**

None.

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This Senate Bill Analysis does not reflect the intent or official position of the bill's introducer or the Florida Senate.

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