

# SENATE STAFF ANALYSIS AND ECONOMIC IMPACT STATEMENT

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

BILL: SB 664

SPONSOR: Senator Sullivan

SUBJECT: Site-determined Baccalaureate Degree Program

DATE: February 8, 1999

REVISED: 2/16/99

	ANALYST	STAFF DIRECTOR	REFERENCE	ACTION
1.	<u>Hill</u>	<u>O'Farrell</u>	<u>ED</u>	<u>Fav/1 amendment</u>
2.	<u></u>	<u></u>	<u>FP</u>	<u></u>
3.	<u></u>	<u></u>	<u></u>	<u></u>
4.	<u></u>	<u></u>	<u></u>	<u></u>
5.	<u></u>	<u></u>	<u></u>	<u></u>

## I. Summary:

This bill creates the site-based baccalaureate degree access program. The program encourages Florida's 28 community colleges to partner with public and independent, Florida and non-Florida, postsecondary institutions to increase access to baccalaureate degree programs. Community colleges approved for participation in this voluntary program will receive start-up funds to contract with the 4-year institutions that will deliver upper-level courses at the college. The bill specifies conditions that the community college and its proposed partners must meet before funds are released. Participating community college must collaborate with local interests to identify local academic and economic development needs. The college must seek participation from at least three potential partners before choosing the 4-year institution to offer the needed baccalaureate programs. The Postsecondary Education Planning Commission (PEPC) must review and approve proposed degree programs and agreements between participating institutions. PEPC will consult with the Board of Regents of the State University System and the State Board of Community Colleges before approving the proposed programs.

Each participating community college will receive funding on a per credit hour basis equal to the state funds, excluding fees, appropriated to the SUS for students enrolled in upper-level course work. Tuition for in-state students cannot exceed the SUS matriculation fee. Out-of-state students will pay full costs. The fiscal impact of the bill will depend on the number of programs submitted and approved and student enrollments.

This bill creates an undesignated section of the Florida Statutes.

## II. Present Situation:

### **Increasing Demand for Postsecondary Education**

The demand for postsecondary education is facing explosive growth due to increases in the population of college age students, increases in the number of high school graduates and

marketplace demands for highly trained individuals for job entry and career advancement. By 2010, higher education enrollment is projected to increase by more than 200,000 students.

### **Current Delivery System**

Florida relies on a "2 + 2" delivery system to meet the access needs of its citizens. Florida's 28 community colleges are the primary entry point for postsecondary students. Students that receive a 2-year degree from a community college are guaranteed admission to one of the state's 10 universities. Community colleges and state universities utilize branch campuses, instructional centers, and a variety of delivery sites to increase access to their educational programs. Access is also provided through distance learning, joint-use facilities, and cooperative arrangements for concurrent use of facilities. The BOR currently defines the geographic service region in which each state university is responsible for delivering degrees.

### **Florida Statutes Encourage and Require Postsecondary Collaboration**

Sections 235.125 and 240.195, F.S., are the primary basis for cooperative approaches to the delivery of postsecondary education. Section 240.125, F.S., encourages community colleges and universities that serve the same students in a geographic and service area to cooperatively plan and deliver academic programs and related services; share instructional facilities and equipment; coordinate credit and non-credit outreach activities; access each other's library and media holdings, and services; and consult with each other to resolve inter-institutional issues and problems which discourage student access and transfer. The statute also encourages the public postsecondary institutions to involve independent colleges and universities and local industries in planning a comprehensive, complementary, cost-effective array of undergraduate and beginning graduate programs of study. Section 235.195, F.S., provides a funding mechanism to pay for the construction of educational facilities that will be jointly used by two or more educational sectors (i.e., school districts, community colleges, and/or state universities).

PEPC is responsible for coordinating the efforts of postsecondary institutions and providing independent policy analyses and recommendations to the State Board of Education and the Legislature. PEPC's major responsibility is preparing and updating a master plan for postsecondary education every five years. The master plan must consider the promotion of quality, fundamental educational goals, programmatic access, needs for remedial education, regional and state economic development, international education programs, demographic patterns, student demand for programs, needs of particular subgroups of the population, implementation of innovative educational techniques and technology, and the requirements of the labor market. PEPC must evaluate the capacity of existing public and private postsecondary institutions to respond to identified needs and must develop a plan to efficiently respond to unmet needs. (ss. 240.145 and 240.147, F.S.)

The State Board for Community Colleges (SBCC) and the Board of Regents (BOR) of the State University System (SUS) must develop strategic plans for their respective sectors. Each sector's strategic plan must be consistent with the master plan adopted by PEPC.

### **Postsecondary Master Plan, Sector Strategic Plans, Mandated Studies Address Access**

In January 1998, PEPC adopted *Challenges and Choices: The 1998 Master Plan for Florida Postsecondary Education*. The BOR and SBCC subsequently adopted their respective strategic plans. PEPC, the BOR, and SBCC recently completed legislatively mandated studies of ways to

provide greater access to the baccalaureate degree without constructing joint-use facilities on each community college campus.. Proviso language accompanying Specific Appropriation 57 of the 1998 General Appropriations Act required:

- PEPC to develop a feasibility plan outlining the actions necessary to create a ‘middle tier’ postsecondary educational system for the state, including its governance structure.
- The SBCC to develop a methodology to determine the need for and costs of offering limited baccalaureate programs at selected community colleges.
- The BOR to prepare a detailed plan for expanding the joint-use model with specific issues to be addressed and included in the plan.

At its February 1999 meeting, PEPC will consider a proposed “access” supplement to the master plan. The draft supplement considers results of the legislatively mandated studies and other factors. The draft supplement recommends “Students First” as the theme of future efforts to address postsecondary access. It recommends joint or concurrent programming involving 2-year and 4-year public and independent institutions as the primary strategy for assuring postsecondary access for the immediate future. If joint initiatives are not deemed successful, viable alternatives for future consideration are the potential state college (middle-tier) system or authorizing community colleges to offer baccalaureate degrees under carefully defined circumstances. The draft supplement does not recommend implementing either of those alternatives at this time.

#### **Senate Interim Study Identified Access Efforts and Issues**

A Senate interim study of joint-use facilities found that several community colleges, including those without joint-use facilities, have arrangements with public and/or private postsecondary institutions for the delivery of upper-level courses in the college’s facilities. These arrangements give place-bound students greater access to baccalaureate degrees and respond to local economic development needs. The study determined that the southwest coastal, south central, and northwest coastal counties are the geographic areas most in need of ready access to baccalaureate programs. Six baccalaureate degree programs are most often offered on community college campuses and were identified by the institutional leadership as being most in demand: elementary education, allied health (primarily nursing), criminal justice, business (various majors), computer science (various majors), and psychology.

Although several community colleges and state universities are providing baccalaureate programs on college campuses with existing resources, they said they would need additional state funds to expand the programs. The main costs incurred were for additional faculty, equipment, and distance learning technology where that delivery method was chosen. Library and other accreditation costs associated with offering additional baccalaureate degree programs on community college campuses appear to require minimal additional expenses.

All public and private institutions currently involved in this delivery model are accredited by the Southern Association of Colleges and Schools (SACS). Some community colleges are negotiating with out-of-state institutions which are accredited by comparable regional accrediting bodies.

**Task Force on Access**

In January 1999, the Chancellor of the SUS and the Director of the Division of Community Colleges created a Task Force on Access. The task force, led by presidents of state universities and community colleges and PEPC, will develop a plan to make it easier for Florida residents to obtain a college degree. This initiative envisions concurrent-use campuses, primarily on community college campuses, with colleges responsible for lower division courses and 4-year institutions offering upper-division courses and awarding baccalaureate degrees.

**Some States Use University Centers to Provide Access**

Using community college campuses and facilities to increase public access to baccalaureate degrees is not just a Florida issue. Several states have, or are considering, university centers to increase access to baccalaureate programs. The university center concept is similar to the program proposed by this bill. The university center concept allows a community college to identify the baccalaureate degrees needed and then broker the offering of baccalaureate programs among public and private universities. The *Chronicle of Higher Education* recently reported that university centers are operational in Maryland, Michigan, Ohio, Texas, and Virginia. Mississippi has two under construction. Illinois and Washington State have devised university center plans. A center operated for one full academic year in Tulsa, Oklahoma, before being replaced with a new branch campus of Oklahoma State University. Oklahoma is working on a statewide plan to increase baccalaureate program access on the basis of local site-determined need.

**III. Effect of Proposed Changes:**

This bill will increase access to baccalaureate degrees and more fully utilize existing community college facilities. The proposed site-based baccalaureate degree access program encourages Florida's 28 community colleges to partner with public and independent, Florida and non-Florida, postsecondary institutions for the delivery of baccalaureate degree programs at community college facilities and sites. Community colleges approved for participation in this voluntary program will receive start-up funds to contract with the 4-year institutions that will deliver upper-level courses at the college. Non-participating colleges may continue making independent arrangements for the delivery of baccalaureate degree programs on their campuses.

**Participation Criteria**

Community colleges that wish to participate must confer with the appropriate local interests (e.g., the chamber of commerce, workforce development council, and local business leaders) to identify baccalaureate degree programs that meet local academic and economic development needs. The community college will select its partner, but must seek participants from at least 3 regionally accredited institutions, including at least one member of the State University System.

The community college may contract with public or private, regionally accredited 4-year postsecondary institutions for the delivery of upper-level instruction and the award of degrees in the programs approved by PEPC. Any member of the State University System may be a partner in a site-determined baccalaureate degree access program at any community college.

PEPC must review and approve proposed degree programs and agreements between participating institutions. PEPC will consult with the Board of Regents of the State University System and the State Board of Community Colleges before approving the community college's proposal.

**Funding**

Funding will not be released to a community college without PEPC's approval. Each participating community college will receive state funds to initiate the approved baccalaureate degree access program. The community college will distribute funds to the participating 4-year institution at the rate negotiated in the agreement approved by PEPC. The community college may keep and use funds received in excess of the negotiated rate.

Participating state universities may not receive duplicate SUS formula funding for students served in an approved site-determined baccalaureate degree program. Participating public and private institutions may not charge in-state students more than the SUS matriculation fee. Student costs could be lower if the approved agreement authorizes differentiated tuition and fees to encourage participation. Because in-state tuition will be capped at the SUS rate, participating students will not be eligible for the Florida Resident Access Grant (FRAG). Under current law, FRAG promotes student access by offsetting the relatively higher costs of attending a private institution. Out-of-state students (i.e., non-residents for tuition purposes) must pay full costs.

PEPC must submit funding needs of the approved programs to the Commissioner of Education for inclusion in the legislative budget request. At the end of the second and fourth year of the program, PEPC must report to the Legislature any necessary changes in the way funds are allocated to participating community colleges and 4-year institutions.

**Program Evaluations**

PEPC will collect data annually and report progress to the Legislature after the second and fourth year of the program. Each site-determined baccalaureate degree program will be evaluated after 4-years to assess results and determine whether the program is still needed to meet local needs.

**Potential For Community Colleges To Offer Baccalaureate Degrees**

The bill does not allow community colleges to award baccalaureate degrees. The bill does establish a process for evaluating the feasibility of authorizing a community college to offer a specific baccalaureate program. If no 4-year institution agrees to offer a baccalaureate program approved for delivery at a community college, the board of trustees may ask PEPC to evaluate the college's ability to offer the degree program. PEPC may recommend that the Legislature provide statutory authority for the college to offer specific baccalaureate degree programs.

**IV. Constitutional Issues:****A. Municipality/County Mandates Restrictions:**

None.

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

None.

**C. Trust Funds Restrictions:**

None.

**V. Economic Impact and Fiscal Note:****A. Tax/Fee Issues:**

None.

**B. Private Sector Impact:**

The proposed program will make it easier for place-bound students to earn a baccalaureate degree in their communities. Increasing access to programs that respond to local economic development needs will benefit the private sector.

**C. Government Sector Impact:**

The fiscal impact of the bill will depend on the number of programs submitted and approved and student enrollments. Each participating community college will receive funding on a per credit hour basis equal to the state funds, excluding fees, appropriated to the SUS for students enrolled in upper-level course work.

The FY 1998-99 General Appropriations Act appropriated \$8,144 to the SUS per upper-level FTE student. Based on calculations provided by the BOR/SUS, the \$8,144 included \$6,264 per FTE from General Revenue and \$1,880 per FTE from student fees. If the proposed program were funded in 1998-99, a participating community college would have received \$6,264 for each upper-level FTE student served.

Participating community colleges will distribute funds to participating public and private 4-year institutions at the rate negotiated in the agreement approved by the PEPC, leaving excess funds for the partnering community college. The participating 4-year institutions will charge tuition and fees for their services within limits set by the bill. Participating state universities may not receive duplicate SUS formula funding for students

There should be an indeterminate cost-savings if the existing capacity of community college facilities are used in lieu of constructing new space. Based on findings of the Senate interim project on joint-use facilities, every community college except Lake-Sumter Community College, appears to have instructional classroom and laboratory space available every hour of the day and every day of the week.

**VI. Technical Deficiencies:**

The fiscal analysis provided by the SUS suggests that the program could not be implemented and funded by the 1999 Legislature based on the timetable for submitting information to PEPC.

**VII. Related Issues:**

None.

**VIII. Amendments:****#1 by Education**

Requires community colleges to supply regional evidence that occupational forecasts support the availability of jobs for graduates of proposed baccalaureate degree programs. The change would make the bill consistent with the practice of the Occupational Forecasting Conference which reports job data on a regional basis.

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This Senate staff analysis does not reflect the intent or official position of the bill's sponsor or the Florida Senate.

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