

**HOUSE OF REPRESENTATIVES
FINAL BILL ANALYSIS**

BILL #:	HB 5601	FINAL HOUSE FLOOR ACTION:		
SUBJECT/SHORT TITLE	Postsecondary Education	85	Y's 27	N's
SPONSOR(S):	Appropriations Committee and Ahern	GOVERNOR'S ACTION:		Vetoed
COMPANION BILLS:	CS/CS/SB 374			

SUMMARY ANALYSIS

HB 5601 passed the House on May 8, 2017, as CS/CS/SB 374.

The bill conforms statute to the funding decisions in the 2017-2018 General Appropriations Act (GAA) and addresses a variety of issues relating to higher education.

The bill establishes the "Excellence in Higher Education Act of 2017". Specifically, the bill:

- Renames the Florida College System (FCS) as the Florida Community College System (FCCS).
- Establishes a State Board of Community Colleges (SBCC), and transfers responsibilities regarding FCCS institutions from the State Board of Education (SBE) to the SBCC.
- Increases oversight of baccalaureate degree programs offered by FCCS institutions by revising the approval process and establishing system-wide and institutional caps on baccalaureate degree program enrollment.
- Revises the mission of FCCS institutions and technical centers.
- Strengthens public college-to-university articulation by establishing the "2+2" targeted pathway program.
- Requires school districts to notify students regarding application of acceleration credit to a postsecondary degree.
- Modifies state university and FCCS institution performance accountability metrics and standards to promote on-time student graduation and requires the Board of Governors (BOG) to conduct a study relating to the State University System (SUS) performance-based funding model.
- Revises excellence standards for the Preeminent State Research Universities Program and the Distinguished Florida College System Institution Program.
- Expands the Florida Bright Futures Academic Scholars (FAS) award to cover 100 percent of tuition and specified fees plus \$300 per fall and spring semester for textbooks and college-related expenses and specifies summer-term funding provided in the General Appropriations Act shall, at a minimum, support FAS awards.
- Expands eligibility for the Benacquisto Scholarship Program to include eligible out-of-state students.
- Revises the state-to-private match requirements for the First Generation Matching Grant Program.
- Establishes the Florida Farmworker Student Scholarship Program for farmworkers and their children.
- Requires each state university board of trustees to adopt an undergraduate block tuition policy.
- Establishes the World Class Faculty and Scholar Program to 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 support the efforts of state universities to enhance the quality and excellence of programs in medicine, law, and business.
- Authorizes the Legislature to prioritize funding for certain projects under the Alec P. Courtelis University Facility Enhancement Challenge Grant Program for the 2017-2018 fiscal year, subject to the GAA.
- Revises requirements for SUS and FCCS institution direct-support organizations (DSO).

This bill includes initiatives which increase state funding requirements. Of these, \$195.4 million pertains to scholarship and matching grant programs which provide student financial aid. The bill has an estimated impact of \$1.7 million to fund additional positions for the newly created SBCC governance structure. In addition, the 2017-2018 GAA provides \$70.5 million for the World Class Faculty and Scholar Program and \$50 million for the State University Professional and Graduate Degree Excellence Program. See Fiscal Comments.

The effective date of this bill was October 1, 2017; however, this bill was vetoed by the Governor on June 14, 2017.

This document does not reflect the intent or official position of the bill sponsor or House of Representatives.

STORAGE NAME: h5601z1.APC

DATE: June 15, 2017

I. SUBSTANTIVE INFORMATION

A. EFFECT OF CHANGES:

Present Situation

Florida College System Governance

State Board of Education

The SBE¹ is the “chief implementing and coordinating body of public education in Florida, except for the State University System” and is authorized to adopt rules to implement the provisions of law conferring duties upon the SBE to improve the state system of K-20 public education, except for the state university system.² As such, the SBE has authority over the FCS institutions, and is authorized to delegate SBE’s general powers to the Commissioner of Education (Commissioner) or the directors of the divisions of the Florida Department of Education (DOE).³

Department of Education

The DOE is the administrative and supervisory agency under the direction of the SBE.⁴ The Commissioner is appointed by the SBE and serves as the executive director of the DOE.⁵ Within the DOE, the Division of Florida Colleges (DFC)⁶ is directed by the Chancellor of the DFC,⁷ who reports directly to the Commissioner.⁸

Florida College System

The Legislature established the FCS to maximize open access for students, respond to community needs for postsecondary academic education and career degree education, and provide associate and baccalaureate degrees that will best meet the state’s employment needs.⁹

The FCS is comprised of 28 institutions and the regional service areas for such institutions are specified in law.¹⁰ Each FCS institution is governed by a local board of trustees (BOT).¹¹ The FCS BOT members are appointed by the Governor to staggered four-year terms, and confirmed by the Senate.¹² Each FCS BOT is responsible for cost-effective policy decisions regarding the FCS institution’s mission, the implementation and maintenance of high-quality education programs within law and rules of the SBE, the measurement of performance, the reporting of information, and the provision of input on state

¹ The State Board of Education is established in Art. IX, s. 2, Fla. Const., as “a body corporate and have such supervision of the system of free public education as is provided by law.”

² Section 1001.02(1), F.S.

³ *Id.*

⁴ *Id.*

⁵ Section 20.15(2), F.S.

⁶ Section 20.15(3)(a), F.S.

⁷ Section 20.15(4), F.S.

⁸ Email, Florida Department of Education, *2017 Agency Analysis of SB 374* (Feb. 2, 2017) at 10.

⁹ Section 1001.60(1), F.S.

¹⁰ The 28 Florida College System (FCS) institutions are Eastern Florida State College, Broward College, College of Central Florida, Chipola College, Daytona State College, Florida SouthWestern State College, Florida State College at Jacksonville, Florida Keys Community College, Gulf Coast State College, Hillsborough Community College, Indian River State College, Florida Gateway College, Lake-Sumter State College, State College of Florida, Manatee-Sarasota, Miami Dade College, North Florida Community College, Northwest Florida State College, Palm Beach State College, Pasco-Hernando State College, Pensacola State College, Polk State College, St. Johns River State College, St. Petersburg College, Santa Fe College, Seminole State College of Florida, South Florida State College, Tallahassee Community College, and Valencia College. Section 1000.21(3), F.S.

¹¹ Sections 1001.60(3), 1001.61(1), and 1004.65(1), F.S. FCS institutions are statutorily designated as political subdivisions of the state. Section 1004.67, F.S.

¹² Section 1001.61(2), F.S.

policy, budgeting, and education standards.¹³ FCS BOTs are authorized to adopt rules, procedures, and policies regarding admissions, programs, administration, personnel, contracts, and facilities.¹⁴

All 28 FCS institutions are regionally accredited by the Southern Association of Colleges and Schools Commission on Colleges (SACSCOC).¹⁵

Florida College System Baccalaureate Degree Approval Process

The Legislature created the site-determined baccalaureate degree access program in 1999 to authorize FCS institutions to offer baccalaureate degrees to meet the economic development and educational needs of place-bound, nontraditional students in areas of the state that are underserved by 4-year institutions.¹⁶ However, the primary responsibility of FCS institutions is the provision of associate degrees that provide access to a university.¹⁷

The SBE is responsible for reviewing and approving proposals by FCS institutions to offer baccalaureate degree programs.¹⁸ As a part of the approval process:

- FCS institutions must submit a notice of intent to the DFC regarding the proposed baccalaureate degree program 100 days before the submission of the program proposal.¹⁹
- Within 10 days after receipt of the notice, the DFC must forward the notice of intent to the Chancellor of the State University System (SUS), the President of Independent Colleges and Universities of Florida (ICUF), and the Executive Director of the Commission for Independent Education (CIE).²⁰
- State universities have 60 days, after receipt of the notice by the Chancellor of the SUS, to submit objections to the proposed program or submit an alternative proposal to offer the baccalaureate degree program.
- If the SBE does not receive a proposal from a state university within the 60-day period, the SBE must provide regionally accredited private colleges and universities 30 days to submit objections to the proposed program or submit an alternative proposal.
- Objections and alternative proposals must be submitted to the DFC, and must be considered by the SBE in making its decision to approve or deny a FCS institution's baccalaureate degree program proposal.²¹
- The DFC must notify the FCS institution of any deficiencies in writing within 30 days following receipt of the proposal, and provide the FCS institution with an opportunity to correct the deficiencies.
- Within 45 days following receipt of a completed proposal by the DFC, the Commissioner must recommend approval or disapproval of the proposal to the SBE.
- The SBE must consider such recommendation, the proposal, and any objections or alternative proposals at its next meeting, and the SBE must provide to the FCS institution written reasons for any disapproval of baccalaureate degree proposals.

Currently, 27 FCS institutions offer 179 baccalaureate degree programs.²² Since August 2015, 10 baccalaureate degree proposals have been approved, the DFC has withdrawn 11 baccalaureate

¹³ Section 1001.64(1), F.S.

¹⁴ Section 1001.64(4), F.S.

¹⁵ Southern Association of Colleges and Schools, Commission on Colleges, *SACSCOC Member and Candidate List*, available at <http://www.sacscoc.org/pdf/webmemlist.pdf>.

¹⁶ Section 1, ch. 99-290, L.O.F.

¹⁷ Section 1007.33(3), F.S.

¹⁸ Section 1001.03(15), F.S.

¹⁹ Section 1007.33(5)(a), F.S.

²⁰ Section 1007.33(5)(b), F.S.

²¹ *Id.*

²² The 27 colleges authorized to offer baccalaureate degree programs are Broward College, Chipola College, College of Central Florida, Daytona State College, Eastern Florida State College, Florida Gateway College, Florida Keys Community College, Florida SouthWestern State College, Florida State College at Jacksonville, Gulf Coast State College, Indian River State College, Lake-Sumter

degree proposals from consideration for SBE approval, and FCS institutions have submitted 14 new baccalaureate proposals to the DFC for approval by the SBE.²³

In 2015-16, funded full-time-equivalent (FTE) enrollment in FCS upper-division programs was 15,281, which represented 4.7 percent of the total funded FCS FTE enrollment of 327,992.²⁴

Mission

The mission of Florida's K-20 education system is to allow its students to increase their proficiency by allowing them the opportunity to expand their knowledge and skills through rigorous and relevant learning opportunities in accordance with the mission statement and requirements of the K-20 education performance accountability system.²⁵

Florida College System

The primary mission and responsibility of FCS institutions is responding to community needs for postsecondary academic education and career degree education.²⁶ Florida law specifies the following as the primary mission of FCS institutions:²⁷

- Providing lower-level undergraduate instruction and awarding associate degrees.
- Preparing students directly for careers requiring less than baccalaureate degrees.
- Providing student development services to ensure student success.
- Promoting economic development for the state through special programs (e.g., Enterprise Florida-related programs and workforce literacy programs).
- Providing dual enrollment instruction.
- Providing upper-level instruction and awarding baccalaureate degrees authorized by law.

Additionally, a secondary mission of FCS institutions includes offering programs in:²⁸

- Community services that are not directly related to academic or occupational advancement.
- Adult education services.
- Recreational and leisure services.

Technical Centers

Florida law does not provide a specific mission for the career centers.²⁹ However, the law specifies that career centers, under the control of district school boards,³⁰ must offer terminal courses of a technical nature and courses for out-of-school youth and adults.³¹

The purpose of charter technical career centers is to:³²

State College, Miami Dade College, North Florida Community College, Northwest Florida State College, Palm Beach State College, Pasco-Hernando State College, Pensacola State College, Polk State College, Santa Fe College, Seminole State College of Florida, South Florida State College, St. Johns River State College, St. Petersburg College, State College of Florida, Manatee-Sarasota, Tallahassee Community College, and Valencia College. Florida College System, *Baccalaureate Programs as of October 2016*, available at

http://www.fldoe.org/core/fileparse.php/5592/urlt/0082821-program_list.xls.

²³ Email, Florida Department of Education (Jan. 18, 2017).

²⁴ Office of Economic & Demographic Research, Education Estimating Conference, Dec. 8, 2016, p. 2 of 39, available at http://edr.state.fl.us/Content/conferences/communitycolleges/DOE_Handout_120816.pdf.

²⁵ Section 1000.03(4), F.S.

²⁶ Section 1004.65(5), F.S.

²⁷ *Id.*

²⁸ Section 1004.65(6), F.S.

²⁹ Section 1001.44, F.S.

³⁰ There are 48 Council on Occupational Education-accredited career centers operated by school districts, 1 of which is a charter technical career center. Email, Department of Education (Jan. 18, 2017).

³¹ Section 1001.44(3)(a), F.S.

- develop a competitive workforce to support local business and industry and economic development;
- create a training and education model that is reflective of marketplace realities;
- offer a continuum of career educational opportunities using school-to-work, tech-prep, technical academy, and magnet school model;
- provide career pathways for lifelong learning and career mobility; and
- enhance career and technical training.

2+2 Articulation

Public postsecondary education in Florida is delivered by school district-operated technical centers, FCS institutions, and state universities. To facilitate articulation and seamless integration of the K-20 education system, the SBE and the BOG are required to enter into a statewide articulation agreement to preserve Florida's "2+2" system of articulation, facilitate the seamless articulation of student credit among Florida's education entities, and reinforce the articulation and admission policies specified in law.³³

The articulation agreement must provide that every associate in arts graduate of an FCS institution has met all general education requirements, has indicated a baccalaureate degree offered by an institution of interest by the time the student earns 30 semester hours, and must be granted admission to the upper division, with certain exceptions,³⁴ of a state university or an FCS institution that offers a baccalaureate degree.³⁵ However, eligibility for admission to a state university does not provide to a transfer student guaranteed admission to the specific university or degree program that the student chooses.³⁶

Therefore, the Legislature has authorized a variety of articulated acceleration mechanisms that are available for secondary and postsecondary students attending public education institutions.³⁷ These mechanisms should shorten the time necessary for students to fulfill high school and postsecondary education requirements, broaden the scope of curricular options available to students, and increase the depth of study in a particular subject.³⁸

Academic Notification

Articulated acceleration mechanisms include, but are not limited, to Advanced Placement (AP), Advanced International Certificate of Education (AICE), International Baccalaureate (IB), credit by examination, and dual enrollment.³⁹ The DOE is required to annually identify and publish the minimum scores, maximum credit, and course or courses for which credit must be awarded for specified examinations.⁴⁰ The Articulation Coordinating Committee (ACC)⁴¹ has established passing scores and course and credit equivalents for examinations specified in law.^{42,43} The credit-by-exam equivalencies

³² Section 1002.34(2), F.S. Currently, Lake Technical College is the only charter technical career center. Email, Florida Department of Education, *2017 Agency Analysis of SB 374* (Feb. 2, 2017), at 11.

³³ Section 1007.23, F.S.

³⁴ Exceptions include limited access programs, teacher certification programs, and those requiring an audition.

³⁵ Section 1007.23(2)-(3), F.S.

³⁶ Board of Governors Regulation 6.004.

³⁷ Section 1007.27(1), F.S.

³⁸ *Id.*

³⁹ *Id.*

⁴⁰ Section 1007.27(2), F.S.

⁴¹ The Articulation Coordinating Committee (ACC) is established by the Commissioner of Education in consultation with the Chancellor of the SUS, to make recommendations related to statewide articulation policies regarding access, quality, and data reporting. The ACC serves as an advisory body to the Higher Education Coordinating Council, the SBE, and BOG.

⁴² Section 1007.27(2), F.S.

⁴³ Florida Department of Education, *Articulation Coordinating Committee Credit by Exam Equivalencies* (Initially adopted Nov. 14, 2001), available at <http://www.fldoe.org/core/fileparse.php/5421/urlt/0078391-acc-cbe.pdf>.

have been adopted in rule by the SBE.⁴⁴ Each FCS institution and state university must award credit for specific courses for which competency has been demonstrated by successful passage of one of the examinations associated with the identified acceleration mechanisms.⁴⁵

The law also requires the commissioner to appoint faculty committees representing secondary and public postsecondary education institutions to identify postsecondary courses that meet high school graduation requirements and equivalent high school credits earned through dual enrollment.⁴⁶ Additionally, the commissioner must recommend such courses to the SBE.⁴⁷ The Dual Enrollment Course-High School Subject Area Equivalency List specifies postsecondary courses that when completed earn both high school and college credit.⁴⁸ All high schools must accept these dual enrollment courses toward meeting the standard high school diploma requirements.⁴⁹

Developmental Education

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.⁵⁰ Developmental education may be delivered through a variety of delivery strategies described in law.⁵¹

Each FCS institution BOT must develop a plan to implement the developmental education strategies defined in law⁵² and rules⁵³ of the SBE.⁵⁴ A university BOT may contract with a FCS institution to provide developmental education services for their students in need of developmental education.⁵⁵ Florida Agricultural and Mechanical University (FAMU) is also authorized to offer developmental education.⁵⁶

Florida College System Performance-Based Incentive

The FCS Performance-Based Incentive is awarded to FCS institutions using metrics adopted by the SBE. The metrics must include retention rates; program completion and graduation rates; postgraduation employment, salaries, and continuing education for workforce education and baccalaureate programs, with wage thresholds that reflect the added value of the certificate or degree; and outcome measures appropriate for associate of arts degree recipients.⁵⁷ Each institution's eligibility for performance funding is based on benchmarks adopted by the SBE.⁵⁸

⁴⁴ Rule 6A-10.024, F.A.C.

⁴⁵ *Id.*

⁴⁶ Section 1007.271(9), F.S.

⁴⁷ *Id.*

⁴⁸ Florida Department of Education, *2016-2017 Dual Enrollment Course—High School Subject Area Equivalency List*, available at <http://www.fldoe.org/core/fileparse.php/5421/urlt/0078394-delist.pdf>.

⁴⁹ *Id.*

⁵⁰ Section 1008.02(1), F.S.

⁵¹ *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.

⁵² *Id.*

⁵³ Rule 6A-14.030(12), F.A.C.

⁵⁴ Section 1008.30(5)(a), F.S.

⁵⁵ Section 1008.30(5)(c), F.S.

⁵⁶ Board of Governors Regulation 6.008(1).

⁵⁷ Section 1001.66(1), F.S.

⁵⁸ *Id.* Rule 6A-14.07621, F.A.C., provides a description of the metrics and benchmarks, and calculations for performance funding.

Distinguished Florida College System Institution Program

The Distinguished FCS Institution Program is a collaborative partnership between the SBE and the Legislature to recognize the excellence of Florida's highest-performing FCS institutions.⁵⁹ The excellence standards include:

- A 150 percent-of-normal-time completion rate⁶⁰ of 50 percent or higher, as calculated by the DFC.
- A 150 percent-of-normal-time completion rate for Pell Grant recipients of 40 percent or higher, as calculated by the DFC.
- A retention rate of 70 percent or higher, as calculated by the DFC.
- A continuing education, or transfer, rate of 72 percent or higher for students graduating with an associate of arts degree, as reported by the Florida Education and Training Placement Information Program (FETPIP).
- A licensure passage rate on the National Council Licensure Examination for Registered Nurses (NCLEX-RN) of 90 percent or higher for first-time exam takers, as reported by the Board of Nursing.
- A job placement or continuing education rate of 88 percent or higher for workforce programs, as reported by FETPIP.
- A time-to-degree for students graduating with an associate of arts degree of 2.25 years or less for first-time-in-college students with accelerated college credits, as reported by the Southern Regional Education Board.

A FCS institution that meets 5 of the 7 excellence standards is designated as a distinguished college.⁶¹

State University System Performance-Based Incentive

The SUS Performance-Based Incentive is awarded to state universities using performance-based metrics⁶² adopted by the BOG.⁶³ The metrics include, but are not limited to, bachelor's degree graduates' employment and wages, average cost per bachelor's degree, a six-year graduation rate, academic progress rates, and bachelor's and graduate degrees in areas of strategic emphasis.

The BOG must adopt benchmarks to evaluate each state university's performance on the metrics.⁶⁴ The evaluation measures a state university's achievement of institutional excellence or need for improvement, which determines the university's eligibility to receive performance funding.⁶⁵

Preeminent State Research Universities Program

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.⁶⁶ A state university that meets 11 of the 12 academic and research excellence standards specified in law⁶⁷ is designated a "preeminent state research university."⁶⁸

⁵⁹ Section 1001.67, F.S.

⁶⁰ Rule 6A-14.07621(3)(b), F.A.C. The normal-time-completion rate captures the outcomes of a cohort of full-time, FTIC students who graduate within the amount of time is dependent on the catalogue time for the academic program.

⁶¹ Section 1001.67(1)-(2), F.S.

⁶² Board of Governors, *Performance Funding Model Overview*, available at http://www.flbog.edu/about/budget/docs/performance_funding/Overview-Doc-Performance-Funding-10-Metric-Model-Condensed-Version.pdf.

⁶³ Section 1001.92(1), F.S.

⁶⁴ *Id.*

⁶⁵ *Id.*

⁶⁶ Section 1001.7065(1), F.S.

⁶⁷ 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; six-year graduation rate; national academy membership of institution faculty; research expenditures (2 measures); research expenditure national ranking; patents awarded annually; doctoral degrees awarded annually; postdoctoral appointees annually; and institutional endowment.

⁶⁸ Section 1001.7065(3)(a), F.S.

Currently, the University of Florida and the Florida State University are designated as preeminent state research universities.⁶⁹

A state research university that meets at least 6 of the 12 standards is designated as an “emerging preeminent state research university.”⁷⁰ Currently, the University of Central Florida and the University of South Florida-Tampa are designated as emerging preeminent state research universities.^{71,72} 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.

Unique Courses

A university that is designated a preeminent state research university may require its incoming first-time-in-college (FTIC) students to take a six-credit set of unique courses.⁷³ The university may stipulate that credit for such courses may not be earned through any acceleration mechanism⁷⁴ or any other transfer credit specifically determined by the university.⁷⁵

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 for ways to enhance and promote such programs.⁷⁶

Experiential Learning Opportunities

The BOG is required to develop a strategic plan specifying goals and objectives for the SUS and each constituent university, including each university’s contribution to overall system goals and objectives.⁷⁷

The strategic plan must include criteria for designating baccalaureate degree and master’s degree programs at specified universities as high-demand programs of emphasis.⁷⁸ 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:⁷⁹

- 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; and
- 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.

⁶⁹ Board of Governors, State University System of Florida, *System Summary of University Work Plans 2016*, at 10, available at http://www.flbog.edu/about/doc/budget/workplan_2016/2016_SYSTEM_WORK_PLAN_2016-09-09.pdf

⁷⁰ Section 1001.7065(3)(b), F.S.

⁷¹ Board of Governors, State University System of Florida, *Meeting Minutes* (September 22, 2016), available at http://www.flbog.edu/documents_meetings/0202_1035_7803_9.2.2%20BOG_minutes%202016_09_22.pdf

⁷² Board of Governors, State University System of Florida, *Minutes* (June 22-23, 2016) available at http://www.flbog.edu/documents_meetings/0201_1020_7637_13.2.2%20BOG_minutes%202016_06_23.pdf

⁷³ Section 1001.7065(6), F.S.

⁷⁴ Acceleration mechanisms include Advanced Placement (AP), International Baccalaureate (IB), Advanced International Certificate of Education (AICE), credit by examination, and dual enrollment.

⁷⁵ Section 1001.7065(6), F.S.

⁷⁶ Section 1001.7065(8), F.S.

⁷⁷ Section 1001.706(5)(b), F.S.

⁷⁸ Section 1001.706(5)(b)4., F.S.

⁷⁹ *Id.*

In May 2012, the Chair of the BOG issued a call to action to education, business and workforce, and legislative leaders to address Florida's need for future baccalaureate degree attainment.⁸⁰ In response to the call, the Commission on Higher Education Access and Educational Attainment (Commission), composed of seven members, was established. Among the major products from the Commission's work was a sustainable method for conducting a gap analysis of baccalaureate level workforce demand.⁸¹

State University Research and Development

According to the BOG, for Florida to "secure its place as a national leader in the 21st century, it must prove competitive in discovery and innovation."⁸² 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.⁸³

In a 2014-15 National Science Foundation survey of R&D spending across the United States, the State of Florida ranked 4th on total research and development expenditures among public universities, behind California, Texas, and Michigan.⁸⁴ States with strong and competitive research enterprises support the research infrastructure within their state with a wide range of statewide grant programs to make their state universities more competitive for federal grant opportunities.⁸⁵

In Florida, the state universities have identified the need for funding to support university efforts to:⁸⁶

- 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; and
- connect university research to Florida's industry and economic development through industry-sponsored research at state universities and research commercialization activities.

State University Facilities

In 2002, the legislature established the Alec P. Courtelis University Facility Enhancement Challenge Grant Program (Courtelis Program)⁸⁷ to assist the universities in building high priority instructional and research-related capital facilities, including common areas connecting such facilities.⁸⁸

To be eligible to participate in the Courtelis Program, a university must raise a contribution equal to one-half the total cost of a "facilities construction project" from private nongovernmental sources. The private contributions must be matched by an equal amount of state funds for the "facilities construction project," subject to the General Appropriations Act.⁸⁹

In 2011, the legislature suspended the Courtelis Program state match for donations received on or after June 30, 2011.⁹⁰ Existing eligible donations received before July 1, 2011, remain eligible for future

⁸⁰ 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.

⁸¹ *Id.*

⁸² *Id.*

⁸³ *Id.*

⁸⁴ Email. Board of Governors (Jan. 12, 2017)

⁸⁵ 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%20Request%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%20Request%20VPRs%20_2017_18%201aug2016%20Form%201%20(002)_JMI.pdf).

⁸⁶ *Id.*

⁸⁷ Section 875, ch. 2002-387, L.O.F.

⁸⁸ Section 1013.79 (2), F.S.

⁸⁹ Section 1013.79(6), F.S.

⁹⁰ Section 1013.79(12), F.S.

matching funds.⁹¹ The program may be restarted after \$200 million of the backlog for the Courtelis Program, the Florida College System Institution Facility Enhancement Challenge Grant Program,⁹² the Dr. Philip Benjamin Matching Grant Program for Florida College System Institutions,⁹³ and the University Major Gifts Program⁹⁴ have been matched.⁹⁵

As part of the implementation of the Courtelis Program, the Alec P. Courtelis Capital Facilities Matching Trust Fund was created. In 2009, the trust fund was terminated, and all private funds and associated interest earnings were directed to be deposited into the originating university's individual program account.⁹⁶

Block Tuition

The BOG is authorized to approve a proposal from a university BOT to implement flexible tuition⁹⁷ policies including, but not limited to, block tuition.⁹⁸ The block tuition policy for resident undergraduate students or undergraduate-level courses must be based on the established per-credit-hour undergraduate tuition.⁹⁹ The block tuition policy for nonresident undergraduate students must be based on the established per-credit-hour undergraduate tuition and out-of-state fee.¹⁰⁰ The BOG has not received a block tuition policy proposal for approval from any state university.¹⁰¹

Stanley G. Tate Florida Prepaid College Program

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.¹⁰² 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.¹⁰³ 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 2014 semester, 57,945 students used a Florida Prepaid College Plan at a state university.¹⁰⁴

Florida Bright Futures Scholarship Program

The Florida Bright Futures Scholarship Program (Bright Futures) was established in 1997¹⁰⁵ 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 diploma program at an eligible public or private postsecondary education

⁹¹ *Id.*

⁹² Section 1011.32, F.S.

⁹³ Section 1011.85, F.S.

⁹⁴ Section 1011.94, F.S.

⁹⁵ Section 1013.79(12), F.S.

⁹⁶ Section 1013.79(3), F.S.

⁹⁷ 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.

⁹⁸ Section 1009.24(15)(a), F.S.

⁹⁹ Section 1009.24(15)(a)3., F.S.

¹⁰⁰ *Id.*

¹⁰¹ Board of Governors, *2017 Legislative Bill Analysis for SB 2* (Jan. 18, 2017), at 4.

¹⁰² Florida Prepaid College Board 2015 Annual Report, available at http://www.itppv.com/documents/pdf/fpcb_2015_annual_report_web.pdf.

¹⁰³ Section 1009.98, F.S.

¹⁰⁴ Florida Prepaid College Board 2015 Annual Report, available at http://www.itppv.com/documents/pdf/fpcb_2015_annual_report_web.pdf.

¹⁰⁵ Section 2, ch. 1997-77, L.O.F.

institution¹⁰⁶ in Florida after graduating from high school.¹⁰⁷ Bright Futures consists of three types of awards.¹⁰⁸

- Florida Academic Scholars (FAS);¹⁰⁹
- Florida Medallion Scholars (FMS);¹¹⁰ and
- Florida Gold Seal Vocational Scholars (FGSV) and Florida Gold Seal CAPE Scholars.¹¹¹

Bright Futures award amounts are specified annually in the General Appropriations Act (GAA).^{112,113} A student may use a Bright Futures award for summer term enrollment if funds are available.¹¹⁴ However, funds have not been appropriated for Bright Futures summer term awards since the 2000-2001 fiscal year.¹¹⁵

Benacquisto Scholarship Program

The Benacquisto Scholarship Program, created in 2014,¹¹⁶ 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.¹¹⁷ Among other statutory eligibility requirements,¹¹⁸ the student must earn a standard Florida high school diploma or equivalent and be a state resident.¹¹⁹

The award amounts are as follows:

- 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;^{120,121}
- 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.¹²²

First Generation Matching Grant Program

The First Generation Matching Grant Program was established in 2006¹²³ to enable each state university to provide donors with a matching grant incentive for contributions to create grant-based

¹⁰⁶ 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.

¹⁰⁷ 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.

¹⁰⁸ Section 1009.53(2), F.S.

¹⁰⁹ Section 1009.534, F.S.

¹¹⁰ Section 1009.535, F.S.

¹¹¹ Section 1009.536, F.S.

¹¹² Specific Appropriation 4, 2016-066, L.O.F.

¹¹³ Sections 1009.534 (2), 1009.535 (2), and 1009.536(3), F.S.

¹¹⁴ Section 1009.53 (9), F.S.

¹¹⁵ 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>.

¹¹⁶ The Benacquisto Scholarship Program was formerly titled the Florida National Merit Scholar Incentive Program. Section 26, ch. 2016-237, L.O.F.

¹¹⁷ Section 1009.893, F.S.

¹¹⁸ Section 1009.893(4), F.S.

¹¹⁹ Section 1009.893(4)(a), F.S. Under section 1009.40(1)(a)2., F.S., the 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.

¹²⁰ 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 Jan. 20, 2017).

¹²¹ Section 1009.893(5)(a), F.S.

¹²² Section 1009.893(5)(b), F.S.

student financial aid for undergraduate students who demonstrate financial need and whose parents have not earned a baccalaureate degree.¹²⁴ Funds appropriated for the program must be allocated by the Office of Student Financial Assistance (within the DOE) to match private contributions on a dollar-for-dollar basis.¹²⁵

William L. Boyd, IV, Florida Resident Access Grant (FRAG)

The William L. Boyd, IV, 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 SACSCOC; which grants baccalaureate degrees; is not a state university or FCS institution; and has a secular purpose.¹²⁶

State University and State College System Direct Support Organizations

A direct-support organization (DSO) for a college or university is a Florida corporation not for profit, incorporated under the provisions of chapter 617 and approved by the Department of State¹²⁷. Each of the 28 FCS institutions and each of the 12 state universities have at least one DSO. The DSOs are organized and operated exclusively to receive, hold, invest, and administer property and to make expenditures to, or for the benefit of, a FCS institution or a state university.¹²⁸ Each DSO has been reviewed and certified by the college or university BOT to be operating in a manner consistent with the goals of the college or university and in the best interest of the state.¹²⁹

The college or university BOTs are currently authorized to permit the use of property, facilities, and personal services at their college or university by the DSO.¹³⁰ "Personal services" includes full-time or part-time personnel as well as payroll processing.¹³¹ Currently, 10 of the state universities and 21 of the FCS institutions allow their DSOs to use personal services which are funded through university and college funds.

The college or 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.¹³²

Currently, all records of the 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.¹³³

Effect of Proposed Changes

Florida Community College System Governance

The bill renames the Florida College System as the Florida Community College System (FCCS) and modifies the governance of the FCCS under a SBCC. Specifically, the bill provides that:

¹²³ Section 1, ch. 2006-73, L.O.F.

¹²⁴ Section 1009.701(1), F.S.

¹²⁵ Section 1009.701(2), F.S.

¹²⁶ Section 1009.89(1) and (3), F.S.

¹²⁷ Sections 1004.70(1)(a)1. and 1004.28(1)(a)1., F.S.

¹²⁸ Sections 1004.70(1)(a)2. and 1004.28(1)(a)2., F.S.

¹²⁹ Sections 1004.70(1)(a)3. and 1004.28(1)(a)3., F.S.

¹³⁰ Sections 1004.70(3)(a) and 1004.28(2)(a), F.S.

¹³¹ Sections 1004.70(1)(b) and 1004.28(1)(b), F.S.

¹³² Sections 1004.70(4)(d) and 1004.28(4), F.S.

¹³³ Sections 1004.70(6) and 1004.28(5)(b), F.S.

Effective July 1, 2017:

- The SBCC, administratively housed within the DOE, is created to oversee and coordinate the FCCS, and requires the Governor to appoint the membership of the SBCC in time for the board's organizational meeting by September 30, 2017.
- The DFC must provide administrative support to the SBCC until September 30, 2017.
- Beginning September 1, 2017, SBCC staggered membership terms are established.
- The SBCC is required to appoint a Chancellor of the FCCS by November 1, 2017. The Chancellor of the DFC must serve as the Chancellor of the FCCS until the SBCC selects a chancellor.

Effective October 1, 2017:

- FCS- and DFC-related powers and duties, functions, personnel, funds, contracts, and administrative rules are transferred, by type 2 transfer, to the SBCC.
- The DOE must provide support services to the SBCC, consistent with the ongoing support services that the DOE provides to the BOG.
- The DFC is removed as a division within the DOE.
- SBE approvals, policies, guidance, and appointments remain in effect unless acted upon by the SBCC.

In addition, the bill includes technical and conforming provisions related to the transfer of responsibilities regarding FCCS institutions, effective October 1, 2017. Specifically, the bill:

- Transfers general and specific powers and duties relating to the FCCS from the SBE to the SBCC.
- Removes the DFC as a division within the DOE, and transfers the division's duties to the SBCC or Chancellor of the FCCS.
- Transfers specific powers and duties relating to the FCCS from the commissioner to the Chancellor of the FCCS.
- Transfers general and specific powers and duties relating to the FCCS from the Commissioner to the SBCC.
- Transfers specific powers and duties relating to the FCCS from the DOE to the SBCC.
- Adds a SBCC role in specific duties currently performed by the SBE and BOG.
- Adds a Chancellor of the FCCS role in specific duties currently performed by multiple entities (i.e., the Commissioner and the Chancellor of the BOG).

The bill provides parallel standards of conduct for members of the SBCC and members of a FCCS BOT, which mirror the requirements for the BOG and members of a state university BOT. The bill prohibits SBCC members and members of a FCCS BOT from being employed as a legislative lobbyist. The bill also requires SBCC members and members of a FCCS BOT to disclose their financial interests.

Finally, the bill directs the Division of Law Revision and Information to develop a reviser's bill for the 2018 Regular Session to substitute the term "Florida Community College System" for "Florida College System" and the term "Florida Community College System institutions" for "Florida College System institutions" where those terms appear in the Florida Statutes.

Florida Community College System institution Baccalaureate Degree Approval Process

The bill increases state oversight of baccalaureate degree programs offered by FCCS institutions. Specifically, the bill modifies the FCCS institution baccalaureate degree approval process to:

- require FCCS institutions to submit a notice of interest into a shared postsecondary database at least 180 days before submission of the notice of intent;
- require FCCS institutions to submit a notice of intent and justification for the proposed baccalaureate degree at least 100 days before submitting the baccalaureate degree proposal;

- specify that the required justification for the proposed baccalaureate degree include a data-driven analysis of workforce demand, including employment data and projections by the Department of Economic Opportunity, which must be verified by the Chancellor of the FCCS;
- extend the timeframe from 30 days to 60 days for private regionally-accredited colleges and universities, to submit their objections to the proposed baccalaureate degree programs and provide reasons for such objections;
- eliminate the requirement for state universities and private colleges and universities to submit alternative proposals to the proposed baccalaureate degree programs;
- require the SBCC to consider input from the Chancellor of the SUS and the president of ICUF, and any objections before approving or denying a college's proposal; and
- align the baccalaureate degree approval process for St. Petersburg College with the approval process for other FCCS institutions.

The bill strengthens state oversight responsibilities by requiring the SBCC to direct an FCCS institution's BOT to terminate a baccalaureate degree program if the state's review indicates negative performance and compliance results, and the college fails to demonstrate a need for the program.

Additionally, the bill prohibits FCCS institutions from offering bachelor of arts degrees¹³⁴ and establishes both system-wide and institutional caps on upper-level, undergraduate FTE enrollment at FCCS institutions while providing flexibility for planned and purposeful growth of baccalaureate degree programs if certain conditions are met. The bill requires FCCS institutions to obtain legislative approval for exceeding the specified upper-level, undergraduate FTE enrollment cap. Specifically, the bill:

- Provides that if the 2015-2016 total upper-level, undergraduate FTE enrollment at an FCCS institution is:
 - At or above 10 percent¹³⁵ of the 2015-2016 combined total lower-level and upper-level FTE enrollment at that institution, the total upper-level enrollment, as a percentage of the combined enrollment, may not increase by more than 4 percentage points unless the institution obtains prior legislative approval.
 - Below 10 percent¹³⁶ of the 2015-2016 combined total lower-level and upper-level FTE enrollment at that institution, the total upper-level enrollment, as a percentage of the combined enrollment, may not increase by more than 8 percentage points unless the institution obtains prior legislative approval.
- Specifies that the total upper-level enrollment at any institution may not exceed 15 percent, of the combined upper- and lower-level enrollment.
- Emphasizes that within the 4 percent or 8 percent authorized growth, for any planned and purposeful expansion of existing baccalaureate degree programs or creation of a new baccalaureate program, an FCCS institution must demonstrate satisfactory performance in:
 - Fulfilling its primary mission as specified in law;¹³⁷
 - Executing at least one "2+2" targeted pathway articulation agreement specified in law,¹³⁸ and

¹³⁴ Currently, there are no bachelor of arts degrees offered by community colleges. Email, Florida Department of Education, 2017 *Agency Analysis of SB 374* (Feb. 2, 2017).

¹³⁵ Community colleges at or above the 8 percent threshold in 2015-16 were Chipola College, Daytona Beach State College, Florida State College at Jacksonville, Indian River State College, Polk State College, and St. Petersburg College. *Florida College System FTE Enrollment: Funded-30, Lower and Upper Division, 2015-16 FTE-3*, available at <http://fldoe.org/core/fileparse.php/15267/urlt/1516FTE3EnrollmentReport.pdf>.

¹³⁶ Community colleges below the 8 percent threshold in 2015-16 were Broward College, College of Central Florida, Eastern Florida State College, Florida SouthWestern State College, Florida Gateway College, Florida Keys Community College, Gulf Coast State College, Hillsborough Community College, Lake Sumter State College, Miami Dade College, Northwest Florida State College, North Florida Community College, Palm Beach State College, Pasco Hernando State College, Pensacola State College, Santa Fe College, Seminole State College, South Florida State College, State College of Florida-Manatee, Sarasota, St. Johns River State College, Tallahassee Community College, and Valencia College. Florida Department of Education, *Florida College System FTE Enrollment: Funded-30, Lower and Upper Division, 2015-16 FTE-3*, available at <http://fldoe.org/core/fileparse.php/15267/urlt/1516FTE3EnrollmentReport.pdf>.

¹³⁷ Section 1004.65, F.S.

- Meeting or exceeding the performance standards related to on-time graduation rates for students earning associate in arts or baccalaureate degrees.¹³⁹
- Establishes reporting requirements relating to upper-level enrollment, provides a mechanism for the SBCC to ensure compliance, and prohibits community colleges from reporting for funding, the upper-level, undergraduate full-time equivalent enrollment that exceeds the upper-level enrollment percent specified in the bill.

Mission of Florida’s Public K-20 Education System

The bill revises the mission of Florida’s public K-20 education system. Specifically, the bill:

- Changes the provision of upper-level instruction and awarding baccalaureate degrees from a primary mission to a secondary mission of FCCS institutions.
- Specifies that the primary mission of a career center or a charter technical career center is to promote advances and innovations in workforce preparation and economic development.

The bill modifies the scope and responsibilities for career education in school districts and FCCS institutions. Specifically, the bill:

- Expands the scope of career education at an FCCS institution to include nationally recognized industry certifications.
- Modifies the accountability for career education to specify that such accountability must reflect the quality components of career and technical education programs in developing program standards and industry-driven benchmarks for career, adult, and community education programs.

2+2 Articulation

The bill strengthens “2+2” articulation by creating a mechanism for expanding locally-developed “2+2” articulation agreements to include guaranteed pathways to baccalaureate degree programs at state universities for students enrolled in associate in arts (AA) degree programs at FCCS institutions. Specifically, the bill:

- Requires each FCCS institution to execute at least one “2+2” targeted pathway articulation agreement with one or more state university.
- Requires the “2+2” targeted pathway articulation agreement to provide students who meet specified requirements with guaranteed access to the state university and baccalaureate degree program in accordance with the terms of the agreement.
- Establishes student eligibility criteria to participate in a “2+2” targeted pathway articulation program. A student must:
 - Enroll in the program before completing 30 credit hours;
 - Complete an AA degree; and
 - Meet the university’s transfer requirements.
- Establishes requirements for state universities that execute “2+2” targeted pathway articulation agreements with their partner public college. A state university must:
 - Establish a 4-year on-time graduation plan for a baccalaureate degree program;
 - Advise students enrolled in the program about the university’s transfer and degree program requirements; and
 - Provide students access to academic advisors and campus events, and guarantee admittance to the state university and degree program in accordance with the terms of the agreement.
- Requires the SBCC and BOG to collaborate to eliminate barriers to executing “2+2” targeted pathway articulation agreements.

¹³⁸ Section 1007.23, F.S.

¹³⁹ Section 1001.66, F.S.

The bill clarifies that to preserve Florida's "2+2" system of articulation, the SBE, the BOG, and the SBCC must collaboratively establish and adopt articulation policies with input from relevant statewide advisory groups, and make recommendations to the Legislature.

Academic Notification

The bill requires school districts to notify students who enroll in acceleration mechanisms such as dual enrollment, AP, IB and AICE and other credit by exam programs regarding the ACC Credit-By-Examination Equivalency List and the Dual Enrollment Course-High School Subject Area Equivalency List. These lists, adopted annually in rule by the SBE, provide advising information that will help students learn how the credit they have earned will be applied to college completion requirements.

Developmental Education

The bill strengthens developmental education instruction provided by state universities by emphasizing the focus on instructional strategies specified in law.¹⁴⁰ FAMU is the only state university within the SUS that provides developmental education.¹⁴¹ Consequently, FAMU may need to revise its developmental education program to incorporate the developmental education strategies specified in law.

Florida Community College System Performance-Based Incentive

The bill revises the existing performance metrics for awarding performance-based incentives to FCCS institutions, and adds new metrics that emphasize on-time program completion. These revised and new metrics, which must be adopted by the SBE, are:

- A student retention rate, as calculated by the DFC;
- A 100 percent-of-normal-time program completion and graduation rate for full-time, first-time-in-college (FTIC) students, as calculated by the DFC, using a cohort definition of "full-time" based on a student's majority enrollment in full-time terms;
- A continuing education or postgraduation job placement rate for workforce education programs, including workforce baccalaureate degree programs, with wage thresholds that reflect the added value of the applicable degree;
- A new graduation rate metric for full-time FTIC students in AA programs who graduate with a baccalaureate degree in 4 years after initially enrolling in the AA programs; and
- A new college affordability metric, adopted by the SBE.

Distinguished Florida Community College System Institution Program

The bill emphasizes on-time graduation by revising the excellence standards for the Distinguished FCCS Institution Program. Specifically, the bill:

- Changes the normal-time completion rate metric from 150 percent to 100 percent for full-time, FTIC students;
- Changes the normal-time completion rate metric for full-time, FTIC Pell Grant recipients from 150 percent to 100 percent;
- Specifies that the job placement metric must be based on the wage thresholds that reflect the added value of the applicable certificate or degree; and specifying that the continuing education and job placement metric does not apply to AA degrees; and
- Replaces the time-to-degree metric with an excess-hours rate metric of 40 percent or lower of AA degree recipients who graduate with 72 or more credit hours.

State University System Performance-Based Incentive

The bill revises the SUS performance-based metric for graduation rate from a 6-year rate to a 4-year rate. The table below includes the 4-year graduation rate for each state university for 2015 and 2016.

¹⁴⁰ Section 1008.02, F.S.

¹⁴¹ BOG Regulation 6.008(1).

4YR FTIC GRAD RATES (full-time only)

	FAMU	FAU	FGCU	FIU	FSU	NCF	UCF	UF	UNF	USF	UWF	SUS same	SUS any
2011-15	13.5%	23.7%	21.1%	26.7%	62.3%	57.0%	40.5%	68.0%	30.1%	48.4%	21.5%	42.8%	45.0%
2012-16	18.2%	25.3%	21.6%	28.0%	65.3%	52.5%	43.6%	67.0%	32.8%	51.2%	22.0%	44.6%	46.6%
1Yr Change	4.8%	1.6%	0.4%	1.3%	2.9%	-4.5%	3.2%	-1.0%	2.7%	2.7%	0.5%	1.8%	1.6%

Source: BOG IR staff based on 2015-16 Accountability Report data. No adjustments to the standard methodology have been made to these data.

The bill also directs the BOG to conduct a study of state investment allocation methodologies for the performance-based funding model. The report must include options that allow each university to be eligible to receive a portion of the state investment based on benchmarks that reflect the institutional mission of each university. The BOG must submit a report describing the study, and any action taken relative to the study, to the chairs of the House and Senate Education Appropriations Subcommittees by December 31, 2017.

Preeminent State Research Universities Program

Consistent with the emphasis on a 4-year graduation rate metric for the SUS Performance-Based Incentive program, the bill revises the full-time FTIC student graduation rate metric for the preeminent state research university program from a 6-year to a 4-year rate, and modifies the benchmark for the graduation rate metric from 70 percent to 60 percent. Additionally, this section requires the BOG to calculate the graduation rate. Currently, the graduation rate is based on data reported annually to the Integrated Postsecondary Education Data System.¹⁴² The amount of funding provided to emerging preeminent state research universities is revised from one-half to one-quarter of the total additional funding awarded to preeminent state research universities.

Unique Courses

The bill eliminates the authority for the preeminent state research universities to require FTIC students to take a six-credit unique set of courses. Currently, UF lists two such courses and Florida State University lists one such course.¹⁴³

Programs of Excellence

The bill changes from a recommendation to a requirement that the BOG establish standards and measures for programs of excellence throughout the SUS and specifies that the programs include undergraduate, graduate, and professional degrees. Additionally, the bill requires the BOG to make recommendations to the Legislature for enhancing and promoting such programs by September 1, 2017.

Experiential Learning Opportunities

The bill modifies 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.

Modifications to BOG's strategic plan emphasize the value of internships in experiential learning.¹⁴⁴ Through internships, students are likely to gain exposure to relevant on-the-job experience and develop skills critical to securing and maintaining gainful employment in high-demand fields of unmet need.

¹⁴² The Integrated Postsecondary Education Data System (IPEDS) calculates the graduation rate as the total number of completers within 150% of normal time divided by the revised adjusted cohort. *2016-17 Glossary, available at <https://surveys.nces.ed.gov/ipeds/VisGlossaryAll.aspx>.*

¹⁴³ Florida Statewide Course Numbering System (<http://scns.fldoe.org>).

World Class Faculty and Scholar Program

The bill establishes 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.
- Expresses 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.
- Expresses that such investments may not be used for the construction of buildings.
- Requires annually, by March 15, the BOG to 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.

State University Professional and Graduate Degree Excellence Program

The bill establishes 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 programs in medicine, law, and business, and expand the economic impact of state universities. Specifically, the bill:

- Authorizes quality improvement efforts of the state universities and specifies that funding for the program will be as provided in the GAA.
- Expresses 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 programs.
- Expresses that funds may not be used for the construction of buildings.
- Requires annually, by March 15, the BOG to 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 programs; and
 - added economic benefit of the universities to the state.

¹⁴⁴ Governor Scott's "Finish in Four, Save More" challenge encourages universities and colleges to "make it easier for students to get class credit for internships in their fields, which puts students on the path to getting a good paying job." Office of the Governor, *Governor Rick Scott Issues "Finish in Four, Save More" Challenge to Universities and Colleges* (May 25, 2016) <http://www.flgov.com/2016/05/25/governor-rick-scott-issues-finish-in-four-save-more-challenge-to-universities-and-colleges/> (last visited Jan. 20, 2017).

Alec P. Courtelis University Facility Enhancement Challenge Grant Program

The bill provides that, notwithstanding the suspension of state matching funds, the legislature may choose for the 2017-18 fiscal year to prioritize funding for certain projects under the Alec P. Courtelis University Facility Enhancement Challenge Grant Program (Courtelis Program) with matching funds available prior to June 30, 2011, which have not yet been constructed. Additionally, the bill deletes obsolete references to the Alec P. Courtelis Capital Facilities Matching Trust Fund, which has no cash balance.¹⁴⁵

Private funds eligible for a state match for new facilities under the Courtelis Program are approximately \$4.3 million.¹⁴⁶ The 2017-18 General Appropriations Act does not fund any of the new facilities.

Block Tuition

The bill requires each state university board of trustees to adopt, for implementation by the fall 2018 semester, a block tuition policy for resident and non-resident undergraduate students. The policy must apply to the entering freshman class of full-time FTIC students and may be extended to other enrolled students. Each university must submit its policy, including its potential impact on students to the BOG. By December 1, 2017, the Chancellor of the SUS must provide a report to the Governor, the President of the Senate, and the Speaker of the House, summarizing the institutional policies and the board's review and approval of such policies. The report must also include recommendations for improving block tuition and fee benefits for students.

Stanley G. Tate Florida Prepaid College Program

The bill specifies that a Florida Prepaid College Program plan (Prepaid Plan), purchased prior to July 1, 2024, is obligated to pay only for the credit hours in which a student is enrolled. In effect, this section of the bill protects a student under any potential block tuition policy by limiting the Prepaid Plan obligation to actual hours in which the student enrolls, even if the student enrolls in fewer credit hours than the rate at which the block tuition is set.

Florida Bright Futures Scholarship Program – Florida Academic Scholars

The bill increases the FAS award amount to cover 100 percent of public postsecondary education institution tuition and certain tuition-indexed fees¹⁴⁷ plus \$300 for textbooks and college-related expenses during fall and spring terms, beginning in the fall 2017 semester.

The table below shows the current and projected FAS award per credit hour, as estimated by the Education Estimating Conference on Student Financial Aid Impact on March 13, 2017.¹⁴⁸

¹⁴⁵ Board of Governors, *2017 Legislative Bill Analysis* of SB 4 (Jan. 18, 2017).

¹⁴⁶ Board of Governors, *2017 Legislative Bill Analysis* of SB 4 (Jan. 20, 2017).

¹⁴⁷ The tuition-indexed fees specified in the bill 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.).

¹⁴⁸ Education Estimating Conference on Student Financial Aid Impact (March 13, 2017), *available at* <http://edr.state.fl.us/Content/conferences/financialaidimpact/SB2Adopted03132017.pdf>

<i>Amount per Credit Hour</i>	Weighted Average Tuition and Fees	Current Bright Futures Scholarship	Percent Funded	Amount Not Covered by Current Award
State Universities	\$212.65	\$103.00	48.4%	\$109.65
Florida Colleges Lower Level	\$106.99	\$63.00	58.9%	\$43.99
Florida Colleges Upper Level	\$121.58	\$71.00	58.4%	\$50.58

Florida Bright Futures Scholarship Program – Summer Funding

If funds are provided in the GAA, such funds will be used to support, at a minimum, summer enrollment for Florida Academic Scholars (FAS).

First Generation Matching Grant Program

The bill expands need-based financial aid by revising the state to private match requirements from a 1:1 match to a 2:1 match. In Fiscal Year 2015-16, 8,234 initial and renewal students received an average award of \$1,289.45, with 13,700 unfunded eligible students reported by postsecondary education institutions.¹⁴⁹ The increase in the state matching contribution may raise the award amount or make more awards available for eligible students, which may help these students to graduate on time.

William L. Boyd, IV, Florida Resident Access Grant (FRAG)

The bill renames the William L. Boyd, IV, Florida Resident Access Grant (FRAG) Program as the William L. Boyd, IV, Effective Access to Student Education (EASE) Grant Program.

Benacquisto Scholarship Program

The bill modifies eligibility requirements for the Benacquisto Scholarship Program to attract qualified students from out-of-state and assist these students in paying for higher education in Florida, graduate on time, and incur less education-related debt. Specifically, this section:

- Establishes student eligibility criteria, which apply only to students who are not residents of the state and who initially enroll in a baccalaureate degree program in the 2017-2018 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.
- 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 attendance¹⁵⁰ for a resident of the state less the student's National Merit Scholarship. Such student is exempt from out-of-state fees.
 - A private postsecondary education institution, the award amount must be equal to the highest cost of attendance¹⁵¹ for a resident of the state enrolled at a state university, less the student's National Merit Scholarship.

¹⁴⁹ Florida Department of Education, Office of Student Financial Assistance, *End-of-Year Report, 2015-16*, First Generation Matching Grant Program (FGMG), available at https://www.floridastudentfinancialaidsg.org/pdf/EOY_Reports/2015-16/FGMG_2015_2016.pdf.

¹⁵⁰ The 2016-17 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 \$21,534.98. Board of Governors, *Fall/Spring Cost of Attendance On-Campus for Full-Time Undergraduate Florida Residents 2016-17*, available at http://www.flbog.edu/about/doc/budget/attendance/CostAttendance2016_17_FINAL.xlsx.

¹⁵¹ The highest State University System cost of attendance in 2016-17 is \$23,463 at Florida International University.

Of the 320 National Merit Scholars (NMS) and National Achievement Scholars (NAS) who initially enrolled in a Florida college or university in the 2015-16 academic year,¹⁵² 266 received an initial award as a Benacquisto Scholar.¹⁵³ The other 54 NMS who enrolled in a Florida university during the 2015-16 academic year most likely graduated from out-of-state high schools, and thus were not eligible for the Benacquisto Scholarship. Assuming this number of students remains constant for the 2017-18 academic year, and these out-of-state students otherwise meet the eligibility requirements, the cost to fund the additional out-of-state students is estimated to be \$1.2 million.

Florida Farmworker Student Scholarship Program

The bill creates the Florida Farmworker Scholarship Program (Farmworker Scholarship), to be administered by the DOE. The DOE may award up to 50 scholarships annually to farmworkers, as defined in s. 420.503, and the children of such farmworkers, who meet the scholarship eligibility criteria. To be eligible for an initial scholarship, a student must:

- Have resident status as required by s. 1009.40, F.S., and rules of the SBE;
- 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;
- 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.

Undocumented immigrants are not eligible for an award. 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 institution. A scholarship recipient must maintain 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 his or her degree program. The bill specifies that funding for the Farmworker Scholarship is contingent upon an appropriation in the GAA.

State University and State College System Direct Support Organizations

The bill prohibits college and university BOTs from permitting any DSO to use personal services beginning July 1, 2022.

The bill prohibits college and university BOTs from permitting the use of state funds for travel expenses by any university or college DSO. DSOs are also prohibited from giving, either directly or indirectly, any gift to a political committee.

The bill narrows the provisions of current law relating to the confidentiality of records of a university or college DSO. Pursuant to the bill, any information related to the expenditure of state funds, and any information related to the expenditure of private funds for travel are no longer confidential.

II. FISCAL ANALYSIS & ECONOMIC IMPACT STATEMENT

A. FISCAL IMPACT ON STATE GOVERNMENT:

1. Revenues:

None.

¹⁵² National Merit Scholarship Corporation, *2014-15 Annual Report* (Oct. 31, 2015), available at http://www.nationalmerit.org/s/1758/images/gid2/editor_documents/annual_report.pdf

¹⁵³ Florida Department of Education, Office of Student Financial Assistance, *End-of-Year Report, 2015-16*, Benacquisto Scholarship (FIS), available at: https://www.floridastudentfinancialaidsg.org/pdf/EOY_Reports/2015-16/FIS_2015_2016.pdf.

2. Expenditures:

None.

B. FISCAL IMPACT ON LOCAL GOVERNMENTS:

1. Revenues:

None.

2. Expenditures:

None.

C. DIRECT ECONOMIC IMPACT ON PRIVATE SECTOR:

The bill provides additional financial aid and tuition assistance to students and families. Specifically, the bill:

- Provides students who qualify for the Florida Academic Scholars (FAS) award an increased tuition and fee benefit, plus \$300 for textbooks and college-related expenses in the fall and spring terms, which will reduce the out-of-pocket cost of education for these students. This may increase the average FAS award by approximately \$3,063 over the average 2015-16 award, from \$2,581 to \$5,644.
- Expands the Benacquisto Scholarship Program to include out-of-state National Merit Scholar students who are accepted by and enroll in an eligible Florida postsecondary education institution, which will provide a significant cost savings to such students. These students will be eligible for an annual award of approximately \$20,500.
- Doubles the state match for the First Generation in College Matching Grant, which will make the matching grant available to more students, or result in an increased award amount.
- 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 enrolled in 30 credit hours at a state university would receive an award of approximately \$6,000.
- Requires a block tuition policy that may provide a cost savings to students. The potential savings are indeterminate; however, these savings will not be implemented until fall 2018.

The bill may result in education-related cost savings¹⁵⁴ for students with an associate in arts degree who pursue a baccalaureate degree under the targeted “2+2” articulation pathway program and graduate on time in 4 years.

D. FISCAL COMMENTS:

The bill has total fiscal impacts of approximately \$195.4 million pertaining to student scholarship programs. Specifically, the bill:

- Increases awards for Bright Futures Florida Academic Scholars (FAS), with estimated costs as follows. Funding for these is included in the 2017-2018 General Appropriations Act.
 - \$125.7 million to pay 100 percent of tuition and fees;
 - \$26.2 million to provide \$300 textbook stipends in spring and fall terms; and

¹⁵⁴ The average annual cost of attendance in 2016-2017 at a state university is \$21,534,08. Board of Governors, *Fall/Spring Cost of Attendance On-Campus for Full-Time Undergraduate Florida Residents 2016-17*, available at http://www.flbog.edu/about/doc/budget/attendance/CostAttendance2016_17_FINAL.xlsx.

- \$39.5 million to provide summer-term funding for FAS recipients.
- Reduces costs of the Benacquisto Scholarship Program by \$2.8 million. By increasing the FAS award to cover 100 percent of tuition and specified fees, merit scholarships for Benacquisto Scholars will be reduced. The Benacquisto Scholarship pays the cost of attendance minus any Bright Futures Scholarship award. Most Benacquisto Scholars are FAS recipients.
- Expands eligibility for the Benacquisto Scholarship Program to include eligible out-of-state students, which is estimated to cost \$1.2 million for approximately 54 additional scholars. Funding is included in the 2017-2018 GAA.
- Doubles the current state match for the First Generation in College Matching Grant program. The 2017-2018 GAA includes an additional \$5.3 million from the General Revenue Fund for this program.
- Establishes a Florida Farmworker Student Scholarship program for up to 50 scholarships, estimated to cost approximately \$318,975. Funding is provided in the 2017-2018 GAA.

Other initiatives with state fiscal impacts, and potential fiscal impacts to institutions are as follows:

Funding for the World Class Faculty and Scholar, and the State University Professional and Graduate Degree Excellence programs are subject to appropriation in the GAA. The 2017-2018 GAA includes \$70.5 million for the World Class Faculty and Scholar Program, and \$50 million for the State University Professional and Graduate Degree Excellence Program.

Implementation of this bill requires the transfer of 34 existing positions and \$2.8 million from the SBE budget for the creation of the SBCC. The SBCC will also need an additional 14 positions and \$1.7 million for necessary positions such as a General Counsel, Inspector General, Board Secretary, and others. Funding is provided in the 2017-2018 GAA.

Revisions to the SUS and FCS performance funding programs have no state fiscal impact; however, such revisions may influence institutional performance relating to the revised metrics, and therefore affect the performance-funding distributions to institutions.

The 21 FCS institutions DSOs that are using personal services from their college are spending a total of \$9.9 million of state funds. The 10 state university DSOs that are using personal services from their university are spending a total of \$53.2 million of state funds. The DSOs will be required to use other funds to pay for staff beginning July 1, 2022. The DSOs will also be required to spend funds on travel costs that are not state funds. The DSOs revenues can come from alumni and community contributions, student housing income, investment gains, license tag revenues, as well as other revenue sources.