

HOUSE OF REPRESENTATIVES STAFF ANALYSIS

BILL #: HB 861 Trust Funds

SPONSOR(S): Lee, Jr.

TIED BILLS: HB 859 **IDEN./SIM. BILLS:** SB 1528

REFERENCE	ACTION	ANALYST	STAFF DIRECTOR or BUDGET/POLICY CHIEF
1) Post-Secondary Education Subcommittee	14 Y, 0 N	McAlarney	Bishop
2) Higher Education Appropriations Subcommittee			
3) Education Committee			

SUMMARY ANALYSIS

The bill creates the Historically Black Colleges and Universities Matching Endowment Scholarship Trust Fund (Trust Fund) within the Florida Department of Education (DOE). The Trust Fund is established for use as a depository for funds to be used for the Historically Black Colleges and Universities Matching Endowment Scholarship Program. Money credited to the Trust Fund will consist of an appropriation from the Legislature as well as matching funds from participating Historically Black Colleges and Universities in Florida.

The bill has no fiscal impact.

The bill is effective July 1, 2018, if HB 859 or similar legislation is adopted in the same legislative session or an extension thereof and becomes law. Article III, section 19(f) of the Florida Constitution requires that every trust fund be created by a three-fifths vote of the membership of each house of the Legislature in a separate bill for the sole purpose of creating a trust fund.

FULL ANALYSIS

I. SUBSTANTIVE ANALYSIS

A. EFFECT OF PROPOSED CHANGES:

Present Situation

Trust funds: Establishment and criteria.

A trust fund may be created by law only by the Legislature and only if passed by a three-fifths vote of the membership of each house in a separate bill for that purpose only.¹ Each trust fund² must be created by statutory language that specifies at least the following³:

1. The name of the trust fund.⁴
2. The agency or branch of state government responsible for administering the trust fund.⁵
3. The requirements or purposes that the trust fund is established to meet.⁶
4. The sources of moneys to be credited to the trust fund or specific sources of receipts to be deposited in the trust fund.⁷

Florida Constitution on trust funds.

State trust funds shall terminate not more than four years after the effective date of the act authorizing the initial creation of the trust fund. The legislature may set a shorter time period for which any trust fund is authorized.⁸

Trust fund review

Prior to the regular session of the Legislature immediately preceding the date on which any executive or judicial branch trust fund⁹ is scheduled to be terminated¹⁰ the agency responsible for the administration of the trust fund and the Governor, for executive branch trust funds, or the Chief Justice, for judicial branch trust funds, recommend to the President of the Senate and the Speaker of the House of Representatives whether a trust fund should be terminated or re-created.¹¹ Each recommendation is based on a review of the trust fund and its purpose and a determination is made on whether the trust fund is terminated or re-created.

A recommendation to re-create the trust fund may include suggested changes to the mission, sources of receipts, or allowable expenditures. Recommendations from an agency or the Chief Justice are made as a part of the legislative budget request to the Legislature,¹² and recommendations from the Governor are made as part of the recommended budget presented to the Legislature.¹³ If the trust fund is terminated, all cash balances and income of the trust fund are to be deposited into the General Revenue Fund.¹⁴ The agency or Chief Justice pays the outstanding debts of the trust fund, and the Chief Financial Officer closes out and removes the trust fund from the state financial systems.¹⁵

¹ Section 215.3207, F.S.

² Except for trust funds being re-created by the Legislature.

³ *Id.*

⁴ Section 215.3207(1), F.S.

⁵ Section 215.3207(2), F.S.

⁶ Section 215.3207(3), F.S.

⁷ Section 215.3207(4), F.S.

⁸ Article III, s. 19(f)(2), FLA. CONST.

⁹ Pursuant to the provisions of Article III, s. 19(f), FLA. CONST.

¹⁰ Or an earlier date specified by the Legislature.

¹¹ Section 215.3206(1) and (2), F.S.

¹² Section 216.023, F.S.

¹³ Section 216.162, F.S.

¹⁴ Section 215.3206(2), F.S.

¹⁵ *Id.*

Historically Black Colleges and Universities

An HBCU is any historically black college or university that was established prior to 1964, whose principal mission was, and is, the education of black Americans, and that is accredited by a nationally recognized accrediting agency or association determined by the U.S. Secretary of Education to be a reliable authority as to the quality of training offered or is making reasonable progress toward accreditation.¹⁶

There are four HBCUs in Florida¹⁷ - Bethune-Cookman University (B-CU), Edward Waters College (EWC), Florida Agricultural and Mechanical University (FAMU), and Florida Memorial University (FMU).

Bethune-Cookman University

Bethune-Cookman University (B-CU) is a private university located in Daytona Beach, Florida, founded in 1904, and is affiliated with the United Methodist Church.¹⁸ B-CU is accredited by the Southern Association of Colleges and Schools Commission on Colleges (SACSCOC).¹⁹ It is also a member of the Independent Colleges & Universities of Florida (ICUF).²⁰ B-CU currently enrolls approximately 4,000 students²¹ and awards Bachelor of Arts, Bachelor of Science, Master of Athletic Training, Master of Education, Master of Public Health, and Master of Science degrees.²²

Edward Waters College

Edward Waters College (EWC) is a private college located in Jacksonville, Florida, founded in 1866, and affiliated with the African Methodist Episcopal Church. It is the oldest private institution of higher education in the state of Florida.²³ EWC is accredited by the SACSCOC and is a member of ICUF.²⁴ EWC's current enrollment is 839 students. Approximately 51% of the student body is male, 49% female, and over 90% of the students rely on financial aid.²⁵ EWC prepares students for careers in teaching, technology, research, religion, politics, and other leading fields of today and in the future.²⁶ Bachelor's degrees are offered in Communications, Music, Psychology, Criminal Justice, Biology, Elementary Education, Mathematics, and Business Administration.²⁷

Florida Agricultural and Mechanical University

Florida Agricultural and Mechanical University (FAMU) is a public university within the State University System of Florida with a main campus in Tallahassee, Florida and a law school in Orlando, Florida. FAMU is an 1890 land-grant institution and is accredited by SACSCOC.²⁸ FAMU currently enrolls approximately 11,000 students²⁹ and offers 54 bachelor's degrees, 29 master's degrees, 3 professional degrees, and 12 doctoral degrees.³⁰

¹⁶ U.S. Department of Education, White House Initiative on Historically Black Colleges and Universities, *What is an HBCU?*, <https://sites.ed.gov/whhbcu/one-hundred-and-five-historically-black-colleges-and-universities/> (last visited Jan. 5, 2018).

¹⁷ Miami Herald, Historically black colleges face challenges, but seeing more interest amid racial tensions, Lance Dixon, Feb. 25, 2017, <http://www.miamiherald.com/news/local/education/article134927419.html> (last visited Jan. 4, 2018).

¹⁸ Bethune-Cookman University, About B-CU, http://www.cookman.edu/about_BCU/index.html (last visited Jan. 4, 2018).

¹⁹ Bethune-Cookman University, Accreditation, <http://www.cookman.edu/academics/accreditation.html> (last visited Jan. 18, 2018).

²⁰ Independent Colleges and Universities of Florida, Institutions, <http://www.icuf.org/institutions/> (last visited Jan. 18, 2018).

²¹ Bethune-Cookman University, About B-CU, Fall 2017 Institutional Profile, <http://www.cookman.edu/academics/IE/research/Institutional2017-2018FallProfile.pdf> (last visited Jan. 18, 2018).

²² Bethune-Cookman University, Degree Offerings, <http://catalog.cookman.edu/content.php?catoid=29&navoid=1843> (last visited Jan. 18, 2018).

²³ Edwards Waters College, About Us, <http://www.ewc.edu/about/> (last visited Jan. 4, 2018).

²⁴ Independent Colleges and Universities of Florida, Institutions, <http://www.icuf.org/institutions/> (last visited Jan. 18, 2018).

²⁵ Edwards Waters College, About Us, <http://www.ewc.edu/about/> (last visited Jan. 4, 2018).

²⁶ *Id.*

²⁷ Edwards Waters College, Academic Programs, <https://www.ewc.edu/academics/academic-programs/> (last visited Jan. 18, 2018).

²⁸ Florida Agricultural and Mechanical University, Accrediting Associations, <http://www.famu.edu/index.cfm?AboutFAMU&AccreditingAssociations> (last visited Jan. 18, 2018).

²⁹ Florida Agricultural and Mechanical University, Quick Facts, Overview, <http://www.famu.edu/index.cfm?AboutFAMU&Overview> (last visited Jan. 18, 2018).

³⁰ *Id.*

Florida Memorial University³¹

Florida Memorial University (FMU) is a private university located in Miami Gardens, Florida and established by the Baptist Church³² in 1879.³³ FMU is accredited by SACSCOC and is a member of ICUF.³⁴ FMU's current enrollment is 1,339³⁵ and the university offers 41 Bachelor degree programs and 4 master's programs.³⁶ In addition to typical undergraduate degree programs found at other Florida colleges and universities, FMU offers several unique, specialized programs such as a Bachelor of Science in Aeronautical Science with a concentration in Flight Education or Air Traffic Control, and a Bachelor of Science in Aviation Management.³⁷ FMU's graduates enjoy the sixth highest starting salaries in the state.³⁸

Effect of Proposed Changes

The bill creates the Historically Black Colleges and Universities Matching Endowment Scholarship Trust Fund (Trust Fund) within the Florida Department of Education (DOE). The Trust Fund is established for use as a depository for funds to be used for the Historically Black Colleges and Universities Matching Endowment Scholarship Program. Money credited to the Trust Fund will consist of an appropriation from the Legislature as well as matching funds from participating Historically Black Colleges and Universities in Florida.

The bill takes effect on the same date that HB 859, or similar legislation takes effect if the legislation is enacted in the same legislative session and becomes law. It must pass by a three-fifths vote of the membership of each house of the Legislature.

Unless terminated sooner, the trust fund will be terminated on July 1, 2022. Prior to the 2022 regular session of the Legislature, DOE must recommend to the President of the Senate and the Speaker of the House of Representatives whether the trust fund should be terminated or recreated.

B. SECTION DIRECTORY:

Section 1. Creates s. 20.151, F.S., establishing the Historically Black Colleges and Universities Matching Endowment Scholarship Trust Fund within the Department of Education.

Section 2. Provides the same effective date that HB 859, or similar legislation, takes effect if such legislation is enacted in the same legislative session and becomes law, and only if it is enacted by a three-fifths vote of the membership of each house of the Legislature.

II. FISCAL ANALYSIS & ECONOMIC IMPACT STATEMENT

A. FISCAL IMPACT ON STATE GOVERNMENT:

1. Revenues:

³¹ Florida Memorial University, About, <http://www.fmuniv.edu/about/> (last visited Jan. 1, 2018).

³² *Id.*

³³ *Id.*

³⁴ Independent Colleges and Universities of Florida, Institutions, <http://www.icuf.org/institutions/> (last visited Jan. 18, 2018).

³⁵ U.S. News and World Report, Florida Memorial University – 2018 Quick Stats, <https://www.usnews.com/best-colleges/florida-memorial-university-1486/student-life> (last visited Jan. 19, 2018).

³⁶ Florida Memorial University, Academics, <http://www.fmuniv.edu/academics/> (last visited Jan. 1, 2018).

³⁷ Florida Memorial University, Undergraduate Degree Programs, <http://www.fmuniv.edu/academics/undergraduate-degree-programs/> (last visited Jan. 18, 2018).

³⁸ Florida Memorial University, About, <http://www.fmuniv.edu/about/> (last visited Jan. 1, 2018).

None.

2. Expenditures:

Creation and administration of a new trust fund will have insignificant administrative costs on the Department of Financial Services.

B. FISCAL IMPACT ON LOCAL GOVERNMENTS:

1. Revenues:

None.

2. Expenditures:

None.

C. DIRECT ECONOMIC IMPACT ON PRIVATE SECTOR:

None.

D. FISCAL COMMENTS:

None.

III. COMMENTS

A. CONSTITUTIONAL ISSUES:

1. Applicability of Municipality/County Mandates Provision:

None.

2. Other:

None.

B. RULE-MAKING AUTHORITY:

None.

C. DRAFTING ISSUES OR OTHER COMMENTS:

None.

IV. AMENDMENTS/ COMMITTEE SUBSTITUTE CHANGES

Not applicable.