

The Florida Senate
BILL ANALYSIS AND FISCAL IMPACT STATEMENT

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

Prepared By: The Professional Staff of the Committee on Education

BILL: SB 456
INTRODUCER: Senator Gibson
SUBJECT: Historically Black Colleges and Universities Matching Endowment Scholarship Program
DATE: April 9, 2019 REVISED: _____

	ANALYST	STAFF DIRECTOR	REFERENCE	ACTION
1.	Bouck	Sikes	ED	Pre-meeting
2.			AED	
3.			AP	

I. Summary:

SB 456 creates the Historically Black Colleges and Universities (HBCU) Matching Endowment Scholarship Program (program) to be administered by the Department of Education (DOE) and funded by the HBCU Matching Endowment Scholarship Trust Fund. The program provides funds to participating HBCUs to provide scholarships to students enrolled at the HBCUs.

Four HBCUs are located in Florida: Florida Agricultural and Mechanical University, Bethune-Cookman University, Edward Waters College, and Florida Memorial University.

The bill appropriates \$2 million for the program to fund the Historically Black Colleges and Universities Matching Endowment Scholarship Trust Fund (trust fund); and by June 30, 2020, requires an HBCU that wishes to participate in the program to contribute \$500,000 in matching funds.

Additionally, the bill requires:

- The DOE to allocate interest accumulated in the trust fund equally to each participating HBCU and requires that the scholarships be awarded based on a student’s unmet financial need, as determined by the participating HBCU.
- The State Board of Education to adopt rules and the Board of Governors to adopt regulations to administer the program.

The bill takes effect July 1, 2019.

II. Present Situation:

The Higher Education Act of 1965, as amended, defines an HBCU as a: “... 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 Secretary [of Education] to be a reliable authority as to the quality of training offered or is, according to such an agency or association, making reasonable progress toward accreditation.”¹

Nationally, there are 107 HBCUs² located in 20 States, the District of Columbia, and the U.S. Virgin Islands, and serve more than 300,000 undergraduate, graduate, and professional students.³

There are four HBCUs located in Florida:⁴

- **Florida Agricultural and Mechanical University (FAMU)**, which is a public university founded in 1887 and located in Tallahassee.⁵ FAMU is regionally accredited by SACSCOC.⁶ FAMU enrolls nearly 11,000 students.⁷ Tuition and fees are \$5,827.30.⁸
- **Bethune-Cookman University (B-CU)**, which is a private university founded in 1904 and located in Daytona Beach.⁹ B-CU is regionally accredited by the Commission on Colleges of the Southern Association of Colleges and Schools (SACSCOC).¹⁰ Its fall, 2018 enrollment was 3,773.¹¹ Annual tuition and fees is \$14,410.¹²
- **Edward Waters College (EWC)**, which is a private college established in 1866¹³ and located in Jacksonville. EWC is regionally accredited by SACSCOC.¹⁴ Its current enrollment is 839 students.¹⁵ Tuition and fees are \$12,525.¹⁶

¹ U.S. Department of Education, *What is an HBCU?* <https://sites.ed.gov/whhbcu/one-hundred-and-five-historically-black-colleges-and-universities/> (last visited Apr. 1, 2019).

² Such institutions satisfy s. 322(2) of the Higher Education Act of 1965. 34 C.F.R. s. 608.2

³ The White House, *Executive Order 13779* (Feb. 28, 2017), available at https://sites.ed.gov/whhbcu/files/2017/10/Executive_Order_13779.pdf, at 1.

⁴ National Center for Education Statistics, *College Navigator*, <https://nces.ed.gov/COLLEGENAVIGATOR/?s=FL&sp=4> (last visited Apr. 1, 2019).

⁵ Florida Agricultural and Mechanical University, *History of Florida Agricultural and Mechanical University (FAMU)*, <http://www.famu.edu/index.cfm?AboutFAMU&History> (last visited Apr. 1, 2019).

⁶ Florida Agricultural and Mechanical University, *Florida A&M University Southern Association of Colleges and Schools Commission on Colleges (FAMU SACSCOC) Office* <http://www.famu.edu/index.cfm?sacs> (last visited Apr. 1, 2019). The Southern Association of Colleges and Schools Commission on Colleges (SACSCOC) is the regional body for the accreditation of degree-granting higher education institutions in the Southern states that award associate, baccalaureate, master’s, or doctoral degrees, to include Alabama, Florida, Georgia, Kentucky, Louisiana, Mississippi, North Carolina, South Carolina, Tennessee, Texas, Virginia. Southern Association of Colleges and Schools (SACS), *SACS Commission on Colleges*, <http://www.sacscoc.org/> (last visited Apr. 1, 2019).

⁷ Florida Agricultural and Mechanical University, *About FAMU*, <http://www.famu.edu/index.cfm?AboutFAMU&Overview> (last visited Apr. 1, 2019).

⁸ Board of Governors, *State University System of Florida, Tuition and Required Fees, 2018-2019*, available at <https://www.flbog.edu/board/office/budget/doc/tuition/2018-19-SUS-Tuition-and-Fee-for-New-Students-by-level.pdf>, at 1. The tuition and fees are for resident undergraduate, full time students for 30 credit hours. *Id.*

⁹ Bethune-Cookman University, *About B-CU*, http://www.cookman.edu/about_BCU/index.html (last visited Apr. 1, 2019).

¹⁰ *Id.*

¹¹ Bethune-Cookman University, *Bethune-Cookman University At-a-Glance* (Fall 2018), available at https://www.cookman.edu/about_BCU/IE/documents/BCU-at-a-Glance-2018.pdf.

¹² Bethune-Cookman University, *Tuition and Fees for 2018-2019—Cost of Attendance*, https://www.cookman.edu/currentstudents/stud_accts/Tuition/index.html (last visited Apr. 1, 2019).

¹³ Edward Waters College, *The History of Edward Waters College*, <https://www.ewc.edu/about/our-history/> (last visited Apr. 1, 2019).

¹⁴ Edward Waters College, <https://www.ewc.edu/accreditation/> (last visited Apr. 1, 2019).

¹⁵ Edward Waters College, *Edward Waters College*, <https://www.ewc.edu/about-about-ewc/> (last visited Apr. 1, 2019).

¹⁶ Edward Waters College, *Student Profile & Achievement*, <https://www.ewc.edu/institutional-planning-research-effectiveness/student-profile-achievement/> (last visited Apr. 1, 2019).

- **Florida Memorial University** (FMU), which is a private university founded in 1879 and located in Miami Gardens.¹⁷ FMU is regionally accredited by the SACSCOC.¹⁸ FMU's undergraduate enrollment is 1,250.¹⁹ Tuition and fees are \$15,536.²⁰

III. Effect of Proposed Changes:

SB 456 creates the Historically Black Colleges and Universities (HBCU) Matching Endowment Scholarship Program (program) to be administered by the Department of Education (DOE) and funded by the HBCU Matching Endowment Scholarship Trust Fund (trust fund).²¹ The program provides funds to participating HBCUs to provide scholarships to students enrolled at the HBCUs.

The bill appropriates \$2 million in nonrecurring general revenue funds for the 2019-2020 fiscal year to the DOE to fund the trust fund. The bill also requires:

- No later than June 30, 2020, an HBCU that intends to participate in the program to contribute \$500,000 in matching funds for funds received through the program.
- All funds transferred to the trust fund be invested in accordance with the law,²² appropriated and matching funds remain in the trust fund,²³ and only the interest from such funds be used for scholarships for students at participating HBCUs.
- The DOE to allocate interest accumulated in the trust fund during the previous calendar year equally to each participating HBCU and requires that the scholarships be awarded to enrolled students with unmet financial need, as determined by the HBCU.

The bill also requires the State Board of Education to adopt rules and the Board of Governors (BOG) to adopt regulations to administer the program. The bill requires the DOE to administer the program, so it is unclear if BOG regulations would be necessary to administer the program.

The creation of the HBCU Matching Endowment Scholarship Program may provide additional financial aid for students enrolled at the HBCUs participating in the program, may help to increase enrollment in Florida HBCUs, and assist with improving performance outcomes for such students.

¹⁷ Florida Memorial University, *Our History*, <http://www.fmuniv.edu/about/our-history/> (last visited Apr. 1, 2019).

¹⁸ Florida Memorial University, *FMU At A Glance*, <http://www.fmuniv.edu/about/fmu-at-a-glance/> (last visited Apr. 1, 2019).

¹⁹ National Center for Education Statistics, *College Navigator—Florida Memorial University*, <https://nces.ed.gov/collegenavigator/?s=FL&ct=2&pg=3&id=133979> (last visited Apr. 1, 2019).

²⁰ Florida Memorial University, *Tuition and Fees*, <https://www.fmuniv.edu/administration/division-of-student-affairs/enrollment-management-and-financial-aid/financial-aid/tuition-and-fees/> (last visited Apr. 1, 2019).

²¹ The HBCU Matching Endowment Scholarship Trust Fund is established in Senate Bill 458 (2019).

²² Chapter 215, F.S.

²³ Current law requires that that the undisbursed release balance of any authorized appropriation, except an appropriation for fixed capital outlay, for any given fiscal year, which remains undisbursed on June 30 may be carried forward, but on September 30 must revert to the fund from which appropriated and must be available for reappropriation by the Legislature. Section 216.301(1)(b), F.S. The bill, in comparison, requires that such funds remain in the trust fund, which supersedes the reversion requirement. Section 216.351, F.S.

Additionally, the program appears to be consistent with a recent federal initiative.²⁴ The White House Initiative on Historically Black Colleges and Universities (initiative) specifies that the initiative will work with federal agencies, private-sector employers, educational associations, philanthropic organizations, and other partners to increase the capacity of HBCUs to provide the highest-quality education to an increasing number of students.²⁵

The bill takes effect July 1, 2019.

IV. Constitutional Issues:

A. Municipality/County Mandates Restrictions:

None.

B. Public Records/Open Meetings Issues:

None.

C. Trust Funds Restrictions:

None.

D. State Tax or Fee Increases:

None.

E. Other Constitutional Issues:

None.

V. Fiscal Impact Statement:

A. Tax/Fee Issues:

None.

B. Private Sector Impact:

SB 456 provides for scholarships for students to attend historically black colleges and universities. Such scholarships may reduce student costs to attend such colleges.

C. Government Sector Impact:

The bill requires the Legislature to appropriate \$2 million to transfer into the Historically Black Colleges and Universities (HBCU) Matching Endowment Scholarship Trust Fund. Each HBCU must contribute \$500,000 in matching funds.

²⁴ The White House, *Executive Order 13779* (Feb. 28, 2017), https://sites.ed.gov/whhbcu/files/2017/10/Executive_Order_13779.pdf.

²⁵ *Id.* at 1.

VI. Technical Deficiencies:

None.

VII. Related Issues:

None.

VIII. Statutes Affected:

This bill creates section 1009.895 of the Florida Statutes.

IX. Additional Information:

A. Committee Substitute – Statement of Changes:

(Summarizing differences between the Committee Substitute and the prior version of the bill.)

None.

B. Amendments:

None.