FLORIDA HOUSE OF REPRESENTATIVES BILL ANALYSIS

This bill analysis was prepared by nonpartisan committee staff and does not constitute an official statement of legislative intent.				
BILL #: <u>HB 1321</u>	COMPANION BILL: <u>SB 1726</u> (Calatayud)			
TITLE: Higher Education	LINKED BILLS: None			
SPONSOR(S): Salzman	RELATED BILLS: None			
Committee References				
Education Administration	Education & Employment			
15 Y, 0 N				

SUMMARY

Effect of the Bill:

The bill establishes term limits for members of the Board of Governors (BOG), the State Board of Education (SBE), and state university and state college boards of trustees. It also limits the length of time a SBE or state college board of trustees member may serve as board chair. The bill requires that appointed BOG members be Florida residents and file a full and public disclosure of financial interests. The bill repeals the public records exemption for state university and state college presidential applicants and makes changes to the presidential search and selection process. Finally, the bill requires enhanced textbook, instructional material, and course syllabus transparency from state colleges and universities.

Fiscal or Economic Impact:

None				
JUMP TO	<u>SUMMARY</u>	ANALYSIS	RELEVANT INFORMATION	BILL HISTORY

ANALYSIS

EFFECT OF THE BILL:

The bill establishes <u>term limits</u> for appointed board members as follows:

- Board of Governors (BOG): may serve a single 7-year term total.
- State Board of Education (SBE): may serve up to two 4-year terms total.
- State University Boards of Trustees (UBOT): may serve up to two consecutive 5-year terms.
- Florida College System Boards of Trustees (FCS BOT): may serve up to two consecutive 4-year terms.

A SBE or FCS BOT member may only serve as board chair for one 2-year term. (Sections <u>2</u>, <u>3</u>, <u>5</u>, and <u>7</u>).

Beginning January 1, 2026, an appointed member of the BOG must comply with s. 8, Art. II of the State Constitution as well as Florida law¹ by annually filing a <u>full and public disclosure</u> of his or her financial interests. The bill requires that appointed BOG members be Florida residents. The bill removes a requirement that the Governor and BOG consider diversity when appointing members to a UBOT. (Sections <u>1</u>, <u>2</u>, and <u>7</u>).

The bill repeals the <u>public records and public meeting exemption</u> for applicants for president of a state college or state university. (Section <u>9</u>).

The bill removes the requirement that the BOG confirm a UBOT's presidential selection or reappointment. Instead, the bill empowers the UBOT to select and appoint a president of its choosing. Likewise, the bill makes corresponding changes to the presidential search and selection process for state colleges. (Sections $\underline{4}$ and $\underline{6}$).

¹ Section <u>112.3144, F.S.</u>

STORAGE NAME: h1321a.EAS DATE: 3/19/2025

The bill requires a UBOT or FCS BOT chair to appoint a presidential search committee when seeking an interim or permanent president. Composition of the search committee is prescribed and no one on the committee can hold a position that reports directly to the president. Neither the Chancellor of the State University System (SUS) nor a BOG member may serve on the presidential search committee for a SUS institution and neither the Commissioner of Education nor a SBE member may serve for a FCS institution. The interim or permanent president appointed by a UBOT or FCS BOT must have been recommended by the search committee. (Sections <u>4</u> and <u>6</u>).

The bill strengthens previous efforts to provide state college and state university students with transparent information regarding <u>course content and affordability</u>. To that end, in addition to the identifying information already described in statute,² FCS and SUS institutions are required to prominently post information on supplemental textbooks and instructional materials, including those that are open access or otherwise free of cost, for at least 95 percent of all courses and course sections each term, which is defined to include fall, spring, and summer terms. Institutions may also provide another unique identifier as an alternative to an International Standard Book Number (ISBN) when appropriate.

The lists of required, recommended, and supplemental textbooks and instructional materials must be based on lists submitted by instructors and, in addition to existing requirements:³

- be searchable by general education status and course section;
- include the duration of any license allowing access to the textbook or instructional material;
- provide cost comparisons between bulk or package pricing, if offered, and purchasing separately; and
- identify the lowest cost option for each textbook and instructional material.

To maximize informed student choice, the current syllabi posting requirement⁴ is expanded to include all courses subject to the textbook and instructional materials posting requirement. The syllabi must be current and posted in the same location as the textbook and instructional materials information. Syllabi must include:

- the course curriculum, including the required, recommended, and supplemental textbooks and instructional materials regardless of cost or whether the materials are open access or open educational resource;
- specific goals, objectives, and student expectations of the course; and
- how student performance will be evaluated, including the grading scale and methodology.

The SBE and BOG must include consideration of supplemental materials in its policies, procedures, and guidelines addressing textbook and instructional materials affordability.⁵ (Section <u>8</u>).

The effective date for the bill is July 1, 2025. (Section <u>10</u>).

RULEMAKING:

Current law authorizes a FCS BOT to adopt rules, procedures, and policies consistent with law and rules of the SBE, including governance, personnel, and administration. The bill modifies provisions of law already under SBE and FCS BOT authority, thus allowing them to make rules to implement the bill.⁶

Likewise, current law authorizes the BOG to adopt regulations for the BOG and UBOT to use in implementing their duties and responsibilities. The BOG may also delegate a power or duty to a UBOT and the authority to adopt rules or regulations is included in that delegation. The bill modifies provisions of law already under BOG and UBOT authority, therefore allowing them to make rules and regulations to implement the bill.⁷

² Section <u>1004.085(5)(a), F.S.</u>

³ Section <u>1004.085(5)(b), F.S.</u>

⁴ Section <u>1004.085(5)(c), F.S.</u>

⁵ Section <u>1004.085(6), F.S.</u>

⁶ Section <u>1001.64(4)(b) and (18)-(19), F.S.</u>; r. 6A-14.026, F.A.C.

⁷ Section <u>1001.706(1)-(2) and (6)(a), F.S.</u>; BOG regulations 1.001, 1.002, and 8.003

Lawmaking is a legislative power; however, the Legislature may delegate a portion of such power to executive branch agencies to create rules that have the force of law. To exercise this delegated power, an agency must have a grant of rulemaking authority and a law to implement.

RELEVANT INFORMATION

SUBJECT OVERVIEW:

Term Limits

Under current law, the 14 gubernatorially appointed, citizen members of the BOG serve staggered 7-year terms, with no limit to how many years they can serve. The three additional BOG members are the Commissioner of Education, the chair of the advisory council of faculty senates or the equivalent, and the president of the Florida Student Association or the equivalent.⁸

The seven gubernatorially appointed, citizen members of the SBE serve staggered 4-year terms and may serve up to two terms consecutively, so a person can serve for longer than 8 years as long as no more than two terms are consecutive.⁹ SBE members are required to be Florida residents, but BOG members are not. A SBE member may serve as the board chair for up to two 2-year terms, but there are no limitations on BOG chair service.¹⁰

Currently, the 11 appointed citizen members of a UBOT serve staggered 5-year terms and there is not a limit on how many consecutive terms a member may serve. Six members are appointed by the Governor and five are appointed by the BOG. The other two members are the chair of the faculty senate or the equivalent and the president of the student body of the university. UBOT members are not required to be Florida residents, but the Governor and BOG are directed to consider diversity and regional representation when appointing members.¹¹ According to BOG regulation 1.001(1), a member may serve as chair for no more than two consecutive 2-year terms, unless approved by a vote of two-thirds of the UBOT.

The Governor appoints the members of a FCS BOT to staggered 4-year terms and there are no term limits for serving as a member or board chair.¹² FCS BOT members must be a resident of the service delivery area of the college.¹³

Full and Public Disclosure of Financial Interests

Full and Public Disclosure (Form 6)

The Florida Constitution requires all elected constitutional officers and candidates for such offices to file a full and public disclosure of their financial interests.¹⁴ Other public officers, candidates, and public employees may be required to file a full and public disclosure of their financial interests as determined by law.¹⁵ Under the Florida Constitution, the term "full and public disclosure of financial interests" means the reporting individual must disclose his or her net worth and the value for each asset and liability in excess of \$1,000.¹⁶ The disclosure must be accompanied by either a sworn statement that identifies each separate source and amount of income that exceeds \$1,000 or a copy of the reporting individual's most recent federal income tax return.¹⁷

⁸ Section <u>1001.70(1), F.S.</u>

⁹ Section <u>1001.01(1), F.S.</u>

¹⁰ Sections <u>1001.01(1)-(2)</u> and <u>1001.70(1), F.S.</u>

¹¹ Section <u>1001.71(1), F.S.</u>

¹² Section <u>1001.61(2) and (4), F.S.</u>

¹³ Art. IX, s. 8, Fla. Const.

¹⁴ Art. II, s. 8(a), Fla. Const.; *see* ss. <u>112.3144(1)(b)</u> and <u>112.3145, F.S.</u>

¹⁵ Id.

¹⁶ Art. II, s. (8)(j)(1), Fla. Const.

¹⁷ See <u>112.3144(6)(c)</u> and (7)(a), F.S. (Beginning January 1, 2023, the Commission may not accept federal income tax returns for proof of income.)

Pursuant to general law, the Commission on Ethics (Commission) has created by rule CE Form 6 (Form 6), which is used to make the required full and public financial disclosure.¹⁸ Reporting individuals are required to file a Form 6 annually with the Commission by July 1 through the Commission's electronic filing system.¹⁹

The Form 6 requires filers to report their net worth, assets, and liabilities.²⁰ The filer must report the specific identification and value of each asset which exceeds \$1,000 in value and provide the name and addresses for the creditor for each liability which exceeds \$1,000 in amount and its amount, and must submit a statement of the value of the reporting person's net worth as of December 31 of the preceding year or a more current date.²¹

Statement of Financial Interests—Limited Financial Disclosure (Form 1)

In addition to provisions governing the Form 6, current law provides for a less detailed disclosure of financial interests using the Commission's CE Form 1 (Form 1).²² A Form 1 must be filed by a large group of local officers, including all officers holding elected positions in any political subdivision of the state, other than counties, and specified appointed officers.²³ Other persons required to file a Form 1 include specified state officers and employees and persons seeking to qualify as candidates for these specified state or local office.²⁴

The Form 1 requires filers to disclose specified information related to sources of income, real property, intangible personal property, liabilities, and interests in specified businesses.²⁵ Although no specific dollar values of incomes, property, or liabilities are required to be reported, the filer must report which assets or liabilities exceed certain dollar thresholds.²⁶ Form 1 filers must: disclose all sources of income in excess of \$2,500, excluding public salary; all sources of income from a business entity the filer had a material interest in where their gross income was in excess of \$5,000 and in excess of 10 percent of the businesses gross income; any property in Florida, except for their residence or vacation home, in which the person owns more than 5 percent of the value of the property; any intangible personal property in excess of \$10,000; and any liability in excess of \$10,000.²⁷

The Benefits of Full and Public Disclosure

Research shows that financial disclosures are positively related to increased governmental quality and lower corruption.²⁸ Moreover, full and public financial disclosures—such as the Form 6—are associated with lower rates of corruption, whereas private disclosures (those that are only submitted to a regulatory body, not the public at large) are not systematically related to better government and lower corruption.²⁹ Full and public financial disclosures help identify and address any conflicts with the filer's governmental responsibilities.³⁰ As a result, research suggests that full and public financial disclosures support anti-corruption efforts, with prosecution rates rising when officials must disclose publicly.³¹ On the other hand, research suggests that corruption prosecution rates are lower when government officials craft disclosure content requirements so as to avoid fully disclosing

²⁵ Section <u>112.3145, F.S.</u>

²⁶ See <u>s. 112.3145(3), F.S.</u>

²⁷ Section <u>112.3145(3)(a), F.S.</u>

¹⁸ See r. 34-8.002, F.A.C.

¹⁹ Art. II, s. (8)(j)(1), Fla. Const.; see <u>s. 112.3144(2), F.S.</u>

²⁰ See art. II, s. (8)(j), Fla. Const.; <u>s. 112.3144(5)-(6), F.S.</u>; r. 34-8.004, F.A.C.

²¹ Id.

²² See <u>s. 112.3145, F.S.</u>; r. 34-8.202, F.A.C.

²³ See <u>s. 112.3145, F.S.</u>; r. 34.8.202, F.A.C. For a guide explaining who must file the Form 1 and what the Form 1 entails, see Florida Commission on Ethics, *Guide to the Sunshine Amendment and Code of Ethics for Public Officers and Employees*, p. 15-19., available at <u>https://ethics.state.fl.us/Documents/Publications/GuideBookletInternet.pdf?cp=2023310</u> (last visited March 11, 2025).

²⁴ Id.

²⁸ See e.g. Djankov et al, Disclosure by Politicians, 2 Am. Econ. J. 179, (Apr. 2010) available at

https://scholar.harvard.edu/files/shleifer/files/disclosure by politicians aejapp final.pdf.

²⁹ See Id. at 198.

³⁰ U.S. Government Accountability Office, *Financial Disclosure: Updates Are Needed to the Public Reporting Requirements*, Report No. GAO-25-107039, *available at* <u>https://www.gao.gov/products/gao-25-</u>

 $[\]underline{107039\#:} \sim: text = Regular\%20 disclosure\%20 of\%20 personal\%20 financial, filers\%20 in\%20 the\%20 executive\%20 branch.$

³¹ Scherf, How do Online Conflict Disclosures Support Enforcement? Evidence from Personal Financial Disclosures and Public Corruption, London School of Econ. (2024), at 31, available at

https://eprints.lse.ac.uk/121395/4/How do online conflict disclosures support enforcement.pdf

⁴

potential financial conflicts.³² Requiring that governmental officials file comprehensive financial disclosures like the Form 6 ensures transparency as they cannot avoid disclosing information that could show a conflict of interest exists. Greater transparency is associated with greater accountability; greater accountability is associated with lower corruption.³³

The Board of Governors' Financial Responsibilities

The BOG is established pursuant to the Florida Constitution with the general duties of operating, regulating, controlling, and being fully responsible for the SUS.³⁴ More specifically, the BOG must account for all expenditures of state, local, federal, and other funds.³⁵ The BOG also establishes tuition and fees, unless otherwise provided by law; may secure comprehensive general liability insurance; and may transfer unused appropriations from the Education/General Student and Other Fees Trust Fund between institutions.³⁶ The BOG must prepare the legislative budget requests for the SUS and provide each university with fiscal policy guidelines, formats, and instruction for the development of individual university budgets.³⁷ Ultimately, each individual university's operating budget must be approved by the BOG.³⁸

Presidential Search and Selection

For the SUS:39

- The UBOT Chair, in consultation with the BOG Chair, appoints a 15-member search committee.
- The search committee recommends an unranked list of more than two final applicants to the UBOT, subject to prior review and approval by the BOG Chair. If exceptional circumstances make fulfilling this requirement infeasible, the committee must discuss why fewer than three applicants are being recommended and whether additional applications should be considered. If more than two candidates are not coming forward, the UBOT must be notified of the reason and may decline to act.
- The UBOT selects a final qualified candidate as president-elect for recommendation to the BOG for confirmation.
- Renewals of presidential employment contracts also must be confirmed by the BOG and are currently limited by BOG regulation 1.001(5)(d) to 1-year terms.⁴⁰

BOG regulation 1.002 details the criteria each UBOT must adhere to for presidential search and selection including the composition of the search committee, executive compensation analysis, timeline, procedures, vetting process, candidate ranking process, recommending a final qualified candidate to the BOG for confirmation, and drafting an employment contract, among other requirements.

Amendments to BOG regulation 1.002 since 2022 include:

- establishing the BOG Chair as an ex officio member of a presidential search committee;
- increasing BOG designees on a search committee from 1 to 2 members;
- requiring a search committee to submit for review and approval the proposed unranked list of final applicants to the BOG Chair prior to submission to the UBOT;
- requiring an explanation from a search committee to a UBOT if it recommends fewer than three applicants; and
- requiring that all persons with access to confidential applicant information sign a non-disclosure agreement (NDA) to ensure confidentiality of the information as required by law.⁴¹

https://onlinelibrary.wiley.com/doi/full/10.1002/pad.2029?msockid=2576678410e762633877729c119c6369/ ³⁴ Art. IX., s. 7(d), Fla. Const.

³⁵ *Id*.; Section <u>1001.706(4)(a)</u>, F.S.

³² Id.

³³ See Schnell, To Know is to Act? Revisiting the Impact of Government Transparency on Corruption, 43 Pub. Admin. & Dev (2023), available at

³⁶ Section <u>1001.706(4)(c)-(d)</u>, F.S.

³⁷ Section 1001.706(4)(b), F.S.

³⁸ BOG regulation 9.007

³⁹ BOG regulations 1.001(5) and 1.002

 ⁴⁰ The current regulation codifying the existing practice for renewals of presidential employment contracts to come before the BOG for confirmation and to be limited to 1-year terms was adopted by the BOG on August 31, 2017.
⁴¹ Section 1004.098, F.S.

In the event a UBOT selects an interim president, a search is not required, but the candidate is subject to confirmation by the BOG. A UBOT may delegate the selected interim president full authority to serve during the period prior to BOG confirmation if it is determined to be in the best interests of the university.⁴²

For the Florida College System (FCS):43

- The FCS BOT is required to appoint, suspend, or remove the president and must notify the SBE immediately.
- The FCS BOT may appoint a search committee, but is not required to do so.
- Any personal identifying information of applicants is kept confidential until the final group of applicants is established.⁴⁴

Public Records Exemption

In 2022, in an effort to expand the pool of qualified applicants, the Legislature passed a public records and public meeting exemption that kept the personal identifying information of non-finalist applicants for president of a state college or state university confidential. However, the personal identifying information of a finalist would no longer be confidential beginning the earlier of the date they are made a finalist or 21 days before a meeting to interview or hire any of the finalists.⁴⁵

In 2024, the BOG amended regulation 1.002 to address issues related to presidential searches that arose following the exemption taking effect.⁴⁶ The exemption is subject to the Open Government Sunset Review Act⁴⁷ and will be repealed on October 2, 2027, unless reenacted by the Legislature.⁴⁸

Textbook, Instructional Material, & Course Syllabus Affordability and Transparency

Florida law requires state universities and colleges to post lists online of required and recommended textbooks and instructional materials for at least 95 percent of courses and course sections offered at the institution during the upcoming term. The lists must include the International Standard Book Number (ISBN) or other identifying information, including, at a minimum, all of the following: the title, all authors listed, publishers, edition number, copyright date, published date, and other relevant information necessary to identify the specific textbooks or instructional materials required and recommended for each course.⁴⁹

• Be posted as early as is feasible but at least 45 days before the first day of class for each term.

- Remain posted for at least 5 academic years.
- Be searchable by the course subject, the course number, the course title, the name of the instructor of the course, the title of each assigned textbook or instructional material, and each author of an assigned textbook or instructional material.
- Be easily downloadable by current and prospective students.

For general education core courses,⁵¹ course syllabi information must be included and contain sufficient detail to inform students of the following:⁵²

- The course curriculum.
- The goals, objectives, and student expectations of the course.
- How student performance will be measured.

6

⁴² BOG regulation 1.001(5)(e)

⁴³ Section <u>1001.64(18)-(19)</u>, F.S.; r. 6A-14.026, F.A.C.

⁴⁴ Section <u>1004.098, F.S.</u>

⁴⁵ Section <u>1004.098(1)-(2), F.S.</u>

⁴⁶ Florida Board of Governors, *Notice of Proposed Amended Regulation: 1.002, Presidential Search and Selection* (2024), *available at* <u>1.002 Proposed AmendedRegulationForm-1.pdf</u>.

⁴⁷ Section <u>119.15, F.S.</u>

⁴⁸ Section <u>1004.098(3), F.S.</u>

⁴⁹ Section <u>1004.085(5)(a), F.S.</u>

⁵⁰ Section <u>1004.085(5)(b)</u>, F.S.

⁵¹ Section <u>1007.25(3), F.S.</u>

⁵² Section <u>1004.085(5)(c), F.S.</u>

RECENT LEGISLATION:

YEAR	BILL #	HOUSE SPONSOR(S)	SENATE SPONSOR	OTHER INFORMATION
2022	<u>CS/SB 520</u>	Garrison	Brandes	Took effect on March 15, 2022
2022	<u>SB 7044</u>	Mariano	Diaz	Took effect on July 1, 2022

OTHER RESOURCES:

State University System Textbook and Instructional Materials Affordability Report 2023-2024

BILL HISTORY							
COMMITTEE REFERENCE	ACTION	DATE	STAFF DIRECTOR/ POLICY CHIEF	ANALYSIS PREPARED BY			
Education Administration Subcommittee	15 Y, O N	3/19/2025	Sleap	Blalock			
Education & Employment Committee							