



Post-Secondary Education Subcommittee

March 20, 2017

3:30 PM

Mashburn Hall (306 HOB)

Meeting Packet

**Richard Corcoran
Speaker**

**Elizabeth Porter
Chair**

Committee Meeting Notice

HOUSE OF REPRESENTATIVES

Post-Secondary Education Subcommittee

Start Date and Time: Monday, March 20, 2017 03:30 pm
End Date and Time: Monday, March 20, 2017 06:30 pm
Location: Mashburn Hall (306 HOB)
Duration: 3.00 hrs

Consideration of the following bill(s):

HB 3 Higher Education by Avila
HB 845 Direct-support Organization for the Florida Prepaid Tuition Scholarship Program by Mariano
HB 1085 Florida Keys Community College by Raschein
HB 1139 Minority Teacher Education Scholars by Davis
HB 6037 Blind Services Direct-support Organization by Fischer

NOTICE FINALIZED on 03/16/2017 4:21PM by Juszczuk.Erin

HOUSE OF REPRESENTATIVES STAFF ANALYSIS

BILL #: HB 3 Higher Education
SPONSOR(S): Avila
TIED BILLS: None. **IDEN./SIM. BILLS:** CS/CS/SB 2

REFERENCE	ACTION	ANALYST	STAFF DIRECTOR or BUDGET/POLICY CHIEF
1) Post-Secondary Education Subcommittee		Bishop <i>HRB</i>	Bishop <i>HRB</i>
2) Higher Education Appropriations Subcommittee			
3) Education Committee			

SUMMARY ANALYSIS

HB 3 establishes the "Florida Excellence in Higher Education Act of 2017" to expand financial aid provisions and modify programmatic mechanisms to assist students in accessing higher education and incentivizing postsecondary institutions to emphasize on-time graduation. Specifically, the bill:

- Modifies the state university and Florida College System institution performance accountability metrics and standards to promote on-time student graduation.
- 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;
- Expands eligibility for the Benacquisto Scholarship Program to include eligible students graduating from out of state;
- Revises the state-to-private match requirements for contributions to the First Generation Matching Grant Program from 1:1 to 2:1.
- Requires each state university board of trustees to adopt a resident and non-resident undergraduate block tuition policy for implementation by the fall 2018 semester.
- Strengthens "2+2" articulation by requiring each Florida College System institution to establish a "2+2" targeted pathway program.
- Requires school districts to provide notification to students about applying acceleration mechanism credit to a postsecondary degree.
- Renames the William L. Boyd, IV, Florida Resident Access Grant (FRAG) Program as the William L. Boyd, IV, Effective Access to Student Education (EASE) Program.

See Fiscal Comments.

The bill has an effective date of July, 1 2017.

FULL ANALYSIS

I. SUBSTANTIVE ANALYSIS

A. EFFECT OF PROPOSED CHANGES:

Present Situation

Under the leadership of the Legislature, the Board of Governors of the State University System (BOG), and the State Board of Education (SBE), Florida's public universities and colleges continue to maintain focus on improving institutional and student performance outcomes.

Additionally, the Legislature has established performance-based funding models in recent years to evaluate the performance of Florida's state universities and Florida College System (FCS) institutions based on identified metrics and standards.

State University System Performance-Based Incentive

The State University System (SUS) Performance-Based Incentive is awarded to state universities using performance-based metrics¹ adopted by the BOG. 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 is required to adopt benchmarks to evaluate each state university's performance on the metrics.² 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.

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.³ A state university that meets 11 of the 12 academic and research excellent standards specified in law⁴ is designated a "preeminent state research university."⁵ Currently, the University of Florida and the Florida State University are designated as preeminent state research universities.⁶

Emerging Preeminent State Research Universities

A state research university that meets at least 6 of the 12 standards is designated as an "emerging preeminent state research university."⁷ Currently, the University of Central Florida and the University of South Florida-Tampa are designated as emerging preeminent state research universities. Each designated emerging preeminent state research university receives an amount of funding that is equal

¹ 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.

² Section 1001.92(1), F.S.

³ Section 1001.7065(1), F.S.

⁴ 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.

⁵ Section 1001.7065(3)(a), F.S.

⁶ 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

⁷ Section 1001.7065(3)(b), F.S.

to one-half of the total increased amount awarded to each designated preeminent state research university.

Unique Courses

A university that is designated as a preeminent state research university may require its incoming first-time-in-college (FTIC) students to take a six-credit set of unique courses.⁸ To provide a shared academic experience, the university may stipulate that credit for such courses may not be earned through any acceleration mechanism or any other transfer credit specifically determined by the university.⁹

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.¹⁰

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.¹¹ The SBE is required to adopt benchmarks to evaluate each institution's performance on the metrics for eligibility to receive performance funding.¹²

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.¹³ The excellence standards include:

- A 150 percent-of-normal-time completion rate¹⁴ of 50 percent or higher, as calculated by the Division of Florida Colleges.
- A 150 percent-of-normal-time completion rate for Pell Grant recipients of 40 percent or higher, as calculated by the Division of Florida Colleges.
- A retention rate of 70 percent or higher, as calculated by the Division of Florida Colleges.
- 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.

⁸ Section 1001.7065(6), F.S.

⁹ Section 1001.7065(6), F.S.

¹⁰ Section 1001.7065(8), F.S.

¹¹ Section 1001.66(1), F.S.

¹² *Id.* Rule 6A-14.07621, F.A.C., provides a description of the metrics and benchmarks, and calculations for performance funding.

¹³ Section 1001.67, F.S.

¹⁴ 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.

- 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.

An FCS institution that meets 5 of the 7 excellence standards is designated as a distinguished college.¹⁵

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.¹⁶ Developmental education may be delivered through a variety of delivery strategies described in law.¹⁷

Each FCS institution board of trustees is required to develop a plan to implement the developmental education strategies defined in law¹⁸ and rules¹⁹ of the SBE.²⁰ A university board of trustees may contract with an FCS institution to provide developmental education services for their students in need of developmental education.²¹ Florida Agricultural and Mechanical University (FAMU) is also authorized to offer developmental education.²²

Florida Bright Futures Scholarship Program

The Florida Bright Futures Scholarship Program (Bright Futures) was established in 1997²³ 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 program at an eligible public or private postsecondary education institution²⁴ in Florida after graduating from high school.²⁵ Bright Futures consists of three types of awards:²⁶

- Florida Academic Scholars (FAS);²⁷
- Florida Medallion Scholars (FMS);²⁸ and
- Florida Gold Seal Vocational Scholars (FGSV) and Florida Gold Seal CAPE Scholars.²⁹

¹⁵Section 1001.67(1)-(2), F.S

¹⁶Section 1008.02(1), F.S.

¹⁷*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.

¹⁸*Id.*

¹⁹Rule 6A-14.030(12), F.A.C.

²⁰Section 1008.30(5)(a), F.S.

²¹Section 1008.30(5)(c), F.S.

²²Board of Governors Regulation 6.008(1).

²³Section 2, ch. 1997-77, L.O.F.

²⁴A 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.

²⁵Sections 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.

²⁶Section 1009.53(2), F.S.

²⁷Section 1009.534, F.S.

²⁸Section 1009.535, F.S.

²⁹Section 1009.536, F.S.

Bright Futures award amounts are specified annually in the General Appropriations Act (GAA).³⁰ A student may use a Bright Futures award for summer term enrollment if funds are available.³¹ However, funds have not been appropriated for Bright Futures summer term awards since the 2000-2001 fiscal year.³²

Benacquisto Scholarship Program

The Benacquisto Scholarship Program, created in 2014,³³ 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.³⁴ Among other statutory eligibility requirements,³⁵ the student must earn a standard Florida high school diploma or equivalent³⁶ and be a state resident.³⁷

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;³⁸
- 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.³⁹

First Generation Matching Grant Program

The First Generation Matching Grant Program was established in 2006⁴⁰ to enable each state university to provide donors with a matching grant incentive for contributions to create grant-based student financial aid for undergraduate students who demonstrate financial need and whose parents have not earned a baccalaureate degree.⁴¹ Funds appropriated for the program must be allocated by the Office of Student Financial Assistance (within the Florida Department of Education) to match private contributions on a dollar-for-dollar basis.⁴²

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 Commission on Colleges of the

³⁰ Sections 1009.534 (2), 1009.535 (2), and 1009.536(3), F.S.

³¹ Section 1009.53 (9), F.S.

³² 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>.

³³ The Benacquisto Scholarship Program was formerly titled the Florida National Merit Scholar Incentive Program. Section 26, ch. 2016-237, L.O.F.

³⁴ Section 1009.893, F.S.

³⁵ Section 1009.893(4), F.S.

³⁶ Other graduation options include Academically Challenging Curriculum to Enhance Learning (ACCEL) options (s. 1002.3105, F.S.), early high school graduation (s. 1003.4281, F.S.), a high school equivalency diploma (s. 1003.435, F.S.), completion of a home education program (s. 1002.41, F.S.), or earning a high school diploma from a school outside Florida while living with a parent or guardian who is on military or public service assignment outside Florida.

³⁷ 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.

³⁸ Section 1009.893(5)(a), F.S.

³⁹ Section 1009.893(5)(b), F.S.

⁴⁰ Section 1, ch. 2006-73, L.O.F.

⁴¹ Section 1009.701(1), F.S.

⁴² Section 1009.701 (2), F.S.

Southern Association of Colleges and Schools; which grants baccalaureate degrees; which is not a state university or FCS institution; and which has a secular purpose.⁴³

Block Tuition

The BOG is authorized to approve a proposal from a university board of trustees to implement flexible tuition policies including, but not limited to, block tuition.⁴⁴ The block tuition policy for resident undergraduate students or undergraduate-level courses must be based on the established per-credit-hour undergraduate tuition.⁴⁵ The block tuition policy for nonresident undergraduate students must be based on the established per-credit-hour undergraduate tuition and out-of-state fee.⁴⁶ The BOG has not received a request for approval of a block tuition policy proposal from any state university.⁴⁷

2+2 Articulation

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 across and among Florida's education entities, and reinforce the articulation and admission policies specified in law.⁴⁸

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 institution and program of interest by the time the student earns 30 semester hours, and must be granted admission to the upper division, with certain exceptions,⁴⁹ of a state university or an FCS institution that offers a baccalaureate degree.⁵⁰ 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.⁵¹

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.⁵² The Department of Education 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.⁵³ The Articulation Coordinating Committee (ACC)⁵⁴ has established passing scores and course and credit equivalents for examinations specified in law.⁵⁵ The credit-by-exam equivalencies have been adopted in rule by the SBE.⁵⁶

⁴³ Section 1009.89(1) and (3), F.S.

⁴⁴ Section 1009.24(15)(a), F.S.

⁴⁵ Section 1009.24(15)(a)3., F.S.

⁴⁶ Id.

⁴⁷ Board of Governors, 2017 Legislative Bill Analysis for SB 2 (Jan. 18, 2017), at 4.

⁴⁸ Section 1007.23(1), F.S.

⁴⁹ Section 1007.23(2)(a), F.S., exceptions include limited access programs, teacher certification programs, and those requiring an audition.

⁵⁰ Section 1007.23(2)(a), F.S.

⁵¹ Board of Governors Regulation 6.004(2)(b)

⁵² Section 1007.27(1), F.S.

⁵³ Section 1007.27(2), F.S.

⁵⁴ 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.

⁵⁵ 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>.

⁵⁶ Rule 6A-10.024, F.A.C.

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.⁵⁷

The law also requires the Commissioner of Education 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.⁵⁸ Additionally, the commissioner must recommend such courses to the SBE. The dual enrollment course-to-high school subject area equivalency list specifies postsecondary courses that when completed earn both high school and college credit.⁵⁹ All high schools must accept these dual enrollment courses toward meeting the standard high school diploma requirements.

Effect of Proposed Changes

This bill establishes the “Florida Excellence in Higher Education Act of 2017” to expand financial aid provisions and modify programmatic mechanisms to assist students in accessing higher education and incentivizing postsecondary institutions to emphasize on-time graduation. Specifically, the bill:

- Modifies the state university and Florida College System institution performance accountability metrics and standards to promote on-time student graduation.
- 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;
- Expands eligibility for the Benacquisto Scholarship Program to include eligible students graduating from out of state;
- Revises the state-to-private match requirements for contributions to the First Generation Matching Grant Program from 1:1 to 2:1.
- Requires each state university board of trustees to adopt a resident and non-resident undergraduate block tuition policy for implementation by the fall 2018 semester.
- Strengthens “2+2” articulation by requiring each Florida College System institution to establish a “2+2” targeted pathway program.
- Requires school districts to provide notification to students about applying acceleration mechanism credit to a postsecondary degree; and
- Renames the William L. Boyd, IV, Florida Resident Access Grant (FRAG) Program as the William L. Boyd, IV, Effective Access to Student Education (EASE) Program.

State University System Performance-Based Incentive

The bill specifies that the State University System (SUS) performance-based metric for graduation rate must be a 4-year graduation rate. Currently, the 6-year and 4-year graduation rates for first-time-in-college (FTIC) students within the SUS are approximately 71 percent⁶⁰ and 44 percent,⁶¹ respectively. During the 2015-16 academic year, the 6-year graduation rate ranged from approximately 39 percent at Florida Agricultural and Mechanical University (FAMU) to 87 percent at the University of Florida (UF).⁶²

⁵⁷ Id.

⁵⁸ Section 1007.271(9), F.S.

⁵⁹ 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>.

⁶⁰ State University System of Florida, 2014-2015 System Accountability Report, p.7, available at http://www.flbog.edu/about/doc/budget/ar_2014-15/2014_15_System_Accountability_Report_Summary_FINAL_2016-04-28.pdf.

⁶¹ State University System of Florida, 2014-15 System Accountability Report, p.13, available at: http://www.flbog.edu/resources/doc/accountability/ar_2014-15/2014-15_System_Accountability_Report_APPENDIX_2016-03-18.pdf

⁶² State University System of Florida, 2014-2015 System Accountability Report, p.7, available at http://www.flbog.edu/about/doc/budget/ar_2014-15/2014_15_System_Accountability_Report_Summary_FINAL_2016-04-28.pdf.

The 4-year graduation rate during the same period ranged from approximately 14 percent at FAMU to 68 percent at UF.⁶³

2011-15 4-YEAR GRADUATION RATES

	cohort	graduated	%grad
FAMU	2,013	270	13.4%
FAU	3,340	769	23.0%
FGCU	2,569	537	20.9%
FIU	4,477	1,146	25.6%
FSU	6,175	3,826	62.0%
NCF	237	135	57.0%
UCF	6,334	2,548	40.2%
UF	6,448	4,338	67.3%
UNF	1,778	525	29.5%
USF	4,066	1,957	48.1%
UWF	1,497	291	19.4%
SUS (from same univ.)	38,934	16,342	42.0%
SUS (from any state univ.)	38,934	17,167	44.1%

Notes: these university graduation rates report those that graduated from their institution. Please note that 4yr graduation rate methodology does not account for: (1) differences in program length - 18% of SUS programs require more than 120 credits hrs; (2) the university differences of students with dual majors; (3) university differences of students who pursue advanced graduated degrees (e.g., 3+2 programs).

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 50 percent. Additionally, this section requires the Board of Governors of the State University System (BOG) to calculate the graduation rate. Currently, the graduation rate is based on data reported annually to the Integrated Postsecondary Education Data System.⁶⁴

Emerging Preeminent State Research Universities

The amount of funding provided to emerging preeminent state research universities is reduced from one-half to one-quarter of the total additional funding awarded to preeminent state research universities.

⁶³ State University System of Florida, 2014-15 System Accountability Report, p.13, available at: http://www.flbog.edu/resources/_doc/accountability/ar_2014-15/2014-15_System_Accountability_Report_APPENDIX_2016-03-18.pdf

⁶⁴ 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>.

Unique Courses

The bill eliminates the authority for the preeminent state research universities to require FTIC students to take a six-credit set of courses that is unique to their institution. Currently, UF lists two such courses and Florida State University lists 1 such course.

Programs of Excellence

Consistent with efforts to strengthen institutional accountability to elevate the prominence of state universities, 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, this section requires the BOG to make recommendations to the Legislature for enhancing and promoting such programs by September 1, 2017.

Florida College System Performance-Based Incentive

The bill revises the existing FCS performance metrics for awarding performance-based incentives to FCS institutions, and adds new metrics that emphasize on-time program completion. Specifically, the bill:

- Incorporates the excellence standards and benchmarks for the Distinguished College FCS institution program into the Florida College System Performance Based Incentive Program for all colleges;
- Adds a graduation rate metric for FTIC students in associate in arts (AA) programs who graduate with a baccalaureate degree in 4 years after initially enrolling in the AA programs; and
- Adds a college affordability metric, which must be adopted by the State Board of Education (SBE).

By incorporating the Distinguished Florida College System standards and benchmarks into the FCS Performance Based Incentive Program, a select few institutions would receive the majority of funding under the program. In addition, holding FCS institutions accountable for whether their graduates complete a baccalaureate degree at another institution in four years is problematic because the institution has no control over the student's progress once they transfer to a university.

Distinguished Florida College System Institution Program

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

- Changes the normal-time completion rate metric from 150 percent to 100 percent;
- Changes the normal-time completion rate metric for 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.

Developmental Education

Currently, each FCS institution board of trustees is required to develop a plan to implement the developmental education strategies defined in law.⁶⁵

The bill strengthens developmental education instruction provided by a state university by requiring the same instructional strategies.⁶⁶ As the only state university within the SUS that provides developmental education, FAMU⁶⁷ may need to revise its developmental education program to incorporate these developmental education strategies.

Student Financial Aid and Tuition Assistance

The bill expands student financial aid and tuition assistance programs, which may help to address financial insecurity concerns of students, and their families, as they consider higher education options in Florida. These sections may assist students with paying for higher education, graduating on time, and incurring less education-related debt. Additionally, these sections may assist Florida's postsecondary education institutions in recruiting and retaining talented and qualified students.

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 fees⁶⁸ 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:

Current 2016-17 FAS Per-Credit-Hour Award ⁶⁹	Projected 2017-18 FAS Average Per-Credit-Hour Award
\$103 at 4-year institutions	\$198.11 at 4-year institutions ⁷⁰
\$63 at two-year institutions	\$106.74 at two-year institutions ⁷¹

Increasing the FAS award should make postsecondary education more affordable for eligible students. The bill may also help with retaining Florida's talented students in the state since these students have a greater financial incentive to attend a Florida institution.

For 2017-18, the estimated appropriation for Bright Futures is \$208.4 million. Of the \$208.4 million, \$195.5 million is the estimated cost for FAS awards. The change in the FAS award to 100 percent of tuition and specified fees is estimated to cost an additional \$125.7M for 44,596 students in the 2017-18 fiscal year. The bill also includes \$300 per semester for textbooks and other education-related expenses, which is estimated to cost \$26.2 million. The total additional cost for FAS awards is estimated to be \$151.9 million in the 2017-18 fiscal year.

⁶⁶ Section 1008.02, F.S.

⁶⁷ BOG Regulation 6.008(1).

⁶⁸ The tuition-indexed fees specified in HB 3 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.).

⁶⁹ Specific Appropriation 4, Ch. 2016-66, L.O.F.

⁷⁰ State University System of Florida, Tuition and Required Fees, 2016-17, available at

http://www.flbog.edu/about/doc/budget/tuition/Tuition_Fees_%202016-17.pdf.

⁷¹ Florida Department of Education, Florida College System, 2016 Fact Book, Table 7.8T, available at

<http://fldoe.org/core/fileparse.php/15267/urlt/FactBook2016.pdf>.

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, the bill:

- Establishes student eligibility criteria, which only apply 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.

The bill expands the scholarship program to fund out-of-state who attend:

- A public postsecondary education institution, the award amount must be equal to the institutional cost of attendance⁷² 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 attendance⁷³ for a resident of the state enrolled at a state university, less the student's National Merit Scholarship.

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,⁷⁴ 266 received an initial award as a Benacquisto Scholar.⁷⁵ 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. If 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 out-of-state students is estimated to be \$1.1 million.

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.⁷⁶ The increase in the state matching contribution may raise the award amount and make more awards available for eligible students, which may help these students to graduate on time.

⁷²The 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.

⁷³The highest State University System cost of attendance in 2016-17 is \$23,463 at Florida International University.

⁷⁴National 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

⁷⁵Florida 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.

⁷⁶Florida 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.

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, but does not change any eligibility requirements or parameters for the program.

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. Under such a policy, students may take additional courses without paying increased tuition, which gives students a financial incentive to take more courses within an academic term or year and which may help students to graduate earlier.⁷⁷

2+2 Articulation and Academic Notification

The bill strengthens “2+2” articulation and improves academic notification by creating mechanisms for expanding locally-developed targeted “2+2” articulation agreements and requiring school districts to provide notification to students about applying acceleration mechanism credit to a postsecondary degree.

2+2 Targeted Pathway Program

The bill reinforces the state’s intent to assist students enrolled in associate in arts (AA) degree programs to graduate on time, transfer to a baccalaureate degree program, and complete the baccalaureate degree within 4 years. Accordingly, the bill establishes the “2+2” targeted pathway program to strengthen Florida’s “2+2” system of articulation and improve student retention and on-time graduation. Specifically the bill:

- Requires each Florida College System institution to execute at least one “2+2” targeted pathway articulation agreement with one or more state universities.
- Requires the “2+2” targeted pathway articulation agreement to provide students who meet specified requirements 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 agreement. A student must:
 - Enroll in the program before completing 30 credit hours.
 - Complete an associate in arts degree.
 - Meet the university’s transfer admission 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.
- Provide students access to academic advisors and campus events, and guarantee admittance to the state university and degree program.

Requires the SBE and BOG to collaborate to eliminate barriers to executing “2+2” targeted pathway articulation agreements.

⁷⁷ Office of Program Policy and Government Accountability (OPPAGA), The State Has Several Options Available When Considering the Funding of Higher Education, Report 04-54, August 2004.

The “2+2” targeted pathway program is consistent with recent efforts by state universities and Florida College System institutions to strengthen regional articulation. The statewide “2+2” articulation agreement established in law⁷⁸ does not require a 4-year graduation plan and does not guarantee access to a specific university or degree program. To provide students a path to on-time graduation in 4 years with a baccalaureate degree, some state universities have established articulation agreements with regional Florida College System institutions.⁷⁹ For instance, the “DirectConnect to UCF”⁸⁰ guarantees admission to the University of Central Florida (UCF) with an associate degree from a partner institution, and offers university advising to develop an academic plan and access to UCF campuses for services and events. Similarly, the University of South Florida (USF) “FUSE” program⁸¹ offers students guaranteed admission to a USF System institution. The FUSE program creates an academic pathway that provides a map for taking required courses, advising at USF and the partner institution regarding university requirements, a specially-designed orientation session for 2+2 students at the beginning of the program, and access to USF facilities and events.

Academic Notification

The bill requires district school boards to notify students who enroll in acceleration mechanism courses or take exams about the credit-by-examination equivalency list and dual enrollment and high school subject area equivalency list. The notification requirement promotes targeted student advising at the secondary school level to inform students about generating college credits through certain acceleration mechanism courses and exams, and applying such credits purposefully to a postsecondary certificate or degree program, to ensure students receive credit for such courses and exams taken during high school. As a result, the notification may also assist students with higher education planning and affordability considerations.

The bill takes effect July 1, 2017.

B. SECTION DIRECTORY:

Section 1. Names the act the “Florida Excellence in Higher Education Act of 2017.”

Section 2. Amends s. 10091.66, F.S., revising performance metrics for the Florida College System Performance-Based Incentive.

Section 3. Amends s. 1001.67, F.S., revising excellence standards and benchmarks for the Distinguished Florida College System Institution Program.

Section 4. Amends section 1001.7065, F.S., revising the excellence standards and benchmarks for the Preeminent State Research Universities program; reducing funding available for emerging preeminent state research universities; removing authority for institutions to require a set of unique courses; and requiring the Board of Governors to establish standards and measures for programs of national excellence.

⁷⁸ Section 1007.23(2), F.S.

⁷⁹ Examples of regional articulation agreements are the “DirectConnect to UCF,” the University of South Florida “FUSE” program, “TCC2FSU,” “TCC2FAMU,” “FIU Connect4Success,” “Link to FAU,” “2UWF Transfer Student Partnership,” and “UNF/SJR Gateway.” The Florida Senate staff analysis.

⁸⁰ University of Central Florida, Presentation to the Senate Committee on Education, DirectConnect to UCF (Dec. 12, 2016), available at <http://www.flsenate.gov/Committees/Show/ED/Meeting%20Packet/3540/>.

⁸¹ University of South Florida, Presentation to the Senate Committee on Education, FUSE (Dec. 12, 2016), available at http://www.flbog.edu/documents_meetings/0199_0978_7295_6.3.2%202+2%2003b_AA%20Transfer%20data%20points_JMI.pdf.p:/www.flsenate.gov/Committees/Show/ED/Meeting%20Packet/3540/.

Section 5. Amends s. 1001.92, F.S., adjusting the graduation rate metric for the State University System Performance-Based Incentive.

Section 6. Amends s. 1007.23, F.S., requiring the establishment of 2+2 targeted pathway articulation agreements.

Section 7. Amends s. 1007.27, F.S., requiring school boards to notify students and parents regarding acceleration mechanisms.

Section 8. Amends s. 1008.30, F.S., revising developmental education instruction at a state university.

Section 9. Amends s. 1009.22, F.S., providing authority for the payment of specific postsecondary workforce education fees with the Florida Academic Scholars award;

Section 10. Amends s. 1009.23, F.S., providing authority for the payment of specific Florida College System fees with the Florida Academic Scholars award;

Section 11. Amends s. 1009.24, F.S., providing authority for the payment of specific state university fees with the Florida Academic Scholars award; requiring each state university board of trustees to adopt a block tuition policy for implementation by fall 2018.

Section 12. Amends s. 1009.534, F.S., revising award amount for the Florida Academic Scholars award.

Section 13. Amends s. 1009.701, F.S., revising the contribution rations for the First Generation Matching Grant Program.

Section 14. Amends s. 1009.89, F.S., changing the name of the Florida Resident Access Grant (FRAG) to the Effective Access to Student Education (EASE) grant.

Section 15. Amends s. 1009.893, F.S., revising eligibility requirements for the Benacquisto Scholarship Program.

Section 16. This bill has an effective date of July 1, 2017.

II. FISCAL ANALYSIS & ECONOMIC IMPACT STATEMENT

A. FISCAL IMPACT ON STATE GOVERNMENT:

1. Revenues:

See Fiscal Comments.

2. Expenditures:

See Fiscal Comments.

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 Florida students and families by:

- Providing 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.
- Doubling the state match for the First Generation in College Matching Grant, which is likely to make the matching grant available to more students, or result in an increased award amount. The average award could double from \$1,289 to \$2,578 or additional students could be served at the same award amount.
- Requiring a block tuition policy that may provide a cost savings to students, but the potential savings are indeterminate.

The bill provides financial aid to out-of-state students by:

- Expanding 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 is likely to provide a cost savings to such students. These students will be eligible for an annual award of approximately \$20,500.

D. FISCAL COMMENTS:

The bill has the following estimated fiscal impact:

- For 2017-18, the estimated appropriation for Bright Futures is \$208.4 million. Of the \$208.4 million, \$195.5 million is the estimated cost for FAS awards. The change in the FAS award to 100 percent of tuition and specified fees is estimated to cost an additional \$125.7M for 44,596 students in the 2017-18 fiscal year. The bill also includes \$300 per semester for textbooks and other education-related expenses, which is estimated to cost \$26.2 million. The total additional cost for FAS awards is estimated to be \$151.9 million in the 2017-18 fiscal year.
- The institutional match is already being met for the current state appropriation of \$5.3 million. Increasing the state match would double the state appropriation, which could be used to provide additional scholarships, increase current scholarship awards, or a combination of both. In Fiscal Year 2015-16, 8,234 students received an average award of \$1,289.45.
- Revises the state university and Florida College System performance funding programs, which has no state fiscal impact. However, such revisions may influence institutional performance relating to the revised metrics, and therefore affect the performance-funding distribution.
- Requires a block tuition policy that may not increase the state's fiscal liability or obligation. However, block tuition policies will have a negative impact on tuition revenue collected by state universities if students enroll in additional credit hours for which they are not required to pay tuition and fees.

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:

Section 6 of the bill refers to the "Florida Community College System" and the "State Board of Community Colleges" which do not currently exist in statute and are not referenced anywhere else in the bill.

The bill does not specify whether priority should be given to funding more scholarships or increasing the amount of funding awarded per scholarship with the increased funds generated through the First Generation Matching Grant Program.

The bill does not specify the type of block tuition policy that must be adopted, however, current law stipulates that any proposed block tuition policy may not increase the state's fiscal liability or obligation. It is unclear what type of block tuition policy would meet the criteria. In addition, the bill does not require uniformity of implementation across institutions.

IV. AMENDMENTS/ COMMITTEE SUBSTITUTE CHANGES

1 A bill to be entitled
 2 An act relating to higher education; providing a short
 3 title; amending s. 1001.66, F.S.; revising
 4 requirements for the performance-based metrics used to
 5 award Florida College System institutions with
 6 performance-based incentives; amending s. 1001.67,
 7 F.S.; revising the Distinguished Florida College
 8 System Institution Program excellence standards
 9 requirements; amending s. 1001.7065, F.S.; revising
 10 the preeminent state research universities program
 11 graduation rate requirements and funding
 12 distributions; deleting the authority for such
 13 universities to stipulate a special course requirement
 14 for incoming students; requiring the Board of
 15 Governors to establish certain standards by a
 16 specified date; amending s. 1001.92, F.S.; requiring
 17 certain performance-based metrics to include specified
 18 graduation rates; amending s. 1007.23, F.S.; requiring
 19 each Florida Community College System institution to
 20 execute at least one "2+2" Targeted Pathway
 21 articulation agreement by a specified time; providing
 22 requirements and student eligibility for the
 23 agreements; requiring the State Board of Community
 24 Colleges and the Board of Governors to collaborate to
 25 eliminate barriers for the agreements; amending s.

26 1007.27, F.S.; requiring school districts to notify
 27 students about certain lists and equivalencies;
 28 amending s. 1008.30, F.S.; providing that certain
 29 state universities may continue to provide
 30 developmental education instruction; amending ss.
 31 1009.22 and 1009.23, F.S.; revising the prohibition on
 32 the inclusion of a technology fee in the Florida
 33 Bright Futures Scholarship Program award; amending s.
 34 1009.24, F.S.; revising the prohibition on the
 35 inclusion of a technology fee in the Florida Bright
 36 Futures Scholarship Program award; requiring each
 37 state university board of trustees to implement a
 38 block tuition policy for specified undergraduate
 39 students or undergraduate-level courses by a specified
 40 time; revising the conditions for differential
 41 tuition; amending s. 1009.534, F.S.; specifying
 42 Florida Academic Scholars award amounts to cover
 43 tuition, fees, textbooks, and other college-related
 44 expenses; amending s. 1009.701, F.S.; revising the
 45 state-to-private match requirement for contributions
 46 to the First Generation Matching Grant Program;
 47 amending s. 1009.89, F.S.; renaming the Florida
 48 Resident Access Grant Program; amending s. 1009.893,
 49 F.S.; extending coverage of Benacquisto Scholarships
 50 to include tuition and fees for qualified nonresident

51 students; providing a directive to the Division of Law
 52 Revision and Information; providing an effective date.

53

54 Be It Enacted by the Legislature of the State of Florida:

55

56 Section 1. This act shall be cited as the "Florida
 57 Excellence in Higher Education Act of 2017."

58 Section 2. Subsection (1) of section 1001.66, Florida
 59 Statutes, is amended to read:

60 1001.66 Florida College System Performance-Based
 61 Incentive.—

62 (1) The following performance-based metrics must be used
 63 in awarding a Florida College System Performance-Based Incentive
 64 ~~shall be awarded to a Florida College System institution:~~
 65 ~~institutions using performance-based metrics~~

66 (a) The distinguished college performance measures and
 67 respective excellence standards specified in s. 1001.67(1);

68 (b) A graduation rate for first-time-in-college students
 69 enrolled in an associate of arts degree program who graduate
 70 with a baccalaureate degree in 4 years after initially enrolling
 71 in an associates of arts degree program; and

72 (c) One performance-based metric on college affordability
 73 adopted by the State Board of Education. ~~The performance-based~~
 74 ~~metrics must include retention rates; program completion and~~
 75 ~~graduation rates; postgraduation employment, salaries, and~~

76 ~~continuing education for workforce education and baccalaureate~~
 77 ~~programs, with wage thresholds that reflect the added value of~~
 78 ~~the certificate or degree; and outcome measures appropriate for~~
 79 ~~associate of arts degree recipients.~~

80

81 The state board shall adopt benchmarks to evaluate each
 82 institution's performance on the metrics to measure the
 83 institution's achievement of institutional excellence or need
 84 for improvement and ~~the~~ minimum requirements for eligibility to
 85 receive performance funding.

86 Section 3. Subsection (1) of section 1001.67, Florida
 87 Statutes, is amended to read:

88 1001.67 Distinguished Florida College System Institution
 89 Program.—A collaborative partnership is established between the
 90 State Board of Education and the Legislature to recognize the
 91 excellence of Florida's highest-performing Florida College
 92 System institutions.

93 (1) EXCELLENCE STANDARDS.—The following excellence
 94 standards are established for the program:

95 (a) A 100 ~~150~~ percent-of-normal-time completion rate of 50
 96 percent or higher, as calculated by the Division of Florida
 97 Colleges.

98 (b) A 100 ~~150~~ percent-of-normal-time completion rate for
 99 Pell Grant recipients of 40 percent or higher, as calculated by
 100 the Division of Florida Colleges.

101 (c) A retention rate of 70 percent or higher, as
 102 calculated by the Division of Florida Colleges.

103 (d) A continuing education, or transfer, rate of 72
 104 percent or higher for students graduating with an associate of
 105 arts degree, as reported by the Florida Education and Training
 106 Placement Information Program (FETPIP).

107 (e) A licensure passage rate on the National Council
 108 Licensure Examination for Registered Nurses (NCLEX-RN) of 90
 109 percent or higher for first-time exam takers, as reported by the
 110 Board of Nursing.

111 (f) A ~~job placement or~~ continuing education or job
 112 placement rate of 88 percent or higher for workforce programs,
 113 as reported by FETPIP, with wage thresholds that reflect the
 114 added value of the applicable certificate or degree. This
 115 paragraph does not apply to associate of arts degrees.

116 (g) An excess hours rate of 40 percent or lower for A
 117 ~~time to degree for students graduating with an~~ associate of arts
 118 degree recipients who graduate with 72 or more credit hours, as
 119 calculated by the Division of Florida Colleges of 2.25 years or
 120 ~~less for first-time-in-college students with accelerated college~~
 121 ~~credits, as reported by the Southern Regional Education Board.~~

122 Section 4. Paragraph (d) of subsection (2), paragraph (c)
 123 of subsection (5), and subsections (6), (7), and (8) of section
 124 1001.7065, Florida Statutes, are amended to read:

125 1001.7065 Preeminent state research universities program.-

126 (2) ACADEMIC AND RESEARCH EXCELLENCE STANDARDS.—The
 127 following academic and research excellence standards are
 128 established for the preeminent state research universities
 129 program:

130 (d) A 4-year ~~6-year~~ graduation rate of 50 ~~70~~ percent or
 131 higher for full-time, first-time-in-college students, as
 132 calculated by the Board of Governors ~~reported annually to the~~
 133 ~~IPEDS~~.

134 (5) PREEMINENT STATE RESEARCH UNIVERSITIES PROGRAM
 135 SUPPORT.—

136 (c) The award of funds under this subsection is contingent
 137 upon funding provided in the General Appropriations Act to
 138 support the preeminent state research universities program
 139 created under this section. Funding increases appropriated
 140 beyond the amounts funded in the previous fiscal year shall be
 141 distributed as follows:

142 1. Each designated preeminent state research university
 143 that meets the criteria in paragraph (a) shall receive an equal
 144 amount of funding.

145 2. Each designated emerging preeminent state research
 146 university that meets the criteria in paragraph (b) shall
 147 receive an amount of funding that is equal to one-fourth ~~one-~~
 148 ~~half~~ of the total increased amount awarded to each designated
 149 preeminent state research university.

150 ~~(6) PREEMINENT STATE RESEARCH UNIVERSITY SPECIAL COURSE~~

151 ~~REQUIREMENT AUTHORITY.—In order to provide a jointly shared~~
 152 ~~educational experience, a university that is designated a~~
 153 ~~preeminent state research university may require its incoming~~
 154 ~~first-time-in-college students to take a six-credit set of~~
 155 ~~unique courses specifically determined by the university and~~
 156 ~~published on the university's website. The university may~~
 157 ~~stipulate that credit for such courses may not be earned through~~
 158 ~~any acceleration mechanism pursuant to s. 1007.27 or s. 1007.271~~
 159 ~~or any other transfer credit. All accelerated credits earned up~~
 160 ~~to the limits specified in ss. 1007.27 and 1007.271 shall be~~
 161 ~~applied toward graduation at the student's request.~~

162 (6)~~(7)~~ PREEMINENT STATE RESEARCH UNIVERSITY FLEXIBILITY
 163 AUTHORITY.—The Board of Governors is encouraged to identify and
 164 grant all reasonable, feasible authority and flexibility to
 165 ensure that each designated preeminent state research university
 166 and each designated emerging preeminent state research
 167 university is free from unnecessary restrictions.

168 (7)~~(8)~~ PROGRAMS OF EXCELLENCE THROUGHOUT THE STATE
 169 UNIVERSITY SYSTEM.—The Board of Governors shall ~~is encouraged to~~
 170 establish standards and measures whereby individual
 171 undergraduate, graduate, and professional degree programs in
 172 state universities which ~~that~~ objectively reflect national
 173 excellence can be identified and make recommendations to the
 174 Legislature by September 1, 2017, as to how any such programs
 175 could be enhanced and promoted.

176 Section 5. Subsection (1) of section 1001.92, Florida
 177 Statutes, is amended to read:

178 1001.92 State University System Performance-Based
 179 Incentive.-

180 (1) A State University System Performance-Based Incentive
 181 shall be awarded to state universities using performance-based
 182 metrics adopted by the Board of Governors of the State
 183 University System. The performance-based metrics must include 4-
 184 year graduation rates; retention rates; postgraduation education
 185 rates; degree production; affordability; postgraduation
 186 employment and salaries, including wage thresholds that reflect
 187 the added value of a baccalaureate degree; access; and other
 188 metrics approved by the board in a formally noticed meeting. The
 189 board shall adopt benchmarks to evaluate each state university's
 190 performance on the metrics to measure the state university's
 191 achievement of institutional excellence or need for improvement
 192 and minimum requirements for eligibility to receive performance
 193 funding.

194 Section 6. Subsection (7) is added to section 1007.23,
 195 Florida Statutes, to read:

196 1007.23 Statewide articulation agreement.-

197 (7) To strengthen Florida's "2+2" system of articulation
 198 and improve student retention and on-time graduation, by the
 199 2018-2019 academic year, each Florida Community College System
 200 institution shall execute at least one "2+2" targeted pathway

201 articulation agreement with one or more state universities to
 202 establish "2+2" targeted pathway programs. The agreement must
 203 provide students who graduate with an associate in arts degree
 204 and who meet specified requirements guaranteed access to the
 205 state university and a degree program at that university, in
 206 accordance with the terms of the "2+2" targeted pathway
 207 articulation agreement.

208 (a) To participate in a "2+2" targeted pathway program, a
 209 student must:

210 1. Enroll in the program before completing 30 credit
 211 hours, including, but not limited to, college credits earned
 212 through articulated acceleration mechanisms pursuant to s.
 213 1007.27;

214 2. Complete an associate in arts degree; and

215 3. Meet the university's transfer requirements.

216 (b) A state university that executes a "2+2" targeted
 217 pathway articulation agreement must meet the following
 218 requirements in order to implement a "2+2" targeted pathway
 219 program in collaboration with its partner Florida Community
 220 College System institution:

221 1. Establish a 4-year on-time graduation plan for a
 222 baccalaureate degree program, including, but not limited to, a
 223 plan for students to complete associate in arts degree programs,
 224 general education courses, common prerequisite courses, and
 225 elective courses;

226 2. Advise students enrolled in the program about the
 227 university's transfer and degree program requirements; and

228 3. Provide students who meet the requirements under this
 229 paragraph with access to academic advisors and campus events and
 230 with guaranteed admittance to the state university and a degree
 231 program of the state university, in accordance with the terms of
 232 the agreement.

233 (c) To assist the state universities and Florida Community
 234 College institutions with implementing the "2+2" targeted
 235 pathway programs effectively, the State Board of Community
 236 Colleges and the Board of Governors shall collaborate to
 237 eliminate barriers in executing "2+2" targeted pathway
 238 articulation agreements.

239 Section 7. Subsection (2) of section 1007.27, Florida
 240 Statutes, is amended to read:

241 1007.27 Articulated acceleration mechanisms.-

242 (2)(a) The Department of Education shall annually identify
 243 and publish the minimum scores, maximum credit, and course or
 244 courses for which credit is to be awarded for each College Level
 245 Examination Program (CLEP) subject examination, College Board
 246 Advanced Placement Program examination, Advanced International
 247 Certificate of Education examination, International
 248 Baccalaureate examination, Excelsior College subject
 249 examination, Defense Activity for Non-Traditional Education
 250 Support (DANTES) subject standardized test, and Defense Language

251 Proficiency Test (DLPT). The department shall use student
 252 performance data in subsequent postsecondary courses to
 253 determine the appropriate examination scores and courses for
 254 which credit is to be granted. Minimum scores may vary by
 255 subject area based on available performance data. In addition,
 256 the department shall identify such courses in the general
 257 education core curriculum of each state university and Florida
 258 College System institution.

259 (b) Each district school board shall notify students who
 260 enroll in articulated acceleration mechanism courses or take
 261 examinations pursuant to this section of the credit-by-
 262 examination equivalency list adopted by rule by the State Board
 263 of Education and the dual enrollment course and high school
 264 subject area equivalencies approved by the state board pursuant
 265 to s. 1007.271(9).

266 Section 8. Paragraph (c) of subsection (5) of section
 267 1008.30, Florida Statutes, is amended to read:

268 1008.30 Common placement testing for public postsecondary
 269 education.—

270 (5)

271 (c) A university board of trustees may contract with a
 272 Florida College System institution board of trustees for the
 273 Florida College System institution to provide developmental
 274 education on the state university campus. Any state university
 275 in which the percentage of incoming students requiring

276 developmental education equals or exceeds the average percentage
 277 of such students for the Florida College System may offer
 278 developmental education without contracting with a Florida
 279 College System institution; however, any state university
 280 offering college-preparatory instruction as of January 1, 1996,
 281 may continue to provide developmental education instruction
 282 pursuant to s. 1008.02(1) ~~such services.~~

283 Section 9. Subsection (7) of section 1009.22, Florida
 284 Statutes, is amended to read:

285 1009.22 Workforce education postsecondary student fees.—

286 (7) Each district school board and Florida College System
 287 institution board of trustees is authorized to establish a
 288 separate fee for technology, not to exceed 5 percent of tuition
 289 per credit hour or credit-hour equivalent for resident students
 290 and not to exceed 5 percent of tuition and the out-of-state fee
 291 per credit hour or credit-hour equivalent for nonresident
 292 students. Revenues generated from the technology fee shall be
 293 used to enhance instructional technology resources for students
 294 and faculty and may ~~shall~~ not be included in an ~~any~~ award under
 295 the Florida Bright Futures Scholarship Program, except as
 296 authorized for the Florida Academic Scholars award under s.
 297 1009.534. Fifty percent of technology fee revenues may be
 298 pledged by a Florida College System institution board of
 299 trustees as a dedicated revenue source for the repayment of
 300 debt, including lease-purchase agreements, not to exceed the

301 useful life of the asset being financed. Revenues generated from
 302 the technology fee may not be bonded.

303 Section 10. Subsection (10) of section 1009.23, Florida
 304 Statutes, is amended to read:

305 1009.23 Florida College System institution student fees.—

306 (10) Each Florida College System institution board of
 307 trustees is authorized to establish a separate fee for
 308 technology, which may not exceed 5 percent of tuition per credit
 309 hour or credit-hour equivalent for resident students and may not
 310 exceed 5 percent of tuition and the out-of-state fee per credit
 311 hour or credit-hour equivalent for nonresident students.

312 Revenues generated from the technology fee shall be used to
 313 enhance instructional technology resources for students and
 314 faculty. The technology fee may apply to both college credit and
 315 developmental education and may ~~shall~~ not be included in an ~~any~~
 316 award under the Florida Bright Futures Scholarship Program,
 317 except as authorized for the Florida Academic Scholars award
 318 under s. 1009.534. Fifty percent of technology fee revenues may
 319 be pledged by a Florida College System institution board of
 320 trustees as a dedicated revenue source for the repayment of
 321 debt, including lease-purchase agreements, not to exceed the
 322 useful life of the asset being financed. Revenues generated from
 323 the technology fee may not be bonded.

324 Section 11. Subsection (13), paragraph (a) of subsection
 325 (15), and paragraph (b) of subsection (16) of section 1009.24,

326 Florida Statutes, are amended to read:

327 1009.24 State university student fees.—

328 (13) Each university board of trustees may establish a
 329 technology fee of up to 5 percent of the tuition per credit
 330 hour. The revenue from this fee shall be used to enhance
 331 instructional technology resources for students and faculty. The
 332 technology fee may not be included in an ~~any~~ award under the
 333 Florida Bright Futures Scholarship Program established pursuant
 334 to ss. 1009.53-1009.538, except as authorized for the Florida
 335 Academic Scholars award under s. 1009.534.

336 (15)(a) The Board of Governors may approve:

337 1. A proposal from a university board of trustees to
 338 establish a new student fee that is not specifically authorized
 339 by this section.

340 2. A proposal from a university board of trustees to
 341 increase the current cap for an existing fee authorized pursuant
 342 to paragraphs (14)(a)-(g).

343 3. A proposal from a university board of trustees to
 344 implement flexible tuition policies, such as undergraduate or
 345 graduate block tuition, block tuition differential, or market
 346 tuition rates for graduate-level online courses or graduate-
 347 level courses offered through a university's continuing
 348 education program. A block tuition policy for resident
 349 undergraduate students or undergraduate-level courses must ~~shall~~
 350 be adopted by each university board of trustees for

351 implementation by the fall 2018 academic semester and must be
 352 based on the per-credit-hour undergraduate tuition established
 353 under subsection (4). A block tuition policy for nonresident
 354 undergraduate students must ~~shall~~ be adopted by each university
 355 board of trustees for implementation by the fall 2018 academic
 356 semester and must be based on the per-credit-hour undergraduate
 357 tuition and out-of-state fee established under subsection (4).
 358 Flexible tuition policies, including block tuition, may not
 359 increase the state's fiscal liability or obligation.

360 (16) Each university board of trustees may establish a
 361 tuition differential for undergraduate courses upon receipt of
 362 approval from the Board of Governors. However, beginning July 1,
 363 2014, the Board of Governors may only approve the establishment
 364 of or an increase in tuition differential for a state research
 365 university designated as a preeminent state research university
 366 pursuant to s. 1001.7065(3). The tuition differential shall
 367 promote improvements in the quality of undergraduate education
 368 and shall provide financial aid to undergraduate students who
 369 exhibit financial need.

370 (b) Each tuition differential is subject to the following
 371 conditions:

372 1. The tuition differential may be assessed on one or more
 373 undergraduate courses or on all undergraduate courses at a state
 374 university.

375 2. The tuition differential may vary by course or courses,

376 by campus or center location, and by institution. Each
 377 university board of trustees shall strive to maintain and
 378 increase enrollment in degree programs related to math, science,
 379 high technology, and other state or regional high-need fields
 380 when establishing tuition differentials by course.

381 3. For each state university that is designated as a
 382 preeminent state research university by the Board of Governors,
 383 pursuant to s. 1001.7065, the aggregate sum of tuition and the
 384 tuition differential may be increased by no more than 6 percent
 385 of the total charged for the aggregate sum of these fees in the
 386 preceding fiscal year. The tuition differential may be increased
 387 if the university meets or exceeds performance standard targets
 388 for that university established annually by the Board of
 389 Governors for the following performance standards, amounting to
 390 no more than a 2-percent increase in the tuition differential
 391 for each performance standard:

392 a. An increase in the 4-year ~~6-year~~ graduation rate for
 393 full-time, first-time-in-college students, as calculated by the
 394 Board of Governors ~~reported annually to the Integrated~~
 395 ~~Postsecondary Education Data System.~~

396 b. An increase in the total annual research expenditures.

397 c. An increase in the total patents awarded by the United
 398 States Patent and Trademark Office for the most recent years.

399 4. The aggregate sum of undergraduate tuition and fees per
 400 credit hour, including the tuition differential, may not exceed

401 the national average of undergraduate tuition and fees at 4-year
 402 degree-granting public postsecondary educational institutions.

403 5. The tuition differential shall not be included in an
 404 ~~any~~ award under the Florida Bright Futures Scholarship Program
 405 established pursuant to ss. 1009.53-1009.538, except as
 406 authorized for the Florida Academic Scholars award under s.
 407 1009.534.

408 6. Beneficiaries having prepaid tuition contracts pursuant
 409 to s. 1009.98(2)(b) which were in effect on July 1, 2007, and
 410 which remain in effect, are exempt from the payment of the
 411 tuition differential.

412 7. The tuition differential may not be charged to any
 413 student who was in attendance at the university before July 1,
 414 2007, and who maintains continuous enrollment.

415 8. The tuition differential may be waived by the
 416 university for students who meet the eligibility requirements
 417 for the Florida public student assistance grant established in
 418 s. 1009.50.

419 9. Subject to approval by the Board of Governors, the
 420 tuition differential authorized pursuant to this subsection may
 421 take effect with the 2009 fall term.

422 Section 12. Subsection (2) of section 1009.534, Florida
 423 Statutes, is amended to read:

424 1009.534 Florida Academic Scholars award.—

425 (2) A Florida Academic Scholar who is enrolled in a

426 certificate, diploma, associate, or baccalaureate degree program
 427 at a public or nonpublic postsecondary education institution is
 428 eligible, beginning in the fall 2017 academic semester, for an
 429 award equal to the amount required to pay 100 percent of tuition
 430 and fees established under ss. 1009.22(3), (5), (6), and (7);
 431 1009.23(3), (4), (7), (8), (10), and (11); and 1009.24(4), (7)-
 432 (13), (14)(r), and (16), as applicable, and is eligible for an
 433 additional \$300 each fall and spring academic semester or the
 434 equivalent for textbooks and college-related ~~specified in the~~
 435 ~~General Appropriations Act to assist with the payment of~~
 436 ~~educational~~ expenses.

437 Section 13. Subsection (2) of section 1009.701, Florida
 438 Statutes, is amended to read:

439 1009.701 First Generation Matching Grant Program.—

440 (2) Funds appropriated by the Legislature for the program
 441 shall be allocated by the Office of Student Financial Assistance
 442 to match private contributions at a ratio of \$2 of state
 443 funds to \$1 of private contributions ~~dollar-for-dollar basis.~~

444 Contributions made to a state university and pledged for the
 445 purposes of this section are eligible for state matching funds
 446 appropriated for this program and are not eligible for any other
 447 state matching grant program. Pledged contributions are not
 448 eligible for matching prior to the actual collection of the
 449 total funds. The Office of Student Financial Assistance shall
 450 reserve a proportionate allocation of the total appropriated

451 funds for each state university on the basis of full-time
 452 equivalent enrollment. Funds that remain unmatched as of
 453 December 1 shall be reallocated to state universities that have
 454 remaining unmatched private contributions for the program on the
 455 basis of full-time equivalent enrollment.

456 Section 14. Section 1009.89, Florida Statutes, is amended
 457 to read:

458 1009.89 The William L. Boyd, IV, Effective Access to
 459 Student Education ~~Florida resident access~~ grants.-

460 (1) The Legislature finds and declares that independent
 461 nonprofit colleges and universities eligible to participate in
 462 the William L. Boyd, IV, Effective Access to Student Education
 463 ~~Florida Resident Access~~ Grant Program are an integral part of
 464 the higher education system in this state and that a significant
 465 number of state residents choose this form of higher education.
 466 The Legislature further finds that a strong and viable system of
 467 independent nonprofit colleges and universities reduces the tax
 468 burden on the citizens of the state. Because the William L.
 469 Boyd, IV, Effective Access to Student Education ~~Florida Resident~~
 470 ~~Access~~ Grant Program is not related to a student's financial
 471 need or other criteria upon which financial aid programs are
 472 based, it is the intent of the Legislature that the William L.
 473 Boyd, IV, Effective Access to Student Education ~~Florida Resident~~
 474 ~~Access~~ Grant Program not be considered a financial aid program
 475 but rather a tuition assistance program for its citizens.

476 (2) The William L. Boyd, IV, Effective Access to Student
 477 Education ~~Florida Resident Access~~ Grant Program shall be
 478 administered by the Department of Education. The State Board of
 479 Education shall adopt rules for the administration of the
 480 program.

481 (3) The department shall issue through the program a
 482 William L. Boyd, IV, Effective Access to Student Education
 483 ~~Florida resident access~~ grant to any full-time degree-seeking
 484 undergraduate student registered at an independent nonprofit
 485 college or university which is located in and chartered by the
 486 state; which is accredited by the Commission on Colleges of the
 487 Southern Association of Colleges and Schools; which grants
 488 baccalaureate degrees; which is not a state university or
 489 Florida College System institution; and which has a secular
 490 purpose, so long as the receipt of state aid by students at the
 491 institution would not have the primary effect of advancing or
 492 impeding religion or result in an excessive entanglement between
 493 the state and any religious sect. Any independent college or
 494 university that was eligible to receive tuition vouchers on
 495 January 1, 1989, and which continues to meet the criteria under
 496 which its eligibility was established, shall remain eligible to
 497 receive William L. Boyd, IV, Effective Access to Student
 498 Education ~~Florida resident access~~ grant payments.

499 (4) A person is eligible to receive such William L. Boyd,
 500 IV, Effective Access to Student Education ~~Florida resident~~

501 ~~access~~ grant if:

502 (a) He or she meets the general requirements, including
 503 residency, for student eligibility as provided in s. 1009.40,
 504 except as otherwise provided in this section; and

505 (b)1. He or she is enrolled as a full-time undergraduate
 506 student at an eligible college or university;

507 2. He or she is not enrolled in a program of study leading
 508 to a degree in theology or divinity; and

509 3. He or she is making satisfactory academic progress as
 510 defined by the college or university in which he or she is
 511 enrolled.

512 (5)(a) Funding for the William L. Boyd, IV, Effective
 513 Access to Student Education ~~Florida Resident Access Grant~~
 514 Program for eligible institutions shall be as provided in the
 515 General Appropriations Act. The William L. Boyd, IV, Effective
 516 Access to Student Education ~~Florida resident access grant~~ may be
 517 paid on a prorated basis in advance of the registration period.
 518 The department shall make such payments to the college or
 519 university in which the student is enrolled for credit to the
 520 student's account for payment of tuition and fees. Institutions
 521 shall certify to the department the amount of funds disbursed to
 522 each student and shall remit to the department any undisbursed
 523 advances or refunds within 60 days of the end of regular
 524 registration. A student is not eligible to receive the award for
 525 more than 9 semesters or 14 quarters, except as otherwise

526 provided in s. 1009.40(3).

527 (b) If the combined amount of the William L. Boyd, IV,
 528 Effective Access to Student Education ~~Florida resident access~~
 529 grant issued pursuant to this act and all other scholarships and
 530 grants for tuition or fees exceeds the amount charged to the
 531 student for tuition and fees, the department shall reduce the
 532 William L. Boyd, IV, Effective Access to Student Education
 533 ~~Florida resident access~~ grant issued pursuant to this act by an
 534 amount equal to such excess.

535 (6) If the number of eligible students exceeds the total
 536 authorized in the General Appropriations Act, an institution may
 537 use its own resources to assure that each eligible student
 538 receives the full benefit of the grant amount authorized.

539 Section 15. Subsections (2), (4), and (5) of section
 540 1009.893, Florida Statutes, are amended to read:

541 1009.893 Benacquisto Scholarship Program.—

542 (2) The Benacquisto Scholarship Program is created to
 543 reward a ~~any Florida~~ high school graduate who receives
 544 recognition as a National Merit Scholar or National Achievement
 545 Scholar and who initially enrolls in the 2014-2015 academic year
 546 or, later, in a baccalaureate degree program at an eligible
 547 Florida public or independent postsecondary educational
 548 institution.

549 (4) In order to be eligible for an award under the
 550 scholarship program, a student must meet the requirements of

551 paragraph (a) or paragraph (b).+

552 (a) A student who is a resident of the state, ~~Be a state~~
 553 ~~resident~~ as determined in s. 1009.40 and rules of the State
 554 Board of Education, must:+

555 1.~~(b)~~ Earn a standard Florida high school diploma or its
 556 equivalent pursuant to s. 1002.3105, s. 1003.4281, s. 1003.4282,
 557 or s. 1003.435 unless:

558 a.~~1.~~ The student completes a home education program
 559 according to s. 1002.41; or

560 b.~~2.~~ The student earns a high school diploma from a non-
 561 Florida school while living with a parent who is on military or
 562 public service assignment out of this state;

563 2.~~(e)~~ Be accepted by and enroll in a Florida public or
 564 independent postsecondary educational institution that is
 565 regionally accredited; and

566 3.~~(d)~~ Be enrolled full-time in a baccalaureate degree
 567 program at an eligible regionally accredited Florida public or
 568 independent postsecondary educational institution during the
 569 fall academic term following high school graduation.

570 (b) A student who initially enrolls in a baccalaureate
 571 degree program in the 2017-2018 academic year or later and who
 572 is not a resident of this state, as determined pursuant to s.
 573 1009.40 and rules of the State Board of Education, must:

574 1. Physically reside in this state on or near the campus
 575 of the postsecondary educational institution in which the

576 student is enrolled;

577 2. Earn a high school diploma from a school outside
 578 Florida which is comparable to a standard Florida high school
 579 diploma or its equivalent pursuant to s. 1002.3105, s.
 580 1003.4281, s. 1003.4282, or s. 1003.435 or must complete a home
 581 education program in another state; and

582 3. Be accepted by and enrolled full-time in a
 583 baccalaureate degree program at an eligible regionally
 584 accredited Florida public or independent postsecondary
 585 educational institution during the fall academic term following
 586 high school graduation.

587 (5)(a)1. An eligible student who meets the requirements of
 588 paragraph (4)(a), who is a National Merit Scholar or National
 589 Achievement Scholar, and who attends a Florida public
 590 postsecondary educational institution shall receive a
 591 scholarship award equal to the institutional cost of attendance
 592 minus the sum of the student's Florida Bright Futures
 593 Scholarship and National Merit Scholarship or National
 594 Achievement Scholarship.

595 2. An eligible student who meets the requirements under
 596 paragraph (4)(b), who is a National Merit Scholar, and who
 597 attends a Florida public postsecondary educational institution
 598 shall receive a scholarship award equal to the institutional
 599 cost of attendance for a resident of this state less the
 600 student's National Merit Scholarship. Such student is exempt

601 from the payment of out-of-state fees.

602 (b) An eligible student who is a National Merit Scholar or
 603 National Achievement Scholar and who attends a Florida
 604 independent postsecondary educational institution shall receive
 605 a scholarship award equal to the highest cost of attendance for
 606 a resident of this state enrolled at a Florida public
 607 university, as reported by the Board of Governors of the State
 608 University System, minus the sum of the student's Florida Bright
 609 Futures Scholarship and National Merit Scholarship or National
 610 Achievement Scholarship.

611 Section 16. The Division of Law Revision and Information
 612 is directed to prepare a reviser's bill for the 2018 Regular
 613 Session to substitute the term "Effective Access to Student
 614 Education Grant Program" for "Florida Resident Access Grant
 615 Program" and the term "Effective Access to Student Education
 616 grant" for "Florida resident access grant" wherever those terms
 617 appear in the Florida Statutes.

618 Section 17. This act shall take effect July 1, 2017.

HOUSE OF REPRESENTATIVES STAFF ANALYSIS

BILL #: HB 845 Direct-support Organization for the Florida Prepaid Tuition Scholarship Program
SPONSOR(S): Mariano
TIED BILLS: None. **IDEN./SIM. BILLS:** SB 896

REFERENCE	ACTION	ANALYST	STAFF DIRECTOR or BUDGET/POLICY CHIEF
1) Post-Secondary Education Subcommittee		McAlarney DM	Bishop HRB
2) Higher Education Appropriations Subcommittee			
3) Education Committee			

SUMMARY ANALYSIS

Direct-support organizations (DSO) are statutorily created entities that are generally required to be non-profit corporations and are authorized to carry out specific tasks in support of public entities or public causes. The functions and purpose of a DSO is prescribed by its enacting statute and also, for most, by a written contract with the agency the DSO was created to support. In 2014, the Legislature passed a bill that required DSOs statutory authority to be repealed.

The Florida Prepaid College Foundation, Inc. (Florida Prepaid) DSO is a not-for-profit corporation created by the Florida Legislature in 1989. Its purpose is to give students the opportunity to build a better future for themselves and the state by providing college scholarships funded through partnerships with individuals, businesses, educational foundations, and the Florida Legislature.

The statutory authority for the Florida Prepaid DSO is scheduled for repeal on October 1, 2017, unless reviewed and saved from repeal by the Legislature.

This bill amends s. 1009.983 (9), F.S., saving from repeal the Florida Prepaid DSO.

This bill has an effective date of July 1, 2017.

FULL ANALYSIS

I. SUBSTANTIVE ANALYSIS

A. EFFECT OF PROPOSED CHANGES:

Present Situation

Direct-Support Organizations

Direct-support organizations (DSO) are statutorily created entities that are generally required to be non-profit corporations and are authorized to carry out specific tasks in support of public entities or public causes. The functions and purpose of a DSO is prescribed by its enacting statute and also, for most, by a written contract with the agency the DSO was created to support.

Prior to 2014, there was no formal review process in law to determine whether a DSO was established pursuant to such authorization, or whether the rationale for the authorization remained applicable.

Chapter 2014-96, Laws of Florida¹ established reporting and transparency requirements for each DSO that is created or authorized pursuant to law or executive order and created, approved or administered by a state agency. The DSO must report information related to its organization, mission, and finances to the agency it was created to support by August 1 of each year.² Specifically, a DSO must provide:³

- The name, mailing address, telephone number, and website address of the organization;
- The statutory authority or executive order that created the DSO;
- A brief description of the mission of, and results obtained by, the organization;
- A brief description of the organization's plans for the next three fiscal years;
- A copy of the organization's code of ethics; and
- A copy of the organization's most recent federal Internal Revenue Service Return of Organization Exempt from Income Tax form (Form 990).

Each agency receiving the above information from a DSO must make the information available to the public through the agency's website. If the DSO maintains a website, the agency's website must provide a link to the DSO's website.⁴ Additionally, any contract between an agency and a DSO must be contingent upon the DSO's submission and posting of this information.⁵ If a DSO fails to submit the required information for two consecutive years, the agency is required to terminate the contract between the agency and the DSO.⁶

By August 15 of each year, each agency must report to the Governor, the President of the Senate, the Speaker of the House of Representatives, and the Office of Program Policy Analysis and Government Accountability the information provided by the DSO. The report must also include a recommendation by the agency, with supporting rationale, to continue, terminate, or modify the agency's association with each organization.⁷

¹ Section 20.058, F.S.

² Section 20.058(1), F.S.

³ Section 20.058(1)(a)-(f), F.S.

⁴ Section 20.058(2), F.S.

⁵ Section 20.058(4), F.S.

⁶ *Id.*

⁷ Section 20.058(3), F.S.

Lastly, a law creating, or authorizing the creation of, a DSO must state that the creation of or authorization for the DSO is repealed on October 1 of the 5th year after enactment, unless reviewed and saved from repeal through reenactment by the Legislature. DSOs in existence on July 1, 2014, must be reviewed by the Legislature by July 1, 2019.

DSO Audit Requirements

DSOs with annual expenditures in excess of \$100,000 that are administered by a state agency are statutorily-required to provide for an annual financial audit of accounts and records to be conducted by an independent certified public accountant. Such audit report is submitted by the DSO within nine months after the end of the fiscal year to the Auditor General and to the state agency responsible for its creation, administration, or approval.⁸

Additionally, the Auditor General may, pursuant to his or her own authority, or at the direction of the Legislative Auditing Committee, conduct audits or other engagements of the DSO's accounts and records.⁹ The Auditor General is authorized to require and receive any records from the DSO, or from its independent auditor.¹⁰

DSO Ethics Code Requirements

Section 112.3251, F.S., requires a DSO created or authorized pursuant to law to adopt its own ethics code. The ethics code must contain the specified standards of conduct and disclosures provided in s. 112.313, F.S. and s. 112.3143(2), F.S. A DSO may adopt additional or more stringent standards of conduct and disclosure requirements and must conspicuously post its code of ethics on its website.¹¹

Florida Prepaid Tuition Scholarship Program

The Florida Prepaid Tuition Scholarship Program was established to provide economically disadvantaged youth with prepaid postsecondary tuition scholarships. The DSO works with the Department of Education (DOE)¹² to:

1. Provide an incentive for economically disadvantaged youth to improve school attendance and academic performance in order to graduate and pursue a postsecondary education;¹³
2. Obtain the commitment and involvement of private sector entities by virtue of funding matches with a ratio of 50 percent provided by the private sector and 50 percent provided by the state;¹⁴ and
3. Purchase prepaid tuition scholarships for students certified by the DOE as meeting minimum economic and school requirements and remain drug free and crime free.¹⁵

Florida Prepaid College Foundation, Inc.

The Florida Prepaid College Foundation, Inc. (Florida Prepaid) DSO was created in 1989 as the DSO of the Florida Prepaid College Board. The Florida Prepaid DSO is focused on giving aspiring students the opportunity to build a better future for themselves and Florida by providing college scholarships funded through partnerships with individuals, businesses, educational foundations, and the Florida Legislature.¹⁶

⁸ Section 215.981, F.S.

⁹ Section 11.45(3), F.S.

¹⁰ Section 11.45(3) (d), F.S.

¹¹ Section 112.3251, F.S.

¹² Section 1009.984, F.S.

¹³ *Id.* at (1).

¹⁴ *Id.* at (2).

¹⁵ *Id.* at (3).

¹⁶ Florida Department of Education, *Annual Report to the Commissioner 2015-2016*,

<http://www.floridastudentfinancialaid.org/SSFAD/pdf/annualreportcurrent.pdf> (last visited Mar. 15, 2017).

The Florida Prepaid DSO administers the Florida Prepaid Tuition Scholarship Program pursuant to the provisions of s. 1009.984, F.S.¹⁷

The Florida Prepaid DSO provides businesses, community groups, and individuals the opportunity to fund tax-deductible college scholarships for Florida children. The donor may select the student and establish the scholarship criteria, subject to the DSO's approval.¹⁸

To fund these scholarships, the foundation receives an annual appropriation from the Florida Legislature and funding from community partners including other foundations, school districts, businesses, organizations, and individuals. The foundation may provide matching funds or the partner may underwrite the entire scholarship. Contributions to the foundation may be tax-deductible.¹⁹

The Stanley Tate Project STARS (Scholarship Tuition for At-Risk Students) scholarship program, the DSO's most notable project, is a program for children from low-income families who are at risk of dropping out of school. Many of these children are the first in their families to have the opportunity to attend college. Students must maintain satisfactory academic progress and remain drug- and crime-free to receive a prepaid scholarship upon high school graduation. Since the Stanley Tate Project STARS scholarship program began, 29,000 scholarships have been awarded to low-income students at risk of dropping out of school, and who otherwise might not have had the opportunity to attend college.²⁰

If the Florida Prepaid DSO is repealed, all properties revert to the Florida Prepaid College Board or to the state if the board ceases to exist.²¹

This section of law is repealed on October 1, 2017, unless reviewed and saved from repeal by the Legislature.²²

The DSO has met the following statutory requirements:

1. The DSO is required to incorporate as a Not-for-Profit Corporation (s. 1009.983 (1) (a), F.S.; ch. 617)

The DSO is listed as an active Florida Not-for-Profit Corporation with the Florida Division of Corporations. All annual reports have been filed going back to April 5, 1995. A copy of all annual reports is available online.²³

2. The DSO is required to be organized and operated exclusively to receive, hold, invest, and administer property and to make expenditures to or for the benefit of the board. (s. 1009.983 (1) (b), F.S.)

The DSO appears to be organized and operated in this manner and has met this requirement.²⁴

¹⁷ Section 1009.983 (8) (a), F.S.

¹⁸ *Id.*

¹⁹ *Id.*

²⁰ *Id.*

²¹ Section 1009.983 (2) (d), F.S.

²² Section 1009.983 (9), F.S.

²³ Florida Division of Corporations, *Search Records, Detail by Entity Name*,

<http://search.sunbiz.org/Inquiry/CorporationSearch/SearchResultDetail?inquirytype=EntityName&directionType=Initial&searchNameOrder=FLORIDAPREPAIDCOLLEGEFOUNDATIO%20N353070&aggregateId=domnp-n35307-f4bbb7a4-2964-48c1-91c1-0462741579f9&searchTerm=Florida%20Prepaid%20College%20Foundation&listNameOrder=FLORIDAPREPAIDCOLLEGEFOUNDATIO%20N353070> (last visited Mar. 15, 2017)

²⁴ Florida Prepaid College Foundation, *About the Foundation*, <https://www.floridaprepaidcollegefoundation.com/about.aspx> (last visited Mar. 15, 2017)

3. The DSO is required to be operating in a manner consistent with the goals of the board and in the best interests of the state. (s. 1009.983 (1) (c), F.S.)

The DSO appears to have met this requirement.²⁵ The DSO has committed to giving aspiring students the opportunity to build a better future for themselves and our state by providing college scholarships funded through partnerships with individuals, businesses, educational foundations and the Florida Legislature. The Stanley Tate Project STARS (Scholarship Tuition for At-Risk Students) scholarship program is the Foundation's hallmark program and annually receives an appropriation from the Legislator which is then matched with local organizations like Take Stock in Children and Education Foundations.

Since the Stanley Tate Project STARS scholarship program began, 32,546 scholarships have been awarded to low-income students at risk of dropping out of school, and who otherwise might not have had the opportunity to attend college. Annually the DSO supports approximately 50 local 501(c)(3) organizations from around the state to purchase approximately 1,500 scholarships for students in their community. Many of these students would not otherwise have the opportunity to go to college and all are required to meet with a mentor, meet academic standards, and graduate from high school.²⁶

During fiscal year 2015/2016, the DSO received more than \$20,000,000 in contributions to purchase scholarships, including the annual appropriation of \$7,000,000 for Project STARS. In addition, the Foundation had revenues in the amount of more than \$143,000 and expenses totaling more than \$253,000.²⁷

4. For each year the DSO's expenditures exceed \$100,000, it must provide for an annual financial audit and submit the audit to the Auditor General within nine months after the end of the fiscal year (s. 1009.983 (3), F.S.)

The DSO has met this requirement. Each year the DSO is audited by an independent auditor. Annual audits from 2010 – 2016 are posted on their website.²⁸

Effect of Proposed Changes

This bill eliminates s. 1009.983 (9), F.S., which sunsets the Florida Prepaid DSO unless it is reviewed and saved from repeal by the Legislature. This enables the DSO to remain in existence, thereby allowing it to continue providing assistance and services to Florida's students and parents.

B. SECTION DIRECTORY:

Section 1. Amends s., 1009.983 (9) F.S., saving from repeal the Florida Prepaid Foundation of Florida, Inc. direct-support organization. The DSO is scheduled for repeal on October 1, 2017, unless saved from repeal by the Legislature.

Section 2. Provides an effective date of July 1, 2017.

²⁵Florida Prepaid College Foundation, *Annual Report 2015, Foundation Facts*, p. 2, http://www.itppv.com/documents/pdf/foundation_2015_annual_report_web.pdf (last visited Mar. 1, 2017).

²⁶ Email from Casey Fisher, Foundation Manager, Florida Prepaid College Foundation, RE: Talking Points for the DSO Extension, answering a question from Representative Amber Mariano's Legislative Assistant Lisa Kauffman regarding how the DSO uses state dollars related to the DSO's mission and how much money flows through the DSO (Mar. 7, 2017).

²⁷ *Id.*

²⁸ Florida Prepaid College Foundation, *Financial Statements*, <https://www.floridaprepaidcollegefoundation.com/about-financial-statements.aspx> (last visited Mar. 15, 2017).

II. FISCAL ANALYSIS & ECONOMIC IMPACT STATEMENT

A. FISCAL IMPACT ON STATE GOVERNMENT:

1. Revenues:

This bill does not affect appropriations for this DSO. The 2015 Florida Legislature appropriated \$7,000,000 to the Florida Prepaid College Foundation for 2015-16, which was received by the Florida Department of Education, Office of Student Financial Assistance, and provided to the foundation for scholarships.

2. Expenditures:

None.

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.

1 A bill to be entitled
2 An act relating to the direct-support organization for
3 the Florida Prepaid Tuition Scholarship Program;
4 amending s. 1009.983, F.S.; extending the repeal date
5 of the direct-support organization for the Florida
6 Prepaid Tuition Scholarship Program; providing an
7 effective date.

8
9 Be It Enacted by the Legislature of the State of Florida:

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 Section 1. Subsection (9) of section 1009.983, Florida
Statutes, is amended to read:

 1009.983 Direct-support organization; authority.—

 (9) This section is repealed October 1, 2022 ~~2017~~, unless
reviewed and saved from repeal by the Legislature.

 Section 2. This act shall take effect July 1, 2017.

HOUSE OF REPRESENTATIVES STAFF ANALYSIS

BILL #: HB 1085 Florida Keys Community College

SPONSOR(S): Raschein

TIED BILLS: None. **IDEN./SIM. BILLS:** None.

REFERENCE	ACTION	ANALYST	STAFF DIRECTOR or BUDGET/POLICY CHIEF
1) Post-Secondary Education Subcommittee		McAlarney DM	Bishop HRB
2) Higher Education Appropriations Subcommittee			
3) Education Committee			

SUMMARY ANALYSIS

This bill changes the name of "Florida Keys Community College" to "College of the Florida Keys". The institution has met all statutory requirements for the name change.

The fiscal impact of the bill is indeterminate.

The bill has an effective date of July 1, 2017.

FULL ANALYSIS

I. SUBSTANTIVE ANALYSIS

A. EFFECT OF PROPOSED CHANGES:

Present Situation

With the approval of its district board of trustees, a Florida College System institution may change the name of the institution as listed in s. 1000.21 (3), F.S., and use the designation “college” or “state college” if it has been authorized to grant baccalaureate degrees and has been accredited as a baccalaureate-degree-granting institution by the Southern Association of Colleges and Schools Commission on Colleges (SACSCOC).¹ A district board of trustees that approves the use of the designation “college” or “state college” must seek statutory codification of the name change during the next regular legislative session.²

Florida Keys Community College has met the statutory requirements for a name change.³ The college is accredited by the SACSCOC to award associate degrees⁴ and a Bachelor of Applied Science in Supervision and Management.⁵

On January 6, 2016, Florida’s State Board of Education unanimously approved Florida Keys Community College’s proposal to offer its first baccalaureate degree at their monthly meeting in Tallahassee.⁶ On December 4, 2016, the SACSCOC accredited the college to offer the Bachelor of Applied Science in Supervision and Management effective January 2017.⁷

Effect of Proposed Changes

The bill amends s. 1000.21 (3) (h), F.S., changing the name of “Florida Keys Community College” to “College of the Florida Keys”. The college has complied with the statutory requirements for name changes.

B. SECTION DIRECTORY:

Section 1. Amends s. 1000.21 (3) (h) changing the name of Florida Keys Community College to College of the Florida Keys.

Section 2. Provides an effective date of July 1, 2017.

¹ Section 1001.60(2)(b)1., F.S.

² Section 1001.60(2)(c), F.S.

³ Section 1001.60(2)(b)1., F.S.

⁴ <https://www.fkcc.edu/about/statement-of-accreditation/> (last visited 3/9/17).

⁵ Southern Association of Colleges and Schools, Commission on Colleges, Accreditation Actions Taken by the SACSCOC Board of Trustees, Dec. 4, 2016; p. 2; <http://www.sacscoc.org/2016decActionsanddisclosurestatements/16cract.december.pdf> (last visited Mar. 9, 2017); <https://www.fkcc.edu/academics/bachelors-degree-supervision-management/> (last visited 3/9/17)

⁶ <http://www.fldoe.org/core/fileparse.php/13170/urlt/agenda.pdf>; Jan. 6, 2016, <https://www.fkcc.edu/2016/01/bachelors-degree-approved-by-state-board/> (last visited Mar. 9, 2017)

⁷ Southern Association of Colleges and Schools, Commission on Colleges, Accreditation Actions Taken by the SACSCOC Board of Trustees, Dec. 4, 2016; p. 2; <http://www.sacscoc.org/2016decActionsanddisclosurestatements/16cract.december.pdf> (last visited Mar. 9, 2017)

II. FISCAL ANALYSIS & ECONOMIC IMPACT STATEMENT

A. FISCAL IMPACT ON STATE GOVERNMENT:

1. Revenues:

None.

2. Expenditures:

None.

B. FISCAL IMPACT ON LOCAL GOVERNMENTS:

1. Revenues:

None.

2. Expenditures:

There are costs associated with an institutional name change including signage, publications, documentation, and other related items; however, such costs are indeterminate.

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.

1 A bill to be entitled
 2 An act relating to Florida Keys Community College;
 3 amending s. 1000.21, F.S.; changing the name of
 4 Florida Keys Community College to "The College of the
 5 Florida Keys"; providing an effective date.

6
 7 Be It Enacted by the Legislature of the State of Florida:

8
 9 Section 1. Paragraph (h) of subsection (3) of section
 10 1000.21, Florida Statutes, is amended to read:

11 1000.21 Systemwide definitions.—As used in the Florida K-
 12 20 Education Code:

13 (3) "Florida College System institution" except as
 14 otherwise specifically provided, includes all of the following
 15 public postsecondary educational institutions in the Florida
 16 College System and any branch campuses, centers, or other
 17 affiliates of the institution:

18 (h) The College of the Florida Keys ~~Community College~~,
 19 which serves Monroe County.

20 Section 2. This act shall take effect July 1, 2017.

HOUSE OF REPRESENTATIVES STAFF ANALYSIS

BILL #: HB 1139 Minority Teacher Education Scholars
SPONSOR(S): Davis
TIED BILLS: None. **IDEN./SIM. BILLS:** SB 1422

REFERENCE	ACTION	ANALYST	STAFF DIRECTOR or BUDGET/POLICY CHIEF
1) Post-Secondary Education Subcommittee		McAlarney DM	Bishop HRB
2) Higher Education Appropriations Subcommittee			
3) Education Committee			

SUMMARY ANALYSIS

The Minority Teacher Education Scholars Program (scholarship program) is a collaborative performance-based scholarship program for African-American, Hispanic-American, Asian-American, and Native American students. The scholarship program provides an annual scholarship in an amount that must be prorated based on available appropriations; the award may not exceed \$4,000. Awards are available to approved minority teacher education scholars who are enrolled in a Florida public or private postsecondary institution in their junior year and who are admitted into a teacher education program.

The bill:

- Revises the eligibility requirements for the scholarship program by removing a requirement that students enrolled in an approved teacher education program must be in their junior year to be eligible for the award, and requires that the student may not have earned more than 18 credit hours of upper-division education courses.
- Allows students to use the scholarship to pursue a graduate degree with a major in education.

The bill has an effective date of July 1, 2017.

FULL ANALYSIS

I. SUBSTANTIVE ANALYSIS

A. EFFECT OF PROPOSED CHANGES:

Minority Teacher Education Scholars Program

Present Situation

The Minority Teacher Education Scholars Program (scholarship program) is a collaborative performance-based scholarship program for African-American, Hispanic-American, Asian-American, and Native American students. The scholarship program provides an annual scholarship in an amount that must be prorated based on available appropriation and may not exceed \$4,000 for each recipient who is enrolled in one of Florida's public or private universities or Florida College System (FCS) institutions in their junior year and is admitted into a teacher education program.¹

The Florida Fund for Minority Teachers, Inc. and (corporation) is a not-for-profit statutory corporation housed within the College of Education at the University of Florida that administers and manages the scholarship program.

A student may receive a scholarship for three consecutive years, if the student remains enrolled full-time in the scholarship program and makes satisfactory progress toward a baccalaureate degree with a major in education.

An eligible student is required to:²

- Meet Florida residency requirements for receipt of state student financial aid;
- Have earned 60 credit hours or an Associate of Arts degree;
- Have not earned a baccalaureate degree in education;
- Be classified as a junior and have not exceeded 18 hours of upper-division education credit at the time of application;
- Have and maintain a minimum 2.5 grade point average;
- Be a member of one of the following ethnic groups: African-American/Black, Hispanic-Latino, Asian-American/Pacific Islander or American Indian/Alaskan native; and
- Be newly admitted into a teacher education program at any of the scholarship program's participating institutions.

Upon graduation, a recipient is required to teach one year in a Florida public school for each year the scholarship was received. If a recipient does not graduate within the two to three years of receiving scholarship funding, or if a recipient does not teach in a Florida public school, the recipient will be required to repay the total amount of the scholarship received at an annual interest rate of eight percent, paid within ten years.³

¹ s. 1009.60(1), F.S.

² Florida Department of Education, Office of Student Financial Assistance, *Annual Report to the Commissioner 2015-16 (Jan. 2017)*, p. 45; <http://www.floridastudentfinancialaid.org/SSFAD/pdf/annualreportcurrent.pdf> (last visited Mar. 9, 2017).

³ Florida Department of Education, Office of Student Financial Assistance, *Minority Teacher Education Scholarship Florida Fund for Minority Teachers, Inc., 2016-2017 Fact Sheet*, pp. 2-3; <http://www.floridastudentfinancialaid.org/SSFAD/factsheets/FFMT.pdf> (last visited 3/9/17).

Effect of Proposed Changes

The bill revises the eligibility requirements for the scholarship program by removing a requirement that students enrolled in an approved teacher education program must be in their junior year to be eligible for the award, and requires that the student may not have earned more than 18 credit hours of upper-division education courses. The bill also allows a student to use the scholarship to pursue a graduate degree with a major in education.

B. SECTION DIRECTORY:

Section 1. Amends s. 1009.60, F.S., revising eligibility criteria for receipt of a minority teacher education scholarship.

Section 2. Amends s. 1009.605, F.S. revising the eligibility requirements for new scholarships and scholarship renewals.

Section 3. Provides an effective date of July 1, 2017.

II. FISCAL ANALYSIS & ECONOMIC IMPACT STATEMENT

A. FISCAL IMPACT ON STATE GOVERNMENT:

1. Revenues:

None.

2. Expenditures:

None.

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.

1 A bill to be entitled
 2 An act relating to minority teacher education
 3 scholars; amending s. 1009.60, F.S.; revising
 4 eligibility criteria for receipt of a minority teacher
 5 education scholarship; amending s. 1009.605, F.S.;
 6 revising the scholar awards on which the Florida Fund
 7 for Minority Teachers, Inc.'s budget projection to the
 8 Department of Education must be based; providing an
 9 effective date.

10
 11 Be It Enacted by the Legislature of the State of Florida:

12
 13 Section 1. Subsections (1) and (4) of section 1009.60,
 14 Florida Statutes, are amended to read:

15 1009.60 Minority teacher education scholars program.—There
 16 is created the minority teacher education scholars program,
 17 which is a collaborative performance-based scholarship program
 18 for African-American, Hispanic-American, Asian-American, and
 19 Native American students. The participants in the program
 20 include Florida's Florida College System institutions and its
 21 public and private universities that have teacher education
 22 programs.

23 (1) The minority teacher education scholars program shall
 24 provide an annual scholarship in an amount that shall be
 25 prorated based on available appropriations and may not exceed

26 \$4,000 for each approved minority teacher education scholar who
 27 is enrolled in one of Florida's public or private colleges or
 28 universities, in the junior year and is admitted into a teacher
 29 education program, and has not earned more than 18 credit hours
 30 of upper-division-level courses in education.

31 (4) A student may receive a scholarship from the program
 32 for 3 consecutive years if the student remains enrolled full-
 33 time in the program and makes satisfactory progress toward a
 34 baccalaureate degree with a major in education or a graduate
 35 degree with a major in education, leading to initial
 36 certification.

37 Section 2. Paragraph (a) of subsection (2) of section
 38 1009.605, Florida Statutes, is amended to read:

39 1009.605 Florida Fund for Minority Teachers, Inc.—

40 (2)(a) The corporation shall submit an annual budget
 41 projection to the Department of Education to be included in the
 42 annual legislative budget request. The projection must be based
 43 on the cost to award up to 350 scholarships to new scholars ~~in~~
 44 ~~the junior year~~ and up to 350 renewal scholarships ~~to the 350~~
 45 ~~rising seniors.~~

46 Section 3. This act shall take effect July 1, 2017.

HOUSE OF REPRESENTATIVES STAFF ANALYSIS

BILL #: HB 6037 Blind Services Direct-support Organization
SPONSOR(S): Fischer
TIED BILLS: None. **IDEN./SIM. BILLS:** None.

REFERENCE	ACTION	ANALYST	STAFF DIRECTOR or BUDGET/POLICY CHIEF
1) Post-Secondary Education Subcommittee		McAlarney DM	Bishop HRB
2) Higher Education Appropriations Subcommittee			
3) Education Committee			

SUMMARY ANALYSIS

Direct-support organizations (DSO) are statutorily created entities that are generally required to be non-profit corporations and are authorized to carry out specific tasks in support of public entities or public causes. The functions and purpose of a DSO is prescribed by its enacting statute and also, for most, by a written contract with the agency the DSO was created to support. In 2014, the Legislature passed a bill that required DSOs statutory authority to be repealed.

The Blind Services Foundation of Florida, Inc. (Blind Services) DSO is a not-for-profit corporation created by the Florida Legislature in 2004. Its purpose is to raise funds to support services provided to Floridians who are blind. This DSO receives 20% of the funds raised through the sale of motor cycle license plates.

The statutory authority for the Blind Services DSO is scheduled for repeal on October 1, 2017, unless reviewed and saved from repeal by the Legislature. If the Blind Services DSO is repealed, all properties (approximately \$128,000) would revert to the Division of Blind Services.

This bill amends s. 413.0111, F.S., saving from repeal the Blind Services DSO.

This bill has an effective date of July 1, 2017.

FULL ANALYSIS

I. SUBSTANTIVE ANALYSIS

A. EFFECT OF PROPOSED CHANGES:

Present Situation

Direct-Support Organizations

Direct-support organizations (DSO) are statutorily created entities that are generally required to be non-profit corporations and are authorized to carry out specific tasks in support of public entities or public causes. The functions and purpose of a DSO is prescribed by its enacting statute and also, for most, by a written contract with the agency the DSO was created to support.

Prior to 2014, there was no formal review process in law to determine whether a DSO was established pursuant to such authorization, or whether the rationale for the authorization remained applicable.

Chapter 2014-96, Laws of Florida¹ established reporting and transparency requirements for each DSO that is created or authorized pursuant to law or executive order and created, approved or administered by a state agency. The DSO must report information related to its organization, mission, and finances to the agency it was created to support by August 1 of each year.² Specifically, a DSO must provide:³

- The name, mailing address, telephone number, and website address of the organization;
- The statutory authority or executive order that created the DSO;
- A brief description of the mission of, and results obtained by, the organization;
- A brief description of the organization's plans for the next three fiscal years;
- A copy of the organization's code of ethics; and
- A copy of the organization's most recent federal Internal Revenue Service Return of Organization Exempt from Income Tax form (Form 990).

Each agency receiving the above information from a DSO must make the information available to the public through the agency's website. If the DSO maintains a website, the agency's website must provide a link to the DSO's website.⁴ Additionally, any contract between an agency and a DSO must be contingent upon the DSO's submission and posting of this information.⁵ If a DSO fails to submit the required information for two consecutive years, the agency is required to terminate the contract between the agency and the DSO.⁶

By August 15 of each year, each agency must report to the Governor, the President of the Senate, the Speaker of the House of Representatives, and the Office of Program Policy Analysis and Government Accountability the information provided by the DSO. The report must also include a recommendation by the agency, with supporting rationale, to continue, terminate, or modify the agency's association with each organization.⁷

¹ Section 20.058, F.S.

² Section 20.058(1), F.S.

³ Section 20.058(1)(a)-(f), F.S.

⁴ Section 20.058(2), F.S.

⁵ Section 20.058(4), F.S.

⁶ *Id.*

⁷ Section 20.058(3), F.S.

Lastly, a law creating, or authorizing the creation of, a DSO must state that the creation of or authorization for the DSO is repealed on October 1 of the 5th year after enactment, unless reviewed and saved from repeal through reenactment by the Legislature. DSOs in existence on July 1, 2014, must be reviewed by the Legislature by July 1, 2019.

DSO Audit Requirements

DSOs with annual expenditures in excess of \$100,000 that are administered by a state agency are statutorily-required to provide for an annual financial audit of accounts and records to be conducted by an independent certified public accountant. Such audit report is submitted by the DSO within nine months after the end of the fiscal year to the Auditor General and to the state agency responsible for its creation, administration, or approval.⁸

Additionally, the Auditor General may, pursuant to his or her own authority, or at the direction of the Legislative Auditing Committee, conduct audits or other engagements of the DSO's accounts and records.⁹ The Auditor General is authorized to require and receive any records from the DSO, or from its independent auditor.¹⁰

DSO Ethics Code Requirements

Section 112.3251, F.S., requires a DSO created or authorized pursuant to law to adopt its own ethics code. The ethics code must contain the specified standards of conduct and disclosures provided in s. 112.313, F.S. and s. 112.3143(2), F.S. A DSO may adopt additional or more stringent standards of conduct and disclosure requirements and must conspicuously post its code of ethics on its website.¹¹

Blind Services Foundation of Florida, Inc. (Blind Services)

The Blind Services DSO was created by the Florida Legislature in 2004 as a DSO of the Florida Division of Blind Services (division).¹² Their statutory goal is to support programs of the division and raise funds to support services for the benefit of Floridians who are blind and or visually impaired.¹³ Specifically, this DSO is operated to benefit blind Floridians by:

- Conducting programs and activities;
- Initiating developmental projects;
- Raising funds;
- Requesting and receive grants, gifts, and bequests of moneys;
- Acquiring and administering securities, funds, objects of value, or other property, real or personal; and
- Making expenditures.¹⁴

The purposes and objectives of the Blind Services DSO must be consistent with the priority issues and objectives of the Department of Education (DOE) and be in the best interests of the state. The division may permit the use of state property and facilities by this DSO so long as it is directly used in keeping with the DSO's approved purposes.¹⁵

⁸ Section 215.981, F.S.

⁹ Section 11.45(3), F.S.

¹⁰ Section 11.45(3) (d), F.S.

¹¹ Section 112.3251, F.S.

¹² Section 413.0111 (2) (a), F.S.

¹³ Section 413.0111, F.S.

¹⁴ Section 413.0111 (1), F.S.

¹⁵ Section 413.0111 (3), F.S.

The division director may designate employees of the division to solicit donations from public or private sources to help with funding.¹⁶ Funds must be used for the enhancement of division programs and projects. All funds received and expended by the DSO must be deposited into a bank account held outside of the State Treasury¹⁷ and the funds must be used in a manner consistent with their purposes and goals.¹⁸ Also, administrative costs for running and promoting the Blind Services DSO must be paid by private funds.¹⁹ The annual audit requirements of s. 215.981 apply to the Blind Services DSO.²⁰

In addition to state, private, and corporate funding, the Blind Services DSO funding comes from motor cycle specialty license plates. The Department of Transportation (DOT) issues a specialty license plate to the owner or lessee of any motorcycle upon request and payment of the appropriate license taxes and fees.²¹ DOT collects an annual license plate use fee of \$20. The Florida Endowment for Vocational Rehabilitation (ABLE Trust) is currently receiving more than 30% of these funds.

The annual fees are distributed to the ABLE Trust as custodial agent. The ABLE Trust may retain a maximum of 10% of the proceeds from the sale of the license plate for administrative costs.²² The ABLE Trust must distribute the remaining funds in the following manner:

1. 20% to the ABLE Trust. These funds are restricted to the support of the James Patrick Memorial Work Incentive Personal Attendant Services and Employment Assistant program pursuant to s. 413.402.²³
2. 20% to the Brain and Spinal Cord Injury Program Trust Fund.²⁴
3. 20% to Prevent Blindness Florida.²⁵
4. 20% to the Blind Services Foundation of Florida.²⁶
5. 20% to the Florida Association of Centers for Independent Living.²⁷

If the Blind Services DSO is repealed, all properties revert to the Division of Blind Services (division).²⁸ Approximately \$128,000 would revert to the division.

This section of law is repealed on October 1, 2017, unless reviewed and saved from repeal by the Legislature.²⁹

The DSO has met the following statutory requirements:

- 1. The DSO is required to incorporate as a Not-for-Profit Corporation (s. 413.0111, F.S.; ch. 617)**

The DSO is listed as an active Florida Not-for-Profit Corporation with the Florida Division of Corporations. All annual reports have been filed going back to the DSO's December 10, 2004 founding. A copy of all annual reports and the Articles of Incorporation are available online.³⁰

¹⁶ Section 413.0111 (6), F.S.

¹⁷ Section 413.0111 (2) (f), F.S.

¹⁸ Section 413.0111 (4), F.S.

¹⁹ Section 413.0111 (2) (g), F.S.

²⁰ Section 413.0111 (5), F.S.

²¹ Section 320.08068 (2), F.S.

²² Section 320.08068 (4), F.S.

²³ Section 320.08068 (4) (d), F.S.

²⁴ Section 320.08068 (4) (a), F.S.

²⁵ Section 320.08068 (4) (b), F.S.

²⁶ Section 320.08068 (4) (c), F.S.

²⁷ Section 320.08068 (4) (e), F.S.

²⁸ Section 413.0111 (2) (e), F.S.

²⁹ Section 413.0111 (7), F.S.

³⁰ Florida Division of Corporations; Search Records; Detail by Entity Name.

<http://search.sunbiz.org/Inquiry/CorporationSearch/SearchResultDetail?inquirytype=EntityName&directionType=Initial&searchNameOrder=BLINDSERVICESFOUNDATIONFLORIDA%20N040000115650&aggregateId=domnp-n04000011565-09515b1c-51b5-4a50-90bd->

2. **For each year the DSO's expenditures exceed \$100,000, it must provide for an annual financial audit and submit the audit to the Auditor General within nine months after the end of the fiscal year (s. 215.981, F.S.)**

The DSO's annual expenditures do not exceed \$100,000. Therefore, the DSO is not required to have an annual audit and is in compliance.

3. **The DSO is required to form a board of directors. (s. 413.0111 (2) (b) – (c), F.S.)**

The DSO has formed a board. The current board includes leaders in the blind and visually impaired community who serve as non-paid volunteers.³¹ Currently, the board is self-appointed and operates according to their established bylaws.³² The board meets three times per year and has committee meetings. These meetings are conducted via teleconference.³³ All board meetings must adhere to Florida's Sunshine Law requirements required under s. 24, Art. I of the State Constitution, ch. 119, and s. 286.011, F.S.³⁴ The meetings are open to the public, advertised on their web site, and in the Florida Administrative Weekly.³⁵

4. **The DSO is required to maintain donations and direct service expenditures in a bank account outside of the State Treasury. (s. 413.0111 (f), F.S.)**

The DSO has bank accounts outside of the State Treasury.³⁶

5. **The purposes and objectives of the DSO must be consistent with the priority issues and objectives of the Department of Education and must be in the best interests of the state. (s. 413.0111 (3), F.S.)**

The DSO's purposes and objectives are consistent with assisting Floridians who are blind and visually impaired. They maintain their mission and are focused on strategies closely aligned with the priorities of the Department of Education and Division of Blind Services.

6. **Funds designated for the DSO must be used for the enhancement of programs and projects of the Division of Blind Services (s. 413.0111(4), F.S.)**

The DSO appears to be using the funds for assisting Floridians who are blind and visually impaired.

Effect of Proposed Changes

This bill eliminates s. 413.615 (14), F.S., which sunsets the Blind Services DSO unless it is reviewed and saved from repeal by the Legislature. This enables the DSO to remain in existence, thereby allowing it to continue providing assistance and services to blind and visually impaired Floridians.

[6fc643e18a95&searchTerm=blind%20Services%20foundation&listNameOrder=BLINDSERVICESFOUNDATIONFLORIDA%20N040000115650](http://www.blindservicesfoundation.org/WelcomePage.html) (last visited Mar. 14, 2017)

³¹ Blind Services Foundation of Florida, Inc.; Welcome Page <http://www.blindservicesfoundation.org/WelcomePage.html> (last visited Mar. 14, 2017)

³² Section 413.0111 (2) (b), F.S.

³³ *Id.*

³⁴ Section 413.0111 (2) (d), F.S.

³⁵ Blind Services Foundation of Florida, Inc.; Welcome Page <http://www.blindservicesfoundation.org/WelcomePage.html> (last visited Mar. 14, 2017)

³⁶ Email from Tanya Cooper, Director of Governmental Relations, Florida Department of Education, Florida Division of Blind Services, RE: DBS DSO Information, regarding the Blind Services Foundation of Florida, Inc. maintaining bank accounts outside of the State Treasury (Mar. 15, 2017).

STORAGE NAME: h6037.PSE.DOCX

DATE: 3/15/2017

B. SECTION DIRECTORY:

Section 1. Amends s. 413.615, F.S., saving from repeal the Blind Services Foundation of Florida, Inc. direct-support organization. The DSO is scheduled for repeal on October 1, 2017 unless saved from repeal by the Legislature.

Section 2. Provides an effective date of July 1, 2017.

II. FISCAL ANALYSIS & ECONOMIC IMPACT STATEMENT

A. FISCAL IMPACT ON STATE GOVERNMENT:

1. Revenues:

None.

2. Expenditures:

None.

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.

1 A bill to be entitled
2 An act relating to the blind services direct-support
3 organization; amending s. 413.0111, F.S.; removing the
4 future repeal of provisions relating to the blind
5 services direct-support organization; providing an
6 effective date.

7
8 Be It Enacted by the Legislature of the State of Florida:

9
10 Section 1. Subsection (7) of section 413.0111, Florida
11 Statutes, is amended to read:

12 413.0111 Blind services direct-support organization.—
13 ~~(7) This section is repealed October 1, 2017, unless~~
14 ~~reviewed and saved from repeal by the Legislature.~~

15 Section 2. This act shall take effect July 1, 2017.