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# **Post-Secondary Education Subcommittee**

**March 28, 2017**

**3:30 PM**

**Mashburn Hall (306 HOB)**

**Meeting Packet**

# Committee Meeting Notice

## HOUSE OF REPRESENTATIVES

### Post-Secondary Education Subcommittee

**Start Date and Time:** Tuesday, March 28, 2017 03:30 pm  
**End Date and Time:** Tuesday, March 28, 2017 06:30 pm  
**Location:** Mashburn Hall (306 HOB)  
**Duration:** 3.00 hrs

**Consideration of the following bill(s):**

HB 867 Student Loan Debt by Leek  
HB 6017 Florida Center for the Partnerships for Arts Integrated Teaching by Gruters

**Consideration of the following bill(s) with proposed committee substitute(s):**

PCS for HB 907 -- Florida Endowment for Vocational Rehabilitation  
PCS for HB 929 -- Florida College System

**NOTICE FINALIZED on 03/24/2017 4:27PM by Juszczuk.Erin**



## HOUSE OF REPRESENTATIVES STAFF ANALYSIS

**BILL #:** HB 867 Student Loan Debt  
**SPONSOR(S):** Leek  
**TIED BILLS:** None **IDEN./SIM. BILLS:** CS/SB 396

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

### SUMMARY ANALYSIS

This bill requires a postsecondary education institution that receives state financial aid to annually provide students with information regarding their student loans. "Student loans" is defined as offered to a student to pay for education-related expenses such as tuition, room and board, and textbooks.

A postsecondary education institution must provide:

- An estimate of:
  - The total amount of student loans taken out by the student,
  - The total potential amount to payoff the loan or an estimated range of the total payoff amount,
  - The monthly repayment amounts that the student may incur such as principal and interest, and
- The percentage of the borrowing limit that the student has reached at the time the information is provided to the student.

An institution is indemnified and does not incur liability for providing loan information to a student.

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

## FULL ANALYSIS

### I. SUBSTANTIVE ANALYSIS

#### A. EFFECT OF PROPOSED CHANGES:

##### Present Situation

Students attending Florida colleges, universities, and other postsecondary institutions receive financial aid from a plethora of private and public sources including the federal government, state government, postsecondary education institutions, private individuals, corporations, and non-profits. The aid is used to pay education-related expenses.<sup>1</sup>

The federal aid includes grants, loans, and work-study programs.<sup>2</sup> Federal grant aid is generally not required to be repaid unless, for instance, a student withdraws and owes a refund.<sup>3</sup> Federal loans are borrowed money for postsecondary education that must be repaid, with interest.<sup>4</sup> A student may participate in a federal work-study program through which he or she earns money to assist with the costs of higher education.<sup>5</sup>

Florida provides financial assistance programs through state grants and scholarship programs.<sup>6</sup> Postsecondary education institutions also offer financial aid from their own institutional funds.<sup>7</sup> In addition, students may seek aid in the form of scholarships or grants from a nonprofit or private organization to assist with the costs of higher education,<sup>8</sup> which are generally not required to be repaid. Finally, students may borrow funds from private loan sources to pay for higher education.<sup>9</sup>

##### Federal Student Loans

The U.S. government offers loans to eligible students for the purpose of assisting with the costs of higher education.<sup>10</sup> A direct loan is a federal student loan, through the William D. Ford Federal Direct Loan Program, for which eligible students and parents borrow directly from the U.S. Department of Education at participating schools.<sup>11</sup> Direct loans include the following four types of loans:<sup>12</sup>

- Direct subsidized loans are loans to eligible undergraduate students who demonstrate financial need to help cover the costs of higher education;
- Direct unsubsidized loans are loans to eligible undergraduate, graduate, and professional students that are not need-based;
- Direct PLUS loans are loans to graduate or professional students and parents of dependent undergraduate students to help pay for educational expenses not covered by other financial aid; and
- Direct consolidation loans allow student borrowers to combine all eligible federal student loans into a single loan with a single loan servicer.

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<sup>1</sup> U.S. Department of Education, *Types of Aid*, <https://studentaid.ed.gov/sa/types> (last visited Mar. 14, 2017).

<sup>2</sup> U.S. Department of Education, *Types of Aid*, <https://studentaid.ed.gov/sa/types> (last visited Mar. 14, 2017).

<sup>3</sup> *Id.*

<sup>4</sup> *Id.*

<sup>5</sup> *Id.*

<sup>6</sup> Florida Department of Education, Office of Student Financial Assistance, *State Scholarships and Grant Programs*, <http://www.floridastudentfinancialaid.org/SSFAD/home/uamain.htm> (last visited Mar. 14, 2017).

<sup>7</sup> *Id.*

<sup>8</sup> *Id.*

<sup>9</sup> *Id.*

<sup>10</sup> 34 C.F.R. section 668.

<sup>11</sup> 34 C.F.R. section 685.100.

<sup>12</sup> *Id.*

The U.S. Department of Education also offers the federal Perkins loan program, a school-based loan program for undergraduates and graduate students with exceptional financial need.<sup>13</sup> The school is the lender of Perkins loans and the loan amount is capped.<sup>14</sup>

### **Free Application for Federal Student Aid**

An eligible student who wishes to receive federal loans is required to annually complete and submit a Free Application for Federal Student Aid (FAFSA).<sup>15</sup> The postsecondary education institution at which the student is enrolled receives the FAFSA and is responsible for distributing the loan award letter, which specifies the amount of loan that the student is eligible for at the school and provides instructions on how to accept all or part of the loan.<sup>16</sup> Students who borrow federal student loans may visit the My Federal Student Aid website to view information about the federal student loans they have borrowed.<sup>17</sup> This website provides students with access to their total loan obligations, repayment calculators, information regarding loan servicers, and other data related to federal student loans.<sup>18</sup>

### **Borrowing Limit**

The federal government limits the amount in subsidized and unsubsidized loans that a student may borrow each academic year (annual loan limits) and the total amount the student may borrow for undergraduate and graduate study (aggregate loan limits).<sup>19</sup> The actual loan amount a student is eligible to receive may be less than the annual loan limit depending on the year of study and whether or not the student is a dependent or independent student.<sup>20</sup> The student's FAFSA answers determine whether the student is considered dependent or independent.<sup>21</sup> The FAFSA questions that determine dependency status change annually.<sup>22</sup>

A student who reaches the aggregate loan limit is not eligible to receive additional loans, unless the student first makes a payment that reduces his or her outstanding loan debt below the aggregate loan limit.<sup>23</sup> The student may then borrow up to the amount of his or her remaining eligibility under the aggregate loan limit after his or her outstanding loan limit is within the aggregate loan limit established by the federal government.<sup>24</sup>

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<sup>13</sup> 34 C.F.R. section 674.1.

<sup>14</sup> 34 C.F.R. section 674.12.

<sup>15</sup> 34 C.F.R. section 685.201.

<sup>16</sup> U.S. Department of Education, *Student Loan Types*, <https://studentaid.ed.gov/sa/types/loans/subsidized-unsubsidized#how-much> (last visited Mar. 14, 2017).

<sup>17</sup> U.S. Department of Education, *Understanding Repayment*, <https://studentaid.ed.gov/sa/repay-loans/understand/servicers> (last visited Mar. 14, 2017).

<sup>18</sup> U.S. Department of Education, *My Federal Student Aid*, <https://studentaid.ed.gov/sa/?login=true> (last visited Mar. 14, 2017).

<sup>19</sup> U.S. Department of Education, *Student Loan Types*, <https://studentaid.ed.gov/sa/types/loans/subsidized-unsubsidized#how-much> (last visited last visited Mar. 14, 2017).

<sup>20</sup> *Id.*

<sup>21</sup> U.S. Department of Education, *Filling out the FAFSA*, <https://studentaid.ed.gov/sa/fafsa/filling-out/dependency#dependent-or-independent> (last visited Mar. 14, 2017).

<sup>22</sup> *Id.*

<sup>23</sup> U.S. Department of Education, *Student Loan Types*, <https://studentaid.ed.gov/sa/types/loans/subsidized-unsubsidized#how-much> (last visited Mar. 14, 2017).

<sup>24</sup> *Id.*

## **Loan Disclosure Requirements**

Federal law requires that every postsecondary education institution eligible to participate in the federal loan programs must provide student borrowers with entrance counseling prior to the initial disbursement of federal funds.<sup>25</sup> Specifically, the federal loan entrance counseling must include the following information:<sup>26</sup>

- The effect of accepting the loan on the eligibility of the borrower for other forms of student financial assistance;
- An explanation of the use of the master promissory note;
- Information on how interest accrues and is capitalized;
- Options for the student to pay interest on specified loans while in school;
- Sample monthly repayment amounts;
- The borrower's obligation to repay the full loan amount;
- Consequences of default on the loan;
- Information on borrower records available on the National Student Loan Data System; and
- Contact information for an individual the borrower may contact with questions regarding the loan.

The federal law requires each postsecondary education institution eligible to participate in federal financial assistance programs to provide exit counseling to student borrowers of federal loans prior to the completion of the borrower's course of study or departure from the institution.<sup>27</sup> This exit counseling must include:<sup>28</sup>

- Available repayment plans;
- Debt management strategies;
- An explanation of repayment options for each loan;
- A general description of any loan forgiveness program;
- A description of any forbearance provisions;
- Default consequences;
- Consolidation options;
- Available tax benefits; and
- Information regarding the National Student Loan System.

## **State Reporting Requirements**

Florida College System (FCS) and state university institutions are required to provide enrolled students, prior to registration, electronic access to the economic security report of employment and earnings outcomes prepared by the Department of Economic Opportunity.<sup>29</sup> The economic security report provides estimated earnings potential and salary ranges for specified degree programs offered by the institutions.<sup>30</sup> Based on this information, a student may consider various financial aid options, including borrowing loans, to pursue a postsecondary education degree program of their choice.

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<sup>25</sup> 20 U.S.C. section 1092(1)(1).

<sup>26</sup> 20 U.S.C. section 1092(1)(2).

<sup>27</sup> 20 U.S.C. section 1092(b)(1)(A).

<sup>28</sup> *Id.*

<sup>29</sup> Section 1001.706(5)(d), F.S.; Department of Economic Opportunity, *Economic Security Report 2016*, [http://www.beyondeducation.org/temp/ER\\_Report.pdf](http://www.beyondeducation.org/temp/ER_Report.pdf) (last visited Mar. 14, 2017).

<sup>30</sup> Section 1001.706(5)(d), F.S.

## **Board of Governors**

The Board of Governors of the State University System of Florida (BOG) must develop an accountability plan for the State University System and each constituent university, which must address institutional and system achievement of the goals and objectives specified in the BOG's strategic plan.<sup>31</sup> The BOG strategic plan must include, but is not limited to, performance measures and standards for student loan burden and default rates.<sup>32</sup>

Each university board of trustees is required to establish a policy for the administration, distribution and use of student financial aid, including student loans, that complies with existing federal or state law relating to financial aid.<sup>33</sup>

## **State Board of Education**

The board of trustees of an FCS institution is authorized to create policies related to student financial assistance and other student services, subject to rules of the State Board of Education (SBE).<sup>34</sup> Each FCS institution must submit specified financial reports to the Florida Department of Education (DOE) in addition to maintaining enrollment-related financial records.<sup>35</sup> SBE rules require that each FCS institution enrolling students who receive state financial aid and tuition assistance:<sup>36</sup>

- Develop written procedures for the administration of aid programs;
- Provide adequate staff;
- Coordinate institutional, state, federal, and state tuition awards to students;
- Maintain auditable records of state student aid and tuition assistance funds;
- Retain these records for five years;
- Verify and certify student eligibility;
- Disburse state aid and tuition assistance funds;
- Maintain student acknowledgement of receipt of funds;
- Provide reports required by the DOE; and
- Comply with refund policies.

## **Nonpublic Postsecondary Education Institutions**

All nonpublic postsecondary institutions<sup>37</sup> must comply with the following student loan related reporting requirements specified in Florida law:<sup>38</sup>

- Inform each student accurately about financial assistance and obligations for repayment of loans, describe any employment placement services provided and the limitations thereof, and refrain from misinforming the public about guaranteed placement, market availability, or salary amounts.<sup>39</sup>
  - This disclosure must be in writing and signed and dated by each student applying for and receiving a student loan, to the effect that the student understands that he or she is

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<sup>31</sup> Section 1001.706(5)(c), F.S.

<sup>32</sup> Section 1001.706(5)(b)1., F.S.

<sup>33</sup> Florida Board of Governors Regulation 3.009.

<sup>34</sup> Sections 1001.64(1) and (8), F.S.

<sup>35</sup> Rule 6A-14.072, F.A.C.

<sup>36</sup> Rule 6A-20.002, F.A.C.

<sup>37</sup> This includes every institution that is under the jurisdiction of the Commission for Independent Education or that is exempt from the jurisdiction or purview of the Commission pursuant to section 1005.06(1)(c) or (f) and that directly or indirectly solicits student enrollment. Section 1005.04, F.S.

<sup>38</sup> Section 1005.04(1), F.S.

<sup>39</sup> Section 1005.04(1)(c), F.S.



obligated to repay the loan, the terms and amounts of repayments, and when repayments will begin.<sup>40</sup>

- Publish and follow equitable refund policies and follow these refund policies in addition to federal refund guidelines.<sup>41</sup>

### **Effect of Proposed Changes**

The bill defines “student loans,” for purposes of the information that must be provided to enrolled students, to mean loans offered to a student to pay for education-related expenses such as tuition, room and board, and textbooks. This definition may include both federal and private loans. Postsecondary education institutions do not have access to information on private loans borrowed by a student, unless the student provides such information to the institutions.<sup>42</sup>

The bill requires public and private postsecondary education institutions that receive state financial aid information for enrolled students to annually provide the following information to the students:

- An estimate of the total amount of student loans taken out by the student,
- An estimate of the student’s total potential payoff amount or an estimated range of the total payoff amount associated with the student loans taken out by the student,
- An estimate of the monthly repayment amounts that the student may incur, and
- The percentage of the borrowing limit that the student has reached at the time the information is provided.

The specified requirements may reinforce the information available to students who complete the federal Free Application for Federal Student Aid (FAFSA), regarding federal student loans and obligations related to incurring debt. Consequently, the bill may increase students’ awareness about their aggregate federal student loan debt, estimated repayment obligations, and the consequences of failing to repay federal loans. Students may use this information to consider various financial aid options, including borrowing student loans, in planning to pay for education-related expenses.

The bill provides that an institution does not incur liability for providing the annually required student loan information.

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

### **B. SECTION DIRECTORY:**

**Section 1.** Creates s. 1009.894, F.S. which defines the term student loans, requires postsecondary institutions to annually provide students information regarding their loans, and indemnifies institutions that provide loan information to students.

**Section 2.** This bill has an effective date of July 1, 2017.

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<sup>40</sup> Rule 6E-1.0032(6)(h), F.A.C.

<sup>41</sup> Section 1005.04(1)(f), F.S.

<sup>42</sup> Florida Department of Education, *SB 396 Analysis* (2017), at 7.

## 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:

Not applicable.

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 student loan debt; creating s.  
 3           1009.894, F.S.; defining the term "student loans";  
 4           requiring postsecondary institutions to annually  
 5           provide certain students with specified information  
 6           regarding their student loans; providing that an  
 7           institution does not incur any liability for providing  
 8           such information; providing an effective date.

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

11  
 12           Section 1.   Section 1009.894, Florida Statutes, is created  
 13   to read:

14           1009.894 Student loan information.-

15           (1) As used in this section, the term "student loans"  
 16   means loans offered to a student to pay for education-related  
 17   expenses such as tuition, room and board, and textbooks.

18           (2) Beginning with the 2017-2018 academic year, a  
 19   postsecondary institution that receives state financial aid  
 20   information for an enrolled student shall annually provide the  
 21   student with the following information:

22           (a) An estimate of:

23           1. The total amount of student loans taken out by the  
 24   student.

25           2. The student's total potential payoff for the student

26 loans he or she has taken out or an estimate of a range of the  
 27 total payoff amount.

28 3. The monthly repayment amounts that the student may  
 29 incur, including principal and interest, for the student loans  
 30 he or she has taken out at the time the institution provides the  
 31 student loan information required under this paragraph.

32 (b) The percentage of the borrowing limit that the student  
 33 has reached at the time the information under paragraph (a) is  
 34 provided.

35 (3) An institution does not incur liability for providing  
 36 information to a student under this section.

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



## HOUSE OF REPRESENTATIVES STAFF ANALYSIS

**BILL #:** PCS for HB 907 Florida Endowment for Vocational Rehabilitation  
**SPONSOR(S):** Post-Secondary Education Subcommittee  
**TIED BILLS:** None **IDEN./SIM. BILLS:** CS/SB 890

REFERENCE	ACTION	ANALYST	STAFF DIRECTOR or BUDGET/POLICY CHIEF
Orig. Comm.: Post-Secondary Education Subcommittee		<i>NWC</i> Alarney	Bishop <i>MB</i>

### SUMMARY ANALYSIS

Direct-support organizations (DSOs) 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.

The ABLE Trust was created in 1990 as a DSO of the Division of Vocational Rehabilitation (DVR). ABLE Trust's statutory goal is to encourage public and private support to enhance vocational rehabilitation and employment of citizens who are disabled. The state of Florida has provided financial support to this DSO through:

1. Civil Penalties by County Courts fees,
2. DOE/DVR High School/High Tech Programs funds,
3. Temporary Handicap Parking Permit fees,
4. Motorcycle specialty license plate fees,
5. Custodial agent fees,
6. Direct appropriations.

The Florida Endowment for Vocational Rehabilitation, aka The ABLE Trust, is a direct-support organization (DSO). The statutory authority for the ABLE Trust is scheduled for repeal on October 1, 2017, unless reviewed and saved from repeal by the Legislature. Any funds or accounts held in trust by the DSO revert to the state upon repeal.

The bill extends the repeal to October 1, 2018. The bill also removes the ABLE Trust as custodial agent for the motorcycle specialty license plate fees and directs funds currently received by the ABLE Trust to the Grants and Donations Trust Fund of the Division of Vocational Rehabilitation of the Department of Education, Florida Association of Centers for Independent Living, Brain and Spinal Cord Injury Program Trust Fund, Prevent Blindness Florida, and the Blind Services Foundation of Florida.

The bill increases transparency and oversight of the DSO by requiring the DSO to separately account for state and private funds; requiring private funds be spent on administrative expenses which are limited to fifteen percent of estimated expenditures; and requiring the DSO to post additional information on its website, including the annual audit and annual report.

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 (DSOs) 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 Florida<sup>1</sup> 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.<sup>2</sup> Specifically, a DSO must provide:<sup>3</sup>

- 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.<sup>4</sup> Additionally, any contract between an agency and a DSO must be contingent upon the DSO's submission and posting of this information.<sup>5</sup> 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.<sup>6</sup>

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.<sup>7</sup>

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.

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<sup>1</sup> Section 20.058, F.S.

<sup>2</sup> Section 20.058(1), F.S.

<sup>3</sup> Section 20.058(1)(a)-(f), F.S.

<sup>4</sup> Section 20.058(2), F.S.

<sup>5</sup> Section 20.058(4), F.S.

<sup>6</sup> *Id.*

<sup>7</sup> Section 20.058(3), F.S.

## **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.<sup>8</sup>

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.<sup>9</sup> The Auditor General is authorized to require and receive any records from the DSO, or from its independent auditor.<sup>10</sup>

## **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.<sup>11</sup>

## **Florida Endowment for Vocational Rehabilitation, aka The ABLE Trust**

The Florida Endowment for Vocational Rehabilitation, aka The ABLE Trust, was created in 1990 as a DSO of the Division of Vocational Rehabilitation (DVR).<sup>12</sup> ABLE Trust's statutory goal is to encourage public and private support to enhance vocational rehabilitation and employment of citizens who are disabled.<sup>13</sup>

The legislative intent was to recognize that it is in the best interest of Florida that citizens with disabilities be afforded a fair opportunity to become self-supporting, productive members of society. The Legislature felt there was a critical need for significant additional funding to achieve this goal. Therefore, the Legislature found and declared:<sup>14</sup>

1. With skilled evaluation procedures and proper rehabilitate treatment, plus employment, training, and supportive services consistent with the needs of the individual, persons who are disabled can assume the activities of daily living and join their communities with dignity and independence.<sup>15</sup>
2. The need to broaden the participation and funding potential for future significant support for the rehabilitation the disabled.<sup>16</sup>
3. To encourage individual and corporate support and involvement, as well as state support and involvement, to promote employment opportunities for disabled citizens.<sup>17</sup>

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<sup>8</sup> Section 215.981, F.S.

<sup>9</sup> Section 11.45(3), F.S.

<sup>10</sup> Section 11.45(3)(d), F.S.

<sup>11</sup> Section 112.3251, F.S.

<sup>12</sup> Section 413.615 (5), F.S.

<sup>13</sup> *Id.*

<sup>14</sup> Section 413.615 (3), F.S.

<sup>15</sup> Section 413.615 (3) (a), F.S.

<sup>16</sup> Section 413.615 (3) (b), F.S.

<sup>17</sup> Section 413.615 (3) (c), F.S.



The DSO is a 501(c)(3) non-profit public/private partnership.<sup>18</sup> Vocational rehabilitation is the focus of The ABLE Trust's programs and grants. The ABLE Trust supports a diversity of projects, including on-the-job coaching, supported employment, job skills-training, job development, employer outreach, ADA facility compliance, skills evaluation and programs leading to employment. The positive impact of The ABLE Trust's grant awards has been felt by non-profit agencies serving people with various disabilities, community colleges and individuals with documented disabilities.<sup>19</sup>

The DSO must operate under a written contract with the DVR and must:<sup>20</sup>

- Be a Florida corporation not-for-profit incorporated under the provisions of chapter 617 and approved by the Department of State.<sup>21</sup>
- Be organized and operated exclusively to raise funds; to submit requests and receive grants from the Federal Government, the state, private foundations, and individuals; to receive, hold, and administer property; and to make expenditures to or for the benefit of the rehabilitation programs by the board of directors of the foundation.<sup>22</sup>
- Be approved by the division to be operating for the benefit and best interest of the state.<sup>23</sup>

The contract between the DSO and DVR must provide for:<sup>24</sup>

- Approval of the article of incorporation of the foundation by the division.<sup>25</sup>
- Governance of the foundation by a board of directors (BOD) appointed by the Governor.<sup>26</sup>
- Submission of an annual budget of the foundation for approval by the division.<sup>27</sup>
- Certification by the division, after an annual financial and performance review, that the foundation is operating in compliance with the terms of the contract and the rules of the division, and in a manner consistent with the goals of the legislature in providing assistance to disabled citizens.<sup>28</sup>
- The release and conditions of the expenditure of any state revenues.<sup>29</sup>
- The reversion to the state of moneys in the foundation and in any other funds and accounts held in trust by the foundation if the contract is terminated.<sup>30</sup>
- The fiscal year of the foundation, to begin on July 1 and end on July 30 of each year.<sup>31</sup>

The BOD is constituted in the following manner:

- a) Membership: The BOD must have nine members who have:
  1. Skills in foundation work or other fundraising activities, financial consulting, investment banking, or other related experience; or
  2. Experience in policymaking or management-level positions or have otherwise distinguished themselves in the field of business, industry, or rehabilitation.
- b) Appointment: The members are appointed by the Governor.
- c) Terms: Members serve for 3-year terms.
- d) Removal for cause: The Governor may remove any member for malfeasance, misfeasance, neglect of duty, incompetence, or permanent inability to perform official duties or for pleading nolo contendere to, or being found guilty of, a crime.

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<sup>18</sup> <http://www.abletrust.org/about-us> (last visited Mar. 13, 2017).

<sup>19</sup> *Id.*

<sup>20</sup> Section 413.615 (5), F.S.

<sup>21</sup> Section 413.615 (5) (a), F.S.

<sup>22</sup> Section 413.615 (5) (b), F.S.

<sup>23</sup> Section 413.615 (5) (c), F.S.

<sup>24</sup> Section 413.615 (6), F.S.

<sup>25</sup> Section 413.615 (6) (a), F.S.

<sup>26</sup> Section 413.615 (6) (b), F.S.

<sup>27</sup> Section 413.615 (6) (c), F.S.

<sup>28</sup> Section 413.615 (6) (d), F.S.

<sup>29</sup> Section 413.615 (6) (e), F.S.

<sup>30</sup> Section 413.615 (6) (f), F.S.

<sup>31</sup> Section 413.615 (6) (g), F.S.

The BOD may solicit and receive bequests, gifts, grants, donations, goods, contracts, and services.<sup>32</sup> Also, the BOD may make gifts or grants to:<sup>33</sup>

- State or local governments;<sup>34</sup>
- Corporations, trusts, associations, or foundations organized and operated exclusively for charitable, educational, or scientific purposes;<sup>35</sup>
- Any citizen with a documented disability;<sup>36</sup>
- DVR for purposes of program recognition and marketing, public relations and education, professional development, and technical assistance and workshops for grant applicants and recipients, the business community, and individuals with disabilities or recognized groups organized on their behalf.<sup>37</sup>

The BOD is required to use the DSO operating account funds for:

- Planning, research, policy development, and dissemination of information to promote initiatives for disabled citizens;<sup>38</sup>
- Promotion of initiative for disabled citizens.<sup>39</sup>
- Programs which aid in job training and counseling for disabled citizens;<sup>40</sup> and
- Programs which advance a better public understanding and appreciation of the field of vocational rehabilitation.<sup>41</sup>

The DSO must conduct an annual financial audit if its expenditures exceed \$100,000.<sup>42</sup> An annual report to the Governor, President of the Senate, Speaker of the House of Representatives, and Commissioner of Education by February 1<sup>st</sup>. The report must summarize the endowment fund performance, summarize fundraising activities and performance, and detail supported activities and programs.<sup>43</sup>

### **State Funding of this DSO**

This DSO receives state funds from the following sources: civil penalties by county courts,<sup>44</sup> temporary handicap parking permits,<sup>45</sup> motor cycle specialty license plates,<sup>46</sup> custodial fees for specialty license plate funds,<sup>47</sup> the Tax Collection Enforcement Diversion Program,<sup>48</sup> and the DOE/DVR High School/High Tech Program.<sup>49</sup>

#### *Civil Penalties by County Courts*

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<sup>32</sup> Section 413.615 (9) (b), F.S.

<sup>33</sup> Section 413.615 (9) (e), F.S.

<sup>34</sup> Section 413.615 (9) (e) 1., F.S.

<sup>35</sup> Section 413.615 (9) (e) 2., F.S.

<sup>36</sup> Section 413.615 (9) (e) 3., F.S.

<sup>37</sup> Section 413.615 (9) (e), 4., F.S.

<sup>38</sup> Section 413.615 (10) (a), F.S.

<sup>39</sup> Section 413.615 (10) (b), F.S.

<sup>40</sup> Section 413.615 (10) (c), F.S.

<sup>41</sup> Section 413.615 (10) (d), F.S.

<sup>42</sup> Section 215.981 (1), F.S.

<sup>43</sup> Section 413.615 (12), F.S.

<sup>44</sup> Section 318.21, F.S.

<sup>45</sup> Section 320.0848, F.S.

<sup>46</sup> Section 320.08068, F.S.

<sup>47</sup> *Id.*

<sup>48</sup> Section 413.4021, F.S.

<sup>49</sup> Florida Department of Education, Office of Inspector General, High School/High Tech Program, *Report #M-1213-010*, July 2015, <http://www.fldoe.org/core/fileparse.php/7514/urlt/Able-Trust-HSHT-Final-Report-M-1213-010.pdf> (last visited Mar. 23, 2017).

The DSO receives funding from civil penalties received by county courts. These funds are distributed to and paid monthly by the Department of Revenue (DOR). There are six ways this DSO is funded by civil court penalties:

1. Section 318.21 (2) (e), F.S.: 2% of all fines are distributed monthly to this DSO. This percentage is calculated after the DOR distributes the first \$2 to other trust funds.<sup>50</sup>
2. Section 318.18 (3) (f), F.S.: An additional fine of up to \$250 is paid and is distributed to this DSO pursuant to s. 318.21, F.S., if a violation of s. 316.1301, F.S., or s. 316.1303 (1), F.S., results in an injury to the pedestrian or their property.<sup>51</sup>
3. Section 318.21 (5), F.S.: 60% is distributed monthly to this DSO of the additional fine assessed under s. 318.18(3)(f) for a violation of s. 316.1303(1).<sup>52</sup>
4. Section 318.21 (5), F.S.: 40% is distributed to this DSO pursuant to s. 318.21 (2) (e), F.S., of the additional fine assessed under s. 318.18 (3) (f), F.S., for a violation of s. 316.1303 (1), F.S.<sup>53</sup>
5. Section 318.21 (7), F.S.: The remaining amount, after a nominal amount is distributed to another trust fund, is distributed to this DSO pursuant to s. 318.21 (2) (e), F.S., for fines assessed under s. 318.18 (3) for speed exceeding the limit.<sup>54</sup>
6. Section 318.21 (15)(a)1., F.S.: \$60 is distributed to this DSO as provided in s. 318.21, F.S. of the \$158 fine for a violation of s. 316.074 (1), F.S., or s. 316.075(1) (c) 1, F.S., when a driver has failed to stop at a traffic signal and when enforced by a law enforcement officer.<sup>55</sup>

#### *DOE/DVR High School/High Tech Program*

The High School/High Tech (HS/HT) program assists disabled youths as they transition from school to post-secondary activities such as entry into postsecondary education and engaging in the workforce. HS/HT has received significant support from the state of Florida and the U.S. Department of Labor's Office of Disability Employment Policy (ODEP).<sup>56</sup>

The overarching goal of Florida HS/HT is to work in partnership with state and local Vocational Rehabilitation Services, Workforce Investment Boards, other state agencies, academia, and business partners to expand the capacity of public and private organizations and individuals to form an enhanced statewide support system.<sup>57</sup>

HS/HT is designed to provide high school students with all types of disabilities the opportunity to explore jobs or postsecondary education leading to technology-related careers.<sup>58</sup> The DSO administers the program through a contract with the DVR. There are currently 43 HS/HT project sites across Florida.<sup>59</sup>

HS/HT programs operate in several states and in Florida since 1995. In 1995, the National Aeronautics and Space Administration (NASA) provided five years of funding to establish a local program at the Space Coast Center for Independent Living in Cocoa Beach. It focused on youth with an interest in science, technology, engineering, and mathematics (STEM).<sup>60</sup>

The DSO's task as a state-level manager of the HS/HT program is to:

- 1) Reduce the high school dropout rate of youth with disabilities.
- 2) Increase enrollment in postsecondary institutions.

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<sup>50</sup> Section 318.21 (2) (e), F.S.

<sup>51</sup> Section 318.18 (3) (f), F.S.

<sup>52</sup> Section 318.18 (5), F.S.

<sup>53</sup> Section 318.21 (5), F.S.

<sup>54</sup> Section 318.21 (7), F.S.

<sup>55</sup> Section 318.18 (15) (a) 1., F.S.

<sup>56</sup> <http://www.ncwd-youth.info/node/498>

<sup>57</sup> <http://www.ncwd-youth.info/node/498>

<sup>58</sup> <http://www.abletrust.org/youth-programs/florida-high-school-high-tech> (last visited Mar. 13, 2013)

<sup>59</sup> <http://www.abletrust.org/youth-programs/florida-high-school-high-tech/contact-hsht> (last visited Mar. 13, 2013)

<sup>60</sup> <http://www.ncwd-youth.info/node/498>

- 3) Improve participation in education, vocational, and employment related activities in technology related fields.<sup>61</sup>

#### *Temporary Handicap Parking Permits*

The DSO receives \$4 from the fees for a temporary disabled parking permit which is \$15.<sup>62</sup>

#### *Motor Cycle Specialty License Plates*

The Department of Transportation (DOT) issues a specialty license plate upon request and payment of the appropriate license taxes and fees.<sup>63</sup> DOT collects an annual license plate use fee of \$20. The annual use fees are distributed to the DSO as custodial agent. The DSO may retain a maximum of 10% of the proceeds from the sale of the license plate for administrative costs.<sup>64</sup>

The DSO must distribute the remaining funds in the following manner:

1. 20% to the DSO.<sup>65</sup>
2. 20% to the Brain and Spinal Cord Injury Program Trust Fund.<sup>66</sup>
3. 20% to Prevent Blindness Florida.<sup>67</sup>
4. 20% to the Blind Services Foundation of Florida.<sup>68</sup>
5. 20% to the Florida Association of Centers for Independent Living.<sup>69</sup>

#### *Tax Collection Enforcement Diversion Program*

This program collects sales tax dollars due to the state from persons who have not remitted their tax. The criteria for referral to the program is determined by DOR and the participating state attorneys' offices.<sup>70</sup> 50 percent of the revenues are deposited into this DSO's special reserve account. The funds are used to administer the James Patrick Memorial Work Incentive Personal Attendant Services and Employment Assistance Program. Also, the funds are used by the DSO to contract with the state attorneys participating in the program.<sup>71</sup> This program is operated only from funds deposited into the operating account of this DSO.<sup>72</sup>

#### **Effect of Proposed Changes**

The bill revises the distribution of civil penalties collected by county courts from the Florida Endowment Foundation for Vocational Rehabilitation (DSO) to the DVR. The bill also removes the DSO as custodial agent of the motorcycle specialty license plate fees. Recipients will receive more funds by removing the ten percent administrative costs associated with the DSO. Also, the Florida Association of Centers for Independent Living will now receive the tax collection enforcement diversion program fees and motorcycle specialty license plate fees directly to support the James Patrick Memorial Incentive Personal Attendant Services and Employment Assistance Program and administrative costs are reduced from twelve percent to ten percent of the funds received.

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<sup>61</sup> <http://www.abletrust.org/youth-programs/florida-high-school-high-tech/about-hsht> (last visited Mar. 13, 2017)

<sup>62</sup> Section 320.0848 (3) (c), F.S.

<sup>63</sup> Section 320.08068 (2), F.S.

<sup>64</sup> Section 320.08068 (4), F.S.

<sup>65</sup> Section 320.08068 (4) (d), F.S. 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, F.S. The DSO is receiving more than 30% of this use fee.

<sup>66</sup> Section 320.08068 (4) (a), F.S.

<sup>67</sup> Section 320.08068 (4) (b), F.S.

<sup>68</sup> Section 320.08068 (4) (c), F.S.

<sup>69</sup> Section 320.08068 (4) (e), F.S.

<sup>70</sup> Section 413.4021, F.S.

<sup>71</sup> Section 413.4021 (1), F.S.

<sup>72</sup> Section 413.4021 (2), F.S.

The bill revises the distribution of the proceeds from temporary disabled parking permit fees from the DSO to the DVR of the Department of Education to improve employment and training opportunities for person who have disabilities, with special emphasis on removing transportation barriers.

The bill increases the oversight of the DSO. Funds received from state sources shall be accounted for separately from other public or private sources. Administrative costs must be kept to the minimum necessary for the efficient and effective administration of the foundation. Administrative costs must be paid from private funds and earnings and are limited to 15% of total estimated expenditures in any calendar year.

The bill increases transparency of DSO activities by requiring the DSO to publish on its website:

- The required annual audit and annual report.
- For each position filled by an officer or employee, the position's compensation level.
- A copy of each contract into which the foundation enters.
- Information on each program, gift, or grant funded by the foundation, including:
  - Projected economic benefits at the time of the initial award date;
  - Information describing the program, gift, or grant funded;
  - The geographic area impacted;
  - Any matching, in-kind support, or other support;
  - The expected duration; and
  - Evaluation criteria.
- The foundation's required contract with the DVR.

Any funds used to conduct research, advertising or consulting must be made pursuant to a competitive solicitation. State funds may not be used to fund events for private sector donors or potential donors or to honor supporters.

The annual report must include financial data, by service type, including expenditures for administration and the provision of services and outcome data including the number of individuals served, including employment outcomes.

The bill extends the repeal of the Florida Endowment for Vocational Rehabilitation, aka The ABLE Trust, direct-support organization until October 1, 2018.

## B. SECTION DIRECTORY:

**Section 1.** Amends ss. 318.21 (2) (e) and (5), F.S., changing the distribution of civil penalties by county courts from the Florida Endowment Foundation for Vocational Rehabilitation to the Grants and Donations Trust Fund of Vocational Rehabilitation of the Department of Education.

**Section 2.** Amends s. 320.08068 (4), F.S., deleting the custodial agent and changing the distribution of motorcycle specialty license plate fees.

**Section 3.** Amends s. 320.0848, F.S., changing the distribution of temporary disabled parking permit fees.

**Section 4.** Amends s. 413.402, F.S., changing the distribution of the James Patrick Memorial Work Incentive Personal Attendant Services and Employment Assistance Program fees.

**Section 5.** Amends s. 413.4021 (1) and (2), F.S., changing the distribution of the tax collection enforcement diversion program fees.

**Section 6.** Amends s. s. 413.615, F.S., extending the repeal of the Florida Endowment for Vocational Rehabilitation, aka The ABLE Trust, direct-support organization , until October 1, 2018; and providing additional oversight of the DSO.

**Section 7.** This bill has 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:

Current recipients of state funds may be able to serve more clients and provide more services due to the reduction in administrative expenses.

### D. FISCAL COMMENTS:

None.

## III. COMMENTS

### A. CONSTITUTIONAL ISSUES:

1. Applicability of Municipality/County Mandates Provision:

Not applicable.

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 Florida Endowment for  
 3           Vocational Rehabilitation; amending s. 318.21, F.S.;  
 4           revising the distribution of civil penalties; amending  
 5           s. 320.08068, F.S.; revising the distribution of use  
 6           fees; amending s. 320.0848, F.S.; revising the  
 7           distribution of fees; amending s. 413.402, F.S.;  
 8           revising the distribution of funds; amending s.  
 9           413.4021, F.S.; revising the duties of the Florida  
 10          Endowment Foundation for Vocational Rehabilitation;  
 11          amending s. 413.615; revising the duties of the  
 12          Florida Endowment Foundation for Vocational  
 13          Rehabilitation; providing an effective date.

14  
 15   Be It Enacted by the Legislature of the State of Florida:

16  
 17           Section 1. Paragraph (e) of subsection (2) and subsection  
 18           (5) of section 318.21, Florida Statutes, is amended to read:

19           318.21 Disposition of civil penalties by county courts.—  
 20           All civil penalties received by a county court pursuant to the  
 21           provisions of this chapter shall be distributed and paid monthly  
 22           as follows:

23           (2) Of the remainder:

24           (e) Two percent shall be remitted to the Department of  
 25           Revenue ~~and transmitted monthly~~ for deposit in the Grants and



26 Donations Trust Fund of the Division of ~~to the Florida Endowment~~  
 27 ~~Foundation for~~ Vocational Rehabilitation of the Department of  
 28 Education as provided in s. 413.615.

29 (5) Of the additional fine assessed under s. 318.18(3)(f)  
 30 for a violation of s. 316.1303(1), 60 percent must be remitted  
 31 to the Department of Revenue for deposit in the Grants and  
 32 Donations Trust Fund of the Division of ~~and transmitted monthly~~  
 33 ~~to the Florida Endowment Foundation for~~ Vocational  
 34 Rehabilitation of the Department of Education, and 40 percent  
 35 must be distributed pursuant to subsections (1) and (2).

36 Section 2. Subsection (4) of section 320.08068, Florida  
 37 Statutes, is amended to read:

38 320.08068 Motorcycle specialty license plates.—

39 (4) A license plate annual use fee of \$20 shall be  
 40 collected for each motorcycle specialty license plate. Annual  
 41 use fees shall be distributed ~~to The Able Trust as custodial~~  
 42 ~~agent. The Able Trust may retain a maximum of 10 percent of the~~  
 43 ~~proceeds from the sale of the license plate for administrative~~  
 44 ~~costs. The Able Trust shall distribute the remaining funds as~~  
 45 follows:

46 (a) Twenty percent to the Brain and Spinal Cord Injury  
 47 Program Trust Fund.

48 (b) Twenty percent to Prevent Blindness Florida.

49 (c) Twenty percent to the Blind Services Foundation of  
 50 Florida.

51 (d) Twenty percent to the Florida Association of Centers  
 52 for Independent Living ~~Florida Endowment Foundation for~~  
 53 ~~Vocational Rehabilitation~~ to support the James Patrick Memorial  
 54 Work Incentive Personal Attendant Services and Employment  
 55 Assistance Program pursuant to s. 413.402.

56 (e) Twenty percent to the Florida Association of Centers  
 57 for Independent Living.

58 Section 3. Paragraph (c) of subsection (4) of section  
 59 320.0848, Florida Statutes, is amended to read:

60 320.0848 Persons who have disabilities; issuance of  
 61 disabled parking permits; temporary permits; permits for certain  
 62 providers of transportation services to persons who have  
 63 disabilities.-

64 (4) From the proceeds of the temporary disabled parking  
 65 permit fees:

66 (c) The remainder must be distributed monthly as follows:

67 1. To be deposited in the Grants and Donations Trust Fund  
 68 of the Division of the Florida Endowment Foundation for  
 69 Vocational Rehabilitation of the Department of Education, ~~known~~  
 70 ~~as "The Able Trust,"~~ for the purpose of improving employment and  
 71 training opportunities for persons who have disabilities, with  
 72 special emphasis on removing transportation barriers, \$4. ~~These~~  
 73 ~~fees must be directly deposited into the Florida Endowment~~  
 74 ~~Foundation for Vocational Rehabilitation as established in s.~~  
 75 ~~413.615.~~

76           2. To the Transportation Disadvantaged Trust Fund to be  
 77 used for funding matching grants to counties for the purpose of  
 78 improving transportation of persons who have disabilities, \$5.

79           Section 4. Subsection (5) of section 413.402, Florida  
 80 Statutes, is amended to read:

81           413.402 James Patrick Memorial Work Incentive Personal  
 82 Attendant Services and Employment Assistance Program.—The  
 83 ~~Florida Endowment Foundation for Vocational Rehabilitation shall~~  
 84 ~~maintain an agreement with the~~ Florida Association of Centers  
 85 for Independent Living ~~to~~ shall administer the James Patrick  
 86 Memorial Work Incentive Personal Attendant Services and  
 87 Employment Assistance Program ~~and shall remit sufficient funds~~  
 88 ~~monthly to meet the requirements of subsection (5).~~

89           (5) The James Patrick Memorial Work Incentive Personal  
 90 Attendant Services and Employment Assistance Program shall  
 91 reimburse the Florida Association of Centers for Independent  
 92 Living monthly for payments made to program participants and for  
 93 costs associated with program administration and oversight in  
 94 accordance with the annual operating budget approved by the  
 95 board of directors of the association, taking into consideration  
 96 recommendations made by the oversight council created under  
 97 subsection (6). The annual operating budget for costs associated  
 98 with activities of the association for program operation,  
 99 administration, and oversight may not exceed 10 ~~12~~ percent of  
 100 the funds ~~deposited with the Florida Endowment Foundation for~~

101 ~~Vocational Rehabilitation~~ provided pursuant to ss.  
 102 320.08068(4)(d) and 413.4021(1) for the previous fiscal year or  
 103 the budget approved for the previous fiscal year, whichever  
 104 amount is greater.

105 Section 5. Subsections (1) and (2) of section 413.4021,  
 106 Florida Statutes, are amended to read:

107 413.4021 Program participant selection; tax collection  
 108 enforcement diversion program.—The Department of Revenue, in  
 109 coordination with the Florida Association of Centers for  
 110 Independent Living and the Florida Prosecuting Attorneys  
 111 Association, shall select judicial circuits in which to operate  
 112 the program. The association and the state attorneys' offices  
 113 shall develop and implement a tax collection enforcement  
 114 diversion program, which shall collect revenue due from persons  
 115 who have not remitted their collected sales tax. The criteria  
 116 for referral to the tax collection enforcement diversion program  
 117 shall be determined cooperatively between the state attorneys'  
 118 offices and the Department of Revenue.

119 (1) Notwithstanding s. 212.20, 50 percent of the revenues  
 120 collected from the tax collection enforcement diversion program  
 121 shall be deposited into the special reserve account of Florida  
 122 Association of Centers for Independent Living~~the Florida~~  
 123 ~~Endowment Foundation for Vocational Rehabilitation~~, to be used  
 124 to administer the James Patrick Memorial Work Incentive Personal  
 125 Attendant Services and Employment Assistance Program and to

126 contract with the state attorneys participating in the tax  
 127 collection enforcement diversion program in an amount of not  
 128 more than \$75,000 for each state attorney.

129 (2) The program shall operate only from funds deposited  
 130 into the operating account of the Florida Association of Centers  
 131 for Independent Living~~Florida Endowment Foundation for~~  
 132 ~~Vocational Rehabilitation.~~

133 Section 6. Paragraphs (b) and (c) of subsection (4) and  
 134 subsections (10) and (12) of section 413.615, Florida Statutes,  
 135 are amended to read:

136 413.615 Florida Endowment for Vocational Rehabilitation.—

137 (4) REVENUE FOR THE ENDOWMENT FUND.—

138 (b) The principal of the endowment fund shall derive from  
 139 ~~the deposits made pursuant to s. 318.21(2)(e), together with any~~  
 140 legislative appropriations which may be made to the endowment,  
 141 and such bequests, gifts, grants, and donations as may be  
 142 solicited for such purpose by the foundation from public or  
 143 private sources.

144 (c) ~~All funds remitted to the Department of Revenue~~  
 145 ~~pursuant to s. 318.21(2)(e) and (5) shall be transmitted monthly~~  
 146 ~~to the foundation for use as provided in subsection (10).~~ All  
 147 remaining liquid balances of funds held for investment and  
 148 reinvestment by the State Board of Administration for the  
 149 endowment fund on the effective date of this act shall be  
 150 transmitted to the foundation within 60 days for use as provided

151 | in subsection (10).

152 |       (e) Funds received from state sources shall be accounted  
 153 | for separately from bequests, gifts, grants, and donations which  
 154 | may be solicited for such purposes by the foundation from public  
 155 | or private sources. Earnings on funds received from state  
 156 | sources and funds received from private sources shall be  
 157 | accounted for separately.

158 |       (9) ORGANIZATION, POWERS, AND DUTIES.—Within the limits  
 159 | prescribed in this section or by rule of the division:

160 |       (j) Administrative costs shall be kept to the minimum  
 161 | necessary for the efficient and effective administration of the  
 162 | foundation and are limited to 15 percent of total estimated  
 163 | expenditures in any calendar year. Administrative costs include  
 164 | payment of travel and per diem expenses of board members,  
 165 | officer salaries, chief executive officer program management,  
 166 | audits, salary or other costs for non-officers and contractors  
 167 | providing services not directly related to the mission of the  
 168 | foundation as described in subsection (5), costs of promoting  
 169 | the purposes of the foundation, and other allowable costs.  
 170 | Administrative costs shall be paid only from private funds and  
 171 | the earnings thereon.

172 |       (k) The foundation shall publish on its website:

173 |       1. The annual audit required by subsection (11) and the  
 174 | annual report required by subsection (12).

175 |       2. For each position filled by an officer or employee, the

176 position's compensation level.

177 3. A copy of each contract into which the foundation  
 178 enters.

179 4. Information on each program, gift, or grant funded by  
 180 the foundation, including:

181 a. Projected economic benefits at the time of the initial  
 182 award date.

183 b. Information describing the program, gift, or grant  
 184 funded.

185 c. The geographic area impacted.

186 d. Any matching, in-kind support, or other support.

187 e. The expected duration.

188 f. Evaluation criteria.

189 5. The foundation's contract with the Division of  
 190 Vocational Rehabilitation required by subsection (6).

191 (10) DISTRIBUTION OF MONEYS.—The board shall use the  
 192 moneys in the operating account, by whatever means, to provide  
 193 for:

194 (a) Planning, research, and policy development for issues  
 195 related to the employment and training of disabled citizens, and  
 196 publication and dissemination of such information as may serve  
 197 the objectives of this section.

198 (b) Promotion of initiatives for disabled citizens.

199 (c) Funding of programs which engage in, contract for,  
 200 foster, finance, or aid in job training and counseling for

201 disabled citizens or research, education, demonstration, or  
 202 other activities related thereto.

203 (d) Funding of programs which engage in, contract for,  
 204 foster, finance, or aid in activities designed to advance better  
 205 public understanding and appreciation of the field of vocational  
 206 rehabilitation.

207 (e) Funding of programs, property, or facilities which  
 208 aid, strengthen, and extend in any proper and useful manner the  
 209 objectives, work, services, and physical facilities of the  
 210 division, in accordance with the purposes of this section.

211

212 Any funds used to conduct research, advertising or consulting  
 213 shall be made pursuant to a competitive solicitation. State  
 214 funds may not be used to fund events for private sector donors  
 215 or potential donors or to honor supporters.

216 (12) ANNUAL REPORT.—The board shall issue a report to the  
 217 Governor, the President of the Senate, the Speaker of the House  
 218 of Representatives, and the Commissioner of Education by  
 219 February 1 each year, summarizing the performance of the  
 220 endowment fund for the previous fiscal year, summarizing the  
 221 foundation's fundraising activities and performance, and  
 222 detailing those activities and programs supported by the  
 223 endowment principal or earnings on the endowment principal or by  
 224 bequests, gifts, grants, donations, and other valued goods and  
 225 services received. The report shall also include:



PCS for HB 907

ORIGINAL

2017

226           (a) Financial data, by service type, including expenditures  
227 for administration and the provision of services.

228           (b) Outcome data including the number of individuals  
229 served, including employment outcomes.

230           (14) REPEAL.—This section is repealed October 1, 2018  
231 ~~2017~~, unless reviewed and saved from repeal by the Legislature.

232           Section 7. This act shall take effect July 1, 2017.



**HOUSE OF REPRESENTATIVES STAFF ANALYSIS**

**BILL #:** PCS for HB 929 Florida College System  
**SPONSOR(S):** Post-Secondary Education Subcommittee  
**TIED BILLS:** None **IDEN./SIM. BILLS:** CS/SB 374

REFERENCE	ACTION	ANALYST	STAFF DIRECTOR or BUDGET/POLICY CHIEF
Orig. Comm.: Post-Secondary Education Subcommittee		Bishop <i>HRB</i>	Bishop <i>HRB</i>

**SUMMARY ANALYSIS**

The bill:

- revises the primary mission of Florida College System (FCS) institutions to clarify that baccalaureate degree programs must be designed to meet the workforce needs of the institution’s service area and the educational needs of place-bound, non-traditional students;
- requires each FCS institution to execute at least one “2+2” targeted pathway articulation agreement with one or more state universities;
- requires collaboration between State Board of Education (SBE) and Board of Governors (BOG) to eliminate barriers to executing “2+2” targeted pathway articulation agreements;
- requires that the statewide articulation agreement provide for a reverse transfer agreement for FCS institution students who transfer to a state university prior to earning an associate in arts degree;
- prohibits FCS institutions from offering bachelor of arts degrees;
- aligns the St. Petersburg College baccalaureate approval process with that of other FCS institutions;
- modifies the FCS institution baccalaureate degree approval process to require FCS institutions to:
  - submit a notice of interest at least 180 days before submission of the notice of intent;
  - submit a notice of intent and justification at least 100 days before submitting the baccalaureate degree proposal; and
  - provide justification for the proposed baccalaureate degree including a data-driven analysis of workforce demand
- extends the timeframe from 30 days to 60 days for private regionally-accredited colleges and universities to submit their objections to proposed baccalaureate degree programs;
- requires the SBE to consider input from the Chancellor of the State University System (SUS) and the president of the Independent Colleges and Universities of Florida before approving or denying a college’s proposal;
- requires the SBE to annually review each baccalaureate degree program and, if a program exhibits negative performance, require the institution’s Board of Trustees to modify or terminate the program.
- specifies that the total upper-level enrollment for the Florida College System may not exceed 20 percent of the combined upper- and lower-level enrollment;
- requires an FCS institution to demonstrate satisfactory performance in fulfilling its primary mission and execute at least one “2+2” targeted pathway articulation agreement to expand baccalaureate degree offerings;
- requires each institution to annually report, by September 1 of each year, to the FCS Chancellor regarding baccalaureate degree program performance and compliance indicators;
- requires the FCS Chancellor to compile and summarize institutional reports and submit them to the SBE, the SUS Chancellor, and the Legislature;
- requires FCS baccalaureate proposals to include the college’s efforts to sustain the program at a cost of tuition and fees for Florida residents not to exceed \$10,000 for the entire degree program;
- directs SBE, in collaboration with the BOG, to evaluate and report on the status of Florida’s “2+2” system of articulation to the Governor, the President of the Senate and the Speaker of the House by December 31, 2017.
- Creates a Governance Study Committee to conduct a study concerning the governance of undergraduate education programs offered by FCS institutions and postsecondary career education programs offered by district school boards and FCS institutions. Requires a report of findings to the SBE, the President of the Senate, and the Speaker of the House no later than October 31, 2017.

The bill has no fiscal impact.

The bill takes effect July 1, 2017.

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

**STORAGE NAME:** pcs0929.PSE

**DATE:** 3/24/2017

## FULL ANALYSIS

### I. SUBSTANTIVE ANALYSIS

#### A. EFFECT OF PROPOSED CHANGES:

##### Present Situation

Postsecondary attainment refers to the educational level of a state's population. The Lumina Foundation has set a national attainment goal of 60 percent of adults with high quality degrees or credentials by the year 2025.<sup>1</sup> There are considerable economic benefits for increased educational attainment which assists communities in meeting current and future talent needs. Adding one year of college to a region's workforce increases GDP per capita by 17.4%.<sup>2</sup>

Florida's current attainment rate is 45.9 percent.<sup>3</sup> However, the attainment rate for each county in Florida ranges from a low of 12.18 percent in DeSoto County to a high of 55.01 percent in Leon County. The Higher Education Coordinating Council has set a statewide attainment goal that 55 percent of Floridians will hold a high-quality postsecondary credential by the year 2025.<sup>4</sup>

#### Percentage of Florida residents (ages 25-64) with at least an associate degree, by county

Alachua	53.07	DeSoto	12.18	Hendry	16.48	Levy	17.22	Osceola	29.51	Suwannee	18.40
Baker	17.31	Duval	37.62	Hernando	27.56	Liberty	17.72	Palm Beach	42.28	Taylor	16.10
Bay	33.72	Duval	37.62	Highlands	25.57	Madison	17.58	Pasco	35.57	Union	16.34
Bradford	17.38	Escambia	38.49	Hillsborough	41.40	Manatee	37.26	Pinellas	40.76	Volusia	32.43
Brevard	40.56	Flagler	33.01	Holmes	17.91	Marion	27.20	Polk	28.34	Wakulla	27.19
Broward	42.53	Franklin	18.64	Indian River	35.43	Martin	42.66	Putnam	18.59	Walton	32.63
Calhoun	13.98	Gadsden	22.72	Jackson	22.17	Miami-Dade	38.07	St. Johns	51.80	Washington	17.25
Charlotte	30.34	Gilchrist	21.21	Jefferson	25.17	Monroe	38.37	St. Lucie	29.76		
Citrus	24.95	Glades	16.97	Lafayette	19.74	Nassau	31.52	Santa Rosa	40.06		
Clay	35.81	Gulf	20.84	Lake	31.22	Okaloosa	38.15	Sarasota	39.25		
Collier	36.74	Hamilton	17.11	Lee	33.48	Okeechobee	17.37	Seminole	48.60		
Columbia	24.69	Hardee	12.73	Leon	55.01	Orange	43.12	Sumter	30.29		

Source: <http://www.floridacollege.edu/collegesystem/baccalaureate/degrees>

#### Florida College System Baccalaureate Degrees

##### *Background*

The Legislature created the site-determined baccalaureate degree access program in 1999 to authorize Florida College System (FCS) institutions to offer baccalaureate degrees to meet the economic development and educational needs of place-bound, nontraditional students in areas of the state that are underserved by 4-year institutions.<sup>5</sup>

<sup>1</sup> Lumina Foundation, *National Overview of Attainment*: Hearing before the House Post-Secondary Education Subcommittee (Jan. 12, 2017), available at [http://www.myfloridahouse.gov/Sections/Documents/loaddoc.aspx?PublicationType=Committees&CommitteeId=2907&Session=2017&DocumentType=Meeting Packets&FileName=pse 1-12-17.pdf](http://www.myfloridahouse.gov/Sections/Documents/loaddoc.aspx?PublicationType=Committees&CommitteeId=2907&Session=2017&DocumentType=Meeting%20Packets&FileName=pse%201-12-17.pdf).

<sup>2</sup> Miliken Institute. *A Matter of Degrees: The affect of educational attainment on regional economic prosperity*. (2013).

<sup>3</sup> U.S. Census Bureau. 2014 American Community Survey.

<sup>4</sup> Higher Education Coordinating Council Update: Hearing before the House Post-Secondary Education Subcommittee (Jan. 12, 2017), available at

[http://www.myfloridahouse.gov/Sections/Documents/loaddoc.aspx?PublicationType=Committees&CommitteeId=2907&Session=2017&DocumentType=Meeting Packets&FileName=pse 1-12-17.pdf](http://www.myfloridahouse.gov/Sections/Documents/loaddoc.aspx?PublicationType=Committees&CommitteeId=2907&Session=2017&DocumentType=Meeting%20Packets&FileName=pse%201-12-17.pdf).

<sup>5</sup> Section 1, ch. 99-290, L.O.F.

In 2001, the Legislature redesignated St. Petersburg Junior College as St. Petersburg College (SPC) and authorized community colleges to offer baccalaureate degrees in populous counties that are underserved by public baccalaureate degree granting institutions.<sup>6</sup> The legislative intent to provide access to baccalaureate degrees was to “address the state’s workforce needs, especially the need for teachers, nurses, and business managers in agencies and firms that require expertise in technology.”<sup>7</sup> The Legislature specified the purpose for authorizing SPC to offer high quality undergraduate education at affordable prices is to “promote economic development by preparing people for occupations that require a bachelor’s degree and are in demand by existing or emerging public and private employers in this state.”<sup>8</sup>

The top five baccalaureate degrees awarded in 2015-16 were:<sup>9</sup>

1. Supervision and Management - 2,585
2. Nursing - 1,488
3. Public Safety Administration - 301
4. Information/Technology Management - 263
5. Business Administration – 257

These five areas accounted for 68% of the 7,185 baccalaureate degrees awarded last year.

The average full-time earnings for a recent baccalaureate degree graduate in 2015-16 was \$57,924 (2014-15 completers).<sup>10</sup>

FCS institutions offer programs in several critical shortage areas, including over 50 teacher education programs. The Annual Program Performance Report for teacher education programs, required by state board rule, finds that FCS institutions perform on par with their university peers when it comes to producing quality graduates. For Example, in 2017, Indian River State College received the highest score for all teacher education programs for its Middle Grade Mathematics program for the number of completers employed whose students achieved on statewide assessments.<sup>11</sup>

FCS institutions that offer baccalaureate degrees must comply with the requirements of the Southern Association of Colleges and School Commission on Colleges (SACSCOC) Principles of Accreditation. The SACSCOC Core Requirement 3.5.4<sup>12</sup> requires that at least 25 percent of the discipline course hours in each major at the baccalaureate level are taught by faculty members holding a terminal degree (usually the earned doctorate) in the discipline. The number of FCS upper division full-time and part-time faculty has increased system wide each year since 2011. On average, each baccalaureate degree program has added the equivalent of one full-time faculty member since 2011. In 2014-15, the system had 399 full-time faculty and 359 part-time faculty teaching in upper division degree programs.<sup>13</sup>

FCS baccalaureate degree programs serve a largely different population than other in-state public baccalaureate options. Such programs serve an older demographic of working adults who are gaining skills for advancement in the workforce. Historical data show the average age of students enrolled in baccalaureate programs is 32.7 and the average age of FCS baccalaureate graduates is 33.2 (2012-13). In 2012-13, 74.7 percent of all students enrolled in FCS baccalaureate programs were from

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<sup>6</sup> Section 40, ch. 2001-170, L.O.F.

<sup>7</sup> *Id.*

<sup>8</sup> *Id.*

<sup>9</sup> Email, Florida Department of Education. (March 22, 2017)

<sup>10</sup> *Id.*

<sup>11</sup> Sandi Jacobs, Education Counsel, *Florida Teacher Preparation Programs: A Summary and Analysis of Program Performance* (January 2017), available at <http://www.fldoe.org/core/fileparse.php/7502/urlt/FTPPSummAnalysisPP.pdf>

<sup>12</sup> SACSCOC Principles of Accreditation available at <http://www.sacscoc.org/pdf/2012PrinciplesOfAccreditation.pdf>.

<sup>13</sup> Baccalaureate Degree Accountability Report (August 2016). Tallahassee, FL: Department of Education, Division of Florida Colleges.

underserved groups (need-based financial aid recipients, minority students, limited English proficient or students with disabilities). Most FCS baccalaureate programs are open access.<sup>14</sup>

### *Approval Process*

The State Board of Education (SBE) is responsible for reviewing and approving proposals by FCS institutions to offer baccalaureate degree programs.<sup>15</sup> As a part of the approval process:

- FCS institutions must submit a notice of intent to the Division of Florida Colleges (DFC) regarding the proposed baccalaureate degree program 100 days before the submission of the program proposal.<sup>16</sup>
- Within 10 days after receipt of the notice, the DFC must forward the notice of intent to the Chancellor of the State University System (SUS), the President of Independent Colleges and Universities of Florida (ICUF), and the Executive Director of the Commission for Independent Education (CIE).<sup>17</sup>
- State universities have 60 days, after receipt of the notice by the SUS Chancellor, to submit objections to the proposed program or submit an alternative proposal to offer the baccalaureate degree program.
- If the SBE does not receive a proposal from a state university within the 60-day period, the SBE must provide regionally accredited private colleges and universities 30 days to submit objections to the proposed program or submit an alternative proposal.
- Objections and alternative proposals must be submitted to the DFC, and must be considered by the SBE in making its decision to approve or deny a FCS institution's baccalaureate degree program proposal.<sup>18</sup>
- The DFC must notify the FCS institution of any deficiencies in writing within 30 days following receipt of the proposal, and provide the FCS institution with an opportunity to correct the deficiencies.
- Within 45 days following receipt of a completed proposal by the DFC, the Commissioner of Education must recommend approval or disapproval of the proposal to the SBE.
- The SBE must consider such recommendation, the proposal, and any objections or alternative proposals at its next meeting, and the SBE must provide to the FCS institution written reasons for any disapproval of baccalaureate degree proposals.

Currently, 27 FCS institutions offer 179 baccalaureate degree programs.<sup>19</sup> In July, 2014, the Florida Legislature placed a moratorium on the approval of new baccalaureate degrees in the FCS. The year prior to the moratorium, 20 baccalaureate proposals were approved and 1 proposal was withdrawn. The moratorium was lifted in August 2015. Since that time, 11 baccalaureate degree proposals have been approved and 11 baccalaureate degree proposals have been reviewed and were subsequently withdrawn from consideration for SBE approval because they did not provide significant evidence of unmet need for the occupations linked to the selected degree in the service region.<sup>20</sup>

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<sup>14</sup>The Florida College System *Transparency, Accountability, Progress, and Performance. What are some key "take aways" about baccalaureate degrees in the Florida College System?* (2014) available at <https://www.floridacollegesystem.com/sites/www/Uploads/Publications/TAPPs/BaccTakeAwaysTAPP.pdf>.

<sup>15</sup> Section 1001.03(15), F.S.

<sup>16</sup> Section 1007.33(5)(a), F.S.

<sup>17</sup> *Id.* at (5)(b).

<sup>18</sup> *Id.*

<sup>19</sup> The 27 colleges authorized to offer baccalaureate degree programs are Broward College, Chipola College, College of Central Florida, Daytona State College, Eastern Florida State College, Florida Gateway College, Florida Keys Community College, Florida SouthWestern State College, Florida State College at Jacksonville, Gulf Coast State College, Indian River State College, Lake-Sumter State College, Miami Dade College, North Florida Community College, Northwest Florida State College, Palm Beach State College, Pasco-Hernando State College, Pensacola State College, Polk State College, Santa Fe College, Seminole State College of Florida, South Florida State College, St. Johns River State College, St. Petersburg College, State College of Florida, Manatee-Sarasota, Tallahassee Community College, and Valencia College. Florida College System, *Baccalaureate Programs as of October 2016*, (2016) available at [http://www.fldoe.org/core/fileparse.php/5592/urlt/0082821-program\\_list.xls](http://www.fldoe.org/core/fileparse.php/5592/urlt/0082821-program_list.xls).

<sup>20</sup> Email, Florida Department of Education (March 22, 2017).

In 2015-16, funded full-time-equivalent (FTE) enrollment in FCS upper-division programs was 15,281, which represented 4.7 percent of the total funded FCS FTE enrollment of 327,992.<sup>21</sup>

Funded FTE enrollment in upper division programs in the FCS has risen by approximately 102 percent from 7,584 in 2010-11<sup>22</sup> to 15,281 in 2015-16.<sup>23</sup>

### 2+2 Articulation

The SBE and the Board of Governors (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.<sup>24</sup>

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,<sup>25</sup> of a state university or an FCS institution that offers a baccalaureate degree.<sup>26</sup> However, eligibility for admission to a state university does not provide a transfer student guaranteed admission to the specific university or degree program that the student chooses.<sup>27</sup>

### Targeted Pathway Articulation Agreements

Targeted 2+2 pathway articulation agreements enhance transfer opportunities for students beyond the statewide 2+2 agreement. Criteria included in the agreements support students as they transfer from a FCS institution to a public, private or out of state university. The majority of the agreements guarantee access by ensuring students meet transfer requirements (89%) and meet with a university academic advisor for guidance (80%). Many of the agreements also include a requirement for students to earn an associate in arts prior to transferring to the university (78%). Furthermore, the majority of agreements require the university to advise students enrolled in the transfer program regarding the university's transfer and degree program requirements (76%), ensuring students meet the proper benchmarks and complete prerequisite courses.<sup>28</sup> Going above and beyond the 2+2 statewide agreement, 71 percent of agreements guarantee students access to a specific degree program at the university. Table 1 indicates the percent of agreements which include each of the noted criteria.<sup>29</sup>

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<sup>21</sup> Office of Economic & Demographic Research, *Education Estimating Conference*, Dec. 8, 2016, at 2., available at [http://edr.state.fl.us/Content/conferences/communitycolleges/DOE\\_Handout\\_120816.pdf](http://edr.state.fl.us/Content/conferences/communitycolleges/DOE_Handout_120816.pdf).

<sup>22</sup> Florida Department of Education, *The Fact Book, Report for the Florida College System, 2016, Fact Book 3.1F. Florida College System FTE Enrollment (Funded) by Program Area, 2010-11 through 2014-15*, available at <http://www.fldoe.org/core/fileparse.php/15267/urlt/FactBook2016.pdf>.

<sup>23</sup> Office of Economic & Demographic Research, *Education Estimating Conference*, Dec. 8, 2016, at 2., available at [http://edr.state.fl.us/Content/conferences/communitycolleges/DOE\\_Handout\\_120816.pdf](http://edr.state.fl.us/Content/conferences/communitycolleges/DOE_Handout_120816.pdf).

<sup>24</sup> Section 1007.23(1), F.S.

<sup>25</sup> Section 1007.23(2)(a), F.S. Exceptions include limited access programs, teacher certification programs, and those requiring an audition.

<sup>26</sup> Section 1007.23(2)(a), F.S.

<sup>27</sup> Board of Governors Regulation 6.004(2)(b).

<sup>28</sup> Florida College System, *2+2 Targeted Pathway Articulation Agreements*, Email response to legislative staff request (March 22, 2017).

<sup>29</sup> *Id.*

**Table 1. Percent of Targeted 2+2 Pathway Articulation Agreements Including Criteria**

<b>Criteria Included in Targeted 2+2 Pathway Articulation Agreements</b>	
Students are guaranteed access to the university.	65%
Students are guaranteed access to a degree program at the university.	71%
Students enroll in the transfer program before completing 30 credit hours.	25%
College credits earned through articulated acceleration mechanisms are counted to enroll students prior to completing 30 credit hours.	27%
Students must complete an associate in arts degree prior to transferring.	78%
Students must meet the university's transfer requirements.	89%
As part of the agreement the university has established a 4-year on-time graduation plan for a baccalaureate degree program, including, but not limited to, a plan for students to complete associate in arts degree programs, general education courses, common prerequisite courses, and elective courses.	33%
The university advises students enrolled in the transfer program about the university's transfer and degree program requirements.	76%
The university provides students who meet the transfer program requirements access to academic advisors.	80%
The university provides students who meet the transfer program requirements access to campus events.	69%

Florida College System institutions partner with state universities to offer 57 targeted 2+2 articulation agreements. FCS institutions have the most 2+2 targeted articulation agreements with the University of Central Florida (9), followed by the University of South Florida (8) and the University of Florida (7). Many FCS institutions partner with universities through specific programs including the University of Central Florida's DirectConnect, University of Florida's UF Connect and the University of South Florida's FUSE program. In addition, FCS institutions partner with private and out of state universities and colleges to offer 121 targeted 2+2 articulation agreements.

### Reverse Transfer

The majority of state policies regarding transfer deal specifically with students moving from a 2-year to a 4-year institution.<sup>30</sup> Florida has several policies in place to promote this "vertical" transfer concept, including the Statewide Course Numbering System,<sup>31</sup> common prerequisites,<sup>32</sup> general education core requirements,<sup>33</sup> and a statewide articulation agreement<sup>34</sup> between FCS institutions and state universities.

Recently, policymakers, national organizations, and institutional practitioners have begun using the term "reverse transfer" to describe a similar process of student mobility with slightly different goals and outcomes.<sup>35</sup> Reverse transfer can be defined as "the process of retroactively granting associate degrees to students who did not complete the requirements of an associate degree before they transferred from a 2-year to a 4-year institution."<sup>36</sup>

<sup>30</sup> ECS Education Trends. *Reverse Transfer: The Path Less Traveled* (May 2015), <http://www.ecs.org>. (last visited March 23, 2017).

<sup>31</sup> Section 1007.24, F.S.

<sup>32</sup> Section 1007.25, F.S.

<sup>33</sup> *Id.*

<sup>34</sup> Section 1007.23, F.S.

<sup>35</sup> ECS Education Trends. *Reverse Transfer: The Path Less Traveled* (May 2015), <http://www.ecs.org>. (last visited March 23, 2017).

<sup>36</sup> Laura Hannenmann and Matthew Hazenbush, *On the Move: Supporting Student Transfer*. (Boston, MA: New England Board of Higher Education, 2014), 6.



The Reverse Transfer Project (RTP) was initiated to address challenges relating to data transfer limitations and assist four-year institutions in transferring credit back to two-year institutions to streamline the process of a student retroactively being awarded an associate degree.<sup>37</sup> The RTP is managed and originated with the National Student Clearinghouse (NSC) and allows the NSC to be the data exchange provider to facilitate reverse transfer in the states. In phase II of the project, the NSC plans to roll out a “nationwide data mart” for any state providing reverse transfer to its students.<sup>38</sup>

According to the NSC, 2 million students attended college for 2+ years between 2003-2013, but didn’t earn a degree. In addition, 78 percent of students who transfer from a community college to a 4-year institution, do so prior to earning an associate degree.<sup>39</sup> Efforts made by states to award associate degrees to these “partial completers” from the 2-year college from which they transferred, upon completion of associate degree requirements at a 4-year institution, could lead to an increase in educational attainment.

### Florida College System Institutions Mission

The primary mission and responsibility of FCS institutions is responding to community needs for postsecondary academic education and career degree education. Florida law specifies the following as the primary mission of FCS institutions:<sup>40</sup>

- Providing lower-level undergraduate instruction and awarding associate degrees.
- Preparing students directly for careers requiring less than baccalaureate degrees.
- Providing student development services to ensure student success.
- Promoting economic development for the state through special programs.
- Providing dual enrollment instruction.
- Providing upper-level instruction and awarding baccalaureate degrees authorized by law.

Additionally, a secondary mission of FCS institutions includes offering programs in:<sup>41</sup>

- community services that are not directly related to academic or occupational advancement;
- adult education services; and
- recreational and leisure services.

### State Board of Education

The SBE<sup>42</sup> is the “chief implementing and coordinating body of public education in Florida, except for the State University System (SUS)” and is authorized to adopt rules to implement the provisions of law conferring duties upon the SBE to improve the state system of K-20 public education, except for the SUS.<sup>43</sup> The SBE is authorized to delegate its general powers to the Commissioner of Education (commissioner) or the directors of the divisions of the Florida Department of Education (DOE).<sup>44</sup> The SBE has a duty “to exercise general supervision over the divisions of the DOE as necessary to ensure coordination of education plans and programs and resolve controversies and to minimize problems of articulation and student transfer, to ensure that students moving from one level of education to the next have acquired competencies necessary for satisfactory performance at that level.”<sup>45</sup>

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<sup>37</sup> National Student Clearinghouse, *What Is Reverse Transfer?* (Indianapolis, IN: Lumina Foundation, 2014), *available at* <http://www.reversetransfer.org> (Last visited March 23, 2017).

<sup>38</sup> *Id.*

<sup>39</sup> *Id.*

<sup>40</sup> Section 1004.65(5), F.S.

<sup>41</sup> Section 1004.65(6), F.S.

<sup>42</sup> The State Board of Education is established in Art. IX, s. 2, Fla. Const., as “a body corporate and have such supervision of the system of free public education as is provided by law.”

<sup>43</sup> Section 1001.02(1), F.S.

<sup>44</sup> *Id.*

<sup>45</sup> Section 1001.02(2)(c), F.S.

## *Department of Education*

The DOE is the administrative and supervisory agency under the implementation direction of the SBE.<sup>46</sup> The commissioner is appointed by the SBE and serves as the executive director of the DOE.<sup>47</sup> Within the DOE, the DFC<sup>48</sup> is directed by the chancellor of the FCS,<sup>49</sup> who oversees the 28 FCS institutions. The Division of Career and Adult Education (DCAE)<sup>50</sup> is directed by the Chancellor of Career and Adult Education who oversees both secondary and postsecondary career and technical education programs that are under the jurisdiction of district school boards and adult education that is under the jurisdiction of both district school boards and FCS institutions. Both chancellors<sup>51</sup> report directly to the commissioner.

### **Effect of Proposed Changes**

#### Florida College System Baccalaureate Approval Process

The bill clarifies expectations and state oversight of baccalaureate degree programs offered by FCS institutions. Specifically, the bill:

- Modifies the FCS institution baccalaureate degree approval process to:
  - require FCS institutions to submit a notice of interest into a shared postsecondary database at least 180 days before submission of the notice of intent;
  - require FCS institutions to submit a notice of intent and justification for the proposed baccalaureate degree at least 100 days before submitting the baccalaureate degree proposal;
  - specify that the required justification for the proposed baccalaureate degree include a data-driven analysis of workforce demand, including employment data and projections by the Department of Economic Opportunity, which must be verified by the Chancellor of the FCS;<sup>52</sup>
  - extend the timeframe from 30 days to 60 days for private regionally-accredited colleges and universities to submit their objections to the proposed baccalaureate degree programs and provide reasons for such objections; and
  - require the SBE to consider input from the SUS Chancellor and the president of the Independent Colleges and Universities of Florida, and any objections before approving or denying a college's proposal;
- Aligns the baccalaureate degree approval process for SPC with the approval process for other FCS institutions.

The bill requires the SBE to annually review each baccalaureate degree program. If a program exhibits negative performance, the SBE must require the institution's board of trustees to either modify or terminate the program.

Additionally, the bill prohibits the colleges from offering bachelor of arts degrees<sup>53</sup> and establishes a cap on upper-level, undergraduate FTE enrollment in the FCS while providing flexibility for planned and purposeful growth of baccalaureate degree programs if certain conditions are met. Specifically, the bill:

- specifies that the total upper-level enrollment for the Florida College System may not exceed 20 percent of the combined upper- and lower-level enrollment;

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<sup>46</sup> Section 1001.20(1), F.S.

<sup>47</sup> Section 20.15(2), F.S.

<sup>48</sup> *Id.* at (3)(a).

<sup>49</sup> *Id.* at (4).

<sup>50</sup> Section 20.15 (3)(c), F.S.

<sup>51</sup> Section 20.15(4), F.S.

<sup>52</sup> Section 240.3031, F.S. (repealed January 7, 2003, by s. 3, ch. 2000-321).

<sup>53</sup> Currently, there are no bachelor of arts degrees offered by community colleges. Florida Department of Education, Agency Analysis of SB 374 (Feb. 2, 2017).

- emphasizes that for any planned and purposeful expansion of existing baccalaureate degree programs or creation of a new baccalaureate program, an FCS institution must demonstrate satisfactory performance in:
  - fulfilling its primary mission as specified in law;<sup>54</sup> and
  - executing at least one “2+2” targeted pathway articulation agreement specified in law.<sup>55</sup>
- requires each institution to annually report, by September 1 of each year, to the FCS Chancellor regarding the following baccalaureate degree program performance and compliance indicators:
  - obtaining and maintaining appropriate SACSCOC accreditation;
  - maintaining qualified faculty and institutional resources;
  - maintaining student enrollment in previously approved programs;
  - managing fiscal resources appropriately;
  - complying with primary mission and responsibility requirements;
  - other indicators of success, including program completions, employment and earnings outcomes, student acceptance into and performance in graduate programs, and surveys of graduates and employers; and
  - continuing to meet workforce needs, as demonstrated through a data-driven needs assessment that is verified by the FCS Chancellor; and
- requires the FCS Chancellor to compile and summarize institutional reports and submit them to the SBE, the SUS Chancellor, and the Legislature. The summary report must also include the status of system-level compliance with upper-level enrollment limitations.

The bill also reinforces the state’s expectation of college affordability by requiring the college’s program enrollment projections and funding requirements to include the college’s efforts to sustain the program at a cost of tuition and fees for Florida residents not to exceed \$10,000 for the entire degree program, including flexible tuition and fee rates, and the use of waivers authorized by law.<sup>56</sup>

### 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 AA degree; and
  - 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; and
  - provide students access to academic advisors and campus events, and guarantee admittance to the state university and degree program; and

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<sup>54</sup> Section 1004.65, F.S.

<sup>55</sup> Section 1007.23, F.S.

<sup>56</sup> Section 1009.26(11), F.S.

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

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 law 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 FCS institutions. For instance, the “DirectConnect to UCF” 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” program 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.

The bill also directs SBE, in collaboration with the BOG, to evaluate and report on the status of Florida’s “2+2” system of articulation using the articulation accountability measures outlined in statute.<sup>57</sup> The SBE and the BOG must submit their report, including findings regarding the effectiveness of the “2+2” articulation system and recommendations for improvement, to the Governor, the President of the Senate and the Speaker of the House of Representatives by December 31, 2017.

### Reverse Transfer

The bill requires that the statewide articulation agreement provide for a reverse transfer agreement for FCS institution students who transfer to a state university prior to earning an AA degree. The bill requires that all students be awarded an AA degree by the FCS institution upon completion of degree requirements at the state university if the student earned a majority of the credit hours from the FCS institution. State universities will be required to transfer credits back to the FCS institution so that the AA degree may be awarded by the FCS institution. This will enable students to earn a postsecondary credential regardless of whether they complete a baccalaureate degree at a state university.

### Florida College System Institutions Mission

The bill revises the primary mission of FCS institutions to clarify that baccalaureate degree programs must be designed to meet the workforce needs of the institution’s service area and the educational needs of place-bound, non-traditional students.

### Governance Study

The bill creates a Governance Study Committee, consisting of 10 members, including the FCS Chancellor, who will serve as chair and be a non-voting member, and the Chancellor for Career and Adult Education who will also be a non-voting member. The President of the Senate and the Speaker of the House shall each appoint one member who is:

- a president of a FCS institution whose service area includes a state university;
- a president of a FCS institution whose service area does not include a state university;
- a director of a career center operated by a district school board; and
- a representative of the business community.

The committee shall conduct a study to review national best practices of governance of undergraduate education and career postsecondary education, including any correlation between the type of governance structure and improved outcomes, accountability, or efficiency in such programs.

The study must examine effective relationships between business and industry, colleges, and school districts and make recommendations to strengthen such relationships to meet workforce demands and better prepare students for entry into the workforce. In addition, the committee must review the mission of each college and determine whether changes to the academic program offerings of the college have enhanced or undermined the primary mission.

If the committee makes a determination that it is advisable to transfer the administration of FCS institutions and career centers from the SBE to another government entity, then the committee must make recommendations regarding the best methods for accomplishing a transfer and the fiscal impact that a transfer would have on the state.

Administrative support for the committee will be jointly provided by the DFC and the DCAE.

The Committee must submit a report of its findings to the SBE, the Governor, the President of the Senate, and the Speaker of the House no later than October 31, 2017.

## B. SECTION DIRECTORY:

**Section 1.** Amends s. 1004.65, F.S., revising the primary mission of FCS institutions.

**Section 2.** Amends s. 1007.23, revising the statewide articulation agreement to require a reverse transfer agreement for FCS students who transfer to a state university prior to earning an AA degree; requiring the establishment of a 2+2 targeted pathway articulation agreements.

**Section 3.** Amends s. 1007.33, F.S., prohibiting FCS institutions from offering bachelor of arts degrees; removing authorization for the board of trustees for SPC to establish certain baccalaureate degree programs; revising the approval process for baccalaureate degree programs proposed by FCS institutions; restricting total upper-level enrollment in the FCS; requiring FCS institutions to report annually, by September 1, to the FCS Chancellor on baccalaureate degree programs; Requiring the FCS Chancellor to compile and summarize institutional information and report, by October 1 each year to the SBE, Chancellor of the SUS, and the Legislature; revising the circumstances under which a baccalaureate degree program may be required to be modified or terminated.

**Section 4.** Requiring the SBE, in collaboration with the BOG, to evaluate and report on the status of Florida's "2+2" system of articulation by December 31, 2017 to the Governor, the President of the Senate, and the Speaker of the House of Representatives.

**Section 5.** Creating a Governance Study Committee to conduct a study concerning the governance structure of undergraduate education programs offered by the FCS and postsecondary career education programs offered by district school boards and FCS institutions; requiring a report of findings be submitted, no later than October 31, 2017, to the SBE, the Governor, the President of the Senate, and the Speaker of the House.

**Section 6.** This bill has 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:

Student who are awarded an associate in arts degree through a reverse transfer agreement may experience a positive economic impact as a result of earning a postsecondary degree.

D. FISCAL COMMENTS:

None.

### III. COMMENTS

A. CONSTITUTIONAL ISSUES:

1. Applicability of Municipality/County Mandates Provision:

Not applicable.

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 Florida College System;  
3           amending s. 1004.65, F.S.; revising the primary  
4           mission of Florida College System institutions;  
5           amending s. 1007.23, F.S.; providing for an associate  
6           degree to be awarded to certain students by Florida  
7           College System institutions; requiring each Florida  
8           College System institution to execute at least one  
9           "2+2" targeted pathway articulation agreement by a  
10          specified time; providing requirements and student  
11          eligibility for the agreements; requiring the State  
12          Board of Education and the Board of Governors to  
13          collaborate to eliminate barriers for the agreements;  
14          amending s. 1007.33, F.S.; revising duties of Florida  
15          College System institutions offering specified degree  
16          programs; revising requirements for baccalaureate  
17          degree programs offered by specified institutions;  
18          prohibiting Florida College System institutions from  
19          offering bachelor of arts degree programs; deleting  
20          provisions relating to an authorization for the Board  
21          of Trustees of St. Petersburg College to establish  
22          certain baccalaureate degree programs; revising the  
23          approval process for baccalaureate degree programs  
24          proposed by Florida College System institutions;  
25          requiring a Florida College System institution to

26 annually report certain information to the Chancellor  
 27 of the Florida College System; requiring the  
 28 Chancellor of the Florida College System to annually  
 29 report certain information to the State Board of  
 30 Education, the Chancellor of the State University  
 31 System, and the Legislature; revising the  
 32 circumstances under which a baccalaureate degree  
 33 program may be required to be modified or terminated;  
 34 restricting total upper-level, undergraduate full-time  
 35 equivalent enrollment in the Florida College System  
 36 institutions; requiring the Board of Governors and the  
 37 State Board of Education to submit a report to the  
 38 Governor and the Legislature by a specified date;  
 39 creating the Governance Study Committee; providing for  
 40 the membership of the committee; providing duties of  
 41 the committee; providing administrative support for  
 42 the committee; requiring the committee to submit a  
 43 report to the State Board of Education and  
 44 Legislature; providing an effective date.

45  
 46 Be It Enacted by the Legislature of the State of Florida:

47  
 48 Section 1. Paragraph (f) of subsection (5) of section  
 49 1004.65, Florida Statutes, is amended to read:  
 50 1004.65 Florida College System institutions; governance,



51 mission, and responsibilities.—

52 (5) The primary mission and responsibility of Florida  
 53 College System institutions is responding to community needs for  
 54 postsecondary academic education and career degree education.  
 55 This mission and responsibility includes being responsible for:

56 (f) Providing, in accordance with s. 1007.33, upper level  
 57 instruction and awarding baccalaureate degrees designed to meet  
 58 the workforce needs of the institution's service area and the  
 59 educational needs of place-bound, non-traditional students as  
 60 specifically authorized by law.

61 Section 2. Paragraph (c) is added to subsection (2) of  
 62 section 1007.23, Florida Statutes, and subsection (7) is added  
 63 to that section, to read:

64 1007.23 Statewide articulation agreement.—

65 (2)

66 (c) The articulation agreement must specifically provide  
 67 for a reverse transfer agreement for Florida College System  
 68 associate in arts degree-seeking students who transfer to a  
 69 state university prior to earning an associate in arts degree.  
 70 Students must be awarded an associate in arts degree by the  
 71 Florida College System institution upon completion of degree  
 72 requirements at the state university if the student earned a  
 73 majority of the credit hours from the Florida College System  
 74 institution. State universities must identify students who have  
 75 completed requirements for the associate in arts degree and

76 transfer credits earned at the state university back to the  
 77 Florida College System institution so that the associate in arts  
 78 degree may be awarded by the Florida College System institution.

79 (7) To strengthen Florida's "2+2" system of articulation  
 80 and improve student retention and on-time graduation, by the  
 81 2018-2019 academic year, each Florida College System institution  
 82 shall execute at least one "2+2" targeted pathway articulation  
 83 agreement with one or more state universities to establish "2+2"  
 84 targeted pathway programs. The agreement must provide students  
 85 who graduate with an associate in arts degree and who meet  
 86 specified requirements guaranteed access to the state university  
 87 and a degree program at that university, in accordance with the  
 88 terms of the "2+2" targeted pathway articulation agreement.

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

91 1. Enroll in the program before completing 30 credit  
 92 hours, including, but not limited to, college credits earned  
 93 through articulated acceleration mechanisms pursuant to s.  
 94 1007.27;

95 2. Complete an associate in arts degree; and

96 3. Meet the university's transfer requirements.

97 (b) A state university that executes a "2+2" targeted  
 98 pathway articulation agreement must meet the following  
 99 requirements in order to implement a "2+2" targeted pathway  
 100 program in collaboration with its partner Florida College System

101 institution:

102 1. Establish a 4-year on-time graduation plan for a  
 103 baccalaureate degree program, including, but not limited to, a  
 104 plan for students to complete an associate in arts degree  
 105 program, general education courses, common prerequisite courses,  
 106 and elective courses;

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

109 3. Provide students who meet the requirements under this  
 110 paragraph with access to academic advisors and campus events and  
 111 with guaranteed admittance to the state university and a degree  
 112 program of the state university, in accordance with the terms of  
 113 the agreement.

114 (c) To assist the state universities and Florida College  
 115 System institutions with implementing the "2+2" targeted pathway  
 116 programs effectively, the State Board of Education and the Board  
 117 of Governors shall collaborate to eliminate barriers in  
 118 executing "2+2" targeted pathway articulation agreements.

119 Section 3. Section 1007.33, Florida Statutes, is amended  
 120 to read:

121 1007.33 Site-determined baccalaureate degree access.—

122 (1)(a) The Legislature recognizes that public and private  
 123 postsecondary educational institutions play an essential role in  
 124 improving the quality of life and economic well-being of the  
 125 state and its residents. The Legislature also recognizes that

126 economic development needs and the educational needs of place-  
 127 bound, nontraditional students have increased the demand for  
 128 local access to baccalaureate degree programs. It is therefore  
 129 the intent of the Legislature to further expand access to  
 130 baccalaureate degree programs through the use of Florida College  
 131 System institutions.

132 (b) For purposes of this section, the term "district"  
 133 refers to the county or counties served by a Florida College  
 134 System institution pursuant to s. 1000.21(3).

135 (2) Any Florida College System institution that offers one  
 136 or more baccalaureate degree programs must:

137 (a) Maintain as its primary mission:

138 1. Responsibility for responding to community needs for  
 139 postsecondary academic education and career degree education as  
 140 prescribed in s. 1004.65(5).

141 2. The provision of associate degrees that provide access  
 142 to a university.

143 (b) Maintain an open-door admission policy for associate-  
 144 level degree programs and workforce education programs.

145 (c) Continue to provide outreach to underserved  
 146 populations.

147 (d) Continue to provide developmental ~~remedial~~ education  
 148 pursuant to s. 1008.30.

149 (e) Comply with all provisions of the statewide  
 150 articulation agreement which relate to 2-year and 4-year public

151 degree-granting institutions as adopted by the State Board of  
 152 Education pursuant to s. 1007.23.

153 (f) Not award graduate credit.

154 (g) Not participate in intercollegiate athletics beyond  
 155 the 2-year level.

156 (3) A Florida College System institution may not terminate  
 157 its associate in arts or associate in science degree programs as  
 158 a result of being authorized to offer one or more baccalaureate  
 159 degree programs. The Legislature intends that the primary  
 160 responsibility of a Florida College System institution,  
 161 including a Florida College System institution that offers  
 162 baccalaureate degree programs, continues to be the provision of  
 163 associate degrees that provide access to a university.

164 (4) A Florida College System institution may:

165 (a) Offer specified baccalaureate degree programs through  
 166 formal agreements between the Florida College System institution  
 167 and other regionally accredited postsecondary educational  
 168 institutions pursuant to s. 1007.22.

169 (b) Offer baccalaureate degree programs that are ~~were~~  
 170 authorized by law ~~prior to July 1, 2009.~~

171 ~~(c) Beginning July 1, 2009, establish a first or~~  
 172 ~~subsequent baccalaureate degree program~~ for purposes of meeting  
 173 district, regional, or statewide workforce needs if approved by  
 174 the State Board of Education under this section. However, a  
 175 Florida College System institution may not offer a bachelor of

176 arts degree program.

177

178 ~~Beginning July 1, 2009, the Board of Trustees of St. Petersburg~~  
 179 ~~College is authorized to establish one or more bachelor of~~  
 180 ~~applied science degree programs based on an analysis of~~  
 181 ~~workforce needs in Pinellas, Pasco, and Hernando Counties and~~  
 182 ~~other counties approved by the Department of Education. For each~~  
 183 ~~program selected, St. Petersburg College must offer a related~~  
 184 ~~associate in science or associate in applied science degree~~  
 185 ~~program, and the baccalaureate degree level program must be~~  
 186 ~~designed to articulate fully with at least one associate in~~  
 187 ~~science degree program. The college is encouraged to develop~~  
 188 ~~articulation agreements for enrollment of graduates of related~~  
 189 ~~associate in applied science degree programs. The Board of~~  
 190 ~~Trustees of St. Petersburg College is authorized to establish~~  
 191 ~~additional baccalaureate degree programs if it determines a~~  
 192 ~~program is warranted and feasible based on each of the factors~~  
 193 ~~in paragraph (5) (d). However, the Board of Trustees of St.~~  
 194 ~~Petersburg College may not establish any new baccalaureate~~  
 195 ~~degree programs from March 31, 2014, through May 31, 2015. Prior~~  
 196 ~~to developing or proposing a new baccalaureate degree program,~~  
 197 ~~St. Petersburg College shall engage in need, demand, and impact~~  
 198 ~~discussions with the state university in its service district~~  
 199 ~~and other local and regional, accredited postsecondary providers~~  
 200 ~~in its region. Documentation, data, and other information from~~

201 ~~inter institutional discussions regarding program need, demand,~~  
 202 ~~and impact shall be provided to the college's board of trustees~~  
 203 ~~to inform the program approval process. Employment at St.~~  
 204 ~~Petersburg College is governed by the same laws that govern~~  
 205 ~~Florida College System institutions, except that upper division~~  
 206 ~~faculty are eligible for continuing contracts upon the~~  
 207 ~~completion of the fifth year of teaching. Employee records for~~  
 208 ~~all personnel shall be maintained as required by s. 1012.81.~~

209 (5) The approval process for baccalaureate degree programs  
 210 must shall require:

211 (a) Each Florida College System institution to submit a  
 212 notice of interest at least 180 days before submitting a notice  
 213 of its intent to propose a baccalaureate degree program to the  
 214 Division of Florida Colleges at least 100 days before the  
 215 submission of its proposal under paragraph (d). The notice of  
 216 interest must be submitted into a shared postsecondary database  
 217 that allows other postsecondary institutions to preview and  
 218 provide feedback on the notice of interest. A written notice of  
 219 intent must be submitted to the Chancellor of the Florida  
 220 College System at least 100 days before the submission of a  
 221 baccalaureate degree program proposal under paragraph (d). The  
 222 notice of intent must include a brief description of the  
 223 program, the workforce demand and unmet need for graduates of  
 224 the program to include evidence from entities independent of the  
 225 institution, the geographic region to be served, and an

226 estimated timeframe for implementation. Notices of interest and  
 227 intent may be submitted by a Florida College System institution  
 228 at any time throughout the year. The notice of intent must also  
 229 include evidence that the Florida College System institution  
 230 engaged in need, demand, and impact discussions with the state  
 231 university and other regionally accredited postsecondary  
 232 education providers in its service district.

233 (b) The Chancellor of the Florida College System ~~Division~~  
 234 ~~of Florida Colleges~~ to forward the notice of intent submitted  
 235 pursuant to paragraph (a) and the justification for the proposed  
 236 baccalaureate degree program required under paragraph (d) within  
 237 10 business days after receiving such notice and justification  
 238 to the Chancellor of the State University System, the president  
 239 of the Independent Colleges and Universities of Florida, and the  
 240 Executive Director of the Commission for Independent Education.  
 241 State universities ~~shall~~ have 60 days following receipt of the  
 242 notice of intent and justification by the Chancellor of the  
 243 State University System to submit an objection and a reason for  
 244 the objection to the proposed baccalaureate degree program  
 245 ~~objections to the proposed new program~~ or to submit an  
 246 alternative proposal to offer the baccalaureate degree program.  
 247 ~~If a proposal from a state university is not received within the~~  
 248 ~~60 day period,~~ The Chancellor of the Florida College System  
 249 ~~State Board of Education~~ shall also provide regionally  
 250 accredited private colleges and universities 60 ~~30~~ days to



251 submit an objection and a reason for the objection to the  
 252 proposed baccalaureate degree program ~~objections to the proposed~~  
 253 ~~new program~~ or to submit an alternative proposal. A regionally  
 254 accredited private college or university's objections or  
 255 alternative proposals shall be submitted to the Chancellor of  
 256 the Florida College System ~~Division of Florida Colleges~~ and must  
 257 be considered by the State Board of Education in making its  
 258 decision to approve or deny a Florida College System  
 259 institution's proposal submitted pursuant to paragraph (d).

260 (c) An alternative proposal submitted by a state  
 261 university or private college or university to adequately  
 262 address:

263 1. The extent to which the workforce demand and unmet need  
 264 described in the notice of intent will be met.

265 2. The extent to which students will be able to complete  
 266 the degree in the geographic region proposed to be served by the  
 267 Florida College System institution.

268 3. The level of financial commitment of the college or  
 269 university to the development, implementation, and maintenance  
 270 of the specified degree program, including timelines.

271 4. The extent to which faculty at both the Florida College  
 272 System institution and the college or university will  
 273 collaborate in the development and offering of the curriculum.

274 5. The ability of the Florida College System institution  
 275 and the college or university to develop and approve the

276 curriculum for the specified degree program within 6 months  
 277 after an agreement between the Florida College System  
 278 institution and the college or university is signed.

279 6. The extent to which the student may incur additional  
 280 costs above what the student would expect to incur if the  
 281 program were offered by the Florida College System institution.

282 (d) Each Florida College System institution to submit a  
 283 baccalaureate degree program proposal at least 100 days after  
 284 submitting the notice of intent. Each proposal must ~~submitted by~~  
 285 ~~a Florida College System institution to~~, at a minimum, include:

286 1. A description of the planning process and timeline for  
 287 implementation.

288 2. A justification for the proposed baccalaureate degree  
 289 program, including, at a minimum, a data-driven ~~An~~ analysis of  
 290 workforce demand and unmet need for graduates of the program on  
 291 a district, regional, or statewide basis, as appropriate, and  
 292 the extent to which the proposed program will meet the workforce  
 293 demand and unmet need. The analysis must include workforce and  
 294 employment data for the most recent years and projections by the  
 295 Department of Economic Opportunity for future years. The  
 296 analysis must also include a summary of degree programs similar  
 297 to the proposed degree program which are currently offered by  
 298 state universities or by independent nonprofit colleges or  
 299 universities that are eligible to participate in the William L.  
 300 Boyd, IV, Florida Resident Access Grant Program pursuant to s.

301 1009.89 and which are located in the Florida College System  
 302 institution's regional service area. The analysis and evidence  
 303 must be verified by the Chancellor of the Florida College System  
 304 ~~including evidence from entities independent of the institution.~~

305 3. Identification of the facilities, equipment, and  
 306 library and academic resources that will be used to deliver the  
 307 program.

308 4. The program cost analysis of creating a new  
 309 baccalaureate degree when compared to ~~alternative proposals and~~  
 310 other program delivery options.

311 5. The program's admission requirements, academic content,  
 312 curriculum, faculty credentials, student-to-teacher ratios, and  
 313 accreditation plan.

314 6. The program's student enrollment ~~projections~~ and  
 315 funding requirements, including:

316 a. The impact of the program's enrollment projections on  
 317 compliance with the upper-level enrollment provisions under  
 318 subsection (6); and

319 b. The Florida College System institution's efforts to  
 320 sustain the program at the cost of tuition and fees for students  
 321 who are classified as residents for tuition purposes under s.  
 322 1009.21, not to exceed \$10,000 for the entire degree program,  
 323 including flexible tuition and fee rates and the use of waivers  
 324 pursuant to s. 1009.26(11).

325 7. A plan of action if the program is terminated.

326 (e) The Division of Florida Colleges to review the  
 327 proposal, notify the Florida College System institution of any  
 328 deficiencies in writing within 30 days following receipt of the  
 329 proposal, and provide the Florida College System institution  
 330 with an opportunity to correct the deficiencies. Within 45 days  
 331 following receipt of a completed proposal by the Division of  
 332 Florida Colleges, the Chancellor of the Florida College System  
 333 ~~Commissioner of Education~~ shall recommend approval or  
 334 disapproval of the proposal to the State Board of Education. The  
 335 State Board of Education shall consider such recommendation, the  
 336 proposal, input from the Chancellor of the State University  
 337 System and the president of the Independent Colleges and  
 338 Universities of Florida, and any objections or alternative  
 339 proposals at its next meeting. If the State Board of Education  
 340 disapproves the Florida College System institution's proposal,  
 341 it shall provide the Florida College System institution with  
 342 written reasons for that determination.

343 (f) The Florida College System institution to obtain from  
 344 the Commission on Colleges of the Southern Association of  
 345 Colleges and Schools accreditation as a baccalaureate-degree-  
 346 granting institution if approved by the State Board of Education  
 347 to offer its first baccalaureate degree program.

348 (g) The Florida College System institution to notify the  
 349 Commission on Colleges of the Southern Association of Colleges  
 350 and Schools of subsequent degree programs that are approved by

351 the State Board of Education and to comply with the  
 352 association's required substantive change protocols for  
 353 accreditation purposes.

354 ~~(h) The Florida College System institution to annually,~~  
 355 ~~and upon request of the State Board of Education, the~~  
 356 ~~Commissioner of Education, the Chancellor of the Florida College~~  
 357 ~~System, or the Legislature, report its status using the~~  
 358 ~~following performance and compliance indicators:~~

- 359 ~~1. Obtaining and maintaining appropriate Southern~~
- 360 ~~Association of Colleges and Schools accreditation;~~
- 361 ~~2. Maintaining qualified faculty and institutional~~
- 362 ~~resources;~~
- 363 ~~3. Maintaining enrollment in previously approved programs;~~
- 364 ~~4. Managing fiscal resources appropriately;~~
- 365 ~~5. Complying with the primary mission and responsibility~~
- 366 ~~requirements in subsections (2) and (3); and~~
- 367 ~~6. Other indicators of success, including program~~
- 368 ~~completions, placements, and surveys of graduates and employers.~~

369  
 370 ~~The State Board of Education, upon review of the performance and~~  
 371 ~~compliance indicators, may require a Florida College System~~  
 372 ~~institution's board of trustees to modify or terminate a~~  
 373 ~~baccalaureate degree program authorized under this section.~~

374 (6) (a) Total upper-level, undergraduate full-time  
 375 equivalent enrollment in the Florida College System institution

376 may not exceed 20 percent of the combined total lower-level and  
 377 upper-level full-time equivalent enrollment.

378 (b) For any planned and purposeful expansion of existing  
 379 baccalaureate degree programs or creation of a new baccalaureate  
 380 degree program, a college must demonstrate satisfactory  
 381 performance in fulfilling its primary mission pursuant to s.  
 382 1004.65 and execute at least one "2+2" targeted pathway  
 383 articulation agreement pursuant to s. 1007.23.

384 (c) Each Florida College System institution that offers a  
 385 baccalaureate degree must annually review each baccalaureate  
 386 degree program and annually report to the Chancellor of the  
 387 Florida College System, in a format prescribed by the State  
 388 Board of Education, its status using the following performance  
 389 and compliance indicators:

- 390 1. Obtaining and maintaining appropriate Southern  
 391 Association of Colleges and Schools accreditation;
- 392 2. Maintaining qualified faculty and institutional  
 393 resources;
- 394 3. Maintaining student enrollment in previously approved  
 395 programs;
- 396 4. Managing fiscal resources appropriately;
- 397 5. Complying with the primary mission and responsibility  
 398 requirements in subsections (2) and (3);
- 399 6. Other indicators of success, including program  
 400 completions, employment and earnings outcomes, student

401 acceptance into and performance in graduate programs and surveys  
 402 of graduates and employers; and

403 7. Continuing to meet workforce demand, as provided in  
 404 subparagraph (5)(d)2., as demonstrated through a data-driven  
 405 needs assessment by the Florida College System institution which  
 406 must be verified by the Chancellor of the Florida College  
 407 System.

408 (d) By October 15 of each year, the Chancellor of the  
 409 Florida College System shall compile institutional reports  
 410 submitted pursuant to paragraph (c) and provide a summary of the  
 411 information to the State Board of Education, the Chancellor of  
 412 the State University System, and the Legislature. The summary  
 413 report must also include the status of system-level compliance  
 414 with the upper-level enrollment provisions under paragraph (a).

415 (e) If upon annual review of the baccalaureate degree  
 416 program performance and compliance indicators outlined in  
 417 paragraph (c), the State Board finds that a baccalaureate  
 418 program exhibits negative program performance, the State Board  
 419 of Education must require a Florida College System institution's  
 420 board of trustees to modify or terminate the baccalaureate  
 421 degree program authorized under subsection (5).

422 (7)(6) The State Board of Education shall adopt rules to  
 423 prescribe format and content requirements and submission  
 424 procedures for notices of interest and intent, baccalaureate  
 425 degree program proposals, objections, ~~proposals, alternative~~

426 ~~proposals,~~ and compliance reviews under subsection (5).

427       Section 4. The State Board of Education, in collaboration  
 428 with the Board of Governors, shall evaluate and report on the  
 429 status of Florida's "2+2" system of articulation using the  
 430 accountability measures required under to s. 1008.38, Florida  
 431 Statutes, and any other applicable state law. By December 31,  
 432 2017, the State Board of Education and the Board of Governors  
 433 shall submit their report to the Governor, the President of the  
 434 Senate, and the Speaker of the House of Representatives. The  
 435 report must include findings regarding the effectiveness of  
 436 Florida's "2+2" system of articulation and recommendations for  
 437 improvement.

438       Section 5. Governance Study Committee.—

439       (1) There is created a Governance Study Committee which  
 440 shall be composed of 10 members designated and appointed as  
 441 follows:

442       (a) The Chancellor of the Florida College System, or his  
 443 or her designee, who shall serve as chair of the committee and  
 444 shall be a nonvoting member of the committee.

445       (b) The Chancellor of the Division of Career and Adult  
 446 Education, or his or her designee, who shall be a nonvoting  
 447 member.

448       (c) The President of the Senate and the Speaker of the  
 449 House of Representatives shall each appoint a member who is:

450       1. A president of a Florida College System institution



451 whose service area includes a state university.

452 2. A president of a Florida College System institution  
 453 whose service area does not include a state university.

454 3. A director of a career center operated by a district  
 455 school board.

456 4. A representative of the business community.

457 (2) The committee shall conduct a study concerning the  
 458 governance structure of undergraduate education programs offered  
 459 by Florida College System institutions and postsecondary career  
 460 education programs provided by district school boards and  
 461 Florida College System institutions which must include:

462 (a) Reviewing national best practices of governance of  
 463 undergraduate education and career postsecondary education,  
 464 including any correlation between the type of governance  
 465 structure and improved outcomes, and accountability or  
 466 efficiency in public postsecondary education provided by  
 467 district school boards and Florida College System institutions.

468 (b) Examining effective relationships between business and  
 469 industry, colleges, and school districts and making  
 470 recommendations to strengthen such relationships to meet  
 471 workforce demands and better prepare students for entry into the  
 472 workforce.

473 (c) Reviewing the mission of each Florida College System  
 474 institution, which must include a determination of whether, over  
 475 the 10-year period immediately preceding the review, the primary

476 mission of the institution has changed and whether changes to  
 477 the academic programs of the institution have enhanced or  
 478 undermined that primary mission.

479 (d) Determining whether it is advisable to transfer the  
 480 administration of Florida College System institutions and career  
 481 centers from the State Board of Education to another  
 482 governmental entity, and:

483 1. If such a transfer is determined to be advisable,  
 484 determining the best methods of accomplishing the transfer,  
 485 including the short-term and long-term savings and the  
 486 transition and legal costs of a major restructuring of the  
 487 current governance structure.

488 2. If such a transfer is determined to not be advisable,  
 489 determining whether there are other options available that would  
 490 improve the governance structure of Florida College System  
 491 institutions and career centers.

492 (3) Administrative support for the committee shall be  
 493 jointly provided by the Division of Florida Colleges and the  
 494 Division of Career and Adult Education.

495 (4) By October 31, 2017, the committee shall submit a  
 496 report of its findings, including any recommendations for  
 497 legislation based upon any proposed changes to the governance  
 498 structure of undergraduate education provided by Florida College  
 499 System institutions and postsecondary career centers provided by  
 500 school districts and Florida College System institutions, to the

PCS for HB 929

ORIGINAL

2017

501 State Board of Education, the President of the Senate, and the  
502 Speaker of the House of Representatives.

503 Section 6. This act shall take effect July 1, 2017.



**HOUSE OF REPRESENTATIVES STAFF ANALYSIS**

**BILL #:** HB 6017 Florida Center for the Partnerships for Arts Integrated Teaching  
**SPONSOR(S):** Gruters  
**TIED BILLS:** None **IDEN./SIM. BILLS:** SB 256

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

**SUMMARY ANALYSIS**

This bill repeals the July 1, 2017, expiration date of The Florida Center for the Partnerships for Arts Integrated Teaching (PAInT) which is created within the University of South Florida Sarasota/Manatee.

PAInT was statutorily created in ch. 2016-62, L.O.F., the implementing bill for the 2016-2017 General Appropriations Act.

The bill takes effect June 30, 2017.

## FULL ANALYSIS

### I. SUBSTANTIVE ANALYSIS

#### A. EFFECT OF PROPOSED CHANGES:

##### Present Situation

The Florida Center for the Partnerships for Arts Integrated Teaching at USF Sarasota-Manatee (PAInT) is Florida's official state resource for arts-integrated instruction.<sup>1</sup> PAInT was statutorily created in 2016 in the implementing bill for the 2016-2017 General Appropriations Act.<sup>2</sup>

PAInT researches policies and practices related to arts integrated teaching, partnerships, and dissemination of information.<sup>3</sup> PAInT was established to increase the knowledge and research of arts-integrated instruction statewide, provide analysis of arts-integrated programs, and to partner with arts and educational organizations to introduce arts-integrated programs to more Florida Schools.<sup>4</sup> Arts-integrated instruction is a teaching method in which the arts and academics are woven together to strengthen students' understanding and retention of academic material.<sup>5</sup> PAInT maintains partnerships with its host communities of Sarasota, Manatee, and Charlotte counties and to schools and districts across Florida, including public, private, and charter schools.<sup>6,7</sup>

Specifically, the goals of PAInT are to:<sup>8</sup>

- (a) Conduct basic and applied research on policies and practices related to arts integrated teaching;
- (b) Partner with interested Florida College System institutions and private educational institutions to conduct arts integrated educational research;
- (c) Seek out agreements to provide technical assistance and support, upon request, to the Florida Department of Education, Florida school districts, private schools, charter schools, and educator preparation programs in the implementation of evidence-based arts integrated instruction, assessments, programs, and professional development;
- (d) Collaborate with interested arts organizations and Florida school districts in the development of frameworks for arts integrated courses for use in schools;
- (e) Collaborate with interested arts organizations and Florida school districts in the development of frameworks for professional development activities, using multiple delivery methods for arts integrated teaching in different content areas;
- (f) Disseminate information about outcome-based practices related to arts integrated instruction, assessment, curricula, and programs;
- (g) Position Florida as a national leader in arts integrated teaching and research; and
- (h) Examine arts integrated teaching Science, Technology, Engineering, and Math (STEM) educational courses.

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<sup>1</sup> Meghin Delaney, *University of South Florida Sarasota-Manatee arts teaching program now official state resource*, BRADENTON HERALD (July 21, 2016); <http://www.bradenton.com/news/local/education/article90978812.html> (last visited Jan. 30, 2017).

<sup>2</sup> Section 1004.344, F.S., as created by s. 31, 2016-62, L.O.F.

<sup>3</sup> University of South Florida Sarasota-Manatee, *About Us*, <http://usfsm.edu/center-paint/about-us> (last visited Jan 30, 2017).

<sup>4</sup> Richard Shopes, University of South Florida Sarasota-Manatee, *Coordinator named for statewide Center for Arts-Integrated Learning*, <http://usfsm.edu/blog/coordinator-named-statewide-center-arts-integrated-learning/> (last visited Jan. 30, 2017).

<sup>5</sup> *Id.*

<sup>6</sup> Delaney, *supra* note 1.

<sup>7</sup> Shopes, *supra* note 3.

<sup>8</sup> Section 1004.344(2)(a)-(h), F.S.

## **Effect of Proposed Changes**

This bill removes the July 1, 2017, expiration date in s. 1004.34 (3), F.S., to maintain the goals of PAInT in law.

If the Legislature does not repeal the expiration date, PAInT may continue to exist within the USF Sarasota/Manatee, but the goals for the center will no longer be specified in Florida law.

### **B. SECTION DIRECTORY:**

**Section 1:** Amends s. 1004.344, F.S., relating to The Florida Center for the Partnerships for Arts Integrated Teaching. Deletes the July 1, 2017, expiration date.

**Section 2:** Provides an effective date of June 30, 2017.

## **II. FISCAL ANALYSIS & ECONOMIC IMPACT STATEMENT**

### **A. FISCAL IMPACT ON STATE GOVERNMENT:**

#### **1. Revenues:**

None.

#### **2. Expenditures:**

This bill does not affect appropriations for PAInT. Funding for the PAInT program is subject to an appropriation in the General Appropriations Act (GAA). In 2016-2017, PAInT received \$250,000 in recurring general revenue in the GAA.

### **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 Florida Center for the  
3           Partnerships for Arts Integrated Teaching; amending s.  
4           1004.344, F.S.; deleting the future expiration of  
5           provisions creating the Florida Center for the  
6           Partnerships for Arts Integrated Teaching; providing  
7           an effective date.

8

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

10

11           Section 1. Subsection (3) of section 1004.344, Florida  
12   Statutes, is amended to read:

13           1004.344 The Florida Center for the Partnerships for Arts  
14   Integrated Teaching.-

15           ~~(3) This section expires July 1, 2017.~~

16           Section 2. This act shall take effect June 30, 2017.