

## HOUSE OF REPRESENTATIVES STAFF ANALYSIS

**BILL #:** HB 5201      PCB HEAS 11-01      Postsecondary Education Funding

**SPONSOR(S):** Higher Education Appropriations Subcommittee, O'Toole

**TIED BILLS:**                      **IDEN./SIM. BILLS:**

REFERENCE	ACTION	ANALYST	STAFF DIRECTOR or BUDGET/POLICY CHIEF
Orig. Comm.: Higher Education Appropriations Subcommittee	13 Y, 0 N	Butler	Heflin
1) Appropriations Committee	19 Y, 4 N	Butler	Leznoff

### SUMMARY ANALYSIS

The bill provides substantive changes in law to conform to the proposed FY 2011-2012 House Appropriations Bill.

The bill provides several requirements for distance learning enhancements relating to implementing the streamlined, automated registration process required in law for undergraduate students currently enrolled and pursuing a degree at a public postsecondary educational institution and who want to take a distance learning course offered by a different public postsecondary education institution. The bill also requires State Universities and Florida College System institutions, by July 1, 2012, to interface their systems with the computer-assisted student advising system (FACTS.org) to electronically send, receive and process transient student admission applications.

The bill requires the Task Force on the Future of Academic Libraries in Florida to jointly develop a plan for consolidating the library technology organizational structures of the College Center for Library Automation and the Florida Center for Library Automation.

The bill makes several changes to provide savings and flexibility to Career and Adult Education Programs. The bill provides for a \$45 block tuition charge per half year or \$30 per term to students enrolled in adult education programs, and removes exemptions from the payment of fees for adult basic, adult secondary, and career preparatory instruction. The bill specifies the method to be used by school districts in determining residency of workforce students. The bill provides that capital improvement fees may be used to acquire improved real property. To offset budget reductions, the bill provides flexibility in the use of fee revenues. The bill authorizes a convenience fee charge for workforce education students who pay tuition and fees with a credit or debit card. The bill provides for use of an equitable formula which accounts for enrollment growth and program costs in reallocation of school districts' workforce education funding. The bill provides that a student co-enrolled in a K-12 education program and an adult education program may not be reported for funding in an adult education program.

The bill makes several changes to provide savings and flexibility to Florida Colleges. The bill provides flexibility to Florida Colleges' in their use of fee revenues; authorizes colleges to establish a transient student fee; specifies that certain funds are not eligible for state matching under the Dr. Phillip Benjamin Matching Grant Program for Community Colleges; reduces the amount of state funds that may be used for salaries of Florida College System presidents, and sets a limit on the amount of state funds that may be used for salaries of Florida College System employees.

The bill makes several changes to provide flexibility to the State University System. The bill authorizes state universities to establish a transient student fee; provides flexibility for the tuition differential fee; authorizes the use of certain fees for general education services; increases the excess credit hour surcharge for students at state universities; reduces the amount of salary from state funds for state university presidents for fiscal year 2011-2012; limits the amount of state funds for salary of state university administrative employees; terminates the University Concurrence Trust Fund.

The bill makes several changes to provide savings in Student Financial Aid programs. The bill increases test score eligibility requirements for the Florida Bright Futures Scholarship Program awards; includes acceleration credits received prior to entering postsecondary education institutions to be counted as part of the 120 hour limit on Bright Futures award credits; revises and creates requirements relating to community service hours for Bright Futures eligibility; provides specified eligibility limitations for the Florida Resident Access Award; and requires submission of a FAFSA on an annual basis in order to be eligible for Bright Futures, FRAG, and ABLE scholarships.

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

**STORAGE NAME:** h5201a.APC

**DATE:** 3/31/2011

## FULL ANALYSIS

### I. SUBSTANTIVE ANALYSIS

#### A. EFFECT OF PROPOSED CHANGES:

##### **Distance Learning Consortium**

###### Current Situation

In FY 2010-2011, legislation<sup>1</sup> required the Florida Distance Learning Consortium, in consultation with the Florida College System (FCS) and State University System (SUS), to develop a plan and submit recommendations to the Board of Governors, State Board of Education, the Governor, the President of the Senate and the Speaker of the House of Representatives for implementation of a streamlined, automated, online registration process for students who wish to enroll in courses listed in the Florida Higher Education Distance Learning catalog; particularly for those students who attend more than one institution in pursuit of a degree. This process is required to be implemented by the 2011-2012 academic year.

The implementation plan was also required to address the following substantive and fiscal policy issues:

- Student financial aid issues
- Variations in fees among institutions
- Admission and readmission
- Registration prioritization issues
- Transfer of credit
- Graduation requirements

Florida has established a single, statewide, computer-assisted student advising system (FACTS.org) which provides all Florida students with advising, registration, and grade certification for graduation<sup>2</sup>. The system was developed to facilitate the progression of students towards their postsecondary educational goals. The system provides 24/7 access to students, and provides information related to career descriptions; assists students in determining courses needed to complete a degree; and provides corresponding educational requirements, admissions requirements and sources of financial assistance. Students may retrieve reports which document their status toward completion of a degree, and obtain verification that requirements have been completed for graduation.

FACTS.org also provides administrators with information pertaining to enrollment patterns, and course demands to assist in planning for corresponding course offerings, and the student registration process.

The Florida Distance Learning Consortium's plan for implementing a streamlined, automated, online registration process for students who wish to enroll in courses listed in the Florida Higher Education Distance Learning catalog, particularly those students who attend more than one institution in pursuit of a degree, recommended utilizing the transient student application process already available in FACTS.org. The consortium's plan also recommended the inclusion of a few additional data elements in FACTS.org transient student application process that would help to facilitate the streamlined registration process.

###### Effect of Proposed Changes

The bill requires the Distance Learning Consortium, beginning with the 2011-2012 academic year, to implement a streamlined, automated on-line registration process for transient students. For purposes of this section, a transient student is defined as a student currently enrolled and pursuing a degree at a public postsecondary educational institution who wants to enroll in a course listed in the Florida Higher

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<sup>1</sup> Ch. 2010-155, Laws of Florida, Section 9, amending s. 1004.91, Florida Statutes

<sup>2</sup> Section 1007.28, F.S.

Education Distance Learning Catalog that is offered by a public postsecondary educational institution that is not the student's degree-granting institution. The consortium must work with the Florida College System (FCS) and State University System (SUS) to implement the application process which requires FCS and SUS institutions to:

- Use one standard transient student admissions application form, available through the Florida Academic Counseling and Tracking for Students system (FACTS.org);
- Implement financial aid procedures required by the transient student admissions application process;
- Transfer credit awarded by an institution offering the distance learning course to the transient student's degree-granting institution;
- Interface FCS and SUS systems, no later than July 1, 2012, to the FACTS.org system to electronically send, receive and process the transient admissions application; and
- Implement transient student fees.

The bill amends current law to require that the FACTS.org system include the transient student application process and that this application process allows for the electronic transfer and receipt of information and records for admissions and readmissions, financial aid, and transfer of credit awarded by the institution offering the distance learning course to the student's degree-granting institution.

Additionally, the bill clarifies that the central instructional content repository is for both public school and postsecondary educational users to search, locate, use and contribute digital and electronic instructional resources and content, including open access textbooks.

### **Block Tuition Charge for Adult General Education Students**

#### Current Situation

The General Appropriations Act sets the standard tuition rate for residents and non-residents for students enrolled in adult general education programs. Few students enrolled in these programs pay any cost for this education because they are exempt under s. 1009.25(1), F.S.

Students currently exempt from paying tuition and fees include:

- Those who do not have a high school diploma or its equivalent, and
- Those who have a high school diploma, yet have academic skills at or below the eighth grade level as measured by a test administered in the English language and approved by the Department of Education, even if the student has skills above that level when tested in the student's native language.

#### Effect of Proposed Changes

The bill provides for a \$45 block tuition charge per half year or \$30 per term to students enrolled in general education programs. All funds received from the block tuition must be used for adult general education programs only.

The fee exemptions set forth in s. 1009.25(1), F.S., for students enrolled in adult basic, adult secondary and career-preparatory instruction from payment of tuition and fees are repealed.

## **Residency Determination for Workforce Education Postsecondary Fees**

### Current Situation

Current law requires that fees for workforce education postsecondary students who are nonresidents for tuition purposes must offset the full cost of instruction.<sup>3</sup> In FY 2010-2011, statutory changes related to determination of resident status for tuition purposes were made to include postsecondary education programs offered by charter technical career centers or career centers operated by school districts<sup>4</sup>.

Because there is no statewide policy that specifies how districts are to determine a student's Florida residency, districts have developed their own policies governing determination. Some districts require documentation, while others rely on students' self-reporting<sup>5</sup>. Additional direction is needed to clearly establish the method by which workforce education students' residency is determined.

### Effect of Proposed Changes

The bill requires residency of students to be determined according to s. 1009.21, F.S., for the purpose of charging tuition to offset the full cost of instruction for nonresident workforce education postsecondary students.

## **Convenience Fees for Postsecondary Workforce Education**

### Current Situation

The Florida College System is authorized to charge a service charge for the payment of tuition and fees in installments and a convenience fee for the purpose of recouping costs associated with processing automated or online credit card payments when such methods of payment are used.<sup>6</sup> Because Florida Colleges' postsecondary programs include two and four year degree programs, as well as workforce programs, a consistent fee policy is necessary to distribute these costs to all students utilizing these payment methods.

### Effect of Proposed Changes

The bill authorizes the assessment of a convenience fee to applicable workforce education students when tuition and fees are paid with a credit or debit card. This will allow school districts and colleges to recoup costs charged by credit card companies. It will also provide consistency within the Florida College System by applying the tuition and fee payment policy to all students.

## **Workforce Education Fee Flexibility**

District school boards and Florida College System institutions are authorized in s. 1009.22, F.S., to charge fees in addition to tuition.

Section 1009.22(5), F.S., provides authorization for each district school board and Florida College board of trustees to establish a financial aid fee. All financial aid student fees collected are to be used to support students enrolled in workforce education programs. In FY 2009-2010, the financial aid fee generated \$1.9 million.

Section 1009.22(6)(a), F.S., provides authority for each district school board and Florida College board of trustees to establish a fee for capital improvements, technology enhancements, or equipping student buildings. Funds collected from this fee may be expended only to construct and equip, maintain, improve, or enhance educational facilities of the college. Revenues may be pledged as a dedicated revenue source to the repayment of debt, including lease-purchase agreements, with an overall term not to exceed seven years. In FY 2009-2010, the Capital Improvement Fee generated \$1.5 million.

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<sup>3</sup> Section 1009.22(3)(a), F.S.

<sup>4</sup> Section 1009.21, F.S.

<sup>5</sup> Office of Program Policy Analysis & Government Accountability (OPPAGA) Report 10-24, February 2010

<sup>6</sup> Section 1009.23(15), F.S.

Section 1009.22(7), F.S., provides authorization for each district school board and Florida College board of trustees to establish a technology fee. Revenues generated from the technology fee must be used to enhance instructional technology resources for students and faculty. Per the Department of Education, FY 2009-2010 revenues generated by the technology fee are included with other student fees.

Additionally, section 1009.22(9), F.S., provides authority for each district school board and Florida College board of trustees to establish user fees and fines. User fees and fines may not exceed the cost of services provided and are only applied to persons receiving the services. Fees and fines that may be charged include: laboratory fees; parking fees and fines; library fees and fines; fees and fines related to facility use or damage; access or identification card fees; duplicating, photocopying, binding, or microfilming fees; standardized testing fees; diploma replacement fees; transcript fees; application fees; graduation fees; and late fees related to registration and payment. Parking fee revenues may be pledged as a dedicated revenue source to the repayment of debt, including lease-purchase agreements; however, the overall term cannot exceed seven years. In FY 2009-2010, laboratory fees, technology fees, and other student user fees, generated \$8.7 million.

#### Effect of Proposed Changes

To offset funding reductions, in FY 2011-2012, district school boards and Florida College System institutions are authorized to use up to 15 percent of the total funds generated from fee collections authorized in s. 1009.22(5), and (6)(a), (7) and (9), F.S., for adult general and career certificate programs. Total revenues in FY 2009-2010 for all fees authorized for flexibility equaled approximately \$46 million. Fees collected and pledged as a dedicated revenue source for the repayment of debt, including lease-purchase agreements may not be used for other purposes.

The bill revises s. 1009.23(11)(a) to authorize the use of capital improvement fee revenue collections for the acquisition of improved real property.

### **Florida College System Fee Flexibility**

#### Current Situation

Florida Colleges are authorized in s. 1009.23, F.S., to charge fees in addition to tuition. Colleges may not charge any fee except as authorized by law.

Section 1009.23(7), F.S., provides authorization for colleges to establish an activity and service fee which may only be expended to benefit the student body in general. In FY 2009-2010, the activity and service fee generated \$58.0 million.

Section 1009.23(8)(a), F.S., provides authorization for colleges to establish a financial aid fee. Of this fee, 75 percent must be used to provide financial aid based on need. Up to 25 percent or \$600,000, whichever is greater, may be used for academic merit purposes, or to assist students who participate in athletics, public service cultural arts, and other extracurricular programs determined by the institution. Revenues from the financial aid fee cannot be used for direct or indirect administrative purposes or salaries. In FY 2009-2010, the financial aid fee generated \$36.5 million in revenue collections.

Section 1009.23(10), F.S., provides authorization for colleges to establish a technology fee. Revenues generated from the technology fee must be used to enhance instructional technology resources for students and faculty. In FY 2009-2010, the technology fee generated \$30.8 million.

Section 1009.23(11)(a), F.S., provides authority for colleges to establish a fee for capital improvements, technology enhancements, or equipping student buildings. Funds collected from this fee may be expended only to construct and equip, maintain, improve, or enhance educational facilities of the college. Revenues may be pledged as a dedicated revenue source to the repayment of debt, including lease-purchase agreements, with an overall term not to exceed seven years. In FY 2009-2010, the capital improvement fee generated \$65.8 million.

Additionally, Section 1009.23(12)(a), F.S., provides authority for colleges to establish user fees and fines. User fees and fines may not exceed the cost of services provided and are only applied to persons receiving the services. Fees and fines that may be charged include: laboratory fees, which do not apply to a distance learning course; parking fees and fines; library fees and fines; fees and fines related to facility use or damage; access or identification card fees; duplicating, photocopying, binding, or microfilming fees; standardized testing fees; diploma replacement fees; fees for transcripts; application fees; graduation fees; and late fees related to registration and payment. Parking fee revenues may be pledged as a dedicated revenue source to the repayment of debt, including lease-purchase agreements; however, the overall term cannot exceed seven years. In FY 2009-2010, laboratory fees, parking fees, and other user fees and fines generated \$69 million.

#### Effect of Proposed Changes

The bill provides Florida Colleges' authority to use up to 15 percent of the total funds generated from fee collections authorized in s. 1009.23(7), (8)(a), (10), (11)(a), and (12)(a) for general education services in associate degree and career certificate programs for one year only to offset funding reductions. Total revenues in FY 2009-2010 available for flexibility equaled approximately \$39 million. Fees collected and pledged as a dedicated revenue source for the repayment of debt, including lease-purchase agreements may not be used for other purposes.

The bill also revises s. 1009.23(11)(a), F.S., to authorize the use of capital improvement fee revenue collections for the acquisition of improved real property.

### **State University System Tuition Differential**

#### Current Situation

Section 1009.24(16), F.S., authorizes each university board of trustees to establish a tuition differential for undergraduate courses upon approval from the Board of Governors. The combination of base tuition and tuition differential cannot increase more than 15 percent over the prior year, or exceed the national average. Seventy percent of the revenues from the tuition differential must be expended for the purposes of undergraduate education. The remaining 30 percent of the tuition differential must be used to provide financial assistance to undergraduate students who exhibit financial need.

#### Effect of Proposed Changes

The bill provides an exception for universities which have met the entire tuition and fee costs of all students who exhibit financial need. The bill allows these universities to expend the excess portion of the 30 percent in the same manner as required for the other seventy percent of the tuition differential revenues.

### **State University System Fee Flexibility**

#### Current Situation

State universities are authorized in section 1009.24, F.S., to charge fees in addition to tuition.

Section 1009.24(8), F.S., establishes the Capital Improvement Trust Fund (CITF) fee at \$2.44 per credit hour, and the building fee at \$2.32 per credit hour. In FY 2009-2010 the CITF fee generated \$18.3 million and the building fee generated \$17.4 million.

Section 1009.24(9), F.S., provides authorization for universities to establish separate activity and service, health, and athletic fees. The revenues are retained by the university, and may be transferred to a direct-support organization of the university to be used only for the purpose of paying and securing debt on approved projects.

Section 1009.24(10), F.S., requires each university board of trustees to establish a student activity and service fee on the main campus of the university, and authorizes the boards to establish these fees on any branch campus or center. Subsequent increases in the activity and service fee must be recommended by an activity and service fee committee which is comprised of one half students appointed by the student body president and one half appointed by the university president. Fee

revenues may only be expended to benefit the student body in general as prescribed by the student government association of the university, primarily for student organizations. In FY 2009-2010 the student activity and service fee generated \$79.9 million.

Section 1009.24(11), F.S., requires each university board of trustees to establish a student health fee on the main campus of the university, and authorizes the boards to establish these fees on any branch campus or center. Subsequent increases in the health fee must be recommended by a health committee which is comprised of one half students appointed by the student body president and one half appointed by the university president. In FY 2009-2010 the student health fee generated \$57.7 million.

Section 1009.24(12), F.S., requires each university board of trustees to establish an athletic fee on the main campus of the university, and authorizes the boards to establish these fees on any branch campus or center. Subsequent increases in the athletic fee must be recommended by athletic fee committee which is comprised of one half students appointed by the student body president and one half appointed by the university president. In FY 2009-2010 the athletic fee generated \$77.8 million.

Section 1009.24(13), F.S., authorizes universities to establish a technology fee of up to five percent of tuition per credit hour. Revenues generated from the technology fee must be used to enhance instructional technology resources for students and faculty. In FY 2009-2010 the technology fee generated \$26.2 million.

Additionally, Section 1009.24(14), F.S., provides authority for colleges to establish user fees and fines. Fees and fines that may be charged include: a non-refundable application fee; an orientation fee, a fee for security, access, or identification cards; registration fees; a late-payment fee; fees for transcripts and diploma replacement; a nonrefundable admissions deposit; a fee for miscellaneous health-related charges for services provided at cost by the university health center which are not covered by the health fee set in subsection (11); fees for consumable materials or supplies; housing rental rates and charges; overdue accounts fees; service charge on university loans; a fee for off-campus course offerings; library fees and fines; duplicating, photocopying, binding, or microfilming fees; copyright services charges; standardized testing fees; fees and fines related to facility use or damage; returned check fees; traffic and parking fees; child care services fees. These fees, with the exception of housing, must be assessed based on reasonable costs of the services provided. These miscellaneous fees may be used for repayment of debt only as authorized under s. 1010.62, F.S.<sup>7</sup>

#### Effect of Proposed Changes

The bill provides state universities authority to use up to 15 percent of the total funds generated from fee collections authorized in s. 1009.23(8), (9), (10), (11), (12), (13), and (14), F.S., for general education services in undergraduate degree programs for one year only to offset funding reductions. Total revenues available in FY 2009-2010 for flexibility equaled in excess of \$39 million.<sup>8</sup> This allows institutions to prioritize the funding needs of the institution without the restrictions of the aforementioned statutes. Fees collected and pledged as a dedicated revenue source for the repayment of debt, including lease-purchase agreements may not be used for other purposes.

### **State Universities Excess Credit Hour Surcharge**

#### Current Situation

Section 1009.286, F.S., requires a surcharge of up to 50 percent of tuition be assessed for each credit hour in excess of 120 percent of the number of credit hours required for completion of the students' registered degree program.

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<sup>7</sup> s. 1010.62, F.S., provides the list of fees authorized for debt or bond pledges. These fees include the health, transportation access, housing, building, capital improvement and other fees as listed in the statute.

<sup>8</sup> Revenues from the university user fees and fines are not available from the Board of Governors at this time.

### Effect of Proposed Changes

The bill increases the tuition surcharge for excess credit hours from 50 percent of tuition for students who reach 120 percent of the credit hours required for their degree to 100 percent of tuition for students who reach 115 percent of the credit hours required for their degree. Students enrolling in these additional courses will be assessed an increased fee in an effort to encourage students to complete the necessary degree requirements and enter the job force in a timely manner.

## **Florida Bright Futures Scholarship Program Eligibility**

### Current Situation

Section 1009.531, F.S. provides eligibility criteria for the Florida Bright Futures Scholarship Programs.

Florida Academic Scholars award recipients graduating in the 2011-2012 academic year must earn an SAT score of 1270 or a concordant ACT score of 28. High school students graduating in the 2012-2013 academic year must earn an SAT score of 1280 which corresponds to the 88th SAT percentile rank or a concordant ACT score of 28. High school students graduating in the 2013-2014 academic year and thereafter must earn an SAT score of 1290 which corresponds to the 89th SAT percentile rank or a concordant ACT score of 29.<sup>9</sup>

Also, to be eligible for the Florida Academic Scholars award a student must complete a program of community service work, as approved by the district school board or the administrators of a nonpublic school, which shall include a minimum of 75 hours of service work and require the student to identify a social problem that interests him or her, develop a plan for his or her personal involvement in addressing the problem, and, through papers or other presentations, evaluate and reflect upon his or her experience.<sup>10</sup>

Florida Medallion Scholars award recipients graduating in the 2011-2012 academic year must earn an SAT score of 980 which corresponds to the 44th SAT percentile rank or a concordant ACT score of 21. The student in a home education program whose parent cannot document a college-preparatory curriculum for the 2011-2012 and 2012-2013 academic year eligibility must earn an SAT score of 1070 or a concordant ACT score of 23. High school students graduating in the 2012-2013 academic year must earn an SAT score of 1020 which corresponds to the 50th percentile rank or a concordant ACT score of 22. High school students graduating in the 2013-2014 academic year and thereafter must earn an SAT score of 1050 which corresponds to the 56th percentile rank or a concordant ACT score of 23. The student in a home education program whose parent cannot document a college-preparatory curriculum must earn an SAT score of 1100 or a concordant ACT score of 24.

Currently there is not a requirement for the Florida Medallion Scholars or the Florida Gold Seal Vocational Scholars to complete a program of community service work. Also, students are not currently required to submit a Free Application for Federal Student Aid.

### Effect of Proposed Changes

The bill revises eligibility requirements for receipt of the Bright Futures Scholarship awards and requires students to annually submit the Free Application for Federal Student Aid (FAFSA) in order to be eligible for this award.

The bill increases eligibility requirements for the Academic Scholars Award for the Scholastic Assessment Test (SAT) score from 1280 to 1290, or American College Test (ACT) score from 28 to 29 (89<sup>th</sup> percentile) for students graduating in 2012-2013 and thereafter. It also increases the community service hour requirement from 75 to 100 hours for students graduating in 2011-2012 and thereafter.

The bill increases eligibility requirements for the Medallion Scholars Award for the SAT score from 1020 to 1170, or ACT score from 22 to 26 (75<sup>th</sup> percentile) for students graduating in 2012-13. It also requires 75 hours of community service for students graduating in 2011-2012 and thereafter.

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<sup>9</sup> Section 1009.531(6)(a), F.S.

<sup>10</sup> Section 1009.534(1)(e), F.S.



The bill increases eligibility requirements for the Gold Seal Vocational Award to require 30 hours of community service for students graduating in 2011-2012 and thereafter.

## **Florida Bright Futures Scholarship Program Award**

### Current Situation

Section 1009.532(3), F.S., limits the number of credit hours for which a student can receive a Bright Futures award to 100 percent of the number of credit hours required to complete an associate degree program or a baccalaureate degree program (60 credits and 120 credits respectively for most programs).

Section 1009.5341, F.S. provides the opportunity for Florida Bright Futures Scholarship award recipients who have earned a baccalaureate degree in seven semesters or fewer to apply the unused portion of their award toward one semester of graduate study of 15 semester hours or less at the undergraduate rate.

### Effect of Proposed Changes

The bill provides that acceleration credits earned during high school shall be counted in the maximum credit hours eligible for a Bright Futures award. It also provides an exception for eligibility for graduate coursework provided in s. 1009.5341, F.S.

## **Florida Resident Access Grant Program (FRAG) Eligibility**

### Current Situation

Section 1009.89, F.S. provides eligibility requirements for institutions for the FRAG Program as outlined in the Office of Student Financial Assistance Annual Report to the Commissioner for 2009-2010.<sup>11</sup> In order to be eligible, the student must:

- Be a United States citizen or eligible non-citizen while meeting Florida's residency requirement for receipt of state student financial aid. A student's citizenship status and residency status are determined by the postsecondary institution.
- Not owe a repayment under any state or federal grant or scholarship program or be in default on any federal Title IV or state student loan program unless satisfactory arrangements to repay have been made.
- Not have previously received a bachelor's degree.
- Meet Florida's general eligibility requirements for receipt of state aid.
- Enroll for a minimum of 12 credit hours or the equivalent per term at an eligible Florida college or university in a baccalaureate degree program.
- Meet the application procedures established by the participating institution. Application information may be obtained at the financial aid offices of eligible Florida colleges and universities.
- Not be enrolled in a program of study leading to a degree in theology or divinity.

### Effect of Proposed Changes

The bill provides that the funding for the Florida Resident Access Grant Program shall be provided as specified in the General Appropriations Act.

The bill also requires students to annually submit the Free Application for Federal Student Aid (FAFSA) in order to be eligible for this award in an effort to gather more comprehensive data on students who are provided state tuition assistance funds.

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<sup>11</sup> 2009-10 Annual Report to the Commissioner. Rep. Florida Department of Education Office of Student Financial Assistance.  
<<http://www.floridastudentfinancialaid.org/SSFAD/pdf/annualreportcurrent.pdf>>.

## **Access to Better Learning and Education Grant Program (ABLE) Eligibility**

### Current Situation

Section 1009.89, F.S. does not currently require ABLE applicants to submit a Free Application for Federal Student Aid (FAFSA).

### Effect of Proposed Changes

The bill requires students to annually submit the Free Application for Federal Student Aid (FAFSA) in order to be eligible for this award in an effort to gather more comprehensive data on students who are provided state tuition assistance funds.

## **Equitable Funding of Workforce Education Programs**

### Current Situation

Current workforce education funding allocations are primarily based on outdated Fiscal Year 1996-1997 school district workforce program costs. Since that time, districts' workforce programs, costs, and enrollment levels have changed significantly. Inequitable funding has resulted because program funding levels have not been adjusted to account for these changes. Based on the funding model developed by the District Workforce Education Funding Steering Committee and Department of Education, 26 school districts receive more than 100 percent of current funding need, while 32 school districts receive less than 100 percent. Percentages range from 9.8 percent to 255.5 percent of total funding needs based on program costs and enrollments.

The Office of Program Policy and Government Accountability (OPPAGA) examined the model proposed by the Department of Education to allocate funds to school district workforce education programs. OPPAGA found the model's use of program weights were reasonable, and provided recommendations for modifications which were incorporated by the department.<sup>12</sup> Adjusting the base funding will alleviate "underfunding" of some school districts' workforce programs, by reallocating funding from "overfunded" districts; however, this will result in substantial funding losses by some school districts.

### Effect of Proposed Changes

The bill provides that the funding model developed by the District Workforce Education Funding Steering Committee and the Department of Education, be used to recognize enrollment growth and program costs, and ensure equitable funding for all school district workforce education programs. To alleviate large funding losses by some school districts, a phased-in approach for reallocating the funds among districts will begin in FY 2011-2012, and continue for a three-year period, or until full reallocation is achieved.

## **Co-Enrollment of Adult Education Students**

### Current Situation

Florida statutes permit adult education programs to serve currently enrolled high school students. The definition of an "adult student" includes high school students who are taking an adult education course required for high school graduation.<sup>13</sup> The majority of school districts' adult education programs offer the co-enrollment option to high school students. In the 2008-2009 school year, 60,000 high school students were also taking adult education courses. In the 2008-2009 school year, 33 of 56 districts providing adult education programs had 10 or more co-enrolled high school students. These 33 school districts spent approximately \$29 million on these programs.<sup>14</sup>

The Division of Career and Adult Education within the Department of Education, conducted a survey on district adult high school co-enrollment policies. Surveys returned represented 98 percent, or 58,960 of the 60,000 students co-enrolled in adult education programs. Reasons for providing the co-enrollment

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<sup>12</sup> Office of Program Policy Analysis & Government Accountability (OPPAGA) Report 10-24, February 2010

<sup>13</sup> Section 1004.02, F.S.

<sup>14</sup> OPPAGA Research Memorandum, School District Co-Enrollment for 2008-09, February 14, 2011

option varied among districts. School districts reported that co-enrollment was offered as a dropout prevention measure, providing credit recovery to meet graduation requirements; or as grade replacement, which could also provide assistance to students in meeting Bright Futures eligibility requirements. Some districts limit the total number and type of courses, while others do not. Some districts limit participation by grade levels. 52 percent of the districts who responded allow course hours over standard diploma requirements.<sup>15</sup>

#### Effect of Proposed Changes

The bill prohibits co-enrolled high school students enrolled in an adult education programs to be reported for funding in adult education programs. This change eliminates the funding for this purpose (\$29 million).

### **Dr. Philip Benjamin Matching Grant Program for Community Colleges**

#### Current Situation

The Dr. Philip Benjamin Matching Grant Program provides the opportunity for the Florida College System (FCS) to have contributions from private donors matched by state appropriations.

Florida law dictates that the program shall be administered according to rules of the State Board of Education. The matching ratio for contributions specifically designated to support scholarships, student loans, or need-based grants is \$1 of state funds to \$1 of contributions. The matching ratio for contributions for other eligible purposes is \$4 of state funds to \$6 of contributions with a minimum required contribution of \$4,500.<sup>16</sup>

According to preliminary findings in a state audit of Daytona State College by the Auditor General<sup>17</sup>, the College inappropriately certified, or reported to the State Board of Education that \$422,034 in cash contributions received, or anticipated to be received were eligible for state match. These funds, however, constituted repayment of debt, or an exchange transaction the college made to the Community Cultural Foundation, Inc. (CCF), a Florida not-for-profit corporation, formerly known as the Daytona Beach International Festival.

According to State Board of Education administrative rule<sup>18</sup>, “exchange transactions, in which each party receives goods or services of approximately equal value, are not contributions”.

State matching funds had not been received at the time of audit, but could have resulted in \$281,356 being matching from state funds.

#### Effect of Proposed Changes

The bill provides that funds received from community events, or festivals are not eligible for state matching under the Dr. Philip Benjamin Matching Grant Program for Community Colleges.

### **College and University Limits on Salaries Paid from State Funds**

#### Current Situation

Section 1012.885(2), F.S., provides a limitation on compensation for college presidents at \$225,000 from public funds. Section 1012.975(2), F.S., provides the same cap for university presidents. There is currently no restriction on the amount of remuneration from state funds for college or university employees.

#### Proposed Changes

The bill reduces the statutory cap, from \$225,000 to \$200,000, of appropriated state funds that can be used for salaries of state university and college presidents for fiscal year 2011-2012. It also requires a

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<sup>15</sup> School district survey by Career and Adult Education, Department of Education

<sup>16</sup> Section 1011.85, F.S.

<sup>17</sup> Letter from Auditor General to Daytona State College Interim President, Mr. Frank Lombardo; January 14, 2011

<sup>18</sup> Rule 6A-14.0914(2), F.A.C.

statutory cap of \$200,000 of appropriated state funds that can be used for administrative salaries of university and college employees, excluding medical school faculty and staff.

### **University System Concurrency Trust Fund**

#### Current Situation

Section 1013.63, F.S., provides the University Concurrency Trust Fund as a source for universities to fund offsite improvements required to meet concurrency standards. Also, up to 25 percent of the balance in the trust fund for that year may be used to defray the costs incurred in updating those campus master plans. The revenue source for this trust fund has been eliminated and the remaining balance of these funds has been expended.

#### Effect of Proposed Changes

The bill repeals statutory reference to the University Concurrency Fund. Universities will have to absorb the costs associated with local concurrency within their budgetary appropriations for fixed capital outlay projects.

### **K-12 Public School Bibliographic Database Transfer to College Center for Library Automation**

#### Current Situation

In the Fiscal Year 2010-2011 General Appropriations Act, Specific Appropriation 80 appropriated \$100,000 with proviso that directed \$50,000 each to the College Center for Library Automation (CCLA) and the Department of Education to transfer the K-12 Public School bibliographic database to the CCLA for inclusion in its online discovery tool product and made publicly searchable by school district students, staff, and parents. As of this date, the transfer has not been completed and the K-12 Public School bibliographic database is not available to school district students, staff, or parents.

#### Proposed Changes

The bill requires the transfer of the K-12 Public School bibliographic database to the CCLA by September 1, 2011.

### **Single Postsecondary Education Union Catalog**

#### Current Situation

In the Fiscal Year 2010-2011 General Appropriations Act, proviso required the Florida Center for Library Automation (FCLA) and the College Center for Library Automation (CCLA) to expand their online discovery tool products to allow a user to search simultaneously the combined holdings and applicable electronic resources of FCLA and CCLA. In addition, library holdings currently available in the K-12 Public School Bibliographic Database, as well as library holdings available in standard machine readable bibliographic records of the State Library of Florida and the public libraries should be included when and where feasible. FCLA and CCLA completed the expanded search function by the required September 1, 2010, deadline.

#### Proposed Changes

The bill requires FCLA and CCLA to develop and submit a plan by December 1, 2011, for establishing a single postsecondary education union catalog that includes the combined holdings and electronic resources of all state universities and institutions in the Florida College System. The plan must include projected costs for the development and ongoing maintenance of the union catalog and projected cost savings resulting from FCLA and CCLA no longer being required to maintain separate online discovery tool products and associated resources.

## Establishment of Joint Library Technology Organizational Structure

### Current Situation

The Florida Center for Library Automation (FCLA) is the library automation system for the state universities and assists the libraries in their support of teaching, learning, and research. FCLA implements and centrally supports the systems that help libraries acquire, manage, and provide access to information resources. Specifically FCLA provides the following services:

- Online catalog of all holdings and electronic resources of the state universities;
- Library management system;
- Acquisition of electronic databases and resources; and
- System administration.

The College Center for Library Automation (CCLA) is the library automation system for the institutions in the Florida College System. CCLA provides similar services to colleges and community colleges that FCLA provides to the state universities.

The Chancellors of the State University System and the Florida College System jointly established the Task Force on the Future of Academic Libraries in Florida and charged the task force to determine a vision and develop a strategic plan for the future of academic library access, resources and services in Florida that encompasses emerging trends and changing realities in the areas of instruction, research, technology and public services within the context of the academic mission. Recently the Chancellors expanded this charge to include recommendations for the establishment of a joint library technology organizational structure that will meet the needs of academic libraries in both the Florida College System and the State University System in a manner that must be more cost effective than the current organizational structure that includes FCLA and CCLA.

### Proposed Changes

The bill requires the Task Force on the Future of Academic Libraries in Florida to develop and submit the plan for the establishment of a joint library technology organizational structure to the chairs of the appropriations committees of the Senate and the House of Representatives and the Executive Office of the Governor by January 1, 2012.

## Electronic Library Resources

### Current Situation

To ensure that electronic library resources were acquired in the most cost-efficient and cost-effective manner, in 2010, legislation<sup>19</sup> was passed that requires the Florida colleges and state universities to collaborate with school districts and public libraries in the identification and acquisition of electronic library resources. It also requires the Florida Center for Library Automation (FCLA) and the College Center for Library Automation (CCLA) to collaborate on the licensing of electronic library resources that are acquired through funds appropriated to FCLA and CCLA for this purpose.

### Proposed Changes

The bill requires the chancellors of the Florida College System and the State University System to annually report to the Governor and chairs of the House and Senate legislative appropriations committees, cost savings realized as a result of the collaborative licensing process required in 2010.

## B. SECTION DIRECTORY:

**Section 1.** Amends s. 1004.091, F.S.; revising duties of the Florida Distance Learning Consortium, requiring the consortium to work with the Florida College System and State University System to implement a transient student application process. It also revises requirements for a central instructional content repository and use of open access textbooks.

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<sup>19</sup> Section 1004.091(2)(b), F.S.

**Section 2.** Amends s. 1006.72, F.S.; requiring an annual report on cost savings relating to the collaborative licensing of electronic library resources.

**Section 3.** Amends s. 1007.28, F.S.; requiring the computer-assisted student advising system (FACTS.org) to provide the admissions application for transient students.

**Section 4.** Amends s. 1009.22, F.S.; authorizing a block tuition charge of \$45 per half year or \$30 per term for students enrolled in adult basic education programs; providing residency requirements; authorizing a service charge for installment payments, and a convenience fee for credit and debit card payments for tuition and fee charges; authorizing district school boards and Florida College System institutions boards of trustees to acquire improved real property with capital improvement fee revenues.

**Section 5.** Amends s. 1009.23, F.S.; conforming a cross reference; authorizing district school boards and Florida College institution boards of trustees to acquire improved real property with capital improvement fee revenues; authorizing Florida College System institutions, when applicable, to charge a \$5 transient student fee; authorizing the use of certain fee revenues collected by a Florida Colleges for general education services.

**Section 6.** Amends s. 1009.24, F.S.; authorizing state universities, when applicable, to charge a \$5 transient student fee; revising requirements for expenditure of the tuition differential; authorizing the use of certain fee revenues collected by a state university for general education services.

**Section 7.** Amends s. 1009.25, F.S.; deleting the exemption from payment of tuition and fees for students enrolled in adult general education courses.

**Section 8.** Amends s. 1009.286, F.S.; revising the excess credit hour surcharge for students at state universities.

**Section 9.** Amends s. 1009.531, F.S.; increasing the test score eligibility requirement for the Florida Bright Futures Scholarship Program; providing an additional eligibility requirement relating to annual submission of the Free Application for Federal Student Aid.

**Section 10.** Amends s. 1009.532, F.S.; reducing the Florida Bright Futures Scholarship award by the amount of acceleration credits earned.

**Section 11.** Amends s. 1009.534, F.S.; increasing the community service requirement for receipt of a Florida Academic Scholars award.

**Section 12.** Amends s. 1009.535, F.S.; providing a community service requirement for receipt of a Florida Medallion Scholars award.

**Section 13.** Amends s. 1009.536, F.S.; providing a community service requirement for receipt of a Florida Gold Seal Vocational Scholars award.

**Section 14.** Amends s. 1009.89, F.S.; revising eligibility requirements and funding for the William L. Boyd, IV, Florida Resident Access Grant Program (FRAG).

**Section 15.** Amends s. 1009.891, F.S.; revising eligibility requirements for the Access to Better Learning and Education Grant Program (ABLE) relating to annual submission of the Free Application for Federal Student Aid.

**Section 16.** Amends s. 1011.80, F.S.; revising provisions relating to funding for workforce education programs; providing for allocation of funds based on funding needs; prohibiting a student enrolled in a K-12 education program and an adult education program from being reported for funding in an adult education program.

**Section 17.** Amends s. 1011.85, F.S.; providing that certain funds are not eligible for state match under the Dr. Philip Benjamin Matching Grant Program.

**Section 18.** Amends s. 1012.885, F.S.; reducing the amount of appropriated state funds which may be used for the remuneration of Florida College System institution presidents for fiscal year 2011-2012.

**Section 19.** Amends s. 1012.886, F.S.; reducing the amount of appropriated state funds which may be used for the remuneration of Florida College System institution administrative employees for fiscal year 2011-2012.

**Section 20.** Amends s. 1012.975, F.S.; reducing the amount of appropriated state funds which may be used for the remuneration of state university presidents for fiscal year 2011-2012.

**Section 21.** Amends s. 1012.976, F.S.; reducing the amount of appropriated state funds which may be used for the remuneration of state university administrative employees for fiscal year 2011-12.

**Section 22.** Amends s. 1013.33, F.S.; conforming provisions.

**Section 23.** Repealing s. 1013.63, F.S., which created the University Concurrency Trust Fund.

**Section 24.** Creating an unnumbered section of law; requiring the Department of Education to work with the College Center for Library Automation (CCLA) to transfer certain data; requiring the Florida Center for Library Automation (FCLA) and the CCLA to develop a plan for establishing a single postsecondary education union catalog; requiring the Task Force on the Future of Academic Libraries in Florida to develop a plan that describes the establishment of a joint library technology organization structure to meet postsecondary education library needs; requiring the submission of both plans to the Governor and Legislature by specified dates.

**Section 25.** Providing an effective date of July 1, 2011.

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

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

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

None.

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

See FISCAL COMMENTS section.

### **B. FISCAL IMPACT ON LOCAL GOVERNMENTS:**

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

See FISCAL COMMENTS section.

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

See FISCAL COMMENTS section.

### **C. Expenditures:**

### **D. DIRECT ECONOMIC IMPACT ON PRIVATE SECTOR:**

The bill authorizes a block tuition charge of \$45 per half year or \$30 per term for adult education programs and removes fee exemptions for adults enrolled in these programs. Students enrolled workforce programs will pay more for courses.

The bill also decreases student scholarship opportunities by increasing the level of difficulty for eligibility and decreasing the allowable uses for the Bright Futures Scholarship and Florida Resident Access Grant awards. This would result in an increased burden on students to cover a larger portion of the cost of attendance.

The fee increases within the bill will increase the costs associated with students attending post secondary institutions. The excess credit hour fee will double the fee amount for students who register for courses in excess of their required program of study.

#### **E. FISCAL COMMENTS:**

##### **Block Tuition Charge for Adult General Education Students**

The Department of Education has provided an estimated \$10.1 million that could be collected as a result of charging the block tuition of \$45 per half year or \$30 per term. This, however, is based on current enrollment and does not account for loss of student enrollment who may not attend if unable to pay, which could occur if this policy is adopted.

##### **Residency for Tuition Purposes**

According to OPPAGA Report 10-24, the establishment of consistent residency determination criteria for workforce education programs may result in savings to the state. Currently, the state subsidizes the cost of instruction for resident students enrolled in workforce education programs; however, nonresidents are required to pay the full cost of instruction through tuition. To the extent the new residency determination criteria results in fewer students being classified as residents for tuition purposes, the state may experience savings of an indeterminate amount. Some students classified as nonresidents may opt not to participate in workforce education programs if they are required to bear a greater share of the cost of instruction.

##### **State Universities Excess Credit Hour Surcharge**

Increasing the tuition surcharge for excess credit hours to 100 percent of tuition for students who reach 115 percent of the credit hours required for their degree allows institutions to double their anticipated revenues for this surcharge. The surcharge was first effective to students who entered a college or university for the first time in 2009-2010; therefore, the impact of the surcharge has not been realized to the full extent. OPPAGA has estimated that doubling this surcharge will generate additional revenue in of \$66.3 million for universities.<sup>20</sup> These revenues are anticipated to decrease as students modify their behavior in an effort to avoid having to pay for this charge.

##### **Florida Bright Futures Scholarship Program Eligibility**

Increasing the eligibility requirements for the Florida Bright Futures Scholarship have shown to be an effective cost savings method. OPPAGA recently estimated the cost savings for the increase in eligibility that is currently in statute to be over \$7.4 million.<sup>21</sup> Increasing these requirements from their current level to be even more difficult would further increase the estimated savings by \$37.5 million in the 2013-2014 fiscal year and increasingly over time<sup>22</sup>.

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<sup>20</sup> OPPAGA Research Memorandum, Excess Hours Fees, February 4, 2011; and confirmed figures through e-mail correspondence.

<sup>21</sup> OPPAGA Presentation: Bright Futures Scholarship Program, February 15, 2011. Brian Underhill  
< [http://www.oppaga.state.fl.us/monitordocs/presentations/2-15-11\\_Bright\\_Futures/2-15-11\\_Bright\\_Futures\\_Scholarship\\_Program\\_frame.htm](http://www.oppaga.state.fl.us/monitordocs/presentations/2-15-11_Bright_Futures/2-15-11_Bright_Futures_Scholarship_Program_frame.htm) >

<sup>22</sup> OPPAGA Research Memorandum, Increasing Bright Futures Eligibility Test Scores, March 22, 2011



## **Florida Bright Futures Scholarship Program Award**

In a recent presentation to the Legislature, OPPAGA estimated the savings associated with including acceleration credits earned by students prior to entering postsecondary education programs within the 120 credit hour cap for Bright Futures awards to be \$26 million.<sup>23</sup> This estimate would be reduced by the amount of students further utilizing their awards for graduate school coursework per section 1009.5341, F.S., since this calculation does not consider the exception for this purpose.

### **Co-Enrollment of Adult Education Students**

Based on FY 2010-2011 enrollment data, prohibiting school districts from reporting co-enrolled K-12 high school students also enrolled in adult education programs will result in approximately \$28.1 million savings in general revenue.<sup>24</sup>

### **College and University Salary Limitations**

The university president salary limitation (a decrease of \$25,000) reduces the amount of public funds expended by \$252,584 since all eleven university presidents are funded at the current cap amount of \$225,000. The bill also requires a statutory cap of \$200,000 from appropriated state funds that can be used for salaries of university administrative employees, excluding medical school faculty and staff, which would result in a savings of \$1.3 million.<sup>25</sup>

By reducing, from \$225,000 to \$200,000, the amount of appropriated state funds that can be used for Florida college presidents' salaries, \$487,000 in general revenue can be saved. Currently, 21 of the 28 presidents' salaries are above \$200,000; 16 of these presidents' salaries are funded with general revenue at the current \$225,000 cap. By applying the same funding restriction for college administrative employees, \$40,000 can be saved. Currently, only two employees have salaries above \$200,000.<sup>26</sup>

### **Electronic Library Resources**

Establishing a joint library technology organizational structure that still meets the needs of academic libraries in both the Florida College System and the State University System will produce a consolidated administrative structure that will result in operational efficiencies and reductions of the Florida Center for Library Automation (FCLA) and College Center for Library Automation (CCLA) and the will result in an indeterminate savings to the State of Florida over several years. The FY 2011-2012 proposed appropriations bill includes a 15 percent reduction for both FCLA and CCLA; \$1.6 million is reduced from the FCLA budget, and \$1.9 million, from CCLA.

## **III. COMMENTS**

### **A. CONSTITUTIONAL ISSUES:**

#### **1. Applicability of Municipality/County Mandates Provision:**

None.

#### **2. Other:**

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<sup>23</sup>OPPAGA Presentation: Bright Futures Scholarship Program, February 15, 2011. Brian Underhill < [http://www.oppaga.state.fl.us/monitordocs/presentations/2-15-11\\_Bright\\_Futures/2-15-11\\_Bright\\_Futures\\_Scholarship\\_Program\\_frame.htm](http://www.oppaga.state.fl.us/monitordocs/presentations/2-15-11_Bright_Futures/2-15-11_Bright_Futures_Scholarship_Program_frame.htm) >

<sup>24</sup> E-Mail correspondence with the Career and Adult Education Program, Department of Education

<sup>25</sup> E-Mail correspondence with the Florida Board of Governors

<sup>26</sup> E-Mail correspondence with the Office of Financial Policy, Florida College System

**B. RULE-MAKING AUTHORITY:**

None.

**C. DRAFTING ISSUES OR OTHER COMMENTS:**

None.

**IV. AMENDMENTS/ COMMITTEE SUBSTITUTE CHANGES**

**Amendment #1.**

The amendment removes language that would have limited the number of eligible institutions to those which participated in the Florida Resident Access Grant Program (FRAG) in the 2010-2011 year, and limited the number of eligible students at Keiser University who would be eligible to receive the grant.

**Amendment #2**

The amendment makes a technical change to generically reference the K-12 Public School bibliographic database instead of referring to the database as SUNLINK.

**Amendment #3**

The amendment makes a technical change to incorporate new statutory language which was included in the original proposed committee bill into a current subsection of the bill which already contained a portion of the language.

**Amendment #4**

The amendment provides flexibility for school districts and Florida Colleges to assess an annual \$90 block tuition for adult general education courses at either \$45 per half year or \$30 per term.