

FINAL BILL ANALYSIS

BILL #: SB 2150

FINAL HOUSE FLOOR ACTION:

89 Y's 29 N's

SPONSOR: Budget (Rep. O'Toole)

GOVERNOR'S ACTION: Approved

COMPANION BILLS: HB 5201

SUMMARY ANALYSIS

Senate Bill 2150 passed the House on May 6, 2011. The bill was signed by the Governor on May 26, 2011, chapter 2011-63, Laws of Florida. The bill provides substantive changes in law to conform to the Fiscal Year 2011-2012 General Appropriations Act.

The bill authorizes the State Board of Education to disregard the effects of a 2010 nonrecurring refund in making the determination of the amount of bonding by the gross receipts tax and expands the class size reduction lottery bond program to include other educational facilities.

The bill repeals certain responsibilities of the Department of Education, Division of Vocational Rehabilitation related to the Injured Workers Program. The bill authorizes the Division of Blind Services to lease, and sublease donated properties.

The bill implements a streamlined, automated registration process for undergraduate students currently enrolled at a public postsecondary educational institution to take a distance learning course. The bill designates the Northwest Regional Data Center as a primary data center for the purpose of serving state agency customers. The bill streamlines postsecondary library operations through consolidation and joint purchasing and requires creation of a union catalog for higher education.

The bill updates provisions related to tuition and out-of-state fees for postsecondary students in workforce, college, and university programs to include 2011-2012 tuition rates.

The bill requires a block tuition and out-of-state fee for students enrolled in adult education programs; removes exemptions from the payment of fees for adult basic, adult secondary, and career preparatory instruction; specifies the method to be used by school districts in determining residency of workforce students; authorizes the use of capital improvement fees to acquire improved real property; ensures equitable funding of school district workforce programs; and, prohibits a full-time student co-enrolled in a K-12 education program and an adult general education program from being reported for funding in an adult education program, but allows an exception in Fiscal Year 2011-2012 for credit recovery and dropout prevention purposes.

The bill authorizes Florida colleges and universities to establish a transient student fee; places a \$200,000 limitation on the amount of state funds that may be used for salaries of Florida College System and State University presidents and administrative employees in Fiscal Year 2011-2012. The bill increases the excess credit hour surcharge for students at state universities; authorizes a spring and summer term student enrollment pilot program at the University of Florida.

The bill increases test score eligibility and revises community service hour requirements for the Florida Bright Futures Scholarship Program.

The bill temporarily suspends state match for facilities and operating challenge grant programs for colleges and universities and specifies that certain funds are not eligible for state matching under the Dr. Phillip Benjamin Matching Grant Program for Community Colleges.

I. SUBSTANTIVE INFORMATION

A. EFFECT OF CHANGES:

Gross Receipts Tax

Current Situation

Section 9 of Article XII of the Florida Constitution requires that all proceeds from the revenues derived from the gross receipts taxes collected pursuant to the provisions of chapter 203, Florida Statutes, be placed in a trust fund to be known as the “public education capital outlay and debt service trust fund” in the state treasury. Monies in the trust fund may only be used to fund capital projects for the state education system. The trust fund is administered by the State Board of Education.

State bonds pledging the full faith and credit of the state may be issued pursuant to law to finance or refinance capital projects authorized by the Legislature, for the state system of public education. The bonds are primarily payable from revenues derived from gross receipts taxes, and are additionally secured by the full faith and credit of the state.

Section 9 of Article XII of the Florida Constitution states “No such bonds shall ever be issued in an amount exceeding ninety percent of the amount which the state board determines can be serviced by the revenues derived from the gross receipts taxes”

Section 215.61, F.S., provides that in determining the amount of bonds which can be serviced by the gross receipts tax, the State Board of Education shall use the average annual amount of revenue collected for the tax periods during the 24 months immediately preceding the most recent collection date before the date of issuance of any such bonds, adjusted to reflect revenues that would have been collected had legislation enacted into law before the date of determination been in effect during the 24-month period. Such adjustment shall be based on the assumption that the provisions of the enacted legislation had become effective 24 months before the dates contemplated in the legislation.

In August, 2010, AT&T Mobility LLC (AT&T) entered into a settlement agreement with a number of plaintiffs which, if finally approved by the court, will require AT&T to request refunds of Florida communications services taxes, including gross receipts taxes, paid on charges for wireless data services.¹ The potential refunds are for the period from November 5, 2005 to September 7, 2010. At this time, it is anticipated that any refunds paid to AT&T will be paid in the first half of Fiscal Year 2011-2012.

Under current practice for making the determination required by section 215.61, F.S., of the amount of bonds that can be serviced by the gross receipts tax, the effect of the refunds will be to reduce the amount of bonds that may be issued for 24 months following the payment of a refund.

Effect of Changes

¹ AT&T Mobility Wireless Data Services Sales Litigation, 270 F.R.D. 330 (August 11, 2010)

The bill amends section 215.61, F.S, to direct the State Board of Education to disregard the effects on gross receipts tax collections of refunds paid as a direct result of the settlement reached in the AT&T Mobility Wireless Data Services Sales Litigation when making the determination required by section 215.61, F.S.

The bill also allows the Department of Revenue to share information regarding the amount of any refunds with the State Board of Education, the Division of Bond Finance, and the Office of Economic and Demographic Research.

The provisions of the bill remove the effects of the nonrecurring refunds on the amount of bonds that can be issued, and serve to provide a more accurate estimate of the amount of future bonds that can be serviced by the gross receipts tax.

Division of Vocational Rehabilitation – Injured Worker Program

Current Situation

Section 440.491, F.S., provides for reemployment screening and rehabilitation services for injured workers who may require such services to return to work after receiving workers compensation benefits.

The law directs the Department of Education (Department) to monitor the activities of insurance carriers, including self-insurance funds and individual self-insureds, and reemployment/rehabilitation service providers under the section.

Subsection (7) of s. 440.491, F.S. authorizes the Department to "investigate" service providers and "establish by rule the minimum qualifications, credentials, and requirements that each rehabilitation service provider, facility, and agency must satisfy to be eligible" to provide services. Eligible providers are listed in a qualified rehabilitation provider directory maintained by the Department. The law also requires the Department to monitor and evaluate providers to ensure compliance with the Department's standards.

Subsection (8) of s. 440.491, F.S. requires the Department to monitor insurance carriers' selection of providers and provision of services for consistency with the legislative intent set forth in subsection (2). Subsection (2) provides:

"It is the intent of this section to implement a systematic review by carriers of the factors that are predictive of longer-term disability and to encourage the provision of medical care coordination and reemployment services that are necessary to assist the employee in returning to work as soon as is medically feasible."

The program organized by this section has existed since 1993.

Recently, the Department adopted new rules requiring each service visit by a client to be entered into the Department's database through a web-based application. Previously, providers sent copies of a form used for invoicing to the Department which used state full-time or OPS employees to input the same data. At a Rulemaking & Regulation Subcommittee on March 17, 2011, the Subcommittee heard testimony from service providers and Department personnel regarding the practicality of the data entry requirement. In the process of this discussion, it became apparent that the data collected may not be put to any useful purpose.

Effect of Changes

The bill eliminates the term "qualified" in the definition of "rehabilitation provider" and provides definitions for the requirement of nationally recognized rehabilitation provider credentials. The

bill also eliminates the regulatory role of the Department under section 440.491, F. S. with respect to the services provided by rehabilitation providers, leaving those providers subject to the regulation of the market place through the purchasing decisions of the workers compensation carriers and self-insured employers.

Specifically, the bill narrows the legislative intent language quoted above, by striking the following language:

"to implement a systematic review by carriers of the factors that are predictive of longer-term disability and".

This will leave the intent to encourage provision of medical care coordination and reemployment services.

The bill requires that carriers report their determination of whether the employee is likely to return to work to both the Department and the employee. The report shall include the identification of the carrier and employee as well as a claim and/or case number assigned by the Office of Judges of Compensations Claims.

The bill eliminates requirements in subsection (5)(c) of the statute, that: "For the purpose of monitoring reemployment, the carrier or the rehabilitation provider shall report to the Department, in the manner prescribed by the Department, the date of reemployment and wages of the employee. The carrier shall report its voluntary service activity to the Department as required by rule."

The bill requires that at the time of referral, the carrier shall provide the Department a copy of any reemployment assessment or plan provided to the carrier by a rehabilitation provider. It also eliminates statutory mandates on what information the Department must consider prior to approving training and education programs, found in subsection (6)(a) of the present statute. The bill limits rulemaking authority in subsection (6)(b) to apply only to implementation of subsection (6), rather than to the entire section 440.491, F. S.

Finally, the bill repeals subsections (7) and (8) of section 440.491, F.S. which eliminates the following;

- 440.491(7), F.S. –
 - The Department shall investigate and maintain a directory of each qualified public and private rehabilitation provider, facility, and agency as well as establish by rule the minimum qualifications, credential, and requirements that an agency must satisfy to be eligible for listing in the directory.
 - The Department shall impose a biennial application fee of \$25 for each listing in the directory; all such fees are to be deposited in the Workers' Compensation Administration Trust Fund.
 - The Department shall monitor and evaluate providers to ensure compliance with the Department's standards.
 - Qualified rehabilitation service providers, facilities, or agencies may not be authorized by an employer, carrier, or the Department to provide services unless they are listed or have been approved for listing within the directory.
 - The Department shall adopt rules governing professional practices and standards.

- 440.491(8), F.S. –

- The Department shall monitor insurance carriers' selection of providers and provision of services for consistency with the legislative intent set forth in subsection (2).

Division of Blind Services

Current Situation

Section 413.011, F.S., provides that The Division of Blind Services shall plan, supervise, and carry out certain activities under current law. Of the specified activities, section 413.011(3)(v), F.S. allows the division to receive moneys or properties by gift or bequest from any person, firm, corporation, or organization for any purpose set in law. However, there is no authority to bind the state to any expenditure or policy except such as may be specifically authorized by law.

This provision also specifies that such moneys or properties so received by gift or bequest within the division may be disbursed or expended by the division upon its own warrant for any purposes set forth in law. These moneys or properties shall not constitute or be considered a part of any legislative appropriation made by the state for the purpose of carrying out the provisions of this law.

Effect of Changes

The bill provides that when determined to be in the best interest of the division, the division may lease property received pursuant to section 413.011(3)(v), F.S., and the Department of Education may enter into leases of property and sublease property on behalf of the division. It also specifies that the division and Department leases and subleases may be to governmental, public, or nonprofit entities for the provision of blind, education, health, and other social service programs.

Distance Learning

Current Situation

In Fiscal Year 2010-2011 legislation² 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

² Ch. 2010-155, Laws of Florida, Section 9, amending s. 1004.91, Florida Statutes

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 graduation³. 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 as required by law, 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 Changes

The bill requires the Florida Distance Learning Consortium, to implement the recommended streamlined, automated on-line registration process for certain transient students beginning in the 2011-2012 academic year. 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 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 the standard transient student admissions application, 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 a transient student fee.

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.

³ Section 1007.28, F.S.

The bill amends current law to authorize the assessment of a transient student fee of up to \$5 per distance learning course by the postsecondary institution accepting and processing the transient student admissions application.

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.

Designation of Northwest Regional Data Center as a Primary Data Center

Current Situation

Section 282.201(2)(f), Florida Statutes, authorizes the Agency for Enterprise Information Technology (AEIT) to establish rules relating to the operation of the state data center; such rules may address the AEIT designating any non-state data center as a primary data center if the center:

- Has an established governance structure that represents customer entities proportionally.
- Maintains an appropriate cost-allocation methodology that accurately bills a customer entity based on the actual direct and indirect costs to the customer entity, and prohibits the subsidization of one customer entity's costs by another entity.
- Has sufficient raised floor space, cooling, and redundant power capacity, including uninterruptible power supply and backup power generation, to accommodate the computer processing platforms and support necessary to host the computing requirements of additional customer entities.

In a letter dated October 27, 2008, the executive director of the Northwest Regional Data Center (NWRDC)⁴ sent a letter to the executive director of the AEIT requesting that the NWRDC be granted the status as a non-state primary data center. The NWRDC provided information in support of its request related to its governance structure, cost allocation methodology, and data center configuration and capacity. The executive director of AEIT sent a letter (July 17, 2009) to the executive director of the NWRDC stating: "To date, no administrative rule has been created to define the policy for determining the criteria for designating a non-state primary data center beyond those specified in statute. Regardless, using the specific requirements outlined in Ch. 282.201(2)(f)(7), F.S., the AEIT has determined that the Northwest Regional Data Center meets those minimum requirements and is hereby designated a non-state primary data center."

Approximately one-third of the NWRDC current customer base is comprised of state agencies, with the Department of Education its biggest customer.

Effect of Changes

The bill designates the NWRDC as a primary data center for purposes of serving its state agency customers. As a designated primary data center, the NWRDC must:

- Operate under a governance structure that represents its customers proportionally.

⁴ Northwest Regional Data Center (NWRDC) was created by Florida State University in 1972 to provide centralized computing support to public entities within the state of Florida in a utility mode operation. *October 27, 2008, letter from executive director of NWRDC.*

- Maintain an appropriate cost-allocation methodology that accurately bills a customer entity based on the actual direct and indirect costs to the customer entity, and prohibits the subsidization of one customer entity's costs by another entity.
- Enter into service-level agreements with each state agency customer.
- Provide to the Board of Governors the total annual budget by major expenditure category by July 30 of each fiscal year.
- Provide to each state agency customer its projected annual cost for providing the agreed-upon data center services by August 1 each fiscal year.

The NWRDC's designation as a primary data center for purposes of serving its state agency customers may be terminated if the center requests such termination or the center fails to comply with the statutorily-defined provisions.

Florida Fund for Minority Teachers – Administrative Flexibility

Current Situation

The Florida Fund for Minority Teachers, Inc., a not-for-profit statutory corporation housed in the College of Education at the University of Florida, administers and manages the minority teacher education scholars program.⁵ Of the funds appropriated in the General Appropriations Act for the minority teacher education scholars program, no more than five percent may be expended for administration.

Effect of Changes

The Fiscal Year 2011-2012 General Appropriations Act⁶ appropriates \$985,458 from the General Revenue Fund for this program, of which five percent may be spent on administration. Due to available reserves, the bill also allows for up to \$100,000 from other funds to be expended on the administration of this program.

Student Enrollment Pilot Program for Spring and Summer Terms

Current Situation

Although demand for enrollment in the state university system is high, many state universities have a higher enrollment in the fall than in the spring and summer terms. Students only receive Bright Futures Scholarships during spring and fall terms, but a student may use an award for summer term enrollment if funds are available.

Effect of Changes

Subject to approval by the Board of Governors, the University of Florida is authorized to develop and implement a student enrollment plan for the spring and summer terms to align on-campus student enrollment with the availability of instructional facilities. The plan shall provide for a student cohort that is limited to on-campus enrollment during the spring and summer terms and is not be eligible for on-campus enrollment during the fall term. Students who are eligible to receive Bright Futures Scholarships⁷ may receive the award for attendance during the spring and summer terms, but are not eligible to receive the scholarship for attendance during the fall terms.

⁵ Section 1009.605, F.S.

⁶ Conference Report on Senate Bill 2000, Specific Appropriation 57

⁷ Sections 1009.53 – 1009.536, F.S.

Tuition and Fee Rates

Current Situation

Tuition and fees for workforce education, Florida colleges and state universities are as published in statute unless otherwise provided in the General Appropriations Act. In Fiscal Year 2010-2011, the General Appropriations Act included tuition and fee rates that were not updated, or codified, in statute.⁸

Effect of Changes

The bill updates provisions related to tuition and out-of-state fees for postsecondary students in workforce, college, and university programs to include 2011-2012 tuition rates (Table 1). The rates established for Fiscal Year 2011-2012 are an eight percent increase over the prior year. Tuition rate flexibility related to tuition increases for workforce programs, colleges and universities is authorized in Florida Statute. At the discretion of each college's board of trustees, or the district school board, tuition rates set for Florida colleges and workforce education programs may be adjusted below or above the established base tuition rates (Table 2).⁹ State universities have statutory authority for a tuition differential which, when combined with base tuition, may not be exceed 15 percent over the prior year, or exceed the national average. For Fiscal Year 2011-2012, State universities may increase tuition seven percent in addition to the eight percent base increase.¹⁰

| | | FY 2011-2012 PUBLIC POSTSECONDARY TUITION RATES | | | | | |
|--|------------------------|--|----------------------------------|---|---|---------------------------|----------------------------------|
| | | School Districts | | Florida Colleges | | Universities | |
| | | Resident / Nonresident | Out-of-State Fee ¹ | Resident / Nonresident | Out-of-State Fee ¹ | Resident / Nonresident | Out-of-State Fee ¹ |
| Career Certificate, or Applied Technology Diploma | Per Contact Hour | \$2.22 | \$6.66 | \$2.22 | \$6.66 | N/A | N/A |
| Undergraduate | Per Credit Hour | N/A | N/A | \$68.56 (Associates) \$87.42 (Baccalaureate) | \$205.82 (Associates) TBD (Baccalaureate) ² | \$103.32 | TBD ³ |
| Graduate Programs | Per Credit Hour | N/A | N/A | N/A | N/A | TBD ³ | TBD ³ |

¹Out-of-State-Fees are in addition to resident/nonresident tuition rates.

²Tuition rates for baccalaureate programs at Florida Colleges are set individually by college; however, the sum of the tuition and out-of-state-fee per credit hour for students who are nonresidents may not exceed 85% of the combined tuition and out-of-state fee of the state university nearest the college.

³The Board of Governors, or the board's designee, may establish tuition for graduate and professional programs and out-of-state fees for all programs. The sum of tuition and out-of-state fees assessed to nonresident students must be sufficient to offset the full instructional cost of serving such students. Adjustments to out-of-state fees or tuition for graduate programs and professional programs may not exceed fifteen percent in any year.

⁸ Chapter 2010-152, Specific Appropriations 109, 112, and 132

⁹ Section 1009.22(1)(e), F.S., and Section 1009.23(4), F.S.

¹⁰ Section 1009.24(16)(b)3.

| TABLE 2 | FEE FLEXIBILITY PROVISIONS | |
|--------------------|--|-------|
| | Below | Above |
| Workforce Programs | 5% | 5% |
| Florida Colleges | 10% | 15% |
| State Universities | Base % as established by the Legislature, and additional statutorily authorized tuition differential (The combined total may not exceed 15%) | |

Block Tuition and Out of State Charge for Adult General Education Students

Current Situation

The General Appropriations Act sets the standard tuition rate for residents and nonresidents 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 section 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 Changes

The bill provides for a \$45 block tuition assessment per half year or \$30 per term for residents and non-residents, and a \$135 per half year or \$90 per term out-of-state fee to students enrolled in adult 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 section 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.¹¹ In Fiscal Year 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.¹²

¹¹ Section 1009.22(3)(a), F.S.

¹² Section 1009.21, F.S.

Because there is no statewide policy specifying 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.¹³ Additional direction is needed to clearly establish the method by which workforce education students' residency is determined.

Effect of Changes

The bill requires residency of students to be determined according to section 1009.21, F.S., for the purpose of charging tuition to offset the full cost of instruction for nonresident workforce education postsecondary students.¹⁴

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.¹⁵ 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 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 and Florida Colleges Capital Improvement Fee Flexibility

Current Situation

District school boards and Florida College System institutions are authorized in sections 1009.22 and 1009.23, F.S., to charge fees in addition to tuition.

Sections 1009.22(6)(a) and 1009.23(11)(a), F.S., provides authority for each district school board and each 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. 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 Fiscal Year 2009-2010, the Capital Improvement Fee generated \$1.5 million for workforce programs and \$65.8 million for colleges.

Effect of Changes

The bill authorizes the use of capital improvement fee revenue collections for the acquisition of improved real property.

¹³ Office of Program Policy Analysis & Government Accountability (OPPAGA) Report 10-24, February 2010

¹⁴ Section 1009.21(3)(c), F.S., requires written documentation in determining residency.

¹⁵ Section 1009.23(15), F.S.

College Transportation Access Fees

Current Situation

Sections 1009.22 and 1009.23, F.S., authorize community college boards of trustees to charge tuition and specified fees for postsecondary workforce education students and community college students. A community college may not charge any fee except as authorized by law. Community colleges do not have statutory authority to charge transportation access fees.

Under section 1009.24(14), F.S., state universities are authorized to charge transportation access fees. An example of how a university may use the transportation access fee can be seen in the way in which the University of Florida and the City of Gainesville entered into an interlocal agreement. The goal of the agreement was to mitigate the impact of university transportation related issues, specifically by taking cars off the road and by reducing the demand for on-campus parking. To accomplish this goal, the university has contracted with Gainesville's Regional Transportation System (RTS) to provide students unlimited access to the city bus system. At the end of October 2010, RTS had provided nine million rides in the preceding fiscal year, amounting to a daily ridership of almost 50,000. When school is in session, approximately 75 percent of the daily riders are university students. A committee of students and administrators assist RTS in determining which routes and service will be included in each annual contract. Through this negotiation, the level and frequency of service are funded through a fee that students and administrators agree upon. Service ranges from higher levels that provide a bus every 10 to 15 minutes to lower levels that provide a bus every 30 minutes. Several intercampus routes allow students, faculty, and staff to travel from one part of campus to another. In general, hours of service are from 6:00 am to 2:00 am. According to the Board of Governors, the 2010-2011 transportation access fee at the University of Florida is \$7.33 per credit hour. The university anticipates that the fee will increase to \$7.88 in August 2011.

Effect of Changes

This bill authorizes the board of trustees of Santa Fe College to establish a transportation access fee for postsecondary workforce education students and community college students if the fee is approved by a referendum held by the student government. The fee may not exceed \$6.00 per credit hour. Revenues from the transportation access fee may only be used for the provision or improvement of access to transportation services for students. The fee is not covered by the Bright Futures Scholarship Program.

Prohibition of Using State Funds for Education of Inmates

Current Situation

Florida inmate education is funded with both general revenue and federal grants within the Department of Corrections. In addition, federal funding within the Department of Education through the Carl D. Perkins Career and Technical Education Improvement Act of 2006 may be expended. For several years, the General Appropriations Act included proviso language prohibiting appropriated funds specifically provided for workforce education and Florida colleges' operating funds from being expended for the education of state and federal inmates.

Effect of Changes

The bill codifies current practice, and alleviates the need to continue proviso language in the General Appropriations Act. The prohibition of expenditure for state and federal inmate education is limited to state funds appropriated for postsecondary workforce and Florida

colleges' operating funds. The continued use of federal sources provided through the Carl D. Perkins Program of 2006, and the Workforce Investment Act of 1998 will not be affected.

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 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.

Purple Heart Veteran Fee Waivers

Current Situation

Currently, a state university or community college shall waive undergraduate tuition for each recipient of a Purple Heart or another combat decoration superior in precedence. In order to qualify for this fee waiver, one must be enrolled as a full-time, part-time, or summer-school student in an undergraduate program that terminates in a degree or certificate, must have been a Florida resident at the time of the military action that resulted in the awarding of the Purple Heart, and must submit to the state university or the community college the DD-214 form issued at the time of separation from service as documentation.¹⁶

Effect of Changes

The bill allows for the use of documentation other than the DD-214 if the documentation is recognized by the United States Departments of Defense or Veterans Affairs.

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.

Effect of 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.

¹⁶ Section 1009.26(8), F.S.

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 Scholastic Assessment Test (SAT) score of 1270 or a concordant American College Test (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 29.¹⁷

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.¹⁸

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 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 community service hour requirement from 75 to 100 hours for students graduating in 2011-2012 and thereafter.

¹⁷ Section 1009.531(6)(a), F.S.

¹⁸ Section 1009.534(1)(e), F.S.

The bill increases eligibility requirements for the Medallion Scholars Award for the SAT score from 1050 to 1170, or ACT score from 23 to 26 (75th percentile) for students graduating in 2013-14. The eligibility for a student in a home education program increases for the SAT score from 1100 to 1220, or ACT score from 24 to 27. It also requires 75 hours of community service for students graduating in 2011-2012 and thereafter.

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.

Student Financial Assistance and Scholarship Programs

Current Situation

Although the State of Florida has a variety of financial aid programs, there is no uniform requirement that preference be given to need based students first.

Chapter 1009, F.S., authorizes several scholarship programs and does not currently require applicants to submit a Free Application for Federal Student Aid (FAFSA). These scholarship programs are funded by the Legislature when sufficient revenues are available.

Effect of Changes

The bill prioritizes state student financial assistance to the neediest (Pell eligible) students, up to the full cost of tuition and fees for the First Generation Matching Grant Program and the Florida Work Experience Program. Students in these programs and in the Florida Resident Access Grant Program (FRAG) or Access to Better Learning and Education Grant Program (ABLE) programs must annually submit the Free Application for Federal Student Aid (FAFSA) prior to disbursement in order to be eligible for this award. The applications must be complete and error-free in an effort to gather more comprehensive data on students who are provided state tuition assistance funds.

In addition, clarifying language is added to specify that funding for scholarship programs shall be as provided in the General Appropriations Act. These scholarships include:

- Rosewood Family Scholarship Program
- Seminole and Miccosukee Indian Scholarships
- Florida Teacher Scholarship and Forgivable Loan Program
- Minority Teacher Education Scholars Program
- Florida Minority Medical Education Program
- Virgil Hawkins Fellows Assistance Program
- First Generation Matching Grant Program
- Mary McLeod Bethune Scholarship Program
- Theodore R. and Vivian m. Johnson Scholarship Program
- Florida Work Experience Program
- William L. Boyd, IV, Florida Resident Access Grants (FRAG), and
- The Access to Better Learning and Education Grant Program (ABLE)

Matching Grant Programs

Current Situation

The Legislature established several matching grant programs for the Florida College and State University Systems to enable colleges and universities to raise private donations which provide

additional financial support for construction projects, scholarships, and institutional operations. These private donations are eligible for state matching funds.

The Community College Facility Enhancement Challenge Grant Program, established in section 1011.32, F.S., is for the purpose of assisting the community colleges in building high priority instructional and community-related capital facilities consistent with including common areas connecting such facilities. The direct-support organizations that serve the community colleges solicit gifts from private sources to provide matching funds for capital facilities. The matching ratio for this program is \$1 of state funds to \$1 of local private funds. Private sources of funds do not include any federal or state government funds that a community college may receive.

The University Facility Enhancement Challenge Grant Program, established in section 1013.79, F.S., is for the purpose of assisting universities to build high priority instructional and research-related capital facilities, including common areas connecting such facilities. The associated foundations that serve the universities solicit gifts from private sources to provide matching funds for capital facilities. The matching ratio for this program is \$1 of state funds to \$1 of local private funds. For the purposes of this act, private sources of funds do not include any federal, state, or local government funds that a university may receive.

The Dr. Phillip Benjamin Matching Grant Program for Community Colleges, established in section 1011.85, F.S., enables each college to provide donors with an incentive in the form of matching grants for donations for:

- Scientific and technical equipment.
- Scholarships, loans, or need-based grants.
- Other activities that will benefit future students as well as students currently enrolled at the community college, will improve the quality of education at the community college, or will enhance economic development in the community.

The matching ratio under the Dr. Phillip Benjamin Matching Grant Program for donations that are specifically designated to support scholarships, including scholarships for first-generation-in-college students, student loans, or need-based grants shall be \$1 of state funds to \$1 of local private funds. Otherwise, funds shall be proportionately allocated to the community colleges on the basis of matching each \$6 of local or private funds with \$4 of state funds. To be eligible, a minimum of \$4,500 must be raised from private sources.

The University Major Gifts Program, established in section 1011.94, F.S., enables each institution in the State University System (SUS) to provide donors with an incentive in the form of matching grants for donations for the establishment of permanent endowments and sales tax exemption matching funds received pursuant to section 212.08(5) (j), F.S. The donations and state matching funds must be invested and the proceeds of the investment used to support libraries and instruction and research programs.

The Board of Governors (BOG) is required to specify the process for submission, documentation, and approval of requests for state matching funds; accountability measures for endowments and proceeds of endowments; the process for making allocations to universities; restrictions on the use of the proceeds from endowments, and the criteria used in determining the value of donation.

Each university foundation is responsible for the maintenance and investment of its challenge grant funds and for administration of the program at its respective university pursuant to procedures specified by the BOG.

Each year the BOG submits a request for state matching funds for the SUS as part of its Legislative Budget Request. Each university that raises donations for a specific purpose is eligible for state matching funds as follows:

- \$ 100,000 to \$ 599,999, the required state match is 50% of the private contribution
- \$ 600,000 to \$1,000,000, the required state match is 70% of the private contribution
- \$1,000,001 to \$1,500,000, the required state match is 75% of the private contribution
- \$1,500,001 to \$2,000,000, the required state match is 80% of the private contribution
- \$2,000,001 and above, the required state match is 100% of the private contribution

A donation of at least \$600,000 and associated state matching funds may be used to designate an Eminent Scholar Endowed Chair pursuant to procedures specified by the Board of Governors.

The donations, state matching funds, or proceeds from endowments established under this section may not be expended for the construction, renovation, or maintenance of facilities or for the support of intercollegiate athletics.

Effect of Changes

The bill temporarily suspends the state match for the facilities enhancement and operating challenge grant programs for universities and colleges for donations received on or after June 30, 2011. Existing eligible donations remain eligible for future match. The matching programs may be restarted after \$200 million of the backlog have been matched.

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 District Workforce Education Funding Steering Committee and Department of Education, 26 school districts receive more than 100 percent of their current funding need, while 32 school districts receive less than 100 percent. These percentages range from 9.8 percent to 255.5 percent of total funding need 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.¹⁹ 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.

¹⁹ Office of Program Policy Analysis & Government Accountability (OPPAGA) Report 10-24, February 2010

Effect of 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.

Co-Enrollment in Adult General Education

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.²⁰ 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 from workforce education funding on these programs.²¹

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 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 coursework hours beyond standard diploma requirements.²²

Effect of Changes

The bill revises the definition for a full-time student, and prohibits a full-time student co-enrolled in a K-12 education program and an adult general education program from being reported for funding in an adult education program. In Fiscal Year 2011-2012, students may be co-enrolled, however, use is limited to two courses per year per student for core coursework, and only for credit recovery and dropout prevention purposes.

Dr. Philip Benjamin Matching Grant Program for Community Colleges - Ineligible Funds

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.

²⁰ Section 1004.02, F.S.

²¹ OPPAGA Research Memorandum, School District Co-Enrollment for 2008-09, February 14, 2011

²² School district survey by Career and Adult Education, Department of Education

The matching ratio for contributions for other eligible purposes is \$4 of state funds to \$6 of contributions with a minimum required contribution of \$4,500.²³

According to preliminary findings in a state audit of Daytona State College by the Auditor General²⁴, 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 rule²⁵, “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 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 Appropriated Funds

Current Situation

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

Effect of Changes

The bill reduces the statutory cap, from \$225,000 to \$200,000, for appropriated state funds that can be used for salaries of college presidents and from public funds for university presidents for fiscal year 2011-2012. It also requires a statutory cap of \$200,000 of appropriated state funds that can be used for salaries of college and university administrative employees for fiscal year 2011-2012. University teaching faculty or medical school faculty and staff are excluded from the salary limitation.

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 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 Changes

²³ Section 1011.85, F.S.

²⁴ Letter from Auditor General to Daytona State College Interim President, Mr. Frank Lombardo; January 14, 2011

²⁵ Rule 6A-14.0914(2), F.A.C.

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.

Class Size Reduction and Educational Facilities Lottery Revenue Bond Program

Current Situation

The class size reduction lottery revenue bond program was established by the Legislature in section 1013.737, F. S., in 2003 to provide additional facilities to meet a constitutionally required reduction in public school class size by the beginning of the 2010-2011 school year. The bond proceeds were used to finance or refinance the construction, acquisition, reconstruction, or renovation of educational facilities. The bonds were issued pursuant to, and in compliance with, the provisions of section 11(d), Art. VII of the State Constitution, the provisions of the State Bond Act, Sections 215.57-215.83, F. S., as amended, and the provisions of Section 1013.737, F. S. The bonds are payable from, and secured by a first lien on, the first lottery revenues transferred to the Educational Enhancement Trust Fund each fiscal year, as provided by Section 24.121(2), F. S., and do not constitute a general obligation of, or a pledge of the full faith and credit of, the state.

Effect of Changes

The class size reduction lottery revenue bond program as provided in Section 1013.737, F. S., is expanded to include educational facilities in addition to facilities required to reduce class size. The program is renamed, the Class Size Reduction and Educational Facilities Lottery Bond Program”.

Issuance of any bonds and the use of any bond proceeds under this statute require prior authorization by the Legislature.

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.

Effect of Changes

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

Establishment of Joint Library 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.

Both the FCLA and CCLA have their own online catalog of all holdings and electronic resources available within the individual sectors. In the Fiscal Year 2010-2011 General Appropriations Act, proviso required the FCLA and CCLA to expand their online discovery tool products to allow a user to search simultaneously the combined holdings and applicable electronic resources of the FCLA and CCLA. In addition, 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. The FCLA and CCLA completed the expanded search function by the required September 1, 2010, deadline.

Additionally, the Fiscal Year 2010-2011 General Appropriations Act requires that the FCLA and CCLA consolidate their data center services into the Northwest Regional Data Center (NWRDC) by December 31, 2011. Both FCLA and CCLA have been working with the NWRDC to develop transition plans for this consolidation.

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. In March 2011 the Chancellors expanded this charge to include recommendations for the establishment of a joint library technology organizational structure that would 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.

Effect of Changes

The bill requires the Chancellors of the State University System (SUS) and the Florida College System (FCS) to submit a plan by January 1, 2012, to the Executive Office of the Governor and the legislative appropriations committees for establishing a joint library organization to address the needs of academic libraries in the SUS and FCS and replaces the FCLA and CCLA. The plan is required to include the following components:

- Proposed governance and reporting structure of the joint library organization.
- Recommended staff for the joint library organization.
- Recommended process and schedule for the acquisition of a next generation library management system and its associated services to include a discovery tool.
- Proposed schedule for consolidating the computing and data center resources and equipment provided by the FCLA and CCLA to a statutorily established or designated primary data center or for decommissioning the computing and data center resources and equipment no longer required.
- Proposed operational budget for the joint library organization.

- Proposed substantive and fiscal policy changes needed to implement joint library organization.
- Timeline and implementation strategies for establishing the joint library organization.

Electronic Library Resources

Current Situation

To ensure that electronic library resources were acquired in the most cost-efficient and cost-effective manner, in 2010, legislation²⁶ 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.

Effect of 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.

Carry-Forward of Fixed Capital Outlay Funds – State Universities

Current Situation

University boards of trustees are currently required to revert unspent funds that have been appropriated for legislatively approved fixed capital outlay projects.

Effect of Changes

For the fiscal 2011-2012 year only, a university board of trustees is authorized to expend reserve or carry-forward balances from prior year operational and programmatic appropriations on legislatively approved fixed capital outlay projects authorized for the establishment of a new campus.

Public Education Capital Outlay Formula (PECO) – Florida College System

Current Situation

Public Education Capital Outlay (PECO) funds account for most of the state funding for maintenance and construction of postsecondary education facilities. PECO funds are derived from gross receipt tax collections, bond sales and interest earnings. Florida Colleges PECO funded projects include site acquisition, renovation, remodeling, construction projects, and site improvements necessary to accommodate buildings, equipment, other structures, and special educational use areas that are built, installed, or established to serve the educational instructional program of the Florida Colleges board of trustees.²⁷

Florida law requires each public postsecondary institution to conduct an educational plant survey at least once every five years to assess the number and condition of its current facilities

²⁶ Section 1004.091(2)(b), F.S.

²⁷ Section 1013.01(16)

and project facility needs over the next five years.²⁸ The plant survey assists institutions with determining need for site acquisition, remodeling renovations and new construction.

The Board of Trustees from each Florida college institution submits its capital improvement plan to the Division of Florida Colleges. The Division ranks and pares down the list of projects to further recommend funding from among those projects. Florida law also requires the Department of Education to review and validate the plant surveys to ensure accuracy. The Department of Education submits its final recommendations, the Legislative Fixed Capital Outlay Request, to the Legislature.

The Legislature determines projects to the funded from the Project Priority List.

Effect of Changes

The bill requires the Florida College System (FCS) Council of Presidents to develop and recommend to the State Board of Education, the Governor, and Legislature an equitable funding formula for the distribution of PECO funds to FCS institutions for consideration by the Legislature for implementation in the 2012-2013 fiscal year.

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:

See FISCAL COMMENTS section.

2. Expenditures:

See FISCAL COMMENTS section

C. DIRECT ECONOMIC IMPACT ON PRIVATE SECTOR:

The bill should save insurance carriers significant costs related to compliance with data collection requirements for the injured worker program under the present law and the rules that would be repealed by the bill.

²⁸ Sections 1013.31 and 1013.40, F.S.

The bill authorizes a block tuition assessment for adult education programs and removes fee exemptions for adults enrolled in these programs. Students who enroll in workforce programs must pay for courses.

The bill also decreases student scholarship opportunities by increasing the level of difficulty for eligibility for the Bright Futures Scholarship. This would result in an increased burden on students to cover a larger portion of the cost of attendance.

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

D. FISCAL COMMENTS:

Division of Vocational Rehabilitation – Injured Worker Program

The changes could impose a short term cost for the Department as it changes its monitoring role regarding rehabilitation providers. However, the reduction in monitoring and information collection authority should result in reduced personnel costs within the Department.

Division of Blind Services

The changes could increase revenues for the division if donated property was leased or subleased. However, revenues would only be available for use within the division and would not constitute or be considered a part of any legislative appropriation made by the state for the purpose of carrying out the provisions of this law.

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 for adult general education. This, however, is based on current enrollment and does not account for loss of student enrollment who may not attend if unable to pay.

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.

Tuition increase for Florida Colleges, Workforce Programs, and State Universities

This bill and the General Appropriations Act includes an 8% tuition increase for the Florida College System, Workforce Education, and the State University System. This will yield an additional \$67.7 million, \$2.9 million, and \$33.6 million respectively for the three systems. In

addition, the new block tuition for adult general education is expected to yield revenue of \$12.7 million at current enrollment levels in district Workforce Programs and the Florida Colleges.

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.²⁹ These revenues are anticipated to decrease as students modify their behavior in an effort to avoid having to pay for this charge. Should a significant number of affected students graduate sooner, this would contribute to the efficiency of the system by freeing up capacity and increasing graduation rates.

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.³⁰ 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 time³¹.

Co-Enrollment of High School Students in Adult Workforce Education Programs

The General Appropriations Act makes a reduction of \$11.1 million in School District Workforce Programs and removes co-enrolled students from the funding formula. The funding is reallocated for existing adult workforce education programs.

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.³²

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

²⁹ OPPAGA Research Memorandum, Excess Hours Fees, February 4, 2011; and confirmed figures through e-mail correspondence.

³⁰ 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 >

³¹ OPPAGA Research Memorandum, Increasing Bright Futures Eligibility Test Scores, March 22, 2011

³² E-Mail correspondence with the Florida Board of Governors

restriction for college administrative employees, \$42,000 can be saved. Currently, only three employees have salaries above \$200,000.³³

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 Fiscal Year 2011-2012 proposed appropriations bill includes reductions for both FCLA and CCLA; \$1.2 million is reduced from the FCLA budget, and \$1.3 million, from CCLA.

Bonding

The bill modifies education bonding programs by broadening the uses of bond proceeds by expanding the Class Size Reduction Lottery Bond Program and by increasing PECO bond capacity by disregarding the effects of a 2010 refund. The lottery bond program has approximately \$30 million in available bond capacity and the change in PECO creates additional capacity of approximately \$130 million.

Matching Grant Program Suspension

The state share of the unmatched Challenge Grants now totals \$517 million. The suspension will freeze state commitments to donations received on or after June 30, 2011. The matching programs may be restarted after \$200 million of the backlog have been matched.

³³ E-Mail correspondence with the Office of Financial Policy, Florida College System