

**HOUSE OF REPRESENTATIVES  
FINAL BILL ANALYSIS**

**BILL #:** SB 1994

**FINAL HOUSE FLOOR ACTION:**

**SPONSOR(S):** Budget and Gaetz

86 Y's

31 N's

**COMPANION  
BILLS:** None

**GOVERNOR'S ACTION:** Pending

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**SUMMARY ANALYSIS**

Senate Bill 1994 passed the House and the Senate on Friday, March 9, 2012. This bill conforms applicable statutes to the appropriations provided in the General Appropriations Act for the Florida Polytechnic University for the 2012-2013 fiscal year.

Senate Bill 1994, relating to Florida Polytechnic University, provides for the following:

- Creates the Florida Polytechnic University. All laws governing a university will apply, including the establishment of a board of trustees and a president.
- Requires Florida Polytechnic University to meet the criteria established by the Board of Governor's on December 31, 2016.
- Requires the University of South Florida (USF) to allow current USF Polytechnic students to complete their degree at USF.
- Transfers real and personal property, licenses and associated revenues, existing contracts, unexpended balances, appropriations, allocations, funds, and mutually agreed-upon obligations, responsibilities, and liabilities of USF Polytechnic to Florida Polytechnic University.
- Requires USF to retain the current faculty and staff, except for faculty and staff of the Florida Industrial and Phosphate Research Institute which are transferred to the new Florida Polytechnic University.
- Requires USF to transfer Polytechnic-related foundation funds to a new Florida Polytechnic University foundation after obtaining donor consent.
- Cancels all memorandums of understanding between USF and USF Polytechnic upon this act becoming law.
- Requires Florida Polytechnic University to allow the University of South Florida to use space at the Lakeland joint-use facility pursuant to a mutual agreement for the purpose of continuing the local education of existing USF Polytechnic students. Florida Polytechnic University shall transfer space at the Lakeland joint-use facility to Polk State College as new space becomes available on the new campus of Florida Polytechnic University.
- Appropriates \$6 million in recurring funds for USF College of Pharmacy.
- Appropriates \$10 million in recurring funds for USF for the purpose of allowing students enrolled in University of South Florida Polytechnic to complete their degrees at USF. This funding is contingent upon USF implementing the transfers required in the bill and upon USF maintaining full campus and program operations, including the retention of current faculty and staff of USF Polytechnic until June 30, 2012.

Subject to the Governor's veto powers, the effective date of this bill is upon becoming a law.

This bill substantially amends ss. 1004.345, 1004.346, 1004.387, and 1013.74, Florida Statutes.

## I. SUBSTANTIVE INFORMATION

### A. EFFECT OF CHANGES:

#### Present Situation

Florida's State University System (SUS) began with the Legislative Act of January 24, 1851, which provided for the establishment of two seminaries of learning and established their first purpose as "the instruction of persons, both male and female, in the art of teaching all the various branches that pertain to a good common school education; and next to give instruction in the mechanic arts, in husbandry, in agricultural chemistry, in the fundamental laws, and in what regards the rights and duties of citizens."<sup>1</sup> The institutions, one located east of the Suwannee River and one located west of the river became the University of Florida and Florida State University, respectively. Throughout the ensuing 160 years, the Legislature initiated and funded the expansion of those institutions and the creation of new institutions according to the needs of the state's citizens and the economic goals of the state. The current SUS consists of 11 institutions which are codified in s. 1000.21, F.S.<sup>2</sup>

The initiative to create a polytechnic university began when the 2008 Legislature renamed the Lakeland campus of the University of South Florida as the University of South Florida Polytechnic. The 2010 Legislature expanded the mission of the Florida Institute of Phosphate Research, by allowing it to conduct research outside the scope of the phosphate industry, renamed it the Florida Industrial and Phosphate Research Institute, and transferred the institute to USF Polytechnic. The 2010 Legislature also authorized a Doctor of Pharmacy degree program at USF and required the program to be physically located on the new campus of the USF Polytechnic once a new pharmacy facility was constructed on that campus.<sup>3</sup>

The current site of USF Polytechnic is at a joint-use facility shared with Polk State College. In 2004, land on Interstate 4 in Polk County was donated for a new polytechnic campus. Site development has begun, and upon completion of facilities, the polytechnic institution will be located entirely on the new campus.

In October 2011, the USF Polytechnic issued a proposal entitled, "Business Plan: A New Polytechnic University in Florida,"<sup>4</sup> which provides a plan for establishing a 12<sup>th</sup> state university built on a polytechnic model with academic program offerings in advanced engineering, scientific research, and professional education in science, technology, engineering and mathematics (STEM) fields and STEM-related fields. A polytechnic education emphasizes the applications of technology and develops skills in reasoning and problem-solving, innovation, and interdisciplinary thinking. The plan includes proposed schedules for achieving accreditation, increasing student enrollment, adding new degree programs in STEM, STEM-related, and liberal arts fields, and completing facilities construction.

At its November 2011 meeting, the BOG voted to approve the concept of USF Polytechnic becoming a freestanding institution contingent upon meeting the following criteria<sup>5</sup>:

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<sup>1</sup> ch. 337, L.O.F., 1851.

<sup>2</sup> The 11 institutions are The University of Florida, The Florida State University, The Florida Agricultural and Mechanical University, The University of South Florida, The Florida Atlantic University, The University of West Florida, The University of Central Florida, The University of North Florida, The Florida International University, The Florida Gulf Coast University, and New College of Florida.

<sup>3</sup> Ch. 2012-155, L.O.F.

<sup>4</sup> Readable at: [http://www.flbog.edu/documents\\_meetings/0128\\_0555\\_4478\\_2.pdf](http://www.flbog.edu/documents_meetings/0128_0555_4478_2.pdf)

<sup>5</sup> Minutes of November 9-10, 2011, Board of Governors meeting, readable at: [http://www.flbog.edu/documents\\_meetings/0129\\_0567\\_4525\\_422%20BOG%20bogminutes-2011\\_11\\_09.pdf](http://www.flbog.edu/documents_meetings/0129_0567_4525_422%20BOG%20bogminutes-2011_11_09.pdf).

- Achieve separate accreditation pursuant to s. 1004.345, F.S. During the period that Polytechnic is seeking separate accreditation from SACS,<sup>6</sup> Polytechnic shall initiate planning activities for the development of the new programs identified in Phase 1 of the Business Plan.
- After separate accreditation is achieved, Polytechnic shall implement the programs identified in Phase 1 of the Business Plan upon approval of the programs by SACS. Highest priority for program development and implementation shall be focused on programs in STEM fields, and appropriate discipline-specific accreditation shall be sought.
- Polytechnic must attain a minimum FTE of 1,244 as calculated in the Business Plan, with a minimum 50 percent of that FTE in STEM and 20 percent in STEM-related programs.
- The following facilities and infrastructure shall be in place: the Science and Technology Building, Phase 1 of the Wellness Center, the modular resident hall (70 beds), and the residence hall (120 beds).
- Polytechnic shall have a full complement of the following services or functions, provided either directly or where feasible through a shared services model: financial aid, admissions, student support, information technology, and finance and accounting with an internal audit function.
- Students enrolled at USF Polytechnic shall be given an option to graduate with a diploma from USF, subject to university criteria.
- During the transition period to independent status, the Board of Governors shall monitor the development of the campus and its operations, working in collaboration with the appropriate boards, on a semi-annual basis.
- The Board shall be consulted of any significant change to the Business Plan prior to any action being taken on such change.
- Once the foregoing criteria have been met, Polytechnic shall notify the Board and the Board shall conduct a final review to confirm the criteria have been satisfied.

### **Effect of Proposed Changes**

The bill creates the Florida Polytechnic University (FPU) as a state university in s. 1000.21, F.S., thus making the new university an independent institution in the SUS. The bill substantially revises the statute that established The University of South Florida Polytechnic to repeal all requirements relating to the USF branch campus and to codify the steps required by the motion that was adopted by the BOG at its November 9-10, 2011 meeting.

By December 31, 2016, the bill requires Florida Polytechnic University to meet the criteria set forth by the Board of Governor's on November 9<sup>th</sup>, which include:

- Achieving accreditation from the Commission on Colleges of the Southern Association of Colleges and Schools;
- Initiating the development of new programs in the fields of science, technology, engineering, and mathematics;
- Seeking discipline-specific accreditation for programs where Southern Association of Colleges and Schools accreditation is not applicable;
- Attaining a minimum full-time equivalent student enrollment (FTE) of 1,244, with a minimum 50 percent of that FTE in the fields of science, technology, engineering, and mathematics and 20 percent in programs related to those fields;
- Completing facilities and infrastructure, including the Science and Technology Building, Phase I of the Wellness Center, and a residence hall or halls containing no fewer than 190 beds; and
- Having the ability to provide administration of financial aid, admissions, student support, information technology, and finance and accounting with an internal audit function either directly or where feasible through a shared services model by contracting with external entities including other universities, colleges, or businesses.

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<sup>6</sup> The Southern Association of Colleges and Schools.

As was required in the BOG motion, the bill requires a final review performed by the BOG and for USF to allow current USF Polytechnic students to complete their degree at USF.

The bill makes the following provisions regarding property and personnel of USF Polytechnic:

- All real and personal property, licenses and associated revenues, existing contracts, unexpended balances, appropriations, allocations, funds, and mutually agreed-upon obligations, responsibilities, and liabilities of USF Polytechnic are transferred to the Florida Polytechnic University;
- All programs, functions, offices, records, faculty positions and staff positions of Florida Industrial and Phosphate Research Institute are transferred to FPU;
- All programs, functions, offices, records, faculty positions and staff positions of USF Polytechnic are transferred to USF, thus ensuring that current USF Polytechnic faculty and staff will remain USF employees;
- USF must transfer assets derived from donations intended for the enhancement of the USF Polytechnic to a new direct-support organization for the FPU foundation after obtaining consent from the appropriate donors, in accordance with state statutes and BOG regulations;
- All memorandums of understanding between USF and USF Polytechnic will be cancelled upon the bill becoming law;
- USF must transfer the lease of federal communications licenses relating to Polk County to the Florida Polytechnic University upon approval from the Federal Communications Commission;
- Florida Polytechnic University will be required to allow the University of South Florida to use space at the Lakeland joint-use facility pursuant to a mutual agreement for the purpose of continuing the local education of existing USF Polytechnic students. Florida Polytechnic University shall transfer space at the Lakeland joint-use facility to Polk State College as new space becomes available on the new campus of Florida Polytechnic University; and

The bill authorizes the University of Florida, using its expertise in science, technology, engineering, and mathematics, to serve in an advisory or consulting capacity to the board of trustees and the president of the Florida Polytechnic University on issues relating to accreditation and administration.

The Board of Trustees of the USF and the Board of Trustees of the FPU, and the their respective officers, trustees, employees, attorneys, and agents, are provided immunity from any and all civil liability pertaining to or arising from compliance with this bill, including the transfers required in this bill.

The USF Doctor of Pharmacy program, which was designated to be housed at USF Polytechnic, is provided \$6 million additional general revenue recurring funds and will remain at USF. \$10 million in additional general revenue recurring funds is appropriated to USF for the purpose of allowing students enrolled in University of South Florida Polytechnic to complete their degrees at USF. This funding is contingent upon USF implementing the transfers required in the bill and upon USF maintaining full campus and program operations, including the retention of current faculty and staff of USF Polytechnic until June 30, 2012.

The bill amends s. 1013.74, F.S., to authorize a university board of trustees to expend reserve or carry-forward balances from prior year operational and programmatic appropriations for legislatively approved fixed capital outlay projects authorized for the establishment of a new campus. This authorization extends from the 2011-2012 fiscal year through the 2022-2023 fiscal year.

## II. FISCAL ANALYSIS & ECONOMIC IMPACT STATEMENT

### A. FISCAL IMPACT ON STATE GOVERNMENT:

1. Revenues:
2. Expenditures:

The General Appropriations Act (GAA) of 2012-13 transfers the Education and General (operations) funding for USF Polytechnic to the FPU. The 2012-13 budget for Florida Polytechnic University is \$33 million and consists of the following:

Total 2012-13 by Fund	
General Revenue	\$22,043,995
Educational Enhancement Trust Fund	\$367,509
Student Tuition and Fees	\$6,028,073
Phosphate Research Trust Fund	\$5,016,106
<u>Grand Total:</u>	<u>\$33,455,683</u>

The \$33 million includes a \$5 million reduction and a decrease of \$2.3 million of Phosphate Research Trust Fund authority to align budget authority with cash availability.

In addition to the \$33 million operating budget, funding of \$6 million general revenue recurring funds is provided to USF to support the Doctor of Pharmacy program, which was located at USF Polytechnic and will remain at USF. Also, USF is provided additional funding of \$10 million in general revenue recurring funds to provide instruction for students enrolled in USF Polytechnic to complete their degrees at USF. This funding is contingent upon USF implementing the transfers required in the bill and upon USF maintaining full campus and program operations, including the retention of current faculty and staff of USF Polytechnic until June 30, 2012.

Although no additional capital outlay funding for the construction of the new Polytechnic campus is appropriated, the bill extends the authorization for FPU to expend reserve or carry-forward balances from prior year operational and programmatic appropriations for legislatively approved fixed capital outlay projects for the establishment of the new campus through fiscal year 2022-2023.

### B. FISCAL IMPACT ON LOCAL GOVERNMENTS:

1. Revenues:  
None
2. Expenditures:  
None

### C. DIRECT ECONOMIC IMPACT ON PRIVATE SECTOR:

The bill creates a new university to specialize in educating students in science, technology, engineering, and mathematics. Since Florida businesses need additional qualified graduates in these fields, an increase in the number of graduates within these fields will have a positive impact on Florida's economy.

### D. FISCAL COMMENTS:

