

HOUSE OF REPRESENTATIVES FINAL BILL ANALYSIS

BILL #: CS/HB 5201 (SB 1992) **FINAL HOUSE FLOOR ACTION:**
SPONSOR(S): Higher Education Appropriations Subcommittee; O'Toole and others **77 Y's** **31 N's**
COMPANION SB 1992 **GOVERNOR'S ACTION:** Pending
BILLS:

SUMMARY ANALYSIS

HB 5201 passed the House and Senate on March 9, 2012. The bill conforms statutes to the funding decisions included in the General Appropriations Act (GAA) for Fiscal Year 2012-2013.

Specifically the bill:

- Establishes the Florida Virtual Campus to provide access to online student and library support services and serve as a statewide resource and clearinghouse for postsecondary education distance learning courses and degree programs and to increase student access and completion of degrees;
- Establishes a Degree Completion Pilot Program to recruit, recover, and retain adult learners and assist them in completing degrees aligned to high-wage, high-skill, and workforce needs;
- Increases the surcharge for excess credit hours;
- Authorizes the Board of Governors to transfer unused Student and Other Fees Trust Fund authority between institutions, and restricts universities' ability to transfer funds to and from satellite campuses in excess of \$2 million for the current fiscal year and \$1 million for the subsequent years;
- Maintains the salary 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 2012-2013;
- Provides that a full-time student, co-enrolled in a K-12 education program and an adult general education program, may be reported for funding for two courses in an adult education program in Fiscal Year 2012-2013;
- Revises the severance package language for colleges and universities to conform to s. 215.512, F.S.;
- Requires both college and universities to maximize purchasing power by entering into consortia and cooperative agreements;
- Removes an exemption from State Board of Education approval for baccalaureate degree programs to be offered by a Florida College System Institution;
- Requires the Auditor General to notify the Joint Legislative Auditing Committee of any audit review which indicates that a state university or state college has failed to take corrective action, and requires the district school board, the Florida College System institution board of trustees, or university board of trustees to conduct an audit overview during a public meeting; and
- Authorizes the University of Florida to exceed the 5% bonding limitation on the Activity and Service (A&S) fee to fund the renovation and expansion of the student union.

The bill makes the following changes to student financial aid and tuition assistance programs:

- Shortens the length of time from 3 years to 2 years that a student is eligible to accept the initial Bright Futures Scholarship after high school graduation;
- Clarifies that students enrolled in the Spring/Summer University of Florida pilot program are authorized to receive a Bright Futures Scholarship award for only two semesters each year;
- Clarifies that students are required to annually submit the Free Application for Federal Student Aid (FAFSA); and
- Limits allowable uses for the Bright Futures Gold Seal Vocational Scholarship.

The bill includes provisions for other scholarship programs which:

- Requires annual financial reporting by the Florida Fund for Minority Teachers (FFMT) and the Florida Education Fund (FEF);
- Requires the FFMT to use a contingency collection agency to recoup scholarship repayments from students in default;
- Eliminates a law scholarship program that is no longer funded, nor does the FEF provide scholarships; and
- Revises matching requirements for the FEF, the Jose Marti and Mary McLeod Bethune Scholarship Programs.

The General Appropriations Act provides:

- \$24.4 million to support the newly established Virtual Campus, including \$2.5 million for a degree completion pilot;
- \$11 million in savings to the state associated with the decrease in allowable excess credit hours; and
- \$505,926 in savings due to changes in the Bright Futures Vocational Gold Seal Scholarship program.

Subject to the Governor's veto powers, the effective date of this bill is July 1, 2012, except as otherwise provided.

FULL ANALYSIS

I. SUBSTANTIVE ANALYSIS

A. EFFECT OF PROPOSED CHANGES:

Audits Relating to the Florida Colleges and State Universities

Current Situation

The Auditor General is required to annually conduct financial audits of all state universities and state colleges, and at least every three years, conduct operational audits of the accounts of state universities and state colleges.¹ The Educational Entities and Local Government Audits Division's responsibilities include audits of the Florida Department of Education, district school boards, state universities and colleges, and local governmental units. Audits are made to determine whether financial resources are properly accounted for; whether public officials comply with applicable laws, rules, regulations, and other legal requirements; whether proper and effective internal controls are in place over entity operations; and whether assets are properly safeguarded. Audits are selected based on statutory requirements and risk assessments performed on the various agencies.²

Upon conclusion of an audit, the Auditor General discusses the audit with the official whose office is subject to audit and provides a list of the Auditor General's findings which may be included in the audit report. The official, within 30 days is required to submit to the Auditor General his or her written statement of explanation or rebuttal concerning the findings, including corrective action to be taken to preclude a recurrence of all findings.³

The Auditor General is not specifically required by law to notify the Legislative Auditing Commission of audit findings of state universities or state colleges when corrective action has failed to occur.

Effect of Changes

The Auditor General is required to notify the Joint Legislative Auditing Committee (JLAC) of any audit review which indicates that a state university or state college has failed to take corrective action in response to a recommendation which was included in the two preceding audit reports. The JLAC may schedule a hearing to determine if the entity should be subject to further state action.

Additionally, if an audit contains a significant finding, the Florida College System institution board of trustees, or the university board of trustees must conduct an audit overview during a public meeting.

South Florida Community College Name Change

Current Situation

A community college district board of trustees may change its institutional name by using the designation "college" or "state college" if the college has been authorized to grant a baccalaureate degree(s) and has been accredited as a baccalaureate degree granting institution by the Commission on Colleges of the Southern Association of Colleges and Schools.⁴ A board of trustees must seek codification of the name change in the following regular session of the Legislature.⁵

On January 26, 2011, the South Florida Community College's district board of trustees approved the request to submit a proposal to offer the Bachelor of Applied Science in Supervision and Management. On September 20, 2011, the State Board of Education approved South Florida Community College's proposal to offer a baccalaureate degree. On September 28, 2011 the South Florida Community

¹ Section 11.45(2)(c) and (f), F.S.

² <http://www.myflorida.com/audgen/pages/statauth.htm>

³ Section 11.45(4)(d), F.S.

⁴ Section 1001.60, F.S.

⁵ Section 1001.60(2)(c), F.S.

College board of trustees approved a change of the college's name to South Florida State College, to become effective July 1, 2012. On December 5, 2011, the Commission on Colleges of the Southern Association of Colleges and Schools (SACS) denied membership at a more advanced degree level for South Florida Community College because the institution did not provide an acceptable plan and supporting documentation to ensure that it has appropriately qualified faculty to teach assigned coursework in the new program. In June 2012, the commission will review institutions required to submit additional reports.

Effect of Changes

The bill codifies the name of South Florida State College, contingent upon final SACS accreditation.

Severance Pay in the Florida Colleges and State Universities

Current Situation

A board of trustees of a Florida College System institution and the Board of Governors may not enter into an employment contract that requires payment to a president or an employee from state funds in excess of 1 year of the individual's annual salary for termination, buyout, or any other type of contract settlement. This does not prohibit the payment of leave and benefits accrued by the individual in accordance with the college or university leave and benefits policies before the contract terminates.⁶

On or after July 1, 2011, a unit of government that enters into a contract or employment agreement, or renewal or renegotiation of an existing contract or employment agreement, that contains a provision for severance pay with an officer, agent, employee, or contractor must include the following provisions in the contract:⁷

- A requirement that severance pay provided may not exceed an amount greater than 20 weeks of compensation.
- A prohibition of provision of severance pay when the officer, agent, employee, or contractor has been fired for misconduct, as defined in s. 443.036(29), F.S., by the unit of government.
 - An officer, agent, employee, or contractor may receive severance pay that is not provided for in a contract or employment agreement if the severance pay represents the settlement of an employment dispute. Such severance pay may not exceed an amount greater than 6 weeks of compensation. The settlement may not include provisions that limit the ability of any party to the settlement to discuss the dispute or settlement.

Effect of Changes

The bill revises severance pay language for colleges and universities to conform to s. 215.425, F.S., providing that on or after July 1, 2011, a unit of government that enters into a contract or employment agreement, or renewal or renegotiation of an existing contract or employment agreement, that contains a provision for severance pay with an officer, agent, employee, or contractor must include the following provisions in the contract:

- A requirement that severance pay provided may not exceed an amount greater than 20 weeks of compensation.
- A prohibition of provision of severance pay when the officer, agent, employee, or contractor has been fired for misconduct, as defined in s. 443.036(29), F.S., by the unit of government.
 - An officer, agent, employee, or contractor may receive severance pay that is not provided for in a contract or employment agreement if the severance pay represents the settlement of an employment dispute. Such severance pay may not exceed an amount greater than 6 weeks of compensation. The settlement may not include provisions that limit the ability of any party to the settlement to discuss the dispute or settlement.

⁶ Sections 1001.64 (47), F.S., 1001.706(6)(d), F.S., and 1012.83(2), F.S.

⁷ Section 215.425, F.S.

Florida College and State University Purchasing Consortia

Current Situation

Currently, the Florida College and State University Systems are not required by law to enter into consortia and cooperative agreements to purchase goods and services.

Effect of Changes

The bill requires each college board of trustees to use purchasing agreements and state term contracts pursuant to s. 287.056, F.S., or enter into consortia and cooperative agreements for the purpose of maximizing the purchasing power for goods and services. A consortium may be statewide or regional, as appropriate to achieve the lowest cost, with the goal of achieving a five percent savings on existing contract prices through the use of new cooperative arrangements or new consortium contracts.

The bill requires the Board of Governors to adopt regulations requiring universities to use purchasing agreements or state term contracts pursuant to s. 287.056, F.S., or enter into consortia and cooperative agreements to maximize the purchasing power for goods and services. A consortium or cooperative agreement may be statewide or regional, as appropriate to achieve the lowest cost.

The goal of such agreements is to achieve a 5 percent savings from existing contract prices.

State Universities and Board of Governors Transfer of Funds

Current Situation

A university board of trustees is responsible for the financial management of its university. The board must account for the expenditures of all funds, establish tuition rates under purview of the Board of Governors, and submit annual financial statements.⁸ The board of trustees also has the authority to transfer funds within the fiscal year to and from the special units under its jurisdiction, including medical schools and institutes. Universities must then submit a Resource Utilization Deviation request to the Board of Governors as a component of their annual operating budget submission in an effort to amend the budget requests to reflect the needs of the major institutions and of their special units. The Legislature then takes this information into account and appropriates funds separately to each major institution and to the medical schools.

Effect of Changes

The bill requires all transfers between major institutions and their special units to be reviewed for approval by the Board of Governors if the amount exceeds \$2 million for the current year and \$1 million for the subsequent years. If approved, the Board of Governors may then submit the request to the Legislative Budget Commission for further review. Once the transfer request has been approved by both entities, the university may then make the transaction.

The bill also authorizes the Board of Governors to transfer unused tuition appropriations from the Education/General Student and Other Fees Trust Fund between institutions.

Adults with Disabilities Workforce Education Pilot Program

Current Situation

Currently there is no special scholarship program provided by the Department of Education for young adults with disabilities who receive "supported employment services" and are attending private schools to meet high school graduation requirements.

Effect of Changes

The bill authorizes the Adults with Disabilities Workforce Education Pilot Program beginning in Fiscal Year 2012-2013 in the Department of Education for two years in Hardee, Desoto, Manatee, and

⁸ Board of Governors Rule 1.001(6), University Board of Trustees Powers and Duties

Sarasota Counties to provide the option of receiving a scholarship for instruction at private schools for up to 30 students who:

- (a) Have a disability;
- (b) Are 22 years of age;
- (c) Are receiving instruction from an instructor in a private school to meet the high school graduation requirements in s. 1003.428, F.S.;
- (d) Do not have a standard high school diploma or a special high school diploma; and
- (e) Receive “supported employment services”, which means employment that is located or provided in an integrated work setting with earnings paid on a commensurate wage basis and for which continued support is need for job maintenance.

Funds for the scholarship must be provided from the school district’s Workforce Development appropriation in the General Appropriations Act. Per the bill, the scholarship amount must be equal to the cost per unit of a full-time equivalent adult general education student, multiplied by the adult general funding factor, and multiplied by the district cost differential pursuant to the workforce education funding formula for the district in which the student resides. The Department of Education estimates an average cost per student of approximately \$4,600 per year.

Florida Virtual Campus

Current Situation

Florida Distance Learning Consortium

In 1996,⁹ the State Board of Community Colleges (SBCC) established the Florida Community College Distance Learning Consortium (FCCDLC) as an advisory committee to the SBCC for purposes of:

- Advising the SBCC on policy and fiscal issues relating to distance learning and technology.
- Coordinating the establishment of a technology-enhanced delivery system that supports the mission of Florida’s community colleges while also increasing access to higher education for all Florida residents.
- Representing the community college system on regional and national committees.

Also in 1996, the Institute for Public Postsecondary Distance Learning (Institute) was created by the Board of Regents and the SBCC through a memorandum of understanding and was administratively housed at Florida Gulf Coast University.¹⁰ The primary purpose of the Institute was to encourage and facilitate the cooperative development and delivery of distance learning instruction between the state universities and the community colleges.

In 2003 the governing bodies of the FCCDLC and the Institute agreed to consolidate to create the Florida Distance Learning Consortium (FDLC). The FDLC was designed to:

- Take on the responsibility for providing strong distance learning leadership for a K-20 education delivery system.
- Exist as a membership organization open to any Florida accredited school district, community college, state university, or any Independent Colleges and Universities of Florida (ICUF) institution.
- Exist as an advisory body to the State Board of Education in order to support the distance learning process at all educational levels and serve as a catalyst for greater collaboration and coordination.

Since the State Board of Education and the Board of Governors did not formally establish the FDLC within the state’s postsecondary educational structure, to include the identification of clearly defined roles and responsibilities, participation and use of the FDLC’s services and activities was voluntary.¹¹

⁹ House of Representatives Staff Analysis for CS/HB 7105, Policy & Budget Council; Schools & Learning Council, 4/21/2008.

¹⁰ *Id.*

¹¹ *Id.*

In 2008 the Legislature created the Florida Distance Learning Task Force to submit a report to the Governor, the Speaker of the House of Representatives, the President of the Senate, the State Board of Education, the Board of Governors, and the state university and community college boards of trustees no later than March 1, 2009, that provided recommendations on several distance learning-related issues to include the future role of the FDLC.¹²

The task force submitted its report on February 26, 2009, and identified five major substantive policy findings and recommendations for legislative consideration:¹³

- Establish the FDLC in statute as a statewide higher education collaborative with responsibilities and accountability;
- Adopt a definition of “distance learning” for the purpose of assessing the distance learning fee.
- Promote access for students by requiring postsecondary institutions to provide a link to the distance learning catalog;
- Finalize the plan for implementing online registration process; and
- Continue development of a central repository to provide open access textbook opportunities for students.

In 2009 the Legislature established the FDLC in statute to facilitate collaboration among the public postsecondary educational institutions in their use of distance learning to increase access to associate and baccalaureate courses and degree programs; to support institutions in their use of technology; and to help build partnerships among the institutions, businesses, and communities.¹⁴ The Board of Governors and the State Board of Education exercise joint oversight of the FDLC and has established its administrative and operational guidelines and processes.

Florida Higher Education Distance Learning Catalog

In 1997, the FCCDLC developed the first system-wide online catalog listing the distance learning courses offered by Florida’s public community colleges. All participating community colleges entered their distance learning courses into the catalog and prospective students could search for the availability of distance learning courses by term, college, course number, or course prefix. Once a prospective student located a course of interest, the student would be linked to the appropriate college’s website for course registration and enrollment.¹⁵

By 2002, the Institute had created a similar online distance learning catalog for the state universities. When the governing bodies of the FCCDLC and Institute decided to consolidate and form the FDLC, the two online distance learning catalogs were combined to create a single comprehensive public postsecondary distance learning course and degree program catalog.¹⁶

In 2008, the Legislature codified the catalog in statute and established the Florida Higher Education Distance Learning Catalog.¹⁷ The number of distance learning courses that have been listed in the catalog has continuously increased over the years from 6,000 courses listed in 2005 to 28,272 in 2010-2011.¹⁸

Florida’s Academic Counseling and Tracking for Students System

In 1995, the Legislature directed Florida’s higher education governing systems to design and implement a single, statewide computer-assisted student advising system. The legislation mandated

¹² 2008-148, Laws of Florida.

¹³ Presentation by Co-Chair of the Florida Distance Learning Task Force to the House State & Community Colleges & Workforce Policy Committee on March 10, 2009. The *Florida Distance Learning Task Force Report*, February 26, 2009, contains 23 recommendations on a variety of distance learning issues.

¹⁴ Chapter 2009-92, Laws of Florida.

¹⁵ House of Representatives Staff Analysis for CS/HB 7105, Policy & Budget Council; Schools & Learning Council, 4/21/2008.

¹⁶ *Id.*

¹⁷ Chapter 2008-148, Laws of Florida.

¹⁸ Presentation to House Higher Education Appropriations Subcommittee on December 7, 2011, *Online Registration Process for Transient Students: Update*.

that the system include a degree audit and an articulation component to assist students in course selection, document their status toward degree completion, and verify when students complete graduation requirements. A working prototype of these features was completed in 1999, and by 2004, 38 of the 39 public postsecondary institutions had implemented the degree audit, transcript, and admissions application functionalities.¹⁹

The 2002 Florida Education Governance Reorganization codified in statute the establishment of the computer-assisted student advising system, which had become known as the Florida's Academic Counseling and Tracking for Students (FACTS), and expanded its mission to support Florida's K-20 seamless education system.²⁰ Several high school tools were added to FACTS including a personalized high school planner (Electronic Personal Education Planner or ePEP) and a variety of scholarship, dual enrollment, and academic planning information.²¹ In 2006, the Legislature required that all middle school students use FACTS to create an ePEP as part of a class required for promotion to 9th grade.²²

In 2011, the Legislature expanded the functionality of FACTS by requiring the system to provide the admissions application for transient students who are undergraduate students currently enrolled and pursuing a degree at a public postsecondary educational institution and who want to enroll in a course listed in the Florida Higher Education Distance Learning Catalog which is offered by a public postsecondary educational institution that is not the student's degree-granting institution.²³

Florida Center for Library Automation & College Center for Library Automation

In 1984, the Legislature appropriated funds for the establishment of the Florida Center for Library Automation (FCLA) to focus on the library automation needs of the state universities. Today FCLA provides library automation support to 79 libraries on 55 campuses as part of the 11 institutions of the State University System (SUS). In 2009, FCLA was designated an Academic Infrastructure Support Organization (AISO) which means it supports all the state universities with statewide infrastructure and services. The FCLA director reports to the University of Florida Academic Provost and Senior Vice President who oversees FCLA on behalf of the SUS Council of Academic Vice Presidents.²⁴

In 1989, the Legislature appropriated funds for the establishment of the College Center for Library Automation (CCLA) to serve the library automation needs of the community colleges. Today CCLA provides library automation support to 82 physical library sites as part of the 28 institutions in the Florida College System (FCS). Under a formal agreement, the Chair of the Council of Presidents and the Chancellor of the FCS are responsible for CCLA's governance and general oversight. A state-level contract administrator is appointed to act on their behalf in all matters pertaining to the organization.²⁵

In July 2010, the Task Force on the Future of Academic Libraries in Florida was created by the chancellors of the SUS and FCS. The chancellors instructed 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 service within the context of the academic mission."²⁶

On March 2, 2011, the chancellors submitted a letter to the members of the task force that expanded their charge by requesting that they develop strategies and timelines for establishing a library

¹⁹ OPPAGA Postsecondary Student Use of the Florida Academic Counseling and Tracking for Students (FACTS) Is Low – April 2008.

²⁰ Chapter 2002-387, Laws of Florida.

²¹ OPPAGA Postsecondary Student Use of the Florida Academic Counseling and Tracking for Students (FACTS) Is Low – April 2008.

²² Chapter 2006-74, Laws of Florida.

²³ Chapter 2011-63, Laws of Florida.

²⁴ Task Force Report on the Future of Academic Libraries in Florida, *Unified Library Services Business Plan*, November 10, 2011.

²⁵ Task Force Report on the Future of Academic Libraries in Florida, *Unified Library Services Business Plan*, November 10, 2011.

²⁶ Task Force on the Future of Academic Libraries in Florida, *Unified Library Services Business Plan*, November 10, 2011.

technology organizational structure that would meet the needs of academic libraries in both the SUS and FCS in a manner that was more cost-effective than the current organizational structure. The task force was requested to submit its plan by December 31, 2011.²⁷

In 2011, the Legislature directed the chancellors of the SUS and FCS to submit a plan to the Executive Office of the Governor and to the legislative appropriations committees by January 1, 2012, for establishing a joint library organization to address the needs of academic libraries in the SUS and FCS that replaces the FCLA and the CCLA.²⁸

The task force's *Unified Library Services Business Plan*, November 10, 2011, was submitted to the legislative appropriations committees and includes the following high-level recommendations:²⁹

- Governance structure to include full representation of all public higher education institutions;
- Board of Directors to provide leadership and oversight, as well as accountability to the two system chancellors;
- Internal organization to be based on the services provided by the new organization;
- New organization to contract with a postsecondary institution for administrative and other support;
- As the new organization matures, other entities (ICUF institutions, public libraries, K-12) may want to contract for certain services;
- The new organization must be able to adapt to ever-changing technologies;
- No additional funds are requested for the new organization;
- Cost savings achieved through consolidating FCLA and CCLA services should be used to provide additional services or offset inflationary costs for eResources;
- The new organization's official start date should be July 1, 2012;
- FCLA and CCLA should continue to exist until June 30, 2013, to allow for a smooth transition of services;
- Identify transition team and interim director;
- Form Members Council and Board of Directors;
- Hire permanent executive director;
- Contract with postsecondary institution; and
- Determine location.

Effect of Changes

The bill establishes the Florida Virtual Campus to provide access to online student and library support services and to serve as a statewide resource and clearinghouse for public postsecondary education distance learning courses and degree programs, and to facilitate collaboration among public postsecondary education institutions in their use of these resources to increase student access and completion of associate and baccalaureate degrees. The bill consolidates the services and resources currently provided by the FDLC, the Florida Higher Education Distance Learning Catalog, FACTS, the FCLA, and the CCLA into the Florida Virtual Campus; the campus will provide a single point of access for students interested in utilizing these services and resources.

The bill authorizes the chancellors of the Florida College System and the State University System to exercise joint oversight of the Florida Virtual Campus and to establish its governance and reporting structure, administrative and operational guidelines and processes, staffing requirements, and operational budget.

²⁷ March 2, 2011, letter from Chancellors Brogan and Holcombe to the members of the Task Force for the Future of Academic Libraries in Florida.

²⁸ Chapter 2011-63, Laws of Florida.

²⁹ Task Force on the Future of Academic Libraries in Florida. *Unified Library Services Business Plan*, November 10, 2011.

The bill clarifies that the Florida Virtual Campus:

- Is not an “agency” as defined pursuant to s. 20.03(11), F.S., and is not subject to the provisions of chapter 287;
- Shall be deemed to be acting as an instrumentality of the state for purposes of sovereign immunity pursuant to s. 768.28(2), F.S.;
- Shall maintain an unencumbered balance of not less than 5 percent of its approved operating budget;
- Is authorized to secure comprehensive general liability coverage, professional liability coverage, property and casualty coverage, and any other insurance coverage deemed appropriate; and
- Has the authority to apply for and accept funds, grants, gifts, and services from local, state, or federal governments or from any of their agencies.

Degree Completion Pilot Program

Current Situation

Currently 26.6% of adults (between the ages of 25-64) in Florida have a baccalaureate degree or higher, compared to 29.8% in the United States.³⁰ Approximately 2 million Florida adults (23% of the workforce) have earned some college credit; however, many have been forced to discontinue (or “stopped-out”) their pursuit of a college degree for various reasons: financial, family, and health are reasons often cited.³¹

Military students and veterans living in Florida represent a significant segment of these students who have “stopped out” of college, with over 56,000 veterans receiving benefits last year for going back to college in Florida and 14,000 active duty students taking courses from Florida public postsecondary education institutions.

The University of West Florida, in collaboration with the University of South Florida, the Florida State College at Jacksonville, and St. Petersburg College, has developed a degree completion pilot program designed to provide an opportunity for qualified Florida residents to complete a college degree within a reasonable and flexible timeframe by using innovative approaches such as online learning, accelerated courses and significant advising and coaching.³²

Effect of Changes

The bill establishes the Degree Completion Pilot Project for the purpose of recruiting, recovering, and retaining the state’s adult learners and assisting them in completing an associate or baccalaureate degree that is aligned to high-wage, high-skill workforce needs. The bill defines “adult learner” to mean a student who has successfully completed college-level coursework but has left an institution in good standing prior to the completion of his or her associate or baccalaureate degree. The pilot will give priority to adult learners who are veterans or active duty members of the United States Armed Forces.

The bill requires the pilot project to be implemented beginning with the 2012-2013 academic year and identifies the components that are required to be a part of the pilot project.

Baccalaureate Degree Programs

Current Situation

The Division of Florida Colleges may accept and review applications from a Florida College System institution to obtain an exemption from the State Board of Education’s approval for subsequent degrees. To be eligible for an exemption, the Florida College System institution must be accredited by the Commission on Colleges of the Southern Association of Colleges and Schools as a baccalaureate-degree-granting institution and have been offering baccalaureate degree programs for 3 or more years.

³⁰ U.S. Census Bureau, 2009 American Community Survey Public Use Microdata Sample File.

³¹ *Degree Completion Florida Pilot*, Program Guidelines, University of West Florida.

³² *Id.*

The division is required to develop criteria for determining eligibility for an exemption based upon demonstrated compliance with the requirements for baccalaureate degrees and primary mission.

Effect of Changes

The bill removes the exemption from State Board of Education approval for baccalaureate degree programs to be offered by a Florida College System Institution. All baccalaureate degree programs will have to be approved by the State Board of Education.

Student Enrollment Pilot Program for Spring and Summer Terms

Current Situation

In Fiscal Year 2011-2012, the University of Florida was 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 pilot provided for a student cohort limited to on-campus enrollment during these terms. Legislative authority provided that students enrolled in the pilot program were eligible to receive the scholarship award for attendance in the spring and summer terms, but were not eligible to receive the scholarship for attendance during the fall.³³

Effect of Changes

The bill clarifies that students enrolled in the Spring/Summer University of Florida pilot program who are eligible for a Bright Futures scholarship are eligible to receive the scholarship award during the summer term. The student may not receive a Bright Futures Scholarship for more than two semesters in any Fiscal Year.

Capital Improvement Fee

Current Situation

A Florida College System institution board of trustees may establish a fee for capital improvements, technology enhancements, equipping student buildings, or the acquisition of improved real property which may not exceed 10% of tuition for resident students or 10% of the sum of tuition and out-of-state fees for nonresident students. State University System institutions may charge a Capital Improvement Trust Fund fee of \$2.44 per credit hour per semester and a building fee of \$2.32 per credit hour per semester.

Effect of Changes

The bill allows colleges to increase the fee up to 20% of tuition or the sum of tuition and out-of-state fees. It implements a new fee structure for universities allowing them to increase the Capital Improvement Trust Fund fee up to 10% of tuition or the sum of tuition and out-of-state fees as approved by a fee committee and the board of trustees. The fee may increase no more than \$2 per credit hour over the prior year for resident students. The bill also stipulates the fee may be used to fund any project or real property acquisition and any reduction must undergo review of the State Board of Administration, Division of Bond Finance.

State University System Excess Credit Hour Surcharge

Current Situation

Section 1009.286, F.S., requires a surcharge of 100 percent of tuition be assessed for each credit hour in excess of 115 percent of the number of credit hours required for completion of the students' registered degree program.

Effect of Changes

The bill requires students entering into a state university in the 2012-2013 academic year for the first time to pay 100 percent of tuition for excess credit hours above 110 percent of the credit hours required

³³ Section 1009.215, F.S.

for their degree. The bill clarifies that students who entered into a state university in the 2011-2012 academic year for the first time will pay 100 percent of tuition for excess credit hours above 115 percent of the credit hours required for their degree. The bill clarifies that students who entered into a state university prior to the 2011-2012 academic year for the first time will pay 50 percent of tuition for excess credit hours above 120 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 them to complete the necessary degree requirements in a timely manner.

Excess Credit Surcharge Implementation

	<i>Academic Year of Enrollment</i>		
	2009-2010		
	2010-2011	2011-2012	2012-2013
Percent of Tuition	50%	100%	100%
Percent of Required Credit Hours	120%	115%	110%

Florida Bright Futures Scholarship Program Eligibility

Length of Time to Accept Initial Bright Future's Scholarship Award

Current Situation

Section 1009.531(2)(c), F.S., provides that a student who qualifies for a Florida Bright Futures Scholarship Program is eligible to accept an initial award for 3 years following high school graduation and to accept a renewal award for 5 years following high school graduation. A student who applies for an award by high school graduation and who meets all other eligibility requirements, but does not accept his or her award, may reapply during subsequent application periods for up to three years after high school graduation. Exceptions are made for a student who enlists in the United States Armed Forces immediately after completion of high school in that the 3-year eligibility period for his or her initial award and the 5-year renewal period begins upon the date of separation for active duty. Also, for a student who is receiving a Florida Bright Futures Scholarship award and discontinues his or her education to enlist in the United States Armed Forces, the remainder of his or her 5-year renewal period commences upon the date of separation from active duty. For all Bright Futures Scholarships, if a course of study is not completed after 5 academic years, an exception of 1 year to the renewal timeframe may be granted due to verifiable illness or other documented emergency.

Effect of Changes

The bill shortens the length of time from 3 years after high school graduation to 2 years after high school graduation that a student is eligible to accept an initial Bright Futures Scholarship award.

Annual Submission of the FAFSA

Current Situation

Beginning in Fiscal Year 2011-2012 and each subsequent year, students applying for a Florida Bright Futures Scholarship award are required to submit a complete and error-free Free Application for Federal Student Aid (FAFSA) prior to award disbursement. Legislative intent was to require all Florida Bright Futures Scholarship recipients to annually submit the FAFSA; however, the requirement was placed in the statute that applies for initial awards, and not included in the section of law pertaining to renewal awards.³⁴

Effect of Changes

The bill clarifies that students are required to annually submit the Free Application for Federal Student Aid (FAFSA) for initial award eligibility as well as renewal award eligibility.

³⁴ Section 1009.531(7), F.S.

Gold Seal Vocational Scholars Award Use

Current Situation

The Gold Seal Vocational Scholars Award was created within the Florida Bright Futures Scholarship Program to recognize and reward academic achievement and career preparation by high school students who wish to continue their education. The eligibility requirements for this scholarship program are quite different from the Academic and Medallion Scholarships. A student wishing to receive the Gold Seal Vocational Scholarship must complete the secondary school portion of a sequential program of study which requires at least three secondary school career credits taken over at least two academic years, and is continued in a planned, related postsecondary program. Instead of defined SAT scores, which Academic and Medallion Scholars must meet, the Gold Seal Vocational Scholar must demonstrate college readiness by earning a passing score on the Florida College Entry Level Placement Test or equivalent.

Gold Seal Vocational Scholars are limited to 100 percent of the number of credit hours to complete a program, up to 90 credit hours. Many specific career-focused certificate, diploma and degree programs are offered through school district technical centers and Florida College System institutions, as well as other private technical centers or private institutions. These programs require fewer credit hours to complete than a baccalaureate degree and prepare students to obtain specific training for targeted high skill/high wage employment. Many of these programs require 60 hours or less. A few require more than 60, but less than 72, and very few require more than 72 hours to complete.

Career programs include: an Applied Technology Diploma Program, a Technical Degree Education Program, and a Career Certificate Program. The Applied Technology Diploma Program is a course of study that is part of a technical degree program which requires less than 1,800 clock hours, the equivalent of 60 credit hours, and leads to employment in a specific occupation.³⁵ A Technical Degree Education Program is a course of study that leads to an Associate in Applied Science or Associate in Science degree,³⁶ typically requiring 60 to 72 credit hours. A Career Certificate Program is a course of study that leads to at least one occupational completion point or competency in a specific area of study.³⁷ Most certificate programs require 1,800 clock hours, the equivalent of 60 credit hours; however, there are nine programs that require more, ranging from 63 to 95 credit hours.³⁸

Effect of Changes

The bill narrows the scope of allowable uses for the Gold Seal Vocational Award by limiting the award to be used for specific career-focused educational programs which include Applied Technology Diploma Programs, Technical Degree Education Programs, and Career Certificate Programs. In addition, each scholarship is limited to the lesser of either the number of credit hours necessary to complete a program, or up to 72 credit hours for a program. An Applied Technology Diploma Program scholarship is limited to the equivalent of 60 credit hours; a Technical Degree Education Program scholarship is limited to the number of hours required for the program, up to 72 credit hours; a Career Certificate Program is limited to the number of hours required for the program, up to 72 credit hours.

Florida Fund for Minority Teachers

Current Situation

The Florida Fund for Minority Teachers, Inc. (FFMT), is a not-for-profit corporation housed in the College of Education at the University of Florida which administers and manages the minority teacher education scholars program.³⁹ The FFMT is authorized to award up to \$4,000 per year to 350 new scholars in their junior year and up to 350 renewal scholarships to seniors. The recipients may be awarded scholarships for no more than three years. Participants in the program primarily attend Florida

³⁵ Section 1004.02(8), F.S.

³⁶ Section 1004.02(14), F.S.

³⁷ Section 1004.02(21), F.S.

³⁸ Email correspondence, Division of Career and Adult Education

³⁹ FFMT authorized in s. 1009.605, F.S.

College System institutions, but may attend other public and private colleges and universities which have teacher education programs. The program requires the recipient to graduate within three years, and teach at a Florida public institution for one year for each year the scholarship was received. Recipients who fail to graduate within three years or fulfill the employment requirement are required to repay the scholarship with interest. The FFMT indicates the collection rate for defaulted scholarships is less than ten percent.

From Fiscal Years' 1996-1997 through 2010-2011, FFMT received \$37.7 million in state funding. Of these appropriations, approximately \$33.5 million of these funds were expended on scholarships. Florida statute allows for five percent of the appropriation to be to administer the program, including support for the Board of Directors, and a required training program to assist with the recruitment, retention and graduation of minority teacher scholars. Section 1009.60(2), F.S., requires that the training program must include an annual conference or series of conferences.

Prior to 2009, the FFMT was allowed to keep unspent funds for the program to be used for future scholarships. In Fiscal Year 2009-2010, however, statutory changes were made which require any appropriated funds not spent for scholarships, less the five percent for administration, be returned to the Department of Education (department).⁴⁰

Over the past several years, the Legislature made reductions to many programs due to budgetary constraints. State appropriations totaling \$3 million for the FFMT program in Fiscal Year 2008-2009, have been reduced to \$985,468 in Fiscal Year 2011-2012. These reductions were based on information received from the department comparing historical appropriations, less five percent authorized for administering the program, to actual expenditures for scholarships. According to the department, FFMT should have a cash balance of approximately \$2.6 million; however, according to the FFMT's June 30, 2011 financial statement, the cash balance totaled approximately \$1.4 million. The difference indicates that more than five percent may have been used to administer the program.

Section 1009.605, F.S., currently does not include financial reporting requirements, which culminated in insufficient oversight of the expenditure of appropriated state funds.

Effect of Changes

The bill requires the FFMT to annually report to the Department of Education the balance of the corporation's assets and cash reserves. Also, to enable better collection of defaulted scholarships, a requirement for the FFMT to use a contingency collection agency is included.

Due to budgetary constraints, the General Appropriations Act for the 2012-2013 fiscal year is reduced by \$100,000, leaving \$885,468 in General Revenue funding for FFMT.

Florida Education Fund⁴¹

Current Situation

McKnight Doctoral Fellowship Program

The Florida Education Fund's (FEF) McKnight Doctoral Fellowship Program (MDF) was established in 1984 to increase the representation of minorities in faculty and administrative positions in higher education in Florida and to increase the number of highly educated minorities in leadership positions in Florida's business and professional enterprises. The FEF provides up to 50 fellowships renewable for up to five years to students pursuing doctoral degrees at one of nine participating institutions in the State of Florida. Each fellowship consists of \$17,000 per year in tuition, fees, and stipends.⁴² The FEF provided the following information about the program:

⁴⁰ Section 1009.605(2)(b), F.S.

⁴¹ The Florida Education Fund was originally known as the "McKnight Programs in Higher Education"

⁴² <http://www.fefonline.org/mdf.html> (\$5,000 per year tuition/fees; \$12,000 stipend)

- Since 1984, 784 doctoral fellowships have been awarded. 42 new fellows began their Ph.D. programs in the Fall 2011 semester.
- To date, 372 fellows have earned their doctoral degrees.
- Currently, 276 doctoral fellows are matriculating at nine participating Florida institutions.
- 44 percent of the current McKnight Fellows are in the sciences or related fields, including physical, life, computer and health sciences, math and engineering.
- Approximately 85% work or have previously worked in a Florida college, university, or other educational institution for a minimum of two years.
- McKnight Fellows have completed their Ph.D.s in an average of 5.2 years, instead of the seven-year national average.
- Value flows back to universities, the State of Florida, and communities through MDF scholars' participation as teaching assistants, lecturers, instructors, and research assistants at universities. MDF scholars also provide pre-college program services in which the fellows design/teach summer camp programs, teach SAT prep courses, and tutor and mentor K-12 students.

McKnight Junior Faculty Fellowship Program

The program was intended to encourage excellence in teaching and research by women, African Americans, Hispanics, and Native Americans. To date, the FEF has awarded 194 fellowships. At least 33 fellows have obtained tenure, 32 fellows have completed their doctoral degrees, and 36 fellows have earned promotions.

Funds appropriated in the Office of Student Financial Aid budget in the Transfer to Florida Education Fund category are specifically appropriated to be used for the McKnight Doctoral Fellowship and McKnight Junior Faculty Fellowship programs. Originally, the FEF was funded by a major grant of \$10 million from the McKnight Foundation of Minneapolis, Minnesota. The grant required a state match of \$5 million which was appropriated in two installments of \$2.5 million in Fiscal Years 1985-1986 and 1986-1987.⁴³ In 1989-1990, \$100,000 was appropriated for the Florida Endowment for Higher Education; proviso included that the funds were to be used to match private sources at a \$1 state match to \$2 from private sources.⁴⁴ This appropriation was vetoed by the Governor.⁴⁵

In Fiscal Year 1990-1991, substantive changes were made that required a \$1 dollar for each \$2 contributed by private sources and required certification of donations contributed between July 1, 1990 and June 30, 1991.⁴⁶ These changes specified that only the new donations above the certified base were to be calculated for state matching funds during the first year of the program. In subsequent years, only the new donations above the prior year certified base were to be calculated for state matching funds.

It is not readily apparent whether the certifications occurred since funds were not appropriated again to the FEF until 1997-1998. Varying amounts totaling \$19.9 million have been appropriated to the Transfer to Florida Education Fund appropriation category between Fiscal Years' 1997-1998 and 2011-2012, in the General Appropriations Acts for those years. When asked about the matching funds from private sources, the FEF stated that the matching requirements were for the original grant and not for appropriations since. From Fiscal Years 2007-2008 through 2010-2011, the state appropriated \$8.1 million; documentation received from the FEF shows non-state contributions of \$1.2 million were received from non-state grants/contributions.

Over the past several years, the Legislature made reductions to many programs due to budgetary constraints. Section 1009.70, F.S., currently does not include financial reporting requirements.

⁴³ General Appropriations Acts 1984-85 and 1985-86 Specific Appropriations 339 and 352 respectively

⁴⁴ <http://fefonline.org/about.html>: FEF originally known as McKnight Programs in Higher Education

⁴⁵ Chapter 89-253, Laws of Florida, Specific Appropriation 382A

⁴⁶ Chapter 90-365, s. 240.498, F.S.

According to an audited June 30, 2011 FEF financial statement, the FEF had investments totaling \$14.8 million.

Minority Participation in Legal Education

The Minority Participation in Legal Education (MPLE) program was created by the Legislature in 1994 to address underrepresentation of minorities in the state's legal profession. The FEF was authorized to administer the program.⁴⁷ Funding was provided specifically for this program in the General Appropriations Act from Fiscal Years 1994-1995 through 2004-2005 totaling \$37.3 million. Funding was phased out when Florida Agricultural and Mechanical University (FAMU) and Florida International University (FIU) law schools were established.

Effect of Changes

The bill clarifies language relating to state matching funds, requiring a dollar-for-dollar state match by funds contributed from private sources. Sources may include, but are not limited to, income earned from investment returns on the Florida Education Fund Endowment, the value of monetary and in-kind contributions to the McKnight Doctoral Fellowship Program, the value of services provided by McKnight Doctoral Fellows to Florida not-for-profit corporations and public and nonpublic colleges and universities, and the value of tuition and fees paid on behalf of McKnight Doctoral Fellows from funds not appropriated to the Florida Education Fund. The Florida Education Fund must certify the value of such matching amounts to the Department of Education's Office of Student Financial Assistance in a format provided by the department prior to the disbursement of the appropriation.

The bill requires the FEF to annually provide the Department of Education with a copy of its certified financial statement and annual report, and to post these documents on its website. The FEF is also required to provide scholarship data to the department.

The bill deletes obsolete language pertaining to a law school scholarship program for which the FEF no longer receives funding for, or provides scholarships. Other statutory cross references pertaining to the law scholarship are removed, and technical changes to correct the name of the McKnight Doctoral Fellowship Program and the McKnight Junior Faculty Fellowship Programs are made.

Match Requirement for Matching Grant Scholarship Programs.

Current Situation

The Jose Marti Scholarship Challenge Grant Fund⁴⁸ is a need-based merit scholarship that provides financial assistance to eligible Hispanic-American students attending Florida public or eligible private institutions. The Legislature is not obligated to appropriate funds for the program; however, in the instance of appropriation, the moneys shall be allocated by the Department of Education on the basis of one \$5,000 challenge grant for each \$2,500 raised from private sources.

The Mary McLeod Bethune Scholarship Program⁴⁹ provides financial assistance to undergraduate students who meet scholastic requirements, demonstrate financial need and attend Bethune-Cookman University, Edward Waters College, Florida A&M University, or Florida Memorial University. The Legislature is not obligated to appropriate funds for the program; however, in the instance of appropriation, the moneys shall be allocated by the Department of Education on the basis of one \$2,000 challenge grant for each \$1,000 raised from private sources.

Effect of Changes

The bill revises matching requirements for the Jose Marti and Mary McLeod Bethune Scholarship Programs to require that matching funds be allocated on a dollar-for-dollar basis. This will provide

⁴⁷ Section 1009.70(8), F.S.

⁴⁸ Section 1009.72, F.S.

⁴⁹ Section 1009.73, F.S.

consistency among challenge/matching grant scholarship programs such as the First Generation Matching Grant Program which requires a dollar-for-dollar match.

The bill provides that the Jose Marti Scholarship Challenge Grant Program will require a \$5,000 state match for each \$5,000 contribution from private sources. The Mary McLeod Bethune Scholarship Program will require a state match of \$2,000 for each \$2,000 contribution from private sources.

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.⁵⁰ 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.⁵¹

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; others limit participation by grade levels. 52 percent of the districts who responded allow coursework hours beyond standard diploma requirements.⁵²

In Fiscal Year 2011-2012, the General Appropriations Act included a budget reduction of \$11.8 million related to co-enrollment, and temporary authority was provided to allow school districts to report certain co-enrolled students or funding for the 2011-2012 fiscal year.

Effect of Changes

The bill continues a provision from Fiscal Year 2011-2012 related to the prohibition of 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 2012-2013, students may be co-enrolled, however, use is limited to two courses per year per student for core coursework, and may only be used for credit recovery and dropout prevention purposes. The provision only applies for students who do not have a pattern of excessive absenteeism or habitual truancy or a history of disruptive behavior in school.

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. Sections 1012.886 and 1012.976, F.S. were established in Fiscal Year 2011-2012 to limit compensation from public funds for administrative employees for that year. Also in Fiscal Year 2011-2012 the presidents' cap was reduced to \$200,000 for that year. University teaching faculty or medical school faculty and staff are excluded from the salary limitation.

⁵⁰ Section 1004.02, Florida Statutes

⁵¹ OPPAGA Research Memorandum, School District Co-Enrollment for 2008-09, February 14, 2011

⁵² School district survey by Career and Adult Education, Department of Education

Effect of Changes

The bill extends the \$200,000 salary cap amount in the aforementioned statutes for an additional year, Fiscal Year 2012-2013.

University Activity and Service Fee

Current Situation

Pursuant to s. 1009.24 (10), F.S., each university board of trustees is required to establish a student activity and service fee to be used to benefit the student body in general. These fees may be bonded to secure revenue bonds except that the annual debt service shall not exceed an amount equal to 5 percent of the fees collected during the most recent 12 consecutive months for which collection information is available prior the sale of the bonds.

Effect of Changes

The bill authorizes the University of Florida to exceed the 5 percent bonding limitation on the Activity and Service (A&S) fee to fund the renovation and expansion of the J. Wayne Reitz student union. The amount to secure the bonds is not to exceed \$3.5 million to finance or refinance the renovation and expansion.

University Campus Master Plan

Current Situation

University boards of trustees are required to draft a proposed campus development agreement which must:⁵³

- Identify the geographic area of the campus and local government covered by the campus development agreement;
- Establish its duration, which must be at least 5 years and not more than 10 years;
- Address public facilities and services including roads, sanitary sewer, solid waste, drainage, potable water, parks and recreation, and public transportation;
- Identify the level-of-service standard established by the applicable local government, identify the entity that will provide the service to the campus, and describe any financial arrangements between the Board of Governors and other entities relating to the provision of the facility or service;
- Determine the impact of existing and proposed campus development reasonably expected over the term of the campus development agreement on each service or facility and any deficiencies in such service or facility which the proposed campus development will create or to which it will contribute;
- Address the issues with regard to additional facilities and services, including, but not limited to, electricity, nonpotable water, law enforcement, fire and emergency rescue, gas, and telephone; and
- Identify the lands to which the university board of trustees intends the campus development agreement to apply.

All improvements to facilities or services which are necessary to eliminate the deficiencies, and the university board of trustees' fair share of the cost of the improvements, must be specifically listed in the campus development agreement. The university board of trustees is responsible for paying a portion of each of the improvements or by taking on full responsibility for the total cost for the improvements. Capital projects included in the campus development agreement may be used by the local government for the concurrency management purposes. A development authorized by a campus development agreement may not be built until the funds for the university's share are appropriated by the Legislature.

In 1993, a General Revenue service charge of 8% on revenues raised by any local option motor fuel tax levied was established to be deposited in the State University System Concurrency Trust Fund.

⁵³ Section 1013.30, F.S.

These funds were provided for the purpose of funding State University System offsite improvements required to meet concurrency standards.⁵⁴ Also, up to 25 percent of the balance in the trust fund for that year was used to defray the costs incurred in updating campus master plans. The revenue source for this trust fund was eliminated in 2008⁵⁵ and the remaining balance has been expended. Universities have had to absorb the costs associated with local concurrency within their budgetary appropriations for fixed capital outlay projects. Current statute stipulates that funds provided by universities in accordance with campus development agreements are subject to appropriation by the Legislature, yet no funds have been appropriated for this purpose.

Effect of Changes

The bill allows a state university to enter into a local development agreement with an affected host local government to identify specific projects in the university's campus master plan to be constructed for purposes of negotiating the impact of such projects on the host local government.

B. SECTION DIRECTORY:

Section 1. Amends 11.45, F.S., requiring the Auditor General to provide notifications.

Section 2. Amends s. 282.201, F.S., conforming provision to changes made in the bill.

Section 3. Amends s. 1000.21, F. S., revising the name of a Florida College System institution.

Section 4. Amends s. 1001.64, F.S., relating to employment contracts and purchasing agreements of the Florida College System.

Section 5. Amends s. 1001.706, F.S., relating to employment contracts and purchasing agreements of the State University System; authorizing transfers of appropriations by the Board of Governors.

Section 6. Amends s. 1001.73, F.S., restricting transfers of appropriations in excess of \$1 million by the State University System.

Section 7. Amends s. 1003.4156, F.S., conforming provisions to changes made in the bill.

Section 8. Repeals s. 1004.09, F.S.

Section 9. Repeals s. 1004.091, F.S.

Section 10. Amends s. 1004.39, F.S., conforming provisions to changes made in the bill.

Section 11. Amends s. 1004.40, F.S., conforming provisions to changes made in the bill.

Section 12. Creates s. 1004.935, F.S., establishing the Adults with Disabilities Workforce Education Pilot Program.

Section 13. Amends s. 1006.72, F.S., conforming provisions to changes made in the bill.

Section 14. Creates s. 1006.73, F.S., establishing the Florida Virtual Campus, assisting joint oversight of the campus to the chancellors of the State University System and the Florida College System, and identifying the services and resources to be provided by the campus.

Section 15. Creates s. 1006.735, F.S., relating to the Florida Virtual Campus collaborating with certain public postsecondary educational institutions in the implementation of the Degree Completion Pilot Project.

⁵⁴ Section 44, 1993-206, LOF

⁵⁵ Section 15, 2008-114, LOF

Section 16. Amends s. 1007.01, F.S., correcting a cross reference.

Section 17. Amends s. 1007.27, F.S., conforming provisions to changes made in the bill.

Section 18. Repeals s. 1007.28, F.S.

Section 19. Amends s. 1007.33, F.S., deleting provisions relating to approval of baccalaureate programs at Florida College System institutions.

Section 20. Amends s. 1009.215, F.S., clarifying eligibility for use of Bright Futures scholarship funds.

Section 21. Amends s. 1009.23, F.S., revising provisions relating to the Capital Improvement Fee for Florida College System institutions; conforming provisions to changes made in the bill.

Section 22. Amends s. 1009.24, F.S., revising provisions relating to the Capital Improvement Trust Fund Fee for State University System institutions; conforming provisions to changes made in the bill.

Section 23. Amends s. 1009.25, F.S., revising terminology.

Section 24. Amends s. 1009.286, F.S., revising criteria for the excess credit hour surcharge.

Section 25. Amends s. 1009.531, F.S., revising eligibility requirements for Bright Futures scholarships.

Section 26. Amends s. 1009.532, F.S., revising eligibility requirements for Bright Futures scholarships.

Section 27. Amends s. 1009.534, F.S., revising eligibility requirements for Bright Futures scholarships.

Section 28. Amends s. 1009.535, F.S., revising eligibility requirements for Bright Futures scholarships.

Section 29. Amends s. 1009.536, F.S., revising eligibility requirements for Bright Futures scholarships.

Section 30. Amends s. 1009.60, F.S., revising requirements to the Florida Fund for Minority Teachers, Inc., relating to collections of defaulted scholarships.

Section 31. Amends s. 1009.605, F.S., requiring financial reporting of the Florida Fund for Minority Teachers, Inc.

Section 32. Amends s. 1009.70, F.S., revising requirements and duties of the Florida Education Fund.

Section 33. Amends s. 1009.72, revising matching fund requirements for the Jose' Marti Scholarship Challenge Grant Program.

Section 34. Amends s. 1009.73, revising matching fund requirements for the Mary McLeod Bethune Scholarship Program.

Section 35. Amends. S. 1010.30, F.S., requiring audit overviews during public meetings.

Section 36. Amends s.1011.80, F.S., extending provisions relating to co-enrolled students.

Section 37. Amends s. 1012.83, F.S., relating to employment contracts for administrative staff of the Florida College System.

Section 38. Amends s. 1012.885, F.S., reenacting limitations relating to remuneration of Florida College System Institution presidents.

Section 39. Amends s. 1012.886, F.S., reenacting limitations relating to remuneration of Florida College System Institution administrative employees.

Section 40. Amends s. 1012.975, F.S., reenacting limitations relating to remuneration of state university presidents.

Section 41. Amends s. 1012.976, F.S., reenacting limitations relating to remuneration of state university administrative employees.

Section 42. Creating an unnumbered section of statute, expanding the uses from the Activity and Service fee for a state university system institution.

Section 43. Creating an unnumbered section of statute, authorizing universities to transfer up to \$2 million between categories.

Section 44. Creating an unnumbered section of statute, authorizing universities to enter into a local development agreement with local governments.

Section 45. Provides effective dates.

II. FISCAL ANALYSIS & ECONOMIC IMPACT STATEMENT

A. FISCAL IMPACT ON STATE GOVERNMENT:

1. Revenues:

See Fiscal Comments.

2. Expenditures:

See Fiscal Comments.

B. FISCAL IMPACT ON LOCAL GOVERNMENTS:

1. Revenues:

None.

2. Expenditures:

None.

C. DIRECT ECONOMIC IMPACT ON PRIVATE SECTOR:

Students who enter a state university for the first time in the 2012-2013 academic year and thereafter will be required to pay an excess hour surcharge equal to 100 percent of the tuition rate for each credit hour in excess of 110 percent of the number of hours required to complete the baccalaureate degree program in which the student is enrolled. The General Appropriations Act establishes the base tuition rate per credit hour for state universities at \$103.32. A student would be charged the full tuition rate plus the equivalent surcharge for each excess credit hour.

D. FISCAL COMMENTS:

Florida Virtual Campus

The Florida Virtual Campus is appropriated \$24.4 million to support the newly established program. Of these funds, \$21.9 million was transferred from the Florida Distance Learning Consortium, the Florida Higher Education Distance Learning Catalog, Florida's Academic Counseling and Tracking for Students

system, the Florida Center for Library Automation, and the College Center for Library Automation. An additional \$2.5 million is appropriated for a degree completion pilot.

It is anticipated that consolidating the services and resources currently provided by the Florida Distance Learning Consortium, the Florida Higher Education Distance Learning Catalog, Florida's Academic Counseling and Tracking for Students system, the Florida Center for Library Automation, and the College Center for Library Automation into the Florida Virtual Campus will result in cost savings due to similar operational responsibilities and functions also being consolidated.

Excess Credit Hour Surcharge

A surcharge for excess credit hours was implemented for students who entered a college or university for the first time in 2009-2010. In Fiscal Year 2011-2012, the surcharge was increased from 50 percent to 100 percent of tuition for excess hours. Although the fiscal impact of the surcharge has not been realized to the full extent, OPPAGA has estimated that reducing the allowable credit hours to 110% will further reduce the state's burden by an additional \$11 million in Fiscal Year 2012-2013. Increasing the applicable excess credit hours for the surcharge is anticipated to bring in additional revenues of \$11 million to be generated for universities.⁵⁶ 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 Gold Seal Vocational Scholarship

Limiting the use of the Gold Seal Vocational Scholarship award to be used for career-focused educational programs which include Applied Technology Diploma Programs, Technical Degree Education Programs, and Career Certificate Programs will provide savings of at least \$505,296. These programs are not offered at public state universities, but are offered at Florida Colleges and school district technical centers. In Fiscal Year 2010-2011, 28 percent of Gold Seal Vocational Scholars used the award at a four year public state university.⁵⁷ The Office of Student Financial Assistance estimated a savings of \$505,296 in Fiscal Year 2012-2013 if initial awardees were switched to two-year or vocational schools.⁵⁸

Other Scholarship Program Savings

Recurring General Revenue appropriations for the Minority Teacher Scholarship Program are reduced by approximately \$100,000 in Fiscal Year 2012-2013. This may require the program to utilize reserve program funds to continue scholarships.

College and University Salary Limitations

The continuation of the university president salary limitation for the 2012-2013 fiscal year at \$200,000, maintains the reduced amount of public funds expended by \$252,584 since all eleven university presidents were funded at the cap amount of \$225,000 prior to the change. The bill also maintains the 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 results in a savings of \$1.3 million.⁵⁹

By maintaining the reduction from \$225,000 to \$200,000 in the amount of appropriated state funds that can be used for Florida college presidents' salaries, \$487,000 in general revenue will be saved in the 2012-2013 fiscal year. In Fiscal Year 2010-2011, 21 of the 28 presidents' salaries were above \$200,000; 16 of these presidents' salaries were funded with general revenue at the \$225,000 cap. By

⁵⁶ OPPAGA Research Memorandum, Excess Hours Fees – 110% Threshold, December 16, 2011

⁵⁷ Florida Department of Education Office of Student Financial Assistance End-of-Year Report 2010-11.

⁵⁸ Email correspondence: Department of Education, Office of Student Financial Assistance

⁵⁹ E-Mail correspondence with the Florida Board of Governors

applying the same funding restriction for college administrative employees, \$42,000 will be saved. In Fiscal Year 2010-2011, only three employees had salaries above \$200,000.⁶⁰

⁶⁰ E-Mail correspondence with the Office of Financial Policy, Florida College System