

The Florida Senate
BILL ANALYSIS AND FISCAL IMPACT STATEMENT

(This document is based on the provisions contained in the legislation as of the latest date listed below.)

Prepared By: The Professional Staff of the Committee on Education

BILL: SB 1526
INTRODUCER: Senator Gibson
SUBJECT: Historically Black Colleges and Universities Matching Endowment Scholarship Program
DATE: January 26, 2018 REVISED: _____

	ANALYST	STAFF DIRECTOR	REFERENCE	ACTION
1.	Bouck	Graf	ED	Pre-meeting
2.			AHE	
3.			AP	

I. Summary:

SB 1526 creates the Historically Black Colleges and Universities (HBCU) Matching Endowment Scholarship Program (program) to be administered by the Department of Education (DOE). The purpose of the program is to provide funds to participating HBCUs in the state to provide scholarships to students enrolled at the HBCUs.

Four HBCUs are located in Florida: Florida Agricultural and Mechanical University, Bethune-Cookman University, Edward Waters College, and Florida Memorial University.

The bill requires the Legislature to appropriate \$2 million for the program, to be transferred to the Historically Black Colleges and Universities Matching Endowment Scholarship Trust Fund (trust fund); and by June 30, 2019, requires an HBCU that wishes to participate in the program to contribute \$500,000 in matching funds.

Additionally, the bill requires:

- The DOE to allocate interest accumulated in the trust fund equally to each participating HBCU and requires that the scholarships be awarded on a first-come, first-served basis at each participating HBCU.
- The State Board of Education to adopt rules and the Board of Governors to adopt regulations for program administration.

The bill takes effect July 1, 2018.

II. Present Situation:

The Higher Education Act of 1965, as amended, defines an HBCU as: "... historically black college or university that was established prior to 1964, whose principal mission was, and is, the education of black Americans, and that is accredited by a nationally recognized accrediting

agency or association determined by the Secretary [of Education] to be a reliable authority as to the quality of training offered or is, according to such an agency or association, making reasonable progress toward accreditation.”¹

Nationally, there are 107 HBCUs with more than 228,000 students enrolled. Fifty-six institutions are under private control, and 51 are public colleges and universities.²

The following four HBCUs are located in Florida:³

- **Florida Agricultural and Mechanical University (FAMU)**, which is a public university founded in 1887 and located in Tallahassee.⁴ FAMU is regionally accredited by SACSCOC.⁵ FAMU enrolls nearly 11,000 students.⁶ Tuition and fees are \$5,827.30.⁷
- **Bethune-Cookman University (B-CU)**, which is a private university founded in 1904 and located in Daytona Beach.⁸ B-CU is regionally accredited by the Commission on Colleges of the Southern Association of Colleges and Schools (SACSCOC).⁹ Its fall, 2017 enrollment was 4,143.¹⁰ Annual tuition and fees is \$14,410.¹¹
- **Edward Waters College (EWC)**, which is a private college established in 1866¹² and located in Jacksonville. EWC is regionally accredited by SACSCOC.¹³ Its current enrollment is 839 students.¹⁴ Tuition and fees are \$13,525.¹⁵

¹ U.S. Department of Education, *What is an HBCU?*, <https://sites.ed.gov/whhbcu/one-hundred-and-five-historically-black-colleges-and-universities/> (last visited Jan. 26, 2018).

² U.S. Department of Education, *Historically Black Colleges and Universities and Higher Education Desegregation*, <https://www2.ed.gov/about/offices/list/ocr/docs/hq9511.html> (last visited Jan. 26, 2018).

³ National Center for Education Statistics, *College Navigator*, <https://nces.ed.gov/COLLEGENAVIGATOR/?s=FL&sp=4> (last visited Jan. 26, 2018).

⁴ Florida Agricultural and Mechanical University, *History of Florida Agricultural and Mechanical University (FAMU)*, <http://www.famu.edu/index.cfm?AboutFAMU&History> (last visited Jan. 26, 2018).

⁵ Florida Agricultural and Mechanical University, *Florida A&M University Southern Association of Colleges and Schools Commission on Colleges (FAMU SACSCOC) Office* <http://www.famu.edu/index.cfm?sacs> (last visited Jan. 26, 2018).

⁶ Florida Agricultural and Mechanical University, *About FAMU*, <http://www.famu.edu/index.cfm?AboutFAMU&Overview> (last visited Jan. 26, 2018).

⁷ Board of Governors, *State University System of Florida, Tuition and Required Fees, 2017-2018*, available at http://www.flbog.edu/board/office/budget/_doc/tuition/2017-18-SUS-Tuition-and-Fee-for-New-Students-at-Main-Campus-by-level.pdf, at 1.

⁸ Bethune-Cookman University, *About B-CU*, http://www.cookman.edu/about_BCU/index.html (last visited Jan. 26, 2018).

⁹ *Id.*

¹⁰ Bethune-Cookman University, *Fall 2017 Institutional Profile*, available at <http://www.cookman.edu/academics/IE/research/Institutional2017-2018FallProfile.pdf>.

¹¹ Bethune-Cookman University, *Cost of Attendance*, http://www.cookman.edu/currentstudents/stud_accts/Tuition/index.html (last visited Jan. 26, 2018).

¹² Edward Waters College, *The History of Edward Waters College*, <https://www.ewc.edu/about/our-history/> (last visited Jan. 26, 2018).

¹³ Edward Waters College, *About Edward Waters College*, <https://www.ewc.edu/about/> (last visited Jan. 26, 2018).

¹⁴ *Id.*

¹⁵ Edward Waters College, *Cost of Attendance*, available at <https://www.ewc.edu/wp-content/uploads/2017/03/Cost-of-Attendance.pdf>.

- **Florida Memorial University** (FMU), which is a private university founded in 1879 and located in Miami Gardens.¹⁶ FMU is regionally accredited by the SACSCOC.¹⁷ FMU's undergraduate enrollment is 1,280.¹⁸ Tuition and fees are \$15,536.¹⁹

III. Effect of Proposed Changes:

SB 1526 creates the Historically Black Colleges and Universities (HBCU) Matching Endowment Scholarship Program (program) to be administered by the Department of Education (DOE). The purpose of the program is to provide funds to participating HBCUs in the state to provide scholarships to students enrolled at the HBCUs.

Four HBCUs are located in Florida: Florida Agricultural and Mechanical University, Bethune-Cookman University, Edward Waters College, and Florida Memorial University.

The bill requires the Legislature to appropriate \$2 million for the program, to be transferred to the Historically Black Colleges and Universities Matching Endowment Scholarship Trust Fund (trust fund); and by June 30, 2019, requires an HBCU that wishes to participate in the program to contribute \$500,000 in matching funds. The bill requires all funds transferred to the trust fund for the program to be invested in accordance with the law²⁰ and specifies that the funds must remain in the trust fund.²¹

Additionally, the bill requires:

- The DOE to allocate interest accumulated in the trust fund equally to each participating HBCU and requires that the scholarships be awarded on a first-come, first-served basis at each participating HBCU.
- The State Board of Education to adopt rules and the Board of Governors (BOG) to adopt regulations for program administration. The bill requires the DOE to administer the program, so it is unclear if BOG regulations would be necessary to administer the program.

The creation of the Historically Black Colleges and Universities Matching Endowment Scholarship Program may provide additional financial aid for students enrolled at the HBCUs

¹⁶ Florida Memorial University, *Our History*, <http://www.fmuniv.edu/about/our-history/> (last visited Jan. 26, 2018).

¹⁷ Florida Memorial University, *FMU At A Glance*, <http://www.fmuniv.edu/about/fmu-at-a-glance/> (last visited Jan. 26, 2018).

¹⁸ U.S. News & World Report, Florida Memorial University, <https://www.usnews.com/best-colleges/florida-memorial-university-1486> (last visited Jan. 26, 2018).

¹⁹ Florida Memorial University, *Tuition and Fees*, <http://www.fmuniv.edu/administration/division-of-student-affairs/enrollment-management-and-financial-aid/financial-aid/tuition-and-fees/> (last visited Jan. 26, 2018).

²⁰ Chapter 215, F.S.

²¹ Current law requires that the undisbursed release balance of any authorized appropriation, except an appropriation for fixed capital outlay, for any given fiscal year, which remains undisbursed on June 30 may be carried forward, but on September 30 must revert to the fund from which appropriated and must be available for reappropriation by the Legislature. Section 216.301(1)(b), F.S. The bill, in comparison, requires that such funds remain in the trust fund, which supersedes the reversion requirement. Section 216.351, F.S. The bill does not specify from which fund the Legislature will appropriate funds.

participating in the program, and may help to increase enrollment in Florida HBCUs and assist with improving performance outcomes for such students.

Additionally, the program appears to be consistent with a recent federal initiative.²² The White House Initiative on Historically Black Colleges and Universities directs federal agencies and other public and private entities toward programs to increase the capacity of HBCUs to provide the highest-quality education to a greater number of students, and to take advantage of these institutions' capabilities in serving the nation's needs.²³

The bill takes effect July 1, 2018.

IV. Constitutional Issues:

A. Municipality/County Mandates Restrictions:

None.

B. Public Records/Open Meetings Issues:

None.

C. Trust Funds Restrictions:

None.

V. Fiscal Impact Statement:

A. Tax/Fee Issues:

None.

B. Private Sector Impact:

SB 1526 provides for scholarships for students to attend historically black colleges and universities. Such scholarships may reduce the amount a student must contribute to attend such colleges.

C. Government Sector Impact:

The bill requires the Legislature to appropriate \$2 million to transfer into a Historically Black Colleges and Universities (HBCU) Matching Endowment Scholarship Trust Fund (trust fund). Each HBCU must contribute \$500,000 in matching funds.

²² United States Department of Education, *White House Initiative on Historically Black Colleges and Universities, 2013 Annual Report*, available at <https://sites.ed.gov/whhbcu/files/2011/12/HBCU-2013-Annual-Report-HBCU-final-.pdf>, at 27.

²³ *Id.*

VI. Technical Deficiencies:

None.

VII. Related Issues:

None.

VIII. Statutes Affected:

This bill creates section 1009.894 of the Florida Statutes.

IX. Additional Information:

A. Committee Substitute – Statement of Changes:

(Summarizing differences between the Committee Substitute and the prior version of the bill.)

None.

B. Amendments:

None.