

STORAGE NAME: h4195a.ed

DATE: April 23, 1998

**HOUSE OF REPRESENTATIVES
AS FURTHER REVISED BY THE COMMITTEE ON
EDUCATION APPROPRIATIONS
BILL RESEARCH & ECONOMIC IMPACT STATEMENT**

BILL #: HB 4195

RELATING TO: State University System

SPONSOR(S): Representative Bob Casey

COMPANION BILL(S): CS/SB 758(I)

ORIGINATING COMMITTEE(S)/COMMITTEE(S) OF REFERENCE:

- (1) COLLEGES & UNIVERSITIES YEAS 7 NAYS 0
 - (2) GOVERNMENTAL OPERATIONS (W/D)
 - (3) EDUCATION APPROPRIATIONS YEAS 12 NAYS 4
 - (4)
 - (5)
-

I. SUMMARY:

This bill increases the membership of the Board of Regents (BOR) from 12 citizens to 13 citizens; and, for members appointed after the effective date of the bill, reduces their term of office from 6 years to 4 years, with an exception for the student member, who serves for 1 year. This bill also removes unnecessary language regarding the appointment of Regents from 1991 through 1993.

This bill requires that activities of the search committee for selection of the Chancellor of the State University System be conducted in accordance with public records and public meetings laws. Currently search committee records and meetings are closed to the public.

This bill repeals the restriction that prohibits the BOR from granting a tenured faculty appointment to any university president the board had removed from office.

In addition, the requirement that the Legislature must authorize expenditure of revenue from a differential fee schedule imposed by a university and approved by the BOR is deleted from law.

The fiscal impact of this bill is indeterminate. If a university chooses to implement a differential tuition schedule, approximately \$15.3 million in additional revenues would be generated for the State University System. In addition, the implementation of the differential tuition would have an impact on the Bright Futures Scholarship Program since the amount in the General Appropriations Act only includes 7% tuition increase for undergraduates and the increase in local fees for FY 98-99 as approved by the Board of Regents.

II. SUBSTANTIVE RESEARCH:

A. PRESENT SITUATION:

Section 240.207, F.S., which relates to the appointment, qualifications, and the terms of office for the Board of Regents, provides that the Board of Regents of the State University System is to be composed of 12 citizens of the State and the Commissioner of Education. The members are selected from the state at large and are required to have been citizens and residents of the state for at least 10 years prior to the time of appointment. One of the appointees is to be a full-time student in the State University System who has been a resident of the state for at least 5 years prior to the time of appointment. All of the citizen appointees are appointed by the Governor, and must be approved by three members of the Cabinet and confirmed by the Senate. No regent can take office until his or her appointment has been approved by three Cabinet members. The term of office for members of the board is 6 years and until their successors are appointed and qualified. The only exceptions are the Commissioner of Education who is a member of the Board of Regents by virtue of his or her office, and the student regent who serves for a 1 year term. No regent can be selected to serve with any other regent from the same county, except for counties that have a population in excess of 900,000. The Commissioner of Education and the student regent are the exception to said restriction. Members can be removed for cause at any time with the concurrence of the majority of the members of the State Board of Education.

In 1991, s. 240.207, F.S., was amended to provide a process to create an orderly succession of Regents. The process eventually resulted in the current board membership of 13 citizens, plus the Commissioner of Education. The number of regents specified in s. 240.207(1), F.S., was not changed at the time the language creating the appointment process was added.

The Board of Regents appoints a Chancellor to serve at the board's pleasure. The Chancellor is the chief administrative officer and performs duties assigned to him or her by the board. The board sets the salary for the Chancellor and also provides for the compensation and other conditions of employment for employees necessary to assist the board and the Chancellor. The Chancellor is responsible for appointing all employees of the board who serve under his or her direction. When selecting a Chancellor, the selection committee of the BOR is exempt from provisions of the public records and public meetings laws up until the point of transmitting a list of nominees to the board.

The Regents have the authority to hire and fire the university presidents. When selecting university presidents, the selection process must be conducted in accordance with the public records and public meetings laws. The Regents also set the compensation and contract terms for each university president; however, the board is prohibited from providing a tenured faculty appointment to any president who is removed or asked to resign by the board.

Section 240.209(3), F.S., provides that the resident and non-resident tuition is set annually in the General Appropriations Act. The BOR is directed to approve a university's request to raise tuition up to 10 percent more than the amount set annually in the General Appropriations Act; however, the increase in cost of tuition for a student taking 15 credit hours in one term cannot exceed 5 percent. Spending authority for the

fee revenues must be provided by the Legislature. Fee revenues generated from this provision are to be used for implementing a plan for achieving accountability goals adopted pursuant to s. 240.214(2), F.S., and for implementing an approved BOR plan to keep student costs down by reducing the time necessary for graduation without reducing the quality of instruction. The plans are recommended by a university wide committee, one-half of whom are students appointed by the student body president.

B. EFFECT OF PROPOSED CHANGES:

This bill amends s. 240.207, F.S., to clarify that there are 13 appointed citizen members of the Board of Regents, one who is a full-time student in the State University System. The Commissioner of Education also serves on the board by virtue of his or her office.

This bill reduces from 6 years to 4 years the term of office of a member of the Board of Regents, appointed after the effective date of this bill.

This bill also removes language that created a process for the appointment of Regents from 1991-1993.

The bill amends s. 240.209, F.S., relating to the selection process for the Chancellor of the State University System, to require all search committee activities for the Chancellor to be conducted in accordance with the public records and public meeting laws, ss. 119.07(1) and 286.011, F.S. This makes currently closed records and meetings open to the public.

The provision that prohibits the Board of Regents from awarding a tenured faculty position to any university president who is terminated or asked to resign is removed.

This bill amends s. 240.209 (3)(e) 3., F.S., to allow universities who choose to increase tuition up to 10 percent higher than the system-wide amount set in the General Appropriations Act to do so without requiring authority in the General Appropriations Act to spend the additional revenue raised.

C. APPLICATION OF PRINCIPLES:

1. Less Government:

a. Does the bill create, increase or reduce, either directly or indirectly:

(1) any authority to make rules or adjudicate disputes?

No

(2) any new responsibilities, obligations or work for other governmental or private organizations or individuals?

No

(3) any entitlement to a government service or benefit?

No

b. If an agency or program is eliminated or reduced:

An agency or program is not eliminated or reduced.

(1) what responsibilities, costs and powers are passed on to another program, agency, level of government, or private entity?

N/A

(2) what is the cost of such responsibility at the new level/agency?

N/A

(3) how is the new agency accountable to the people governed?

N/A

2. Lower Taxes:

a. Does the bill increase anyone's taxes?

No

b. Does the bill require or authorize an increase in any fees?

Yes. This bill would allow universities to implement a differential tuition schedule of up to 10 percent of the fee established in the General Appropriations Act.

c. Does the bill reduce total taxes, both rates and revenues?

No

d. Does the bill reduce total fees, both rates and revenues?

No

e. Does the bill authorize any fee or tax increase by any local government?

No

3. Personal Responsibility:

- a. Does the bill reduce or eliminate an entitlement to government services or subsidy?

No

- b. Do the beneficiaries of the legislation directly pay any portion of the cost of implementation and operation?

No

4. Individual Freedom:

- a. Does the bill increase the allowable options of individuals or private organizations/associations to conduct their own affairs?

No

- b. Does the bill prohibit, or create new government interference with, any presently lawful activity?

No

5. Family Empowerment:

- a. If the bill purports to provide services to families or children:

This bill does not purport to provide services to families or children.

- (1) Who evaluates the family's needs?

N/A

- (2) Who makes the decisions?

N/A

- (3) Are private alternatives permitted?

N/A

- (4) Are families required to participate in a program?

N/A

(5) Are families penalized for not participating in a program?

N/A

b. Does the bill directly affect the legal rights and obligations between family members?

No

c. If the bill creates or changes a program providing services to families or children, in which of the following does the bill vest control of the program, either through direct participation or appointment authority:

This bill does not create or change a program providing services to families or children.

(1) parents and guardians?

N/A

(2) service providers?

N/A

(3) government employees/agencies?

N/A

D. STATUTE(S) AFFECTED:

Amends ss. 240.207 and 240.209, F.S.

E. SECTION-BY-SECTION RESEARCH:

See "Effect of Proposed Changes"

III. FISCAL RESEARCH & ECONOMIC IMPACT STATEMENT:

A. FISCAL IMPACT ON STATE AGENCIES/STATE FUNDS:

1. Non-recurring Effects:

N/A

2. Recurring Effects:

SEE FISCAL COMMENTS

3. Long Run Effects Other Than Normal Growth:

SEE FISCAL COMMENTS

4. Total Revenues and Expenditures:

SEE FISCAL COMMENTS

B. FISCAL IMPACT ON LOCAL GOVERNMENTS AS A WHOLE:

1. Non-recurring Effects:

N/A

2. Recurring Effects:

N/A

3. Long Run Effects Other Than Normal Growth:

N/A

C. DIRECT ECONOMIC IMPACT ON PRIVATE SECTOR:

1. Direct Private Sector Costs:

SEE FISCAL COMMENTS

2. Direct Private Sector Benefits:

SEE FISCAL COMMENTS

3. Effects on Competition, Private Enterprise and Employment Markets:

N/A

D. FISCAL COMMENTS:

If every university chooses to implement a differential tuition schedule, approximately \$15.3 million in additional revenue would be generated to use for achieving accountability goals and reducing the time it takes students to reach graduation. The revenues generated depends on the number of institutions assessing the differential tuition, and the amount of the increase.

The fiscal impact on the Bright Futures Scholarship Program is indeterminate. The Bright Futures Scholarship Program currently pays 75 to 100% of matriculation and fees for students at the respective universities. The implementation of a differential fee

schedule would require additional funding for the program or a pro-ration of the scholarship amount. The amount provided in the General Appropriations Act only includes a 7% tuition increase for undergraduates and the increases in local fees (athletic, activity and service, and health) for FY 98-99, as approved by the Board of Regents.

IV. CONSEQUENCES OF ARTICLE VII, SECTION 18 OF THE FLORIDA CONSTITUTION:

A. APPLICABILITY OF THE MANDATES PROVISION:

This bill does not require counties or municipalities to spend funds or to take an action requiring the expenditure of funds.

B. REDUCTION OF REVENUE RAISING AUTHORITY:

This bill does not reduce the authority that municipalities or counties have to raise revenues in the aggregate.

C. REDUCTION OF STATE TAX SHARED WITH COUNTIES AND MUNICIPALITIES:

This bill does not reduce the percentage of a state tax shared with the counties or municipalities.

V. COMMENTS:

None

VI. AMENDMENTS OR COMMITTEE SUBSTITUTE CHANGES:

The Education Appropriations Committee adopted one amendment on April 23, 1998, which reinstates language that the authority for universities to assess a "differential" fee requires legislative approval.

VII. SIGNATURES:

COMMITTEE ON COLLEGES AND UNIVERSITIES:

Prepared by:

Legislative Research Director:

Kimberly R. Allen

Betty Tilton Ph.D.

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AS REVISED BY THE COMMITTEE ON GOVERNMENTAL OPERATIONS:

Prepared by:

Legislative Research Director:

J. Marleen Ahearn, Ph.D., J.D.

Jimmy O. Helms

AS FURTHER REVISED BY THE COMMITTEE ON EDUCATION APPROPRIATIONS:

Prepared by:

Legislative Research Director:

Ruth Storm Feiock

John Newman