

STORAGE NAME: h0755z.cu
DATE: June 15, 1998

****FINAL ACTION****
****SEE FINAL ACTION STATUS SECTION****

**HOUSE OF REPRESENTATIVES
AS FURTHER REVISED BY THE COMMITTEE ON
Colleges & Universities
FINAL BILL RESEARCH & ECONOMIC IMPACT STATEMENT**

BILL #: HB 755, 4TH ENG
RELATING TO: Postsecondary Education
SPONSOR(S): Representative Constantine and others
COMPANION BILL(S): CS/CS/SB 1358

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

- (1) COLLEGES AND UNIVERSITIES YEAS 10 NAYS 0
- (2) FINANCE AND TAXATION (W/D)
- (3) EDUCATION APPROPRIATIONS YEAS 13 NAYS 0
- (4)
- (5)

I. FINAL ACTION STATUS:

HB 755, 2ND ENG, passed the House on April 28, 1997, and was amended by the Senate and returned to the House on April 30, 1997. The House refused to concur with the Senate amendments and requested that the Senate recede. Upon adjournment of the 1997 Session, HB 755, 2ND ENG, was in Senate Returning Messages. HB 755, 2ND ENG, was carried over to the 1998 Session pursuant to House Rule 96 and placed on the House Consent Calendar.

HB 755, 2ND ENG, was amended and passed by the House on March 17, 1998 (113/0). HB 755, 3RD ENG, was amended and passed by the Senate on April 28, 1998 (38/0). The House concurred with the Senate amendment (114/0). HB 755, 4TH ENG, was signed by the Governor and became law on May 20, 1998 (see ch. 98-65, L.O.F.)

II. SUMMARY:

This bill provides additional administrative flexibility to State University System institutions in a number of areas including record keeping, purchasing, land acquisition, and reporting.

The bill establishes a regional autism center at the University of Central Florida.

The bill revises provisions relating to budget requests and review procedures for new joint-use facilities.

The bill expands the categories of students classified as Florida residents for tuition purposes.

The bill modifies provisions relating to the State University System and Community College System equity accountability programs.

The bill clarifies the definition of the term "auxiliary enterprises."

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The bill creates the Leadership Board for Applied Research and Public Service and provides an appropriations for that board and the State Agency Dispute Resolution Demonstration Project.

III. SUBSTANTIVE RESEARCH:

A. PRESENT SITUATION:

See Section-By-Section Research.

B. STATUTE(S) AFFECTED:

Amends ss. 110.131, 228.055, 235.055, 235.195, 240.1201, 240.147, 240.205, 240.209, 240.2097, 240.214, 240.227, 240.241, 240.2605, 240.281, 243.151, 287.012, 240.2475, 240.3355, and 240.2803, F.S.; amends s. 3, ch. 97-381, L.O.F.

Repeals ss. 240.225, 240.247, 240.4988(4), and 287.017(3), F. S.

C. EFFECT OF PROPOSED CHANGES:

See Section-By-Section Research.

D. 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?

The bill repeals several obsolete or redundant rule making requirements of the Board of Regents.

The Board of Regents will be responsible for developing and implementing rules governing a purchasing program for the State University System as well as rules to adjust property records and dispose of state owned tangible personal property..

The bill repeals the requirement that Department of Management Services, by rule, delegate to the State University System the functions and duties of chapter 287, F.S., as they pertain to the State University System.

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

The Board of Regents is given responsibility for administering a purchasing system.

Although provisions in the bill relating to the State University System and Community College System equity accountability reports appear to add to existing reporting requirements, staff of the Board of Regents and the State Board of Community Colleges have indicated that they already collect most of this information to comply with federal requirements or collective bargaining agreements.

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

No.

- b. If an agency or program is 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?

No.

- 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:

NOT APPLICABLE

(1) Who evaluates the family's needs?

(2) Who makes the decisions?

(3) Are private alternatives permitted?

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

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

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

NOT APPLICABLE

- 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:

NOT APPLICABLE

(1) parents and guardians?

(2) service providers?

(3) government employees/agencies?

E. SECTION-BY-SECTION RESEARCH:

Section 1. Amends s. 110.131(6)(a), F.S., to delete certain reporting requirements relating to OPS employees.

Present Situation:

Currently, the Board of Regents must comply with certain record keeping and reporting requirements adopted by the Department of Management Services pursuant to s. 110.131, F.S. The Board of Regents indicates that the required information is contained within the State Automated Management Accounting Subsystem (SAMAS) maintained by the State Comptroller.

Section 240.209(3)(f), F.S., authorizes the Board of Regents to establish and maintain system wide personnel programs for all of its employees. Additionally, the Board of Regents must submit any reports concerning the State University System personnel programs as required by the Department of Management Services for other state employees.

Effect of Proposed Changes:

This bill exempts the Board of Regents from the record keeping and reporting requirements of s. 110.131(6), F.S.

Section 2. Amends s. 228.055, F.S., to establish a regional autism center at the University of Central Florida.

Present Situation:

The provisions of s. 228.055, F.S., establish five regional autism centers. The centers provide nonresidential resource and training services for persons who have autism; who have a pervasive developmental disorder that is not otherwise specified; who have an autistic-like disability; who have a dual sensory impairment; or who have a sensory impairment with other handicapping conditions.

Each center is assigned specific service areas within the state. The College of Medicine at the University of Florida serves Alachua, Bradford, Citrus, Columbia, Dixie, Gilchrist, Hamilton, Hernando, Lafayette, Lake, Levy, Marion, Orange, Osceola, Putnam, Seminole, Sumter, Suwannee, and Union Counties. The University of Florida Health Science Center at Jacksonville serves Baker, Brevard, Clay, Duval, Flagler, Nassau, St. Johns, and Volusia Counties.

Effect of Proposed Changes:

The bill establishes a sixth regional autism center at the College of Health and Public Affairs at the University of Central Florida. The service area for the new center includes Brevard, Lake, Orange, Osceola, Seminole, Sumter, and Volusia Counties. The service areas of the regional autism centers at the College of Medicine at the University of Florida and the University of Florida Health Science Center at Jacksonville are modified accordingly.

Section 3. Amends s. 235.055, F.S., to delete from this section of law the authority of the Board of Regents to construct educational facilities on leased property.

This section of the bill conforms with provisions in Section 15 of the bill. With respect to the Board of Regents, the authority to construct educational facilities on leased property, under certain conditions, has been moved by this bill to s. 243.151, F.S., with some changes. Please refer to Section 15 for **Present Situation** and **Effect of Proposed Changes**.

Section 4. Amends s. 235.195, F.S., to modify provisions relating to joint-use facilities.

Present Situation:

The provisions of s. 235.195(2), F.S., require that, upon approval of a project involving joint-use facilities by the Commissioner of Education, up to 25% of the total cost of the project must be included in the department's legislative capital outlay request.

The provisions of s. 235.195(3), F.S., require that all proposals for joint-use facilities which result in the creation of one or more new campuses must include documentation that the proposed campus has been reviewed by the Postsecondary Education Planning Commission (PEPC), recommended to the State Board of Education, and formally requested for authorization by the Legislature in accordance with s. 240.147(8). Section 240.147(8), F.S., requires PEPC to recommend to the State Board of Education and the Legislature the establishment of any additional branch campuses and prohibits the establishment of a branch campus without review by PEPC and formal authorization by the Legislature.

The provisions of s. 235.195(4) limit funding for joint-use facilities. No school district, community college, or university may receive funding for more than one approved joint use facility in any 5 year period.

Effect of Proposed Changes:

Legislative budget requests must include 25% of the total cost of an approved project, or the pro rata share based on space utilization of 25% of the cost.

The documentation requirements of s. 235.195(3), F.S., are expanded to include any new campus or any new joint-use facility.

The limitations on funding are revised to one approved joint-use facility per campus in any 3-year period.

Section 5. Amends s. 240.1201(10), F.S., to classify as residents for tuition purposes, certain active duty members of the Canadian military and their families.

Present Situation:

Students must be classified as residents or nonresidents for the purpose of assessing tuition fees in public community colleges and universities. Section 240.1201, F.S., contains provisions relating to the determination of resident status for tuition purposes. The provisions of s. 240.1201(10), F.S., identify several categories of students who are classified as residents for tuition purposes.

Effect of Proposed Changes:

This bill amends s. 240.1201(10), F.S., to include as residents for tuition purposes active duty members of the Canadian military residing or stationed in Florida under the North American Air Defense (NORAD) agreement, and their spouses and dependent children, attending a public community college or university within 50 miles of the military establishment where they are stationed.

Section 6: Amends s. 240.147(4), F.S., correcting a reference to the State University System limited access report. Currently, s. 240.147(4), F.S., incorrectly references s. 240.209(3)(r), F.S., which authorizes the Board of Regents to promulgate rules. The correct limited access program report reference is s. 240.209(3)(s), F.S.

Section 7: Amends s. 240.205, F.S., to delete the requirement that certain contracts be in accordance with the provisions of ch. 287, F.S., and to increase the threshold amount for certain contracts the Board of Regents enters into on behalf of a university.

Present Situation:

Section 240.205(6), F.S., authorizes the Board of Regents to acquire real and personal property, contract for the sale and disposal of same, and approve and execute contracts for goods, equipment, services, and construction, in accordance with the provisions of ch. 287, F.S., as applicable. The Board of Regents may also acquire the same goods, equipment, services, leases, and construction on behalf of a university when the contractual obligation exceeds \$500,000. This threshold was established in 1979.

Ch. 287, F.S., provides for a system of uniform procedures to be utilized by state agencies in managing and procuring commodities and contractual services.

Effect of Proposed Changes:

The requirement that acquisitions and contracts be in accordance with the provisions of ch. 287, F.S., is deleted. This conforms with Section 8 of the bill which authorizes the Board of Regents to administer its own purchasing program and section 16 of the bill which excludes the Board of Regents and the State University System from the definition of "agency" as it pertains to Part I of Ch. 287, F.S.

The bill increases from \$500,000 to \$1,000,000 the amount beyond which it is necessary for the Board of Regents to acquire real or personal property on behalf of a university. This modification permits a university more flexibility in acquiring real or personal property without requiring action by the Board of Regents.

The Board of Regents must still comply with the provisions of s. 287.055, F.S., the Consultants' Competitive Negotiations Act, for the procurement of professional services as defined therein.

Section 8: Amends s. 240.209(3), F.S., to authorize the Board of Regents to adopt rules to administer a purchasing program; creates 240.209(9), F.S., to expedite property acquisition.

Present Situation:

Section 240.209, F.S., sets forth the powers and duties of the Board of Regents. The Board is specifically authorized to adopt such rules as are necessary to carry out its duties and responsibilities.

Section 240.225, F.S., directs Department of Management Services to delegate to the State University System the functions and duties in ch. 287, F.S., as they pertain to the State University System. The Board of Regents contends that every time a change is made to ch. 287, F.S., there is confusion as to whether the change falls within the universities' delegated authority.

Section 253.025, F.S., governs the acquisition of state lands for purposes other than preservation, conservation, and recreation. It sets out guidelines that must be followed by state agencies seeking to acquire land. Within s. 253.025(2), F.S., prior to any state agency initiating any land acquisition, the agency must coordinate with the Division of State Lands to determine the availability of existing, suitable, state-owned lands in the area and the public purpose for which the acquisition is being proposed.

Effect of Proposed Changes:

The bill authorizes the State University System to establish in rule, procedures to administer an acquisition program for the purchase of real and personal property and contractual services pursuant to s. 240.205(6), F.S.

The bill exempts the Board of Regents from s. 253.025, F.S., and authorizes the Board of Regents, with the consent of the Board of Trustees of the Internal Improvement Trust Fund, to sell, convey, transfer or purchase real property. The Board of Regents may secure appraisals and surveys. In securing appraisals, the Board of Regents must comply with the rules of the Board of Trustees of the Internal Improvement Trust Fund. In order to expedite a purchase, the Board of Regents may contract, without competitive selection, with one or more appraisers on the list of approved appraisers maintained by the Division of State Lands. These provisions are not intended to abrogate the authority delegated to the Board of Trustees of the Internal Improvement Trust Fund or the Division of State Lands to approve a contract for purchase of state lands or to require policies and procedures to obtain clear legal title to the purchased land.

Section 9. Amends s. 240.2097, F.S., to delete a limited access program reporting requirement and to revise the requirement that each university update its student handbook annually.

Present Situation: The provisions of s. 240.2097(1), F.S., require the Board of Regents to delineate the criteria for assigning limited access status to an educational program and to identify a process for the periodic review of programs so that the board can determine the need for retention or removal of limited access status. The board must report annually to the Legislature a list of all limited access programs and the minimum admission standards for each program and provide a copy of the most recent review demonstrating the need for retention of limited access status.

The provisions of s. 240.2097(3), F.S., require each university to compile and update annually a student handbook. The minimum contents of the handbook are specified including a comprehensive calendar of important dates and deadlines.

Effect of Proposed Changes:

The limited access reporting requirement set forth in s. 240.2097(1), F.S., is repealed.

The requirements that the student handbook be updated annually and include a comprehensive calendar that emphasizes important dates and deadlines are repealed. The student handbook is to be reviewed and updated as necessary.

Section 10: Amends s. 240.214, F.S., to revise the State University System accountability process.

Present Situation:

Section 240.214, F.S., requires the implementation of an accountability process that provides for the systematic, ongoing evaluation of quality and effectiveness in the State University System. The accountability process is to result in an annual accountability report to the Legislature. The accountability report must include goals and measurable objectives related to the system wide strategic plan pursuant to s. 240.209, F.S. The plan must include, at a minimum, objectives related to the following measures:

1. Total student credit hours
2. Faculty contact hours by rank and course level
3. Pass rates on professional licensure exams
4. Institutional quality as assessed by follow-up
5. Time and number of credits required to complete a degree
6. Enrollment, progression, retention and graduation rates
7. Student course demand
8. Analysis of administrative and support functions
9. Analysis of cumulative debt of students
10. Evaluation of the production of classroom contact hours

The provisions of s. 240.209(3)(j), F.S., require the Board of Regents to adopt a system wide strategic plan which specifies goals and objectives for the State University System. The plan must provide for the roles of the universities to be coordinated to best meet state needs and reflect cost-effective use of state resources. The plan is for a period of 5 years. Development of each 5 year plan must be coordinated with and initiated subsequent to the completion of the master plan for postsecondary education prepared by the Postsecondary Education Planning Commission.

Section 216.011(1), F.S., provides definitions of terms for purposes of fiscal affairs of the state, appropriations acts, legislative budgets, and approved budgets.

Effect of Proposed Changes:

The bill deletes the measures set forth in s. 240.214(1), F.S. The bill requires that the standards and goals adopted through the accountability process be consistent with s. 216.011(1), F.S., to maintain congruity with the performance-based budgeting process. University accountability reports must reflect the measures defined through performance based budgeting. The performance based budgeting measures must reflect the elements of teaching, research, and service.

Section 11: Amends s. 240.227, F.S., to delete the requirement that certain contracts be made pursuant to ch. 287, F.S.; to authorize university presidents to enter into contracts for goods and services up to \$1,000,000; and to permit university presidents to adjust university property records and dispose of state-owned tangible personal property.

Present Situation:

Section 240.227, F.S., sets forth the powers and duties of university presidents. The president is the chief administrative officer of the university and is responsible for the operation and administration of the university. Section 240.227(12), F.S., authorizes each president to approve and execute contracts for goods, equipment, services, construction, and leases for property, provided that the contracts are made pursuant to ch. 287, F.S., are for the implementation of approved programs of the university, and do not exceed \$500,000.

The State Comptroller has the authority to adjust property records of state agencies. In prior years, surplus property that was written off was sold and the generated revenue remained on campus. In 1995, however, this provision was modified and the revenue generated from the sale of surplus property now goes to the state and is expended as general revenue. The universities indicate that there is little incentive for the universities to aggressively market surplus property since the money does not remain on campus.

Effect of Proposed Changes:

The requirement that contracts be made pursuant to the provisions of ch. 287, F.S., is deleted. This conforms with Section 16 of the bill which excludes the State University System from the definition of the term "agency" as it pertains to Part I of ch. 287, F.S.

The threshold for contracts the president may execute and approve without approval of the Board of Regents would be raised from \$500,000 to \$1,000,000. University presidents must still comply with the provisions of s. 287.055, F.S., for the procurement of professional services.

University presidents may approve and execute all contracts for planning, construction, and equipment for projects with building programs and construction budgets approved by the BOR.

University presidents are authorized to adjust property records and dispose of state owned tangible personal property in accordance with rules established by the Board of Regents. The revenue gained from its sale would be retained by the university, and may be disbursed for the acquisition of property or operating expenditures.

Section 12: Amends s. 240.241, F.S., to modify the 5% limit on overhead that state agencies may charge.

Present Situation:

Section 240.241, F.S., authorizes each state university, with the approval of the Department of Education, to create divisions of sponsored research to administer and promote the programs of research at that institution.

Section 216.346, F.S., prohibits, in any contract between state agencies, the agency receiving the contract or grant moneys from charging more than 5% of the total cost of the contract or grant for overhead or indirect costs or any other costs not required for the payment of direct costs.

Section 216.351, F.S., requires that subsequent inconsistent laws supersede ch. 216, F.S., only to the extent they do so by express reference to s. 216.351, F.S.

Effect of Proposed Changes:

Provisions capping overhead charges at 5% no longer apply to contracts or subcontracts between state universities, between community colleges, or between state universities and community colleges.

Section 13: Amends s. 240.2605, F.S., to authorize the Board of Regents Foundation to participate in the Trust Fund for Major Gifts and to delete a reference to Board of Regents rules.

Present Situation:

Section 240.2605, F.S., establishes the Trust Fund for Major Gifts. The purpose of the trust fund is to give state universities the opportunity to provide donors with an incentive in the form of matching grants for the establishment of permanent endowments which must be invested. The proceeds of the investment are used to support libraries and instruction and research programs.

Effect of Proposed Changes:

The bill authorizes the Board of Regents Foundation to participate in the Trust Fund for Major Gifts.

Section 14. Amends s. 240.281, F.S., to revise the approval process to deposit funds outside the State Treasury.

Present Situation:

Section 240.281, F.S., requires that all funds received by any institution or agency in the State University System, from whatever source received and for whatever purpose, must be deposited in the State Treasury but identifies some funds that are specifically exempt from that provision . The exempt funds include: student deposits; scholarship funds from private sources; student loan funds; contractor's bid deposits; vending machine collections; alumni association funds; funds received from private sources as gifts, grants, bequests, or donations; funds received by a faculty practice plan; and such other funds as may be approved by the Board of Regents and the Executive Office of the Governor.

Effect of Proposed Changes:

The bill amends the provision authorizing deposit of funds outside the State Treasury upon approval by the Board of Regents and the Executive Office of the Governor to provide for legislative review.

Section 15: Amends s. 243.151, F.S., to authorize universities to construct educational facilities on leased property.

Present Situation:

Currently, s. 235.055, F.S., permits the Board of Regents, under certain conditions, to construct educational facilities on leased property. The current law permits the Board of Regents to construct educational facilities on leased property where the lease is not less than 40 years. The Board of Regents may enter into short term leases for the use of land owned by any person on which temporary or relocatable facilities are to be used.

Effect of Proposed Changes:

The provision in s. 235.055, F.S., authorizing the Board of Regents to construct educational facilities on leased property is moved to s. 243.151, F.S.

Additional authority is provided to the Board of Regents to approve university requests to construct educational facilities on land that is owned by a direct-support organization or a governmental agency, if the university has acquired at least a 40 year lease on the property. The Board of Regents may also approve a university to enter into a short term lease for the use of land or buildings upon which capital improvements may be made. If sufficient land is not available from governmental or direct support organization sources, they can acquire a short term lease from a private landowner or developer.

Section 16: Amends s. 287.012, F.S., to exclude the Board of Regents and the State University System from the definition of "agency" as it pertains to part I of Chapter 287, F.S.

Present Situation:

Part I of Chapter 287, F.S., governs procurement by state agencies and establishes the powers, duties, and functions of the Division of Purchasing in the Department of Management Services relating to state agency procurement.

Section 287.012, F.S., defines "Agency" to mean any of the various state officers, departments, boards, commissions, divisions, bureaus, and councils and any other unit of organization, however designated, of the executive branch of state government.

Effect of Proposed Changes:

The Board of Regents and the State University System are excluded from the definition of state agency for the general provisions contained in Part I of Chapter 287 as it relates to state agency procurement rules by the Department of Management Services. This section of the bill conforms with the various other sections of the bill authorizing the Board of Regents to establish purchasing guidelines by rule to govern the State University System procurement practices.

Section 17: Repeals the following sections of Law:

Section 240.247, F.S.-- Salary Discrimination Based on Gender Study Act. The State University System equity accountability program provides for this type of reporting mechanism.

Section 240.4988(4), F.S.-- Rule making requirement regarding the Theodore R. And Vivian M. Johnson Scholarship Foundation and Trust Fund.

Section 287.017(3), F.S.-- The requirement that the State University System be subject to the rules adopted pursuant to the state purchasing categories. The deletion of this subsection will exempt the State University System from Department of Management Services' rules regarding statutorily established purchasing categories. This is a conforming section of the bill to permit the Board of Regents to establish its own purchasing program in rule.

Section 240.225, F.S.-- Requires the Department of Management Services to delegate authority for the functions and duties in ch. 287, F.S., to the State University System. The Board of Regents contends that every time the law is revised regarding purchasing for state agencies, they must be delegated additional authority from the Department of Management Services. This conforms with the changes made in sections 7, 8, and 16 of the bill.

Section 18. Amends s. 240.2475, F.S., to revise provisions relating to the State University System equity accountability program.

Present Situation:

The provisions of s. 240.2475, F.S., relating to the State University System equity accountability program, require each university to develop a plan for increasing the number of women and minorities in senior-level administrative positions, the number in faculty positions, and the number granted tenure.

Each university must also submit an annual accountability report to the Board of Regents which shows the number of administrative positions in the faculty and administrative and professional pay plans which were filled in the previous year. The provisions of s. 240.2475, F.S., outline specific information that must be contained in the report regarding the employees hired in those positions as well as candidates formally applying for tenure. The report must also include requirements for achieving tenure; gender and ethnic composition of the selection committees for each vacancy and the tenure review committees at each level of review; steps taken to develop a diverse pool of candidates for each vacancy; guidelines for ensuring equitable distribution of assignments to enhance tenure opportunities for women and minority faculty; guidelines for obtaining feedback on the annual progress toward achievement of the goals.

Achievement of annual and long-range hiring and promotional goals and objectives must be a factor in the evaluation of university presidents, deans, and chairpersons.

The statute also provides for an annual equity progress report to the Legislature.

In addition, s. 240.2475, F.S., prescribes a specific method to provide rewards to department managers who attain equity goals. Positions that becomes vacant in the faculty or administrative and professional pay plans are to be transferred into a pool to

be allocated as rewards to departments that attain equity goals. The number of positions that must be transferred into the vacant position pool are capped at 10% of the total number of authorized positions for the department.

Staff of the Board of Regents have reported difficulty in implementing the provisions relating to the vacant position incentive pool, particularly with regard to small departments and the fact that universities no longer fund vacant lines. Board of Regents staff also indicate that some of the specific reporting requirements and due dates are inconsistent with federal reporting requirements resulting in duplicative reporting demands on the universities.

Effect of Proposed Changes:

Each university is required to maintain an annual equity plan for appropriate representation of women and minorities in senior-level administrative positions, within tenure-track faculty, and within faculty granted tenure. The plan must be maintained until adequate representation has been achieved.

The provisions of s. 240.2475, F.S., are amended to include definitions for the terms "appropriate representation" and "category".

Reporting requirements and the due date of the report are modified to be consistent with federal reporting requirements. The annual equity report to the Chancellor and Board of Regents includes a status update, an analysis, and a status report on selected personnel transactions. The status update provides an assessment of under representation in each category. The status report consists of current category employment representation, comparable national standards, an evaluation of representation, and annual goals to address under representation.

Universities must provide, annually, an explanation of goals not achieved and a plan for achievement of equity. The plan must include guidelines for ensuring balanced membership on selection committees and specific steps for developing a diverse pool of candidates for each vacancy. The plan must also include a systematic process by which those responsible for hiring are provided information and are evaluated regarding their responsibilities.

The equity report must also include an analysis and assessment of the university's accomplishment of annual goals for increasing the representation of women and minorities in tenure-earning and senior-level administrative positions. The equity report must include the current rank, race, and gender of faculty eligible for tenure; certification that each eligible faculty member was apprised annually of progress toward tenure; a report on the dissemination of standards for achieving tenure; racial and gender composition of committees reviewing recommendations at each transaction level; and dissemination of guidelines for equitable distribution of assignments. The equity report must also include a summary of the evaluations of the university president, deans, and chairpersons in achieving the goals and objectives.

Provisions relating to the vacant position incentive pool are repealed. Each university must develop a budgetary incentive plan to support and ensure attainment of the goals. The plan must specify, at a minimum, how resources are to be allocated to support the achievement of goals and the implementation of strategies in a timely manner.

Finally, the annual appropriation by the Legislature (subject to available funding) in recognition of the attainment of equity goals and objectives is specifically directed to the Board of Regents for allocation to the universities.

Section 19. Amends s. 240.3355, F.S., to revise provisions relating to the Community Colleges System equity accountability program.

Present Situation:

The provisions of s. 240.3355, F.S., require each community college to have a plan for increasing the number of women and minorities in senior level administrative positions, in ranked faculty positions, and in continuing-contract status. The plan must have specific measurable goals and objectives as well as specific strategies and a time line for accomplishing the goals and objectives.

Each community college president must submit an annual equity update to the Executive Director of the State Board of Community Colleges. Specific contents of the report are prescribed in statute.

Effect of Proposed Changes:

The plan required by s. 240.3355, F.S., must include comparable national standards and the goals and objectives must be based on meeting or exceeding the comparable national standards. The goals and objectives must be reviewed and recommended by the State Board of Community Colleges. The plan must be maintained until adequate representation has been achieved and maintained for at least 3 consecutive reporting years.

Reporting requirements and the due date of the annual plan and update are modified to be consistent with federal reporting requirements.

The plan must include an analysis and an assessment of the community college's attainment of its goals; a corrective plan for addressing under-representation; a brief description of the process used to grant continuing-contract status; and, a brief description of the process used to apprise each eligible faculty member of the progress toward attainment of continuing-contract status.

A summary of the results of the evaluations of the community college president, provost, vice presidents, deans, and chairpersons in achieving the goals and objectives must be reported annually to the board of trustees. A summary of the results of the evaluation of the performance of the community college president in achieving the goals must be reported to the Executive Director of the State Board of Community Colleges, to the Legislature, and the State Board of Education.

Each community college must develop a budgetary incentive plan to support and ensure attainment of the goals. The plan must specify, at a minimum, how resources are to be allocated to support the achievement of goals and the implementation of strategies in a timely manner.

Finally, the annual appropriation by the Legislature (subject to available funding) in recognition of the attainment of equity goals and objectives is specifically directed to the State Board of Community Colleges for allocation to the community colleges.

Section 20. Amends s. 240.2803, F.S., to clarify the definition of the term “auxiliary enterprises”.

Present Situation:

Section 240.2803(1), F.S., provides a definition for the term “Auxiliary enterprises” and includes examples of activities that are considered to be auxiliary enterprises.

Effect of Proposed Changes:

The bill clarifies the definition of auxiliary enterprises as those business activities of a university which require no support from the General Revenue Fund and modifies the list of auxiliary enterprise activities.

Section 21. Amends s. 3, ch. 97-381, L.O.F., to authorize the State Board of Administration to invest the funds appropriated under that section.

Present Situation:

Section 3, ch. 97-381, L.O.F., provides for the transfer of certain funds from the Insurance Commissioner’s Regulatory Trust Fund to the State Student Financial Assistance Trust Fund to provide Ethics in Business scholarships to students enrolled in public community colleges and independent postsecondary education institutions eligible to participate in the Florida Resident Access Grant Program.

Effect of Proposed Changes:

The bill authorizes the State Board of Administration to invest these funds.

Section 22. Creates the Leadership Board for Applied Research and Public Service to be staffed by the Institute of Science and Public Affairs at Florida State University. The purpose of the board is to focus, coordinate, and maximize university resources on current issues and events affecting Florida residents and elected officials. Membership of the board includes the Chancellor; the Director of the Office of Planning and Budgeting of the Executive Office of the Governor; the Secretary of the Department of Management Services; the Director of Economic and Demographic Research; the Director of the Office of Program Policy Analysis and Government Accountability; the President of the Florida League of Cities; the President of the Florida Association of Counties; the President of the Florida School Board Association; and five university presidents, designated by the Chancellor, to rotate annually.

Section 23. For the 1998-1999 fiscal year, provides a recurring appropriation of \$450,000 from the General Revenue Fund to the Leadership Board for Applied Research and Public Service.

Section 24. For the 1998-1999 fiscal year, provides an appropriation of \$200,000 from General Revenue to the State Agency Dispute Resolution Demonstration Project at Florida State University.

Section 25. Provides an effective date of July 1, 1998.

IV. FISCAL RESEARCH & ECONOMIC IMPACT STATEMENT:

A. FISCAL IMPACT ON STATE AGENCIES/STATE FUNDS:

1. Non-recurring Effects:

See FISCAL COMMENTS.

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:

See FISCAL COMMENTS.

2. Recurring Effects:

See FISCAL COMMENTS.

3. Long Run Effects Other Than Normal Growth:

See FISCAL COMMENTS.

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:

See FISCAL COMMENTS.

D. FISCAL COMMENTS:

The overall fiscal impact of the bill is indeterminate.

The additional category of students classified as residents for tuition purposes represents a loss of out-of-state fee revenue to any university or community college enrolling a student who is eligible for the classification.

The revenue generated from the sale of surplus property is currently deposited into the General Revenue Fund. This bill provides that the revenue will be retained by each university, which will cause a corresponding decrease in the General Revenue Fund. From 7/96 to 12/96, the proceeds from the sale of surplus property generated approximately \$200,000 in revenues.

The bill provides a recurring appropriation of \$450,000 from the General Revenue Fund to the Leadership Board for Applied Research and Public Service at Florida State University.

The bill provides a \$200,000 appropriation from the General Revenue Fund to the State Agency Dispute Resolution Demonstration Project at Florida State University.

V. 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 counties or municipalities.

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VI. COMMENTS:

None.

VII. AMENDMENTS OR COMMITTEE SUBSTITUTE CHANGES:

None.

VIII. SIGNATURES:

COMMITTEE ON COLLEGES AND UNIVERSITIES:

Prepared by:

Legislative Research Director:

Scott Jenkins

Betty Tilton Ph.D.

AS FURTHER REVISED BY THE COMMITTEE ON EDUCATION APPROPRIATIONS:

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