

SENATE STAFF ANALYSIS AND ECONOMIC IMPACT STATEMENT

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

Date: April 10, 1998 Revised: \_\_\_\_\_

Subject: Nonpublic Postsecondary Institutions

	<u>Analyst</u>	<u>Staff Director</u>	<u>Reference</u>	<u>Action</u>
1.	<u>White</u>	<u>O'Farrell</u>	<u>ED</u>	<u>Favorable/CS</u>
2.	<u>Rhea</u>	<u>Wilson</u>	<u>GO</u>	<u>Favorable</u>
3.	<u>_____</u>	<u>_____</u>	<u>WM</u>	<u>Withdrawn</u>
4.	<u>_____</u>	<u>_____</u>	<u>_____</u>	<u>_____</u>
5.	<u>_____</u>	<u>_____</u>	<u>_____</u>	<u>_____</u>

**I. Summary:**

The committee substitute:

- ◆ Alters membership on the State Board of Independent Colleges and Universities, so that all independent colleges will be represented;
- ◆ Provides conditions that associations must meet if they review colleges instead of the board;
- ◆ Adds branch campuses of out-of-state colleges to the definition of colleges that must be licensed by the board;
- ◆ Adds to the list of those eligible for training funded by the Institutional Assessment Trust Fund; and
- ◆ Makes technical changes to correct obsolete references and clarify certain confusing provisions.

This bill amends sections 246.021, 246.031, 246.041, 246.084, 246.121, and 246.31 of the Florida Statutes.

**II. Present Situation:**

**Purpose**

In 1972, the Legislature created the State Board of Independent Colleges and Universities to upgrade educational standards of independent colleges in Florida. Sections 246.011–246.151, F.S., establish standards -- and conditions for exemption from those standards -- that an independent college must meet. The purpose of the regulation is to “protect the integrity of degrees conferred by privately supported colleges.”

## **Religious Colleges**

Florida has 98 religious colleges that are neither licensed nor exempt from licensure because of accreditation. They choose to be in a category called “authorized” and qualify for that category if none of their students receives state or federal financial aid. Except for collection of data to assure consumer protection, the board does not oversee their operations in any way.

Some of the 98 religious colleges choose this category because they do not wish any state oversight of their educational programs due to their religious nature. Others would prefer to be licensed but cannot afford the fee. Colleges in the authorized category pay no fees.

To discourage the operation of institutions that issue large numbers of diplomas under the cloak of religion, a 1992 Legislative Sunset Review recommended, and the Legislature adopted, restrictions on the titles of degrees granted by colleges in this category. They must not use titles that are identical to the titles of degrees granted by secular colleges. A religious modifier must immediately precede or be included within titles such as “Bachelor of Arts” or “Doctor of Philosophy.”

The 1997 Legislature created an exception to this policy for certain colleges that choose to be reviewed by a designated group (or individual) rather than the board. This exception authorizes colleges reviewed by such groups to operate as though they were licensed -- they do not need to include any religious modifier in the titles of degrees granted.

The board recently recommended rules for implementing the changes made in 1997. The proposed rules require the board — not just the college — to approve any designated group that will review religious colleges and thereby authorize them to have the benefits of licensure. Under the rules, the group would be required to have experience with the board's standards and to conduct ongoing evaluations using activities similar to those of the board during the licensure process.

Those rules have not been adopted by the State Board of Education, so the changes made in 1997 have not yet been implemented. That is, no college has been granted the authority to award degrees with secular titles by virtue of a review by a designated group other than the board.

According to a 1998 study by the Postsecondary Education Planning Commission, Florida is the only one of 18 states surveyed that allows religious institutions to offer non-religious secular degrees without licensure.

## **Board Membership**

The board consists of nine members who must be citizens and residents of Florida, appointed by the Governor and confirmed by the Senate.<sup>1</sup> The only other requirement is that a majority must

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<sup>1</sup> Section 246.031, F.S.

represent nonpublic colleges. Until 1992, the law required four of the nine members to be from nonpublic colleges, one from a public college or the State University System, and four lay citizens who could not derive a majority of their income from education.

### **Branch Campuses**

The board licenses 29 nonpublic colleges that are chartered in Florida and 30 Florida centers of out-of-state colleges. These colleges have branches or other educational sites that are not separately licensed. Accredited institutions (exempt from licensure) also operate branches that are not separately accredited. The following chart shows the numbers:

<b>Type of College</b>	<b># Colleges</b>	<b># Branches</b>
Licensed-Florida charter	25	4
Licensed-out-of-state	34	58
Accredited Exempt	46	50
<b>Total</b>	<b>105</b>	<b>112</b>

The Postsecondary Education Planning Commission recommended, in 1989 and 1998, that branch campuses be uniformly defined and licensed. The fee for licensure is \$5,000.

### **III. Effect of Proposed Changes:**

#### **Board Membership**

The committee substitute alters the required membership of the State Board of Independent Colleges and Universities. Membership is required “to be consistent with an independent rulemaking board.” The committee substitute requires the college representatives to be employees, consultants, board members, or trustees of a nonpublic college.

The bill retains the requirement that a majority of members must represent nonpublic colleges and requires at least one member who represents each of the following four types of colleges:

- One of the 31 colleges accredited by the Southern Association of Colleges and Schools (SACS). These colleges are exempt from licensure and 22 of them are members of the Independent Colleges and Universities of Florida (ICUF).
- One of the 13 colleges accredited by either the Accrediting Council for Independent Colleges and Schools (AICS), the Accrediting Association of Bible Colleges (AABC), or the Transnational Association of Christian Colleges and Schools (TRACCS). These colleges are exempt from licensure.
- One of the 59 licensed colleges.
- One of the two colleges that are exempt from licensure under a “grandfather” clause, or one of the 98 religious colleges that have an authorization because none of their students receives financial aid from the government.

### **Religious Colleges**

The committee substitute amends s. 246.084, F.S., relating to degree titles that may be awarded by a college that is not licensed or accredited. If the college chooses not to be reviewed by the board or by another education association that verifies that it meets the board's licensure standards, it must place a religious modifier on the same line as the degree title. As in current law, the modifier must immediately precede or be included within words such as "Bachelor of Arts" or "Doctor of Philosophy."

The committee substitute also amends conditions that apply to colleges that may grant degrees with no religious modifier anywhere in the degree title. In addition to current laws that authorize accredited or licensed colleges to grant such degrees, other colleges may be included if they are evaluated by an education association formed for that purpose, and if the association verifies that they meet the minimum standards for licensing. The verification must be submitted to the board by an annual review date and must include all data required to verify minimum standards for licensure.

In addition, the association must:

- Be comprised of at least three citizens of Florida. No more than two members may derive income from the same nonpublic postsecondary education institution or association, and none may derive income from the institution under review. At least three members must have 3 or more years' experience in college administration and have experience implementing standards as rigorous as those of the board;
- Be based in and operate in Florida;
- Receive training from board staff, including participating in the licensing process. residents who have experience using standards similar to the board's standards or who had received training from the board; and
- Pay for the training of its members.

The committee substitute *requires* rather than *authorizes* the board to enter into an agreement with the education associations designated to review colleges in this subcategory of authorization. It is unclear what effect this requirement would have if the board found that an association did not meet the standards listed in the statute.

Similar requirements would be applied to groups designated to collect and review data required of colleges that wished no oversight of their education programs and that are required to use a religious modifier. However, those groups would be required only to participate in evaluating applications for authorization, not licensure.

The bill would authorize funds from the Institutional Assessment Trust Fund created in s. 246.31, F.S., to be used for training programs for the designated groups and for employees of

institutions that operate under an exemption or an authorization. Currently only licensed colleges are included in the training programs funded through the fund.

### **Branch Campuses**

In addition, the bill would amend s. 246.021, F.S., to add branch campuses of out-of-state colleges to the definition of “college.” The effect would be that the 34 out-of-state colleges licensed by the board would have to get a separate license for each of their 58 branch campuses.

The four branch campuses of licensed colleges chartered in Florida would not have to get a license, nor would the 50 branch campuses of accredited exempt colleges.

A technical amendment to s. 246.084, F.S., would change the requirement that, to be authorized without review, a college could not enroll students who received state or federal financial aid. Instead, the requirement would be that only the students enrolled in *Florida* would be prohibited from receiving financial aid. This provision would affect ten regionally accredited out-of-state colleges (such as Columbia Theological Seminary) that have small branch campuses and grant religious degrees in Florida. Under current law, they should get a license, and this change would allow them to be in the “authorized” category and operate free of charge or oversight.

### **Technical Changes**

Finally, the bill would delete or correct certain obsolete references in chapter 246, F.S. References would be deleted to the Commission on Recognition of Postsecondary Accreditation, which no longer exists. Instead, to be recognized by the board, an accrediting agency would have to be recognized by the United States Department of Education. The term “American Association of Bible Colleges” would be corrected to its new name, “Accrediting Association of Bible Colleges.” The word “nonpublic college” would be substituted for “independent college.”

## **IV. Constitutional Issues:**

### **A. Municipality/County Mandates Restrictions:**

None.

### **B. Public Records/Open Meetings Issues:**

None.

### **C. Trust Funds Restrictions:**

None.

**V. Economic Impact and Fiscal Note:****A. Tax/Fee Issues:**

None.

**B. Private Sector Impact:**

Thirty-four licensed out-of-state colleges would have to pursue licensure for each of their 58 branch campuses, or cease operations on those sites. Currently the fee for licensure is \$5,000.

**C. Government Sector Impact:**

The State Board of Independent Colleges and Universities would need to license 58 new colleges that are branch campuses of out-of-state colleges. This is almost twice as many as are currently licensed. The board is fee-supported, and the fees collected would more than double, as would the workload. However, the increase in fees would enable the board to employ additional staff and perhaps to lower the fees so that more colleges would seek licensure.

**VI. Technical Deficiencies:**

The frequent use of cross references in this bill makes it difficult to discern its plain meaning. For instance, on page 8, lines 6 through 11, it states that a college “*shall be exempt from the provisions of paragraphs (1)(b) and (c)*” under certain conditions. Without the cross references, the meaning is clear: “*A college is not required to state a religious vocation or to use a religious modifier on its degrees or transcripts if an education association that meets the following requirements verifies that it meets the minimum standards for licensure. . . .*”

**VII. Related Issues:**

None.

**VIII. Amendments:**

None.