

STORAGE NAME: h0765.ed

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**HOUSE OF REPRESENTATIVES
AS FURTHER REVISED BY THE COMMITTEE ON
EDUCATION APPROPRIATIONS
ANALYSIS**

BILL #: HB 765

RELATING TO: Postsecondary Education

SPONSOR(S): Representative Evelyn Lynn

COMPANION BILL(S): SB 664(I) by Senator Sullivan

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

- (1) COLLEGES & UNIVERSITIES YEAS 6 NAYS 1
 - (2) COMMUNITY COLLEGES AND CAREER PREP YEAS 10 NAYS 1
 - (3) EDUCATION APPROPRIATIONS
 - (4)
 - (5)
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I. SUMMARY:

This bill creates the site-determined baccalaureate degree access program and authorizes categorical funding for the program. The program is designed to increase access to baccalaureate degree opportunities by providing for upper level instruction at the campuses of community colleges. This program is voluntary and does not preclude other mutually agreed upon arrangements between community colleges and four-year postsecondary institutions related to the delivery of baccalaureate degree programs at community college sites.

In order for a community college to participate in the program, it must identify baccalaureate degree programs that are not currently offered at the community college but would meet the academic and economic development needs of one or more communities within the college's service area, determine the number of students interested in pursuing each proposed baccalaureate degree program, and submit a proposal to the Postsecondary Education Planning Commission requesting approval and funding level for the proposed baccalaureate degree program. Only regionally accredited four-year postsecondary institutions are permitted to provide upper level instruction in an approved baccalaureate degree program. The community college is required to enter into an agreement containing certain specifications with the four-year postsecondary institution selected to provide the upper level instruction.

This bill also directs the Postsecondary Education Planning Commission to evaluate each site-determined baccalaureate degree access program according to specifications outlined in the bill. Based on its evaluation, the commission must provide recommendations regarding whether or not a site-determined baccalaureate degree access program should be continued and/or modified.

This bill does not authorize community colleges to offer baccalaureate degree programs. If no four-year postsecondary institution is willing to offer an approved baccalaureate degree program, a community college may ask the Postsecondary Education Planning Commission to evaluate its request to offer the program. Assuming the commission recommends that a community college should offer the program, the Legislature must still provide statutory authority for the community college to offer the specific baccalaureate degree program.

The bill's fiscal impact on state funds is directly related to the number of site-determined baccalaureate degree access programs approved and the number of students enrolled in each of the programs. Consequently, the fiscal impact on state funds is presently indeterminate. A community college must receive funding on a per credit hour basis which is an amount equal to state funds, excluding student fees, that is appropriated to the State University System for each full time equivalent student enrolled in upper level courses. The community college must distribute its funding to the four-year postsecondary institution offering the upper level instruction at the rate specified in the approved agreement.

II. SUBSTANTIVE ANALYSIS:

A. PRESENT SITUATION:

ACCESS TO POSTSECONDARY EDUCATION

In its 1998 *Master Plan*, the Postsecondary Education Planning Commission (PEPC) indicates that a tremendous demand for postsecondary education exists as a result of the increase in the state's high school graduation rate and the increase in market demand for a highly competitive, global, post-industrial economy. The increase in demand for postsecondary education can be traced through the number of students enrolled in state universities, community colleges, and private postsecondary institutions from 1970 to 1995. During this period, the total number of students enrolled in one of the aforementioned postsecondary institutions increased from 235,525 to 629,395. PEPC expects the growth in student enrollment to continue and projects that the number of students enrolled in a postsecondary institution in 2010 will be 888,141. Previously, the State of Florida has adequately accommodated student enrollment growth. However, it appears that the state will have to develop new methods in order to adequately accommodate future student enrollment growth. One response, suggested by the Commission, for accommodating the future postsecondary education access needs within the State of Florida is to authorize community colleges to offer selected baccalaureate degrees. This response would entail adding upper level instruction at the community colleges in selected fields leading to the baccalaureate degree.

BENEFITS OF POSTSECONDARY EDUCATION

According to the Postsecondary Education Planning Commission (PEPC), postsecondary education is directly linked to workforce preparation and economic development. Workforce preparation involves preparing individuals for current and future jobs, while economic development involves "a long term, future perspective of and plan for creating the economic condition desired by a state's government, industries, and citizens." According to the Florida Bureau of Labor Market Information (BLMI), the state's economy will continue to place more emphasis on better educated and higher skilled employees than in the past. As a result, the BLMI projects that in 2005 there will be 1.6 million new jobs in the state and high wage and high skill occupations will require postsecondary education. High demand and high skill occupations requiring a postsecondary education will offer substantially higher salaries than low demand and low skill occupations requiring only a high school diploma. The BLMI projects that approximately 50% of all new jobs created between 1990 and 2005 require a postsecondary degree. PEPC indicates in its 1998 *Master Plan* that Florida is not currently prepared to meet the demands of the economy for well educated and higher skilled employees.

The Commission purports that a good indicator of adequate state provision of higher education is the number of baccalaureate degrees granted per 100,000 working age population. During the 1994-1995 academic year, Florida granted 844 baccalaureate degrees per 100,000 working age population, while the nation as an average granted 1,071 baccalaureate degrees per 100,000 working age population. These figures indicate that Florida's baccalaureate degree production is at approximately 79% of the national average. The Commission also compares the number of baccalaureate degrees granted in Florida to the number granted in the top ten economic performing states as identified through economic indicators relating to income, gross state product per capita, and disposable income. During the 1994-1995 academic year, the top ten economic performing states granted an average of 1,113 baccalaureate degrees per 100,000 working age population as compared to 844 baccalaureate degrees granted per 100,000 working age population in Florida. This data suggests that Florida's baccalaureate degree production is at approximately 76% of the average production in the top ten economic performing states.

A constant theme that appears throughout the *Master Plan* is that "Floridians with baccalaureate or higher degrees earn higher salaries, see larger increases in their salaries over time, and are much less likely to receive public assistance than non-postsecondary degree holders." Workers possessing a baccalaureate degree earned \$7,707 during the 1994 fourth quarter, while workers possessing only a high school diploma earned \$3,884 during the 1994 fourth quarter. Workers possessing a baccalaureate degree saw a 34% increase in earnings from 1991 to 1994, while workers possessing only a high school diploma saw a 31% increase in earnings from 1991 to 1994. Only 0.5% of individuals possessing a baccalaureate degree received public assistance

during the 1994 fourth quarter, while 9.4% of individuals possessing only a high school diploma received public assistance during the same time period.

INCREASING ACCESS TO BACCALAUREATE DEGREES IN OTHER STATES

According to a preliminary interim report on joint-use facilities and access to postsecondary education by the Florida House of Representatives, the following states implemented or are in the process of implementing innovative strategies to increase access to baccalaureate degrees:

MICHIGAN - Macomb Community College devised a unique plan entitled the *Bachelor's Degree Partnership Program* which establishes a partnership between the community college and 7 four-year colleges and universities. The program provides county residents with greater access to advanced education by permitting the four-year colleges and universities to offer 21 baccalaureate degree programs and 7 master's degree programs at the community college's multi-university facility known as a university center.

TEXAS - North Harris Montgomery Community College also established a multi-university facility that enables 6 public universities to collaborate in order to provide 21 unduplicated baccalaureate degree programs and 21 master's degree programs. Although these programs are offered by 6 separate institutions, all of the institutions share the same admissions process and financial assistance application process. Technology plays an important role in the partnership between the community college and the public universities. The multi-university facility possesses an extensive technological infrastructure, where 40% of the instruction is delivered through interactive distance learning. Furthermore, the public universities articulate the college credits of North Harris Montgomery Community College graduates directly into their four-year degree programs.

ILLINOIS - Lake County is also considering utilizing a multi-university facility where courses will be offered by traditional university faculty in certain disciplines leading to a baccalaureate degree and a master's degree. This upper level instruction is designed to complement the lower level instruction provided by the College of Lake County. The upper level instruction that is offered will focus on meeting the career and workforce needs of place-bound residents and working adults. One of the main responsibilities of this facility is to provide course work at locations and in formats that are convenient to Lake County residents. For instance, faculty will teach courses that are accessible to students at other sites in the county via distance learning and course work will also be delivered directly to students at their homes and place of employment.

INCREASING ACCESS TO BACCALAUREATE DEGREES IN FLORIDA

St. Petersburg Junior College is establishing a university center similar to the university centers established in Michigan and Texas. The center is designed to provide greater access to two-year degree programs, four-year degree programs, and workforce development programs for Pinellas County residents. Part of the center's mission is to provide greater access to baccalaureate education to students as measured by time and distance. The center is designed to permit the University of South Florida and other postsecondary institutions to provide upper level course work to students seeking a baccalaureate degree, while St. Petersburg Junior College continues to provide lower level course work.

According to a Florida Senate interim project report on increasing access to baccalaureate degrees and evaluating higher education joint-use facilities, several private colleges and universities currently offer baccalaureate degree programs on community college sites. For instance, St. Leo College has the most agreements with community colleges to offer baccalaureate degree programs while using community college sites and facilities. All of the private postsecondary education institutions and the baccalaureate degree programs that they offer on community colleges are accredited, with a majority of them accredited by the Southern Association of Colleges and Schools. The report identifies 6 baccalaureate degree programs that are most often offered which include: elementary education, nursing, criminal justice, business, computer science, and psychology. The report also reveals that the geographic areas of the state possessing the highest demand for access to baccalaureate degree programs are the southwest coastal counties, south central counties, and northwest coastal counties.

B. EFFECT OF PROPOSED CHANGES:

To respond to public demand for increased access to baccalaureate degree programs in under served areas of the state, this bill creates the site-determined baccalaureate degree access program and authorizes categorical funding for the program. The program is voluntary and does not preclude other mutually agreed upon arrangements between community colleges and four-year postsecondary institutions related to the delivery of baccalaureate degree programs at community college sites. The program is designed to encourage four-year accredited postsecondary institutions to offer certain baccalaureate degree programs at community colleges. These baccalaureate degree programs must be in disciplines approved by the Postsecondary Education Planning Commission and meet the academic and economic development needs of one or more communities within the community college's service area. In order for a four-year postsecondary institution to offer a baccalaureate degree program at a community college site funded through the provisions of this bill, a proposal must first be submitted to the Postsecondary Education Planning Commission for approval. In addition, an agreement must be finalized between the community college and the four-year postsecondary institution offering the baccalaureate degree program, which is also subject to the Commission's approval.

ACCESS TO BACCALAUREATE DEGREES

In order for a public or private four-year postsecondary institution to offer a baccalaureate degree program at a community college site funded through the provisions of this bill, the institution must be regionally accredited and the program must meet the academic and economic needs of the community college's service area. Presently, there are 10 regionally accredited public universities and 57 regionally accredited independent colleges and universities operating in Florida that offer baccalaureate degrees. The Senate's interim project identifies the southwest coastal counties, south central counties, and northwest coastal counties as the geographic areas of the state with the highest demand for access to baccalaureate degree programs. Therefore, it appears that these areas are currently under served by public and private four-year institutions offering baccalaureate degree programs under traditional methods. By encouraging four-year postsecondary institutions to offer baccalaureate degree programs at community college sites, this bill could provide students with greater access to baccalaureate degree programs. Encouraging four-year postsecondary institutions to offer upper level instruction at community colleges may provide students who are place-bound and unable to commute extensive distances to a traditional four-year postsecondary institution with an additional avenue toward obtaining a baccalaureate degree.

STANDARD OF LIVING & ECONOMIC DEVELOPMENT

As mentioned previously, encouraging four-year postsecondary institutions to offer baccalaureate degree programs at community college sites could result in greater access for students to baccalaureate degree programs. It appears that non-traditional students and place-bound students who otherwise do not have access to baccalaureate degree programs would benefit the most from the creation of a site-determined baccalaureate degree access program. With more non-traditional students obtaining a baccalaureate degree, an improvement in their standard of living could occur as a result of higher wages earned and the reduction in the likelihood of receiving public assistance.

According to Florida Bureau of Labor Market Information (BLMI), the state's economy will continue to place more emphasis on better educated and higher skilled employees than in the past. As a result, projections indicate that in 2005 there will be 1.6 million new jobs in the state and high wage and high skill occupations will require postsecondary education. Projections indicate that approximately 50% of all new jobs created between 1990 and 2005 require a postsecondary degree and these jobs offer higher salaries than jobs requiring only a high school diploma. If the site-determined baccalaureate degree access program results in an increase in the production of baccalaureate degrees, Florida may be better prepared to meet the demands for a well educated and highly skilled workforce.

ROLE OF COMMUNITY COLLEGES

Several representatives from the education community, including the Postsecondary Education Planning Commission (PEPC), suggest that a need exists to increase the state's access to postsecondary education. Some responses offered by the Commission that attempt to address the state's postsecondary education access needs include increasing enrollment at existing state universities, establishing a state college system, increasing the number of joint-use facilities at community colleges and state universities, increasing the award amount for the Florida Resident Access Grant, increasing the utilization of distance learning, and authorizing community colleges to offer selected baccalaureate degrees. This last response has raised some concerns. Opponents argue that if community colleges are authorized to offer baccalaureate degree programs, problems may arise regarding accreditation standards and the mission of community colleges may become distorted. It should be noted that this bill does not authorize community colleges to offer baccalaureate degree programs. Instead, four-year institutions are encouraged to offer baccalaureate degree programs at community college sites. However, a provision in this bill allows for a community college to request permission from PEPC to offer an approved baccalaureate degree program if no four-year regionally accredited postsecondary institution is willing to offer the program. If this situation were to occur and PEPC recommended that a community college should offer an approved baccalaureate degree program, the ultimate decision will still rest with the Legislature because it must provide statutory authority for a community college to offer a specific baccalaureate degree program.

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?

Section 120.52(15), Florida Statutes, defines the term "rule" as "each agency statement of general applicability that implements, interprets, or prescribes law or policy or describes the procedure or practice requirements of an agency and includes any form which imposes any requirement or solicits any information not specifically required by statute or by an existing rule." This bill directs the Postsecondary Education Planning Commission to establish procedures for the timely submission, review, and approval of the proposals and agreements that are required to initiate a site-determined baccalaureate degree access program.

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

The bill directs the Postsecondary Education Planning Commission to validate the need and funding level for each site-determined baccalaureate degree access program; establish procedures for the timely submission, review, and approval of the proposals and agreements that are required to initiate a site-determined baccalaureate degree access program; evaluate a community college's request to offer a site-determined baccalaureate degree program; notify each community college of rejection or approval of requests; identify the common aspects that each agreement must address between the community college and the four-year postsecondary institution selected to offer the upper level instruction; submit a funding request for approved site-determined baccalaureate degree access programs to the Commissioner of Education for inclusion in the legislative budget request; monitor performance of each program; and submit a progress report to the chairs of the education and fiscal committees of the Legislature which includes a review of each site-determined baccalaureate degree access program as well as an evaluation of the funding mechanism.

Participating community colleges will be responsible for the distribution of funds to the participating four-year institutions at the rate specified by the agreement.

(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?

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?

This bill provides students who are place-bound with greater local access to baccalaureate degree programs by allowing four-year postsecondary institutions to offer certain upper level instruction at community colleges.

- 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:

Creates an unspecified section of the Florida Statutes.

E. SECTION-BY-SECTION ANALYSIS:

SECTION 1: Provides for the creation of the site-determined baccalaureate degree access program and authorizes categorical funding for the program; provides that a community college wishing to participate in the program must identify baccalaureate degree programs not currently offered at the community college that would meet the academic and economic development needs of one or more communities within the college's service area, determine the number of students interested in pursuing each proposed baccalaureate degree program, and submit a proposal containing certain specifications to the Postsecondary Education Planning Commission requesting validation of the need for the proposed baccalaureate degree program and tentative approval for program funding; and provides that the community college must finalize an agreement containing certain specifications with the regionally accredited four-year postsecondary institution selected to provide the upper level instruction in the approved baccalaureate degree program.

This section also provides that the Postsecondary Education Planning Commission must recommend to the Commissioner of Education the total funds that should be released to each participating community college for the initiation of the approved site-determined baccalaureate degree access program; provides that the community college must distribute funds to the participating four-year institution according to the specifications contained in the approved agreement; provides that the total funds released must be based on the number of fundable upper level student credit hours for each term; provides that the funding per student credit hour must be equal to state funds, excluding student fees, appropriated to the State University System for each full time equivalent student enrolled in upper level courses; provides that the Postsecondary Education Planning Commission must evaluate each site-determined baccalaureate degree access program; provides that a community college may ask the Postsecondary Education Planning Commission to evaluate its request to offer an approved baccalaureate degree program if no four-year postsecondary institution is willing to offer the program; and provides that if the Commission agrees that the community college should offer the program, it must recommend to the Legislature that statutory authority should be enacted in order for the community college to offer this specific baccalaureate degree program.

SECTION 2: Establishes that this act shall take effect upon becoming a law.

III. FISCAL ANALYSIS & ECONOMIC IMPACT STATEMENT:

A. FISCAL IMPACT ON STATE AGENCIES/STATE FUNDS:

1. Non-recurring Effects:

Please see Fiscal Comments.

2. Recurring Effects:

Please see Fiscal Comments.

3. Long Run Effects Other Than Normal Growth:

Please see Fiscal Comments.

4. Total Revenues and Expenditures:

Please see Fiscal Comments.

B. FISCAL IMPACT ON LOCAL GOVERNMENTS AS A WHOLE:

1. Non-recurring Effects:

None.

2. Recurring Effects:

Indeterminate. Community colleges may realize a positive or negative fiscal impact depending upon the terms of their agreements with participating 4-year institutions.

3. Long Run Effects Other Than Normal Growth:

None.

C. DIRECT ECONOMIC IMPACT ON PRIVATE SECTOR:

1. Direct Private Sector Costs:

Private postsecondary institutions offering a site-determined baccalaureate degree access program can not require in-state student tuition to exceed the matriculation fee for the State University System, unless it is approved by the Postsecondary Education Planning Commission. The in-state student tuition rate for private postsecondary institutions generally tends to be higher than the matriculation fee for the State University System.

2. Direct Private Sector Benefits:

This bill provides students who are place-bound with greater local access to baccalaureate degree programs by encouraging four-year postsecondary institutions to offer certain upper level instruction at community colleges. In-state students that enroll in a site-determined baccalaureate degree access program that is offered by a private postsecondary institution do not have to pay tuition rates that exceed the matriculation fee for the State University System, unless it is approved by the Postsecondary Education Planning Commission.

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

This bill encourages both public and private postsecondary education institutions to offer upper level instruction at community colleges in disciplines approved by the Postsecondary Education Planning Commission. By encouraging public and non-public institutions to offer upper level instruction at community colleges, this bill indirectly stimulates competition among both sectors of postsecondary education. Assuming an increase in the production of baccalaureate degrees occurs as a result of the site-determined baccalaureate degree access program, Florida should produce a better educated and higher skilled work force.

D. FISCAL COMMENTS:

The bill's fiscal impact on state funds is directly related to the number of site-determined baccalaureate degree access programs approved and the number of students enrolled in each of the programs. Consequently, the fiscal impact on state funds is presently indeterminate. A community college must receive funding on a per credit hour basis which is an amount equal to state funds, excluding student fees, that is appropriated to the State University System for each full time equivalent student enrolled in upper level courses. The community college must distribute its funding to the four-year postsecondary institution offering the upper level instruction at the rate specified in the approved agreement. The four-year postsecondary institution may not receive duplicate funding for the students enrolled in a site-determined baccalaureate degree access program. The tuition for in-state students enrolled in a site-determined baccalaureate degree access program can not exceed the matriculation fee for the State University System.

Out-of-state students must pay full costs. In addition, students enrolled in such a program are not eligible to receive a state funded Florida Resident Access Grant.

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 action which requires the expenditure of funds.

B. REDUCTION OF REVENUE RAISING AUTHORITY:

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

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.

V. COMMENTS:

None.

VI. AMENDMENTS OR COMMITTEE SUBSTITUTE CHANGES:

None.

VII. SIGNATURES:

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