

STORAGE NAME: h2247.cu

DATE: April 13, 2000

**HOUSE OF REPRESENTATIVES
COMMITTEE ON
COLLEGES & UNIVERSITIES
ANALYSIS**

BILL #: HB 2247

RELATING TO: Postsecondary Education/Creation of New Universities

SPONSOR(S): Representative Debby Sanderson

TIED BILL(S): None

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

- (1) COLLEGES & UNIVERSITIES
 - (2) EDUCATION APPROPRIATIONS
 - (3)
 - (4)
 - (5)
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I. SUMMARY:

This bill establishes the following three individually governed universities to provide instruction leading to the award of baccalaureate and master's degrees: Suncoast University located in Pinellas County, Las Olas University located in Broward County, and Ringling University located in Sarasota County. The bill requires these universities to be developed utilizing existing and new facilities and prohibits a community college from converting to a university.

This bill directs the Postsecondary Education Planning Commission to develop an operational plan for inaugurating the new universities and present its recommendations to the Speaker of the House of Representatives, the President of the Senate, and the Governor by January 1, 2001. Classes at the newly established universities must commence by the fall term of the 2002-2003 academic year.

This bill defines the mission of the newly established universities; requires each new university to be governed by a board of trustees comprised of nine members appointed by the Governor and confirmed by the Senate; defines the role of a university president; establishes minimum academic standards required for admission to one of the newly established universities; permits the board of trustees of a university to adopt rules that provide for the admission of students who do not meet the minimum academic standards required for admission; and permits a university to admit non-resident students. Lastly, this bill establishes student matriculation and tuition fees at a rate equal to 25% of the total cost of instruction.

Funding needs associated with the establishment of the three new universities are currently unknown. However, the operational plan submitted by the Commission should address future funding needs. Funding levels associated with start-up costs, enrollment growth, and total enrollment should be addressed during the normal legislative appropriations process.

II. SUBSTANTIVE ANALYSIS:

A. DOES THE BILL SUPPORT THE FOLLOWING PRINCIPLES:

- | | | | |
|-----------------------------------|---|--|---|
| 1. <u>Less Government</u> | Yes <input type="checkbox"/> | No <input checked="" type="checkbox"/> | N/A <input type="checkbox"/> |
| 2. <u>Lower Taxes</u> | Yes <input type="checkbox"/> | No <input type="checkbox"/> | N/A <input checked="" type="checkbox"/> |
| 3. <u>Individual Freedom</u> | Yes <input checked="" type="checkbox"/> | No <input type="checkbox"/> | N/A <input type="checkbox"/> |
| 4. <u>Personal Responsibility</u> | Yes <input type="checkbox"/> | No <input type="checkbox"/> | N/A <input checked="" type="checkbox"/> |
| 5. <u>Family Empowerment</u> | Yes <input type="checkbox"/> | No <input type="checkbox"/> | N/A <input checked="" type="checkbox"/> |

This bill does not appear to support the principle of less government because it creates three individually governed universities located in Pinellas County, Broward County, and Sarasota County.

B. 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 establish a state college system. This response would entail the establishment of a "middle tier" system of public colleges in Florida that would focus solely on the provision of baccalaureate-level instruction.

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 suggest 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 POSTSECONDARY EDUCATION IN FLORIDA

As mentioned previously, one response suggested by the Postsecondary Education Planning Commission for accommodating the future postsecondary education access needs within the State of Florida is to establish a state college system. This response would entail the establishment of a "middle tier" system of public colleges in Florida that would focus solely on the provision of baccalaureate-level instruction. In its 1998 *Feasibility Plan for Implementation of a State College System*, the Postsecondary Education Planning Commission recommends the following guiding principles for the development of a state college system:

- A state college system should not be expected to fully accommodate the projected postsecondary education enrollment growth and should be viewed as only one of several responses that the state can use to accommodate future postsecondary education access needs.
- A state college system should be developed through a combination of both existing and new facilities, with initial development occurring through the state's existing system of postsecondary education.
- A state college system should primarily offer instruction at the baccalaureate level but could also offer limited instruction at the master's level.

- A state college system should primarily offer degree programs in the liberal arts and sciences, business, education, and social sciences areas.
- The criteria for selecting the sites that comprise the state college system should be determined by local need and the availability of postsecondary education opportunities provided by existing institutions.

Included in its 1998 *Feasibility Plan for Implementation of a State College System*, the Postsecondary Education Planning Commission recommends the following components that should be included in the role and mission of a state college system:

- A state college system should provide high quality undergraduate education at an affordable price.
- A state college system should offer courses in the liberal arts and sciences core programs and should offer selected courses in the business and education professional programs.
- A state college system should promote regional and state-wide economic development and revitalization efforts.
- A state college system should encourage inter-institutional cooperation as a method of meeting educational needs in an efficient and effective manner.
- A state college system should provide upper-division undergraduate opportunities for community college transfer students.

CURRENT ATTEMPTS TO INCREASE ACCESS TO POSTSECONDARY EDUCATION IN FLORIDA

To respond to public demand for increased access to baccalaureate degree programs in underserved areas of the state, the Legislature created the site-determined baccalaureate degree access program in 1999 (ch. 99-290, L.O.F.). The program is designed to encourage four-year regionally accredited postsecondary education institutions that are chartered and primarily located in Florida 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 education institution to offer a baccalaureate degree program at a community college site, 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 education institution offering the baccalaureate degree program, which is also subject to the Commission's approval. The 1999 Legislature appropriated \$2.0 million for the implementation of the site-determined baccalaureate degree access program but the appropriation was subsequently vetoed.

Presently, St. Petersburg Junior College is establishing a university center that 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 university 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 four-year postsecondary education 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. The 1999 Legislature appropriated \$1.6 million for the establishment of St. Petersburg Junior College's university center.

C. EFFECT OF PROPOSED CHANGES:

In order to increase public access to higher education opportunities and to increase the production of baccalaureate degrees in the State of Florida, this bill establishes the following three individually governed universities to provide instruction leading to the award of baccalaureate and master's degrees: Suncoast University located in Pinellas County, Las Olas University located in Broward County, and Ringling University located in Sarasota County. These universities must be developed utilizing existing and new facilities.

This bill directs the Postsecondary Education Planning Commission to develop an operational plan for inaugurating the new universities and present its recommendations to the Speaker of the House of Representatives, the President of the Senate, and the Governor by January 1, 2001. Classes at the newly established universities must commence by the fall term of the 2002-2003 academic year.

This bill defines the mission of the newly established universities in a manner that is consistent with the components recommended by the Postsecondary Education Planning Commission in its 1998 *Feasibility Plan for Implementation of a State College System* that should be included in the role and mission of a state college system. The following components are included in the mission of the newly established universities:

- The universities should provide high quality undergraduate education at an affordable price.
- The universities should offer courses in the liberal arts and sciences and technology core programs and should offer limited courses in the business and education professional programs.
- The universities should promote regional and state-wide economic development.
- The universities should complement the existing community colleges and state universities and should encourage inter-institutional cooperation as a method of meeting educational needs.
- The universities should provide upper-division undergraduate opportunities for community college transfer students.
- The emphasis at the universities should be on teaching and instruction should be provided at the baccalaureate-degree level and on a limited basis at the master's-degree level.

This bill requires each new university to be governed by a board of trustees comprised of nine members appointed by the Governor and confirmed by the Senate. Each board of trustees is responsible for electing a chair and a vice chair and appointing a university president that serves as the executive officer and corporate secretary of the board of trustees. Additionally, each board of trustees must adopt rules, procedures, and policies relating to its mission and responsibilities, its governance, personnel, budget and finance, administration, programs, curriculum and instruction, building and grounds, travel and purchasing, technology, students, contracts and grants, or university property. These rules, procedures, and policies must require each board of trustees to appoint, suspend, or remove the university president; provide each board of trustees with the responsibility of establishing and discontinuing programs of study

and course offerings; permit each board of trustees to exercise the right of eminent domain; permit each board of trustees to purchase, acquire, hold, own, manage, lease, and sell real property; and permit each board of trustees to adopt rules, procedures, and policies relating to the appointment, employment, and removal of university personnel.

This bill directs each newly established university to govern the admission of students. Minimum academic standards for undergraduate admission to one of the newly established universities require a student to earn a standard high school diploma and enroll in high school courses that are adopted by the Board of Regents and recommended by the State Board of Community Colleges as college-preparatory courses. Each newly established university is permitted to admit certain students who do not meet the minimum academic standards required for admission as well as certain non-resident students.

Lastly, this bill establishes student matriculation and tuition fees at a rate equal to 25% of the total cost of instruction and authorizes each board of trustees to establish separate activity and service fees and health fees.

ACCESS TO BACCALAUREATE DEGREES

By establishing three additional universities primarily responsible for providing baccalaureate-degree level instruction, this bill could provide students with greater access to baccalaureate degree programs. These new institutions may provide students who are place-bound and unable to commute extensive distances to a traditional four-year postsecondary education institution with an additional avenue toward obtaining a baccalaureate degree.

STANDARD OF LIVING & ECONOMIC DEVELOPMENT

As mentioned previously, establishing three additional universities primarily responsible for providing baccalaureate-degree level instruction 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 establishment of three additional universities primarily responsible for providing baccalaureate-degree level instruction. 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 establishment of three new universities 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.

D. SECTION-BY-SECTION ANALYSIS:

SECTION 1: Creates an unspecified section of the Florida Statutes in order to include a statement of legislative intent.

SECTION 2: Creates an unspecified section of the Florida Statutes that establishes three individually governed universities in order to provide instruction leading to the award of baccalaureate and master's degrees.

SECTION 3: Creates an unspecified section of the Florida Statutes in order to (1) define the mission of the newly established universities; (2) limit initial course offerings to core programs in the liberal arts and sciences, technology, and business and education professional programs; and (3) specify that the emphasis of the new universities must be on teaching and not research.

SECTION 4: Creates an unspecified section of the Florida Statutes in order to (1) direct the Postsecondary Education Planning Commission to develop an operational plan for inaugurating the new universities and present its recommendations by January 1, 2001 and (2) specify that classes at the new universities must commence by the fall term of the 2002-2003 academic year.

SECTION 5: Creates an unspecified section of the Florida Statutes in order to (1) specify that each new university must be governed by a board of trustees comprised of nine members appointed by the Governor and confirmed by the Senate; (2) specify the terms of members of the board of trustees; and (3) require the board of trustees to elect a chair and vice chair.

SECTION 6: Creates an unspecified section of the Florida Statutes in order to constitute the board of trustees of a new university as a corporation.

SECTION 7: Creates an unspecified section of the Florida Statutes in order to specify the powers and duties of the board of trustees of a new university.

SECTION 8: Creates an unspecified section of the Florida Statutes in order to (1) establish the minimum academic standards required for admission to one of the newly established universities; (2) permit the board of trustees of a university to adopt rules that provide for the admission of students who do not meet the minimum academic standards required for admission; and (3) permit a university to admit non-resident students.

SECTION 9: Creates an unspecified section of the Florida Statutes in order to (1) establish student matriculation and tuition fees at a rate equal to 25% of the total cost of instruction and (2) authorize each board of trustees to establish separate activity and service fees and health fees.

SECTION 10: Establishes that this act shall take effect upon becoming a law.

III. FISCAL ANALYSIS & ECONOMIC IMPACT STATEMENT:

A. FISCAL IMPACT ON STATE GOVERNMENT:

1. Revenues:

This bill does not appear to have a fiscal impact on state revenues.

2. Expenditures:

This bill directs the Postsecondary Education Planning Commission to develop an operational plan for inaugurating the new universities and present its recommendations to the Speaker of the House of Representatives, the President of the Senate, and the Governor by January 1, 2001. It appears that this operational plan can be developed within current resources provided to the Commission.

Funding needs associated with the establishment of the three new universities are currently unknown. However, the operational plan submitted by the Commission should address future funding needs. Funding levels associated with start-up costs, enrollment growth, and total enrollment should be addressed during the normal legislative appropriations process.

B. FISCAL IMPACT ON LOCAL GOVERNMENTS:

1. Revenues:

This bill does not appear to have a fiscal impact on local revenues.

2. Expenditures:

This bill does not appear to have a fiscal impact on local expenditures.

C. DIRECT ECONOMIC IMPACT ON PRIVATE SECTOR:

By establishing three additional universities primarily responsible for providing baccalaureate-degree level instruction, this bill could provide students with greater access to baccalaureate degree programs. Assuming an increase in the production of baccalaureate degrees occurs as a result of establishing three additional universities, Florida should produce a better educated and higher skilled work force.

D. FISCAL COMMENTS:

None.

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 and 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:

A. CONSTITUTIONAL ISSUES:

None.

B. RULE-MAKING AUTHORITY:

This bill directs the board of trustees of each new university to adopt rules, procedures, and policies relating to its mission and responsibilities, its governance, personnel, budget and finance, administration, programs, curriculum and instruction, building and grounds, travel and purchasing, technology, students, contracts and grants, or university property.

The bill also authorizes the board of trustees of each new university to adopt rules, procedures, and policies relating to the appointment, employment, and removal of university personnel. The board of trustees of each university is further authorized to adopt rules that provide for the admission of certain students who do not meet the minimum academic standards required for admission.

C. OTHER COMMENTS:

None.

VI. AMENDMENTS OR COMMITTEE SUBSTITUTE CHANGES:

None.

VII. SIGNATURES:

COMMITTEE ON COLLEGES & UNIVERSITIES:

Prepared by:

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Betty H. Tilton, Ph.D.