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****FAILED TO PASS THE LEGISLATURE****

DATE: May 10, 2000

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

BILL #: CS/HB 2247

RELATING TO: Postsecondary Education

SPONSOR(S): Committee on Colleges & Universities and Representative Debby Sanderson

TIED BILL(S): None

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

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

This bill directs the Board of Regents to oversee a study during the interim preceding the 2001 Legislative Session that examines the production of baccalaureate and graduate degrees; the evaluation of facilities; the evaluation of sites; and the evaluation of postsecondary education needs and the opportunities provided by existing postsecondary education institutions.

The study must be performed by an independent consultant that possesses an expertise in the field of postsecondary education institutions. A final report containing recommendations must be submitted to the Legislature by January 1, 2001.

This bill does not appear to have a fiscal impact on state or local governments. The aforementioned study should be conducted utilizing current funds appropriated to the Board of Regents.

II. SUBSTANTIVE ANALYSIS:

A. DOES THE BILL SUPPORT THE FOLLOWING PRINCIPLES:

- | | | | |
|-----------------------------------|------------------------------|-----------------------------|---|
| 1. <u>Less Government</u> | Yes <input type="checkbox"/> | No <input type="checkbox"/> | N/A <input checked="" 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 type="checkbox"/> | No <input type="checkbox"/> | N/A <input checked="" 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"/> |

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.

In recent months, state legislators and representatives from the education community have proposed the establishment of individually governed universities that are primarily teaching institutions with a focus on undergraduate education. These institutions would increase public access to higher education opportunities and thereby increase the production of baccalaureate degrees in the State of Florida. These institutions could also play a role in addressing the state's need for a larger trained work force and in alleviating the teacher shortages facing public schools. Suggested locations for the new institutions include Pinellas County, Broward County, and Sarasota County.

C. EFFECT OF PROPOSED CHANGES:

This bill directs the Board of Regents to oversee a study during the interim preceding the 2001 Legislative Session that examines the production of baccalaureate and graduate degrees; the evaluation of facilities; the evaluation of sites; and the evaluation of postsecondary education needs and the opportunities provided by existing postsecondary education institutions.

The study must be performed by an independent consultant that possesses an expertise in the field of postsecondary education institutions. A final report containing recommendations must be submitted to the Legislature by January 1, 2001.

D. SECTION-BY-SECTION ANALYSIS:

SECTION 1: Creates an unspecified section of the Florida Statutes in order to (1) direct the Board of Regents to oversee a study during the interim preceding the 2001 Legislative Session that examines the production of baccalaureate and graduate degrees; the evaluation of facilities; the evaluation of sites; and the evaluation of postsecondary education needs and the opportunities provided by existing postsecondary education institutions and (2) require an independent consultant to perform the study.

SECTION 2: 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 does not appear to have a fiscal impact on state expenditures. The study required by the bill should be conducted utilizing current funds appropriated to the Board of Regents.

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:

The study that is required by the bill must be performed by an independent consultant that possesses an expertise in the field of postsecondary education institutions.

D. FISCAL COMMENTS:

This bill does not appear to have a fiscal impact.

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:

This bill does not appear to violate any constitutional issues.

B. RULE-MAKING AUTHORITY:

None.

C. OTHER COMMENTS:

None.

VI. AMENDMENTS OR COMMITTEE SUBSTITUTE CHANGES:

On April 18, 2000, the Committee on Colleges & Universities adopted a strike-everything amendment. The provisions of CS/HB 2247 direct the Board of Regents to oversee a study during the interim preceding the 2001 Legislative Session that examines the production of baccalaureate and graduate degrees; the evaluation of facilities; the evaluation of sites; and the evaluation of postsecondary education needs and the opportunities provided by existing postsecondary education institutions. The study must be performed by an independent consultant that possesses an expertise in the field of postsecondary education institutions. A final report containing recommendations must be submitted to the Legislature by January 1, 2001.

In contrast, the provisions of HB 2247 establish 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. HB 2247 requires these universities to be developed utilizing existing and new facilities and prohibits a community college from converting to a university.

Additionally, HB 2247 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.

HB 2247 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, HB 2247 establishes student matriculation and tuition fees at a rate equal to 25% of the total cost of instruction.

VII. SIGNATURES:

COMMITTEE ON COLLEGES & UNIVERSITIES:

Prepared by:

Staff Director:

Daniel Furman

Betty H. Tilton, Ph.D.

FINAL ANALYSIS PREPARED BY THE COMMITTEE ON COLLEGES & UNIVERSITIES:

Prepared by:

Staff Director:

Daniel Furman

Betty H. Tilton, Ph.D.