

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.)

BILL: SB 2448

SPONSOR: Senator Sullivan

SUBJECT: Postsecondary Education

DATE: April 4, 2000

REVISED: 04/10/00 _____

	ANALYST	STAFF DIRECTOR	REFERENCE	ACTION
1.	<u>White</u>	<u>O'Farrell</u>	<u>ED</u>	<u>Favorable/7 amd.</u>
2.	_____	_____	<u>GO</u>	_____
3.	_____	_____	<u>FP</u>	_____
4.	_____	_____	_____	_____
5.	_____	_____	_____	_____

I. Summary:

Senate Bill 2448 requires the creation of four new universities, to enroll students beginning in fall of 2002-2003. Rather than being research universities, they will be oriented toward baccalaureate and master's degrees. They will be governed by individual boards of trustees appointed by the Governor from residents of the county in which each university is located.

This bill creates a new section of the Florida Statutes.

II. Present Situation:

Florida's postsecondary education system consists of 10 state universities, 28 community colleges, and 41 technical career centers operated by public school districts or by a charter agreement. The community colleges award 2-year Associate in Arts degrees and, under a statewide articulation agreement, all AA-degree graduates are guaranteed admission to the upper division of one of the state universities.

Unlike most large states, Florida has no "middle tier" between community colleges and state universities. For instance, California has a 2-year community college system, the 23 campuses that comprise the California State University, and the 10 campuses that comprise the University of California. The California State University institutions offer only baccalaureate and master's degrees, while the University of California institutions are research universities containing five medical schools and three law schools. A new research institution, UC Merced, is planned to meet the state's unprecedented growth in student population.

The Florida Board of Regents Strategic Plan for 1998-2003 cites similar needs for increased enrollment in this state. The Postsecondary Education Planning Commission projects an increase of 150,000 new undergraduate students between now and 2010. The number of occupations that require 4-year degrees is increasing so much that the number needed will increase by 31 percent by 2005. This statistic means that the state should add to its current graduation rate an additional

240,000 people with baccalaureate degrees. The Board of Regents has not developed enrollment plans for the state university system to accommodate such growth.

Considering the number of baccalaureate degrees conferred in the state to working-age people, Florida ranks 46th in the country. In 1996-1997, Florida conferred 18 percent fewer baccalaureate degrees than the national average, and 20 percent fewer master's degrees (in the population aged 18-44). Most of the state universities operate branch campuses, and the Legislature has appropriated over \$11 million directly to branch campuses in the past 5 years. However, enrollment at branch campuses has increased little over the past 5 years, and branch campuses have had little effect on the number of baccalaureate degrees granted.¹ The programs offered at branch campuses are controlled by the university administration, and local needs for programs, such as education and nursing, have not always been the main consideration.

Attempts have not been successful to expand joint-use facilities so that state universities and community colleges will work together to increase the avenues available to the general public to earn baccalaureate degrees. Rather, state policy is attempting to meet the need through increasing enrollment at existing universities, increasing the state subsidy to independent institutions, and increasing distance education and technology.

In a 1998 feasibility study by the Postsecondary Education Planning Commission, the following principles were recommended to guide deliberations about whether to establish new state universities similar to the California system:

- ▶ The system should be developed by combining existing facilities and new construction, rather than by building entirely new campuses.
- ▶ Any new institutions created should focus on the baccalaureate-degree level, with some master's degree programs.
- ▶ The degree programs should be limited primarily to liberal arts and sciences, business, education, and social sciences.
- ▶ The selection of sites for any new institutions should be determined by the need at the local level, including the availability of postsecondary education opportunities provided by existing institutions.

III. Effect of Proposed Changes:

The legislation under consideration requires the creation of four new universities and a plan to increase the number of new universities as needed. They will enroll the first students in 2002-2003. Rather than being research universities, they will be oriented toward baccalaureate and master's degrees. Rather than being part of the State University System of Florida, they will be governed by individual boards of directors appointed by the Governor from residents of the county in which each university is located.

¹Counting all branch campuses, the total enrollment growth that can be attributed to them in the past 5 years is only 2,294 FTE.

The universities are named in the bill:

- ▶ Suncoast University in Pinellas County.
- ▶ Las Olas University in Broward County.
- ▶ Treasure Cost University in Indian River County.
- ▶ Ringling University in Sarasota County.

(Note: Amendment #2, by Education, deletes the university in Indian River County.)

The universities are not to require all new facilities, but will be initially developed at locations and facilities in the state's existing postsecondary education systems.

The Postsecondary Education Planning Commission will develop an operational plan for inaugurating the universities and report to the State Board of Education by January 1, 2001. The commission will also be responsible for evaluating the state's need for any additional universities

A community college may not convert to a baccalaureate and master's degree oriented university.

Mission and Role in Existing Systems

The bill states the mission and describes the interaction of the new universities with the institutions in the State University System and the Florida Community College System:

The mission of the baccalaureate and master's degree oriented universities is to provide high quality undergraduate education at an affordable price and to promote regional and statewide economic development. Initially, course offerings will be limited to core programs in the liberal arts and sciences, technology, and a limited number of professional programs, including business and education. The role of these universities is to complement not compete with community colleges and institutions in the State University System. This role will be accomplished by encouraging inter-institutional cooperation and by providing upper-division undergraduate opportunities to community college transfer students, particularly students with Associate of Science degrees transferring into baccalaureate programs. The emphasis at these new universities will be on teaching, not research. Instruction will be primarily at the baccalaureate-degree level with a limited number of master's-degree level courses and programs. This primary mission, however, does not preclude one of these universities from entering into a joint-use agreement with any institution in the State University System to offer master's and doctoral degree programs on the baccalaureate and master's degree oriented university campus.

Governance

Each university will be governed by a board of trustees of nine members who must be residents of the county in which the university is located. The trustees will be appointed by the Governor and confirmed by the Senate in regular session. The boards of trustees will be a corporation and will adopt rules, procedures, and policies consistent with law and rules of the State Board of Education relating to its mission and responsibilities, its governance, personnel, budget and finance, administration, programs, curriculum and instruction, buildings and grounds, travel and purchasing, technology, students, contracts and grants, or university property.

The university president is the executive officer and corporate secretary of the board of trustees as well as the chief administrative officer of the university. All the components of the institution and all aspects of its operation are the responsibility of the board of trustees through the president. The board of trustees may appoint a presidential search committee and appoint, suspend, or remove the president.

The board of trustees will establish and discontinue program and course offerings, provide instructional and noninstructional community services, determine the location of classes and services provided, and publicize the programs and services.

Property Rights

Each board of trustees may purchase, acquire, receive, hold, own, manage, lease, sell, dispose of, and convey title to real property, subject to rules adopted by the State Board of Education.

With approval of the State Board of Education and if recommended by the Department of Education, the university board of trustees may exercise the right of eminent domain and may condemn property as provided by chapters 73 and 74, Florida Statutes.

Personnel

The board will determine the compensation and other conditions of employment for all personnel employed by a university, including the president.

Students

Minimum academic standards for undergraduate admission to a university require a student to complete the requirements for a standard high school diploma as prescribed by s. 232.246, F.S. Among courses taken to fulfill the 24-academic-credit requirement, a student must take high school courses that are adopted by the Board of Regents and recommended by the State Board of Community Colleges as college-preparatory academic courses. A limited number of students may be admitted to the university under an alternative admissions plan, if there is evidence that the applicant is expected to do successful academic work at the university. The number of applicants admitted under this plan may not exceed 5 percent of the total number of freshman who entered the university the prior academic year.

Nonresident students may be admitted under certain terms if the university chooses. The terms include completion of a secondary school curriculum that includes 4 years of English and 3 years each of mathematics, science, and social sciences. The total number of nonresident applicants admitted may not exceed 5 percent of the total number of freshman who entered the university the prior academic year.

Fees

The student per-credit-hour matriculation and tuition fee must be the equivalent of 25 percent of the total per-credit-hour cost of instruction as determined annually by the Legislature in the General Appropriations Act. Each university board of trustees is authorized to establish separate activity and service and health fees. The fees will be collected as component parts of the matriculation and tuition fees and will be retained by the university and paid into the separate activity and service and health funds.

Effective Date

The bill takes effect upon becoming a law.

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:**

The student fees at one of the new universities will be less than at an institution in the State University System, but more than at a community college.

B. Private Sector Impact:

The communities in which the new universities are located will experience some economic improvements as a result of the establishment of the universities, and citizens will have expanded opportunities to pursue baccalaureate-level education.

C. Government Sector Impact:

According to an analysis by staff of the Postsecondary Education Planning Commission, if the universities are established initially to use existing programs and facilities, operating costs will be less than half of what it would cost to educate the students at institutions in the State University System.

Using cost data compiled in the Master Plan² operating costs are projected to be \$10,035 per FTE. Student fees will equal 25 percent of the cost (\$1,505) and General Revenue will be needed to make up the rest. For three institutions, if 1,000 full time equivalent (FTE) students enroll initially and increase in number to 1,800 in the second year and 2,500 in the third year, the first 3-years' cost to the state will be:

²Florida Postsecondary Education Planning Commission, *Challenges and Choices: The Master Plan for Florida Postsecondary Education*, January 1998.

2002-2003	2003-2004	2004-2005
\$13,539,000	\$24,366,200	\$33,847,500

VI. Technical Deficiencies:

Amendment # 7, by the Education Committee, invalidates amendments #1 - #6, which are drawn to lines deleted by Amendment #7.

VII. Related Issues:

None.

VIII. Amendments:**#1 by Education:**

Clarifies that the new universities will not constitute a new state college system.

#2 by Education:

Deletes a requirement for a university to be created in Indian River County.

#3 by Education:

Removes a redundant statement about the operational plan.

#4 by Education:

The required report to the Legislature will also be to the Governor.

#5 by Education:

Conforming amendment to amendment #2.

#6 by Education:

Corrects the gender of the article in the name of one of the new universities, Las Olas University.

#7 by Education:

Deletes the text of the bill and substitutes a required study by the Board of Regents.