

SENATE STAFF ANALYSIS AND ECONOMIC IMPACT STATEMENT

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

BILL: CS/SB 986

SPONSOR: Senator Sullivan

SUBJECT: New College; USF Sarasota/Manatee

DATE: April 2, 2001 REVISED: _____

	ANALYST	STAFF DIRECTOR	REFERENCE	ACTION
1.	<u>White</u>	<u>O'Farrell</u>	<u>ED</u>	<u>Favorable/CS</u>
2.	<u>Collins/McKee</u>	<u>Hickam</u>	<u>AED</u>	<u>Favorable</u>
3.	_____	_____	<u>AP</u>	_____
4.	_____	_____	<u>RC</u>	_____
5.	_____	_____	_____	_____
6.	_____	_____	_____	_____

I. Summary:

This Committee Substitute creates New College as the eleventh member of the State University System. It converts the branch campus of the University of South Florida in Sarasota into a fiscally autonomous campus with a separate campus board and executive officer. It requires the University of South Florida to seek separate accreditation for the University of South Florida Sarasota/Manatee campus. The Board of Trustees of the University of South Florida will appoint the members of the Campus Board from recommendations of the President of the University of South Florida, who will appoint the Campus Executive Officer.

The Committee Substitute creates a new section of the Florida Statutes, as yet undesignated. It amends the following section of the Florida Statutes: 240.2011.

II. Present Situation:

Postsecondary Education Systems in Large States

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 admitted 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 unprecedented growth in student population.

Access to Baccalaureate Programs in Florida

The Florida Board of Regents Strategic Plan for 1998-2003 points out that the Florida system resembles California's in its need for increased access. 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.

State policy in Florida has been to meet the need through increasing enrollment at existing universities, increasing the state subsidy to independent institutions, and increasing distance education and technology. These policies have been effective, but analysts cite the following facts as evidence that the state must look for additional solutions:

- The universities in the State University System are among the largest in the nation -- on average, over twice as large as those in the other 49 states. Five of our universities have over 30,000 students each.¹
- In 2000, the Legislature raised the state subsidy for students in independent colleges to \$2,813, the highest award since the program's creation in 1980. The number of students who receive the grant is over 23,000.² Increasing the amount of the award or adding to the number of institutions eligible to receive it would increase access, but it would also increase the disparity between need-based student assistance programs and others.

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.

Role of Branch Campuses

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

1 National Center for Education Statistics, *Digest of Education Statistics*, 1999.

2 The William L. Boyd, IV, Florida Resident Access Grant, s. 240.605, F.S. This program awards an annual grant of up to \$3,000 to each Florida resident who attends one of 27 private colleges. Eligible colleges must grant at least the baccalaureate degree, earn accreditation by the Southern Association of Colleges and Schools, operate as not-for-profit, and be located and chartered in Florida.

campuses has increased little, and branch campuses have had little effect on the number of baccalaureate degrees granted.³

The programs at branch campuses are designed to meet the needs of populous areas without 4-year public colleges, but recent discussions have questioned whether they are adequately meeting community needs. The branch campuses tend to serve a different clientele from the main campus, enrolling predominantly older students who attend part-time while also fulfilling the obligations of employment and family management. The programs needed by these students, who are likely to have difficulty traveling to the main campus, may differ from the programs offered at traditional universities. A university graduate may relocate to pursue an employment opportunity, but many “nontraditional” students need degrees that will help them advance in occupations where they are. A 2000 Interim Project by the Senate Education Committee suggested that branch campuses “may benefit from teaming up with community colleges, or emulating them, by studying local economies and targeting programs that will improve them.”⁴

University of South Florida at Sarasota/Manatee

The Sarasota branch campus of the University of South Florida, called USF Sarasota/Manatee, enrolls approximately 1600 headcount students, for a total of 605 full-time-equivalent students. It admits all transfer students who hold an Associate in Arts degree from a Florida community college. It shares some facilities with New College of the University of South Florida. Its faculty consists of 16 “core” faculty supplemented by faculty from the Tampa and St. Petersburg (Bayboro) campuses and adjunct faculty. Members of each category (core, USF Tampa/St. Petersburg, and adjunct) teach about a third of the courses.

The campus has four colleges:

- Arts and Sciences (six undergraduate majors, four graduate majors, and two certificate programs)
- Business Administration (six undergraduate majors, one graduate major)
- Education (five undergraduate majors, five graduate majors)
- Engineering (coursework available primarily through distance learning, no degrees awarded)
- Nursing (in conjunction with Sarasota Memorial Hospital: RN sequence for a BS in nursing)

Four of the undergraduate majors require students to travel to the Tampa or Bayboro campus for some required courses.

New College of the University of South Florida

In 1975, the University of South Florida purchased the campus of New College, an independent college founded in 1960 by Bradenton and Sarasota civic leaders with the assistance of the United Church of Christ (Congregational). It was founded as a baccalaureate liberal arts (BA/LA) institution that focused on academic talent without regard to race, religion, region, or gender. The University of South Florida retained the Board of Trustees of New College and

³Counting all branch campuses, the total enrollment growth that can be attributed to them in the past 5 years is only 2,294 FTE.

⁴Florida Senate Education Committee, Postsecondary Education Issues (Interim Project 2001-012, October 2000), page 2.

maintains its unique mission. The New College board is now called the New College Foundation and performs more fundraising functions than governing activities. The college is the only Florida college, and one of only 53 colleges nationwide, selected for *Barron's Guide to the Most Competitive Colleges* (1999 Edition).

It enrolls 541 students, all full-time, and employs 58 full-time faculty members. Its 20 undergraduate majors are all in arts and sciences, arranged in three divisions:

- Humanities (12 majors)
- Social Sciences (six majors)
- Natural Sciences (four majors)

Interdisciplinary majors may be individually arranged in seven areas.

Reorganization of Education Governance

The Florida Education Governance Reorganization Act of 2000 (ch. 2000-321, L.O.F.) focuses control for day-to-day operation of educational administration at the local level and limits the state to administrative and support activities. Effective in 2003, the act repeals most state level education boards and commissions and the laws that provide their administrative powers. The most controversial change eliminates the State University System Board of Regents and replaces it with boards of trustees for each of the state universities.⁵ The Governor appointed a task force to advise the Legislature on what policies need to be implemented in law in each of the years before the repeal takes effect. The task force made its report and recommendations March 1, 2001. As of March 17, 2001, the bill that will implement those recommendations has not been introduced in either the Florida House of Representatives or the Senate. Until the Legislature takes final action on that bill, many details remain unknown about how the universities that are now part of the State University System will be governed.

Accreditation

The Commission on Colleges of the Southern Association of Colleges and Schools accredits all Florida public universities and colleges. Branch campuses are accredited by virtue of the accreditation of the main campus. Standards are required for branches, but they are not as stringent as those of freestanding colleges. For instance, the branch campus is not required to employ the same proportion of full-time doctoral level faculty members. Library standards and laboratory standards may also be less stringent for branch campuses. New College has been separately accredited.

III. Effect of Proposed Changes:

New College

In an amendment to s. 240.2011, F.S., the legislation under consideration adds to the State University System New College, located in Sarasota County. This change will have the effect of bringing the college under the statutes and rules that currently govern state universities. New College will also become subject to any new laws that are adopted to implement the Florida Education Governance Reorganization Act of 2000 (Ch. 2000-321, L.O.F.). The full effect of those laws is not yet known, but if the Legislature enacts into law the recommendations of the

⁵ Florida Senate Education Committee, *Reorganization of Education Governance* (Interim Project Report 2001-011, November 2000) p. 1.

Education Governance Task Force, then New College will have an 11-member Board of Trustees appointed by the Governor. The board will appoint a president, who will be confirmed by either the newly appointed Florida Board of Education, or the elected State Board of Education, or both. Under the Reorganization Act (ch. 2000-321, L.O.F.), the State Board of Education retains its powers until 2003, but the task force recommended a transition period during which both boards will operate in tandem to shift responsibility to the Florida Board of Education.

University of South Florida Sarasota/Manatee:

In a newly created statute, the Committee Substitute establishes the current branch campus as a fiscally autonomous unit named the "University of South Florida Sarasota/Manatee." The intent is for the campus to be operated as a separate organizational and budget entity of the University of South Florida, and that all legislative appropriations for the University of South Florida Sarasota/Manatee be set forth as separate line items in the annual General Appropriations Act.

Accreditation

The bill directs the President of the University of South Florida to begin the process of separate accreditation for the campus no later than July 1, 2002. If the application reveals deficiencies, the University of South Florida must correct them and continue to work for accreditation.

Administration

The University of South Florida Sarasota/Manatee will have a Campus Executive Officer and a Campus Board. The President of USF will appoint the Campus Executive Officer and will also recommend members to be appointed to the board. The Board of Trustees of the University of South Florida will make the appointments from among her recommendations. The USF Board of Trustees does not yet exist, but if the Legislature enacts into law the recommendations of the Florida Education Governance Reorganization Task Force, the Governor will appoint the 11 members July 1, 2001.

Campus Board

Under the Committee Substitute, the Campus Board will consist of three residents of Sarasota County and two residents of Manatee County. It will share at least one member with the USF Board of Trustees, if that board has a member who is a resident of either of those counties. Only one joint member is required, but the bill does not preclude the Board of Trustees from appointing more than one.

The Campus Board has the following powers and duties, in addition to any others conferred to it by other laws or rules:

- Review and approve an annual legislative budget request to be submitted to the Commissioner of Education. The request will include items for campus operations and fixed capital outlay.
- Approve and submit an annual operating plan and budget for review and consultation by the Board of Trustees of the University of South Florida. This budget must reflect actual funding available to the campus from separate line items in each annual appropriations act. Initially, the budget will reflect the funds reported to the Florida Legislature for the University of South Florida Sarasota/Manatee campus for fiscal year 2000-2001 and any additional funds provided in 2001-2002.

- Enter into contracts for central support services with the Board of Trustees of the University of South Florida for any services that the campus at Sarasota/Manatee cannot provide more economically. The bill specifically requires legal services to be provided by a central services contract with the university. Terms for sharing any fee revenue between the two campuses must be in a letter of agreement executed by the Board of Trustees and the Campus Board.
- The Board of Trustees may delegate other powers and duties to the Campus Board, particularly any that are necessary for separate accreditation.

Campus Executive Officer

Under the provisions of the Committee Substitute, the Campus Executive Officer works directly for the President of USF. The Campus Executive Officer has the duty and responsibility to:

- Administer campus operations within the annual operating budget.
- Recommend to the Campus Board an annual legislative budget request that includes funding for campus operations and fixed capital outlay.
- Recommend to the Campus Board an annual campus operating budget.
- Recommend to the Campus Board appropriate services and terms and conditions to be included in annual central services contracts.
- Carry out any additional responsibilities required by the President of the University of South Florida, especially any required for accreditation of the separate campus.

Students

The bill stipulates that students enrolled at the branch campus have the same rights and obligations as students at the main campus. Specifically, the University of South Florida will provide a comprehensive and coordinated system of student registration to preserve a student's ability to register for courses at any other campus.

Management Agreement: USF Sarasota/Manatee and New College

Because New College and the branch campus of the University of South Florida Sarasota/Manatee share a number of facilities and services, the bill requires their two boards to adopt a management agreement that covers the process of dividing up the costs. Each budget must fund 50 percent of the 2001-2001 baseline funding for the shared facilities and services. In case of a disagreement, the President of USF will make the final decision.

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:

In time, students who reside in Sarasota or Manatee County will have an expanded choice of programs to access a baccalaureate degree program. They will save the expense of traveling to Tampa for any required courses that are not currently available at a branch campus near their homes or places of work.

C. Government Sector Impact:

To become accredited, the University of South Florida Sarasota/Manatee will need to make improvements, particularly in its library and faculty. As of March 17, 2001, the Senate’s proposed General Appropriations Act contains \$1,355,000 for the University of South Florida branch campuses in Sarasota. An additional \$5 million is in the Senate’s proposed budget for “Targeted Baccalaureate Degrees”; from these funds \$500,000 is specifically for New College. Additional funds could be allocated from this appropriation for these improvements.

New College will also need to establish accreditation apart from the University of South Florida, but the cost will not be prohibitive because the academic programs, library, and faculty already meet accreditation standards. It is more complicated, however, to estimate the cost of severing the college from the facilities and services it now shares with the University of South Florida, plus the cost of continuing operation as a freestanding university.

In fiscal year 2000-2001, the University of South Florida reports that \$6.8 million of its budget is exclusively dedicated to New College for direct costs. That figure includes \$300,000 in scholarship funds. A separate budget item of \$928,000 is provided for scholarships for students at New College. These scholarship funds are crucial for New College to continue its unique mission.

The University of South Florida provides the following cost breakdown for 2000-2001 (in millions):

Sarasota/Manatee			New College			Shared Services		
<i>Direct</i>	<i>Indirect</i>	<i>Total</i>	<i>Direct</i>	<i>Indirect</i>	<i>Total</i>	<i>Direct</i>	<i>Indirect</i>	<i>Total</i>
\$3.988	\$0.960	\$4.949	\$6.782	\$1.110	\$7.892	\$4.849	\$0.440	\$5.289

If this bill becomes a law, and it is assumed that, in 2001-2002, all of the indirect costs for central services and the current operating budget for New College will be moved from the University of South Florida’s budget to New College, there will be a funds transfer of about \$14.1 million. Then the only new legislative appropriation needed for 2001-2002 will be \$3.22 million in recurring costs and \$1.99 million in non-recurring costs. According to the

Campus Dean, these funds will be needed to obtain an integrated computer system, fund anticipated enrollment growth, and address campus infrastructure needs.

VI. Technical Deficiencies:

None.

VII. Related Issues:

None.

VIII. Amendments:

None.

This Senate staff analysis does not reflect the intent or official position of the bill's sponsor or the Florida Senate.
