

**HOUSE OF REPRESENTATIVES STAFF ANALYSIS**

**BILL #:** HB 137 CS  
**SPONSOR(S):** Mayfield  
**TIED BILLS:**

Awarding of Baccalaureate Degrees by Community Colleges  
**IDEN./SIM. BILLS:**

REFERENCE	ACTION	ANALYST	STAFF DIRECTOR
1) <u>Community Colleges &amp; Workforce Committee</u>	<u>8 Y, 0 N</u>	<u>Thomas</u>	<u>Ashworth</u>
2) <u>Education Appropriations Committee</u>	<u>14 Y, 2 N, w/CS</u>	<u>Hamon</u>	<u>Hamon</u>
3) <u>Education Council</u>	<u>8 Y, 0 N</u>	<u>Cobb</u>	<u>Cobb</u>
4) _____	_____	_____	_____
5) _____	_____	_____	_____

**SUMMARY ANALYSIS**

The bill revises provisions relating to community colleges offering baccalaureate degrees as follows:

- Such institutions remain under the authority of the State Board of Education (SBE) with respect to planning, coordination, oversight, and budgetary and accountability responsibilities.
- The boards of trustees of community colleges do not change.
- The boards of trustees of community colleges are authorized to set tuition and out-of-state fees consistent with law and proviso in the General Appropriations Act. However, the board of trustees cannot vary tuition and out-of-state fees as provided in s. 1009.23(4), F.S.
- The community college must fund nonrecurring costs related to the initiation of a new program without new state appropriations unless special grant funds are designated by the SBE, subject to funding by the Legislature for that purpose. Without recurring legislative appropriations, a new baccalaureate program will not be allowed to accept students.
- Capital outlay funding may be requested for approved baccalaureate programs or baccalaureate programs offered under a formal agreement with a state university. St. Petersburg College may request capital outlay funds only as a community college.
- A required formal agreement for a public or private college or university offering a site-determined baccalaureate degree program at a community college must include:
  - Guarantee that students will be able to complete the program in the community college district.
  - Financial commitment to development, implementation and maintenance of the degree program.
  - Plan by faculty for collaboration in the development and offering of curriculum, which must be developed and approved within 6 months after the agreement with the community college and college or university is signed.
- A community college proposal for a baccalaureate degree program must document that the community college has notified in writing the accredited public and private colleges and universities in the community college district of its intent to seek approval to deliver the baccalaureate program. The colleges and universities have 90 days to submit in writing to the community college an alternative plan for providing the specified degree. This does not appear to require that the alternative plan be sent to the State Board of Education for consideration before determining whether to approve the program.

The fiscal impact is indeterminate. **See Fiscal Comments.**

## FULL ANALYSIS

### I. SUBSTANTIVE ANALYSIS

#### A. HOUSE PRINCIPLES ANALYSIS:

**Provide limited government** – The bill mandates in law what must be included in a formal agreement between a community college and a four-year institution for the four-year institution to deliver a baccalaureate degree program at a community college site. Current law authorizes such agreements but does not mandate what must be included. Currently, such agreements do exist. The bill does not state whether these current agreements will be impacted by the new requirements.

**Ensure lower taxes** — The bill provides that tuition and out-of-state fees for community colleges approved to offer baccalaureate degree programs are less than those of comparable programs at universities. However, thus far expenditures per credit hour have been higher than at universities. Much of the increased expense appears to be start up costs. **See Fiscal Comments.**

#### B. EFFECT OF PROPOSED CHANGES:

##### GENERAL BACKGROUND

In April 2005, the Office of Program Policy Analysis and Government Accountability (OPPAGA) released Report No.05-20 that provides information on alternative methods of increasing access to baccalaureate programs for place-bound and non-traditional students, including authorizing community colleges to grant baccalaureate degrees. The report noted that in contrast with other states, Florida has a relatively low number of baccalaureate degree-granting institutions, which creates several problems, including:

- Limited geographical access to baccalaureate degrees;
- Limited ability to address local workforce needs; and
- Limited student options for attending small public baccalaureate degree-granting institutions.

The Florida Community College System was set up to be within commuting distance of 90% of Florida's population. Therefore, providing baccalaureate degree programs on community college campuses increases geographical access to these programs, improves the state's ability to meet local workforce needs, and allows students to obtain their degrees in small school settings.

##### ***Options for Expanding Access to Baccalaureate Degrees on Community College Campuses***

Florida has two primary options for increasing the provision of baccalaureate degrees on community college campuses:

- Community colleges may enter into partnerships with State University System (SUS) institutions and private institutions.
- Community colleges may create their own baccalaureate degree programs.

These methods are not mutually exclusive.

##### ***Partnerships with SUS Institutions and Private Institutions***

Section 1004.03, F.S., encourages cooperative programs, especially between institutions within the same regions of the state. Section 1007.22, F.S., authorizes and encourages intrainstitutional and interinstitutional programs to maximize articulation.

The OPPAGA report indicated that, at the time of the report:

- 22 of the 28 Florida community colleges partnered with at least one state university to offer approximately 90 baccalaureate degrees, and

- 12 private universities partnered with community colleges to deliver upper division coursework leading to approximately 20 baccalaureate degrees at 18 community colleges.

Public and private universities offer baccalaureate degree programs at all but one community college. Both public and private universities have expressed interest in expanding their offerings on community college campuses; 4 public universities reported that they plan to offer more baccalaureate programs on community college campuses. The Independent Colleges and Universities of Florida (ICUF) reported that 13 of their member institutions were interested in offering new baccalaureate degree programs at community colleges.

OPPAGA reported that the state's start-up costs for these partnership programs were generally low. The only continuing funding the Legislature needs to provide is paying for the additional FTE generated by students attending these programs. These partnerships encourage cost-saving sharing of resources such as computers, lab equipment, and library material. State university programs benefit students, who can stay in their community but still pay the low tuition rates charged to all state university system students. Private college programs benefit both students and local employers because they often are more flexible than state universities and can more quickly adjust course offerings in response to changing workforce needs or student demands.

The OPPAGA report also identifies challenges posed by partnerships between community colleges and state and private universities. Some state universities, particularly those aspiring to be highly rated research institutions, can be uninterested in establishing these partnerships because they are focused on investing in programs on their established campuses. Some community colleges may be reluctant to partner with private universities due to their higher tuition costs. Some community colleges may prefer to offer their own programs, with the vision of becoming more academically prestigious.

#### Community College Baccalaureate Degrees

Community colleges are authorized to offer baccalaureate degrees by two Florida statutes. In 2000, the Legislature created s. 1004.73, F.S., authorizing St. Petersburg College to offer baccalaureate degrees in applied science, nursing, and education. The college also was authorized to offer additional baccalaureate degree programs four years after first being accredited to offer baccalaureate degrees, if approved by local stakeholders based on community needs and economic opportunities. Starting in spring semester 2005, the college began offering Bachelor of Applied Science degrees in two new majors, veterinary technology and public safety administration.

In 2001, the Legislature created s. 1007.33, F.S., authorizing all community colleges to provide upper division coursework and award baccalaureate degrees. To receive this authorization, a community college must obtain approval from the State Board of Education (SBE). Approval is contingent upon documented demand for the program, unmet need in the area, and the community college having the necessary infrastructure to deliver the program. Currently, Chipola College, Miami Dade College, Okaloosa-Walton College, Daytona Beach College, and Edison Community College have received authority to offer baccalaureate degree programs.

For those community colleges that offer their own baccalaureate degree programs, data for the 2003-2004 fiscal year indicates approximately 1,250 students in such programs; however, since many of them go to school part-time, the number of full-time equivalent students was 614.

The OPPAGA report found that authorizing community colleges to offer their own baccalaureate degrees improves the state's ability to meet workforce needs and gives students more choice, but could produce unanticipated consequences including higher expenditures per student and weaker community college dedication to their traditional students if not carefully implemented.

The report further noted that community colleges offering their own baccalaureate degrees tend to have large start-up costs due to the following requirements that must be fulfilled:

- Accreditation,
- Expansion of library holdings,
- Upgrading facilities, and

- Increasing the number of faculty with PhDs to teach the proposed programs.

Due to high start-up costs and low initial enrollment, community college expenditures per credit hour are currently higher than those of state universities. The OPPAGA report projected that community college expenditures per credit hour are expected to decrease as enrollments increase.

The OPPAGA report stated that community colleges with baccalaureate programs could also be at risk for “mission creep” as the number of community college baccalaureate programs and student enrollment in them increases. Within the higher education community, institutions that offer four-year degrees are often held in higher esteem than institutions that offer two-year degrees. Focusing on four-year degree programs could weaken the community colleges’ statutorily mandated focus on associate and certificate degree and adult education programs.

### ***OPPAGA Report Recommended Legislative Options To Strengthen Process for Providing Baccalaureate Degrees on Community College Campuses***

OPPAGA recommended the following legislative options in order to strengthen the process for providing baccalaureate degrees on community college campuses while meeting workforce needs and being cost effective:

- Statutorily require community colleges to consider cost-effective alternatives such as distance learning or entering into a partnership with a public or private university and require community colleges to include documentation of their pursuit of these alternatives and justification for not pursuing them within their application for the authority to create a baccalaureate degree.
- Statutorily require that community college proposals to create baccalaureate degree programs include a detailed five-year financial plan. The SBE should ensure that the plans are based on realistic enrollment and cost assumptions before approving the proposal.
- Statutorily create a sunset process that would review community college baccalaureate degree programs every five years.
- Statutorily require the State Board of Education (SBE) to coordinate the strategic plans of the state university and community college systems.

The Legislature could also consider allowing community colleges to offer the Bachelor of Applied Science (BAS) degree programs, but require them to partner with public or private universities for other baccalaureate programs. The Legislature could establish a process to coordinate BAS degree requirements and establish protocols for accepting credits earned by transfer students in these programs.

## **STATE BOARD OF EDUCATION**

### **Present Situation**

Section 1001.03, F.S., sets forth the general powers and duties of the State Board of Education (SBE), the chief implementing and coordinating body of public education in Florida. The SBE has a number of general duties including, but not limited to, the adoption of comprehensive long-range plans and short-range programs; the adoption of a coordinated K-20 budget; enforcement of system wide educational goals and policies; and the establishment of an effective information system.

With regard to the community colleges specifically, s.1001.03, F.S., requires the SBE to establish criteria for making recommendations for modifying district boundary lines for community colleges; establish criteria for making recommendations concerning all proposals for the establishment of additional centers or campuses; examine the annual administrative review of each community college; and prescribe in rule the minimum standards, definitions, and guidelines for community colleges to ensure quality of education, coordination among public postsecondary institutions, and efficient progress toward accomplishing the community college mission. At a minimum, these rules must address: personnel; contracting; program offering and classification; provisions for curriculum

development, graduation requirements, college calendars, and program service areas; student admissions, conduct and discipline, non-classroom activities, and fees; budgeting; business and financial matters; student services; reports, surveys, and information systems.

### **Effect of Proposed Changes**

The bill amends s. 1001.64, F.S., which relates to powers and duties of community college boards of trustees, to provide that community colleges authorized to grant baccalaureate degrees pursuant to s. 1007.33, F.S., remain under the authority of the SBE with respect to planning, coordination, oversight, and budgetary and accountability responsibilities.

## **COMMUNITY COLLEGE BOARDS OF TRUSTEES**

### **Present Situation**

Section 1001.64, F.S., sets forth the powers and duties of community college boards of trustees. It vests each community college board of trustees with the responsibility to govern its respective institution and with the authority necessary for the proper operation and improvement thereof in accordance with rules of the SBE; requires each board to adopt rules establishing students performance standards for the award of degrees and certificates; requires each board of trustees to establish fees pursuant to ss. 1009.22, 1009.23, 1009.25, 1009.26, and 1009.27, F.S.; and requires each board to establish the personnel program for all employees of the community college.

Section 1001.65, F.S. authorizes each community college president to award degrees.

Section 1012.82, F.S. requires each full-time member of the teaching faculty at any community college who is paid wholly from funds appropriated from the community college program funds to teach a minimum of 15 classroom contact hours per week at such institution.

### **Effect of Proposed Changes**

The bill amends s. 1001.64, F.S., to provide that the governing authority of the community college board of trustees includes serving as the governing board for purposes of granting baccalaureate degrees. Community colleges approved to offer baccalaureate degrees may continue to award degrees, diplomas, and certificates as authorized for the college, and in the name of the college, until the college receives any necessary changes to its accreditation.

The bill authorizes the boards to establish tuition and out-of state fees for approved baccalaureate programs, consistent with law and the GAA; however, the board of trustees cannot vary tuition and out-of-state fees as provided in s. 1009.23(4).

The bill requires each board to adopt a policy ensuring that faculty who teach upper-division courses adhere to the requirements of current law that require each full-time member of the teaching faculty who is paid wholly from funds appropriated from the community college program fund to teach a minimum of 15 classroom contact hours per week.

The Board of Governors' staff analysis of the bill indicates that community colleges may find it difficult to recruit and retain high quality upper-division faculty when competing against research universities that offer reduced teaching loads and greater time for research.

## **COMMUNITY COLLEGE MISSION**

### **Present Situation**

Section 1004.65, F.S., defines the primary mission and responsibilities of community colleges as responding to community needs for postsecondary academic education and career degree education. Their mission and responsibilities include being responsible for: providing lower level undergraduate instruction and awarding associate degrees; preparing students directly for careers requiring less than

baccalaureate degrees; providing student development services; promoting economic development within a college's respective district; and providing dual enrollment instructions.

Providing upper level instructions and awarding baccalaureate degrees as specifically authorized by law is a separate and secondary role.

### **Effect of Proposed Changes**

The bill requires community colleges that are approved to offer baccalaureate degree programs to maintain their primary mission pursuant to current law and prohibits them from terminating associate in arts (AA) or associate in science (AS) degree programs as a result of the authorization to offer baccalaureate degree programs. Similar provisions appear in current law in s. 1007.33(4), F.S.

The bill also amends s. 1004.65(9), F.S., to state that community colleges are authorized to award baccalaureate degrees as well as provide access to such degrees in accordance with law.

## **SITE-DETERMINED BACCALAUREATE DEGREE ACCESS**

### **Present Situation**

Section 1007.33, F.S., expresses the intent of the Legislature to expand access to baccalaureate degree programs through the use of community colleges and sets forth two ways in which a community college may expand access to baccalaureate degree programs.

- (1) The community college may enter into a formal agreement with another postsecondary institution to provide undergraduate programs.
- (2) The community college may submit a proposal to the SBE to deliver specified baccalaureate degree programs in the district to meet local workforce needs. The proposal must show a demand for the program, that there is an unmet need for graduates of the program, and that the community college has the facilities and academic resources to deliver the program. The proposal must be submitted to the Council for Education Policy Research and Improvement (CEPRI) for review and comment. Upon approval by the SBE, the college must seek the proper accreditation for the program. If the college wants to offer additional degree programs, it must go through the same evaluation cycle for each degree request. The present language prohibits a community college from terminating an associate degree program as a result of being authorized to offer a baccalaureate degree.

### **Effect of Proposed Changes**

The bill revises current statutory provisions relating to site-determined baccalaureate degree access. The bill removes the requirement that the Council for Education Policy Research and Improvement (CEPRI) review and comment on program proposals. The bill also requires that a formal agreement for a public or private college or university offering the baccalaureate degree program at the community college must include:

- Guarantee that students will be able to complete the program at the community college district.
- Financial commitment to development, implementation, and maintenance of the degree program.
- Faculty collaboration in the development and offering of curriculum which must be developed and approved within 6 months after the agreement with the community college and college or university has been reached.
- Documentation that the community college has notified in writing the accredited public and private colleges and universities in the community college district of its intent to seek approval to deliver the baccalaureate program.

By limiting the required notification to institutions in the community college's district, institutions outside the community college district that may be interested in offering the program may not have the opportunity to submit an alternative proposal within the prescribed time frame.

The colleges and universities have 90 days to submit in writing to the community college an alternative plan for providing the specified degree. This does not appear to require that the alternative plan be sent to the State Board of Education nor that the SBE take the alternative plan into consideration during the decision making process.

These requirements could make it more difficult to obtain future partnership agreements and it is unclear how these requirements would impact existing partnership agreements.

## **COMMUNITY COLLEGE FEES**

### **Present Situation**

The provisions of s. 1009.23, F.S., apply to fees charged for college credit instruction leading to an associate in arts degree, an associate in applied science degree, or an associate in science degree and non-college credit college-preparatory courses defined in s. 1004.02., F.S. Identical fees must be required for all community college resident students within a college who take a specific course, regardless of the program in which they enrolled. Subsection 1009.23(4) allows community college board of trustees to vary tuition and out-of-state fees no more than 10 percent below and 15 percent above the standard tuition and fee schedule.

Section 1009.23, F.S., specifies the process for establishing community college student fees. The SBE must annually establish a fee schedule for advanced and professional, associate in science degree, and college-preparatory programs. In the absence of a provision to the contrary in the appropriations act, the fee schedule takes effect the following fall. There is no specific reference to tuition and fees for baccalaureate programs that have been approved by the SBE.

Current law authorizes community college boards of trustees to establish a separate fee for capital improvement, technology enhancements, and equipping student buildings. The fee for college credit programs may not exceed 10 percent of tuition for resident students or 10 percent of the sum of tuition and out-of-state fees for non resident students. The fee for resident students shall be limited to an increase of \$2 per credit hour over the prior year.

### **Effect of Proposed Changes**

The bill adds a reference to baccalaureate degree programs authorized by the SBE pursuant to s. 1007.33, F.S., and directs the SBE to adopt a fee schedule for such programs.

The bill deletes the requirement in current law that identical fees must be required for all community college resident students within a college who take a specific course regardless of the program in which they are enrolled. The impact of this provision on the amount students will pay as well as revenues for the community college is not known.

The bill revises provisions relating to tuition and out-of-state fees for upper-division level college credit courses by stipulating that they must reflect the less expensive cost structure of the community college. Community college boards of trustees must establish tuition and out-of-state fees for upper-division courses consistent with law and proviso language in the GAA; however, boards of trustees are prohibited from applying the discretionary range provided in s. 1009.23(4), F.S., to tuition and fees for upper division courses.

## **FINANCIAL SUPPORT FOR COMMUNITY COLLEGES**

### **Present Situation**

Section 1011.83, F.S., specifies how community colleges are to be funded. Funding for all workforce education programs must be based on cost categories, performance output measures, and

performance outcomes measures. All other appropriations for operational activities of the community college are to be provided through appropriations to the Community College Program Fund (CCPF) under s. 1011.80, F.S.

### **Effect of Proposed Changes**

The bill amends current statutory provisions relating to community college funding to reference colleges that have received approval from the SBE to grant baccalaureate degrees. Community colleges must fund nonrecurring costs related to the initiation of a new program without new state appropriations unless special grant funds are funding by the Legislature for that purpose. A new baccalaureate degree program is prohibited from accepting students without a recurring legislative appropriation for that purpose.

State policy for funding baccalaureate degree programs shall be to limit state support for recurring operating purposes to no more than 85% of the amount of state expenditures for direct instruction per credit hour in upper level state university programs. A community college may temporarily exceed this limit due to normal enrollment fluctuations, unforeseeable circumstances, or while phasing-in new programs.

Funds appropriated for baccalaureate programs must be used for that purpose. Reporting and funding distinctions must be maintained between programs approved by the SBE and other baccalaureate degree programs involving traditional concurrent-use partnerships.

## **COMMUNITY COLLEGE LEGISLATIVE CAPITAL OUTLAY BUDGET**

### **Present Situation**

Section 1013.31, F.S., requires each education board to arrange for an educational plant survey every 5 years to aid in formulating plans for housing the educational program and student population, faculty, administrators, staff, and auxiliary and ancillary services of the district or campus. The survey report must include an inventory of existing facilities and ancillary plants; recommendations for new and existing plants; campus master plan updates and details for community colleges; and other information that may be required by the SBE. Each community college's survey must reflect the capacity of existing facilities as specified in the DOE inventory. Projections of facility space needs must comply with standards for determining space needs as specified in SBE rule.

Section 1013.60, F.S., requires the Commissioner of Education to submit an integrated, comprehensive budget request for education facilities construction and fixed capital outlay needs for school districts, community colleges, and state universities pursuant to the provisions of s. 1013.64, F. S., and applicable provisions of Ch. 216, F.S. The budget request must include:

- recommendations for the priority of expenditure of funds in the state system of public education;
- reasons for the recommended priorities;
- other recommendations which relate to the effectiveness of the educational facilities construction program; and
- all items in s. 1013.64, F.S., which include, but are not limited to, funds for remodeling, renovation, maintenance, and site improvements for existing satisfactory facilities.

The boards of trustees of each community college and state university must submit to the commissioner a 3-year plan and provide an annual estimate of the funds that will be used by community college and state universities in developing their 3-year priority lists pursuant to s. 1013.64, F.S.

Section 1013.64, F.S., describes the process to be used for making allocations from the Public Education Capital Outlay and Debt Service Trust Fund to the various boards for capital outlay projects. Funds for remodeling, maintenance, repairs, and site improvement for existing satisfactory facilities must be given priority consideration for appropriations allocated to the boards from the total amount appropriated.



The statutory provisions include a formula that is to be followed in calculating the funds, and each board is to receive the percentage generated by the formula of the total amount appropriated. At least one-tenth of a board's annual allocation must be spent to correct unsafe, unhealthy, or unsanitary conditions in its educational facilities, as required by s. 1013.12, F.S., or a lesser amount sufficient to correct all deficiencies cited in its annual comprehensive safety inspection reports.

Community college boards of trustees and university boards of trustees receive funds for projects based on a 3-year priority list which must be updated annually and submitted by the SBE to the Legislature prior to the legislative session. The list must reflect decisions by the SBE concerning program priorities that implement the statewide plan for program growth and quality improvement in education. No new construction project may be included on the first year of a 3-year priority list unless the educational specifications have been approved by the commissioner. Any new construction project requested in the first year of the 3-year priority list which is not funded by the Legislature must be carried forward to be listed first in developing the updated 3-year priority list for the subsequent year's capital outlay budget. Should the order of the priority of the projects change from year to year, a justification for such change must be included with the updated priority list.

Currently, s. 1004.73(7) F.S., authorizes St. Petersburg College to request funding from the PECO Trust Fund as a community college and as a university.

### **Effect of Proposed Changes**

The bill authorizes community colleges to request capital outlay funding from Public Education Capital Outlay (PECO) funds for authorized baccalaureate degree programs and programs offered under a formal agreement with a state university. Such requests must be included in the 3-year priority list for community colleges submitted by the State Board of Education in its legislative budget request. Since PECO appropriations are limited to the amount of revenue generated for PECO, these additional requests for capital outlay funding may reduce the amount of capital outlay funding available to non-baccalaureate community college programs. This impact would increase as more baccalaureate programs are approved and enrollment grows. Enrollment in approved baccalaureate degree programs must be computed into the survey of need for facilities.

The bill eliminates the statutory authorization in s. 1004.73(7), F.S., for St. Petersburg College to request funding from the PECO Trust Fund as a university.

### **C. SECTION DIRECTORY:**

**Section 1.** Amends s. 1001.64, F.S., relating to powers and duties of community college boards of trustees.

**Section 2.** Amends s. 1004.65, F.S., relating to the mission and responsibilities of the community college, to require community colleges that are approved to offer baccalaureate degree programs to maintain their primary mission and to prohibit the termination of associate programs as a result of the authorization to offer baccalaureate degree programs.

**Section 3.** Amends s. 1007.33, F.S., relating to site-determined baccalaureate degree access, to revise provisions relating to the submission of the baccalaureate program proposals to CEPRI and formal agreements with the community colleges offering the baccalaureate degree program and the public or private college or university.

**Section 4.** Amends s. 1009.23, F.S., relating to community college student fees, to reference fees for baccalaureate degree programs that have been authorized by the State Board of Education.

**Section 5.** Amends s. 1011.83, F.S., relating to financial support of community colleges, to revise funding provisions for community colleges that have been authorized by the SBE to offer baccalaureate programs.

**Section 6.** Amends s. 1013.60, F.S., relating to the legislative capital outlay budget request, to revise provisions relating to PECO request from community colleges authorized by the SBE to offer baccalaureate degree programs.

**Section 7.** Amends 1004.73, F.S., relating to St. Petersburg College, removing authorization to request PECO funds as a university.

**Section 8.** Provides an effective date of July 1, 2006.

## II. FISCAL ANALYSIS & ECONOMIC IMPACT STATEMENT

### A. FISCAL IMPACT ON STATE GOVERNMENT:

1. Revenues:

See Fiscal Comments.

2. Expenditures:

See Fiscal Comments.

### B. FISCAL IMPACT ON LOCAL GOVERNMENTS:

1. Revenues:

See Fiscal Comments.

2. Expenditures:

See Fiscal Comments.

### C. DIRECT ECONOMIC IMPACT ON PRIVATE SECTOR:

See Fiscal Comments.

### D. FISCAL COMMENTS:

The fiscal impact of the bill is indeterminate. However, some of the provisions in the bill could produce unanticipated consequences such as higher expenditures per student.

The bill requires community colleges authorized to grant baccalaureate degrees to fund nonrecurring cost related to the initiation of a new program without new state appropriation unless special grant funds are appropriated by the Legislature for that purpose. The bill outlines the state policy for funding baccalaureate degree programs. The state policy shall be to limit state support for recurring operating purposes to no more than 85% of the amount of state expenditures for direct instruction per credit hour in upper level state university programs. A community college may temporarily exceed this limit due to normal enrollment fluctuations, unforeseeable circumstances, or while phasing-in new programs. The bill prohibits withholding Legislative appropriations to any community college based on this policy.

Funds appropriated for baccalaureate programs must be used for that purpose. Reporting and funding distinctions must be maintained between programs approved pursuant to s. 1007.33, F.S., and other baccalaureate degree programs involving traditional concurrent-use partnerships.

State support for community college baccalaureate degrees has been appropriated through a separate line item in the General Appropriations Act. See Exhibit 1 for appropriations since 2002-03.

**(Exhibit 1) State Appropriations for Community College Baccalaureate Degrees Since 2002-03**

Baccalaureate Degree Granting Institution	State Appropriations for Community College Baccalaureates			
	2002-03	2003-04	2004-05	2005-06
• Chipola College	\$497,500	\$333,333	\$662,440	\$662,440
• Daytona Beach	\$0	\$0	\$0	\$0
• Edison College	\$999,902	\$333,333	\$135,016	\$0
• Miami Dade College	\$1,728,400	\$333,334	\$1,302,600	\$721,056
• Okaloosa-Walton College	\$274,198	\$0	\$264,938	\$338,902
• St. Petersburg College	\$3,000,000	\$4,808,294	\$4,902,166 <sup>1</sup>	\$6,235,549
<b>Totals</b>	<b>\$6,500,000</b>	<b>\$5,808,294</b>	<b>\$7,267,160</b>	<b>\$7,957,947</b>

<sup>1</sup>Amount excludes non-recurring funds for St. Petersburg College Library Enhancements.

*Office of Program Policy Analysis and Government Accountability (OPPAGA) Information*

According to information from the Office of Program Policy Analysis and Government Accountability (OPPAGA) the underlying assumption was that community colleges offering baccalaureate degree programs would be less expensive than university programs. However, thus far expenditures per credit hour have been higher than at universities (Exhibit 2).

**(Exhibit 2) Expenditures per credit hour are higher for Community College Baccalaureate Programs than for State University Programs, likely due to start-up cost.**

Baccalaureate Degree Granting Institution	Expenditures Per Upper Division Credit Hour <sup>1</sup>			
	2002-03 (Actual)	2003-04 (Actual)	2004-05 (Estimated)	2005-06 (Estimated)
State University Average	\$244	\$243	\$259	\$257
Community College Baccalaureate Program Average	\$433	\$435	\$340	\$219
• Chipola College	--	\$2,706	\$1139	\$837
• Daytona Beach	--	--	--	\$406
• Edison College	\$1721	\$608	\$820	\$1666
• Miami Dade College	--	\$802	\$302	\$282
• Okaloosa-Walton College	--	--	\$228	\$215
• St. Petersburg College	\$339	\$ 345	\$ 327	\$190

Source: OPPAGA analysis of Department of Education's community college 2006-07 operating budget request and Board of Governor's expenditure analyses and allocation documents.

<sup>1</sup> The expenditure data includes expenditures from state support, tuition and fee revenue, fund balance expenditures, and other college or university resources.

Much of the increased expense appears to be start up costs. Community colleges offering their own baccalaureate degrees must fulfill the accreditation requirements of the Southern Association of Colleges and Schools (SACS). To meet these requirements, a community college may need to expand its library holdings, upgrade its facilities, and increase the number of faculty with Ph.D.s to teach the proposed programs. If the community college does not have enough resources to meet accreditation requirements on an ongoing basis, it puts at risk not only accreditation for its baccalaureate degree program but also for its associate degree program.

If community colleges were able to attract enough students, the cost per credit hour might decrease. For smaller community colleges this could be problematic. In the chart, Chipola has a higher cost, possibly due to the smaller student population.

### III. COMMENTS

#### A. CONSTITUTIONAL ISSUES:

##### 1. Applicability of Municipality/County Mandates Provision:

This bill does not appear to require a city or county to spend funds or to take any action requiring expenditure of funds.

##### 2. Other:

None.

#### B. RULE-MAKING AUTHORITY:

None.

#### C. DRAFTING ISSUES OR OTHER COMMENTS:

##### **Comments - Alternative Plans and Partnerships**

The bill requires the community college to notify the accredited public and private colleges and universities in its district of the baccalaureate degree program proposal. The colleges and universities have 90 days to submit an alternative plan to the community college. However, there does not appear to be any requirement for the alternative plan to be considered by the community college or to be sent to the State Board of Education (SBE) or for the SBE to consider the alternative plan in its decision to approve or deny the community college proposal.

Some community colleges currently have partnership agreements to offer cost-effective programs for baccalaureate degrees with four-year public or private postsecondary institutions that are not located in the community college's district. The bill does not provide that such four-year institutions would receive notification of a community college proposal to offer a baccalaureate degree.

Placing new requirements on partnership agreements for site-based baccalaureate degree programs has an unclear impact on existing agreements. This bill requires that an agreement between a public or private university offering a baccalaureate degree program at a community college must **guarantee** that students will be able to complete the degree in the community college district. This guarantee may be difficult to fulfill if funding is reduced in future years or if laws are changed.

#### **IV. AMENDMENTS/COMMITTEE SUBSTITUTE & COMBINED BILL CHANGES**

On January 12, 2006 the House Education Appropriations Committee adopted four amendments. The amendments:

##### **Conformed language limiting flexibility on tuition and out-of-state fees -**

- Conformed bill to current statutory terms. Colleges may not increase or decrease tuition and out-of-state fees for baccalaureate students.

##### **Clarified facilities funding requests -**

- Added authorization for community colleges to request capital outlay funding from Public Education Capital Outlay (PECO) funds for authorized baccalaureate degree programs offered under a formal agreement with a state university.
- Clarified that all community colleges submit baccalaureate PECO requests as a community college and removed authority for St. Petersburg College to request PECO funds as a university.

##### **Removed language binding future legislatures -**

- Removed language that baccalaureate programs “must receive recurring funding.”
- Clarified the 85% state support limitation and how it is calculated. Created a state policy to limit state support for recurring operating purposes to no more than 85% of the amount of state expenditures for direct instruction per credit hour in upper level state university programs. Authorized funding to temporarily exceed this limit due to normal enrollment fluctuations, unforeseeable circumstances, or while phasing-in new programs.

##### **Removed baccalaureate program submission requirement -**

- Removes requirement that program proposals be submitted to the Council for Education Policy Research and Improvement (CEPRI) for review and comment.