



## FULL ANALYSIS

### I. SUBSTANTIVE ANALYSIS

#### A. HOUSE PRINCIPLES ANALYSIS:

The bill does not appear to implicate any of the House Principles.

#### B. EFFECT OF PROPOSED CHANGES:

##### **Background**

The Commission for Independent Education (Commission) was created by the 2001 Legislature as a result of combining and transferring to a single board the powers and duties of the State Board of Independent Colleges and Universities and the State Board of Nonpublic Career Education. The Commission is responsible for all independent postsecondary education institutions with the exception of those independent nonprofit colleges or universities eligible to participate in the Florida Resident Access Grant (FRAG) program.<sup>1</sup>

The Commission is comprised of seven members who are residents of this state:

- Two representatives of independent colleges or universities licensed by the commission.
- Two representatives of independent, nondegree-granting schools licensed by the commission.
- One member from a public school district or community college who is an administrator of career and technical education.
- One representative of a religious college that meets the criteria of s. 1005.0(1)(f), F.S., and thus can operate without governmental oversight.
- One lay member who is not affiliated with an independent postsecondary educational institution.

The members are appointed by the Governor and subject to confirmation by the Senate.

For the independent postsecondary institutions under its jurisdiction, the Commission:

- sets licensure standards.
- review applications for and issues licenses.
- monitor the consumer practices of these institutions.
- serves as a central agency for collecting and distributing information regarding these institutions.

Section 1005.35, F.S., directs the Commission to annually establish a fee schedule to generate, from fees, the amount of revenue appropriated for its operation and requires the Commission to submit its fee revenue through the Department of Education (Department) for deposit into the Institutional Assessment Trust Fund. The Institutional Assessment Trust Fund, established in s. 1010.83, F.S., consists of all fees and fines imposed upon nonpublic colleges and school pursuant to this chapter and chapter 1005, including all fees collected from nonpublic colleges and schools for participation in the Student Protection Fund and the statewide course numbering system. The Department must maintain separate accounts for the operation of the Commission and the Student Protection Fund and the Department.

##### **Effect of proposed changes**

HB 1501 removes the Department as the administrative agent of the Commission and establishes the Commission as a separate budget entity. The Commission will continue to be housed within the Department for administrative purposes.

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<sup>1</sup> Section 1005.21, F.S.

The bill increases the number of members on the Commission from seven to nine by adding a representative who is either an owner or employee of an independent non-accredited school licensed by the Commission, adding two members who are either owners or employees of an independent college or school licensed by the Commission, and eliminating the representative from a college that meets the criteria of s. 1005.06(1)(f), F.S.

The Commission is authorized to appoint, review, and fix the salary of the executive director who works at the pleasure of the Commission. The duties of the executive director are to supervise, direct, coordinate, and administer all activities necessary to fulfill the Commission's statutory responsibilities and hire the staff necessary to assist in fulfilling these responsibilities.

The bill directs the chief financial officer of the Department of Education rather than the Chief Financial Officer, to pay out all moneys and funds as directed under this chapter upon vouchers approved by the executive director of the commission. The impact of this change is not clear.

C. SECTION DIRECTORY:

Section 1. Amends s. 1005.21, F.S., revising provisions relating to the administration of the Commission for Independent Education; revising and increasing the commission membership.

Section 2. Amends s. 1005.22, F.S., revising duties of the commission; deleting the requirement for submission of commission rules to the State Board of Education.

Section 3. Provide an effective date of July 1, 2007.

**II. FISCAL ANALYSIS & ECONOMIC IMPACT STATEMENT**

A. FISCAL IMPACT ON STATE GOVERNMENT:

1. Revenues:

None

2. Expenditures:

(See Fiscal Comments)

B. FISCAL IMPACT ON LOCAL GOVERNMENTS:

1. Revenues:

None.

2. Expenditures:

None.

C. DIRECT ECONOMIC IMPACT ON PRIVATE SECTOR:

None

D. FISCAL COMMENTS:

The Commission uses fee revenue (deposited into the Institutional Assessment Trust Fund) to pay its salaries and expenses related to legal counsel. However, the Department incurs a cost for administration that will continue if the Commission is a separate budget entity. The estimated 2006-2007 cost to the Department for administrative purposes is \$175,392 and includes the following

services: grants management, budgeting, comptroller, personnel management, human relations, and technology. (See chart for details)<sup>2</sup>

**Department of Education  
Commission for Independent Education (CIE)  
Analysis of Pro-rated and Direct Costs**

|  | 2006-07<br>CIE | Support<br>Function<br>FTE | CIE<br>FTE/Support<br>FTE | 2006-07<br>Budgeted<br>Expenditures | 2006-07<br>Prorated<br>Cost of<br>Support to<br>CIE |
|--|----------------|----------------------------|---------------------------|-------------------------------------|---|
| Chief Education Financial Officer            | 16.00          | 2,637.50                   | 0.6066%                   | 872,402                             | 5,292   |
| Grants Management Services                   | 16.00          | 2,637.50                   | 0.6066%                   | 3,199,240                           | 19,407  |
| Office of K-12 Budgets                       | 16.00          | 1,255.00                   | 1.2749%                   | 1,057,070                           | 13,477  |
| Office of the Comptroller                    | 16.00          | 2,637.50                   | 0.6066%                   | 3,388,316                           | 20,554  |
| Office of General Services                   | 16.00          | 1,255.00                   | 1.2749%                   | 1,880,820                           | 23,979  |
| Office of Personnel Mgt                      | 16.00          | 2,637.50                   | 0.6066%                   | 821,348                             | 4,982   |
| Human Relations                              | 16.00          | 2,637.50                   | 0.6066%                   | 350,183                             | 2,124   |
| Chief Technology Officer                     | 16.00          | 2,637.50                   | 0.6066%                   | 14,107,679                          | 85,577  |
| <b>Sub-total Prorated Costs*</b>             |                |                            |                           | <b>25,677,058</b>                   | <b>175,392.00</b>                                   |
| Commission on Independent<br>Education       | 16.00          | 16.00                      | 100.0000%                 | 3,448,643                           | 3,448,643   |
| General Counsel<br>Position and Related Cost | 0.50           | 0.50                       | 100.0000%                 | 47,113                              | 47,113  |
| <b>Sub-total Direct Costs</b>                |                |                            |                           | <b>3,495,756</b>                    | <b>3,495,756</b>                                    |
|  |                |                            |                           |                                     |   |
| <b>Total Cost</b>                            |                |                            |                           | <b>29,172,814</b>                   | <b>3,671,148</b>                                    |

\*This total is used to reflect the administrative costs attributed to the Department of Education's budget because of support functions provided to the Commission for Independent Education. It is derived by applying the ratio of CIE employees to all full time equivalent employees of the department to the budgets of the offices that provide the listed support services.

### III. COMMENTS

#### A. CONSTITUTIONAL ISSUES:

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

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

The bill does not appear to reduce the authority that municipalities or counties have to raise revenues in the aggregate.

This bill does not appear to reduce the percentage of state tax shared with counties or municipalities.

##### 2. Other:

None.

#### B. RULE-MAKING AUTHORITY:

The Commission is no longer required to submit its rules to the State Board of Education for approval or disapproval.

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

The impact of the changing the entity required “to pay out all moneys and funds as directed under this chapter upon vouchers approved by the executive director of the commission...” from the “Chief Financial Officer” to the “chief financial officer of the Department of Education,” needs additional clarification.

Section 1005.35, F.S., requires the Commission to submit its fee revenue through the Department for deposit into the Institutional Assessment Trust Fund. The Department indicates that the terminology in that section should be amended to conform to the other provisions of the bill.<sup>3</sup>

#### D. STATEMENT OF THE SPONSOR

No statement submitted.

### IV. AMENDMENTS/COUNCIL SUBSTITUTE CHANGES

On March 27, 2007, the Committee on Postsecondary Education adopted a strike-all amendment to HB 1501. The strike-all amendment revises and increases the membership of the Commission; houses the Commission within the Department for administrative purposes only; requires the Department to provide certain support services for the Commission; provides that the Commission is not subject to the control, supervision, or direction by the Department; requires the Department to provide the Commission sufficient salary rate and positions to enable the Commission to administer Chapter 1005, F.S.; and, revises powers and duties of the Commission relating to rulemaking, budget requests, expenditure of funds and reporting.

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<sup>3</sup> Department of Education Analysis of House Bill 1501