

**The Florida Senate**  
**BILL ANALYSIS AND FISCAL IMPACT STATEMENT**

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

Prepared By: The Professional Staff of the Budget Committee

BILL: SPB 7130

INTRODUCER: For Consideration by the Budget Committee

SUBJECT: Postsecondary Education Funding

DATE: March 31, 2011                      REVISED: \_\_\_\_\_

	ANALYST	STAFF DIRECTOR	REFERENCE	ACTION
1.	Hamon	Meyer	BC	<b>Pre-meeting</b>
2.	_____	_____	_____	_____
3.	_____	_____	_____	_____
4.	_____	_____	_____	_____
5.	_____	_____	_____	_____
6.	_____	_____	_____	_____

**I. Summary:**

This bill conforms applicable statutes to the appropriations provided in the Senate proposed budget which makes appropriations for higher education for the 2011-2012 fiscal year.

The bill:

- Authorizes the Department of Revenue to provide information regarding gross receipts taxes to the State Board of Education, the Division of Bond Finance and the Office of Economic and Demographic Research. In making the determination of the amount of bonds that can be serviced by gross receipts tax the State Board of Education is to disregard the effects of a 2010 nonrecurring refund.
- Provides an exemption from the 30 percent need based expenditure requirement from the tuition differential fee if the university has covered the entire tuition and fee costs of all need-based students.
- Authorizes spring and summer term student enrollment in universities that would be limited to spring and summer on campus classes. Authorizes Bright Futures scholarships in the summer for these students.
- Temporarily suspends the state match for the facilities and operating challenge grant programs for colleges and universities. Existing eligible donations will remain eligible for future match.
- Suspends for the 2011-2012 fiscal year the sale of Florida Prepaid College individual purchase contracts, except for STARS contracts and program completion purchases by existing participants.
- Requires 100 percent tuition surcharge for hours over 115 percent of degree requirements.

- Updates the 2008 provisions related to tuition and out-of-state fees for postsecondary students in workforce and college education programs to include 2011-2012 tuition. Requires a block tuition charge of \$45.00 and corresponding out-of-state fee per half year for students enrolled in adult general education courses. Removes fee exemptions for certain students enrolled in adult basic, adult secondary and career-preparatory instruction.
- Prohibits funding for coenrollment in public schools and college adult general education programs.
- Creates a scholarship for students with demonstrated financial need if the student takes upper division courses in the STEM fields (Science, Technology, Engineering, and Mathematics).
- Provides that funding for the Florida Resident Access Grant and Access to Better Learning and Education Grant programs funding distribution shall be as determined in the General Appropriations Act.
- Streamlines transient registration and credit transfers for distance learning courses taken by students enrolled in another state institution. Authorizes a student fee of \$5.00 for each course registration through the distance learning catalog to cover costs.
- Streamlines library operations and increases efficiency through consolidation and joint purchasing. Requires creation of a union catalog for higher education.
- Prohibits foundations, direct service organizations, or similar organizations for the Board of Governors. Prohibits any BOG employee from receiving salary or any other compensation from a foundation, direct support organization, or other similar source.
- Prioritizes state student financial aid to the neediest (Pell eligible) students, up to the full cost of tuition and fees.
- Expands the class size reduction lottery bond program to include other educational facilities.
- Provides that funding for state scholarship programs, tuition assistance programs, and the First Accredited Medical School shall be as specified in the General Appropriations Act.
- Codifies current proviso that prohibits the use of workforce education for prison inmate education.

This bill substantially amends sections 213.053, 215.61, 1001.706, 1004.091, 1006.72, 1007.28, 1009.22, 1009.23, 1009.24, 1009.25, 1009.286, 1009.55, 1009.56, 1009.57, 1009.60, 1009.69, 1009.701, 1009.73, 1009.74, 1009.77, 1009.891, 1011.32, 1011.52, 1011.61, 1011.80, 1011.81, 1011.85, 1011.94, 1013.737, 1013.79, and creates sections 1009.215, 1009.251, and 1009.985 of the Florida Statutes.

## II. Present Situation:

### Gross Receipts Tax

Section 9 of Article XII of the Constitution requires that all of the proceeds of the revenues derived from the gross receipts taxes collected pursuant to the provisions of chapter 203, Florida Statutes, be placed in a trust fund to be known as the “public education capital outlay and debt service trust fund” in the state treasury. Monies in the trust fund may only be used to fund capital projects for the state education system. The trust fund is administered by the state board of education.

State bonds pledging the full faith and credit of the state may be issued pursuant to law to finance or refinance capital projects authorized by the legislature, for the state system of public

education. The bonds are primarily payable from revenues derived from gross receipts taxes, and are additionally secured by the full faith and credit of the state.

Section 9 of Article XII of the Constitution states that “No such bonds shall ever be issued in an amount exceeding ninety percent of the amount which the state board determines can be serviced by the revenues derived from the gross receipts taxes . . .”

Section 215.61, F.S., provides that in determining the amount of bonds which can be serviced by the gross receipts tax, the State Board of Education shall use the average annual amount of revenue collected for the tax periods during the 24 months immediately preceding the most recent collection date before the date of issuance of any such bonds, adjusted to reflect revenues that would have been collected had legislation enacted into law before the date of determination been in effect during the 24-month period. Such adjustment shall be based on the assumption that the provisions of the enacted legislation had become effective 24 months before the dates contemplated in the legislation.

In August, 2010, AT&T Mobility LLC (AT&T) entered into a settlement agreement with a number of plaintiffs which, if finally approved by the court, will require AT&T to request refunds of Florida communications services taxes, including gross receipts taxes, paid on charges for wireless data services.<sup>1</sup> The potential refunds are for the period from November 5, 2005 to September 7, 2010. At this time, it is anticipated that any refunds paid to AT&T will be paid in the first half of Fiscal Year 2010-2011.

Under current practice for making the determination required by Section 215.61, F.S., of the amount of bonds that can be serviced by the gross receipts tax, the effect of the refunds will be to reduce the amount of bonds that may be issued for 24 months following the payment of a refund.

### **Distance Learning Consortium**

In FY 2010-2011, legislation required the Florida Distance Learning Consortium, in consultation with the Florida College System (FCS) and State University System (SUS), to develop a plan and submit recommendations to the Board of Governors, State Board of Education, the Governor, the President of the Senate and the Speaker of the House of Representatives for implementation of a streamlined, automated, online registration process for students who wish to enroll in courses listed in the Florida Higher Education Distance Learning catalog; particularly for those students who attend more than one institution in pursuit of a degree. This process is required to be implemented by the 2011-2012 academic year.

The implementation plan was also required to address the following substantive and fiscal policy issues:

- Student financial aid issues;
- Variations in fees among institutions;
- Admission and readmission;
- Registration prioritization issues;
- Transfer of credit; and
- Graduation requirements.

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<sup>1</sup> Information regarding the case can be obtained at: [www.attmsettlement.com](http://www.attmsettlement.com).

Florida has established a single, statewide, computer-assisted student advising system (FACTS.org) which provides all Florida students with advising, registration, and grade certification for graduation the system was developed to facilitate the progression of students towards their postsecondary educational goals. The system provides 24/7 access to students, and provides information related to career descriptions; assists students in determining courses needed to complete a degree; and provides corresponding educational requirements, admissions requirements and sources of financial assistance. Students may retrieve reports which document THEIR status toward completion of a degree, and obtain verification that requirements have been completed for graduation.

The Florida Distance Learning Consortium's plan for implementing a streamlined, automated, online registration process for students who wish to enroll in courses listed in the Florida Higher Education Distance Learning catalog, particularly those students who attend more than one institution in pursuit of a degree, recommended utilizing the transient student application process already available in FACTS.org. The consortium's plan also recommended the inclusion of a few additional data elements in FACTS.org transient student application process that would help to facilitate the streamlined registration process.

### **Electronic Library Resources**

To ensure that electronic library resources were acquired in the most cost-efficient and cost-effective manner, legislation was passed in 2010 that requires the Florida colleges and state universities to collaborate with school districts and public libraries in the identification and acquisition of electronic library resources. It also requires the Florida Center for Library Automation (FCLA) and the College Center for Library Automation (CCLA) to collaborate on the licensing of electronic library resources that are acquired through funds appropriated to FCLA and CCLA for this purpose.

### **Spring and Summer Student Enrollment**

Although demand for enrollment in the state university system is high, many state universities have a higher enrollment in the fall than in the spring and summer terms.

### **Block Tuition for Adult General Education**

The General Appropriations Act sets the standard tuition rate for residents and non-residents for students enrolled in adult general education programs. Few students enrolled in these programs pay any cost for this education because they are exempt under s. 1009.25(1), F.S.

Students currently exempt from paying tuition and fees include:

- A student who does not have a high school diploma or its equivalent, and
- A student who has a high school diploma, but has academic skills at or below the eighth grade level as measured by a test administered in the English language and approved by the Department of Education, even if the student has skills above that level when tested in the student's native language.

### **Tuition Differential Fee for Need-Based Financial Aid**

Section 1009.24(16), F.S., authorizes each university board to trustees to establish a tuition differential fee for undergraduate courses upon approval from the Board of Governors. The

combination of base tuition and tuition differential fee cannot increase more than 15 percent over the prior year, or exceed the national average. Seventy percent of the revenues from the tuition differential fee must be expended for the purposes of undergraduate education. The remaining 30 percent of the tuition differential fee must be used to provide financial assistance to undergraduate students who exhibit financial need.

### **Excess Hour Tuition Surcharge**

Section 1009.286, F.S., requires a surcharge of up to 50 percent of tuition be assessed for each credit hour in excess of 120 percent of the number of credit hours required for completion of the students' registered degree program.

### **STEM Scholarship Program**

Currently the state does not have a dedicated scholarship program to encourage students to enroll in high demand STEM (Science, Technology, Engineering, Math) areas.

### **Florida Resident Access Grant Program and Access to Better Learning and Education Grant Program**

The state provides tuition assistance for Florida students attending nonprofit independent colleges and universities through the Florida Resident Access Grant (FRAG) program. The State also provides tuition assistance to Florida students attending independent for profit colleges and universities through the Access to Better Learning and Education (ABLE) program.

### **Matching Grant Programs**

The legislature authorized universities and colleges to establish matching grant programs for facilities and for operations for which state funds are appropriated to match private donations.

The University Major Gifts Program enables each university to provide donors with an incentive in the form of matching grants for donations for the establishment of permanent endowments and sales tax exemption matching funds received pursuant to s. 212.08(5) (j), F.S., which must be invested, with the proceeds of the investment used to support libraries and instruction and research programs, as defined by the Board of Governors. The Board of Governors shall specify the process for submission, documentation, and approval of requests for matching funds, accountability for endowments and proceeds of endowments, allocations to universities, restrictions on the use of the proceeds from endowments, and criteria used in determining the value of donations. The Board of Governors shall allocate the amount appropriated to each university based on the amount of the donation and the restrictions applied to the donation. Donations for a specific purpose must be matched in the following manner:

- Each university that raises at least \$100,000 but no more than \$599,999 from a private source must receive a matching grant equal to 50 percent of the private contribution.
- Each university that raises a contribution of at least \$600,000 but no more than \$1 million from a private source must receive a matching grant equal to 70 percent of the private contribution.
- Each university that raises a contribution in excess of \$1 million but no more than \$1.5 million from a private source must receive a matching grant equal to 75 percent of the private contribution.

- Each university that raises a contribution in excess of \$1.5 million but no more than \$2 million from a private source must receive a matching grant equal to 80 percent of the private contribution.
- Each university that raises a contribution in excess of \$2 million from a private source must receive a matching grant equal to 100 percent of the private contribution.
- A donation of at least \$600,000 and associated state matching funds may be used to designate an Eminent Scholar Endowed Chair pursuant to procedures specified by the Board of Governors.
- The donations, state matching funds, or proceeds from endowments established under this section may not be expended for the construction, renovation, or maintenance of facilities or for the support of intercollegiate athletics.

The foundation serving a university has the responsibility for the maintenance and investment of its challenge grant account and for the administration of the program on behalf of the university, pursuant to procedures specified by the Board of Governors. Each foundation shall include in its annual report to the Board of Governors information concerning collection and investment of matching gifts and donations and investment of the account.

The Dr. Phillip Benjamin Matching Grant Program for Community Colleges enables each college to provide donors with an incentive in the form of matching grants for donations for:

- Scientific and technical equipment.
- Scholarships, loans, or need-based grants.
- Other activities that will benefit future students as well as students currently enrolled at the community college, will improve the quality of education at the community college, or will enhance economic development in the community.

The matching ratio under the Dr. Phillip Benjamin Matching Grant Program for donations that are specifically designated to support scholarships, including scholarships for first-generation-in-college students, student loans, or need-based grants shall be \$1 of state funds to \$1 of local private funds. Otherwise, funds shall be proportionately allocated to the community colleges on the basis of matching each \$6 of local or private funds with \$4 of state funds. To be eligible, a minimum of \$4,500 must be raised from private sources.

The University Facility Enhancement Challenge Grant Program is for the purpose of assisting universities to build high priority instructional and research-related capital facilities, including common areas connecting such facilities. The associated foundations that serve the universities solicit gifts from private sources to provide matching funds for capital facilities. The matching ratio for this program is \$1 of state funds to \$1 of local private funds. For the purposes of this act, private sources of funds do not include any federal, state, or local government funds that a university may receive.

The Community College Facility Enhancement Challenge Grant Program is for the purpose of assisting the community colleges in building high priority instructional and community-related capital facilities consistent with including common areas connecting such facilities. The direct-support organizations that serve the community colleges solicit gifts from private sources to provide matching funds for capital facilities. The matching ratio for this program is \$1 of state

funds to \$1 of local private funds. Private sources of funds do not include any federal or state government funds that a community college may receive.

### **Prepaid College Program**

Section 1009.98, F.S., creates the Stanley G. Tate Florida Prepaid College Program to provide a medium through which the cost of registration and dormitory residence may be paid in advance of enrollment in a state postsecondary institution at a rate lower than the projected corresponding cost at the time of actual enrollment. Such payments are combined and invested in a manner that yields, at a minimum, sufficient interest to generate the difference between the prepaid amount and the cost of registration and dormitory residence at the time of actual enrollment.

### **Coenrollment in Adult General Education**

Current law allows adult education programs to serve currently enrolled high school students. The definition of an "adult student" includes high school students who are taking an adult education course required for high school graduation. The majority of school districts' adult education programs offer the coenrollment option to high school students. In the 2008-2009 school year, 60,000 high school students were also taking adult education courses. In the 2008-2009 school year, 33 of 56 districts providing adult education programs had 10 or more co-enrolled high school students. These 33 school districts spent approximately \$29 million on these programs.

The Division of Career and Adult Education within the Department of Education conducted a survey on district adult high school coenrollment policies. The reasons for providing the coenrollment option varied among districts. School districts reported that coenrollment was offered as a dropout prevention measure, providing credit recovery to meet graduation requirements; or as grade replacement, which could also provide assistance to students in meeting Bright Futures eligibility requirements. Some districts limit the total number and type of courses, while others do not. Some districts limit participation by grade levels. Fifty two percent of the districts who responded allow course hours over standard diploma requirements.

### **Class Size Reduction Lottery Revenue Bond Program**

The class size reduction lottery revenue bond program was established by the Legislature in Section 1013.727, F. S., in 2003 to provide additional facilities to meet a constitutionally required reduction in public school class size by the beginning of the 2010-2011 school year. The bond proceeds were used to finance or refinance the construction, acquisition, reconstruction, or renovation of educational facilities. The bonds were issued pursuant to, and in compliance with, the provisions of s. 11(d), Art. VII of the State Constitution, the provisions of the State Bond Act, Sections 215.57-215.83, F. S., as amended, and the provisions of Section 1013.727, F. S. The bonds are payable from, and secured by a first lien on, the first lottery revenues transferred to the Educational Enhancement Trust Fund each fiscal year, as provided by Section 24.121(2), F. S., and do not constitute a general obligation of, or a pledge of the full faith and credit of, the state.

### **Sunlink Transfer to College Center for Library Automation**

In the Fiscal Year 2010-2011 General Appropriations Act, Specific Appropriation 80 appropriated \$100,000 with proviso that directed \$50,000 each to the College Center for Library Automation (CCLA) and the Department of Education to transfer the Sunlink bibliographic

database to the CCLA for inclusion in its online discovery tool product and made publicly searchable by school district students, staff, and parents. As of this date, the transfer has not been completed and the Sunlink bibliographic database is not available to school district students, staff, or parents.

### **Single Postsecondary Education Union Catalog**

In the Fiscal Year 2010-2011 General Appropriations Act, proviso required the Florida Center for Library Automation (FCLA) and the College Center for Library Automation (CCLA) to expand their online discovery tool products to allow a user to search simultaneously the combined holdings and applicable electronic resources of FCLA and CCLA. In addition, library holdings currently available in Sunlink, as well as library holdings available in standard machine readable bibliographic records of the State Library of Florida and the public libraries should be included when and where feasible. FCLA and CCLA completed the expanded search function by the required September 1, 2010, deadline.

### **Establishment of Joint Library Technology Organizational Structure**

The Florida Center for Library Automation (FCLA) is the library automation system for the state universities and assists the libraries in their support of teaching, learning, and research. FCLA implements and centrally supports the systems that help libraries acquire, manage, and provide access to information resources. Specifically FCLA provides the following services:

- Online catalog of all holdings and electronic resources of the state universities;
- Library management system;
- Acquisition of electronic databases and resources; and
- System administration.

The College Center for Library Automation (CCLA) is the library automation system for the institutions in the Florida College System. CCLA provides similar services to colleges and community colleges that FCLA provides to the state universities.

The Chancellors of the State University System and the Florida College System jointly established the Task Force on the Future of Academic Libraries in Florida and charged the task force to determine a vision and develop a strategic plan for the future of academic library access, resources and services in Florida that encompasses emerging trends and changing realities in the areas of instruction, research, technology and public services within the context of the academic mission. Recently the Chancellors expanded this charge to include recommendations for the establishment of a joint library technology organizational structure that will meet the needs of academic libraries in both the Florida College System and the State University System in a manner that must be more cost effective than the current organizational structure that includes FCLA and CCLA.

### **Student Financial Assistance**

Although the State has a variety of financial aid programs, there is no uniform requirement that preference be given to need based students first.

### III. Effect of Proposed Changes:

#### **Gross receipts tax**

The bill amends section 215.61, F.S, to direct the State Board of Education to disregard the effects on gross receipts tax collections of refunds paid as a direct result of the settlement reached in *In re: AT&T Mobility Wireless Data Services Sales Litigation*, 270 F.R.D. 330 (August 11, 2010), when making the determination required by Section 215.61, F.S.

The bill also allows the Department of Revenue to share information regarding the amount of any refunds with the State Board of Education, the Division of Bond Finance, and the Office of Economic and Demographic Research.

The provisions of the bill remove the effects of the refunds on the amount of bonds that can be issued and serve to provide a more accurate estimate of the amount of future bonds that can be serviced by the gross receipts tax.

#### **Distance Learning Consortium**

The bill requires the Distance Learning Consortium, beginning with the 2011-2012 academic year, to implement a streamlined, automated on-line registration process for transient students. For purposes of this section, a transient student is defined as a student currently enrolled and pursuing a degree at a public postsecondary educational institution who wants to enroll in a course listed in the Florida Higher Education Distance Learning Catalog that is offered by a public postsecondary educational institution that is not the student's degree-granting institution. The consortium must work with the Florida College System (FCS) and State University System (SUS) to implement the application process which requires FCS and SUS institutions to:

- Use one standard transient student admissions application form, available through the Florida Academic Counseling and Tracking for Students system (FACTS.org);
- Implement financial aid procedures required by the transient student admissions application process;
- Transfer credit awarded by an institution offering the distance learning course to the transient student's degree-granting institution;
- Interface FCS and SUS systems, no later than July 1, 2012, to the FACTS.org system to electronically send, receive and process the transient admissions application; and
- Authorize a transient student fee of up to \$5.00 per distance learning course.

The bill amends current law to require that the FACTS.org system include the transient student application process and that this application process allows for the electronic transfer and receipt of information and records for admissions and readmissions, financial aid, and transfer of credit awarded by the institution offering the distance learning course to the student's degree-granting institution.

Additionally, the bill clarifies that the central instructional content repository is for both public school and postsecondary educational users to search, locate, use, and contribute digital and electronic instructional resources and content, including open access textbooks.

#### **Electronic Library Resources**

The bill requires the chancellors of the Florida College System and the State University System to annually report to the Governor and chairs of the House and Senate legislative appropriations committees the cost savings realized as a result of the collaborative licensing process required in 2010.

### **Spring and Summer Student Enrollment**

Subject to approval by the Board of Governors, each university is authorized to develop and implement a student enrollment plan for the spring and summer terms for the purpose of aligning on-campus student enrollment and the availability of instructional facilities. The plan shall provide for a student cohort that is limited to on-campus enrollment during the spring and summer terms. Students in this cohort would not be eligible for on-campus enrollment during the fall term. Students who are enrolled for the spring and summer terms and who are eligible to receive Bright Futures Scholarships under ss. 1009.53-1009.536 are eligible to receive the scholarship award for attendance during the spring and summer terms but are not eligible to receive the scholarship for attendance during the fall terms.

### **Block Tuition Adult General Education**

The bill provides for a \$45 block tuition and an out-of-state fee of \$135 per half year for students enrolled in adult general education courses. All funds received from the block tuition must be used for adult general education programs only.

The fee exemptions set forth in s. 1009.25(1), F.S., for students enrolled in adult basic, adult secondary, and career-preparatory instruction from payment of tuition and fees, are repealed.

### **Tuition Differential Fee for Need-Based Financial Aid**

If the entire tuition and fee costs have been met for all need-based students who have applied for and received Pell Grant funds and a university has excess funds remaining from the 30 percent of the revenues from the tuition differential fee required to be used to assist students who exhibit financial need, the university may expend the excess portion of the 30 percent to enhance instruction in the same manner as required for the other 70 percent of the tuition differential fee revenue.

### **Excess Hour Tuition Surcharge**

The bill increases the tuition surcharge for excess credit hours from 50 percent of tuition for students who reach 120 percent of the credit hours required for their degree to 100 percent of tuition for students who reach 115 percent of the credit hours required for their degree. Students enrolling in these additional courses will be assessed an increased fee in an effort to encourage students to complete the necessary degree requirements and enter the job force in a timely manner.

### **STEM Scholarship Program**

The STEM Scholarship Program is created for students who are accepted and enrolled in an eligible major in programs of study in the fields of physical science, life science, computer science, technology, engineering, or mathematics. The purpose of the STEM Scholarship Program is to help eligible junior and senior undergraduate students who demonstrate need and are pursuing eligible majors to meet the cost of their postsecondary education. The program shall

be administered by the participating institutions in accordance with rules of the State Board of Education.

Grants to students through the program may be made only to baccalaureate, degree-seeking, Florida residents who are accepted and enroll in an eligible Florida postsecondary institution full-time, at least 12 semester hours or the equivalent per term, and who meet the general requirements for student eligibility as provided in s. 1009.40, except as otherwise provided. In addition the student:

- Must be enrolled in a state university or Florida college authorized by Florida law.
- Must be enrolled in a program of study leading to a baccalaureate degree in the field of physical, life, or computer sciences, mathematics, technology, or engineering.
- Must apply for the Pell Grant. The Pell Grant entitlement shall be considered when conducting an assessment of the financial resources available to each student. The first priority of funding shall be given to students having the lowest total family resources and who demonstrate need by qualifying and receiving federal Pell Grant funds. The amount of the STEM Scholarship award shall supplement the Pell Grant amount at least, but not limited to, up to the full cost of tuition and fees per term, not to exceed the maximum term award. An institution may not impose additional criteria to determine a student's eligibility to receive a grant award.
- Must earn an initial minimum cumulative grade point average of 2.75 on a 4.0 scale prior to applying.
- Must earn a minimum cumulative grade point average of 2.75 on a 4.0 scale for renewal.

A student is eligible to receive an annual STEM Scholarship award during the student's junior and senior academic years in all eligible programs for a maximum of 6 terms. The annual award amount shall be \$1,000 per student or an amount as specified in the General Appropriations Act

#### **Florida Resident Access Grant Program and Access to Better Learning and Education Grant Program**

The bill specifies that the funding for FRAG and ABLE for eligible institutions shall be as provided in the General Appropriations Act.

#### **Matching Grant Programs**

The bill temporarily suspends the state match for the facilities enhancement and operating challenge grant programs for universities and colleges for donations received after June 30, 2011. Existing eligible donations received before July 1, 2011, will remain eligible for future match.

#### **Prepaid College Program**

The bill suspends for the 2011-2012 fiscal year the sale of Florida Prepaid College contracts, except for STARS contracts and program completion purchases by existing participants. Contracts entered into before the effective date of this section may be continued in accordance with the terms of the contract.

#### **Coenrollment in Adult General Education**

A student who is coenrolled in K-12 education program and also in an adult general education course may not be reported for funding in the workforce adult general education program. The effect of this change is a reduction in the funds for workforce education.

#### **Class Size Reduction and Educational Facilities Lottery Revenue Bond Program**

The class size reduction lottery revenue bond program as provided in Section 1013.737, F. S., is expanded to include educational facilities in addition to facilities required to reduce class size. Issuance of any bonds and the use of any bond proceeds under this statute require prior authorization by the Legislature.

#### **Sunlink Transfer to College Center for Library Automation**

The bill requires the transfer of the Sunlink bibliographic database to the CCLA by September 1, 2011.

#### **Single Postsecondary Education Union Catalog**

The bill requires FCLA and CCLA to develop and submit a plan by December 1, 2011, for establishing a single postsecondary education union catalog that includes the combined holdings and electronic resources of all state universities and institutions in the Florida College System. The plan must include projected costs for the development and ongoing maintenance of the union catalog and projected cost savings resulting from FCLA and CCLA no longer being required to maintain separate online discovery tool products and associated resources

#### **Establishment of Joint Library Technology Organizational Structure**

The bill requires the Task Force on the Future of Academic Libraries in Florida to develop and submit the plan for the establishment of a joint library technology organizational structure to the chairs of the appropriations committees of the Senate and the House of Representatives and the Executive Office of the Governor by January 1, 2012

#### **Student Financial Assistance**

The bill prioritizes state student financial assistance to the neediest (Pell eligible) students, up to the full cost of tuition and fees.

#### **Other Funding Provisions**

The bill provides that funding for state scholarship programs, tuition assistance programs, and the First Accredited Medical School shall be as specified in the General Appropriations Act. It also includes current proviso language that prohibits the use of workforce education funds for prison inmate education. The bill also updates student fee language for the Florida College System and the Workforce Development Program.

#### **Other Potential Implications:**

#### **IV. Constitutional Issues:**

##### **A. Municipality/County Mandates Restrictions:**

None.

B. Public Records/Open Meetings Issues:

None.

C. Trust Funds Restrictions:

None.

D. Other Constitutional Issues:

**V. Fiscal Impact Statement:**

A. Tax/Fee Issues:

The bill authorizes a nominal (up to \$5) fee per distance learning course for processing transient admissions applications. This is part of a plan to streamline and automate the distance learning admissions process and to cover the cost of processing the electronic admission applications. In the current year, there were about 44,541 transient applications sent through FACTS.org. Should these students all meet the criteria outlined in the bill for electronic registration, (registered undergraduate student seeking a class through the Distance Learning Catalogue at another public institution) and if all institutions levied the maximum fee, an additional \$222,750 would be available to the State Universities and the Florida College System.

B. Private Sector Impact:

None.

C. Government Sector Impact:

Bonding - The bill modifies education bonding programs by broadening the uses of bond proceeds by expanding the Class Size Reduction lottery bond program and by increasing PECO bond capacity by disregarding the effects of a 2010 refund. The lottery bond program has approximately \$30 million in available bond capacity and the change in PECO creates additional capacity of approximately \$130 million.

Spring and summer student enrollment – Many state universities have a higher enrollment in the fall than in the spring and summer terms. Once a university is allowed to accept a group of students limited to these latter terms, better and more efficient use of university facilities and resources is anticipated.

Tuition differential fee for need-based aid – For a university which has met the requirement for need-based aid for students from the tuition differential, the changes will allow for more flexible utilization of the remaining differential funds.

Increase in tuition surcharge for excess hours from 50% to 100% - There is a potential for additional revenue of up to \$52 million for the university system. However changes in student behavior (more students may probably graduate sooner rather than pay the higher fees), may negate a significant portion of this potential revenue. Should a significant number of affected students graduate sooner, this would contribute to the efficiency of the system by freeing up capacity and increasing graduation rates.

STEM scholarships – The amount of \$3.4 million is included in the proposed Senate Budget for this scholarship.

Temporary suspension of state matching for Challenge Grants – The state share of the unmatched Challenge Grants now totals \$517 million. The suspension will freeze state commitments to donations received by June 30, 2011.

Prohibition of funding for coenrollment –The budget makes reductions of \$699,792 in the Florida Colleges and \$28 million in Public School Workforce Programs for this population. However these amounts are added back to their respective budgets to be reallocated to existing programs.

Tuition increase for workforce, college, and adult general education – The proposed Senate budget includes an 8% tuition increase for the Florida colleges and Workforce Development. This will yield an additional \$67.7 million and \$2.9 million respectively for the two systems. In addition, the new block tuition for adult general education is expected to yield revenue of \$12.7 million at current enrollment levels in district Workforce Programs and the Florida Colleges.

**VI. Technical Deficiencies:**

None.

**VII. Related Issues:**

None.

**VIII. Additional Information:**

**A. Committee Substitute – Statement of Substantial Changes:**  
(Summarizing differences between the Committee Substitute and the prior version of the bill.)

None.

**B. Amendments:**

None.