

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: SB 1992 (SPB 7098)

INTRODUCER: Budget Committee

SUBJECT: Postsecondary Education Funding

DATE: February 15, 2012 REVISED: 2/20/12 _____

	ANALYST	STAFF DIRECTOR	REFERENCE	ACTION
1.	<u>Hamon</u>	<u>Rhodes</u>	_____	SPB 7098 Favorable, as amended
2.	_____	_____	_____	_____
3.	_____	_____	_____	_____
4.	_____	_____	_____	_____
5.	_____	_____	_____	_____
6.	_____	_____	_____	_____

I. Summary:

This bill conforms applicable statutes to the appropriations provided in the Senate proposed budget that makes appropriations for higher education for the 2012-2013 fiscal year.

The bill:

- Eliminates Vocational Rehabilitation responsibilities related to injured worker program.
- Authorizes oversight responsibility for Division of Colleges related to Florida College System Institutions that have significant potential management or academic issues.
- Revises the severance package language for colleges and universities to conform to s. 215.512, F.S.
- Requires coalitions to maximize purchasing power for institutions of higher education.
- Authorizes the Board of Governors to approve transfer of unused budget authority within the E/G Student and Other Fees Trust Fund.
- Establishes the Florida Degree Consortium by merging the Distance Learning Consortium, FACTS.org, and Degree Completion Pilot Program.
- Establishes a Degree Completion Pilot Program in the Florida Degree Consortium to facilitate online degrees for adults with prior college or university credit.
- Establishes the Florida Library Resource Center for institutions of higher education.
- Requires an excess hour surcharge over 110 percent for students enrolling for the first time in 2012-2013, instead of over 115 percent.
- Removes exemption from State Board of Education approval for baccalaureate degree programs to be offered by a Florida College System Institution.

- Clarifies that only 2 semesters of Bright Futures Scholarship funding is provided for students participating in the Spring/Summer Cohort Pilot.
- Allows students up to 2 years after high school graduation to accept a Bright Futures scholarship award, instead of 3 years.
- Clarifies that the Free Application for Federal Student Aid is submitted annually and provides for an alternative form for students who do not choose to submit a FAFSA.
- Authorizes an additional supplement for upper-division courses in the fields of science, technology, engineering, and mathematics for Bright Futures Scholarships subject to funding in the General Appropriations Act.
- Limits Gold Seal Scholarships to job-related career programs.
- Requires the Florida Fund for Minority Teachers, Inc. to use a contingency collections agency to collect repayments of defaulted scholarships. The fund is also required to report annually its balance of assets and cash reserves.
- Requires the Auditor General to notify the Joint Legislative Auditing Committee of any audit review which indicates that a state university or state college has failed to take corrective action.
- Authorizes the University of Florida to exceed the 5% bonding limitation on the Activities and Service (A&S) fee to fund the renovation and expansion of the student union.
- Requires the Division of Blind Services to give Daytona State College the first priority for the use of available Blind Services land in Daytona.
- Allows fee exemption for adult education students when the full program cost is paid by another party.
- Makes a clarifying correction to workforce fee exemption statute.

This bill amends sections 11.45, 287.057, 402.7305, 413.011, 427.0135, 440.15, 440.50, 1001.02, 1001.64, 1001.706, 1007.33, 1009.215, 1009.25, 1009.286, 1009.531, 1009.532, 1009.534, 1009.535, 1009.536, 1009.60, 1009.605, 1012.83, creates 1004.092, 1004.093, 1006.73, repeals 440.33(3), 440.491, of the Florida Statutes.

II. Present Situation:

Injured Worker Program

The Division of Vocational Rehabilitation's Bureau of Rehabilitation and Reemployment Services (BRRS) provides reemployment services to injured employees in accordance with s. 440.491, Florida Statutes (Florida Workers' Compensation Law), and Rule Chapter 6A-22, Florida Administrative Code. Reemployment Services are provided to injured employees who are not able to return to their usual and customary occupation due to their work injury and require additional services to return to suitable gainful employment as defined in s. 440.491(1)(h). Reemployment services include vocational counseling, job-seeking skills training, transferable skills analysis, job placement, labor market information, and training and education. Additional services may include referrals to other entities for services to assist with needs outside the scope of the Workers' Compensation System. The program organized by this section has existed since 1993.

The Workers' Compensation Administration Trust Fund (WCATF) within Department of Financial Services provides for the payment of expenses in respect to the administration of the

workers' compensation program in the state.¹ Additionally, each fiscal year, funds are appropriated from the Workers' Compensation Administration Trust Fund to be transferred to other agencies to support related programs. Besides the Division of Vocational Rehabilitation, funds from the WCATF are also transferred annually to other agencies which include the Agency for Health Care Administration, Department of Business and Professional Regulation, Department of Management Services/Division of Administrative Hearings, First District Court of Appeal, and Justice Administration Commission (for use by the State Attorney in the 11th Judicial Circuit for the prosecution of workers' compensation fraud).

The major revenue source (other than fines imposed by the Division of Workers' Compensation) for the WCATF is assessments on workers' compensation insurance premiums as provided for in s. 440.51(1), F.S. Each year, by July 1st the department is required to notify insurance carriers and self-insurers of the assessment rate necessary for the enforcement of ch. 440, F.S. The assessment rate is effective the following January 1st. In an economic downturn, worker's compensation claims can exceed revenues produced, which in turn requires either expenditures to be reduced where possible, or imposition of assessment rate increases.

During the 2011 legislative session, budgetary reductions were made to the Injured Worker Program, and certain investigative, monitoring, and regulatory duties of the Division of Vocational Rehabilitation related to the program were eliminated. The program was reduced by 55 full-time-equivalent (FTE) positions, and \$5.5 million in funding. These reductions were the result of declining cash balances in the Workers' Compensation Administrative Trust Fund (WCATF).

Division of Colleges Oversight Responsibilities

The State Board of Education is the head of the Department of Education. The Division of Colleges is assigned to the department. The State Board of Education and the Commissioner of Education are required to assign divisions such powers, duties, responsibilities, and functions as are necessary to ensure the effectiveness of education for students education under the jurisdiction of the State Board of Education.²

Severance Pay in the Florida Colleges and State Universities

A board of trustees of a Florida State College Institution and the Board of Governors may not enter into an employment contract that requires payment to a president or an employee from state funds in excess of 1 year of the individual's annual salary for termination, buyout, or any other type of contract settlement. This does not prohibit the payment of leave and benefits accrued by the individual in accordance with the college or university leave and benefits policies before the contract terminates.³

On or after July 1, 2011, a unit of government that enters into a contract or employment agreement, or renewal or renegotiation of an existing contract or employment agreement, that

¹ Section 440.50, F.S.

² s. 20.15, F.S.

³ s. 1001.64 (47), F.S., 1001.706(6)(d), F.S., 1012.83(2), F.S.

contains a provision for severance pay with an officer, agent, employee, or contractor must include the following provisions in the contract:⁴

- A requirement that severance pay provided may not exceed an amount greater than 20 weeks of compensation.
- A prohibition of provision of severance pay when the officer, agent, employee, or contractor has been fired for misconduct, as defined in s. 443.036(29), by the unit of government.
- An officer, agent, employee, or contractor may receive severance pay that is not provided for in a contract or employment agreement if the severance pay represents the settlement of an employment dispute. Such severance pay may not exceed an amount greater than 6 weeks of compensation. The settlement may not include provisions that limit the ability of any party to the settlement to discuss the dispute or settlement.

State Universities and Board of Governors Transfer of Funds

A university board of trustees is responsible for the financial management of its university. The board must account for the expenditures of all funds, establish tuition rates under purview of the Board of Governors, and submit annual financial statements.⁵ The board of trustees also has the authority to transfer funds within the fiscal year to and from the special units under its jurisdiction, including medical schools and institutes. Universities must then submit a Resource Utilization Deviation request to the Board of Governors as a component of their annual operating budget submission in an effort to amend the budget requests to reflect the needs of the major institutions and of their special units. The Legislature then takes this information into account and appropriates funds separately to each major institution and to the medical schools.

Florida Distance Learning Consortium

In 1996,⁶ the State Board of Community Colleges (SBCC) established the Florida Community College Distance Learning Consortium (FCCDLC) as an advisory committee to the SBCC for purposes of:

- Advising the SBCC on policy and fiscal issues relating to distance learning and technology.
- Coordinating the establishment of a technology-enhanced delivery system that supports the mission of Florida's community colleges while also increasing access to higher education for all Florida residents.
- Representing the community college system on regional and national committees.

Also in 1996, the Institute for Public Postsecondary Distance Learning (Institute) was created by the Board of Regents and the SBCC through a memorandum of understanding and was administratively housed at Florida Gulf Coast University.⁷ The primary purpose of the Institute was to encourage and facilitate the cooperative development and delivery of distance learning instruction between the state universities and the community colleges.

⁴ s.215.425, F.S.

⁵ Board of Governors Rule 1.001(6), University Board of Trustees Powers and Duties

⁶ House of Representatives Staff Analysis for CS/HB 7105, Policy & Budget Council; Schools & Learning Council, 4/21/2008.

⁷ *Id.*

In 2003 the governing bodies of the FCCDLC and the Institute agreed to consolidate to create the Florida Distance Learning Consortium (FDLC). The FDLC was designed to:

- Take on the responsibility for providing strong distance learning leadership for a K-20 education delivery system.
- Exist as a membership organization open to any Florida accredited school district, community college, state university, or any Independent Colleges and Universities of Florida (ICUF) institution.
- Exist as an advisory body to the State Board of Education in order to support the distance learning process at all educational levels and serve as a catalyst for greater collaboration and coordination.

Since the State Board of Education and the Board of Governors did not formally establish the FDLC within the state's postsecondary educational structure, to include the identification of clearly defined roles and responsibilities, participation and use of the FDLC's services and activities was voluntary.⁸

In 2008 the Legislature created the Florida Distance Learning Task Force to submit a report to the Governor, the Speaker of the House of Representatives, the President of the Senate, the State Board of Education, the Board of Governors, and the state university and community college boards of trustees no later than March 1, 2009, that provided recommendations on several distance learning-related issues to include the future role of the FDLC.⁹

The task force submitted its report on February 26, 2009, and identified five major substantive policy findings and recommendations for legislative consideration:¹⁰

- Establish the FDLC in statute as a statewide higher education collaborative with responsibilities and accountability.
- Adopt a definition of "distance learning" for the purpose of assessing the distance learning fee.
- Promote access for students by requiring postsecondary institutions to provide a link to the distance learning catalog.
- Finalize the plan for implementing online registration process.
- Continue development of a central repository to provide open access textbook opportunities for students.

In 2009 the Legislature established the FDLC in statute to facilitate collaboration among the public postsecondary educational institutions in their use of distance learning to increase access to associate and baccalaureate courses and degree programs; to support institutions in their use of

⁸ *Id.*

⁹ 2008-148, Laws of Florida.

¹⁰ Presentation by Co-Chair of the Florida Distance Learning Task Force to the House State & Community Colleges & Workforce Policy Committee on March 10, 2009. The *Florida Distance Learning Task Force Report*, February 26, 2009, contains 23 recommendations on a variety of distance learning issues.

technology; and to help build partnerships among the institutions, businesses, and communities.¹¹ The Board of Governors and the State Board of Education exercise joint oversight of the FDLC and has established its administrative and operational guidelines and processes.

Florida Higher Education Distance Learning Catalog

In 1997, the FCCDLC developed the first system-wide online catalog listing the distance learning courses offered by Florida's public community colleges. All participating community colleges entered their distance learning courses into the catalog and prospective students could search for the availability of distance learning courses by term, college, course number, or course prefix. Once a prospective student located a course of interest, the student would be linked to the appropriate college's website for course registration and enrollment.¹²

By 2002, the Institute had created a similar online distance learning catalog for the state universities. When the governing bodies of the FCCDLC and Institute decided to consolidate and form the FDLC, the two online distance learning catalogs were combined to create a single comprehensive public postsecondary distance learning course and degree program catalog.¹³

In 2008, the Legislature codified the catalog in statute and established the Florida Higher Education Distance Learning Catalog.¹⁴ The number of distance learning courses that catalog has continuously increased over the years from 6,000 courses listed in 2005 to 28,272 in 2010-11.¹⁵

Florida's Academic Counseling and Tracking for Students System

In 1995, the Legislature directed Florida's higher education governing systems to design and implement a single, statewide computer-assisted student advising system. The legislation mandated that the system include a degree audit and an articulation component to assist students in course selection, document their status toward degree completion, and verify when students complete graduation requirements. A working prototype of these features was completed in 1999, and by 2004, 38 of the 39 public postsecondary institutions had implemented the degree audit, transcript, and admissions application functionalities.¹⁶

The 2002 Florida Education Governance Reorganization codified in statute the establishment of the computer-assisted student advising system, which had become known as the Florida's Academic Counseling and Tracking for Students (FACTS), and expanded its mission to support Florida's K-20 seamless education system.¹⁷ Several high school tools were added to FACTS including a personalized high school planner (Electronic Personal Education Planner or ePEP)

¹¹ Chapter 2009-92, Laws of Florida.

¹² House of Representatives Staff Analysis for CS/HB 7105, Policy & Budget Council; Schools & Learning Council, 4/21/2008.

¹³ *Id.*

¹⁴ Chapter 2008-148, Laws of Florida.

¹⁵ Presentation to House Higher Education Appropriations Subcommittee on December 7, 2011, *Online Registration Process for Transient Students: Update*.

¹⁶ OPPAGA Postsecondary Student Use of the Florida Academic Counseling and Tracking for Students (FACTS) Is Low – April 2008.

¹⁷ Chapter 2002-387, Laws of Florida.

and a variety of scholarship, dual enrollment, and academic planning information.¹⁸ In 2006, the Legislature required that all middle school students use FACTS to create an ePEP as part of a class required for promotion to 9th grade.¹⁹

In 2011, the Legislature expanded the functionality of FACTS by requiring the system to provide the admissions application for transient students who are undergraduate students currently enrolled and pursuing a degree at a public postsecondary educational institution and who want to enroll in a course listed in the Florida Higher Education Distance Learning Catalog which is offered by a public postsecondary educational institution that is not the student's degree-granting institution.²⁰

Florida Center for Library Automation and College Center for Library Automation

In 1984, the Legislature appropriated funds for the establishment of the Florida Center for Library Automation (FCLA) to focus on the library automation needs of the state universities. Today FCLA provides library automation support to 79 libraries on 55 campuses as part of the 11 institutions of the State University System (SUS). In 2009, FCLA was designated an Academic Infrastructure Support Organization (AISO) which means it supports all the state universities with statewide infrastructure and services. The FCLA director reports to the University of Florida Academic Provost and Senior Vice President who oversees FCLA on behalf of the SUS Council of Academic Vice Presidents.²¹

In 1989, the Legislature appropriated funds for the establishment of the College Center for Library Automation (CCLA) to serve the library automation needs of the community colleges. Today CCLA provides library automation support to 82 physical library sites as part of the 28 institutions in the Florida College System (FCS). Under a formal agreement, the Chair of the Council of Presidents and the Chancellor of the FCS are responsible for CCLA's governance and general oversight. A state-level contract administrator is appointed to act on their behalf in all matters pertaining to the organization.²²

In July 2010, the Task Force on the Future of Academic Libraries in Florida was created by the chancellors of the SUS and FCS. The chancellors instructed 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 service within the context of the academic mission."²³

On March 2, 2011, the chancellors submitted a letter to the members of the task force that expanded their charge by requesting that they develop strategies and timelines for establishing a library technology organizational structure that would meet the needs of academic libraries in

¹⁸ OPPAGA Postsecondary Student Use of the Florida Academic Counseling and Tracking for Students (FACTS) Is Low – April 2008.

¹⁹ Chapter 2006-74, Laws of Florida.

²⁰ Chapter 2011-63, Laws of Florida.

²¹ Task Force Report on the Future of Academic Libraries in Florida, *Unified Library Services Business Plan*, November 10, 2011.

²² Task Force Report on the Future of Academic Libraries in Florida, *Unified Library Services Business Plan*, November 10, 2011.

²³ Task Force on the Future of Academic Libraries in Florida, *Unified Library Services Business Plan*, November 10, 2011.

both the SUS and FCS in a manner that was more cost-effective than the current organizational structure. The task force was requested to submit its plan by December 31, 2011.²⁴

In 2011, the Legislature directed the chancellors of the SUS and FCS to submit a plan to the Executive Office of the Governor and to the legislative appropriations committees by January 1, 2012, for establishing a joint library organization to address the needs of academic libraries in the SUS and FCS that replaces the FCLA and the CCLA.²⁵

The task force's *Unified Library Services Business Plan*, November 10, 2011, was submitted to the legislative appropriations committees and includes the following high-level recommendations:²⁶

- Governance structure to include full representation of all public higher education institutions.
- Board of Directors to provide leadership and oversight, as well as accountability to the two system chancellors.
- Internal organization to be based on the services provided by the new organization.
- New organization to contract with a postsecondary institution for administrative and other support.
- As the new organization matures, other entities (ICUF institutions, public libraries, K-12) may want to contract for certain services.
- The new organization must be able to adapt to ever-changing technologies.
- No additional funds are requested for the new organization.
- Cost savings achieved through consolidating FCLA and CCLA services should be used to provide additional services or offset inflationary costs for eResources.
- The new organization's official start date should be July 1, 2012.
- FCLA and CCLA should continue to exist until June 30, 2013, to allow for a smooth transition of services.
- Identify transition team and interim director.
- Form Members Council and Board of Directors.
- Hire permanent executive director.
- Contract with postsecondary institution.
- Determine location.

Baccalaureate Degree Programs

The Division of Florida Colleges may accept and review applications from a Florida College System institution to obtain an exemption from the State Board of Education's approval for subsequent degrees. To be eligible for an exemption the Florida College System institution must be accredited by the Commission on Colleges of the Southern Association of Colleges and Schools as a baccalaureate-degree-granting institution and has been offering baccalaureate degree programs for 3 or more years. The division is to develop criteria for determining

²⁴ March 2, 2011, letter from Chancellors Brogan and Holcombe to the members of the Task Force for the Future of Academic Libraries in Florida.

²⁵ Chapter 2011-63, Laws of Florida.

²⁶ Task Force on the Future of Academic Libraries in Florida. *Unified Library Services Business Plan*, November 10, 2011.

eligibility for an exemption based upon demonstrated compliance with the requirements for baccalaureate degrees and primary mission.

Excess Credit Hour Surcharge

Students who entered into a state university or college in the 2011-12 academic year for the first time will pay a 100 percent of tuition surcharge for excess credit hours above 115 percent of the credit hours required for their degree. Students who entered into a state university or college prior to the 2011-12 academic year for the first time will pay a 50 percent of tuition surcharge for excess credit hours above 120 percent of the credit hours required for their degree.²⁷

Student Enrollment Pilot Program for Spring and Summer Terms

In Fiscal Year 2011-12, the University of Florida was authorized to develop and implement a student enrollment plan for the spring and summer terms to align on-campus student enrollment with the availability of instructional facilities. The pilot provided for a student cohort limited to on-campus enrollment during these terms. Legislative authority provided that students enrolled in the pilot program were eligible to receive the scholarship award for attendance in the spring and summer terms, but were not eligible to receive the scholarship for attendance during the fall.²⁸

Florida Bright Futures Scholarship Program

Length of Time to Accept Initial Bright Future's Scholarship Award

Section 1009.531(2)(c), provides that a student who qualifies for a Florida Bright Futures Scholarship Program is eligible to accept an initial award for 3 years following high school graduation and to accept a renewal award for 5 years following high school graduation. A student who applies for an award by high school graduation and who meets all other eligibility requirements, but does not accept his or her award, may reapply during subsequent application periods for up to 3 years after high school graduation. Exceptions are made for a student who enlists in the United States Armed Forces immediately after completion of high school in that the 3-year eligibility period for his or her initial award and the 5-year renewal period begins upon the date of separation for active duty. Also, for a student who is receiving a Florida Bright Futures Scholarship award and discontinues his or her education to enlist in the United States Armed Forces, the remainder of his or her 5-year renewal period commences upon the date of separation from active duty. For all Bright Futures Scholarships, if a course of study is not completed after 5 academic years, an exception of 1 year to the renewal timeframe may be granted due to verifiable illness or other documented emergency.

Annual Submission of the FAFSA

Beginning in Fiscal Year 2011-12 and each subsequent year, students applying for a Florida Bright Futures Scholarship award are required to submit a complete and error-free Free Application for Federal Student Aid (FAFSA) prior to award disbursement. Legislative intent

²⁷ s. 1009.286, F.S.

²⁸ s. 1009.215, F.S.

was to require all Florida Bright Futures Scholarship recipients to annually submit the FAFSA; however, the requirement was placed in the statute that applies for initial awards, and not included in the section of law pertaining to renewal awards.²⁹

Gold Seal Vocational Scholars Award

The Gold Seal Vocational Scholars Award was created within the Florida Bright Futures Scholarship Program to recognize and reward academic achievement and career preparation by high school students who wish to continue their education. The eligibility requirements for this scholarship program are quite different from the Academic and Medallion Scholarships. A student wishing to receive the Gold Seal Vocational Scholarship must complete the secondary school portion of a sequential program of study which requires at least three secondary school career credits taken over at least two academic years, and is continued in a planned, related postsecondary program. Instead of defined SAT scores, which Academic and Medallion Scholars must meet, the Gold Seal Vocational Scholar must demonstrate college readiness by earning a passing score on the Florida College Entry Level Placement Test or equivalent.

Gold Seal Vocational Scholars are limited to 100 percent of the number of credit hours to complete a program, up to 90 credit hours. Many specific career-focused certificate, diploma and degree programs are offered through school district technical centers and Florida College System institutions, as well as other private technical centers or private institutions. These programs require fewer credit hours to complete than a baccalaureate degree and prepare students to obtain specific training for targeted high skill/high wage employment. Most of these programs require 60 hours or less. A few require more than 60, but less than 72, and very few require more than 72 hours to complete.

Career programs include: an Applied Technology Diploma Program, a Technical Degree Education Program, and a Career Certificate Program. The Applied Technology Diploma Program is a course of study that is part of a technical degree program which requires less than 1,800 clock hours, the equivalent of 60 credit hours, and leads to employment in a specific occupation.³⁰ A Technical Degree Education Program is a course of study that leads to an Associate in Applied Science or Associate in Science degree,³¹ typically requiring 60 to 72 credit hours. A Career Certificate Program is a course of study that leads to at least one occupational completion point or competency in a specific area of study.³² Most certificate programs require 1,800 clock hours, the equivalent of 60 credit hours; however, there are nine programs that require more, ranging from 63 to 95 credit hours.³³

Florida Fund for Minority Teachers

The Florida Fund for Minority Teachers, Inc., (FFMT) is a not-for-profit corporation housed in the College of Education at the University of Florida which administers and manages the

²⁹ Section 1009.531(7), F.S.

³⁰ Section 1004.02(8), F.S.

³¹ Section 1004.02(14), F.S.

³² Section 1004.02(21), F.S.

³³ Email correspondence, Division of Career and Adult Education

minority teacher education scholars program.³⁴ The FFMT is authorized to award up to \$4,000 per year to 350 new scholars in their junior year and up to 350 renewal scholarships to seniors. The recipients may be awarded scholarships for no more than three years. Participants in the program primarily attend Florida College System institutions, but may attend other public and private colleges and universities which have teacher education programs. The program requires the recipient to graduate within three years, and teach at a Florida public institution for one year for each year the scholarship was received. Recipients who fail to graduate within three years or fulfill the employment requirement are required to repay the scholarship with interest. The FFMT indicates the collection rate for defaulted scholarships is less than ten percent.

From Fiscal Years' 1996-97 through 2010-11, FFMT received \$37.7 million in state funding. Of these appropriations, approximately \$33.5 million of these funds were expended on scholarships. Florida statute allows five percent of the appropriation to be used to administer the program, including support for the Board of Directors, and a required training program to assist with the recruitment, retention, and graduation of minority teacher scholars. Section 1009.60(2), Florida Statutes, requires that the training program must include an annual conference or series of conferences.

Prior to 2009, the FFMT was allowed to keep unspent funds for the program to be used for future scholarships. In Fiscal Year 2009-10, however, statutory changes were made which require any appropriated funds not spent for scholarships, less the five percent for administration, be returned to the Department of Education (department).³⁵

Over the past several years, the Legislature made reductions to many programs due to budgetary constraints. In scrutinizing programs, the Legislature has required stricter oversight of state contracts and expenditures³⁶. State appropriations totaling \$3 million for the FFMT program in Fiscal Year 2008-09, have been reduced to \$985,468 in Fiscal Year 2011-12. These reductions were based on information received from the Department of Education comparing historical appropriations, less five percent authorized for administering the program, to actual expenditures for scholarships. According to the department, FFMT should have a cash balance of approximately \$2.6 million; however, according to the FFMT's June 30, 2011 financial statement, the cash balance was somewhat smaller than this amount, indicating that more than five percent has been used to administer the program.

Section 1009.605 currently does not include financial reporting requirements.

University Activity and Service Fee

Pursuant to section 1009.24 (10), each university board of trustees is required to establish a student activity and service fee to be used to benefit the student body in general. These fees may be bonded to secure revenue bonds except that the annual debt service shall not exceed an amount equal to 5 percent of the fees collected during the most recent 12 consecutive months for which collection information is available prior the sale of the bonds.

³⁴ FFMT authorized in s. 1009.605, F.S.

³⁵ Section 1009.605(2)(b), F.S.

³⁶ Section 287.058, F.S.

III. Effect of Proposed Changes:

Injured Worker Program

The bill repeals s. 440.491, Florida Statutes, relating to reemployment/rehabilitative services for injured workers. Reemployment services include vocational counseling, job seeking skills training, ergonomic job analysis, labor market surveys, and arranging other services such as education or training, vocational and on-the-job, which may be needed by the employee to secure suitable employment. Other services provided by the BRRS include payment for training and education.

It is anticipated that some injured employees will be determined eligible for other services provided by the Division of Vocational Rehabilitation (DVR) as an alternative to programs that were offered by the BRRS program. DVR assists people who have a physical or mental disability with preparing for a job, finding a job, or retaining employment.

Division of Florida Colleges Responsibilities

The Division of Florida Colleges will have oversight responsibility for Florida College System institutions that have potential significant management or academic issues

Severance pay in the Florida Colleges and State Universities

The bill revises severance pay language for college and universities to conform to s. 215.425, F.S., providing that on or after July 1, 2011, a unit of government that enters into a contract or employment agreement, or renewal or renegotiation of an existing contract or employment agreement, that contains a provision for severance pay with an officer, agent, employee, or contractor must include the following provisions in the contract:

- A requirement that severance pay provided may not exceed an amount greater than 20 weeks of compensation.
- A prohibition of provision of severance pay when the officer, agent, employee, or contractor has been fired for misconduct, as defined in s. 443.036(29), by the unit of government.
- An officer, agent, employee, or contractor may receive severance pay that is not provided for in a contract or employment agreement if the severance pay represents the settlement of an employment dispute. Such severance pay may not exceed an amount greater than 6 weeks of compensation. The settlement may not include provisions that limit the ability of any party to the settlement to discuss the dispute or settlement.

Florida College and State University Purchasing Consortia

The bill requires each college board of trustees to enter into consortia and cooperative agreements for the purpose of maximizing the purchasing power for goods and services. A consortium may be statewide or regional, as appropriate to achieve the lowest cost.

The bill requires the Board of Governors to adopt regulations requiring universities to enter into consortia and cooperative agreements to maximize the purchasing power for goods and services.

A consortium or cooperative agreement may be statewide or regional, as appropriate to achieve the lowest cost.

The goal of such agreements is to achieve a 5 percent savings from existing contract prices.

Transfer of Unused Budget Authority

The bill authorizes the Board of Governors to approve transfer of unused budget authority within the Education and General Student and Other Fees Trust Fund.

Florida Degree Consortium

The bill establishes the Florida Degree Consortium by consolidating the services and resources provided by the Florida Distance Learning Consortium, the Florida Higher Education Distance Learning Catalog, FACTS.org, and the Degree Completion Pilot Program established by this bill. The consortium will serve as a central point of contact to facilitate collaboration among public postsecondary educational institutions in their use of these resources to increase student access and completion of associate and baccalaureate degrees. The chancellors of the Florida College System and the State University System will exercise joint oversight of the Florida Degree Consortium and establish its governance and reporting structure, administrative and operational guidelines and processes, staffing requirements, and operational budget.

Baccalaureate Degree Programs

The bill removes the exemption from State Board of Education approval for baccalaureate degree programs to be offered by a Florida College System Institution.

Degree Completion Pilot Program³⁷

The bill establishes the degree completion pilot program for the purpose of recruiting, recovering, and retaining the state's adult learners and assisting them in completing an associate degree or baccalaureate degree that is aligned to high-wage, high-skill workforce needs. An estimated 2 million Floridians have not finished college and do not have the skills needed for high wage high skills jobs needed in the current economy. These adults are 23 percent of the workforce. Florida has a significant military and veteran population. Currently 56,000 veterans of Florida's 1,650,900 veterans are taking courses. The pilot will focus on assisting Floridians who left an institution in good standing before completing an associate degree or baccalaureate degree. Priority attention shall be given to assisting veterans and active-duty servicemembers.

Currently over 465 fully online degree programs, over 104 fully online degrees in Business, Computer Science/Technology, Education and Health/Nursing Areas, and over 50,000 fully online courses are provided by colleges and universities in Florida.

³⁷ Complete College Florida Pilot presentation to Senate Budget Appropriations Subcommittee on Higher Education January 25, 2012.

The lead institutions for the pilot are University of West Florida, University of South Florida, St. Petersburg College, and Florida State College Jacksonville. The pilot program will use the services of the Florida Distance Learning Consortium (FDLC) and other resources in the Florida Degree Consortium established by the bill.

Florida Library Resource Center for Universities and Colleges

The bill creates the Florida Library Resource Center for Universities and Colleges as recommended by the joint task force. The center is created by having the former Florida Center for Library Automation and the College Center for Library Automation combine resources. The new center will be jointly governed by the Chancellor of the State University System and the Chancellor of the Florida College System. It will have representation of all higher education institutions and provide services as determined by the board of directors and authorized by the chancellors. It will provide for cost efficient and cost effective use of the state's technological infrastructure through next generation library management tools and the coordination of negotiation of statewide pricing agreements.

Excess Credit Hour Surcharge

The bill requires students entering into a state university or college in the 2012-13 academic year for the first time to pay 100 percent of tuition surcharge for excess credit hours above 110 percent of the credit hours required for their degree. A surcharge for excess course is intended as an incentive for students to complete their degree requirements in a timely manner.

Students who entered into a state university or college in the 2011-12 academic year for the first time pay a 100 percent of tuition surcharge for excess credit hours above 115 percent of the credit hours required for their degree. Students who entered into a state university or college prior to the 2011-12 academic year for the first time will pay 50 percent of tuition surcharge for excess credit hours above 120 percent of the credit hours required for their degree.

Florida Bright Futures Scholarship Program

The bill allows students up to 2 years after high school graduation to accept a Bright Futures scholarship award, instead of 3 years. It clarifies that the Free Application for Federal Student Aid is submitted annually and provides for an alternative form for students who do not choose to submit a FAFSA. The bill authorizes an additional supplement for upper-division courses in the fields of science, technology, engineering, and mathematics for Bright Futures Scholarships subject to funding in the General Appropriations Act and clarifies that a student enrolled in the Spring/Summer pilot program may not receive a Bright Futures Scholarship for more than two semesters in any Fiscal Year.

The bill also limits Gold Seal Scholarships to job-related career programs by limiting the use of the award to specific career-focused educational programs. These include Applied Technology Diploma Programs, Technical Degree Education Programs, and Career Certificate Programs. In addition, each scholarship is limited to the lesser of either the number of credit hours necessary to complete a program, or up to 72 credit hours for a program. An Applied Technology Diploma Program scholarship is limited to the equivalent of 60 credit hours; a Technical Degree

Education Program scholarship is limited to the number of hours required for the program, up to 72 credit hours; a Career Certificate Program is limited to the number of hours required for the program, up to 72 credit hours.

Florida Fund for Minority Teachers

The bill requires the Florida Fund for Minority Teachers, Inc. to use a contingency collections agency to collect repayments of defaulted scholarships and to report the corporation's annual balance of assets and cash reserves.

Audits Relating to the Florida Colleges and State Universities

The Auditor General is required to notify the Joint Legislative Auditing Committee of any audit review which indicates that a state university or state college has failed to take corrective action in response to a recommendation which was included in the two preceding audit reports. The committee may take appropriate action as required including further written documentation from the governing body, committee appearance and testimony, and financial penalties.

University Activity and Service Fee

The bill authorizes the University of Florida to exceed the 5 per cent bonding limitation on the Activities and Service (A&S) fee to fund the renovation and expansion of the J. Wayne Reitz student union. The amount to secure the bonds is not to exceed \$2.55 per credit hour.

Workforce Fees

The bill makes a technical change clarifying that current statutory fee exemptions for certain specified student groups apply to *workforce education* rather than *postsecondary career* programs. It further clarifies that students are exempt from paying fees when their full program costs are paid by another party.

Division of Blind Services Daytona Beach Campus

The bill requires The Division of Blind Services to give Daytona State College the first priority for the use of available land not needed by the division on its Daytona Beach campus.

IV. Constitutional Issues:

A. Municipality/County Mandates Restrictions:

None.

B. Public Records/Open Meetings Issues:

None.

C. Trust Funds Restrictions:

None.

V. **Fiscal Impact Statement:**

A. Tax/Fee Issues:

The bill may result in a lesser adjustment to the assessments on workers' compensation insurance premiums by the Chief Financial Officer which will likely be a savings to private businesses.

B. Private Sector Impact:

Injured Worker Program

Reemployment and training services, which included payment of costs for tuition, books, and supplies, will no longer be available for injured workers. Some of these individuals may not qualify for services under Division of Vocational Rehabilitation.

The bill may result in a lesser adjustment to the assessments on workers' compensation insurance premiums by the Chief Financial Officer which will likely be a savings to private businesses.

Florida Fund for Minority Teachers

The 2012-13 Fiscal Year appropriation for the Florida Fund for Minority Teachers, Inc. is reduced \$885,468, leaving \$100,000 in General Revenue funding for FFMT. This will require the FFMT to utilize reserve funding to provide scholarships and administer the Minority Teacher Scholarship Program in the 2012-13 Fiscal Year.

C. Government Sector Impact:

Injured Worker Program

The appropriations for the Division of Vocational Rehabilitation are reduced by \$2.3 million and 27 full-time-equivalent positions are eliminated as a result of the repeal of the injured workers program.

Florida College and State University Purchasing Consortia

The utilization of purchasing consortia and cooperative agreements on a regional and statewide basis by the state's higher education institutions is likely to result in procurement savings, but these costs are indeterminant at this time. The goal of this approach is a 5 percent savings from existing contract prices.

Excess Credit Hour Surcharge

The Office of Program Policy Analysis and Governmental Accountability has estimated that the savings in reducing the allowable excess hours without penalty from 115 hours to 110 hours would be about \$11 million. Since this penalty is phased-in beginning with next year's freshman class the savings would occur in the future. The estimate does not take into account behavioral changes in the student population.

Bright Futures Scholarship Program

The Senate budget proposal provides \$18.3 million for a \$33 per credit hour supplement for Bright Futures STEM majors. The Senate budget includes a \$505,926 savings for limiting the Bright Futures Goal Seal awards to vocationally related programs only.

Florida Fund for Minority Teachers

The 2012-13 Fiscal Year appropriation for the Florida Fund for Minority Teachers is reduced \$885,468 in the Senate budget, leaving \$100,000 in General Revenue funding for FFMT. This will require the FFMT to utilize reserve funding to provide scholarships and administer the Minority Teacher Scholarship Program in the 2012-13 Fiscal Year.

Degree Completion Pilot Program

The Senate budget provides \$2.5 million for the Degree Completion Pilot to be coordinated by the University of West Florida.

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.