

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 7100

INTRODUCER: For Consideration by the Budget Committee

SUBJECT: Florida Polytechnic University

DATE: February 13, 2012 REVISED: _____

	ANALYST	STAFF DIRECTOR	REFERENCE	ACTION
1.	Hamon	Rhodes	BC	Pre-meeting
2.	_____	_____	_____	_____
3.	_____	_____	_____	_____
4.	_____	_____	_____	_____
5.	_____	_____	_____	_____
6.	_____	_____	_____	_____

I. Summary:

This bill creates the Florida Polytechnic University as a new university in the State University System (SUS) and codifies the steps established by the Board of Governors (BOG) as requirements the university must meet as a new SUS institution. The bill requires that students currently enrolled at the University of South Florida (USF) Polytechnic must be allowed to complete their degrees at USF. The bill requires real and personal property, licenses and associated revenues, and funds of USF Polytechnic to be transferred to the Florida Polytechnic University. All programs, offices, functions and faculty and staff positions of USF Polytechnic will be transferred to USF. The Florida Industrial and Phosphate Research Institute, which is currently at USF Polytechnic is established within the Florida Polytechnic University, and the USF Doctor of Pharmacy program, which was designated to be housed at USF Polytechnic, will remain at USF. As space becomes available at the Florida Polytechnic University's new campus, space at the Lakeland joint-use facility must be transferred to Polk State College. The University of Florida is authorized to advise the board of trustees and president of the Florida Polytechnic University in accreditation and administrative matters.

The bill appropriates \$25 million to USF, however the funds must be held in budget reserve by the Executive Office of the Governor until specified provisions of the bill regarding transfers of property, offices, and faculty and staff positions have been accomplished.

This bill substantially amends ss. 1004.345, 1004.346, 1004.387, and 1013.74, Florida Statutes.

The bill creates six undesignated sections of law.

II. Present Situation:

Florida's State University System (SUS) began with the Legislative Act of January 24, 1851, which provided for the establishment of two seminaries of learning and established their first purpose as "the instruction of persons, both male and female, in the art of teaching all the various branches that pertain to a good common school education; and next to give instruction in the mechanic arts, in husbandry, in agricultural chemistry, in the fundamental laws, and in what regards the rights and duties of citizens."¹ The institutions, one located east of the Suwannee River and one located west of the river became the University of Florida and Florida State University, respectively. Throughout the ensuing 160 years, the Legislature initiated and funded the expansion of those institutions and the creation of new institutions according to the needs of the state's citizens and the economic goals of the state. The current SUS consists of 11 institutions which are codified in s. 1000.21, F.S.²

The initiative to create a polytechnic university began when the 2008 Legislature renamed the Lakeland campus of the University of South Florida as the University of South Florida Polytechnic. The 2010 Legislature expanded the mission of the Florida Institute of Phosphate Research, by allowing it to conduct research outside the scope of the phosphate industry, renamed it the Florida Industrial and Phosphate Research Institute, and transferred the institute to USF Polytechnic. The 2010 Legislature also authorized a Doctor of Pharmacy degree program at USF and required the program to be physically located on the new campus of the USF Polytechnic once a new pharmacy facility was constructed on that campus.³

The current site of USF Polytechnic is at a joint-use facility shared with Polk State College. In 2004, land on Interstate 4 in Polk County was donated for a new polytechnic campus. Site development has begun, and upon completion of facilities, the polytechnic institution will be located entirely on the new campus.

In October 2011, the USF Polytechnic issued a proposal entitled, "Business Plan: A New Polytechnic University in Florida,"⁴ which provides a plan for establishing a 12th state university built on a polytechnic model with academic program offerings in advanced engineering, scientific research, and professional education in science, technology, engineering and mathematics (STEM) fields and STEM-related fields. A polytechnic education emphasizes the applications of technology and develops skills in reasoning and problem-solving, innovation, and interdisciplinary thinking. The plan includes proposed schedules for achieving accreditation, increasing student enrollment, adding new degree programs in STEM, STEM-related, and liberal arts fields, and completing facilities construction.

¹ ch. 337, L.O.F., 1851.

² The 11 institutions are The University of Florida, The Florida State University, The Florida Agricultural and Mechanical University, The University of South Florida, The Florida Atlantic University, The University of West Florida, The University of Central Florida, The University of North Florida, The Florida International University, The Florida Gulf Coast University, and New College of Florida.

³ ch. 2-12-155, L.O.F.

⁴ Readable at: http://www.flbog.edu/documents_meetings/0128_0555_4478_2.pdf

At its November 2011 meeting, the BOG voted to approve the concept of USF Polytechnic becoming a freestanding institution contingent upon meeting the following criteria⁵:

- Achieve separate accreditation pursuant to s. 1004.345, F.S. During the period that Polytechnic is seeking separate accreditation from SACS,⁶ Polytechnic shall initiate planning activities for the development of the new programs identified in Phase 1 of the Business Plan.
- After separate accreditation is achieved, Polytechnic shall implement the programs identified in Phase 1 of the Business Plan upon approval of the programs by SACS. Highest priority for program development and implementation shall be focused on programs in STEM fields, and appropriate discipline-specific accreditation shall be sought.
- Polytechnic must attain a minimum FTE of 1,244 as calculated in the Business Plan, with a minimum 50 percent of that FTE in STEM and 20 percent in STEM-related programs.
- The following facilities and infrastructure shall be in place: the Science and Technology Building, Phase 1 of the Wellness Center, the modular resident hall (70 beds), and the residence hall (120 beds).
- Polytechnic shall have a full complement of the following services or functions, provided either directly or where feasible through a shared services model: financial aid, admissions, student support, information technology, and finance and accounting with an internal audit function.
- Students enrolled at USF Polytechnic shall be given an option to graduate with a diploma from USF, subject to university criteria.
- During the transition period to independent status, the Board of Governors shall monitor the development of the campus and its operations, working in collaboration with the appropriate boards, on a semi-annual basis.
- The Board shall be consulted of any significant change to the Business Plan prior to any action being taken on such change.
- Once the foregoing criteria have been met, Polytechnic shall notify the Board and the Board shall conduct a final review to confirm the criteria have been satisfied.

III. Effect of Proposed Changes:

The bill creates the Florida Polytechnic University as a state university in s. 1000.21, F.S., thus making the new university an independent institution in the SUS. The bill substantially revises the statute that established The University of South Florida Polytechnic to repeal all requirements relating to the USF branch campus and to codify the steps required by the motion that was adopted by the BOG at its November 9-10, 2011 meeting.

By December 31, 2016, the bill requires Florida Polytechnic University to meet the institutional milestones in the Board of Governor's November 9th motion, which include:

- Achieving accreditation from the Commission on Colleges of the Southern Association of Colleges and Schools;

⁵Minutes of November 9-10, 2011, Board of Governors meeting, readable at: http://www.flbog.edu/documents_meetings/0129_0567_4525_422%20BOG%20bogminutes-2011_11_09.pdf.

⁶The Southern Association of Colleges and Schools.

- Initiating the development of new programs in the fields of science, technology, engineering, and mathematics;
- Seeking discipline-specific accreditation for programs;
- Attaining a minimum full-time equivalent student enrollment (FTE) of 1,244, with a minimum 50 percent of that FTE in the fields of science, technology, engineering, and mathematics and 20 percent in programs related to those fields;
- Completing facilities and infrastructure, including the Science and Technology Building, Phase I of the Wellness Center, the 70-bed modular resident hall, and the 120-bed residence hall; and
- Having the ability to provide, either directly or where feasible through a shared services model, administration of financial aid, admissions, student support, information technology, and finance and accounting with an internal audit function.

As was required in the BOG motion, the bill requires USF to allow current USF Polytechnic students to complete their degree at USF.

The bill makes the following provisions regarding property and personnel of USF Polytechnic:

- All real and personal property, licenses and associated revenues, existing contracts, unexpended balances, appropriations, allocations, and other funds of USF Polytechnic are transferred to the Florida Polytechnic University;
- All programs, functions, offices, records, faculty positions and staff positions of USF Polytechnic are transferred to USF, thus ensuring that current USF Polytechnic faculty and staff will remain USF employees;
- USF must transfer USF Polytechnic-related foundation funds to a new Florida Polytechnic University foundation, in accordance with state statutes and BOG regulations;
- All memorandums of understanding between USF and USF Polytechnic will be cancelled upon the bill becoming law;
- USF must transfer the lease of federal communications licenses relating to Polk County to the Florida Polytechnic University;
- The Florida Polytechnic University must transfer space at the Lakeland joint-use facility to Polk State College as new space becomes available on the new campus of the Florida Polytechnic University;
- The Florida Industrial and Phosphate Research Institute, which is currently at USF Polytechnic is established within the Florida Polytechnic University; and
- The USF Doctor of Pharmacy program, which was designated to be housed at USF Polytechnic, will remain at USF.

The bill authorizes the University of Florida, using its expertise in science, technology, engineering, and mathematics, to serve in an advisory or consulting capacity to the board of trustees and the president of the Florida Polytechnic University on issues relating to accreditation and administration.

The bill amends s. 1013.74, F.S., to authorize a university board of trustees to expend reserve or carry-forward balances from prior year operational and programmatic appropriations for

legislatively approved fixed capital outlay projects authorized for the establishment of a new campus. This authorization extends from the 2011-2012 fiscal year through the 2022-2023 fiscal year.

The bill appropriates \$25 million to USF, however the funds must be held in budget reserve by the Executive Office of the Governor until the following provisions of the bill have been accomplished:

- The transfer of real and personal property and funds from USF Polytechnic to the Florida Polytechnic University;
- The transfer of programs, offices, functions, and faculty and staff positions from USF Polytechnic to USF; and
- The transfer of the lease of federal communications licenses relating to Polk County from USF to the Florida Polytechnic University.

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:

None.

B. Private Sector Impact:

The bill creates a new university to specialize in educating students in science, technology, engineering, and mathematics. Since Florida businesses need additional qualified graduates in these fields, an increase in the number of graduates within these fields will have a positive impact on Florida's economy.

C. Government Sector Impact:

The bill appropriates \$25 million to USF. These funds will not be available until USF makes the transfers required by the bill.

The Florida Senate's 2012-13 proposed budget transfers the Education and General (operations) funding for USF Polytechnic to the Florida Polytechnic University. The

2012-13 budget for Florida Polytechnic University is almost \$39 million and consists of the following:

<u>Total 2012-13 by Fund</u>	
General Revenue	\$27,386,459
Educational Enhancement Trust Fund	\$502,891
Student Tuition and Fees	\$6,028,073
Phosphate Research Trust Fund	<u>\$5,037,035</u>
Grand Total:	\$38,954,458

The bill allows Florida Polytechnic University to expend reserve or carry-forward balances from prior year operational and programmatic appropriations for legislatively approved fixed capital outlay projects authorized for the establishment of the new campus. This authorization extends from the 2011-2012 fiscal year through the 2022-2023 fiscal year. The Florida Senate's proposed budget for 2012-13 does not contain any additional capital outlay funding for the construction of the new Polytechnic campus.

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.