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LEGISLATIVE ACTION

Senate	.	House
Comm: RCS	.	
03/23/2015	.	
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The Committee on Higher Education (Gaetz) recommended the following:

**Senate Amendment (with title amendment)**

Between lines 329 and 330  
insert:

Section 10. Subsections (3) and (4) of section 1001.7065,  
Florida Statutes, are amended to read:

1001.7065 Preeminent state research universities program.—

(3) PREEMINENT STATE RESEARCH UNIVERSITY DESIGNATION.—The  
Board of Governors shall designate each state research  
university that meets at least 11 of the 12 academic and



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11 research excellence standards identified in subsection (2) and  
12 that enters into and maintains a formal agreement with the  
13 National Merit Scholarship Corporation to offer college-  
14 sponsored merit scholarship awards a preeminent state research  
15 university.

16 (4) PREEMINENT STATE RESEARCH UNIVERSITY INSTITUTE FOR  
17 ONLINE LEARNING.—A state research university that, as of July 1,  
18 2013, met ~~meets~~ all 12 of the academic and research excellence  
19 standards identified in subsection (2), as verified by the Board  
20 of Governors, shall establish an institute for online learning.  
21 Continuation of the institute for online learning is contingent  
22 upon a state research university entering into and maintaining a  
23 formal agreement with the National Merit Scholarship Corporation  
24 to offer college-sponsored merit scholarship awards. The  
25 institute shall establish a robust offering of high-quality,  
26 fully online baccalaureate degree programs at an affordable cost  
27 in accordance with this subsection.

28 (a) By August 1, 2013, the Board of Governors shall convene  
29 an advisory board to support the development of high-quality,  
30 fully online baccalaureate degree programs at the university.

31 (b) The advisory board shall:

32 1. Offer expert advice, as requested by the university, in  
33 the development and implementation of a business plan to expand  
34 the offering of high-quality, fully online baccalaureate degree  
35 programs.

36 2. Advise the Board of Governors on the release of funding  
37 to the university upon approval by the Board of Governors of the  
38 plan developed by the university.

39 3. Monitor, evaluate, and report on the implementation of



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40 the plan to the Board of Governors, the Governor, the President  
41 of the Senate, and the Speaker of the House of Representatives.

42 (c) The advisory board shall be composed of the following  
43 five members:

44 1. The chair of the Board of Governors or the chair's  
45 permanent designee.

46 2. A member with expertise in online learning, appointed by  
47 the Board of Governors.

48 3. A member with expertise in global marketing, appointed  
49 by the Governor.

50 4. A member with expertise in cloud virtualization,  
51 appointed by the President of the Senate.

52 5. A member with expertise in disruptive innovation,  
53 appointed by the Speaker of the House of Representatives.

54 (d) The president of the university shall be consulted on  
55 the advisory board member appointments.

56 (e) A majority of the advisory board shall constitute a  
57 quorum, elect the chair, and appoint an executive director.

58 (f) By September 1, 2013, the university shall submit to  
59 the advisory board a comprehensive plan to expand high-quality,  
60 fully online baccalaureate degree program offerings. The plan  
61 shall include:

62 1. Existing on-campus general education courses and  
63 baccalaureate degree programs that will be offered online.

64 2. New courses that will be developed and offered online.

65 3. Support services that will be offered to students  
66 enrolled in online baccalaureate degree programs.

67 4. A tuition and fee structure that meets the requirements  
68 in paragraph (k) for online courses, baccalaureate degree



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69 programs, and student support services.

70 5. A timeline for offering, marketing, and enrolling  
71 students in the online baccalaureate degree programs.

72 6. A budget for developing and marketing the online  
73 baccalaureate degree programs.

74 7. Detailed strategies for ensuring the success of students  
75 and the sustainability of the online baccalaureate degree  
76 programs.

77

78 Upon recommendation of the plan by the advisory board and  
79 approval by the Board of Governors, the Board of Governors shall  
80 award the university \$10 million in nonrecurring funds and \$5  
81 million in recurring funds for fiscal year 2013-2014 and \$5  
82 million annually thereafter, subject to appropriation in the  
83 General Appropriations Act.

84 (g) Beginning in January 2014, the university shall offer  
85 high-quality, fully online baccalaureate degree programs that:

86 1. Accept full-time, first-time-in-college students.

87 2. Have the same rigorous admissions criteria as equivalent  
88 on-campus degree programs.

89 3. Offer curriculum of equivalent rigor to on-campus degree  
90 programs.

91 4. Offer rolling enrollment or multiple opportunities for  
92 enrollment throughout the year.

93 5. Do not require any on-campus courses. However, for  
94 courses or programs that require clinical training or  
95 laboratories that cannot be delivered online, the university  
96 shall offer convenient locational options to the student, which  
97 may include, but are not limited to, the option to complete such



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98 requirements at a summer-in-residence on the university campus.  
99 The university may provide a network of sites at convenient  
100 locations and contract with commercial testing centers or  
101 identify other secure testing services for the purpose of  
102 proctoring assessments or testing.

103 6. Apply the university's existing policy for accepting  
104 credits for both freshman applicants and transfer applicants.

105 (h) The university may offer a fully online Master's in  
106 Business Administration degree program and other master's degree  
107 programs.

108 (i) The university may develop and offer degree programs  
109 and courses that are competency based as appropriate for the  
110 quality and success of the program.

111 (j) The university shall periodically expand its offering  
112 of online baccalaureate degree programs to meet student and  
113 market demands.

114 (k) The university shall establish a tuition structure for  
115 its online institute in accordance with this paragraph,  
116 notwithstanding any other provision of law.

117 1. For students classified as residents for tuition  
118 purposes, tuition for an online baccalaureate degree program  
119 shall be set at no more than 75 percent of the tuition rate as  
120 specified in the General Appropriations Act pursuant to s.  
121 1009.24(4) and 75 percent of the tuition differential pursuant  
122 to s. 1009.24(16). No distance learning fee, fee for campus  
123 facilities, or fee for on-campus services may be assessed,  
124 except that online students shall pay the university's  
125 technology fee, financial aid fee, and Capital Improvement Trust  
126 Fund fee. The revenues generated from the Capital Improvement



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127 Trust Fund fee shall be dedicated to the university's institute  
128 for online learning.

129         2. For students classified as nonresidents for tuition  
130 purposes, tuition may be set at market rates in accordance with  
131 the business plan.

132         3. Tuition for an online degree program shall include all  
133 costs associated with instruction, materials, and enrollment,  
134 excluding costs associated with the provision of textbooks  
135 pursuant to s. 1004.085 and physical laboratory supplies.

136         4. Subject to the limitations in subparagraph 1., tuition  
137 may be differentiated by degree program as appropriate to the  
138 instructional and other costs of the program in accordance with  
139 the business plan. Pricing must incorporate innovative  
140 approaches that incentivize persistence and completion,  
141 including, but not limited to, a fee for assessment, a bundled  
142 or all-inclusive rate, and sliding scale features.

143         5. The university must accept advance payment contracts and  
144 student financial aid.

145         6. Fifty percent of the net revenues generated from the  
146 online institute of the university shall be used to enhance and  
147 enrich the online institute offerings, and 50 percent of the net  
148 revenues generated from the online institute shall be used to  
149 enhance and enrich the university's campus state-of-the-art  
150 research programs and facilities.

151         7. The institute may charge additional local user fees  
152 pursuant to s. 1009.24(14) upon the approval of the Board of  
153 Governors.

154         8. The institute shall submit a proposal to the president  
155 of the university authorizing additional user fees for the



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156 provision of voluntary student participation in activities and  
157 additional student services.

158 Section 11. (1) The State University System Performance  
159 Based Incentive shall be based on indicators of institutional  
160 attainment of performance metrics adopted by the Board of  
161 Governors. The performance-based funding metrics shall include,  
162 but are not limited to, metrics that measure graduation and  
163 retention rates; degree production; affordability;  
164 postgraduation employment, salaries, or further education;  
165 student loan default rates; access; and any other metrics  
166 approved by the board.

167 (2) The Board of Governors shall evaluate the institutions'  
168 performance on the metrics based on benchmarks adopted by the  
169 board which measure the achievement of institutional excellence  
170 or improvement. Each fiscal year, the amount of funds available  
171 for allocation to the institutions based on the performance  
172 funding model shall consist of the state's investment in  
173 performance funding, plus an institutional investment consisting  
174 of funds to be redistributed from the base funding of the State  
175 University System, as determined in the General Appropriations  
176 Act. The institutional investment shall be restored for all  
177 institutions eligible for the state's investment under the  
178 performance funding model. Any institution that fails to meet  
179 the board's minimum performance funding threshold will not be  
180 eligible for the state's investment, will have a portion of its  
181 institutional investment withheld, and must submit an  
182 improvement plan to the board that specifies the activities and  
183 strategies for improving the institution's performance.

184 (3) The Board of Governors must review the improvement



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185 plan, and if approved, must monitor the institution's progress  
186 on implementing the specified activities and strategies. The  
187 institutions shall submit monitoring reports to the board no  
188 later than December 31 and May 31 of each year.

189 (4) The Chancellor of the State University System shall  
190 withhold disbursement of the institutional investment until such  
191 time as the monitoring report for the institution is approved by  
192 the Board of Governors. Any institution that fails to make  
193 satisfactory progress will not have its full institutional  
194 investment restored. If all institutional investment funds are  
195 not restored, any remaining funds shall be redistributed in  
196 accordance with the board's performance funding model.

197 (5) By October 1 of each year, the Board of Governors shall  
198 submit to the Governor, the President of the Senate, and the  
199 Speaker of the House of Representatives a report on the previous  
200 year's performance funding allocation which reflects the  
201 rankings and award distributions.

202 (6) The Board of Governors shall adopt a regulation to  
203 implement this section.

204 Section 12. (1) The Florida College System Performance  
205 Based Incentive shall be based on indicators of institutional  
206 attainment of performance metrics adopted by the State Board of  
207 Education. The performance-based funding metrics shall include,  
208 but are not limited to, metrics that measure retention; program  
209 completion and graduation rates; student loan default rates; job  
210 placement; and postgraduation employment, salaries, or further  
211 education.

212 (2) The State Board of Education shall evaluate the  
213 institutions' performance on the metrics based on benchmarks





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214 adopted by the board which measure the achievement of  
215 institutional excellence or improvement. Each fiscal year, the  
216 amount of funds available for allocation to the institutions  
217 based on the performance funding model shall consist of the  
218 state's investment in performance funding plus an institutional  
219 investment consisting of funds to be redistributed from the base  
220 funding of the Florida College System Program Fund, as  
221 determined in the General Appropriations Act. The institutional  
222 investment shall be restored for all institutions eligible for  
223 the state's investment under the performance funding model. Any  
224 institution that fails to meet the board's minimum performance  
225 funding threshold will not be eligible for the state's  
226 investment, will have a portion of its institutional investment  
227 withheld, and must submit an improvement plan to the board that  
228 specifies the activities and strategies for improving the  
229 institution's performance.

230 (3) The State Board of Education must review the  
231 improvement plan, and if approved, must monitor the  
232 institution's progress on implementing the specified activities  
233 and strategies. The institutions shall submit monitoring reports  
234 to the board no later than December 31 and May 31 of each year.

235 (4) The Commissioner of Education shall withhold  
236 disbursement of the institutional investment until such time as  
237 the monitoring report for the institution is approved by the  
238 State Board of Education. Any institution that fails to make  
239 satisfactory progress will not have its full institutional  
240 investment restored. If all institutional investment funds are  
241 not restored, any remaining funds shall be redistributed in  
242 accordance with the board's performance funding model.



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243       (5) By October 1 of each year, the State Board of Education  
244 shall submit to the Governor, the President of the Senate, and  
245 the Speaker of the House of Representatives a report on the  
246 previous year's performance funding allocation which reflects  
247 the rankings and award distributions.

248       (6) The State Board of Education shall adopt rules to  
249 implement this section.

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251 ===== T I T L E   A M E N D M E N T =====

252 And the title is amended as follows:

253       Between lines 26 and 27

254 insert:

255       amending s. 1001.7065, F.S.; requiring a state  
256       research university to enter into and maintain a  
257       formal agreement with a specified organization to  
258       offer college-sponsored merit scholarship awards as a  
259       condition of designation as a preeminent state  
260       research university; specifying that continuation of a  
261       state research university's institute for online  
262       learning is contingent on the university entering into  
263       and maintaining such an agreement; requiring the Board  
264       of Governors and the State Board of Education to base  
265       state performance funds for the State University  
266       System and the Florida College System on a specified  
267       metrics adopted by each board; specifying allocation  
268       of the funds; requiring the Chancellor of the State  
269       University System and the Commissioner of Education to  
270       withhold disbursement of certain funds; requiring the  
271       boards to submit reports by a specified time to the



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Governor and the Legislature; requiring the boards to  
adopt rules;