

**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.)

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Prepared By: The Professional Staff of the Appropriations Subcommittee on Higher Education

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BILL: SB 4

INTRODUCER: Senator Galvano

SUBJECT: Faculty Recruitment

DATE: February 8, 2017

REVISED: \_\_\_\_\_

	ANALYST	STAFF DIRECTOR	REFERENCE	ACTION
1.	<u>Bouck</u>	<u>Graf</u>	<u>ED</u>	<b>Favorable</b>
2.	<u>Smith</u>	<u>Elwell</u>	<u>AHE</u>	<b>Pre-meeting</b>
3.	_____	_____	<u>AP</u>	_____

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**I. Summary:**

SB 4 expands and enhances policy and funding options for state universities to recruit and retain exemplary faculty, enhance the quality of professional and graduate schools, and upgrade facilities and research infrastructure. Specifically, the bill:

- Establishes the World Class Faculty and Scholar Program to fund and support the efforts of state universities to recruit and retain exemplary faculty and research scholars and specifies that funding for the program will be as provided in the General Appropriations Act (GAA).
- Establishes the State University Professional and Graduate Degree Excellence Program to fund and support the efforts of state universities to enhance the quality and excellence of professional schools and graduate degree programs in medicine, law, and business, and specifies that funding for the program will be as provided in the GAA.
- Authorizes the legislature to prioritize funding for certain projects under the Alec P. Courtelis University Facility Enhancement Challenge Grant Program for the 2017-2018 fiscal year, subject to the GAA.
- Links education to job opportunities by modifying requirements of the strategic plan, developed by the Board of Governors (BOG), to require state universities to use data-driven gap analyses to identify internship opportunities for students in high-demand fields.

The fiscal impact of the bill is indeterminate for the World Class Faculty and Scholar and the State University Professional and Graduate Degree Excellence programs. These programs are contingent upon an appropriation in the GAA. The BOG has identified \$4.3 million for projects that have not been completed and which would be eligible for prioritized funding by the legislature under the Alec P. Courtelis University Facility Enhancement Challenge Grant Program.

The bill takes effect July 1, 2017.

## II. Present Situation:

The ability of the state universities to recruit talented faculty and researchers, make strategic investments in research infrastructure, and connect university research to economic development, is key to advancing Florida's research and innovation competitiveness and effectiveness.<sup>1</sup>

### Faculty Recruitment and Infrastructure Investments

#### *State University Research and Development*

According to the Board of Governors of the State University System of Florida (BOG), for Florida to “secure its place as a national leader in the 21st century, it must prove competitive in discovery and innovation.”<sup>2</sup> The stronger the universities and the State of Florida are in research and development (R&D) performance and reputation, the more competitive Florida becomes in attracting and retaining the best and most promising faculty, students, staff, and companies.<sup>3</sup>

In a 2014-15 National Science Foundation survey of R&D spending across the United States, the State of Florida ranked 4<sup>th</sup> on total research and development expenditures among public universities, behind California, Texas, and Michigan.<sup>4</sup> States with strong and competitive research enterprises support the research infrastructure within their state with a wide range of statewide grant programs to make their state universities more competitive for federal grant opportunities.<sup>5</sup>

In Florida, the state universities have identified the need for funding to support university efforts to:<sup>6</sup>

- Increase research capacity, output, and impact through targeted cluster hiring of talented faculty and strategic investments in research infrastructure.
- Increase and enhance undergraduate student participation in research through undergraduate research programs.
- Connect university research to Florida's industry and economic development through industry-sponsored research at state universities and research commercialization activities.

#### *State University Facilities*

In 2002, the legislature established the Alec P. Courtelis University Facility Enhancement Challenge Grant Program (Courtelis Program)<sup>7</sup> to assist the universities in building high priority

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<sup>1</sup> Board of Governors, *Draft of Advancing Research and Innovation Legislative Budget Request*, Presentation to the Board of Governors Task Force on University Research (Sept. 22, 2016), available at [http://www.flbog.edu/documents\\_meetings/0201\\_1017\\_7616\\_10.3.2%20TF-RSRCH%2003b%20LBR%20Request%20VPRs%20\\_2017\\_18%201aug2016%20Form%201%20\(002\)\\_JMI.pdf](http://www.flbog.edu/documents_meetings/0201_1017_7616_10.3.2%20TF-RSRCH%2003b%20LBR%20Request%20VPRs%20_2017_18%201aug2016%20Form%201%20(002)_JMI.pdf).

<sup>2</sup> *Id.*

<sup>3</sup> *Id.*

<sup>4</sup> Email. Board of Governors (Jan. 12, 2017)

<sup>5</sup> Board of Governors, *Draft of Advancing Research and Innovation Legislative Budget Request*, Presentation to the Board of Governors Task Force on University Research (Sept. 22, 2016), available at [http://www.flbog.edu/documents\\_meetings/0201\\_1017\\_7616\\_10.3.2%20TF-RSRCH%2003b%20LBR%20Request%20VPRs%20\\_2017\\_18%201aug2016%20Form%201%20\(002\)\\_JMI.pdf](http://www.flbog.edu/documents_meetings/0201_1017_7616_10.3.2%20TF-RSRCH%2003b%20LBR%20Request%20VPRs%20_2017_18%201aug2016%20Form%201%20(002)_JMI.pdf).

<sup>6</sup> *Id.*

<sup>7</sup> Section 875, ch. 2002-387, L.O.F.

instructional and research-related capital facilities, including common areas connecting such facilities.<sup>8</sup>

To be eligible to participate in the Courtelis Program, a university must raise a contribution equal to one-half the total cost of a “facilities construction project” from private nongovernmental sources. The private contributions must be matched by an equal amount of state funds for the “facilities construction project,” subject to the General Appropriations Act.<sup>9</sup>

In 2011, the legislature suspended the Courtelis Program state match for donations received on or after June 30, 2011.<sup>10</sup> Existing eligible donations received before July 1, 2011, remain eligible for future matching funds.<sup>11</sup> The program may be restarted after \$200 million of the backlog for the Courtelis Program, the Florida College System Institution Facility Enhancement Challenge Grant Program,<sup>12</sup> the Dr. Philip Benjamin Matching Grant Program for Florida College System Institutions,<sup>13</sup> and the University Major Gifts Program<sup>14</sup> have been matched.<sup>15</sup>

As part of the implementation of the Courtelis Program, the Alec P. Courtelis Capital Facilities Matching Trust Fund was created. In 2009, the trust fund was terminated, and all private funds and associated interest earnings were directed to be deposited into the originating university’s individual program account.<sup>16</sup>

### **Experiential Learning Opportunities**

The BOG is required to develop a strategic plan specifying goals and objectives for the State University System and each constituent university, including each university’s contribution to overall system goals and objectives.<sup>17</sup>

The strategic plan must include criteria for designating baccalaureate degree and master’s degree programs at specified universities as high-demand programs of emphasis.<sup>18</sup> Fifty percent of the criteria for designation as high-demand programs of emphasis must be based on achievement of performance outcome thresholds determined by the BOG, and 50 percent of the criteria must be based on achievement of performance outcome thresholds specifically linked to:<sup>19</sup>

- Job placement in employment of 36 hours or more per week and average full-time wages of graduates of the degree programs 1 year and 5 years after graduation.
- Data-driven gap analyses, conducted by the BOG, of the state’s job market demands and the outlook for jobs that require a baccalaureate or higher degree.

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<sup>8</sup> Section 1013.79 (2), F.S.

<sup>9</sup> Section 1013.79(6), F.S.

<sup>10</sup> Section 1013.79(12), F.S.

<sup>11</sup> *Id.*

<sup>12</sup> Section 1011.32, F.S.

<sup>13</sup> Section 1011.85, F.S.

<sup>14</sup> Section 1011.94, F.S.

<sup>15</sup> Section 1013.79(12), F.S.

<sup>16</sup> Section 1013.79(3), F.S.

<sup>17</sup> Section 1001.706(5)(b), F.S.

<sup>18</sup> Section 1001.706(5)(b)4., F.S.

<sup>19</sup> *Id.*

In May 2012, the Chair of the BOG issued a call to action to education, business and workforce, and legislative leaders to address Florida's need for future baccalaureate degree attainment.<sup>20</sup> In response to the call, the Commission on Higher Education Access and Educational Attainment (Commission), composed of seven members, was established. Among the major products from the Commission's work was a sustainable method for conducting a gap analysis of baccalaureate level workforce demand.<sup>21</sup>

In 2013, the BOG received \$15 million in appropriated funds to provide competitive awards to address high demand program areas identified in the Commission's gap analysis.<sup>22</sup> The gap analysis identified computer information and technology, and accounting and finance as high demand programs, requiring at least a bachelor's degree, with more than 1,000 unfilled annual openings in Florida.<sup>23</sup> In March 2014, the BOG approved four partnerships of universities and Florida College System institutions to receive \$15 million in funding for the Targeted Educational Attainment Grant Program, also known as the TEAm Grant Initiative.<sup>24</sup>

### III. Effect of Proposed Changes:

The bill expands and enhances policy and funding options for state universities to recruit and retain the very best faculty, enrich professional and graduate school strength and viability, and upgrade aging facilities and research infrastructure. Specifically, the bill:

- Establishes the World Class Faculty and Scholar Program to fund and support the efforts of state universities to recruit and retain exemplary faculty and research scholars, and specifies that funding for the program will be as provided in the General Appropriations Act (GAA).
- Establishes the State University Professional and Graduate Degree Excellence Program to fund and support the efforts of state universities to enhance the quality and excellence of professional schools and graduate degree programs in high-impact fields of medicine, law, and business, and specifies that funding for the program will be as provided in the GAA.
- Authorizes the legislature to prioritize funding for certain projects under the Alec P. Courtelis University Facility Enhancement Challenge Grant Program (Courtelis Program) for the 2017-2018 fiscal year, subject to the GAA.
- Links education to job opportunities by modifying requirements of the strategic plan, developed by the Board of Governors of the State University System (BOG) to require state universities to use data-driven gap analyses to identify internship opportunities for students in high-demand fields.

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<sup>20</sup> Board of Governors, *Aligning Workforce and Higher Education for Florida's Future* (Nov. 21, 2013), available at [http://www.flbog.edu/about/doc/commission-materials/Access-and-Attainment-Comm-FINAL-REPORT-10\\_29\\_13\\_rev.docx](http://www.flbog.edu/about/doc/commission-materials/Access-and-Attainment-Comm-FINAL-REPORT-10_29_13_rev.docx).

<sup>21</sup> *Id.*

<sup>22</sup> Board of Governors, *TEAm Grant Initiative Update* (Sept. 21, 2016), available at [http://www.flbog.edu/documents\\_meetings/0201\\_1005\\_7558\\_2.10.1%20ASA%2010a\\_TEA%20Grant%20Initiative%20Update%20ai\\_JMI.pdf](http://www.flbog.edu/documents_meetings/0201_1005_7558_2.10.1%20ASA%2010a_TEA%20Grant%20Initiative%20Update%20ai_JMI.pdf).

<sup>23</sup> Board of Governors, *Aligning Workforce and Higher Education for Florida's Future* (Nov. 21, 2013), available at [http://www.flbog.edu/about/doc/commission-materials/Access-and-Attainment-Comm-FINAL-REPORT-10\\_29\\_13\\_rev.docx](http://www.flbog.edu/about/doc/commission-materials/Access-and-Attainment-Comm-FINAL-REPORT-10_29_13_rev.docx).

<sup>24</sup> *Id.*

- Conforms a cross reference to s. 1013.79(10), F.S., regarding naming a facility after a living person.

### **Faculty Recruitment and Infrastructure Investments (Sections 2 through 4)**

The bill establishes the World Class Faculty and Scholar Program and the State University Professional and Graduate Degree Excellence Program, and authorizes funding for certain projects under the Alec P. Courtelis University Facility Enhancement Challenge Grant Program to advance state university national competitiveness.

#### ***World Class Faculty and Scholar Program***

Section 2 of the bill establishes the World Class Faculty and Scholar Program to elevate the national prominence of state universities in Florida. Specifically, this section:

- Authorizes state university investments in recruiting and retaining talented faculty; and specifies that funding for the program will be as provided in the GAA.
- Expresses that such investments may include, but not be limited to, investments in research-centric cluster hires, faculty research and research commercialization efforts, instructional and research infrastructure, undergraduate student participation in research, professional development, awards for outstanding performance, and postdoctoral fellowships.

This section creates a funding mechanism to assist the state universities with faculty recruitment and retention efforts to attract exemplary faculty and research scholars to Florida, which may ultimately help Florida's state universities improve their national competitiveness. According to the BOG, the "single most significant asset that the state has that will determine Florida's future status in the industries of the future are its universities and their capacity to generate new ideas and innovations through research."<sup>25</sup>

#### ***State University Professional and Graduate Degree Excellence Program***

Section 3 of the bill establishes the State University Professional and Graduate Degree Excellence Program (Degree Excellence Program) to fund and support the efforts of state universities to enhance the quality and excellence of professional schools and graduate degree programs in medicine, law, and business, and expand the economic impact of state universities. Specifically, the bill:

- Authorizes quality improvement efforts of the state universities, and specifies that funding for the program will be as provided in the GAA.
- Expresses that such efforts may include, but not be limited to, targeted investments in faculty, students, research, infrastructure, and other strategic endeavors to elevate the national and global prominence of state university medicine, law, and graduate-level business programs.

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<sup>25</sup> Board of Governors, *Draft of Advancing Research and Innovation Legislative Budget Request*, Presentation to the Board of Governors Task Force on University Research (Sept. 22, 2016), available at [http://www.flbog.edu/documents\\_meetings/0201\\_1017\\_7616\\_10.3.2%20TF-RSRCH%2003b%20LBR%20Request%20VPRs%20\\_2017\\_18%201aug2016%20Form%201%20\(002\)\\_JMI.pdf](http://www.flbog.edu/documents_meetings/0201_1017_7616_10.3.2%20TF-RSRCH%2003b%20LBR%20Request%20VPRs%20_2017_18%201aug2016%20Form%201%20(002)_JMI.pdf).

The Degree Excellence Program creates a funding mechanism to boost the excellence of state university professional schools and graduate degree programs in specified programs. Additionally, the Degree Excellence Program may bolster the state universities’ efforts to recruit and retain talented students and faculty, which may help to raise the national and international prominence of the state universities and the programs within such universities.

The Degree Excellence Program may also assist in improving the national rankings of the state universities in medicine, law, and business. The table below lists the 2017 U.S. News and World Report rankings<sup>26</sup> for these programs.

<b>Institution</b>	<b>Medicine (Research)<sup>27</sup></b>	<b>Medicine (Primary Care)<sup>28</sup></b>	<b>Law<sup>29</sup></b>	<b>Business<sup>30</sup></b>
Florida Atlantic University	Unranked <sup>31</sup>	Unranked		Unranked
Florida A&M University			RNP <sup>32</sup>	Unranked
Florida Gulf Coast University				Unranked
Florida International University	Unranked	Unranked	103	RNP
Florida State University	RNP	87	50	Unranked
University of Central Florida	88	RNP		Unranked
University of Florida	40	62	48	37
University of North Florida				Unranked
University of South Florida	63	67		RNP
University of West Florida				Unranked

***Alec P. Courtelis University Facility Enhancement Challenge Grant Program***

Section 4 of the bill provides that, notwithstanding the suspension of state matching funds, the legislature may choose for the 2017-18 fiscal year to prioritize funding for certain projects under the Alec P. Courtelis University Facility Enhancement Challenge Grant Program (Courtelis Program) with matching funds available prior to June 30, 2011, which have not yet been

<sup>26</sup>The Florida Senate staff analysis of U.S. News & World Report, *Graduate School Rankings*, <http://grad-schools.usnews.rankingsandreviews.com/best-graduate-schools> (last visited Jan. 20, 2017).

<sup>27</sup> The Florida Senate staff analysis of U.S. News & World Report, *Medical Schools (Research)*, <http://grad-schools.usnews.rankingsandreviews.com/best-graduate-schools/top-medical-schools/research-rankings?int=af3309&int=b3b50a&int=b14409> (last visited Jan. 20, 2017).

<sup>28</sup> The Florida Senate staff analysis of U.S. News & World Report, *Medical Schools (Primary Care)*, <http://grad-schools.usnews.rankingsandreviews.com/best-graduate-schools/top-medical-schools/primary-care-rankings?int=af3309&int=b3b50a&int=aac509> (last visited Jan. 20, 2017).

<sup>29</sup> The Florida Senate staff analysis of U.S. News & World Report, *Law Schools*, <http://grad-schools.usnews.rankingsandreviews.com/best-graduate-schools/top-law-schools> (last visited Jan. 20, 2017).

<sup>30</sup> The Florida Senate staff analysis of U.S. News & World Report, *Business Schools*, <http://grad-schools.usnews.rankingsandreviews.com/best-graduate-schools/top-business-schools/mba-rankings?int=9dc208> (last visited Jan 20, 2017).

<sup>31</sup> “Unranked” indicates a school or program attribute does not align with U.S. News & World Report ranking metrics.

<sup>32</sup> “RNP” indicates a ranking not published, which indicates the program is in the bottom 25 percent of the U.S. News & World Report rankings.

constructed. Additionally, the bill deletes obsolete references to the Alec P. Courtelis Capital Facilities Matching Trust Fund, which has no cash balance.<sup>33</sup>

Private funds eligible for a state match for new facilities under the Courtelis Program are approximately \$4.3 million.<sup>34</sup> The authorization to fund these new projects with existing matching funds is likely to affect new construction of university facilities.

### **Experiential Learning Opportunities (Section 1)**

The bill modifies the requirements of the strategic plan, developed by the BOG, to require state universities to use data-driven gap analyses to identify internship opportunities in high-demand fields.

Modifications to BOG's strategic plan emphasizes the value of internships in experiential learning.<sup>35</sup> Through internships, students are likely to gain exposure to relevant on-the-job experience and develop skills critical to securing and maintaining gainful employment in high-demand fields of unmet need.

The bill takes effect July 1, 2017.

## **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.

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<sup>33</sup> Board of Governors, *2017 Legislative Bill Analysis* of SB 4 (Jan. 18, 2017).

<sup>34</sup> Board of Governors, *2017 Legislative Bill Analysis* of SB 4 (Jan. 20, 2017).

<sup>35</sup> Governor Scott's "Finish in Four, Save More" challenge encourages universities and colleges to "make it easier for students to get class credit for internships in their fields, which puts students on the path to getting a good paying job." Office of the Governor, *Governor Rick Scott Issues "Finish in Four, Save More" Challenge to Universities and Colleges* (May 25, 2016) <http://www.flgov.com/2016/05/25/governor-rick-scott-issues-finish-in-four-save-more-challenge-to-universities-and-colleges/> (last visited Jan. 20, 2017).

**B. Private Sector Impact:**

None.

**C. Government Sector Impact:**

Under SB 4, the fiscal impact relating to the creation and implementation of the World Class Faculty and Scholar and the State University Professional and Graduate Degree Excellence programs is indeterminate. These programs are contingent upon an appropriation in the GAA.

The BOG has identified \$4.3 million for projects that would be eligible for prioritized funding by the legislature under the Alec P. Courtelis University Facility Enhancement Challenge Grant Program.<sup>36</sup>

**VI. Technical Deficiencies:**

None.

**VII. Related Issues:**

None.

**VIII. Statutes Affected:**

This bill substantially amends the following sections of the Florida Statutes: 1001.706, 1013.79, and 267.062.

This bill creates the following sections of the Florida Statutes: 1004.6497 and 1004.6498.

**IX. Additional Information:****A. Committee Substitute – Statement of Changes:**

(Summarizing differences between the Committee Substitute and the prior version of the bill.)

None.

**B. Amendments:**

None.

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This Senate Bill Analysis does not reflect the intent or official position of the bill's introducer or the Florida Senate.

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<sup>36</sup> Board of Governors, *2017 Legislative Bill Analysis*, SB 4 (Jan. 20, 2017).