

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 Committee on Appropriations

BILL: PCS/SB 1526 (440736)

INTRODUCER: Appropriations Committee (Recommended by Appropriations Subcommittee on Higher Education) and Senator Gibson

SUBJECT: Historically Black Colleges and Universities Matching Endowment Scholarship Program

DATE: February 21, 2018 **REVISED:** _____

	ANALYST	STAFF DIRECTOR	REFERENCE	ACTION
1.	<u>Bouck</u>	<u>Graf</u>	<u>ED</u>	<u>Favorable</u>
2.	<u>Smith</u>	<u>Elwell</u>	<u>AHE</u>	<u>Recommend: Fav/CS</u>
3.	<u>Sikes</u>	<u>Hansen</u>	<u>AP</u>	<u>Pre-meeting</u>

I. Summary:

PCS/SB 1526 bill creates the Historically Black Colleges and Universities (HBCU) Matching Endowment Scholarship Program (program). The program will be administered by the Florida Department of Education (DOE) and will provide funds, subject to legislative appropriation, to participating Florida-based HBCUs for scholarships to enrolled students. Four HBCUs are located in Florida: Florida Agricultural and Mechanical University, Bethune-Cookman University, Edward Waters College, and Florida Memorial University.

The bill does not affect state revenues or expenditures. The program is contingent upon a legislative appropriation to the Historically Black Colleges and Universities Matching Endowment Scholarship Trust Fund. SB 2500, the Senate General Appropriations Act for Fiscal Year 2018-2019, does not provide an appropriation for the program.

The bill takes effect July 1, 2018.

II. Present Situation:

The Higher Education Act of 1965, as amended, defines an HBCU as: "... historically black college or university that was established prior to 1964, whose principal mission was, and is, the education of black Americans, and that is accredited by a nationally recognized accrediting agency or association determined by the Secretary [of Education] to be a reliable authority as to the quality of training offered or is, according to such an agency or association, making reasonable progress toward accreditation."¹

¹ U.S. Department of Education, *What is an HBCU?* <https://sites.ed.gov/whhbcu/one-hundred-and-five-historically-black-colleges-and-universities/> (last visited Jan. 26, 2018).

Nationally, there are 107 HBCUs with more than 228,000 students enrolled. Fifty-six institutions are under private control, and 51 are public colleges and universities.²

The following four HBCUs are located in Florida:³

- **Florida Agricultural and Mechanical University (FAMU)** is a public university founded in 1887 and located in Tallahassee.⁴ FAMU is regionally accredited by the Commission on Colleges of the Southern Association of Colleges and Schools (SACSCOC).⁵ FAMU enrolls nearly 11,000 students,⁶ and tuition and fees for 30 credit hours for a resident, undergraduate student are \$5,827.30.⁷
- **Bethune-Cookman University (B-CU)** is a private university founded in 1904 and located in Daytona Beach.⁸ B-CU is regionally accredited by the SACSCOC.⁹ Its fall, 2017 enrollment was 4,143 students¹⁰ and the annual undergraduate tuition and fees for a full-time student are \$14,410.¹¹
- **Edward Waters College (EWC)** is a private college established in 1866¹² and located in Jacksonville. EWC is regionally accredited by SACSCOC.¹³ Its current enrollment is 839 students¹⁴ and the annual undergraduate tuition and fees for a full-time student are \$13,525.¹⁵

² U.S. Department of Education, *Historically Black Colleges and Universities and Higher Education Desegregation*, <https://www2.ed.gov/about/offices/list/ocr/docs/hq9511.html> (last visited Jan. 26, 2018).

³ National Center for Education Statistics, *College Navigator*, <https://nces.ed.gov/COLLEGENAVIGATOR/?s=FL&sp=4> (last visited Jan. 26, 2018).

⁴ Florida Agricultural and Mechanical University, *History of Florida Agricultural and Mechanical University (FAMU)*, <http://www.famu.edu/index.cfm?AboutFAMU&History> (last visited Jan. 26, 2018).

⁵ Florida Agricultural and Mechanical University, *Florida A&M University Southern Association of Colleges and Schools Commission on Colleges (FAMU SACSCOC) Office* <http://www.famu.edu/index.cfm?sacs> (last visited Jan. 26, 2018).

⁶ Florida Agricultural and Mechanical University, *About FAMU*, <http://www.famu.edu/index.cfm?AboutFAMU&Overview> (last visited Jan. 26, 2018).

⁷ Board of Governors, *State University System of Florida, Tuition and Required Fees, 2017-2018*, available at http://www.flbog.edu/board/office/budget/_doc/tuition/2017-18-SUS-Tuition-and-Fee-for-New-Students-at-Main-Campus-by-level.pdf, at 1.

⁸ Bethune-Cookman University, *About B-CU*, http://www.cookman.edu/about_BCU/index.html (last visited Jan. 26, 2018).

⁹ *Id.*

¹⁰ Bethune-Cookman University, *Fall 2017 Institutional Profile*, available at <http://www.cookman.edu/academics/IE/research/Institutional2017-2018FallProfile.pdf>.

¹¹ Bethune-Cookman University, *Cost of Attendance*, http://www.cookman.edu/currentstudents/stud_accts/Tuition/index.html (last visited Jan. 26, 2018).

¹² Edward Waters College, *The History of Edward Waters College*, <https://www.ewc.edu/about/our-history/> (last visited Jan. 26, 2018).

¹³ Edward Waters College, *About Edward Waters College*, <https://www.ewc.edu/about/> (last visited Jan. 26, 2018).

¹⁴ *Id.*

¹⁵ Edward Waters College, *Cost of Attendance*, available at <https://www.ewc.edu/wp-content/uploads/2017/03/Cost-of-Attendance.pdf>.

- **Florida Memorial University** (FMU) is a private university founded in 1879 and located in Miami Gardens.¹⁶ FMU is regionally accredited by the SACSCOC.¹⁷ FMU's undergraduate enrollment is 1,280 students¹⁸ and the annual undergraduate tuition and fees for a full-time student are \$15,536.¹⁹

III. Effect of Proposed Changes:

The bill creates s. 1009.984, F.S., to establish the Historically Black Colleges and Universities (HBCU) Matching Endowment Scholarship Program (program). The program will be administered by the Florida Department of Education (DOE) and will provide funds to participating Florida-based HBCUs for scholarships to enrolled students.

The Legislature may appropriate funds for the program, to be transferred to the Historically Black Colleges and Universities Matching Endowment Scholarship Trust Fund (trust fund). Contingent upon a legislative appropriation, each HBCU that wishes to participate in the program must provide matching funds equal to one-fourth of the legislative appropriation. All funds transferred to the trust fund for the program must be invested in accordance with the law.²⁰

Annually, the DOE must allocate the interest accumulated in the trust fund equally to each participating HBCU to award scholarships to full-time undergraduate students who meet the general eligibility requirement for student financial aid, including residency, and demonstrate unmet financial need. Each HBCU may also establish additional eligibility criteria.

The State Board of Education must adopt rules and the Board of Governors (BOG) must adopt regulations for program administration. The bill requires the DOE to administer the program, so it is unclear if BOG regulations would be necessary to administer the program.

The creation of the Historically Black Colleges and Universities Matching Endowment Scholarship Program may provide additional financial aid for students enrolled at the HBCUs participating in the program.

The bill takes effect July 1, 2018.

IV. Constitutional Issues:

A. Municipality/County Mandates Restrictions:

None.

¹⁶ Florida Memorial University, *Our History*, <http://www.fmuniv.edu/about/our-history/> (last visited Jan. 26, 2018).

¹⁷ Florida Memorial University, *FMU At A Glance*, <http://www.fmuniv.edu/about/fmu-at-a-glance/> (last visited Jan. 26, 2018).

¹⁸ U.S. News & World Report, Florida Memorial University, <https://www.usnews.com/best-colleges/florida-memorial-university-1486> (last visited Jan. 26, 2018).

¹⁹ Florida Memorial University, *Tuition and Fees*, <http://www.fmuniv.edu/administration/division-of-student-affairs/enrollment-management-and-financial-aid/financial-aid/tuition-and-fees/> (last visited Jan. 26, 2018).

²⁰ Chapter 215, F.S.

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 establishes a scholarship program for students who attend historically black colleges and universities (HBCUs). Such scholarships may reduce the amount a student must contribute to attend such colleges.

Private HBCUs must provide matching funds equal to one-fourth of the legislative appropriation to participate in the scholarship program.

C. Government Sector Impact:

The bill does not affect state revenues or expenditures. The program is contingent upon a legislative appropriation to transfer the Historically Black Colleges and Universities (HBCU) Matching Endowment Scholarship Trust Fund (trust fund). SB 2500, the Senate General Appropriations Act for Fiscal Year 2018-2019, does not provide an appropriation for the program.

VI. Technical Deficiencies:

None.

VII. Related Issues:

None.

VIII. Statutes Affected:

This bill creates section 1009.894 of the Florida Statutes.

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

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

Recommended CS by Appropriations Subcommittee on Higher Education on February 14, 2018:

The committee substitute:

- Removes the \$2 million legislative appropriation and states the Legislature may appropriate funds for the program.
- Changes the required \$500,000 matching fund contribution for each historically black college and university (HBCU) that wishes to participate to one-fourth of any legislative appropriation.
- Establishes basic eligibility criteria for the scholarship program, including requiring that a student:
 - Meet the general eligibility requirement for student financial aid, including residency;
 - Be a full-time undergraduate student;
 - Demonstrate unmet financial need; and
 - Meet any additional eligibility criteria established by the HBCU.

B. Amendments:

None.