

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 Education

BILL: SB 1528

INTRODUCER: Senator Gibson

SUBJECT: Historically Black Colleges and Universities Matching Endowment Scholarship Trust Fund/DOE

DATE: January 29, 2018

REVISED: _____

	ANALYST	STAFF DIRECTOR	REFERENCE	ACTION
1.	<u>Bouck</u>	<u>Graf</u>	<u>ED</u>	<u>Favorable</u>
2.	_____	_____	<u>AHE</u>	_____
3.	_____	_____	<u>AP</u>	_____

I. Summary:

SB 1528 creates the Historically Black Colleges and Universities (HBCU) Matching Endowment Scholarship Trust Fund (trust fund) within the Department of Education. The trust fund is established for use as a depository for funds to be used for purposes of the Historically Black Colleges and Universities Matching Endowment Scholarship Program. The bill specifies that moneys to be credited to the trust fund must consist of an appropriation from the Legislature and matching funds from participating HBCUs in the state.

The bill takes effect contingent upon, and concurrent with, passage of SB 1526, which takes effect July 1, 2018.

II. Present Situation:

Trust Funds

Establishment of Trust Funds

A trust fund may be created by law only by the Legislature and only if passed by a three-fifths vote of the membership of each house in a separate bill for that purpose only.¹ Except for trust funds being re-created by the Legislature, each trust fund must be created by statutory language that specifies at least the following:²

- The name of the trust fund.
- The agency or branch of state government responsible for administering the trust fund.
- The requirements or purposes that the trust fund is established to meet.

¹ Section 215.3207, F.S.

² *Id.*

- The sources of moneys to be credited to the trust fund or specific sources of receipts to be deposited in the trust fund.

Florida Constitution Requirement for Trust Funds

The Florida Constitution requires that state trust funds must terminate not more than four years after the effective date of the act authorizing the initial creation of the trust fund.³ By law the Legislature may set a shorter time period for which any trust fund is authorized.⁴

Review of Trust Funds

The Legislature must review all state trust funds at least once every 4 years.⁵ Prior to the regular session of the Legislature immediately preceding the date on which any executive or judicial branch trust fund is scheduled to be terminated,⁶ or such earlier date as the Legislature may specify.⁷

The agency responsible for the administration of the trust fund and the Governor, for executive branch trust funds, or the Chief Justice, for judicial branch trust funds, must recommend to the President of the Senate and the Speaker of the House of Representatives whether the trust fund should be allowed to terminate or should be re-created.⁸ Each recommendation must be based on a review of the purpose and use of the trust fund and a determination of whether the trust fund will continue to be necessary.⁹ A recommendation to re-create the trust fund may include suggested modifications to the purpose, sources of receipts, and allowable expenditures for the trust fund.¹⁰

When the Legislature terminates a trust fund, the agency or branch of state government that administers the trust fund must pay any outstanding debts or obligations of the trust fund as soon as practicable.¹¹ The Legislature may also provide for the distribution of moneys in that trust fund. If no such distribution is provided, the moneys remaining after all outstanding obligations of the trust fund are met must be deposited in the General Revenue Fund.¹²

Historically Black Colleges and Universities

The Higher Education Act of 1965, as amended, defines an HBCU as: "...any 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

³ Art. III, s. 19(f)(2), Fla. Const.

⁴ *Id.*

⁵ Section 215.3208(1), F.S.

⁶ Pursuant to Art. III, s. 19(f), Fla. Const.

⁷ Section 215.3206(1), F.S.

⁸ *Id.*

⁹ *Id.*

¹⁰ *Id.*

¹¹ Section 215.3208(2)(a), F.S.

¹² *Id.* at (b).

the quality of training offered or is, according to such an agency or association, making reasonable progress toward accreditation.”¹³

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.¹⁴

The following four HBCUs are located in Florida:¹⁵

- **Florida Agricultural and Mechanical University (FAMU)**, which is a public university founded in 1887 and located in Tallahassee.¹⁶ FAMU is regionally accredited by SACSCOC.¹⁷ FAMU enrolls nearly 11,000 students.¹⁸ Tuition and fees are \$5,827.30.¹⁹
- **Bethune-Cookman University (B-CU)**, which is a private university founded in 1904 and located in Daytona Beach.²⁰ B-CU is regionally accredited by the Commission on Colleges of the Southern Association of Colleges and Schools (SACSCOC).²¹ Its fall, 2017 enrollment was 4,143.²² Annual tuition and fees is \$14,410.²³
- **Edward Waters College (EWC)**, which is a private college established in 1866²⁴ and located in Jacksonville. EWC is regionally accredited by SACSCOC.²⁵ Its current enrollment is 839 students.²⁶ Tuition and fees are \$13,525.²⁷

¹³ 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).

¹⁴ 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).

¹⁵ National Center for Education Statistics, *College Navigator*, <https://nces.ed.gov/COLLEGENAVIGATOR/?s=FL&sp=4> (last visited Jan. 26, 2018).

¹⁶ 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).

¹⁷ 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).

¹⁸ Florida Agricultural and Mechanical University, *About FAMU*, <http://www.famu.edu/index.cfm?AboutFAMU&Overview> (last visited Jan. 26, 2018).

¹⁹ 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.

²⁰ Bethune-Cookman University, *About B-CU*, http://www.cookman.edu/about_BCU/index.html (last visited Jan. 26, 2018).

²¹ *Id.*

²² Bethune-Cookman University, *Fall 2017 Institutional Profile*, available at <http://www.cookman.edu/academics/IE/research/Institutional2017-2018FallProfile.pdf>.

²³ Bethune-Cookman University, *Cost of Attendance*, http://www.cookman.edu/currentstudents/stud_accts/Tuition/index.html (last visited Jan. 26, 2018).

²⁴ Edward Waters College, *The History of Edward Waters College*, <https://www.ewc.edu/about/our-history/> (last visited Jan. 26, 2018).

²⁵ Edward Waters College, *About Edward Waters College*, <https://www.ewc.edu/about/> (last visited Jan. 26, 2018).

²⁶ *Id.*

²⁷ 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), which is a private university founded in 1879 and located in Miami Gardens.²⁸ FMU is regionally accredited by the SACSCOC.²⁹ FMU's undergraduate enrollment is 1,280.³⁰ Tuition and fees are \$15,536.³¹

III. Effect of Proposed Changes:

SB 1528 creates the Historically Black Colleges and Universities (HBCU) Matching Endowment Scholarship Trust Fund (trust fund) within the Department of Education. The trust fund is established for use as a depository for funds to be used for purposes of the Historically Black Colleges and Universities Matching Endowment Scholarship Program.³² The bill specifies that moneys to be credited to the trust fund must consist of an appropriation from the Legislature and matching funds from participating HBCUs in the state.

The bill requires that, in accordance with the State Constitution,³³ the trust fund must be terminated on July 1, 2022, unless terminated sooner. The bill also requires that, before its scheduled termination, the trust fund must be reviewed in accordance with law.³⁴

The bill will take effect on the same date as SB 1526 or similar legislation if such legislation is enacted in the same legislative session, or an extension of the same session, and becomes law. SB 1526 takes effect July 1, 2018.

IV. Constitutional Issues:

A. Municipality/County Mandates Restrictions:

None.

B. Public Records/Open Meetings Issues:

None.

C. Trust Funds Restrictions:

Art. III, s. 19(f)(1) of the Florida Constitution specifies that a trust fund may be created or re-created only by a three-fifths vote of the membership of each house of the Legislature in a separate bill or that purpose only.

²⁸ Florida Memorial University, *Our History*, <http://www.fmuniv.edu/about/our-history/> (last visited Jan. 26, 2018).

²⁹ Florida Memorial University, *FMU At A Glance*, <http://www.fmuniv.edu/about/fmu-at-a-glance/> (last visited Jan. 26, 2018).

³⁰ U.S. News & World Report, Florida Memorial University, <https://www.usnews.com/best-colleges/florida-memorial-university-1486> (last visited Jan. 26, 2018).

³¹ 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).

³² Established in Senate Bill 1526, which created section 1009.894, F.S.

³³ Art. III, s. 19(f), Fla. Const.

³⁴ Section 215.3206(1) and (2), F.S.

Art. III, s. 19(f)(2) of the State Constitution specifies that state trust funds must terminate not more than four years after the effective date of the act authorizing the initial creation of the trust fund. By law the legislature may set a shorter time period for which any trust fund is authorized.

V. Fiscal Impact Statement:

A. Tax/Fee Issues:

None.

B. Private Sector Impact:

None.

C. Government Sector Impact:

None.

VI. Technical Deficiencies:

None.

VII. Related Issues:

None.

VIII. Statutes Affected:

This bill creates section 20.151 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.)

None.

B. Amendments:

None.