

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: CS/CS/SB 540

INTRODUCER: Appropriations Committee; Education Committee; and Senator Hukill

SUBJECT: Postsecondary Education

DATE: January 25, 2018

REVISED: _____

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

Please see Section IX. for Additional Information:

COMMITTEE SUBSTITUTE - Substantial Changes

I. Summary:

CS/CS/SB 540 creates the “College Competitiveness Act of 2018” which restructures the governance of the Florida College System (FCS) and modifies the mission of the system and its institutions. Specifically, the bill:

- Modifies the governance of the FCS by establishing a State Board of Colleges (SBC), and transferring specified responsibilities from the State Board of Education to the SBC.
- Clarifies expectations and oversight of baccalaureate degree programs offered by colleges, and:
 - Modifies the baccalaureate approval process for all colleges.
 - Establishes a 20 percent cap on upper-level, undergraduate full-time equivalent (FTE) enrollment at each college, and a 10 percent cap on upper-level, undergraduate FTE enrollment for the FCS, and specifies conditions for planned and purposeful growth of baccalaureate degree programs.
- Establishes the “2+2” targeted pathway program to provide students guaranteed access to baccalaureate degree programs at state universities.
- Establishes the Supporting Students for Academic Success program to fund the efforts of colleges in assisting students enrolled in an associate in arts (AA) degree program to complete college-credit courses, graduate with an AA degree, and transfer to a baccalaureate degree program.
- Modifies the college performance accountability metrics and standards to promote on-time student graduation.
- Enhances transparency and accountability of college direct-support organizations.

The bill transfers 34 existing positions and \$2.8 million from the State Board of Education budget for the creation of the SBC. The bill also provides an additional 17 positions and \$1.5 million for necessary SBC positions such as a General Counsel, Inspector General, Board Secretary, and others.

The bill also appropriates \$100 million in recurring performance and program funding for the FCS. Specifically, the bill appropriates:

- \$10 million in recurring funds for distribution to colleges for students who earn industry certifications during the 2018-2019 academic year;
- \$60 million in recurring funds for the Florida College Performance-Based Incentive, for the 2018-2019 fiscal year. From these funds, \$30 million is included as the state investment in performance funding and \$30 million is redistributed from the base budget of FCS institutions as the institutional investment in performance funding.
- \$30 million in recurring funds for the Supporting Students for Academic Success Program for the 2018-2019 fiscal year, to be allocated to each college through the FCS Program Fund funding model.

The bill takes effect October 1, 2018, except as otherwise expressly provided.

II. Present Situation:

The present situation for the relevant portions of the bill is discussed in the Effect of Proposed Changes section of this bill analysis.

III. Effect of Proposed Changes:

The Florida College System (FCS) is comprised of 28 FCS institutions, and the regional service areas for such institutions are specified in law.¹ Currently, the FCS serves 801,023 students² (320,900 full-time equivalent³ students).⁴

This bill modifies the governance of the FCS, clarifies the mission of colleges and oversight of baccalaureate degree programs, and establishes “2+2” targeted pathway programs to help college students transfer to baccalaureate degree programs. The bill also modifies performance metrics and fiscal accountability for colleges.

College Governance (Sections 2 through 6, 18, and 19)

Present Situation

State Board of Education

The State Board of Education (SBE)⁵ is the “chief implementing and coordinating body of public education in Florida, except for the State University System” and is authorized to adopt rules to implement the provisions of law conferring duties upon the SBE to improve the state system of K-20 public education, except for the state university system.⁶ As such, the SBE has authority over the Florida College System (FCS) institutions, and is authorized to delegate the SBE’s general powers to the Commissioner of Education (commissioner) or the directors of the divisions of the Florida Department of Education (DOE or department).⁷

¹ The 28 Florida College System (FCS) institutions are Broward College, College of Central Florida, Chipola College, Daytona State College, Eastern Florida State College, Florida SouthWestern State College, Florida State College at Jacksonville, Florida Keys Community College, Gulf Coast State College, Hillsborough Community College, Indian River State College, Florida Gateway College, Lake-Sumter State College, State College of Florida, Manatee-Sarasota, Miami Dade College, North Florida Community College, Northwest Florida State College, Palm Beach State College, Pasco-Hernando State College, Pensacola State College, Polk State College, St. Johns River State College, St. Petersburg College, Santa Fe College, Seminole State College of Florida, South Florida State College, Tallahassee Community College, and Valencia College. Section 1000.21(3), F.S.

² Florida Department of Education, *Preparing Postsecondary Students for Success*, Presentation to the Senate Committee on Education (Oct. 23, 2017), available at http://www.flsenate.gov/PublishedContent/Committees/2016-2018/ED/MeetingRecords/MeetingPacket_3977_2.pdf, at 4.

³ The full-time equivalent (FTE) of students is a single value providing a meaningful combination of full-time and part-time students. Integrated Postsecondary Education Data System, *Glossary Results*, <https://surveys.nces.ed.gov/ipeds/VisGlossaryAll.aspx> (last visited Nov. 9, 2017). Full-time equivalent in the Florida College System is calculated by the college credits for which students register during an academic year (or 900 hours for non-college credit instruction) divided by 30. SBE Rule 6A-14.076(1), F.A.C.

⁴ Florida Department of Education, *Florida College System, FTE Enrollment: Funded-30, Lower and Upper Division, 2016-2017 FTE-3*, available at <http://www.fldoe.org/core/fileparse.php/15267/urlt/1617FTE3EnrollmentReport.pdf>.

⁵ The State Board of Education is established as “a body corporate and have such supervision of the system of free public education as is provided by law.” Art. IX, s. 2, Fla. Const.

⁶ Section 1001.02(1), F.S.

⁷ *Id.*

Department of Education

The DOE is the administrative and supervisory agency under the implementation direction of the SBE.⁸ The commissioner is appointed by the SBE and serves as the executive director of the department.⁹ Within the DOE, the Division of Florida Colleges (DFC)¹⁰ is directed by the Chancellor of the DFC,¹¹ who is appointed by the commissioner.¹²

Florida College System Institution

Each FCS institution is governed by a local board of trustees (BOT).¹³ The FCS institution BOT members are appointed by the Governor to staggered four-year terms, and confirmed by the Senate.¹⁴ Each FCS institution BOT is responsible for cost-effective policy decisions regarding the FCS institution's mission, the implementation and maintenance of high-quality education programs within law and rules of the SBE, the measurement of performance, the reporting of information, and the provision of input on state policy, budgeting, and education standards.¹⁵ FCS institution BOTs are authorized to adopt rules, procedures, and policies regarding admissions, programs, administration, personnel, contracts, and facilities.¹⁶

Effect of Proposed Changes

The bill modifies the governance of the Florida College System (FCS) under a State Board of Colleges (SBC). Specifically, section 2 creates s. 1001.6001, F.S., to provide that:

- The SBC, administratively housed within the DOE, is created to oversee and coordinate the FCS, and requires the Governor to appoint the membership of the SBC in time for the board's organizational meeting by September 30, 2018.
- The DFC must provide administrative support to the SBC until September 30, 2018.
- The SBC is required to appoint a Chancellor of the FCS by November 1, 2018. Section 4 requires the Chancellor of the DFC to serve as the Chancellor of the FCS until the SBC selects a chancellor.
- FCS- and DFC-related powers and duties, functions, personnel, funds, contracts, and administrative rules are transferred, by type 2 transfer, to the SBC on October 1, 2018.
- SBE approvals, policies, guidance, and appointments remain in effect unless acted upon by the SBC.

In addition, sections 2 through 4 include technical and conforming provisions related to the transfer of responsibilities regarding Florida's colleges, effective October 1, 2018. Specifically, the bill:

⁸ Section 1001.20(1), F.S.

⁹ Section 20.15(2), F.S.

¹⁰ *Id.* at (3)(a).

¹¹ *Id.* at (4).

¹² Section 20.15(4), F.S.

¹³ Sections 1001.60(3), 1001.61(1), and 1004.65(1), F.S. FCS institutions are statutorily designated as political subdivisions of the state. Section 1004.67, F.S.

¹⁴ Section 1001.61(2), F.S.

¹⁵ Section 1001.64(1), F.S.

¹⁶ *Id.* at (4).

- Transfers general and specific powers and duties relating to the FCS from the SBE to the SBC.¹⁷
- Removes the DFC as a division within the DOE, and transfers the division's duties to the SBC or Chancellor of the FCS.¹⁸
- Transfers specific powers and duties relating to the FCS from the commissioner to the Chancellor of the FCS.¹⁹
- Transfers general and specific powers and duties relating to the FCS from the commissioner to the SBC.²⁰
- Transfers specific powers and duties relating to the FCS from the DOE to the SBC.²¹
- Requires the DOE to provide support services to the SBC, consistent with the ongoing support services that the DOE provides to the Board of Governors of the State University System (BOG).
- Adds an SBC role in specific duties currently performed by the SBE and BOG.²²
- Adds a Chancellor of the FCS role in specific duties currently performed by multiple entities (i.e., the commissioner and the Chancellor of the BOG).²³

Section 4 creates s. 20.156, F.S., to establish a new SBC as the governing board for colleges similar to the board that existed prior to 2003. The 1983 Legislature created the State Board of Community Colleges (former SBCC) as a coordinating board for the FCCS.²⁴ The law²⁵ charged the former SBCC with providing “statewide leadership in overseeing and coordinating the individually governed public community colleges.”²⁶ The former SBCC was subject to the overall supervision of the State Board of Education.²⁷

¹⁷ Sections 1000.03, 1000.05, 1001.02, 1001.03, 1001.60, 1001.61, 1001.64, 1001.65, 1001.66, 1001.67, 1002.34, 1004.02, 1004.03, 1004.07, 1004.084, 1004.085, 1004.096, 1004.0961, 1004.35, , 1004.65, 1004.67, 1004.70, 1004.71, 1004.78, 1004.80, 1004.91, 1004.92, 1004.925, 1004.93, 1006.60, 1006.61, 1006.62, 1006.71, 1007.25, 1007.263, 1007.264, 1007.265, 1007.27, 1007.273, 1008.30, 1008.31, 1008.32, 1008.44, 1008.45, 1009.22, 1009.23, 1009.25, 1009.26, 1009.28, 1010.01, 1010.02, 1010.04, 1010.07, 1010.08, 1010.09, 1010.22, 1010.30, 1010.58, 1011.01, 1011.30, 1011.32, 1011.80, 1011.801, 1011.81, 1011.82, 1011.83, 1011.84, 1011.85, 1012.01, 1012.80, 1012.81, 1012.83, 1012.855, 1012.86, 1013.02, 1013.28, 1013.31, 1013.36, 1013.40, and 1013.47, F.S.

¹⁸ Sections 20.15, 1001.67, 1004.015, 1004.65, 1004.70, 1008.30, 1009.23, and 1009.971, F.S.

¹⁹ Sections 1001.66, 1004.93, 1006.71, 1000.05, 1012.86, 1001.64, and 1013.52, F.S.

²⁰ Sections 1001.10, 1001.11, 1001.20, 1008.32, and 1013.03, F.S.

²¹ Sections 1001.20 and 1007.262, F.S.

²² Sections 1001.02, 1001.10, 1001.11, 1001.03, 1001.28, 1001.706, 1003.491, 1003.493, 1004.015, 1004.04, 1004.6495, 1004.91, 1007.01, 1007.23, 1007.24, 1007.27, 1007.271, 1008.30, 1008.31, 1008.345, 1008.37, 1008.38, 1008.405, 1009.21, 1009.90, 1009.91, 1009.26, 1010.01, 1011.01, 1011.011, 1011.80, 1012.01, 1013.01, 1013.03, 1013.31, 1013.52, and 1013.65, F.S.

²³ Sections 1004.6495, 1004.74, 1007.01, 1007.24, 1007.25, 1008.44, 1012.01, 1013.03, 1013.31, and 1013.37, F.S.

²⁴ See s. 15, ch. 83-326, L.O.F., amending s. 240.305, F.S., to redesignate the State Community College Coordinating Board as the State Board of Community Colleges.

²⁵ Section 240.305, F.S. (1983).

²⁶ *Id.*

²⁷ *Id.*

In 1998, a constitutional amendment replaced the State Board of Education,²⁸ composed of the elected governor and cabinet, with a new State Board of Education (SBE) appointed by the Governor.²⁹ To implement this change in governance structure and achieve a seamless system of education,³⁰ the 2000 Legislature enacted the Florida Governance Reorganization Act of 2000,³¹ which repealed the former SBC and transferred governance of the FCCS to the new Governor-appointed SBE, effective January 7, 2003. The 2001 Legislature continued to make necessary changes to Florida education governance and created the Division of Community Colleges (DCC) and a Chancellor of Community Colleges within the DOE.³²

The following table shows the governance of the college system in Florida since 1983.

²⁸ Art. IX, s. 2, Fla. Const. (1968).

²⁹ Art. IX, s. 2, Fla. Const. (Amended 1998). *See also* Preamble, ch. 2000-321, L.O.F.

³⁰ Section 2, ch. 2000-321, L.O.F.

³¹ Section 6, ch. 2000-321, L.O.F.

³² Section 3, ch. 2001-170, L.O.F.

Governance of Florida's Colleges			
	1983 – 2003	Current	Proposed
System	Florida Community College System ³³	Florida College System ³⁴	Florida College System
Board	SBCC as Coordinating Board ³⁵	SBE as Governing Board ³⁶	SBC as Governing Board
Board Oversight	Commissioner of Education ³⁷ and SBE ^{38,39}	Appointed by Governor ⁴⁰	Governor
Board Membership	Commissioner of Education, 1 student, 11 lay citizens; appointed by the Governor, approved by the SBE, and confirmed by the Senate ⁴¹	Seven members appointed by the Governor and confirmed by the Senate ⁴²	Commissioner of Education, 1 student and 1 faculty member, 10 lay citizens; 12 appointed by the Governor, in a manner that provides equitable geographical representation. All members must reside and be registered to vote in Florida and, except for the student member, be confirmed by the Senate
Staff	DCC ⁴³	DFC ⁴⁴	SBC
Staff Leadership	Executive Director of the Community College System ⁴⁵	Chancellor of the DFC ⁴⁶	Chancellor of the FCS
Administrative Location	DOE	DOE	DOE (administrative assignment only; SBC operates independently)
Institution Governance	Institution Board of Trustees ⁴⁷	Institution Board of Trustees ⁴⁸	Institution Board of Trustees

Sections 5 and 6 provide standards of conduct for members of the SBC, the Chancellor of the FCS, and members of an FCS institution board of trustees, which mirror the requirements for the BOG, the Chancellor of the SUS, and members of a state university board of trustees. Specifically,

³³ Section 240.3031, F.S., repealed January 7, 2003, by s. 3(7), ch. 2000-321, L.O.F.

³⁴ The Florida Community College System was renamed the Florida College System by s. 2, ch. 2008-52, L.O.F.

³⁵ Section 240.305, F.S., repealed January 7, 2003, by s. 3(7), ch. 2000-321, L.O.F.

³⁶ Section 1001.02(4), F.S.

³⁷ Art. IV, s. 5, Fla. Const. (1968).

³⁸ Art. IX, s. 1, Fla. Const. (1968).

³⁹ Section 240.305, F.S., repealed January 7, 2003, by s. 3(7), ch. 2000-321, L.O.F.

⁴⁰ The SBE is a body established in the Florida Constitution. Art. IX, s. 2, Fla. Const.

⁴¹ Section 240.307(1), F.S., repealed January 7, 2003, by s. 3(7), ch. 2000-321, L.O.F.

⁴² Art. IV, s. 2, Fla. Const. See also s. 1001.01(1), F.S.

⁴³ Section 240.3031, F.S., repealed January 7, 2003, by s. 3(7), ch. 2000-321, L.O.F.

⁴⁴ Section 20.15(3), F.S.

⁴⁵ The executive director of the community college system served as the executive officer and as secretary to the former SBCC. Section 240.311(4), F.S., repealed January 7, 2003, by s. 3(7), ch. 2000-321, L.O.F.

⁴⁶ Section 20.15(4), F.S.

⁴⁷ Section 240.313, F.S., repealed January 7, 2003, by s. 3(7), ch. 2000-321, L.O.F.

⁴⁸ Section 1001.64(3), F.S.

- Section 5 amends s. 112.313, F.S., to prohibit a citizen member of the SBC or a citizen member of a college board of trustees from being employed as a legislative lobbyist.
- Section 6 amends s. 112.3145, F.S., to require SBC members and the Chancellor of the FCS to disclose their financial interests.

Section 18 creates s. 1001.601, F.S., to establish the membership of the SBC and the terms of its members. Specifically, this section requires:

- The SBC to consist of 13 members, including the Commissioner of Education and 12 citizen members appointed by the Governor, including one FCS student and one FCS faculty member.
- The 12 citizen members must reside, and be registered to vote, in Florida.
- The appointed citizen members to serve staggered 4-year terms, except for the FCS student member who serves a 1-year term.

Section 19 creates s. 1001.602, F.S., to delineate the powers and duties of the SBC. In addition to the duties that currently exist under the SBE, the SBC is responsible for:

- Ensuring that FCS institutions operate consistent with the mission of the system and offer educational training and service programs designed to meet the needs of both students and the communities served.
- Overseeing the FCS and coordinating with the SBE and the BOG to avoid wasteful duplication of facilities or programs.
- Consulting or coordinating with the SBE and the BOG, to
 - Establish minimum and uniform standards of college-level communication and computation skills generally associated with successful performance and progression through the baccalaureate level, to identify college-preparatory high school coursework and postsecondary-level coursework that prepares students with the academic skills necessary to succeed in postsecondary education.
 - Develop and implement a common placement test to assess the basic communication and computation skills of students who intend to enter a degree program at a FCS institution or state university.
 - Collect and maintain data for the FCS.
 - Establishing an effective information system that will provide composite data concerning FCS institutions and state universities and that will ensure that special analyses and studies concerning the institutions are conducted, as necessary, for provision of accurate and cost-effective information concerning the institutions.
- Specifying procedures to be used by FCS institution boards of trustees in the annual evaluation of presidents, and review the evaluations of presidents by the boards of trustees, including the extent to which presidents serve both institutional and system goals.
- Establishing, subject to existing law, the tuition and out-of-state fees for developmental education and for credit instruction that may be counted toward an associate in arts degree, an associate in applied science degree, or an associate in science degree.
- Directing the Chancellor of the FCS to conduct investigations of practices, procedures, or actions at a FCS institution that appear to be inconsistent with sound financial, management, or academic practice.
- Examining the annual administrative review of each FCS institution.

- Integrally working, through the Chancellor of the FCS, with the FCS institution boards of trustees.
- Establishing criteria for making recommendations concerning all proposals to establish additional centers or campuses for a FCS institution.

College Baccalaureate Degree Approval Process (Section 66)

Present Situation

The Legislature created the site-determined baccalaureate degree access program in 1999 to authorize Florida College System (FCS) institutions to offer baccalaureate degrees to meet the economic development and educational needs of place-bound, nontraditional students in areas of the state that are underserved by 4-year institutions.⁴⁹ However, the primary responsibility of FCS institutions is the provision of associate degrees that provide access to a university.⁵⁰

In 2001, the Legislature redesignated St. Petersburg Junior College as St. Petersburg College (SPC) and authorized community colleges to offer baccalaureate degrees in populous counties that are underserved by public baccalaureate degree granting institutions.⁵¹ The legislative intent to provide access to baccalaureate degrees was to “address the state’s workforce needs, especially the need for teachers, nurses, and business managers in agencies and firms that require expertise in technology.”⁵² The Legislature specified the purpose for authorizing SPC to offer high quality undergraduate education at affordable prices is to “promote economic development by preparing people for occupations that require a bachelor’s degree and are in demand by existing or emerging public and private employers in this state.”⁵³

The State Board of Education (SBE) is responsible for reviewing and approving proposals by FCS institutions to offer baccalaureate degree programs.⁵⁴ As a part of the approval process:

- FCS institutions must submit a notice of intent to the Division of Florida College (DFC) regarding the proposed baccalaureate degree program 100 days before the submission of the program proposal.⁵⁵
- Within 10 days after receipt, the DFC must forward the notice of intent to the Chancellor of the State University System (SUS), the President of Independent Colleges and Universities of Florida (ICUF), and the Executive Director of the Commission for Independent Education.⁵⁶
- State universities have 60 days, after receipt of the notice by the Chancellor of the SUS, to submit objections to the proposed program or submit an alternative proposal to offer the baccalaureate degree program.

⁴⁹ Section 1, ch. 99-290, L.O.F.

⁵⁰ Section 1007.33(3), F.S.

⁵¹ Section 40, ch. 2001-170, L.O.F.

⁵² *Id.*

⁵³ *Id.*

⁵⁴ Section 1001.03(15), F.S.

⁵⁵ Section 1007.33(5)(a), F.S.

⁵⁶ *Id.* at (5)(b).

- If the SBE does not receive a proposal from a state university within the 60-day period, the SBE must provide regionally accredited private colleges and universities 30 days to submit objections to the proposed program or submit an alternative proposal.
- Objections and alternative proposals must be submitted to the DFC, and must be considered by the SBE in making its decision to approve or deny a FCS institution's baccalaureate degree program proposal.⁵⁷
- The DFC must notify the FCS institution of any deficiencies in writing within 30 days following receipt of the proposal, and provide the FCS institution with an opportunity to correct the deficiencies.
- Within 45 days following receipt of a completed proposal by the DFC, the commissioner must recommend approval or disapproval of the proposal to the SBE.
- The SBE must consider such recommendation, the proposal, and any objections or alternative proposals at its next meeting, and the SBE must provide to the FCS institution written reasons for any disapproval of baccalaureate degree proposals.

Currently, 27 FCS institutions offer 179 baccalaureate degree programs.⁵⁸ Since August 2015, the SBE has approved 17 baccalaureate degree proposals; however, since that time the DFC has not recommended 16 baccalaureate degree proposals for consideration by the SBE.⁵⁹

In 2016-2017, funded full-time-equivalent (FTE) enrollment in FCS upper-division programs was 16,130, which represented 5.0 percent of the total funded FCS FTE enrollment of 320,900.⁶⁰ Funded FTE enrollment in upper division programs in the FCS has risen by approximately 113 percent from 7,584 in 2010-2011⁶¹ to 16,130 in 2016-2017.⁶²

Effect of Proposed Changes

Section 66 amends s. 1007.33, F.S., to clarify expectations and state oversight of baccalaureate degree programs offered by colleges. Specifically, this section:

- Modifies the community college baccalaureate degree approval process to:
 - Require colleges to submit a notice of interest into a shared postsecondary database at least 180 days before submission of the notice of intent.

⁵⁷ Section 1007.33(5)(b), F.S.

⁵⁸ Email, Florida Department of Education (Nov. 6, 2017). Hillsborough Community College is the only Florida College System institution that does not offer a baccalaureate degree program. Florida College System, *Baccalaureate Programs as of October 2016*, available at http://www.fldoe.org/core/fileparse.php/5592/urlt/0082821-program_list.xls.

⁵⁹ Email, Florida Department of Education (Nov. 6, 2017).

⁶⁰ The Florida Senate staff analysis, Office of Economic & Demographic Research, Florida College System Enrollment Forecast, *FTE-3 Actual Enrollment FY 2016-17 by College and Program Area*, (Aug. 2, 2017), available at http://edr.state.fl.us/Content/conferences/communitycolleges/FTE-3_ActualEnrollment_FY2016-17.pdf.

⁶¹ Florida Department of Education, *The Fact Book, Report for the Florida College System, 2016*, Fact Book 3.1F Florida College System FTE Enrollment (Funded) by Program Area, 2010-11 through 2014-15, available at <http://www.fldoe.org/core/fileparse.php/15267/urlt/FactBook2016.pdf>.

⁶² Office of Economic & Demographic Research, Florida College System Enrollment Forecast, *FTE-3 Actual Enrollment FY 2016-17 by College and Program Area*, (Aug. 2, 2017), available at http://edr.state.fl.us/Content/conferences/communitycolleges/FTE-3_ActualEnrollment_FY2016-17.pdf.

- Require colleges to submit a notice of intent and justification for the proposed baccalaureate degree at least 100 days before submitting the baccalaureate degree proposal.
- Specify that the required justification for the proposed baccalaureate degree include a data-driven analysis of workforce demand, including employment data and projections by the Department of Economic Opportunity, which must be verified by the Chancellor of the Florida College System (FCS).
- Extend the timeframe from 30 days to 60 days for private regionally-accredited colleges and universities, to submit their objections to the proposed baccalaureate degree programs and provide reasons for such objections.
- Eliminate the requirement for state universities and private colleges and universities to submit alternative proposals to the proposed baccalaureate degree programs.
- Require the SBC to consider input from the Chancellor of the SUS and the president of ICUF, and any objections before approving or denying a college's proposal.
- Aligns the baccalaureate degree approval process for SPC with the approval process for other colleges.

This section reinforces state oversight responsibilities by requiring the SBC to direct a colleges' board of trustees to terminate a baccalaureate degree program if the SBC's review of the baccalaureate degree program performance and compliance indicators and needs assessment indicates negative performance and compliance results, and if the needs assessment fails to demonstrate a need for the program.

Additionally, section 66 prohibits colleges from offering bachelor of arts degree programs⁶³ and establishes a cap on upper-level, undergraduate FTE enrollment at colleges and the FCS while providing flexibility for planned and purposeful growth of baccalaureate degree programs if certain conditions are met. This section:

- Specifies that the upper-level, undergraduate FTE enrollment:⁶⁴
 - At a college may not exceed 20 percent of the total FTE enrollment at that college.
 - In the FCS may not exceed 10 percent of the total FTE enrollment of the FCS.
- Emphasizes that, for any planned and purposeful expansion of existing baccalaureate degree programs or creation of a new baccalaureate program, a college must demonstrate satisfactory performance in:
 - Fulfilling its primary mission specified in law;⁶⁵
 - Executing at least one "2+2" targeted pathway articulation agreement; and

⁶³ Currently, there are no bachelor of arts degrees offered by community colleges. Email, Florida Department of Education, (Nov. 6, 2017). The Baccalaureate Proposal Application, incorporated into Rule 6A-14.095, F.A.C., permits baccalaureate degree proposals only for bachelor of science or bachelor of applied science programs.

⁶⁴ The 2016-2017 upper-level FTE enrollment as a percentage of total FTE enrollment at an FCS institution ranges from 0.0 percent at Hillsborough Community College and North Florida Community College to 13.9 percent at St. Petersburg College. The 2016-2017 upper-level FTE enrollment as a percentage of total FTE enrollment for the FCS is 5.0 percent. The Florida Senate staff analysis, Office of Economic & Demographic Research, Florida College System Enrollment Forecast, *FTE-3 Actual Enrollment FY 2016-17 by College and Program Area*, (Aug. 2, 2017), available at http://edr.state.fl.us/Content/conferences/communitycolleges/FTE-3_ActualEnrollment_FY2016-17.pdf.

⁶⁵ Section 1004.65, F.S.

- Meeting or exceeding the performance standards related to on-time completion and graduation rates for students earning associate in arts or baccalaureate degrees.⁶⁶
- Establishes reporting requirements relating to baccalaureate degree program enrollment, provides a mechanism for the SBC to ensure compliance, and prohibits colleges from reporting for funding, the upper-level, undergraduate FTE enrollment that exceeds the upper-level enrollment percent specified in the bill.

This section also reinforces the state's expectation of college affordability by requiring a college's baccalaureate degree program proposal to include the college's efforts to sustain the program at the cost of tuition and fees for Florida residents for tuition purposes, not to exceed \$10,000 for the entire degree program, including flexible tuition and fee rates, and the use of waivers authorized by law.⁶⁷

Mission (Sections 7, 15, 16, 26, 40, and 48)

The mission of Florida's K-20 education system is to allow its students to increase their proficiency by allowing them the opportunity to expand their knowledge and skills through rigorous and relevant learning opportunities in accordance with the mission statement and requirements of Florida's K-20 education performance accountability system.⁶⁸

Present Situation

Florida College System

The primary mission and responsibility of Florida College System (FCS) institutions is responding to community needs for postsecondary academic education and career degree education.⁶⁹ Florida law specifies the following as the primary mission of FCS institutions:⁷⁰

- Providing lower-level undergraduate instruction and awarding associate degrees.
- Preparing students directly for careers requiring less than baccalaureate degrees.
- Providing student development services to ensure student success.
- Promoting economic development for the state through special programs (e.g., Enterprise Florida-related programs and workforce literacy programs).
- Providing dual enrollment instruction.
- Providing upper-level instruction and awarding baccalaureate degrees authorized by law.

Additionally, a secondary mission of FCS institutions includes offering programs in:⁷¹

- Community services that are not directly related to academic or occupational advancement.
- Adult education services.
- Recreational and leisure services.

⁶⁶ Section 1001.66, F.S.

⁶⁷ Section 1009.26(11), F.S.

⁶⁸ Section 1000.03(4), F.S.

⁶⁹ Section 1004.65(5), F.S.

⁷⁰ *Id.*

⁷¹ Section 1004.65(6), F.S.

Technical Centers

Florida law does not provide a specific mission for the career centers.⁷² However, the law specifies that career centers, under the control of district school boards,⁷³ must offer terminal courses of a technical nature and courses for out-of-school youth and adults.⁷⁴

The purpose of charter technical career centers is to:⁷⁵

- Develop a competitive workforce to support local business and industry and economic development.
- Create a training and education model that is reflective of marketplace realities.
- Offer a continuum of career educational opportunities using school-to-work, tech-prep, technical academy, and magnet school model.
- Provide career pathways for lifelong learning and career mobility.
- Enhance career and technical training.

Effect of Proposed Changes

Section 7 amends s. 1000.03, F.S., to reinforce the state's expectation that institutions within Florida's K-20 education system avoid wasteful duplication of programs offered by state universities, colleges, and career centers and charter technical career centers that are operated by district school boards.

The bill also clarifies the mission of Florida's public K-20 education system. Specifically,

- Section 40 amends s. 1004.65, F.S., to change the provision of upper-level instruction and awarding baccalaureate degrees from a primary mission to a secondary mission of colleges.
- Sections 16 and 26 amend ss. 1001.44 and 1002.34, F.S., respectively, to specify that the primary mission of a career center or a charter technical career center is to promote advances and innovations in workforce preparation and economic development. These sections also specify that a career center or charter technical career center operated by a district school board may not offer college credit courses or certificates or an associate or baccalaureate degree.

The bill does not change Florida's longstanding articulation system, which allows⁷⁶ for the conversion of clock hours generated by students enrolled in non-college-credit programs at career centers and charter technical career centers to college credit programs offered by colleges.⁷⁷ The Florida Department of Education maintains a list of articulation agreements for:

⁷² Section 1001.44, F.S.

⁷³ There are 49 Council on Occupational Education-accredited career centers operated by school districts, 1 of which is a charter technical career center. Email, Department of Education (Nov. 6, 2017).

⁷⁴ Section 1001.44(3)(a), F.S.

⁷⁵ Section 1002.34(2), F.S. Currently, Lake Technical College is the only charter technical career center. Email, Department of Education (Nov. 6, 2017).

⁷⁶ The statewide articulation agreement between the State Board of Education and the Board of Governors must guarantee the statewide articulation of appropriate workforce development programs and courses between school districts and community colleges. Section 1007.23(4), F.S.

⁷⁷ Workforce education programs may be conducted by a community college institution or a school district, except that college credit in an associate in applied science or an associate in science degree may be awarded only by a community college. Section 1011.80(2), F.S.

- Postsecondary Adult Vocational (PSAV) to associate in science (AS) and associate in applied science (AAS) degree programs.⁷⁸
- Industry certifications to AS and AAS degree programs.⁷⁹

All 28 colleges are regionally accredited by the Commission on Colleges of the Southern Association of Colleges and Schools.⁸⁰ In comparison, career centers and charter technical career centers that are operated by district school boards are nationally accredited by the Council on Occupational Education.⁸¹

The bill modifies the scope and responsibilities for career education in school districts and colleges. Specifically,

- Section 40 amends s. 1004.65, F.S., to expand the scope of career education at a college to include nationally recognized industry certifications.
- Section 48 amends s. 1004.92, F.S., to modify the accountability for career education to specify that the standards for accountability must reflect the quality components of career and technical education programs.

Articulation and Student Supports

The Legislature has established a process for the articulation of credits earned by students and specified the instructional strategies for the delivery of developmental education.

It is the intent of the Legislature to facilitate articulation and seamless integration of the K-20 education system by building, sustaining, and strengthening relationships among the various education sectors and delivery systems within the state.⁸² Additionally, it is the intent of the Legislature that articulated acceleration mechanisms serve to shorten the time necessary for students to fulfill high school and postsecondary education requirements, broaden the scope of curricular options available to students, and increase the depth of study in a particular subject.⁸³

⁷⁸ Such agreements assure a minimum number of articulated college credit for qualifying students who have completed articulated PSAV programs. There are 46 such agreements. Florida Department of Education, *Statewide Articulation Agreements - PSAV Program to AAS/AS Degree*, <http://www.fldoe.org/academics/career-adult-edu/career-technical-edu-agreements/psav-to-aas-as-degree.stml> (last visited Nov. 9, 2017).

⁷⁹ Students receive college credit for successfully earning a nationally recognized industry certification that is aligned with an associate in applied science (AAS) or associate in science (AS) degree. There are 186 such agreements. Florida Department of Education, *Industry Certification to AAS/AS Degree*, <http://www.fldoe.org/academics/career-adult-edu/career-technical-edu-agreements/industry-certification.stml> (last visited Nov. 9, 2017).

⁸⁰ Southern Association of Colleges and Schools, Commission on Colleges, *SACSCOC Member and Candidate List*, available at <http://www.sacscoc.org/pdf/webmemlist.pdf>.

⁸¹ Email, Department of Education (Nov. 6, 2017). See also Council on Occupational Education, *Membership Directory*, available at <http://council.org/wp-content/uploads/2017/02/Accredited-Institutions-3-30-2017.pdf>, at 13-25.

⁸² Section 1007.01(1), F.S.

⁸³ Section 1007.27(1), F.S.

2+2 Articulation (Section 56)

Present Situation

The State Board of Education (SBE) and the Board of Governors of the State University System (BOG) are required to enter into a statewide articulation agreement to preserve Florida's "2+2" system of articulation, facilitate the seamless articulation of student credit across and among Florida's education entities, and reinforce the articulation and access provisions⁸⁴ specified in law.⁸⁵

The articulation agreement must require each student who is seeking an associate in arts (AA) degree to indicate a baccalaureate degree program offered by an institution of interest by the time the student earns 30 semester hours.⁸⁶ Additionally, the articulation agreement must provide that every associate in arts graduate of a Florida College System (FCS) institution has met all general education requirements and must be granted admission to the upper division, with certain exceptions,⁸⁷ of a state university or an FCS institution that offers a baccalaureate degree.⁸⁸ However, eligibility for admission to a state university does not provide to a transfer student guaranteed admission to the specific university or degree program that the student chooses.⁸⁹

The 2+2 transfer outcome for the fall 2009 first-time-in-college, full-time cohort indicates that 31.9 percent of such students transferred to a state university within 6 years.⁹⁰ The transfer rates for such students ranged from 47.5 percent at Santa Fe College to 11.3 percent at Florida Keys Community College.⁹¹

Effect of Proposed Changes

Section 56 amends s. 1007.23, F.S., to establish the "2+2" targeted pathway program to strengthen Florida's "2+2" system of articulation and improve student retention and on-time graduation. Specifically, this section requires that by the 2018-2019 academic year:

- Each college must execute at least one "2+2" targeted pathway articulation agreement with one or more state universities.
- Each state university must execute at least one "2+2" targeted pathway articulation agreement with one or more colleges.

Section 56 requires the "2+2" targeted pathway articulation agreement to provide students who graduate with an AA degree and who meet specified requirements guaranteed access to the state

⁸⁴ See Chapter 1007, F.S.

⁸⁵ Section 1007.23(1), F.S.

⁸⁶ Section 1007.23(3), F.S.

⁸⁷ Section 1007.23(2)(a), F.S., exceptions include limited access programs, teacher certification programs, and those requiring an audition.

⁸⁸ Section 1007.23(2)(a), F.S.

⁸⁹ Board of Governors Regulation 6.004(2)(b).

⁹⁰ Office of Program Policy Analysis and Government Accountability, *How Do Florida Schools Perform on The Community College Research Center's (CCRC) 2+2 Institutional Transfer Outcome Metrics?*, (Feb. 10, 2017), at 3.

⁹¹ *Id.*

university and a baccalaureate degree program at that university, in accordance with the terms of the agreement.

This section also specifies requirements for students, state universities, and the governing boards for colleges and state universities. Specifically, the bill:

- Establishes student eligibility criteria to participate in a “2+2” targeted pathway program to require that a student:
 - Enroll in the program before completing 30 credit hours;
 - Complete an AA degree; and
 - Meet the state university’s transfer requirements.
- Establishes requirements for state universities that execute “2+2” targeted pathway articulation agreements with their partner college to require a state university to:
 - Establish a 4-year on-time graduation plan for a baccalaureate degree program, including a plan for students to complete AA degree programs, general education courses, common prerequisite courses, and elective courses;
 - Advise students enrolled in the program about the university’s transfer and degree program requirements; and
 - Provide students access to academic advisors and campus events, and guarantee admittance to the state university and degree program of the state university, in accordance with the terms of the agreement.
- Requires the SBC and the BOG to collaborate to eliminate barriers in executing “2+2” targeted pathway articulation agreements.

The “2+2” targeted pathway program is consistent with recent efforts by state universities to strengthen regional articulation. The statewide “2+2” articulation agreement established in law⁹² does not require a 4-year graduation plan and does not guarantee access to a specific university or degree program. To provide students a path to on-time graduation in 4 years with a baccalaureate degree, some state universities have established articulation agreements with regional public colleges.⁹³ For instance, the University of South Florida (USF) “FUSE” program offers students guaranteed admission to a USF System institution and specified degree program.⁹⁴ The FUSE program creates an academic pathway that provides a map for taking required courses, advising at USF and the partner institution regarding university requirements, a specially-designed orientation session for 2+2 students at the beginning of the program, and access to USF facilities and events.⁹⁵ The “DirectConnect to UCF” program guarantees admission to the University of Central Florida (UCF) with an associate degree from a partner

⁹² Section 1007.23(2), F.S.

⁹³ State universities and Florida College System institutions have partnered to offer 57 targeted 2+2 articulation agreements. Florida Department of Education, Presentation to the Senate Committee on Education, *Building on Excellence* (Oct. 23, 2017), available at http://www.flsenate.gov/PublishedContent/Committees/2016-2018/ED/MeetingRecords/MeetingPacket_3977_2.pdf, at 13. Examples of regional articulation agreements are the “[DirectConnect to UCF](#),” the [University of South Florida “FUSE” program](#), “[TCC2FSU](#),” “[TCC2FAMU](#),” “[FIU Connect4Success](#),” “[Link to FAU](#),” “[2UWF Transfer Student Partnership](#),” and “[UNF/SJR Gateway](#).” The Florida Senate staff analysis.

⁹⁴ University of South Florida, *Office of Admissions*, <http://www.usf.edu/admissions/transfer/fuse/index.aspx>, (last visited Nov. 9, 2017).

⁹⁵ University of South Florida, *Office of Admissions*, <http://www.usf.edu/admissions/transfer/fuse/index.aspx>, (last visited Nov. 9, 2017).

institution, offers university advising to develop an academic plan, and provides access to UCF campuses for services and events.⁹⁶

Notification of Acceleration College Credit (Section 63)

Present Situation

Articulated acceleration mechanisms include, but are not limited, to Advanced Placement (AP), Advanced International Certificate of Education (AICE), International Baccalaureate (IB), credit by examination, and dual enrollment.⁹⁷ The Department of Education is required to annually identify and publish the minimum scores, maximum credit, and course or courses for which credit must be awarded for specified examinations.⁹⁸ The Articulation Coordinating Committee (ACC)⁹⁹ has established passing scores and course and credit equivalents for examinations specified in law.¹⁰⁰ The credit-by-exam equivalencies have been adopted in rule by the State Board of Education (SBE).¹⁰¹ Each FCS institution and state university must award credit for specific courses for which competency has been demonstrated by successful passage of one of the examinations associated with the identified acceleration mechanisms.¹⁰²

The law also requires the Commissioner of Education (commissioner) to appoint faculty committees representing secondary and public postsecondary education institutions to identify postsecondary courses that meet high school graduation requirements and equivalent high school credits earned through dual enrollment.¹⁰³ Additionally, the commissioner must recommend such courses to the SBE.¹⁰⁴ The dual enrollment course-to-high school subject area equivalency list specifies postsecondary courses that when completed earn both high school and college credit.¹⁰⁵ All high schools must accept these dual enrollment courses toward meeting the standard high school diploma requirements.¹⁰⁶

Effect of Proposed Changes

Section 63 amends s. 1007.27, F.S., to require district school boards to notify students who enroll in acceleration mechanism courses or take exams about the *credit-by-examination equivalency*

⁹⁶ University of Central Florida, *Direct Connect to UCF*, <http://directconnectoucf.com/>, (last visited Nov. 9, 2017).

⁹⁷ Section 1007.27(1), F.S.

⁹⁸ Section 1007.27(2), F.S.

⁹⁹ The Articulation Coordinating Committee (ACC) is established by the Commissioner of Education in consultation with the Chancellor of the SUS, to make recommendations related to statewide articulation policies regarding access, quality, and data reporting. The ACC serves as an advisory body to the Higher Education Coordinating Council, the SBE, and BOG.

¹⁰⁰ Section 1007.27(2), F.S. *See also* Florida Department of Education, *Articulation Coordinating Committee Credit by Exam Equivalencies* (Initially adopted Nov. 14, 2001), available at <https://www.flrules.org/gateway/readRefFile.asp?refId=8560&filename=ACC%20Credit%20by%20Exam.pdf>.

¹⁰¹ Rule 6A-10.024, F.A.C.

¹⁰² *Id.*

¹⁰³ Section 1007.271(9), F.S.

¹⁰⁴ *Id.*

¹⁰⁵ Florida Department of Education, *2017-2018 Dual Enrollment Course—High School Subject Area Equivalency List*, available at <http://www.fldoe.org/core/fileparse.php/5421/urlt/0078394-delist.pdf>.

¹⁰⁶ Section 1007.271(9), F.S.

list and dual enrollment course and high school subject area equivalency list. The notification requirement promotes targeted student advising at the secondary school level to inform students about generating college credits through certain acceleration mechanism courses and exams, and applying such credits purposefully to a postsecondary certificate or degree program, to ensure students receive credit for such courses and exams taken during high school. Such application of acceleration credit was a key part of Governor Scott’s “‘Finish in Four, Save More’ Challenge” to encourage state universities and colleges to help full-time students graduate with an affordable degree in four years to avoid additional costs and fees.¹⁰⁷ The notification may also assist students with higher education planning and affordability considerations.

Instructional Strategies for Developmental Education (Section 67)

Present Situation

Developmental education is instruction through which a high school graduate who applies for any college credit program may attain the communication and computation skills necessary to successfully complete college credit instruction.¹⁰⁸ Developmental education may be delivered through a variety of strategies, including:¹⁰⁹

- Modularized instruction that is customized and targeted to address specific skills gaps;
- Compressed course structures that accelerate student progression from developmental instruction to college-level coursework;
- Contextualized developmental instruction that is related to meta-majors; and
- Corequisite developmental instruction or tutoring that supplements credit instruction while a student is concurrently enrolled in a credit-bearing course.

Each Florida College System (FCS) institution board of trustees (BOT) is required to develop a plan to implement the developmental education strategies defined in law¹¹⁰ and rules¹¹¹ of the State Board of Education (SBE).¹¹² A university BOT may contract with a FCS institution to provide developmental education services for university students in need of developmental education.¹¹³ Currently, Florida Agricultural and Mechanical University (FAMU) is the only state university in the SUS authorized to offer developmental education.¹¹⁴

Beginning in 2013,¹¹⁵ each FCS institution was required to annually prepare an accountability report that includes student success data relating to each developmental education strategy implemented by the institution.¹¹⁶ By December 31 of each year, the Chancellor of the FCS must

¹⁰⁷ 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 Nov. 9, 2017).

¹⁰⁸ Section 1008.02(1), F.S.

¹⁰⁹ *Id.*

¹¹⁰ *Id.*

¹¹¹ Rule 6A-14.030(12), F.A.C.

¹¹² Section 1008.30(5)(a), F.S.

¹¹³ Section 1008.30(5)(c), F.S.

¹¹⁴ Board of Governors Regulation 6.008(1).

¹¹⁵ Section 19, ch. 2013-51, L.O.F.

¹¹⁶ Section 1008.30(5)(b), F.S.

compile and submit the institutional reports to the Governor, the President of the Senate, the Speaker of the House of Representatives, and the SBE.¹¹⁷

Effect of Proposed Changes

Section 67 amends s. 1008.30, F.S., to strengthen developmental education instruction by emphasizing the focus on instructional strategies specified in law¹¹⁸ in the delivery of developmental education instruction by a state university. In accordance with the bill modifications, FAMU may need to revise its developmental education instructional program to incorporate the developmental education instructional strategies specified in law. Currently, each college board of trustees must develop a plan to implement the developmental education strategies defined in law and comply with the related reporting provisions.¹¹⁹

In addition, section 67 establishes the Supporting Students for Academic Success Program to fund the efforts of colleges in assisting students enrolled in an associate in arts (AA) degree program complete college credit courses, graduate with an AA degree, and transfer to a baccalaureate degree program. The bill requires the Chancellor of the Florida College System (FCS) to include in the summary of the FCS accountability report the number and percentage of students enrolled at colleges who:

- Successfully complete a gateway course in mathematics¹²⁰ within the first academic year after initial enrollment;
- Successfully complete at least 24 credit hours at a college within the first academic year after initial enrollment and who remain enrolled at that institution in the academic year immediately following the first academic year;
- Graduate with an AA degree; and
- Transfer to a baccalaureate degree offered by an institution of higher education in Florida within one year after earning an AA degree.

College Performance and Fiscal Accountability

The Legislature has established performance expectations for Florida's colleges and provided for financial incentives to boost student achievement, graduation, and job placement.

¹¹⁷ *Id.* The most recent report is the *Florida College System Developmental Education Accountability Reports* (Dec. 30, 2016), available at https://www.floridacollegesystem.com/sites/www/Uploads/files/Downloads/Dev%20Ed%20Account_2016%20Final%20Report.pdf.

¹¹⁸ Section 1008.02, F.S.

¹¹⁹ Section 1008.30(5)(a), F.S.

¹²⁰ "Gateway course" means the first course that provides transferable, college-level credit allowing a student to progress in his or her program of study. Section 1008.02(2), F.S. The gateway courses for business are College Algebra, MAC X105, or Elementary Statistics, STA X023; The gateway courses for science, technology, engineering, and mathematics is College Algebra, MAC X105; The gateway courses for all other meta-major academic pathways identified in subsection (1) of this rule are College Algebra, MAC X105, Liberal Arts Mathematics I, MGF X106, Liberal Arts Mathematics II, MGF X107, or Elementary Statistics, STA X023. Rule 6A-14.065(2), F.A.C.

Florida College System Performance-Based Incentive (Section 23)

Present Situation

The Florida College System (FCS) Performance-Based Incentive is awarded to FCS institutions using metrics adopted by the State Board of Education (SBE). The metrics must include retention rates; program completion and graduation rates; post-graduation employment, salaries, and continuing education for workforce education and baccalaureate programs, with wage thresholds that reflect the added value of the certificate or degree; and outcome measures appropriate for associate of arts degree recipients.¹²¹ The SBE is required to adopt benchmarks to evaluate each institution's performance on the metrics for eligibility to receive performance funding.¹²²

Effect of Proposed Changes

Section 23 amends s. 1001.66, F.S., to revise the existing FCS performance metrics for awarding performance-based incentives to colleges, and adds new metrics that emphasize on-time program completion. These revised and new metrics, which must be adopted by the State Board of Colleges (SBC) are:

- A student retention rate, as calculated by the SBC;
- A 100 percent-of-normal-time program completion and graduation rate for full-time, first-time-in-college students, as calculated by the SBC, using a cohort definition of "full-time" based on a student's majority enrollment in full-time terms;
- A continuing education or post-graduation job placement rate for workforce education programs, including workforce baccalaureate degree programs, with wage thresholds that reflect the added value of the applicable certificate or degree, and specifies that such metric does not apply to associate in arts (AA) degrees;
- A graduation rate metric for full-time, first-time-in-college (FTIC) students in AA programs who graduate with a baccalaureate degree in 4 years after initially enrolling in an AA program; and
- A new performance-based metric on college affordability.

The outcomes for the 2009 first-time-in-college, full-time cohort enrolled in AA degree programs over a 6-year timeframe indicate that 17.7 percent of the students earned a baccalaureate degree over the 6-year period, 26.2 percent were still enrolled in the AA degree program, 13.0 percent exited with a certificate or associate degree, and 43.1 percent exited the college with no credential.¹²³ The 6-year graduation rate for such students who earned a baccalaureate degree ranged from 33.8 percent at Santa Fe College to 1.9 percent at Florida Keys Community College.¹²⁴

¹²¹ Section 1001.66(1), F.S.

¹²² *Id.* Rule 6A-14.07621, F.A.C., provides a description of the metrics and benchmarks, and calculations for performance funding.

¹²³ Office of Program Policy Analysis and Government Accountability. *Florida College System AA Student Outcomes, All Students, Six Year Window, Fall 2009 Cohort*, (Feb. 10, 2017).

¹²⁴ *Id.*

The revisions to the college performance metrics are likely to prompt a modification to the strategic plan for the Florida College System, as well as changes in the college accountability mechanisms, which may guide institutional efforts toward on-time graduation.

Distinguished Florida College System Institution Program (Section 24)

Present Situation

The Distinguished Florida College System (FCS) Institution Program is a collaborative partnership between the State Board of Education and the Legislature to recognize the excellence of Florida's highest-performing FCS institutions.¹²⁵ The excellence standards include:

- A 150 percent-of-normal-time completion rate¹²⁶ of 50 percent or higher, as calculated by the Division of Florida Colleges (DFC).
- A 150 percent-of-normal-time completion rate for Pell Grant recipients of 40 percent or higher, as calculated by the DFC.
- A retention rate of 70 percent or higher, as calculated by the DFC.
- A continuing education, or transfer, rate of 72 percent or higher for students graduating with an associate of arts degree, as reported by the Florida Education and Training Placement Information Program (FETPIP).
- A licensure passage rate on the National Council Licensure Examination for Registered Nurses (NCLEX-RN) of 90 percent or higher for first-time exam takers, as reported by the Board of Nursing.
- A job placement or continuing education rate of 88 percent or higher for workforce programs, as reported by FETPIP.
- A time-to-degree for students graduating with an associate of arts degree of 2.25 years or less for first-time-in-college students with accelerated college credits, as reported by the Southern Regional Education Board.

An FCS institution that meets 5 of the 7 excellence standards is designated as a distinguished college.¹²⁷

Effect of Proposed Changes

Section 24 amends s. 1001.67, F.S., to emphasize on-time graduation by revising the excellence standards for the Distinguished Florida College System Institution Program. Specifically, this section:

- Changes the normal-time completion rate metric from 150 percent to 100 percent for full-time, first-time-in-college students, as calculated by the State Board of Colleges (SBC).
- Changes the normal-time completion rate metric for full-time, first-time-in-college Pell Grant recipients from 150 percent to 100 percent, as calculated by the SBC.

¹²⁵ Section 1001.67, F.S.

¹²⁶ Rule 6A-14.07621(3)(b), F.A.C. The normal-time-completion rate captures the outcomes of a cohort of full-time, FTIC students who graduate within the amount of time is dependent on the catalogue time for the academic program.

¹²⁷ Section 1001.67(1)-(2), F.S.

- Specifies that the job placement metric must be based on the wage thresholds that reflect the added value of the applicable certificate or degree; and specifies that the continuing education and job placement metric does not apply to associate in arts (AA) degrees.
- Replaces the time-to-degree metric with an excess-hours rate metric of 40 percent or lower for AA degree recipients who graduate with 72 or more credit hours, as calculated by the SBC.

The modifications to the excellence standards may guide institutional efforts toward helping students graduate timely.

College Direct Support Organizations (Section 42)

Present Situation

A Florida College System (FCS) institution direct-support organization (DSO) is:¹²⁸

- A Florida corporation not for profit, incorporated under the provisions of chapter 617, and approved by the Department of State.
- Organized and operated exclusively to receive, hold, invest, and administer property and to make expenditures to, or for the benefit of, a FCS institution.
- An organization reviewed and certified by the FCS institution board of trustees (BOT) to be operating in a manner consistent with the goals of the college and in the best interest of the state.

FCS institution BOTs are currently authorized to permit the use of property, facilities, and personal services at their college by the DSO.¹²⁹ “Personal services” includes full-time or part-time personnel as well as payroll processing.¹³⁰ Each FCS institution BOT is authorized to prescribe by rule any condition with which a FCS institution DSO must comply in order to use property, facilities, or personal services at any FCS institution.¹³¹

The FCS institution DSOs are prohibited from giving, either directly or indirectly, any gift to a political committee¹³² for any purpose other than those certified by a majority roll call vote of the governing board of the DSO at a regularly scheduled meeting as being directly related to the educational mission of the FCS institution.¹³³

Effect of Proposed Changes

Section 42 amends s. 1004.70, F.S., to enhance transparency and strengthens accountability of college direct-support organizations (DSO). Specifically, this section:

- Prohibits college boards of trustees from permitting:
 - Any college DSO to use personal services beginning July 1, 2022.
 - The use of state funds for travel expenses by any college DSO.

¹²⁸ Section 1004.70(1)(a), F.S.

¹²⁹ Section 1004.70(3)(a), F.S.

¹³⁰ *Id.* at (1)(b).

¹³¹ *Id.* at (3)(b).

¹³² A “political committee” is defined in s. 106.011, F.S.

¹³³ Section 1004.70(4)(d), F.S.

- Reinforces the prohibition in current law that a college DSO may not give, either directly or indirectly, any gift to a political committee. Specifically, the bill eliminates the exception to the prohibition that allows gifts certified by a majority roll call vote of the governing board of the DSO at a regularly scheduled meeting as being directly related to the educational mission of the FCS institution.
- Modifies the requirement for the chair of a college board of trustees to appoint a representative to the DSO board of directors and executive committee from one to at least one representative.

Funding

Section 122 transfers 34 existing positions and \$2.8 million from the State Board of Education budget for the creation of the State Board of Colleges (SBC). This section also provides an additional 17 positions and \$1.5 million for necessary SBC positions such as a General Counsel, Inspector General, Board Secretary, and others.

Section 122 also appropriates \$100 million in recurring performance and program funding for the FCS. Specifically, this section appropriates:

- \$10 million in recurring funds for distribution to colleges for students who earn industry certifications during the 2018-2019 academic year;
- \$60 million in recurring funds for the Florida College Performance-Based Incentive, for the 2018-2019 fiscal year. From these funds, \$30 million is included as the state investment in performance funding and \$30 million is redistributed from the base budget of Florida College System (FCS) institutions as the institutional investment in performance funding.
- \$30 million in recurring funds for the Supporting Students for Academic Success Program for the 2018-2019 fiscal year, to be allocated to each college through the FCS Program Fund funding model.

The bill takes effect October 1, 2018, except as otherwise expressly provided.

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:

None.

C. Government Sector Impact:

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- \$30 million in recurring funds for the Supporting Students for Academic Success Program for the 2018-2019 fiscal year, to be allocated to each college through the FCS Program Fund funding model.

VI. Technical Deficiencies:

None.

VII. Related Issues:

None.

VIII. Statutes Affected:

This bill substantially amends the following sections of the Florida Statutes: 20.15, 112.313, 112.3145, 1000.03, 1000.05, 1001.02, 1001.03, 1001.10, 1001.11, 1001.20, 1001.28, 1001.42, 1001.44, 1001.60, 1001.61, 1001.64, 1001.65, 1001.66, 1001.67, 1001.706, 1002.34, 1003.491, 1003.493, 1004.015, 1004.02, 1004.03, 1004.04, 1004.07, 1004.084, 1004.085, 1004.096, 1004.0961, 1004.35, 1004.6495, 1004.65, 1004.67, 1004.70, 1004.71, 1004.74, 1004.78, 1004.80, 1004.91, 1004.92, 1004.925, 1004.93, 1006.60, 1006.61, 1006.62, 1006.71, 1007.01, 1007.23, 1007.24, 1007.25, 1007.262, 1007.263, 1007.264, 1007.265, 1007.27, 1007.271, 1007.273, 1007.33, 1008.30, 1008.31, 1008.32, 1008.345, 1008.37, 1008.38, 1008.405, 1008.44, 1008.45, 1009.21, 1009.22, 1009.23, 1009.25, 1009.26, 1009.28, 1009.90, 1009.91, 1009.971,

1010.01, 1010.02, 1010.04, 1010.07, 1010.08, 1010.09, 1010.22, 1010.30, 1010.58, 1011.01, 1011.011, 1011.30, 1011.32, 1011.80, 1011.801, 1011.81, 1011.82, 1011.83, 1011.84, 1011.85, 1012.01, 1012.80, 1012.81, 1012.83, 1012.855, 1012.86, 1013.01, 1013.02, 1013.03, 1013.28, 1013.31, 1013.36, 1013.37, 1013.40, 1013.47, 1013.52, and 1013.65.

This bill creates the following sections of the Florida Statutes: 20.156, 1001.6001, 1001.601, and 1001.602.

This bill creates two undesignated sections of the Florida Statutes.

IX. Additional Information:

A. Committee Substitute – Statement of Substantial Changes: (Summarizing differences between the Committee Substitute and the prior version of the bill.)

CS by Appropriations on January 24, 2018:

The committee substitute:

- Removes the term “community” in all references in the bill to the Florida College System (FCS) and its institutions.
- Transfers 34 existing positions and \$2.8 million from the State Board of Education budget for the creation of the State Board of Colleges (SBC).
- Provides an additional 17 positions and \$1.5 million for necessary SBC positions such as a General Counsel, Inspector General, Board Secretary, and others.
- Appropriates \$100 million in recurring performance and program funding for the FCS. Specifically:
 - \$10 million in recurring funds for distribution to colleges for students who earn industry certifications during the 2018-2019 academic year;
 - \$60 million in recurring funds for the Florida College Performance-Based Incentive, for the 2018-2019 fiscal year. From these funds, \$30 million is included as the state investment in performance funding and \$30 million is redistributed from the base budget of FCS institutions as the institutional investment in performance funding.
 - \$30 million in recurring funds for the Supporting Students for Academic Success Program for the 2018-2019 fiscal year, to be allocated to each college through the FCS Program Fund funding model.

CS by Education on November 13, 2017:

The committee substitute:

- Modifies conforming provisions in the bill relating to the Florida Postsecondary Comprehensive Transition Program to restore current law regarding:
 - The role of the Commissioner of Education (commissioner) in the approval of such programs for the applicable eligible institutions (i.e., programs offered by technical centers operated by district school boards).
 - The inclusion of the State Board of Education (SBE) in the notification and required rulemaking provisions related to such programs.
 - The inclusion of the commissioner and the SBE in the accountability provisions related to such programs.

- Changes from the 2018 to the 2019 Regular Session the directive to the Division of Law Revision and Information to develop a reviser's bill to update terms in the Florida Statutes regarding the Florida Community College System and Florida Community College System institutions.

B. Amendments:

None.

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