

HOUSE OF REPRESENTATIVES STAFF ANALYSIS

BILL #: CS/CS/CS/HB 839 Higher Education

SPONSOR(S): Education Committee, Higher Education Appropriations Subcommittee, Higher Education & Career Readiness Subcommittee, Rodrigues, R.

TIED BILLS: None **IDEN./SIM. BILLS:** CS/SB 1296

REFERENCE	ACTION	ANALYST	STAFF DIRECTOR or BUDGET/POLICY CHIEF
1) Higher Education & Career Readiness Subcommittee	10 Y, 5 N, As CS	D'Souza	Bishop
2) Higher Education Appropriations Subcommittee	9 Y, 2 N, As CS	Crowley	Lloyd
3) Education Committee	14 Y, 1 N, As CS	D'Souza	Hassell

SUMMARY ANALYSIS

The bill:

- Requires employees or officers of a Florida College System (FCS) institution be included in Department of Management Services' website that provides information relating to such employees or officers.
- Requires the Board of Governors (BOG) and the State Board of Education (SBE) to report annually on the intellectual freedom and viewpoint diversity at each institution by conducting a survey.
- Requires FCS institutions and state universities be given the choice to provide either an opt-in or an opt-out provision to students regarding textbook and instructional materials affordability.
- Revises the data for determining whether an institution is designated as preeminent or emerging preeminent by using more timely performance data.
- Modifies state university performance funding metrics to include metrics that focus on the success rate of Pell Grant-eligible students and "2+2" Associate in Arts (AA) degree transfer students; and prohibits the adjustment of such metrics once data has been received.
- Requires the Commissioner of Education to submit recommendations to the SBE and the Legislature for the most efficient process to achieve a complete performance-based model.
- Requires the BOG to enter into an agreement with the Department of Economic Opportunity for access to individual reemployment assistance wage reports for auditing and evaluation purposes.
- Requires the BOG to define the data and methodology used in performance and preeminence funding, and requires each state university to conduct and submit an audit to the BOG's Office of Inspector General.
- Prohibits the transfer of state appropriations by a university board of trustees to any of its direct-support organizations' subsidiaries and affiliates.
- Requires the University of South Florida (USF) St. Petersburg and USF Manatee/Sarasota to maintain branch campus status when each campus's accreditation is consolidated into a single accreditation, as monitored by the BOG, and prohibits the BOG from using the consolidated data for determining funding eligibility, subject to meeting certain deadlines.
- Establishes the "2+2" targeted pathway program to improve student retention and on-time graduation.
- Requires a reverse transfer agreement for FCS AA degree students who transfer to a state university.
- Requires the BOG legislative budget request to include 5-year trend information on the number of faculty and administrators at each university and specifies that the growth rate of administrators may not exceed the growth rate of faculty.
- Removes the limitation that prohibits a Phosphate Research and Activities Board member from serving more than 180 days after the expiration of his or her term.

The bill would have minimal fiscal impact.

Except as otherwise provided, the bill has an effective date of July 1, 2019.

This document does not reflect the intent or official position of the bill sponsor or House of Representatives.

STORAGE NAME: h0839e.EDC

DATE: 4/11/2019

FULL ANALYSIS

I. SUBSTANTIVE ANALYSIS

A. EFFECT OF PROPOSED CHANGES:

Florida College System (FCS) Salary Transparency

Present Situation

Current law requires the Department of Management Services (DMS) to establish and maintain a website that provides current information relating to each employee or officer of a state agency, a state university, or the State Board of Administration, regardless of the appropriation category from which the person is paid.¹ At a minimum this information must include:²

- Name and salary or hourly rate of pay.
- Position number, class code, and class title.
- Employing agency and budget entity.

Additionally, the information must be searchable by state agency, state university, and the State Board of Administration, and by employee name, salary range, or class code and must be downloadable in a format that allows offline analysis.³

Effect of Proposed Changes

The bill requires employees or officers of an FCS institution to be included in DMS's website that provides current information relating to such employees or officers of a state agency, a state university, or the State Board of Administration, regardless of the appropriation category from which the person is paid.

Intellectual and Viewpoint Diversity

Present Situation

In 2006, the American Association of Colleges and Universities (AAC&U) issued a statement on academic freedom and educational responsibility⁴. According to the AAC&U:

In any education of quality, students encounter an abundance of intellectual diversity—new knowledge, different perspectives, competing ideas, and alternative claims of truth. This intellectual diversity is experienced by some students as exciting and challenging, while others are confused and overwhelmed by the complexity. Liberal education, the nation's signature educational tradition, helps students develop the skills of analysis and critical inquiry with particular emphasis on exploring and evaluating competing claims and different perspectives.

Diversity is defined by Webster's dictionary as "the condition of having or being composed of differing elements" and "the inclusion of different types of people (such as people of different races or cultures) in a group or organization."⁵ Colleges and universities have long sought to foster diversity on campus. However, recent events on multiple college campuses across the country have raised the question of whether diversity of thought is included in what appears to be an evolving definition of diversity.

¹ Section 215.985(6), F.S.

² Section 215.985(6)(a), F.S.

³ Section 215.985(6)(b), F.S.

⁴ American Association of Colleges and Universities, *Academic Freedom and Educational Responsibility* (Washington DC: Association of Colleges and Universities, 2006), available at <https://www.aacu.org/about/statements/academic-freedom>.

⁵ Merriam-Webster Dictionary. Available at: <https://www.merriam-webster.com/dictionary/diversity>

Effect of Proposed Changes

The bill requires the BOG and the SBE to annually report on the intellectual freedom and viewpoint diversity at each SUS and FCS institution by conducting a survey of students, faculty and administrators. The survey must be selected or created by the BOG and the SBE and be objective, non-partisan, and statistically valid. The survey must be used by each institution to assess the extent to which members of the state university and state college community feel comfortable expressing their beliefs and viewpoints on campus and in the classroom. The first report must be published by September 1, 2020 and annually thereafter.

Board of Governors (BOG) Powers and Duties Relating to Accountability

Present Situation

The BOG is required to develop a strategic plan specifying goals and objectives for the State University System (SUS) and each constituent university, including each university's contribution to overall system goals and objectives.⁶

The strategic plan must include criteria for designating baccalaureate degree and master's degree programs at specified universities as high-demand programs of emphasis.⁷ 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:⁸

- 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; and
- 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.

The BOG is also required to develop an accountability plan for the SUS and each constituent university. The accountability plan must be submitted as part of the legislative budget request and address institutional and system achievement goals and objectives specified in the strategic plan.⁹

Effect of Proposed Changes

The bill requires the BOG to match individual student information with information from state and federal agencies that maintain educational and employment records. Additionally, the BOG must enter into an agreement with Department of Economic Opportunity (DEO) that allows access to reemployment assistance wage reports maintained by DEO. The agreement must protect individual privacy and provide that student information obtained through the agreement may be used only for the purposes of auditing and evaluating higher education programs offered by state universities. This access will decrease the BOG response time for legislative requests.

Additionally, to ensure consistency, the bill requires the BOG to define the data components and methodology used to implement the preeminent state research universities program and the SUS Performance-Based Incentive. Each institution must conduct an annual audit to verify that the data submitted complies with the data definitions established by the BOG and submit the audits to the BOG's Office of Inspector General as part of the annual certification process required by the BOG.

⁶ Section 1001.706(5)(b), F.S.

⁷ Section 1001.706(5)(b)4., F.S.

⁸ *Id.*

⁹ Section 1001.706(5)(c), F.S.

Preeminent State Research Universities Program

Present Situation

The Preeminent State Research Universities Program is a collaborative partnership between the BOG and the Legislature to raise the academic and research preeminence of the highest performing state research universities in Florida.¹⁰ A state university that meets 11 of the 12 academic and research excellence standards specified in law¹¹ is designated a “preeminent state research university.”¹² Currently, the University of Florida (UF), Florida State University, and the University of South Florida (USF) are designated as preeminent state research universities.¹³

A state research university that meets at least 6 of the 12 standards is designated as an “emerging preeminent state research university.”¹⁴ Each designated emerging preeminent state research university receives an amount of funding that is equal to one-quarter of the total increased amount awarded to each designated preeminent state research university.

Currently, data from the Integrated Postsecondary Education Data System (IPEDS), which is used to make the determination of whether institutions qualify as emerging preeminent or preeminent, has a significant time lag.

Effect of Proposed Changes

The bill requires that data reported annually in the BOG Accountability Plan, which is more timely than IPEDS, be used to determine whether an institution is designated as preeminent or emerging preeminent.

SUS Performance-Based Incentive

Present Situation

Each fiscal year, the amount of funds available for allocation to the state universities based on the performance-based funding model consists of the state’s investment in performance funding plus institutional investments, which include funds deducted from the base funding of each state university in an amount provided in the General Appropriations Act (GAA).¹⁵

The SUS Performance-Based Incentive is awarded to state universities using performance-based metrics¹⁶ adopted by the BOG.¹⁷ The current metrics selected by the BOG include the following:¹⁸

¹⁰ Section 1001.7065(1), F.S.

¹¹ Section 1001.7065(2), F.S. The standards include: incoming freshman academic characteristics (average weighted GPA and average SAT score); institutional ranking nationally; freshman retention rate; four-year graduation rate; national academy membership of institution faculty; research expenditures (2 measures); research expenditure national ranking; patents awarded annually; doctoral degrees awarded annually; postdoctoral appointees annually; and institutional endowment.

¹² Section 1001.7065(3)(a), F.S.

¹³ Board of Governors, State University System of Florida, *System Summary of University Work Plans 2016*, at 10, available at http://www.flbog.edu/about/doc/budget/workplan_2016/2016_SYSTEM_WORK_PLAN_2016-09-09.pdf.

¹⁴ Section 1001.7065(3)(b), F.S.

¹⁵ Section 1001.92(2), F.S.

¹⁶ Board of Governors, *Performance Funding Model Overview*, available at http://www.flbog.edu/about/budget/docs/performance_funding/Overview-Doc-Performance-Funding-10-Metric-Model-Condensed-Version.pdf.

¹⁷ Section 1001.92(1), F.S.

¹⁸ Board of Governors, *Performance Funding Model Overview*, available at http://www.flbog.edu/about/budget/docs/performance_funding/Overview-Doc-Performance-Funding-10-Metric-Model-Condensed-Version.pdf.

- Percent of bachelor's graduates employed (earning \$25,000+) and/or continuing their education further 1 year after graduation;
- Median average full-time wages of undergraduates employed in Florida 1 year after graduation;
- Average cost to the student (net tuition and fees per 120 semester credit hours);
- Four year graduation rate (full-time and part-time First Time In College);
- Academic progress rate (2nd year retention with GPA above 2.0);
- Bachelor's degrees awarded in areas of strategic emphasis (includes STEM);
- University access rate (percent of undergraduates with a Pell grant);
- Graduate degrees awarded in areas of strategic emphasis (includes STEM)¹⁹;
- Percent of Bachelor's Degrees without excess hours
- Board of Trustees (BOT) choice.

The BOG must adopt benchmarks to evaluate each state university's performance on the metrics.²⁰ The evaluation measures a state university's achievement of institutional excellence or need for improvement, which determines the university's eligibility to receive performance funding.²¹

The BOG assigns points for both excellence and improvement and the higher point value on each metric is counted toward each university's total score. A university must earn more than 50 points (out of a possible 100) to be eligible for the state investment in performance funding. However, the three lowest scoring institutions are not eligible for the state's investment in performance funding regardless of whether they earn more than 50 points. In addition, any university that earns 50 points or less has its institutional investment withheld and is required to submit an improvement plan to the BOG. If improvement is demonstrated according to the approved improvement plan, the institutional investment will be restored.²²

Effect of Proposed Changes

The bill, in an effort to better reflect the progress and outcomes of ALL students, revises existing performance funding metrics, beginning in fiscal year 2020-2021 to include:

- 2-year graduation rate for 2+2 transfer students;*
- 6-year graduation rates for Pell Grant-eligible students as compared with non-Pell Grant-eligible students;* and
- Percent of students graduating without excess hours (for all institutions).

*To ensure that institutions do not shrink the cohort in an effort to achieve better outcomes, points will be deducted if a university decreases its enrollment of such students

The following metrics remain unchanged:

- 4-year graduation rates
- Retention rates
- Postgraduation education rates: percent of graduates employed (earning \$25,000+) and/or continuing their education further 1 year after graduation;
- Degree production: bachelor's degrees awarded in strategic areas of emphasis (includes STEM)
- Affordability: average cost to the student (net tuition and fees per 120 semester credit hours); and

¹⁹ New College of Florida substitutes freshman graduating in Top 10% of high school class for this metric.

²⁰ *Id.*

²¹ *Id.*

²² Board of Governors, *Performance Funding Model Overview*, available at

http://www.flbog.edu/about/budget/docs/performance_funding/Overview-Doc-Performance-Funding-10-Metric-Model-Condensed-Version.pdf

- Postgraduation employment and salaries, including wage thresholds that reflect added value of a bachelor's degree: median average full-time wages of undergraduates employed in Florida 1 year after graduation.

Textbook and Instructional Materials Affordability

Present Situation

Current law authorizes each FCS institution and state university BOT to adopt policies in consultation with providers, including bookstores, which allow for the use of innovative pricing techniques and payment options for textbooks and instructional materials.²³ Innovative pricing techniques and payment options must include an opt-in provision for students and may be approved only if there is documented evidence that the options reduce the cost of textbooks and instructional materials for students taking a course.²⁴

Effect of Proposed Changes

The bill authorizes FCS institutions and state universities to provide either an opt-in or opt-out provision to students within their innovative pricing techniques and payment options for textbooks and instructional materials.

FCS Performance-Based Incentive Program

Present Situation

In 2016, the Legislature codified the FCS Performance-Based Incentive program into law.²⁵ Currently, the program awards a performance-based incentive to FCS institutions using performance-based measures adopted by the State Board of Education (SBE). The law requires the model to include four measures:

- Retention Rates
- Completion Rates
- Job Placement/Continuing Education rates
- Entry-Level Wages

It also requires the SBE to adopt a rule²⁶ to administer the program, develop benchmarks for evaluation of institutional performance, establish minimum requirements to receive state investment funds, and monitor colleges with performance improvement plans.

Effect of Proposed Changes

The bill requires the Commissioner of Education, in consultation with FCS institutions and an independent entity, to provide recommendations to the SBE and the Legislature for future consideration on the most efficient process to achieve a complete performance-based, continuous improvement model focused on outcomes that provides for the equitable distribution of performance funds. The recommendations must be submitted by October 1, 2020.

²³ Section 1004.085(5), F.S.

²⁴ *Id.*

²⁵ Section 1001.66, F.S.

²⁶ Rule 6A-14.07621, F.A.C.

State University Direct-Support Organizations (DSOs)

Present Situation

A state university DSO is a Florida corporation not-for-profit incorporated under the provisions of chapter 617 and approved by the Department of State.²⁷ Each of the 12 state universities have at least one DSO. The DSOs are organized and operated exclusively to receive, hold, invest, and administer property and to make expenditures to, or for the benefit of, a state university or for the benefit of a research and development park or research and development authority affiliated with a state university.²⁸ Each DSO has been reviewed and certified by the university BOT to be operating in a manner consistent with the goals of the university and in the best interest of the state.²⁹

Each state university BOT is authorized to permit the use of property, facilities, and personal services at any state university by any university DSO and DSOs may establish accounts with the State Board of Administration for investment of funds.³⁰

The BOT, in accordance with regulations and guidelines of the BOG, must prescribe, through regulation, the conditions with which a university DSO must comply in order to use property, facilities, or personal services at any state university.³¹ Such regulations shall provide for budget and audit review and oversight by the BOT including thresholds for approval of purchases, acquisitions, projects, and issuance of debt. No later than July 1, 2019, the transfer of a state appropriation by the BOT to any DSO must only include funds pledged for capital projects.³² Beginning July 1, 2019, and annually thereafter, each university BOT shall report to the Legislature the amount of state appropriations transferred to any DSO during the previous fiscal year, the purpose for which the funds were transferred, and the remaining balance of any funds transferred.³³

Effect of Proposed Changes

The bill authorizes the transfer of state appropriations by a university BOT to any of its DSOs and its subsidiaries and affiliates for only funds pledged for capital projects.

The bill requires the UF BOT to approve all appointments to the board of directors of Shands Teaching Hospitals and Clinics, Inc., Shands Jacksonville Medical Center, Inc., Shands Jacksonville HealthCare, Inc., and their subsidiaries and affiliates.

Beginning July 1, 2019, the bill restricts the transfer of state appropriations by the UF BOT to Shands Teaching Hospital and Clinic, Inc., Shands Jacksonville Medical Center, Inc., Shands Jacksonville HealthCare, Inc., and their subsidiaries and affiliates to only funds pledged for capital projects, for delivery of health care services, for matching dollars for intergovernmental services, or for funding graduate medical education.

“2+2” System of Articulation

Present Situation

The SBE and the 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

²⁷ Section 1004.28(1)(a)(1), F.S.

²⁸ Section 1004.28(1)(a)(2), F.S.

²⁹ Section 1004.28(1)(a)(3), F.S.

³⁰ Section 1004.28(2)(a), F.S.

³¹ Section 1004.28(2)(b), F.S.

³² *Id.*

³³ *Id.*

among Florida's education entities, and reinforce the articulation and access provisions³⁴ specified in law.³⁵

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.³⁶ Additionally, the articulation agreement must provide that every AA graduate of a FCS institution has met all general education requirements and must be granted admission to the upper division, with certain exceptions,³⁷ of a state university or an FCS institution that offers a baccalaureate degree.³⁸ However, eligibility for admission to a state university does not guarantee a transfer student admission to the specific university or degree program that the student chooses.³⁹

Of the 57,864 FCS students who graduated with an AA degree in 2016-2017, 35,441 (61 percent) applied as a transfer student to the SUS.⁴⁰ Of those that applied as a transfer student to the SUS, 30,491 (86 percent) students were admitted, and 25,181 (71 percent) students enrolled at a state university.⁴¹

Effect of Proposed Changes

The bill requires that the statewide articulation agreement between the SBE and BOG provides for a reverse transfer agreement for FCS AA degree-seeking students who transfer to a state university prior to earning their AA degree. If a student earned a majority of the credit hours toward an AA degree from an FCS institution, then the student must be awarded an AA degree by that FCS institution upon completion of the degree requirements at the state university. State universities must identify the FCS institution students who have completed the requirements for an AA degree and transfer credits earned at the state university so that the AA degree may be awarded by that FCS institution.

The bill establishes the "2+2" targeted pathway program to strengthen Florida's "2+2" system of articulation and improve student retention and on-time graduation. Specifically, the bill requires the following by the 2019-2020 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.

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

The bill 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;

³⁴ See Chapter 1007, F.S.

³⁵ Section 1007.23(1), F.S.

³⁶ Section 1007.23(3), F.S.

³⁷ Section 1007.23(2)(a), F.S., exceptions include limited access programs, teacher certification programs, and those requiring an audition.

³⁸ *Id.*

³⁹ Florida Board of Governors Regulation 6.004(2)(b).

⁴⁰ Florida Board of Governors, *Overview of 2+2 Transfer Students in the State University System* (June 28, 2018), available at https://www.flbog.edu/documents_meetings/0272_1142_8634_12.6.2%20TWO%20+2_06b_Transfer%20Student%20Data_narrative.pdf.

⁴¹ *Id.*

- 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 SBE and the BOG to collaborate to eliminate barriers in executing "2+2" targeted pathway articulation agreements.

Additionally, the bill requires each district school board to notify students who enroll in articulated acceleration mechanism courses or who take postsecondary examinations of the credit-by-examination equivalency list adopted in rule by the SBE and the dual enrollment course and high school subject area equivalencies approved by the SBE.

UF Spring and Summer Term Enrollment

Present Situation

Subject to approval by the BOG, the UF may plan and implement a student enrollment pilot program for the spring and summer terms for the purpose of aligning on-campus student enrollment and the availability of instructional facilities.⁴² The pilot program must provide for a student cohort that is limited to on-campus enrollment during the spring and summer terms. Students in this cohort are not eligible for on-campus enrollment during the fall term.⁴³

Students who are enrolled in the pilot program and who are eligible to receive Bright Futures Scholarships must be eligible to receive the scholarship award for attendance during the spring and summer terms. This student cohort must also be eligible to receive Bright Futures Scholarships for the fall semester term to be used for off-campus or online coursework, if Bright Futures Scholarship funding is provided by the Legislature for three terms for that academic year for other eligible students.⁴⁴

However, the provision of law allowing eligible students to receive Bright Future Scholarships for the fall term expires on July 1, 2019. At that time, the law will revert back to previous law, which limits the number of semesters that eligible pilot program students may receive Bright Future Scholarships to two.⁴⁵

Effect of Proposed Changes

The bill allows for students enrolled in the UF Pilot program to be eligible to receive Bright Futures Scholarships for 3 terms if funding is provided to other eligible Bright Futures recipients.

⁴² Section 1009.215(1), F.S.

⁴³ Section 1009.215(2), F.S.

⁴⁴ Section 1009.215(3), F.S.

⁴⁵ *Id.*

SUS Faculty/Administrator Ratios

Present Situation

From 2010 through 2014, universities reduced the ratio of students to administrators (meaning the number of administrators was growing faster than the number of students) while student to full-time faculty ratios increased slightly.⁴⁶ The number of staff with administrative duties has increased at a faster rate than that of students or full-time faculty.⁴⁷

Effect of Proposed Changes

The bill requires the legislative budget request for each state university to include 5-year trend information on the number of faculty and administrators at each university. The BOG must define faculty and administrative personnel classifications in regulation and these definitions must be included in the legislative budget request. The bill specifies that the growth rate of administrators at any state university may not exceed the growth rate of faculty.

USF Branch Campuses

Present Situation

In 2018, the Legislature passed legislation to end the separate Southern Association of Colleges and Schools Commission on Colleges (SACSCOC) accreditation of the branch campuses of USF, USF St. Petersburg and USF Sarasota/Manatee, while retaining separate campus boards and regional chairs for USF St. Petersburg and USF Sarasota/Manatee.⁴⁸ Additionally, the Legislature established the membership and powers and duties of each campus board, and required that campus board chairs be represented on the USF BOT. The USF Planning and Implementation Task Force was established and required to submit recommendations to the USF Board of Trustees by February 15, 2019.⁴⁹ After considering the recommendations of the Task Force, the USF Board of Trustees must submit an implementation plan to the Board of Governors. All campuses and other component units of the university must operate under a single institutional accreditation by July 1, 2020.⁵⁰

Effect of Proposed Changes

The bill defines a “branch campus” as an instructional site located geographically apart and independent of the main campus of the institution. A location is considered independent of the main campus if it is:

- permanent in nature;
- offers courses in educational programs leading to a degree, diploma, certificate, or other recognized educational credential;
- has its own faculty and administrative or supervisory organization; and
- has its own budgetary and hiring authority.

The bill requires USF St. Petersburg and USF Manatee/Sarasota to maintain branch campus status when the SACSCOC accreditation of each campus is consolidated into a single SACSCOC accreditation for all USF campuses on or before July 1, 2020. Provided that USF has met this deadline,

⁴⁶ Office of Program Policy Analysis and Government Accountability, *OPPAGA Research on State University System Administrative Positions and Salaries*, Presentation to the House Higher Education Appropriations Subcommittee (March 14, 2017), available at <http://www.oppaga.state.fl.us/monitor/docs/Presentations/P17-17.pdf>.

⁴⁷ *Id.*

⁴⁸ Florida House Education Committee, *CS/CS/HB 423 Final Bill Analysis* (March 22, 2018), available at <https://www.myfloridahouse.gov/Sections/Documents/loaddoc.aspx?FileName=h0423z.PSE.DOCX&DocumentType=Analysis&BillNumber=0423&Session=2018>.

⁴⁹ Section 1004.35(4), F.S.

⁵⁰ Section 1004.35(5), F.S.

the bill prohibits the BOG from using the consolidated data for purposes of determining eligibility for preeminence funding until July 1, 2022 and requires the BOG to monitor the fidelity of the implementation of SACSCOC accreditation consolidation.

Phosphate Research and Activities Board

Present Situation

The Florida Industrial and Phosphate Research Institute is housed within Florida Polytechnic University (FPU)⁵¹ and the Phosphate Research and Activities Board is tasked with monitoring the expenditure of funds appropriated to FPU from the Phosphate Research Trust Fund.⁵² The board consists of five members.⁵³ The Governor is required to appoint two persons representing the phosphate mining or processing industry and one member representing a major environmental conservation group in the state.⁵⁴ The Secretary of Environmental Protection or his or her designee and the president of FPU are required to serve as board members.⁵⁵

Members of the board appointed by the Governor are appointed to 3-year terms.⁵⁶ A board member may continue to serve until a successor is appointed, but not more than 180 days after the expiration of his or her term.⁵⁷ A board member is eligible for reappointment to subsequent terms.⁵⁸

Effect of Proposed Changes

The bill removes the limitation that a board member may not serve more than 180 days after the expiration of his or her term, which prevents vacancies on the board by allowing that member to serve on the board until a replacement is appointed or that member is reappointed.

B. SECTION DIRECTORY:

Section 1. Amends s. 215.985, F.S.; requiring employees or officers of a FCS institution to be included in a Department of Management Services' website that provides specified information relating to such employees or officers.

Section 2. Amends s. 1001.03, F.S.; requiring the SBE to require FCS institutions to conduct an annual assessment related to intellectual freedom and viewpoint diversity at each FCS institution; and providing SBE requirements relating to such assessment.

Section 3. Amends s. 1001.706, F.S.; requiring the BOG to require state universities to conduct an annual assessment related to intellectual freedom and viewpoint diversity at each state university; providing BOG requirements relating to such assessment; requiring the BOG to define data components and methodology for specified purposes; requiring state universities to submit annual institutional audits to the Office of Inspector General; requiring the BOG to match certain student information with specified educational and employment records; requiring the BOG to enter into an agreement with the DEO for certain purposes; and providing requirements for such agreement.

⁵¹ Section 1004.346(1), F.S.

⁵² Section 1004.346(2), F.S.

⁵³ Section 1004.346(2)(b), F.S.

⁵⁴ *Id.*

⁵⁵ *Id.*

⁵⁶ Section 1004.346(2)(c), F.S.

⁵⁷ *Id.*

⁵⁸ *Id.*

Section 4. Amends s. 1001.7065, F.S.; revising the standards for the preeminent state research universities program; and requiring the BOG to use a certain plan for determining preeminence designations and awards for a specified fiscal year.

Section 5. Amends s. 1001.92, F.S.; revising the state university system performance-based incentives; revising the performance-based metrics to include specific data beginning in a certain fiscal year; authorizing the BOG to approve other metrics; and prohibiting the adjustment of such metrics once specified data has been received.

Section 6. Provides for the future repeal of s. 1001.92(1)(h), F.S., relating to a specific performance-based metric for the SUS Performance-Based Incentive.

Section 7. Amends s. 1004.085, F.S.; requiring innovative pricing techniques and payment options to include an opt-out provision.

Section 8. Amends s. 1004.28, F.S.; providing that state appropriations transferred to specified entities by state university BOTs may only be used for specified purposes; and revising a specified reporting requirement.

Section 9. Amends s. 1004.335, F.S.; clarifying that the USF St. Petersburg and the USF Sarasota/Manatee are branch campuses; revising the date the BOG will use specified data to determine funding under certain circumstances; requiring the BOG to monitor the implementation of a specified plan; and providing requirements for specified campuses to be considered a branch campus.

Section 10. Amends s. 1004.346, F.S.; removing the limitation on the length of time a Phosphate Research and Activities Board member may serve after expiration of his or her term.

Section 11. Amends s. s. 1004.41, F.S.; requiring the UF BOT to approve appointments to specified boards of directors and other entities relating to the J. Hillis Miller Health Center; and providing that state appropriations transferred to certain entities by the UF BOT may only be used for specified purposes.

Section 12. Amends s. 1007.23, F.S.; requiring the statewide articulation agreement to provide for a reverse transfer agreement; providing for an associate degree to be awarded to certain students by FCS institutions; providing requirement for state universities; requiring, by a specified academic year, FCS institutions and state universities to execute agreements to establish "2+2" targeted pathway programs; providing requirements for such FCS institutions, state universities, and agreements; specifying requirements for student participation; and requiring the SBE and the BOG to collaborate to eliminate barriers in executing pathway articulation agreements.

Section 13. Amends s. 1007.27, F.S.; requiring district school boards to notify students about credit-by-examination and dual enrollment equivalency lists.

Section 14. Amends s. 1009.215, F.S.; providing that students enrolled in a specified pilot program who are eligible to receive Bright Futures Scholarships are also eligible for such scholarship funds for designated terms under specified circumstances.

Section 15. Amends s. 1009.24, F.S.; conforming a cross-reference.

Section 16. Amends s. 1011.90, F.S.; providing requirements for certain legislative budget requests; and prohibiting certain ratios relating to student enrollment from growing faster than a specified rate.

Section 17. Requiring the Commissioner of Education to submit specified recommendations relating to performance funds for FCS institutions to the SBE and the Legislature by a specified date; and providing requirements for the implementation of any recommendations.

Section 18. Provides for an effective date of July 1, 2019, except as otherwise provided in the bill.

II. FISCAL ANALYSIS & ECONOMIC IMPACT STATEMENT

A. FISCAL IMPACT ON STATE GOVERNMENT:

1. Revenues:

None.

2. Expenditures:

This bill would result in minimal increase in expenditures in order to develop and distribute the survey for students and faculty at each institution.

The BOG currently collects data for validating performance metrics including wage data from 42 states. The requirement to contract with DEO for reemployment information will have minimal impact on workload. The BOG currently tracks student performance at an individual level so the changes in metrics to track “2+2” students and Pell/ Non-Pell students should only require adjustments to reporting queries. The Student Financial Aid Estimating Conference includes UF pilot program students and those costs are included in Bright Futures funding in the House budget. State universities currently report “administration direction and support services” costs with specific FTE counts. After the BOG develops definitions for administrative personnel, the universities should be able to adjust their human resources classifications at minimal cost.

B. FISCAL IMPACT ON LOCAL GOVERNMENTS:

1. Revenues:

None.

2. Expenditures:

None.

C. DIRECT ECONOMIC IMPACT ON PRIVATE SECTOR:

None.

D. FISCAL COMMENTS:

None.

III. COMMENTS

A. CONSTITUTIONAL ISSUES:

1. Applicability of Municipality/County Mandates Provision:

None.

2. Other:

None.

B. RULE-MAKING AUTHORITY:

None.

C. DRAFTING ISSUES OR OTHER COMMENTS:

None.

IV. AMENDMENTS/ COMMITTEE SUBSTITUTE CHANGES

On March 13, 2019, the Higher Education & Career Readiness Subcommittee adopted a strike-all amendment and reported the bill favorably as a committee substitute. The committee substitute differs from the bill in the following ways:

- Requires the data reported annually in the BOG Accountability Plan, in lieu of the data reported annually to the IPEDS, to be used to determine whether an institution is designated as preeminent or emerging preeminent.
- Specifies that the following performance-based metrics will begin in fiscal year 2020-2021:
 - 2-year graduation rate for 2+2 transfer students;
 - 6-year graduation rates for Pell Grant-eligible students as compared with non-Pell Grant-eligible students; and
 - Percent of students graduating without excess hours.
- Require points to be deducted if a university decreases its enrollment of 2+2 transfer students to ensure that institutions do not shrink the cohort in an effort to achieve better outcomes.
- Removes the requirement for the minimum performance funding eligibility threshold for the state's investment to exceed the minimum institutional investment threshold.
- Removes the provision of scoring state universities related to performance-based incentives.
- Repeals the access rate performance-based metric, which is based on the percentage of undergraduate students enrolled during the fall term who received a Pell Grant during the fall term, on June 30, 2020.
- Requires students enrolled in the UF pilot program to be eligible to receive Bright Futures Scholarships for 3 terms if funding is provided to other eligible Bright Futures recipients.
- Revises the provision related to the legislative budget request for each state universities to include 5-year trend information on the number of faculty and administrators at each university.

On March 26, 2019, the Higher Education Appropriations Subcommittee adopted three amendments and reported the bill favorably as a committee substitute. The committee substitute differs from the bill in the following ways:

- Clarifies that, for the purpose of evaluating Performance Funding metrics, 6-year graduation rates of Pell-eligible and non-Pell-eligible students will be compared within each institution, rather than between them.
- Requires the SBE, in consultation with the FCS institutions, to submit recommendations to the Legislature for the most efficient process to achieve a complete performance-based, continuous improvement model focused on outcomes that provides for the equitable distribution of performance funds. The Legislature must also review recommendations from an independent entity that consults with the SBE for the purpose of receiving input on behalf of the FCS.
- Clarifies the bill has multiple effective dates.

On April 9, 2019, the Education Committee adopted ten amendments and reported the bill favorably as a committee substitute. The amendments:

- require employees or officers of an FCS institution be included in DMS's website that provides current information relating to such employees or officers of a state agency, a state university, or the State Board of Administration, regardless of the appropriation category from which the person is paid;
- requires the BOG to define the data and methodology used in performance and preeminence funding, and requires each state university to conduct and submit an audit to the BOG's Office of Inspector General;
- provide a definition of "branch campus";

- prohibit the BOG from using the consolidated data from USF and its branch campuses for purposes of determining USF's eligibility for preeminence funding until July 1, 2022 and require the BOG to monitor the fidelity of the implementation of SACSCOC accreditation consolidation;
- remove the prohibition of a Phosphate Research and Activities Board member serving more than 180 days after the expiration of his or her term;
- require the Commissioner of Education to provide recommendations to the SBE and the Legislature for future consideration on the most efficient process to achieve a complete performance-based, continuous improvement model that provides for the equitable distribution of performance funds to FCS institutions;
- make a technical change regarding the transfer of state appropriations by the UF BOT to Shands Teaching Hospital and Clinic, Inc., Shands Jacksonville Medical Center, Inc., Shands Jacksonville HealthCare, Inc.;
- authorize the transfer of state appropriations by a university BOT to any of its DSO's and its subsidiaries and affiliates for only funds pledged for capital projects;
- establish a "2+2" targeted pathway program for state universities and FCS institutions, and provide requirements such articulation agreements and student participation; and
- require each district school board to notify students who enroll in articulated acceleration mechanism courses or who take postsecondary examinations of the credit-by-examination equivalency list adopted in rule by the SBE and the dual enrollment course and high school subject area equivalencies approved by the SBE.

The analysis is drafted to the committee substitute passed by the Education Committee.