

HOUSE OF REPRESENTATIVES STAFF FINAL BILL ANALYSIS

BILL #: CS/CS/HB 613 Higher Education

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

TIED BILLS: None. **IDEN./SIM. BILLS:** CS/SB 72, CS/SB 1402

FINAL HOUSE FLOOR ACTION: 112 Y's 0 N's **GOVERNOR'S ACTION:** Approved

SUMMARY ANALYSIS

CS/SB 72 passed the Senate on March 6, 2020. The bill was amended in the House on March 11, 2020, and was returned to the Senate. The bill was amended in the Senate on March 13, 2020, and returned to the House. The House concurred in the Senate amendments and subsequently passed the bill as amended on March 13, 2020. The bill includes portions of CS/CS/HB 613 and CS/HB 7087.

The bill does the following:

- Creates the Florida Institute of Politics at Florida State University to provide opportunities for civic engagement and public policy discussion and creates the Adam Smith Center for the Study of Economic Freedom at Florida International University to study and research the effect of political and economic systems on human prosperity.
- Revises the data for academic and research excellence standards of preeminent institutions and requires the standards to be reported annually in the Board of Governors (BOG) Accountability Plan.
- Creates State Universities of Distinction which identifies universities who are achieving excellence, meeting state workforce needs, and fostering an innovation economy.
- Modifies state university performance funding metrics beginning with fiscal year 2021-2022 to include metrics that focus on the success rate of "2+2" Associate in Arts (AA) degree transfer students and Pell Grant students; and prohibits the adjustment of performance funding metrics once data has been received.
- Requires Florida College System (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.
- Requires the BOG to define faculty and administrator classifications and provide 5-year trend information on the number of faculty and administrators at each university along with the proportion of full-time equivalent (FTE) dedicated to instruction and research compared to administration.
- Requires employees of state universities or entities engaged in research to disclose outside activities or financial interests, and authorizes termination of employment for failure to comply with disclosure requirements.
- Creates another option for Bright Futures Florida Medallion Scholars Award recipients by allowing students initially eligible in the fall 2021 semester to receive 100 percent of tuition and fees for an associate degree at a FCS institution.
- Aligns the requirements of the Benacquisto Scholarship Program to other state scholarship programs and aligns requirements for the financial aid programs in the Florida Student Assistance Grant program, providing for prioritized awards during the summer, if funds are available.
- Revises deadlines for state universities and FCS institutions to report end-of-year fund balances and authorizes a spending plan to include funds in a contingency reserve for expenses incurred as a result of a state of emergency declared by the Governor.
- Authorizes a state agency to contract with certain nonprofit universities and modifies criteria for FCS Public Education Capital Outlay priority.
- Allows a Phosphate Research and Activities Board member to serve after the expiration of his or her term, until a successor is appointed.

The bill would have a minimal fiscal impact on state universities. See Fiscal Analysis section.

The bill was approved by the Governor on June 29, 2020, ch. 2020-117, L.O.F. and will become effective on July 1, 2020 except as otherwise provided.

I. SUBSTANTIVE INFORMATION

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

STORAGE NAME: h0613z1.DOCX

DATE: 7/1/2020

A. EFFECT OF CHANGES:

Civic Literacy

Present Situation

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."¹ A priority of the system is to prepare students to become civically engaged and knowledgeable adults who positively contribute to their communities.²

At the postsecondary level, the mission of Florida's education system is to "develop human resources, to discover and disseminate knowledge, to extend knowledge and its application beyond the boundaries of its campuses, and to develop in students heightened intellectual, cultural, and humane sensitivities; scientific, professional, and technological expertise; and a sense of purpose."³ Inherent in this broad mission are methods of instruction, research, extended training, and public service designed to educate people and improve the human condition."⁴

For Florida's public universities, the Board of Governors' (BOG) approved mission for the university system as it advances toward 2025 states "the mission of the State University System of Florida is to provide undergraduate, graduate and professional education, research, and public service of the highest quality through a coordinated system of institutions of higher learning, each with its own mission and collectively dedicated to serving the needs of a diverse state and global society."⁵

Effect of Proposed Changes

To advance the mission of Florida's public education system, the bill creates the Florida Institute of Politics within the College of Social Sciences and Public Policy at Florida State University (FSU) and The Adam Smith Center for the Study of Economic Freedom at Florida International University (FIU).

The purpose of the Florida Institute of Politics at FSU is to provide the southeastern region of the United States with a world class, bipartisan, nationally renowned institute of politics. The following are goals of the institute:

- Motivate students to become aware of the significance of government and civic engagement at all levels and politics in general, including providing students opportunities to be politically active and civically engaged and greater awareness for public service.
- Plan and host forums to allow students and guests to hear from and interact with experts from government, politics, policy, and journalism.
- Become a national and state resource on polling information and survey methodology.
- Provide fellowships and internship opportunities to students in government, nonprofit organizations, and community organizations.
- Provide training for newly elected state and local public officials.
- Organize and sponsor conferences, symposia, and workshops throughout Florida to educate and inform citizens, elected officials, and policymakers regarding effective policymaking techniques and processes.
- Create and promote research and awareness of politics, citizen involvement, and public service.

¹ Section 1000.03(4), F.S.

² Section 1000.03(5)(c), F.S.

³ Section 1004.01(2), F.S.

⁴ *Id.*

⁵ Florida Board of Governors, *2025 System Strategic Plan* (Amended Oct. 2019), at 8, available at https://www.flbog.edu/wp-content/uploads/2025_System_Strategic_Plan_2019.pdf.

- Collaborate with related policy institutes and research activities at other institutions of higher education to motivate, increase, and sustain citizen involvement in public affairs.

The Adam Smith⁶ Center for the Study of Economic Freedom at FIU is created with the following goals:

- Study the effect of government and free-market economies on individual freedom and human prosperity.
- Conduct and promote research on the effect of political and economic systems on human prosperity.
- Plan and host research workshops and conferences to allow students, scholars, and guests to exchange in civil discussion of democracy and capitalism.
- Provide fellowship and mentoring opportunities to students engaged in scholarly studies of the effect of political and economic systems on human prosperity.

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.⁷ A state university that meets 11 of the 12 academic and research excellence standards specified in law is designated a “preeminent state research university.”⁸ The academic and research excellence 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; research expenditure national ranking; patents awarded annually; doctoral degrees awarded annually; postdoctoral appointees annually; and institutional endowment.⁹ Currently, the University of Florida, Florida State University, and the University of South Florida are designated as preeminent state research universities.¹⁰

A state research university that meets at least 6 of the 12 standards is designated as an “emerging preeminent state research university.”¹¹ Each emerging preeminent state research university receives an amount of funding that is equal to one-quarter of the total increased amount awarded to each preeminent state research university.

In addition to preeminent and emerging preeminent state research universities, the BOG is required to identify standards and measures to identify Programs of Excellence across the state university system (SUS).¹² The program identifies individual undergraduate, graduate, and professional degree programs

⁶ Adam Smith was a Scottish philosopher and economist, best known as the author of *An Inquiry into the Nature and Causes of the Wealth of Nations* (1776). The Library of Economics and Liberty, *Adam Smith 1723-1790*, <https://www.econlib.org/library/Enc/bios/Smith.html> (last visited March 16, 2020).

⁷ Section 1001.7065(1), F.S.

⁸ Section 1001.7065(3)(a), F.S.

⁹ Section 1001.7065(2), F.S. The research expenditures standards are comprised of two measures, one for total annual research expenditures, including federal research expenditures, of \$200 million or more as reported by the National Science Foundation (NSF), and the other for total annual research expenditures in diversified nonmedical sciences of \$150 million or more, based on data reported annually by the NSF.

¹⁰ Florida Board of Governors, State University System of Florida, *System Accountability Plan 2019*, at 10, available at https://www.flbog.edu/wp-content/uploads/2019_System_Accountability_Plan_FINAL_2019-10-30.pdf. The University of South Florida Tampa Campus met the preeminent state research university designation.

¹¹ Section 1001.7065(3)(b), F.S.

¹² Section 1001.7065(7), F.S.

achieving national excellence at a state university and provides recommendations to the Legislature identifying ways to enhance and promote these Programs of Excellence.¹³

Effect of Proposed Changes

The bill requires the academic and research excellence standards for preeminent state research universities to be reported annually in the BOG Accountability Plan and amends the standards to provide the BOG with the flexibility to access and utilize the most up to date data available.

The academic and research excellence standard for incoming freshman academic characteristics is revised to remove an outdated SAT score scale and adds to the academic characteristics a student's average ACT score of 25 or higher on a 36 score scale.¹⁴ The bill requires the use of the national concordance table developed jointly by the College Board and ACT, Inc. to ensure accurate reporting of scores across the SAT and ACT.

The bill removes funding associated with the emerging preeminent state research university designation and creates State Universities of Distinction. The BOG must establish standards and measures for State Universities of Distinction which help identify universities that:

- focus on a core competency unique to the SUS and also achieve excellence at the national or state level;
- meet state workforce needs; and
- foster an innovation economy that focuses on areas such as health care, security, transportation, and science, technology, engineering, and mathematics (STEM), including supply chain management.

By January 1, the BOG may annually submit to the Legislature for funding identified programs from institutions that have not achieved preeminent designation.

These proposed changes are effective upon becoming law.

State University System Performance-Based Incentive

Present Situation

¹³ Florida Board of Governors, State University System of Florida, *Programs of Excellence Report* (Sept. 2018), available at https://www.flbog.edu/wp-content/uploads/0273_1154_8738_10.3.2-AREC-03b-Programs-of-Excellence-Report_CE.pdf.

¹⁴ See 2018 ACT/SAT Concordance Tables, *Table A2*, available at <https://www.act.org/content/dam/act/unsecured/documents/ACT-SAT-Concordance-Tables.pdf>; see also Students applying for admission as an undergraduate first time in college degree seeking student to a state university system institution are required to submit SAT scores from the College Board or ACT scores from ACT, Inc. see Florida Board of Governors, Regulation 6.002 Admission of Undergraduate First-Time-in-College, Degree-Seeking Freshman, at (1)(e), available at https://www.flbog.edu/wp-content/uploads/6.002FTICAdmissionsTechnicalchange2018_08_17-1.pdf.

The SUS Performance-Based Incentive is awarded to state universities using performance-based metrics¹⁵ adopted by the BOG.¹⁶ The BOG performance funding model is based on four guiding principles:

- use metrics that align with strategic plan goals;
- reward excellence or improvement;
- have a few clear, simple metrics; and
- acknowledge the unique mission of the different institutions.

The BOG model contains ten performance metrics that evaluate each state university on the following:¹⁷

1. Percent of bachelor's degree graduates employed (earning \$25,000+) or continuing their education
2. Median wages of Bachelor's graduates employed full-time
3. Average cost to the student (net tuition per 120 credit hours)
4. Four year graduation rate (full-time First-Time-In-College)
5. Academic progress rate (2nd year retention with GPA above 2.0)
6. Bachelor's degrees awarded in areas of strategic emphasis
7. University access rate (percent of undergraduates with a Pell Grant)
8. a. Graduate degrees awarded in areas of strategic emphasis
b. Freshman in the top 10% of graduating high school class
9. BOG Choice- Percent of Bachelor's degrees awarded without excess hours
10. Institution Board of Trustees Choice¹⁸

Metrics one through seven apply to all institutions. The eighth metric includes an alternative metric, 8b, for New College of Florida. Two of the ten metrics, metric 9 and 10, are choice metrics, one picked by the BOG and one by the university boards of trustees.

Institutions receive scores for each metric based on the achievement of both excellence and improvement.¹⁹ The lowest benchmark receives one point, while the highest receives ten points. The higher of the two scores (excellence and improvement) for each metric is applied to the overall score for each institution.

The performance funding model includes both a state investment (appropriated by the Legislature) for performance funding and an institutional investment which is a matched amount reallocated from the university system base budget. These "institutional base" funds are the cumulative recurring state appropriations that the Legislature has appropriated to each institution.²⁰ In fiscal year 2019-2020,

¹⁵ Florida Board of Governors, *Board of Governors Performance Funding Model Overview* (Nov. 2019), available at <https://www.flbog.edu/wp-content/uploads/Overview-Doc-Performance-Funding-10-Metric-Model-Condensed-Version-Nov-2019.pdf>.

¹⁶ Section 1001.92(1), F.S.

¹⁷ Florida Board of Governors, *Board of Governors Performance Funding Model Overview* (Nov. 2019), available at <https://www.flbog.edu/wp-content/uploads/Overview-Doc-Performance-Funding-10-Metric-Model-Condensed-Version-Nov-2019.pdf>.

¹⁸ Each Board of Trustees selects a metric from the University Work Plan that is applicable to the mission of the university and has not been previously chosen for the model.

¹⁹ Benchmarks for Excellence were based on the BOG 2025 System Strategic Plan goals and analysis of relevant data trends. Benchmarks for Improvement were determined after reviewing data trends for each metric. Florida Board of Governors, *Board of Governors Performance Funding Model Overview* (Nov. 2019), available at <https://www.flbog.edu/wp-content/uploads/Overview-Doc-Performance-Funding-10-Metric-Model-Condensed-Version-Nov-2019.pdf>.

²⁰ Florida Board of Governors, *Board of Governors Performance Funding Model Overview* (Nov. 2019), available at <https://www.flbog.edu/wp-content/uploads/Overview-Doc-Performance-Funding-10-Metric-Model-Condensed-Version-Nov-2019.pdf>.

performance funding included a state investment of \$265,000,000 and an institutional investment of \$295,000,000.²¹

The state investment is allocated based on points earned, with a maximum of 100 points possible. Institutions are eligible for their proportional amount of the state's investment if they: score within the top three institutions; score the same or higher than the previous year; or score less than the previous year, but the previous year's score was higher or the same as the year before. Any institution with a score the same or lower than the previous year's score for two consecutive years, must submit a student success plan to the BOG in order to be eligible for their proportional amount of the state's investment (baseline scores begin with the June 2018 results).²²

The institutional investment is also allocated based on points earned, with a maximum of 100 points possible. Any institution that fails to meet the BOG's minimum performance funding threshold (a total score of less than 56 points)²³ has a portion of its institutional investment withheld, and is required to submit an improvement plan that specifies the activities and strategies for improving its performance.²⁴ A state university may submit an improvement plan for only one fiscal year.

Effect of Proposed Changes

The bill requires that beginning with fiscal year 2021-2022, the performance-based incentive metrics include:

- the 2-year graduation rate for Associate in Arts (AA) transfer students; and
- the 6-year graduation rate for students who are awarded a Pell Grant in their first year.

The bill authorizes the BOG to approve other metrics in a publicly noticed meeting and prohibits benchmarks and metrics from being adjusted after university performance data has been received by the BOG.

Textbook and Instructional Materials Affordability

Present Situation

Current law authorizes each Florida College System (FCS) institution and state university board of trustees to adopt policies in consultation with providers, including bookstores, which allow for the use of

²¹ Specific Appropriation 147, s. 2, ch. 2019-115, L.O.F.

²² Section 1001.92(2), F.S.; Florida Board of Governors, *Board of Governors Performance Funding Model Overview* (Nov. 2019), available at <https://www.flbog.edu/wp-content/uploads/Overview-Doc-Performance-Funding-10-Metric-Model-Condensed-Version-Nov-2019.pdf>. In Nov. 2018 the BOG approved new changes to the allocation methodology eliminating the bottom three requirement which prevented the three lowest scoring institutions from being eligible for the state's investment. In addition, beginning with the 2021-22 fiscal year, if a university's score is below 70 points, it will only be eligible to receive 50% of its prorated state investments after successfully implementing a student success plan. Florida Board of Governors, *Performance Funding Model, Approved Changes to the Model 2019-20*, available at https://www.flbog.edu/wp-content/uploads/Changes_2019-20.pdf.

²³ The performance funding threshold for institutional investment was previously set at a total score of less than 51 points. The BOG approved changes to the threshold in Oct. 2019 effective immediately, increasing the threshold incrementally to 55 for 2020 and 60 for 2021. Florida Board of Governors, *Performance Funding Model, Approved Changes to the Model 2020-21*, available at <https://www.flbog.edu/wp-content/uploads/Changes-2020-21.pdf>.

²⁴ Section 1001.92(3)(a)-(b), F.S.; Florida Board of Governors, *Board of Governors Performance Funding Model Overview* (Nov. 2019), available at <https://www.flbog.edu/wp-content/uploads/Overview-Doc-Performance-Funding-10-Metric-Model-Condensed-Version-Nov-2019.pdf>.

innovative pricing techniques and payment options for textbooks and instructional materials.²⁵ 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.²⁶

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.

State University System Faculty/Administrator Ratios

Present Situation

The Office of Program Policy Analysis and Government Accountability (OPPAGA) reports that from 2010 through 2014, Florida's state 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.²⁷ Additionally, from 2010 to 2016, the number of staff with administrative duties increased at a faster rate than that of students or full-time faculty.²⁸

Effect of Proposed Changes

The bill requires the BOG legislative budget request (LBR) to include 5-year trend information on the number of faculty and administrators at each university along with the proportion of full-time equivalent (FTE) dedicated to instruction and research compared to administration. The BOG must define faculty and administrative personnel classifications in regulation and these definitions must be included in the LBR.

Integrity of Research Institutions

Present Situation

²⁵ Section 1004.085(4), F.S.

²⁶ *Id.*

²⁷ 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 (Mar. 14, 2017), at 117, available at

<https://www.myfloridahouse.gov/Sections/Documents/loaddoc.aspx?PublicationType=Committees&CommitteeId=2896&Session=2017&DocumentType=Meeting%20Packets&FileName=hea%203-14-17.pdf>.

²⁸ *Id.* at 115.

Postsecondary institutions in the United States, including Florida universities²⁹ and academic medical centers,³⁰ have been the targets of foreign governments, particularly the People's Republic of China (PRC), which has developed research and academic relationships that led to intellectual property theft and advanced technology transfers.³¹ In 2018, the National Institute of Health warned institutions receiving federal grant money of potential threats to the integrity of research from foreign influence, including intellectual property and technology theft.³²

In response, the Florida House of Representatives created the Select Committee on the Integrity of Research Institutions (Select Committee), which launched a probe into whether Florida taxpayer-supported research institutions may have been, or are vulnerable to being, compromised.³³ The Select Committee sought information related to each public university's correspondence from federal agencies identifying concerns of foreign influence on research integrity, policies regulating and governing disclosures of conflicts by research scientists, and institutional initiatives regarding identifying influence of foreign governments, international organizations, or domestic organizations with potential ties to foreign governments.³⁴

While the United States government supports international collaborative scientific research to advance science and expand knowledge,³⁵ such collaboration becomes problematic when relationships with foreign countries are not disclosed, lack transparency, lack proper vetting, or include terms and conditions that are at odds with taxpayer or institutional commitments.³⁶

The Select Committee found that some researchers had undisclosed ties to the PRC's Thousand Talents Program (TTP)³⁷ and may have unwittingly enabled the PRC to exploit research and development activities.³⁸ The TTP provides monetary income and research funds to researchers in exchange for academic and research collaboration with PRC-based universities and medical centers.³⁹

²⁹ The Florida House of Representatives, Select Committee on the Integrity of Research Institutions, *Meeting Packet* (Jan. 21, 2020), at 13-18, available at [https://www.myfloridahouse.gov/Sections/Documents/loaddoc.aspx?PublicationType=Committees&CommitteeId=3075&Session=2020&DocumentType=Meeting Pockets&FileName=sci 1-21-20.pdf](https://www.myfloridahouse.gov/Sections/Documents/loaddoc.aspx?PublicationType=Committees&CommitteeId=3075&Session=2020&DocumentType=Meeting%20Packets&FileName=sci%201-21-20.pdf).

³⁰ *Id.* at 7-12.

³¹ The United States Senate, Permanent Subcommittee on Investigations, Committee on Homeland Security and Governmental Affairs, Staff Report, *Threats to the U.S. Research Enterprise: China's Talent Recruitment Plans* (Nov. 2019), available at <https://www.hsgac.senate.gov/imo/media/doc/2019-11-18%20PSI%20Staff%20Report%20-%20China's%20Talent%20Recruitment%20Plans.pdf>.

³² NIH Advisory Committee to the Director, *ACD Working Group for Foreign Influences on Research Integrity Report* (Dec. 2018), at 18-19, available at https://acd.od.nih.gov/documents/presentations/12132018ForeignInfluences_report.pdf; See also National Institutes of Health, NIH Director, *Statement on Protecting the Integrity of U.S. Biomedical Research*, Aug. 23, 2018, <https://www.nih.gov/about-nih/who-we-are/nih-director/statements/statement-protecting-integrity-us-biomedical-research> (last visited Feb. 24, 2020).

³³ The Florida House of Representatives, Select Committee on the Integrity of Research Institutions, *Meeting Packet* (Jan. 21, 2020), at 6, available at [https://www.myfloridahouse.gov/Sections/Documents/loaddoc.aspx?PublicationType=Committees&CommitteeId=3075&Session=2020&DocumentType=Meeting Pockets&FileName=sci 1-21-20.pdf](https://www.myfloridahouse.gov/Sections/Documents/loaddoc.aspx?PublicationType=Committees&CommitteeId=3075&Session=2020&DocumentType=Meeting%20Packets&FileName=sci%201-21-20.pdf).

³⁴ *Id.* at 13-16.

³⁵ *Id.* at 20.

³⁶ *Id.* at 22.

³⁷ The Thousand Talents Program is China's talent recruitment plan which is reported to consist of some 56,000 recruits across many scientific disciplines and at highly prestigious institutions, and its self-stated mission is "...to gather the global wisdom and create the China great exploit." see NIH Advisory Committee to the Director, *ACD Working Group for Foreign Influences on Research Integrity Report* (Dec. 2018), at 6-7, available at https://acd.od.nih.gov/documents/presentations/12132018ForeignInfluences_report.pdf

³⁸ See The Florida House of Representatives, Select Committee on the Integrity of Research Institutions, *Meeting Packet* (Jan. 21, 2020), at 24-27 and 41-49, available at [https://www.myfloridahouse.gov/Sections/Documents/loaddoc.aspx?PublicationType=Committees&CommitteeId=3075&Session=2020&DocumentType=Meeting Pockets&FileName=sci 1-21-20.pdf](https://www.myfloridahouse.gov/Sections/Documents/loaddoc.aspx?PublicationType=Committees&CommitteeId=3075&Session=2020&DocumentType=Meeting%20Packets&FileName=sci%201-21-20.pdf).

³⁹ See The United States Senate, Permanent Subcommittee on Investigations, Committee on Homeland Security and Governmental Affairs, Staff Report, *Threats to the U.S. Research Enterprise: China's Talent Recruitment Plans* (Nov. 2019), at 5-7, available at

The TTP encourages the researchers to not properly disclose these activities.⁴⁰ Furthermore, the TTP requires researchers to share sensitive scientific information with PRC researchers and to advance the PRC's scientific and national interests.⁴¹

Effect of Proposed Changes

To ensure Florida's public postsecondary institutions are accurately reporting all sources of research support, financial interests and affiliations, the bill requires individuals to disclose contracts affecting the integrity of state universities or entities. The bill requires employees of a state university or entity engaging in research to comply with the policies of the institution, regulations of the BOG, and Florida law which requires employees to disclose any outside activity or financial interest. The bill provides that such disclosure policies should, at a minimum, require employees engaged in the design, conduct, or reporting of research to disclose and receive a determination that the outside activity or financial interest does not affect the integrity of the state university or entity.

An employee who fails to disclose any outside activity or financial interest must be suspended without pay pending the outcome of an investigation, which must not exceed 60 days. Upon conclusion of the investigation, the university or entity may terminate the employee's contract.

Florida Bright Futures Scholarship Program Award

Present Situation

In 1997,⁴² the Florida Legislature created the Florida Bright Futures Scholarship Program, a lottery-funded scholarship program, to reward any Florida high school graduate who merits recognition of high academic achievement and who enrolls in a degree program, certificate program, or applied technology program at an eligible Florida public or private postsecondary education institution.⁴³

The Bright Futures Scholarship Program consists of four awards: the Florida Academic Scholarship, the Florida Medallion Scholarship, the Florida Gold Seal Career and Professional Education (CAPE) Scholarship, and the Florida Gold Seal Vocational Scholarship.⁴⁴

Florida high school students who wish to qualify for the Florida Academic Scholar (FAS) awards or the Florida Medallion Scholars (FMS) awards must graduate from a Florida public high school with a standard high school diploma, graduate from a registered Florida Department of Education (DOE) private high school, earn a general education diploma (GED), complete a home education program, or graduate from a non-Florida high school as an eligible student.⁴⁵

A student must also meet the following initial eligibility requirements⁴⁶:

<https://www.hsgac.senate.gov/imo/media/doc/2019-11-18%20PSI%20Staff%20Report%20-%20China's%20Talent%20Recruitment%20Plans.pdf>.

⁴⁰ *Id.*

⁴¹ *Id.*

⁴² Chapter 97-379, L.O.F.

⁴³ Section 1009.53(1), F.S.

⁴⁴ Section 1009.53(2), F.S.

⁴⁵ 2019-20 Bright Futures Student Handbook, *Chapter 1: Initial Eligibility Requirements* (Aug. 16, 2019), at 3, available at <https://www.floridastudentfinancialaidsg.org/PDF/BFHandbookChapter1.pdf>. An out-of-state student may qualify for a Bright Futures Scholarship if the student earned a high school diploma from a non-Florida school while living with a parent or guardian who is a Florida resident and on military or public service assignment away from Florida during the student's last year of high school.

⁴⁶ 2019-20 Bright Futures Student Handbook, *Chapter 1: Initial Eligibility Requirements* (Aug. 16, 2019), at 3, available at <https://www.floridastudentfinancialaidsg.org/PDF/BFHandbookChapter1.pdf>.

Scholarship Type	16 High School Course Credits ⁴⁷	High School Weighted Bright Futures GPA	College Entrance Exams by High School Graduation Year (ACT/SAT)	Service Hours	Award Amount
Florida Academic Scholars (FAS) ⁴⁸	4 - English (three must include substantial writing) 4 - Mathematics (at or above the Algebra I level)	3.5	2019-20 Graduates: 29/1290 2020-21 Graduates: 29/1330	100 hours	100% of tuition and applicable fees and \$300 ⁴⁹ for both fall and spring semesters for additional educational expenses.
Florida Medallion Scholars (FMS) ⁵⁰	3 - Natural Science (two must have substantial laboratory) 3 - Social Science 2 - World Language (sequential, in same language)	3.0	2019-20 Graduates: 26/1170 2020-21 Graduates: 25/1210	75 hours	75% of tuition and applicable fees.

A student who has demonstrated academic merit through a recognition program may be eligible for a Bright Futures Scholarship without having to meet one or more of the requirements above. These merit recognition programs include: National Merit Finalists and Scholars, National Hispanic Scholars, Advanced International Certificate of Education (AICE) Diploma, International Baccalaureate (IB) Diploma, AICE Curriculum, and IB Curriculum.⁵¹

The Florida Bright Futures Scholarship Program has disbursed over \$6.2 billion dollars in scholarship awards to over 2.7 million students since 1997.⁵² For the 2018-2019 academic year, 53,742⁵³ students received a FAS award and 48,589⁵⁴ students received a FMS award.

Effect of Proposed Changes

The bill removes the statutory reference to an additional award amount of \$300 each fall and spring semester that a FAS is eligible to receive for textbooks, and provides that an additional textbook stipend will be given as funds are specifically appropriated in the General Appropriations Act (GAA).

Effective for students initially eligible for a FMS award in the fall 2021 semester and thereafter, the bill provides that a FMS student who is enrolled in an associate degree program at a FCS institution is eligible for an award equal to 100 percent of tuition and applicable fees.

⁴⁷ The required coursework aligns with the State University System admission requirements found in Florida Board of Governor's Regulation 6.002, *Admission of Undergraduate First-Time-in-College, Degree-Seeking Freshmen*, available at https://www.flbog.edu/wp-content/uploads/6.002FTICAdmissionsTechnicalchange2018_08_17-1.pdf.

⁴⁸ Section 1009.534, F.S.

⁴⁹ Section 1009.534(2), F.S.

⁵⁰ Section 1009.535, F.S.

⁵¹ Section 1009.535(1)(b)-(e), F.S. and s. 1009.535(1)(b)-(e), F.S.

⁵² Florida Bright Futures Scholarship Program, *Florida Bright Futures Students Counts and Total Costs* (as of Sep. 2019), available at <https://www.floridastudentfinancialaidsg.org/PDF/PSI/BFReportsA.pdf>.

⁵³ Florida Bright Futures Scholarship Program, *Florida Academic Scholars Postsecondary Enrollment* (as of Sep. 2019), available at <https://www.floridastudentfinancialaidsg.org/PDF/PSI/BFReportsF2.pdf>.

⁵⁴ Florida Bright Futures Scholarship Program, *Florida Medallion Scholars Postsecondary Enrollment* (as of Sep. 2019), available at <https://www.floridastudentfinancialaidsg.org/PDF/PSI/BFReportsF3.pdf>.

Florida Student Assistance Grant Program

Present Situation

The Florida Student Assistance Grant (FSAG) Program, created in 1972, is Florida's largest need-based grant program.⁵⁵ The FSAG Program consists of four student financial aid programs:

- FSAG Public;
- FSAG Public Postsecondary Career Education;
- FSAG Private; and
- FSAG Postsecondary.⁵⁶

The FSAG Program is available to degree- and certificate-seeking undergraduate Florida residents who demonstrate substantial financial need and are enrolled in a participating postsecondary institution.⁵⁷

A FSAG award, in combination with other financial aid, may not exceed a student's demonstrated financial need.⁵⁸ Financial need is determined by the institutional cost of attendance, less the Expected Family Contribution (EFC)⁵⁹ as determined by the Free Application for Federal Student Aid (FAFSA), less aid from other sources such as federal grants, state grants and institutional aid (not including loans).⁶⁰ The program is administered by participating institutions in accordance with State Board of Education (SBE) rule.⁶¹

In FY 2019-20, a total of \$269,396,012⁶² was appropriated for the program, with award amounts ranging from a maximum of \$2,610 to a minimum of \$200.⁶³ The FY 2019-20 maximum award amount of \$2,610 has not changed since 2013.⁶⁴ The FY 2020-21 GAA maintains the same funding level, but increases the maximum award from \$2,610 to \$3,260.⁶⁵

The FSAG Program provides state student assistance grants to students who meet general eligibility requirements⁶⁶ and qualifications specific to each program. The table below provides an overview of the specific provisions for each of the four student financial aid programs included in the FSAG Program.

	FSAG Public	FSAG Career Education	FSAG Private	FSAG Postsecondary
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⁵⁵ Florida Department of Education, Office of Student Financial Assistance, *Annual Report to the Commissioner 2018-19*, at 11, available at <https://www.floridastudentfinancialaidsg.org/pdf/annualreportcurrent.pdf>.

⁵⁶ *Id.*

⁵⁷ *Id.*

⁵⁸ Florida Department of Education, Office of Student Financial Assistance, *Annual Report to the Commissioner 2018-19*, at 11, available at <https://www.floridastudentfinancialaidsg.org/pdf/annualreportcurrent.pdf>.

⁵⁹ Expected Family Contribution (EFC) is calculated according to a formula established by law which considers a student's family size, number of family members who will attend college or career school during the year, the family's taxed and untaxed income, assets, and benefits, such as unemployment for Social Security. U.S. Department of Education, Federal Student Aid, *How Aid is Calculated*, <https://studentaid.gov/complete-aid-process/how-calculated> (last visited Feb. 26, 2020).

⁶⁰ Florida Department of Education, Office of Student Financial Assistance, *Annual Report to the Commissioner 2018-19*, at 11, available at <https://www.floridastudentfinancialaidsg.org/pdf/annualreportcurrent.pdf>.

⁶¹ Section 1009.50(6), 1009.505(5), 1009.51(6), and 1009.52(7), F.S.; see also rule 6A-20.031, F.A.C.; Postsecondary educational administrative responsibilities for state student aid and tuition assistance programs are outlined in rule 6A-20.002, F.A.C.

⁶² Specific Appropriation 75, s.2, ch. 2019-115, L.O.F.

⁶³ Florida Department of Education, Office of Student Financial Assistance, *Annual Report to the Commissioner 2018-19*, at 5, available at <https://www.floridastudentfinancialaidsg.org/pdf/annualreportcurrent.pdf>.

⁶⁴ See Specific Appropriation 61, s. 2, ch. 2012-118, L.O.F. maximum award amount of \$2,534 and Specific Appropriation 66, s. 2, ch. 2013-40, L.O.F. maximum award amount of \$2,610.

⁶⁵ See Specific Appropriation 74, s. 2, *Conference Report on: HB 5001 General Appropriations Act*, total program funding and maximum awards to \$3,260.

⁶⁶ Section 1009.40, F.S.

Student Eligibility ⁶⁷	Degree-seeking and enrolled in at least 6 hours per term at a state university or FCS institution. ⁶⁸	Certificate-seeking and enrolled in at least 180 clock hours per term ⁶⁹ at a career center or FCS institution. ⁷⁰	Degree-seeking and enrolled full-time at and eligible independent non-profit college or university. ⁷¹	Degree-seeking and enrolled full-time at an eligible private nursing school or an eligible independent college or university. ⁷²
Award Amount	Between \$200 and the weighted average of the cost of tuition and other registration fees for 30 credit hours at state universities per academic year or the amount specified in the GAA. ⁷³	Between \$200 and the student's unmet need for the cost of education, which may not exceed the average annual cost of tuition and other registration fees, or as specified in the GAA. ⁷⁴	Between \$200 and the amount of demonstrated unmet need for tuition and fees, not to exceed an amount equal to the average tuition and other registration fees for 30 credit hours at state universities plus \$1,000 per academic year, or as specified in the GAA. ⁷⁵	Between \$200 and the amount of demonstrated unmet need for tuition and fees, not to exceed an amount equal to the average cost of tuition and other registration fees for 30 credit hours at state universities plus \$1,000 per academic year, or as specified in the GAA. ⁷⁶
Grant Award Priority	Priority given to students with the lowest total family resources. ⁷⁷	None.	Priority given to students with the lowest total family resources. ⁷⁸	Priority given to students with the

⁶⁷ A demonstrated unmet need of less than \$200 renders an applicant ineligible for a state student assistance grant. Sections 1009.50(2)(a), 1009.505(3)(a), 1009.51(2)(a), and 1009.52(2)(a), F.S.

⁶⁸ Section 1009.50(2)(a), F.S.; *see also* Florida Department of Education, Office of Student Financial Assistance, *Annual Report to the Commissioner 2018-19*, at 11, available at <https://www.floridastudentfinancialaidsg.org/pdf/annualreportcurrent.pdf>. A student must be enrolled for a minimum of 12 credits for a full-time award, 9 credits for a three-quarter time award, or 6 credits for a half-time award. rule 6A-20.031, F.A.C.

⁶⁹ Section 1009.505(2)(b), F.S. "Half-time" means the equivalent in clock hours at a public postsecondary career certificate program of 6 semester credit hours at a FCS institution.; *see also* s. 1009.505(2)(c), F.S. "Public postsecondary career certificate program" means a postsecondary program that consists of 450 or more clock hours, is offered by a FCS institution or by a career center operated by a district school board and terminates in a career certificate.

⁷⁰ Section 1009.505(3)(a), F.S.; *see also* Florida Department of Education, Office of Student Financial Assistance, *Annual Report to the Commissioner 2018-19*, at 11, available at <https://www.floridastudentfinancialaidsg.org/pdf/annualreportcurrent.pdf>.

⁷¹ Section 1009.51(2)(a), F.S.

⁷² Section 1009.52(2)(a)1.-2., F.S. The private nursing diploma school but be approved by the Florida Board of Nursing and an eligible independent college or university includes institutions licensed by the Commission for Independent Education and not include institutions eligible under the Florida Private Student Assistance Grant.

⁷³ Section 1009.50(3), F.S.; Specific Appropriation 75, s.2, ch. 2019-115, L.O.F. provided a maximum grant award of \$2,610.

⁷⁴ Section 1009.505(3)(a), F.S.

⁷⁵ Section 1009.51(3), F.S.; section 1009.51(2)(a), F.S. An eligible independent nonprofit college or university is accredited by the Commission on Colleges of the Southern Association of Colleges and Schools and is located in and chartered as a domestic corporation by the state.

⁷⁶ Section 1009.52(3), F.S.

⁷⁷ Section 1009.50(2)(c), F.S. Priority in the distribution of grant moneys shall be given to students with the lowest total family resources, in accordance with a nationally recognized system of need analysis. Using the system of need analysis, the department shall establish a maximum expected family contribution.

⁷⁸ Section 1009.51(2)(c), F.S.

				lowest total family resources. ⁷⁹
Formula for Distribution of Funds	Prior year's distribution, number of eligible full-time applicants not awarded, EFC, and unused funds. ⁸⁰	Distributed in accordance with formula approved by the SBE. ⁸¹	Prior year's distribution, number of eligible full-time applicants not awarded, EFC, and unused funds. ⁸²	Prior year's distribution, number of eligible full-time applicants not awarded, EFC, and unused funds. ⁸³
Institution Reporting Requirements	Report to the DOE eligible students who received an award. ⁸⁴	Report to the DOE eligible students who received an award. ⁸⁵	Report to the DOE eligible students who received an award. ⁸⁶	Report to the DOE eligible students who received an award. ⁸⁷
Audit Requirements	None.	None.	Biennial financial and program audit. ⁸⁸	Biennial financial and program audit. ⁸⁹
State Student Financial Assistance Trust Fund (SSFATF)	Provisions provide that funds appropriated may be deposited into SSFATF. ⁹⁰	No provision.	Provisions provide that funds appropriated may be deposited into SSFATF. ⁹¹	Provisions provide that funds appropriated may be deposited into SSFATF. ⁹²

For each of the FSAG programs, except FSAG Career Education, the DOE is required to establish a maximum EFC that is used in determining eligibility to receive a grant award.⁹³ For the 2019-2020 academic year, the DOE determined the following maximum EFC:

- FSAG Public – maximum EFC \$5,576
- FSAG Private – maximum EFC \$6,080
- FSAG Postsecondary – maximum EFC \$5,576⁹⁴

⁷⁹ Section 1009.52(2)(c), F.S.

⁸⁰ Section 1009.50(4)(a), F.S. The formula shall consider at least the prior year's distribution of funds, the number of full-time eligible applicants who did not receive awards, the standardization of the expected family contribution, and provisions for unused funds.

⁸¹ Section 1009.505(4)(a), F.S. The funds appropriated for the FSAG Career Education Program shall be distributed to eligible FCS institutions and district school boards in accordance with a formula approved by the DOE.

⁸² Section 1009.51(4)(a), F.S. The formula shall consider at least the prior year's distribution of funds, the number of full-time eligible applicants who did not receive awards, the standardization of the expected family contribution, and provisions for unused funds.

⁸³ Section 1009.52(4)(a), F.S. The formula shall consider at least the prior year's distribution of funds, the number of full-time eligible applicants who did not receive awards, the standardization of the expected family contribution, and provisions for unused funds.

⁸⁴ Section 1009.50(2)(d) and (4)(d), F.S.

⁸⁵ Section 1009.505(3)(c) and (4)(d), F.S.

⁸⁶ Section 1009.51(2)(d) and (4)(d), F.S.

⁸⁷ Section 1009.52(2)(d) and (4)(d), F.S.

⁸⁸ Section 1009.51(4)(e), F.S. The DOE may conduct its own annual or biennial audit of an institution's administration of the program and its allocated funds in lieu of the required biennial report and financial audit report.

⁸⁹ Section 1009.52(4)(e), F.S. The DOE may conduct its own annual or biennial audit of an institution's administration of the program and its allocated funds in lieu of the required biennial report and financial audit report.

⁹⁰ Section 1009.50(5), F.S.

⁹¹ Section 1009.51(5), F.S.

⁹² Section 1009.52(6), F.S.

⁹³ Sections 1009.50(2)(c), 1009.51(2)(c), and 1009.52(2)(c), F.S.

⁹⁴ Florida Department of Education, Office of Student Financial Assistance, *Florida Student Assistance Grant Allocations* (Aug. 20, 2019) available at <https://www.floridastudentfinancialaidsg.org/PDF/PSI/1920-09.pdf>; For 2019-2020, the maximum Federal Pell Grant eligible EFC is 5576. *see* National Association of Student Financial Aid Administrators, *Federal Pell Grant Payment and*

For the 2018-2019 FY, the following amounts were disbursed for the FSAG Program and its four student financial aid programs:

FSAG Program	Total Dollars Disbursed	Number of Students Awarded	Average Award Amount
FSAG Public	\$234,334,619 ⁹⁵	156,301 ⁹⁶	\$1,499.25 ⁹⁷
FSAG Career Education	\$3,144,476 ⁹⁸	4,305 ⁹⁹	\$730.42 ¹⁰⁰
FSAG Private	\$24,500,519 ¹⁰¹	16,338 ¹⁰²	\$1,499.60 ¹⁰³
FSAG Postsecondary	\$6,799,009 ¹⁰⁴	6,281 ¹⁰⁵	\$1,082.47 ¹⁰⁶

Effect of Proposed Changes

To provide consistency in the provisions that apply to each of the four student financial aid programs included in the FSAG Program, the bill aligns specific requirements across all four student financial aid programs. The bill provides for the following:

- Establishes that the maximum award for each FSAG program is the amount specified in the GAA.
- Allows a student who received a FSAG program award in the fall or spring term, to receive an award during the summer term if funds are available. Priority in distribution of summer awards must be given to students who are within one semester of completing a degree or certificate program, and for FSAG Public students, those who have not yet earned at least nine semester hours by attendance at one or more summer sessions.
- Provides institutions the authority to prioritize the distribution of grant funds to students who are within one semester of completing a degree or certificate program.
- For the FSAG Public, FSAG Private, and FSAG Postsecondary awards, the bill removes the DOE development of a maximum EFC in determining eligibility to receive a grant award by prohibiting an institution from granting an award to a student who's EFC exceeds one and one-half times the maximum Pell Grant-eligible family contribution.
- Requires that an institution participating in an FSAG program must report to the DOE all eligible students for the program, regardless of actual award disbursements.¹⁰⁷

Disbursement Schedules, Jan. 23, 2019, <https://www.nasfaa.org/news-item/17276/2019-2020-Federal-Pell-Grant-Payment-and-Disbursement-Schedules> (last visited Feb. 26, 2020).

⁹⁵ Florida Department of Education, Office of Student Financial Assistance, *End-of-Year Report 2018-2019 Florida Student Assistance Grant Public*, at 1, available at https://www.floridastudentfinancialaidsg.org/PDF/PSI/FSAGPU_2018_2019.pdf.

⁹⁶ *Id.*

⁹⁷ *Id.* The average award amount includes initial and renewal students disbursed.

⁹⁸ Florida Department of Education, Office of Student Financial Assistance, *End-of-Year Report 2018-19 Florida Student Assistance Grant Career Education*, at 1, available at https://www.floridastudentfinancialaidsg.org/PDF/PSI/FSAGCE_2018_2019.pdf.

⁹⁹ *Id.*

¹⁰⁰ *Id.* The average award amount includes initial and renewal students disbursed.

¹⁰¹ Florida Department of Education, Office of Student Financial Assistance, *End-of-Year Report 2018-19 Florida Student Assistance Grant Private*, at 1, available at https://www.floridastudentfinancialaidsg.org/PDF/PSI/FSAGPR_2018_2019.pdf.

¹⁰² *Id.*

¹⁰³ *Id.* The average award amount includes initial and renewal students disbursed.

¹⁰⁴ Florida Department of Education, Office of Student Financial Assistance, *End-of-Year Report 2018-19 Florida Student Assistance Grant Postsecondary*, at 1, available at https://www.floridastudentfinancialaidsg.org/PDF/PSI/FSAGPO_2018_2019.pdf.

¹⁰⁵ *Id.*

¹⁰⁶ *Id.* The average award amount includes initial and renewal students disbursed.

¹⁰⁷ Reporting all eligible students, rather than only those who received an award disbursement, is consistent with requirements in rule 6A-20.031(7), 6A-20.032(7), and 6A-20.033(7), F.A.C. which requires an institution to report each awarded student and each eligible but not awarded student.

- Revises the formula the SBE develops for distribution of awards to institutions to include the number of eligible applicants, both part-time and full-time, who did not receive awards as well as account for changes in the number of eligible students across all FSAG grant programs.
- Standardizes the required institutional reporting for each award, requiring institutions to certify to the DOE within 30 days after the end of regular registration each term, the amount of funds disbursed. The institution must remit to the DOE any undisbursed advances within 60 days after the end of regular registration each spring term. An exception to the remittance may be granted if the institution documents to the DOE how it will disburse awards to students for the subsequent summer term. Institutions that use funds for summer terms must certify to the DOE the amount of funds disbursed to each student and remit to the DOE any undisbursed advances within 30 day after the end of the summer term.
- Requires institutions receiving funds through the FSAG Public and FSAG Career Education programs to prepare the same biennial report currently required of the FSAG Private and FSAG Postsecondary programs. The report requirements specify the following:
 - Each institution that receives moneys through the FSAG program is required to prepare a biennial report that includes a financial audit, conducted by the Auditor General, of the institution's administration of the program and a complete accounting of moneys allocated to the institution for the program. The report must be submitted to the DOE by March 1 every other year.
 - The DOE may conduct its own annual or biennial audit in lieu of the required biennial report and financial audit report.
 - The DOE may suspend or revoke an institution's eligibility in the aid program if the institution is found out of compliance with the provisions of program participation.
 - If an institution is overpaid for awards, a refund must be remitted to the DOE within 60 days after notification.

Benacquisto Scholarship Program

Present Situation

The Benacquisto Scholarship Program (scholarship) was created in 2014¹⁰⁸ to reward a Florida high school graduate who achieves recognition as a National Merit Scholar (NMS)¹⁰⁹ or National Achievement Scholar (NAS)¹¹⁰ and enrolls in a baccalaureate degree program at an eligible Florida public or independent postsecondary institution.¹¹¹

In addition to achieving the recognition as a NMS¹¹² or NAS, in order to be eligible for an award under the scholarship program, a student must:

- be a resident of the state of Florida;
- earn a standard high school diploma or its equivalent, unless:

¹⁰⁸ Section 1009.893(2), F.S.

¹⁰⁹ The National Merit Scholar program is a scholarship operated by the National Merit Scholarship Corporation. To enter into the program, high school students must take the Preliminary SAT/National Merit Scholarship Qualifying Test, which serves as the qualifying test for entry into the competition for scholarships. *National Merit Scholarship Program*, <https://www.nationalmerit.org/s/1758/interior.aspx?sid=1758&gid=2&pgid=424> (last visited Feb. 26, 2020).

¹¹⁰ The National Achievement Scholar program was operated by the National Merit Scholarship Corporation from 1965-2015. Program funds are now being redirected to be used for awards for college graduates through the United Negro College Fund. *National Achievement Scholarship Program*, <https://www.nationalmerit.org/s/1758/interior.aspx?sid=1758&gid=2&pgid=433> (last visited Feb. 26, 2020).

¹¹¹ Section 26, ch. 2014-56, L.O.F. The program was previously named The Florida National Merit Scholar Incentive Program.

¹¹² A National Merit Finalist becomes a Scholar by receiving: a National Merit \$2,500 Scholarship, a Corporate-sponsored Merit Scholarship, or a College-sponsored Merit Scholarship. "Special" Corporate Scholarships and "Presidential" awards do not qualify a student for the Benacquisto Scholarship. Florida Department of Education, Office of Student Financial Assistance, *Benacquisto Scholarship Program Fact Sheet*, at 1, available at <https://www.floridastudentfinancialaidsg.org/PDF/factsheets/FIS.pdf>.

- the student completed a home education program;¹¹³ or
- the student earns a high school diploma from a non-Florida school while living with a parent who is on military or public assignment out of state;
- be accepted and enroll in a Florida public or independent postsecondary institution that is regionally accredited; and
- be enrolled full-time¹¹⁴ in a baccalaureate¹¹⁵ degree program during the fall academic term following high school graduation.¹¹⁶

In 2018, eligibility for the program was expanded to allow out-of-state students to qualify for a scholarship.¹¹⁷ To be eligible, an out-of-state student must physically reside in Florida on or near the institution's campus where the student is enrolled.¹¹⁸

Scholarship recipients attending a public postsecondary institution, who qualify as a Florida resident, receive an award equal to the institutional costs of attendance minus the sum of the student's Florida Bright Futures Scholarship and NMS or NAS award.¹¹⁹ Scholarship recipients who qualify as non-residents and are attending a Florida public postsecondary institution, receive a scholarship award equal to the institutional cost of attendance for a resident of the state, minus the student's NMS.¹²⁰ Non-resident scholarship recipients are exempt from paying out-of-state fees.¹²¹

Scholarship recipients who attend an independent postsecondary institution receive an award equal to the highest cost of attendance for a resident of this state enrolled at a Florida public university, as reported by the BOG, minus the sum of the student's Florida Bright Futures Scholarship and NMS or NAS.¹²²

A scholarship recipient is eligible for a renewal award, if the student earns all of the credits for which the student was enrolled and maintains a 3.0 or higher grade point average.¹²³ A student may receive an award for a maximum of 100 percent of the number of credit hours required to complete a baccalaureate degree program, or until completion of a baccalaureate degree program, whichever comes first.¹²⁴

In FY 2019-20, \$21,372,911¹²⁵ was appropriated to fund an estimated 1,392 Benacquisto Scholarship recipients.¹²⁶ For FY 2020-21, \$26,577,665¹²⁷ is appropriated to fund an estimated 1,623 scholarship recipients.¹²⁸

Effect of Proposed Changes

¹¹³ Section 1002.41, F.S.

¹¹⁴ Rule 6A-20.0281(1)(d), F.A.C. Enrolled for a minimum of 12 credit hours per term or the equivalent in quarter hours.

¹¹⁵ Rule 6A-20.0281(1)(b), F.A.C. Eligibility requirements for the Benacquisto Scholarship provide that a student may not have previously received a recognized baccalaureate degree.

¹¹⁶ Section 1009.893(4)(a), F.S.

¹¹⁷ Section 22, ch. 2018-4, L.O.F.

¹¹⁸ Section 1009.893(4)(b)1., F.S.

¹¹⁹ Section 1009.893(5)(a)1., F.S.

¹²⁰ Section 1009.893(5)(a)2., F.S.

¹²¹ *Id.*

¹²² Section 1009.893(5)(b), F.S.

¹²³ Section 1009.893(6)(a), F.S.

¹²⁴ Section 1009.893(6)(b), F.S.

¹²⁵ Specific Appropriation 68, s.2, ch. 2019-115, L.O.F.

¹²⁶ Office of Economic & Demographic Research, Education Estimating Conference on Student Financial Aid Executive Summary (Dec. 12, 2019), at 2, available at <http://edr.state.fl.us/Content/conferences/financialaid/ExecSummary.pdf>.

¹²⁷ See Specific Appropriation 67, s. 2, Conference Report on: HB 5001 General Appropriations Act, available at https://www.myfloridahouse.gov/Sections/Documents/loaddoc.aspx?FileName=CRA_.pdf&DocumentType=Amendments&BillNumber=5001&Session=2020

¹²⁸ Office of Economic & Demographic Research, Education Estimating Conference on Student Financial Aid Executive Summary (Dec. 12, 2019), at 2, available at <http://edr.state.fl.us/Content/conferences/financialaid/ExecSummary.pdf>.

The bill requires a student to be enrolled full-time to be eligible for a Benacquisto Scholarship renewal award; however, the bill provides that an eligible student with fewer than 12 credit hours remaining to complete their baccalaureate degree may receive funding for one term in order to complete the degree.

The bill specifies that a student's renewal status is not affected by subsequent changes in the residency status of the student or the residency status of the student's family.

The bill allows a student to receive an award for up to 5 years following high school graduation for no more than 10 semesters.

The bill allows a student who receives a Benacquisto Scholarship award and fails to meet the renewal requirements due to a verifiable illness or other documented emergency to be granted an exception.¹²⁹ The bill removes reference to the NAS program as it is no longer operated by the National Merit Scholarship Corporation.¹³⁰

Public Postsecondary End-of-Year Fund Balances

Present Situation

Florida's state universities¹³¹ and FCS institutions¹³² are authorized to carry forward unexpended amounts in operating funds for subsequent fiscal years. Each state university and FCS institution must maintain a minimum carry forward balance.

Smaller FCS Institutions

Each FCS institution with a final FTE less than 15,000 for the prior year must maintain a minimum carry forward balance of at least 5 percent of its state operating budget.¹³³ If a FCS institution fails to maintain a 5 percent balance, the president must provide written notification to the SBE.¹³⁴

Each FCS institution with a final FTE less than 15,000 for the prior year that retains a fund carry forward balance in excess of 5 percent must submit a spending plan for its excess carry forward balance.¹³⁵ The spending plan must include all excess carry forward funds from state operating funds.¹³⁶ The spending plan must be submitted to the institution's board of trustees for approval by September 1, 2020, and each September 1 thereafter.¹³⁷ The SBE must review and publish each FCS institution's carry forward spending plan by October 1, 2020, and each October 1 thereafter.¹³⁸

Required Minimum Balances

¹²⁹ Section 1009.40(1)(b)4., F.S. A student who fails to meet requirements due to a verifiable illness or other emergencies may be granted an exception. The student must make a written appeal to the institution which includes a description and verification of the circumstances. The institution must recommend exceptions with necessary documentation to the DOE and the DOE may accept or deny such recommendations for exceptions from the institution.

¹³⁰ The National Achievement Scholar program was operated by the National Merit Scholarship Corporation from 1965-2015. Program funds are now being redirected to be used for awards for college graduates through the United Negro College Fund. *National Achievement Scholarship Program*, <https://www.nationalmerit.org/s/1758/interior.aspx?sid=1758&gid=2&pgid=433> (last visited Feb. 26, 2020).

¹³¹ Section 1001.45, F.S.

¹³² Section 1013.841(1), F.S.

¹³³ Section 1013.841(2)(a), F.S.

¹³⁴ *Id.*

¹³⁵ Section 1013.841(2)(b), F.S.

¹³⁶ *Id.*

¹³⁷ *Id.*

¹³⁸ *Id.*

Each FCS institution with a final FTE of 15,000 or greater for the prior year and state university must maintain a minimum carry forward balance of at least 7 percent of its state operating budget.¹³⁹ If a FCS institution or university fails to maintain a 7 percent balance in state operating funds, it must submit a plan to the SBE or BOG to attain the 7 percent balance within the next fiscal year.¹⁴⁰

Institutions with Balances in Excess of Minimums

Each state university that retains a state operating fund carry forward balance in excess of 7 percent, must submit a spending plan for its excess carry forward balance.¹⁴¹ The carry forward spending plan must include the estimated cost per planned expenditure and a timeline for completion of the expenditure.¹⁴² The plan may include specified authorized expenditures.¹⁴³ The carry forward spending plan must be submitted to the university's board of trustees for review, approval, or if necessary, amendment by September 1, 2020, and each September 1 thereafter.¹⁴⁴ The BOG must review, approve, and amend, if necessary, each university's spending plan by October 1, 2020, and each October 1 thereafter.¹⁴⁵

Each FCS institution with a final FTE of 15,000 or greater for the prior year that retains a fund carry forward balance in excess of 7 percent must submit a spending plan for its excess carry forward balance.¹⁴⁶ The spending plan must include all excess carry forward funds from state operating funds.¹⁴⁷ The spending plan must be submitted to the institution's board of trustees for approval by September 1, 2020, and each September 1 thereafter.¹⁴⁸ The SBE must review and publish each FCS institution's carry forward spending plan by October 1, 2020, and each October 1 thereafter.¹⁴⁹

Effect of Proposed Changes

The bill provides additional time for the submission and approval dates for state universities and FCS institutions that must submit a spending plan for excess carry forward balances. The bill establishes the following new dates:

- For a state university, the spending plan must be submitted to the institution's board of trustees by September 30, 2020, and each September 30 thereafter. The BOG must review, approve and amend, if necessary, each university's carry forward spending plan by November 15, 2020, and each November 15 thereafter.
- For a FCS institution, the spending plan must be submitted to the institution's board of trustees by September 30, 2020, and each September 30 thereafter. The SBE must review and publish each FCS institution's carry forward spending plan by November 15, 2020, and each November 15 thereafter.

The bill allows the spending plan for a state university or FCS institution to include a commitment of funds to a contingency reserve for expenses incurred as a result of a state of emergency declared by Florida's Governor.

Public Education Capital Outlay

¹³⁹ Section 1011.45(1), F.S. and Section 1013.841(3)(a), F.S.

¹⁴⁰ Section 1011.45(1), F.S. and Section 1013.841(3)(a), F.S. The FCS spending plan may include authorized expenditures. *see s.* 1013.841(4)(a)-(f), F.S.

¹⁴¹ Section 1011.45(2), F.S.

¹⁴² Section 1011.45(3), F.S.

¹⁴³ Section 1011.45(3)(a)-(f), F.S.

¹⁴⁴ Section 1011.45(2), F.S.

¹⁴⁵ *Id.*

¹⁴⁶ Section 1013.841(3)(b), F.S.

¹⁴⁷ *Id.*

¹⁴⁸ *Id.*

¹⁴⁹ *Id.*

Present Situation

Florida's Public Education Capital Outlay (PECO) program provides funding for the construction of new facilities or to perform maintenance, renovation and/or repairs on existing facilities for Florida's public education system, including universities, colleges, public schools and other state owned educational facilities.¹⁵⁰

The Commissioner of Education (commissioner) must annually submit to the Governor and to the Legislature an integrated, comprehensive budget request for educational facilities construction and fixed capital outlay needs for school districts, FCS institutions, and state universities, subject to provisions in law.¹⁵¹ The commissioner must use estimates for PECO funds by the Revenue Estimating Conference in determining the budget request.¹⁵² In addition, the commissioner, in consultation with the appropriations committees of the Legislature, must provide annually an estimate of funds for FCS institutions and state universities in developing 3-year priority lists required in law.¹⁵³

FCS institutions and state university boards of trustees request funds for projects based on the 3-year priority list, to be updated annually, which is submitted to the Legislature in the LBR at least 90 days prior to the legislative session.¹⁵⁴ The SBE submits a 3-year priority list for FCS institutions, and the BOG submits a 3-year priority list for state universities.¹⁵⁵ The lists reflect decisions by the SBE and BOG concerning program priorities that implement the statewide plan for program growth and quality improvement in education.¹⁵⁶

In 2019, the process by which FCS projects are evaluated for inclusion on the priority list was modified.¹⁵⁷ Projects considered for prioritization are required to be chosen from a preliminary selection group consisting of previously state-funded projects that have not been completed, and the top two priorities of each FCS institution.¹⁵⁸ The SBE is required to develop a points-based prioritization method to rank projects for consideration that awards points for the degree to which a project meets specific criteria compared to other projects.¹⁵⁹ The criteria specified in law may be weighted, but no weight may exceed the criterion regarding space needs due to increased instructional capacity.¹⁶⁰

A new construction, remodeling, or renovation project that has not received an appropriation in a previous year may not be considered for inclusion on the required prioritized list, unless:¹⁶¹

- a plan is provided to reserve funds in an escrow account, specific to the project, into which must be deposited each year an amount of funds equal to 0.5 percent of the total value of the building for future maintenance;

¹⁵⁰ Florida Department of Education, 2019-20 Funding for Florida School Districts, at 28, available at <http://www.fl DOE.org/core/fileparse.php/7507/urlt/Fefpdist.pdf>.

¹⁵¹ Section 1013.60(2), F.S., and applicable provisions of ch. 216.

¹⁵² Section 1013.60(1), F.S.; The Revenue Estimating Conference develops official information with respect to anticipated state and local government revenues as the conference determines is needed for the state planning and budgeting system. Section 216.136(3), F.S.

¹⁵³ Section 1013.60(1), F.S.

¹⁵⁴ Section 1013.64(4)(a), F.S.

¹⁵⁵ *Id.*

¹⁵⁶ *Id.*

¹⁵⁷ Section 3, ch. 2019-103, L.O.F.

¹⁵⁸ Section 1001.03(18), F.S.

¹⁵⁹ Section 1001.03(18)(a), F.S.; On Sept. 20, 2019, the SBE approved a prioritized list of PECO for 2020-2021 and the FCS PECO project priority methodology. Florida Department of Education, State Board of Education, 2019 Archived Meetings, *Sept. 20, 2019 Meeting Agenda-Action Item 11*, <http://www.fl DOE.org/policy/state-board-of-edu/meetings/2019/2019-09-20/index.shtml> (last visited March 16, 2020).

¹⁶⁰ Section 1001.03(18)(b), F.S.

¹⁶¹ Section 1001.03(18)(c)1.-3., F.S.

- there are sufficient excess funds from the allocation provided pursuant to the LBR within the 3-year planning period which are not needed to complete the projects for which state funds were previously appropriated which have not been completed;¹⁶² and
- the project has been recommended based on results relating to an educational plant survey.¹⁶³

Effect of Proposed Changes

The bill modifies the criterion for a specified new construction, remodeling, or renovation project to be added to the PECO priority list by the SBE. The bill specifies that an FCS project may be included on the priority list if there is sufficient capacity within the cash and bonding estimate of funds by the Revenue Estimating Conference to accommodate the project within the 3-year PECO funding cycle. This modification aligns the requirements for FCS projects to be considered on the priority list with the requirements for SUS projects.¹⁶⁴

Procurement of Commodities or Contractual Services

Present Situation

A state agency is authorized to contract with an independent, nonprofit college or university that is located within Florida and is accredited by the Southern Association of Colleges and Schools Commission on Colleges (SACSCOC) on the same basis as a state agency may contract with any public college or university.¹⁶⁵ As of December 2018, SACSCOC accredited 77 postsecondary institutions in Florida, of which 35 were classified as private, not-for-profit institutions.¹⁶⁶

Effect of Proposed Changes

The bill authorizes a state agency to also contract with an independent, nonprofit college or university that is authorized to operate in Florida,¹⁶⁷ offers a professional degree, and is accredited by the Middle States Commission on Higher Education.

Phosphate Research and Activities Board

Present Situation

The Florida Industrial and Phosphate Research Institute is housed within Florida Polytechnic University (FPU)¹⁶⁸ and the Phosphate Research and Activities Board is tasked with monitoring the expenditure of funds appropriated to FPU from the Phosphate Research Trust Fund.¹⁶⁹ The board consists of five members.¹⁷⁰ 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

¹⁶² The SBE must continually maintain a list of all public education capital outlay projects for which state funds were previously appropriated which have not been completed. The list must include an estimate of the amount of state funding needed for the completion of each project. Section 1001.03(18)(d), F.S.

¹⁶³ Section 1013.31, F.S. Educational plant surveys must be completed every five years, and reflect the capacity of existing facilities in school districts, FCS institutions, and state universities, as well as projections of facility space needs.

¹⁶⁴ Section 1001.706(12)(c)2., F.S.

¹⁶⁵ Section 287.057(21), F.S.

¹⁶⁶ Southern Association of Colleges and Schools Commission on Colleges, *2018 Annual Report and Proceedings*, at 60, available at <http://sacscoc.org/app/uploads/2020/01/June-24-Final-2018-Annual-Report-Web-1.pdf>.

¹⁶⁷ Pursuant to ch. 1005, F.S.

¹⁶⁸ Section 1004.346(1), F.S.

¹⁶⁹ Section 1004.346(2), F.S.

¹⁷⁰ Section 1004.346(2)(b), F.S.

state.¹⁷¹ The Secretary of Environmental Protection or his or her designee and the president of FPU are required to serve as board members.¹⁷²

Members of the board appointed by the Governor are appointed to 3-year terms.¹⁷³ 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.¹⁷⁴ A board member is eligible for reappointment to subsequent terms.¹⁷⁵

Effect of Proposed Changes

Effective upon becoming law, 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.

II. FISCAL ANALYSIS & ECONOMIC IMPACT STATEMENT

A. FISCAL IMPACT ON STATE GOVERNMENT:

1. Revenues:

None.

2. Expenditures:

The BOG currently tracks student performance at an individual level so changes made to the metrics for including “2+2” students and the graduation rate of a Pell Grant student should only require adjustments to reporting queries.

Once the BOG defines in regulation faculty and administrator classifications, 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:

The bill may provide a cost savings to eligible students enrolled in postsecondary education by providing financial awards to support their education.

- Beginning with students eligible for a Bright Futures Florida Medallion Scholar (FMS) award in the fall 2021 semester and thereafter, the bill provides that a FMS student who is enrolled in an associate degree program at a FCS institution is eligible for an award equal to 100 percent of

¹⁷¹ *Id.*

¹⁷² *Id.*

¹⁷³ Section 1004.346(2)(c), F.S

¹⁷⁴ *Id.*

¹⁷⁵ *Id.*

tuition and applicable fees, the current award is equal to 75 percent of tuition and applicable fees.

- The bill allows a student who received a Florida Student Assistance Grant (FSAG) program award in the fall or spring term, to receive an award during the summer term if funds are available and prioritizes summer awards to students who are within one semester of completing a degree or certificate program. Additional students may qualify for an FSAG program award by revising the qualifications to provide that an institution may not grant an award to a student whose EFC exceeds one and one-half times the maximum Pell Grant-eligible family contribution.
- The bill allows a student with a Benacquisto Scholarship to qualify for a renewal award for one more term to complete their degree if they have fewer than 12 credit hours remaining to complete their baccalaureate degree and provides that a student with a verifiable illness or other documented emergency may be granted an exception to the renewal requirements.

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. These provisions may provide additional cost savings on textbooks and instructional materials to Florida's public postsecondary students.

D. FISCAL COMMENTS:

Universities of Distinction

The bill creates the State Universities of Distinction, authorizing the BOG to annually submit identified programs, excluding those from preeminent state research universities, for funding. The Universities of Distinction designation is designed to support the nine non-preeminent institutions in the SUS. For FY 2020-21, the BOG requested \$67 million for Universities of Distinction. The FY 2020-21 GAA includes \$15 million for Universities of Distinction to be allocated by the BOG.¹⁷⁶ Additionally, \$3 million is specifically appropriated for Florida Gulf Coast University, and \$6 million is specifically appropriated for the University of North Florida for Universities of Distinction.¹⁷⁷

Bright Futures Awards for Florida Medallion Scholars (FMS)

Costs, or cost savings, are dependent upon whether a student opts to take advantage of receiving a Bright Futures Florida Medallion Scholarship (FMS) award that pays 100 percent of the cost of tuition and fees for and associate degree at a FCS institution, or chooses to receive 75 percent of tuition and fees and attend a SUS institution. Approximately 75 percent of initial FMS recipients currently choose to enroll in SUS institutions, even though the net student cost is \$79 per credit hour higher than if he or she attended a Florida College institution.¹⁷⁸ The savings to the state are indeterminate since behavior cannot be predicted. Any savings will not occur until after the provision is implemented in FY 2021-22.

Bright Futures Stipend for Florida Academic Scholars (FAS)

The GAA for FY 2020-2021, includes \$651,776,770 for the Bright Futures Scholarship Program. This appropriation includes fully funding the \$300 stipend a FAS recipient receives each fall and spring term for textbooks. Neither cost savings, nor cost increases, will occur unless a future Legislature decreases or increases the stipend in the GAA.

¹⁷⁶ See Specific Appropriation 150, page 47, *Conference Report on: HB 5001 General Appropriations Act*, available at https://www.myfloridahouse.gov/Sections/Documents/loaddoc.aspx?FileName=CRA_.pdf&DocumentType=Amendments&BillNumber=5001&Session=2020

¹⁷⁷ See Lines 40 and 114, *Appropriations Conference Chairs House Supplemental Funding Issues* document, available at <https://www.myfloridahouse.gov/Sections/Documents/loaddoc.aspx?PublicationType=Appropriations&CommitteeId=2991&Session=2020&DocumentType=Budget%20Conference%20Offers&FileName=APC-%20Supplemental%20Funding%20Issues%203-14-20.pdf>

¹⁷⁸ A Bright Futures FMS award, at 75% of tuition and fees, pays \$159 at a state university and \$80 at a college.

New Institutes at State Universities

This bill creates the Florida Institute of Politics at Florida State University and The Adam Smith Center for the Study of Economic Freedom at Florida International University. The GAA for FY 2020-21 includes \$1 million to fund each program.^{179,180}

¹⁷⁹ See Line 40, *Appropriations Conference Chairs House Higher Education Appropriations /Senate Education Appropriations House Bump Offer #1* document, available at

<https://www.myfloridahouse.gov/Sections/Documents/loaddoc.aspx?PublicationType=Appropriations&CommitteeId=2991&Session=2020&DocumentType=Budget%20Conference%20Offers&FileName=APC-HEA%20Proviso-IB-Budget%20House%20Bump%20Offer1%203-13-20.pdf>.

¹⁸⁰ See Line 42, *Appropriations Conference Chairs House Supplemental Funding Issues* document, available at

<https://www.myfloridahouse.gov/Sections/Documents/loaddoc.aspx?PublicationType=Appropriations&CommitteeId=2991&Session=2020&DocumentType=Budget%20Conference%20Offers&FileName=APC-%20Supplemental%20Funding%20Issues%203-14-20.pdf>.