

**The Florida Senate**  
**BILL ANALYSIS AND FISCAL IMPACT STATEMENT**

(This document is based on the provisions contained in the legislation as of the latest date listed below.)

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Prepared By: The Professional Staff of the Committee on Education

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BILL: SB 876

INTRODUCER: Senator Gibson

SUBJECT: Historically Black Colleges and Universities Matching Endowment Scholarship Program

DATE: January 24, 2020      REVISED: \_\_\_\_\_

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	ANALYST	STAFF DIRECTOR	REFERENCE	ACTION
1.	<u>Bouck</u>	<u>Sikes</u>	<u>ED</u>	<b>Favorable</b>
2.	_____	_____	<u>AED</u>	_____
3.	_____	_____	<u>AP</u>	_____

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**I. Summary:**

SB 876 creates the Historically Black Colleges and Universities (HBCU) Matching Endowment Scholarship Program (program) to be administered by the Department of Education (DOE). The program provides funds to participating HBCUs to provide student scholarships.

The bill requires the Legislature to appropriate \$2 million for deposit into the Student Financial Assistance Trust Fund for the program. In addition, the bill requires that, by June 30, 2021, each participating HBCU must contribute \$500,000 in matching funds.

Additionally, the bill requires:

- The DOE to allocate interest accumulated in the trust fund equally to each participating HBCU, which must award scholarships based on a student’s unmet financial need.
- The State Board of Education to adopt rules to administer the program.

The bill takes effect July 1, 2020.

**II. Present Situation:**

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

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<sup>1</sup> U.S. Department of Education, *What is an HBCU?* <https://sites.ed.gov/whhbcu/one-hundred-and-five-historically-black-colleges-and-universities/> (last visited Jan. 17, 2020). *See also* 20 U.S.C. s. 1061, Part B, Pub. L. 89–329.

Nationally, there are 107 HBCUs<sup>2</sup> located in 20 States, the District of Columbia, and the U.S. Virgin Islands, serving more than 300,000 undergraduate, graduate, and professional students.<sup>3</sup>

There are four HBCUs located in Florida:<sup>4</sup>

- **Florida Agricultural and Mechanical University (FAMU)**, which is a public university founded in 1887 and located in Tallahassee.<sup>5</sup> FAMU is regionally accredited by Southern Association of Colleges and Schools (SACSCOC).<sup>6</sup> FAMU's fall 2018 enrollment was 9,583 students.<sup>7</sup> Tuition and fees are \$5,827.<sup>8</sup>
- **Bethune-Cookman University (B-CU)**, which is a private university founded in 1904 and located in Daytona Beach.<sup>9</sup> B-CU is regionally accredited by the SACSCOC.<sup>10</sup> B-CU's fall 2019 enrollment was 2,901.<sup>11</sup> Tuition and fees is \$14,814.<sup>12</sup>
- **Edward Waters College (EWC)**, which is a private college established in 1866<sup>13</sup> and located in Jacksonville. EWC is regionally accredited by the SACSCOC.<sup>14</sup> EWC's fall 2018 enrollment was 968 students.<sup>15</sup> Tuition and fees are \$12,525.<sup>16</sup>

<sup>2</sup> The four Florida HBCUs qualify for the federal Strengthening HBCU Program, which , provides grants to HBCUs to assist these institutions in establishing and strengthening their physical plants, academic resources and student services so that they may continue to participate in fulfilling the goal of equality of educational opportunity. 34 C.F.R. s. 608.2.

<sup>3</sup> The White House, *Executive Order 13779* (Feb. 28, 2017), available at [https://sites.ed.gov/whhbcu/files/2017/10/Executive\\_Order\\_13779.pdf](https://sites.ed.gov/whhbcu/files/2017/10/Executive_Order_13779.pdf), at 1.

<sup>4</sup> National Center for Education Statistics, *College Navigator*, <https://nces.ed.gov/collegenavigator/?s=FL&sp=4> (last visited Jan. 18, 2020).

<sup>5</sup> Florida Agricultural and Mechanical University, *History of Florida Agricultural and Mechanical University (FAMU)*, <http://www.famu.edu/index.cfm?AboutFAMU&History> (last visited Jan. 18, 2020).

<sup>6</sup> Florida Agricultural and Mechanical University, *Florida A&M University Southern Association of Colleges and Schools Commission on Colleges (FAMU SACSCOC) Office* <http://www.famu.edu/index.cfm?sacs> (last visited Jan. 18, 2020). The Southern Association of Colleges and Schools Commission on Colleges (SACSCOC) is the regional body for the accreditation of degree-granting higher education institutions in the Southern states that award associate, baccalaureate, master's, or doctoral degrees, to include Alabama, Florida, Georgia, Kentucky, Louisiana, Mississippi, North Carolina, South Carolina, Tennessee, Texas, Virginia. Southern Association of Colleges and Schools (SACS), *SACS Commission on Colleges*, <http://www.sacscoc.org/> (last visited Jan. 18, 2020).

<sup>7</sup> State University System of Florida, *Enrollment by Student Type – FAMU*, [https://flbog.ondemand.sas.com/SASReportViewer/?reportUri=%2Freports%2Freports%2Fbd9d4373-6bba-49b2-bc80-6032259eaa4&page=vi110&sso\\_guest=true](https://flbog.ondemand.sas.com/SASReportViewer/?reportUri=%2Freports%2Freports%2Fbd9d4373-6bba-49b2-bc80-6032259eaa4&page=vi110&sso_guest=true) (last visited Jan. 20, 2020)..

<sup>8</sup> Board of Governors, *State University System of Florida, Tuition and Required Fees, 2019-2020, January Update*, available at <https://www.flbog.edu/wp-content/uploads/2019-2020-SUS-Tuition-and-Fees-Report-January-Update.pdf>, at 1. The tuition and fees are for resident undergraduate, full time students for 30 credit hours. *Id.*

<sup>9</sup> Bethune-Cookman University, *About B-CU*, [http://www.cookman.edu/about\\_BCU/index.html](http://www.cookman.edu/about_BCU/index.html) (last visited Jan. 18, 2020).

<sup>10</sup> *Id.*

<sup>11</sup> Bethune-Cookman University, *Bethune-Cookman University At-a-Glance (Fall 2019)*, available at [https://www.cookman.edu/about\\_BCU/IE/documents/B-CU-AT-A-GLANCE-Fall-2019.pdf](https://www.cookman.edu/about_BCU/IE/documents/B-CU-AT-A-GLANCE-Fall-2019.pdf).

<sup>12</sup> *Id.*

<sup>13</sup> Edward Waters College, *The History of Edward Waters College*, <https://www.ewc.edu/about/our-history/> (last visited Jan. 18, 2020).

<sup>14</sup> Edward Waters College, <https://www.ewc.edu/accreditation/> (last visited Jan. 18, 2020).

<sup>15</sup> Edward Waters College, *Student Profile & Achievement*, available at <https://secureservercdn.net/198.71.233.227/9cd.f5c.myftpupload.com/wp-content/uploads/Student-Profile-Achievement.pdf>.

<sup>16</sup> Edward Waters College, *Cost of Attendance*, available at <https://ewc.edu/wp-content/uploads/Cost-of-Attendance-1.pdf>.

- **Florida Memorial University** (FMU), which is a private university founded in 1879 and located in Miami Gardens.<sup>17</sup> FMU is regionally accredited by the SACSCOC.<sup>18</sup> FMU's fall 2018 enrollment was 1,189.<sup>19</sup> Tuition and fees are \$16,236.<sup>20</sup>

Research comparing undergraduate students at HBCUs compared to non-HBCU peers at four-year public, private, and nonprofit institutions indicates that:<sup>21</sup>

- A higher percentage of students attending HBCUs use federal loans to finance college compared to their non-HBCU peers.
- HBCU graduates borrow substantially greater amounts of federal loans than their non-HBCU peers.
- The percentage of HBCU graduates who borrow large amounts (\$40,000 or more) of federal loans to finance their degrees is four times that of non-HBCU graduates.

### III. Effect of Proposed Changes:

SB 876 creates the Historically Black Colleges and Universities (HBCU) Matching Endowment Scholarship Program (program) to be administered by the Department of Education (DOE). The program provides funds to participating HBCUs to provide student scholarships.

The bill requires the Legislature to appropriate \$2 million to be transferred to the State Student Financial Assistance Trust Fund<sup>22</sup> (trust fund) for the program. The bill also requires:

- No later than June 30, 2021, an HBCU that intends to participate in the program to contribute \$500,000 in matching funds to the DOE for deposit into the trust fund.
- All funds transferred to the trust fund be invested in accordance with the law.<sup>23</sup> Appropriated and matching funds remain in the trust fund,<sup>24</sup> and only the interest from such funds be used for scholarships for students at participating HBCUs.

<sup>17</sup> Florida Memorial University, *FMU History*, <https://www.fmuniv.edu/history/> (last visited Jan. 18, 2020).

<sup>18</sup> Florida Memorial University, *About the Lion Legacy*, <https://www.fmuniv.edu/about/> (last visited Jan. 2020).

<sup>19</sup> National Center for Education Statistics, *College Navigator—Florida Memorial University*, <https://nces.ed.gov/collegenavigator/?s=FL&ct=2+3&pg=8&id=133979#enrolmt> (last visited Jan. 18, 2020).

<sup>20</sup> Florida Memorial University, *Tuition and Fees, Fiscal Year 2019-2020*, available at <https://www.fmuniv.edu/wp-content/uploads/2019/04/Tuition-and-Fees-Fiscal-Year-2019-2020.pdf>. Listed tuition and fees are for undergraduate full-time students.

<sup>21</sup> UNCF, *Fewer Resources, More Debt: Loan Debt Burdens Students at Historically Black Colleges and Universities* (2016), available at [https://www.uncf.org/wp-content/uploads/reports/FINAL\\_HBCU\\_Loan\\_Debt\\_Burden\\_Report.pdf?\\_ga=2.262428428.143846847.1522074542-2044485191.1493842567](https://www.uncf.org/wp-content/uploads/reports/FINAL_HBCU_Loan_Debt_Burden_Report.pdf?_ga=2.262428428.143846847.1522074542-2044485191.1493842567) at 3.

<sup>22</sup> The State Student Financial Assistance Trust Fund is administered by the DOE. Funds are credited to the trust fund as provided in the General Appropriations Act (GAA) or similar legislation, to be used for the purposes specified in the GAA or legislation. The DOE is authorized to transfer into the trust fund general revenue, private donations for the purpose of matching state funds, and federal receipts for scholarships and grant programs. Any balance in the trust fund at the end of any fiscal year remains in the trust fund to carry out the purposes of the trust fund. Section 1010.73, F.S.

<sup>23</sup> Chapter 215, F.S.

<sup>24</sup> Current law requires that that the undisbursed release balance of any authorized appropriation, except an appropriation for fixed capital outlay, for any given fiscal year, which remains undisbursed on June 30 may be carried forward, but on September 30 must revert to the fund from which appropriated and must be available for reappropriation by the Legislature. Section 216.301(1)(b), F.S. The bill, in comparison, requires that such funds remain in the trust fund, which supersedes the reversion requirement. Section 216.351, F.S.

- The DOE to allocate the interest accumulated in the trust fund equally to each participating HBCU, which must award scholarships to enrolled students with unmet financial need.

The bill also requires the State Board of Education to adopt rules to administer the program.

The program appears to be consistent with a recent federal initiative.<sup>25</sup> The White House Initiative on Historically Black Colleges and Universities (initiative) specifies that the initiative will work with federal agencies, private-sector employers, educational associations, philanthropic organizations, and other partners to increase the capacity of HBCUs to provide the highest-quality education to an increasing number of students.<sup>26</sup>

The creation of the HBCU Matching Endowment Scholarship Program may provide additional financial aid for students enrolled at the HBCUs participating in the program, may help to increase enrollment in Florida HBCUs, and may assist with improving performance outcomes for such students.

The bill takes effect July 1, 2020.

#### **IV. Constitutional Issues:**

A. Municipality/County Mandates Restrictions:

None.

B. Public Records/Open Meetings Issues:

None.

C. Trust Funds Restrictions:

None.

D. State Tax or Fee Increases:

None.

E. Other Constitutional Issues:

None.

#### **V. Fiscal Impact Statement:**

A. Tax/Fee Issues:

None.

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<sup>25</sup> The White House, *Executive Order 13779* (Feb. 28, 2017), available at [https://sites.ed.gov/whhbcu/files/2017/10/Executive\\_Order\\_13779.pdf](https://sites.ed.gov/whhbcu/files/2017/10/Executive_Order_13779.pdf).

<sup>26</sup> *Id.* at 1.

**B. Private Sector Impact:**

SB 876 provides for scholarships for students to attend historically black colleges and universities (HBCU). Such scholarships may reduce student costs to attend such colleges. Each HBCU must contribute \$500,000 in matching funds.

**C. Government Sector Impact:**

The bill requires the Legislature to appropriate \$2 million to transfer into the State Student Financial Assistance Trust Fund.

**VI. Technical Deficiencies:**

None.

**VII. Related Issues:**

None.

**VIII. Statutes Affected:**

This bill creates section 1009.895 of the Florida Statutes.

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

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

None.

**B. Amendments:**

None.