

SENATE STAFF ANALYSIS AND ECONOMIC IMPACT STATEMENT

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

Date: February 19, 1998 Revised: _____

Subject: State University System

	<u>Analyst</u>	<u>Staff Director</u>	<u>Reference</u>	<u>Action</u>
1.	O'Farrell	O'Farrell	ED	Favorable/CS
2.	_____	_____	WM	_____
3.	_____	_____	_____	_____
4.	_____	_____	_____	_____
5.	_____	_____	_____	_____

I. Summary:

The bill would change the length of the term of office from 6 years to 4 years for members of the Board of Regents (BOR) appointed after the effective date of the act, and clarify that there are 13 citizen members of the board. In addition, the activities of the search committee for selection of the Chancellor of the State University System would have to comply with s.119.07(1), F.S., the public records law, and s. 286.011, F.S., which relates to public meetings. Further changes would: repeal the restriction against the BOR granting a tenured faculty appointment to any university president the board had removed from office, and delete from law the requirement that the Legislature must authorize the expenditure of revenue from a local tuition fee imposed by a university and approved by the BOR.

This bill substantially amends sections 240.207 and 240.209 of the Florida Statutes.

II. Present Situation:

Section 240.207, F.S., provides that the Board of Regents of the State University System is to be composed of 12 citizens of the state plus the Commissioner of Education. The board members are to be selected from the state at large and must be representative of its geographical areas. A person is eligible to be a regent if he or she has been a citizen and resident of the state for at least 10 years prior to the time of appointment. One of the 12 appointees is to be a full-time student in the State University System who has been a resident for at least 5 years prior to the time of appointment. The citizen regents are appointed by the Governor, and must be approved by three members of the Cabinet and confirmed by the Senate. A regent cannot take office until his or her appointment has been approved by the three Cabinet members.

Except for the Commissioner of Education who is a member of the Board of Regents by virtue of his or her office, and the student regent who serve a term of 1 year, the term of office for members of the board is 6 years and until their successors are appointed and qualified. In the event of a vacancy, the appointment is for the remainder of the unexpired term.

Chapter 91-55, L.O.F., amended s. 240.207, F.S., to increase the BOR citizen membership to 13 and provide a strategy to create an "orderly succession" of regents with two members appointed each year. In order to carry this out, one additional regent was appointed in 1991 and another in 1992, with both serving 6 year terms. For one year, from January 1992 until January 1993, there were 15 members on the board. Four regents' slots came open for appointment in 1993 and only three of those were filled. The terms of the new appointments were staggered with one being for 3 years and the other two for the full 6-year period. The end result of this maneuvering was the current 14 member board with 13 citizen members and the Commissioner of Education, and the intended two appointments per year succession schedule.

Among the many powers and duties of the Board of Regents that are spelled out in law is the authority to appoint a Chancellor of the State University System. The Chancellor serves at the board's pleasure and is its chief administrative officer. During the process of selecting a Chancellor, the activities of the search committee are confidential and exempt from sunshine laws up until the point of transmitting a list of nominees to the board. The regents also have the authority to hire and fire the university presidents. Unlike the search activities for a Chancellor, the presidential selection process must be conducted in the sunshine in accordance with ss. 119.07 and 286.011, F.S. The board sets the compensation and contract terms for each president; however, they are prohibited from awarding any president who is terminated or asked to resign a tenured faculty appointment at a university.

The price of resident and nonresident tuition for the State University System is set annually in the General Appropriations Act. Section 240.209(3)(e)3, F.S., does; however, direct the Board of Regents to approve a university's request to raise tuition up to 10 percent more than the amount set in the Appropriations Act. The increase in tuition price to a student taking 15 credit hours per term must not exceed 5 percent. A university's authority to spend the additional revenue is contingent upon approval by the Legislature in the Appropriations Act. In the event the authority is provided (this has never happened) the revenue must be spent to implement plans for realizing accountability goals and reducing the time necessary to earn a degree. Such plans are to be developed by a university-wide committee with at least 50 percent of its membership made up of students appointed by the student body president.

III. Effect of Proposed Changes:

The bill under consideration would change the length in the term of office for members of the Board of Regents and would amend some provisions in the board's statutory powers and duties:

- The terms of office for members of the Board of Regents appointed after the effective date of the bill would be reduced from 6 years to 4 years. This change would not affect the current terms of regents or the succession process.
- The law would be changed to clarify that there are 13 appointed, citizen members of the Board of Regents, including the member who is a full-time student in the State University System. The Commissioner of Education also serves on the board by virtue of his or her office.
- Requiring the selection procedure for the Chancellor of the State University System comply with open records and open meetings laws would make the process consistent with the procedure currently used to select university presidents. The change should quiet public criticism of the current selection process which is confidential until a final list of nominees is presented to the BOR for consideration. There is, however, the possibility that opening the preliminary search activities to public review could slow the process down.
- The statutory provision prohibiting the Board of Regents from awarding a tenured faculty position to a president who had been terminated or asked to resign would be repealed. The change would afford the board more flexibility in designing or negotiating a severance agreement with a university president who is being terminated.
- Section 240.209 (3)(e)3, F.S., would be amended so a university choosing to increase the price of student tuition above the system-wide amount set in the General Appropriations Act, would no longer require Legislative authority to spend the additional fee revenue.

IV. Constitutional Issues:

A. Municipality/County Mandates Restrictions:

None.

B. Public Records/Open Meetings Issues:

None.

C. Trust Funds Restrictions:

None.

V. Economic Impact and Fiscal Note:**A. Tax/Fee Issues:**

Should a state university choose to implement a local tuition increase it would be an additional fee imposed on students.

B. Private Sector Impact:

Based on 1997-98 matriculation costs for undergraduate students, a university imposed increase of 10 percent above the fee established in the General Appropriations Act would amount to \$4.81 per credit hour or up to \$67.34 for a student enrolled for 14 credit hours in a term. However, the cost to a student taking 15 hours during the term could not exceed a 5 percent increase or \$2.42 per credit hour.

Nonresident undergraduate students are required by law to pay tuition equal to the full cost of their university education. The imposition of an additional university-based tuition would require them to pay a total tuition of more than 100 percent of education costs.

Although the law authorizing the university imposed matriculation and tuition increase is silent on the issue, if the increases were applied to students in graduate and professional programs, the cost per credit hour would be higher than those experienced by undergraduate students.

C. Government Sector Impact:

Any university imposing a tuition fee would have additional revenue to spend on plans to achieve accountability goals and reduce the time it takes students to reach graduation.

University-based tuition increases would impact the Bright Futures Scholarship Program which, depending upon the type of scholarship a student receives, pays 100 percent or 75 percent of matriculation and fees. The dollar amount of the impact would depend on the number of students in each scholarship category attending universities imposing the additional fee, the fee amounts at the respective universities, and the number of credit hours being taken by those students.

VI. Technical Deficiencies:

None.

VII. Related Issues:

None.

VIII. Amendments:

None.

This Senate staff analysis does not reflect the intent or official position of the bill's sponsor or the Florida Senate.
