

FULL ANALYSIS

I. SUBSTANTIVE ANALYSIS

A. HOUSE PRINCIPLES ANALYSIS:

Provide limited government —The State Board of Education may adopt rules that address the baccalaureate degree programs at community colleges, including reporting policies and performance accountability requirements for both upper-division and lower-division programs.

Ensure lower taxes — The bill provides that tuition and out-of-state fees for community colleges approved to offer baccalaureate degree programs are less than those of comparable programs at universities. However, thus far expenditures per credit hour have been higher than at universities. Much of the increased expense appears to be start up costs. See fiscal comments.

Currently, community college board of trustees may establish a separate fee for capital improvement, technology enhancement or equipping student buildings. This bill permits community colleges board of trustees to increase these fees.

B. EFFECT OF PROPOSED CHANGES:

STATE BOARD OF EDUCATION

Present Situation

Section 1001.03, F.S., sets forth the general powers and duties of the State Board of Education (SBE), the chief implementing and coordinating body of public education in Florida. The SBE has a number of general duties including, but not limited to, the adoption of comprehensive long-range plans and short-range programs; the adoption of a coordinated K-20 budget; enforcement of system wide educational goals and policies; and the establishment of an effective information system.

With regard to the community colleges specifically, s.1001.03, F.S., requires the SBE to establish criteria for making recommendations for modifying district boundary lines for community colleges; establish criteria for making recommendations concerning all proposals for the establishment of additional centers or campuses; examine the annual administrative review of each community college; and prescribe in rule the minimum standards, definitions, and guidelines for community colleges to ensure quality of education, coordination among public postsecondary institutions, and efficient progress toward accomplishing the community college mission. At a minimum, these rules must address: personnel; contracting; program offering and classification; provisions for curriculum development, graduation requirements, college calendars, and program service areas; student admissions, conduct and discipline, non-classroom activities, and fees; budgeting; business and financial matters; student services; reports, surveys, and information systems.

Effect of Proposed Changes

HB 167 amends s. 1001.64, F.S., which relates to powers and duties of community college boards of trustees, to provide that community colleges authorized to grant baccalaureate degrees pursuant to s. 1007.33, remain under the authority of the SBE in accordance with current statutory provisions.

COMMUNITY COLLEGE BOARDS OF TRUSTEES

Present Situation

Section 1001.64, F.S., sets forth the powers and duties of community college boards of trustees. It vests each community college board of trustees with the responsibility to govern its respective institution and with the authority necessary for the proper operation and improvement thereof in accordance with rules of the SBE; requires each board to adopt rules establishing students

performance standards for the award of degrees and certificates; requires each board of trustees to establish fees pursuant to ss. 1009.22, 1009.23, 1009.25, 1009.26, and 1009.27, F.S.; and requires each board to establish the personnel program for all employees of the community college.

Section 1001.65, F.S. authorizes each community college president to award degrees.

Section 1012.82, F.S. requires each full-time member of the teaching faculty at any community college who is paid wholly from funds appropriated from the community college program funds to teach a minimum of 15 classroom contact hours per week at such institution.

Effect of Proposed Changes

This bill amends s. 1001.64, F.S. to provide that the governing authority of the community college board includes serving as the governing board for purposes of granting baccalaureate degrees approved by the SBE; to authorize the boards of colleges approved by the SBE to award baccalaureate degrees to continue to award degrees, diplomas, and certificates as authorized for the college, and in the name of the college, until the college received any necessary changes to its accreditation; to authorize the boards to establish tuition and out-of state fees for approved baccalaureate programs, consistent with law and the GAA; and to require each board to adopt a policy ensuring that faculty who teach under-division courses adhere to the requirements of current law that require each full-time member of the teaching faculty who is paid wholly from funds appropriated from the community college program fund to teach a minimum of 15 classroom contact hours per week.

COMMUNITY COLLEGE MISSION

Present Situation

Section 1004.65, F.S., defines the primary mission and responsibilities of community colleges to be responding to community needs for postsecondary academic education and career degree education. Their mission and responsibilities include being responsible for: providing lower level undergraduate instruction and awarding associate degrees; preparing students directly for careers requiring less than baccalaureate degrees; providing students development services; promoting economic development within a college's respective district; and providing dual enrollment instructions.

Providing upper level instructions and awarding baccalaureate degrees as specifically authorized by law is a separate and secondary role.

Effect of Proposed changes

This bill requires community colleges that are approved by the SBE to offer baccalaureate degree programs to maintain their primary mission pursuant to current law and prohibits the college from terminating Associate in Arts (AA) or Associate in Science (AS) degree programs as a result of the authorization to offer baccalaureate degree program. Similar provisions appear in current law in s. 1007.33(4), F.S. HB 167 also amends s. 1004.65(9), F.S. to state that community colleges are authorized to award baccalaureate degrees as well as provide access to such degrees in accordance with law.

SITE-DETERMINED BACCALAUREATE DEGREE PROCESS

Present Situation

Section 1007.33, F.S., expresses the intent of the Legislature to expand access to baccalaureate degree programs through the use of community colleges and sets forth two ways in which a community college may expand access to baccalaureate degree programs.

- (1) The community college may enter into a formal agreement with another postsecondary institution to provide undergraduate programs.
- (2) The community college may submit a proposal to the SBE to deliver specified baccalaureate degree programs in the district to meet local workforce needs. The proposal must show a

demand for the program, that there is an unmet need for graduates of the program, and that the community college has the facilities and academic resources to deliver the program. The proposal must be submitted to the Council for Education Policy Research and Improvement (CEPRI) for review and comment. Upon approval by the SBE, the college must seek the proper accreditation for the program. If the college wants to offer additional degree programs, it must go through the same evaluation cycle for each degree request. The present language prohibits a community college from terminating an associate degree program as a result of being authorized to offer a baccalaureate degree.

Effect of Proposed Changes

HB 167 expands the intent language to specifically reference programs that meet critical workforce needs.

HB 167 revises the process to permit the community colleges to submit proposals for reasons in addition to meeting local workforce needs including expanding access to serve diverse and nontraditional students and placebound students; enhancing articulation in program areas where articulation is limited; and providing the means of obtaining a baccalaureate degree in a manner that is most cost-efficient to the student and the state. The proposal must be submitted to the SBE requesting a formal assessment by Department of Education (DOE) in accordance with timelines and guideline adopted by the SBE. In addition to current requirements regarding demand, unmet need for graduates, and adequate existing resources, the proposal must include a statement of determination by the college that innovative and alternative options have been considered, such as distance learning and university partnerships, and found less cost-effective for the student, the community, and the state. HB 167 provides that the SBE may approve, deny or recommend revisions to the proposals. HB 167 also requires that implementation of approved programs must be in accordance with joint letters of agreement between SBE and the colleges that receive approval.

COMMUNITY COLLEGE FEES

Present Situation

The provisions of s. 1009.23, F.S., apply to fees charged for college credit instruction leading to an associate in arts degree, an associate in applied science degree, or an associate in science degree and noncollege credit college-preparatory courses defined in s. 1004.02., F.S.

Section 1009.23, F.S., specifies the process for establishing community college student fees. The SBE must annually establish a fee schedule for advanced and professional, associate in science degree, and college-preparatory programs. In the absence of a provision to the contrary in the appropriations act, the fee schedule takes effect the following fall. There is no specific reference to tuition and fees for baccalaureate programs that have been approved by the SBE.

Current law authorized community college boards of trustees to establish a separate fee for capital improvement, technology enhancements, and equipping student buildings. The fee for college credit programs is capped at \$1 per credit hour for residents and must equal or exceed \$3 per credit hour for nonresidents. According to information provided by DOE, 27 of the 28 community colleges assess the capital improvement fee.

Effect of Proposed Changes

This bill adds a reference to baccalaureate degree programs authorized by the State Board of Education pursuant to s.1007.33, F.S., and directs the State Board to adopt a fee schedule for such programs.

Tuition and out-of-state fees for upper-division level college credit courses must reflect the less expensive cost structure of the community college. Community college boards of trustees must establish tuition and out-of-state fees for upper-division courses within a range between fees for lower division credit courses and the local state university tuition and out-of-state fees. The bill does not

specify which university is associated with which community college for purposes of making this determination.

This bill increases the cap on the community college capital improvement fee to 10% of tuition for residents and 10% of the total tuition and out-of-state fees collected for nonresidents. The fee increased for residents is capped at \$2 per credit hour over the prior year. The maximum amount of the capital improvement fee that can be used for child care centers is increased from 15 cents per credit hour to 15% per credit hour.

FINANCIAL SUPPORT FOR COMMUNITY COLLEGES

Present Situation

Section 1011.83, F.S., specifies how community colleges are to be funded. Funding for all workforce education programs must be based on cost categories, performance output measures, and performance outcomes measures. All other appropriations for operational activities of the community college are to be provided through appropriations to the Community College Program Fund (CCPF) under s. 1011.80, F.S.

Effect of Proposed Changes

HB 167 amends current statutory provisions relating to community college funding to reference colleges that have received approval from the SBE to grant baccalaureate degrees. Community colleges must fund nonrecurring costs related to the initiation of a new program without new state appropriation unless special grant funds are designated by the SBE and subject to funding by the Legislature for that purpose. A new baccalaureate program is prohibited from accepting students without a recurring legislative appropriation for that purpose. Recurring operational funding for the college will be funded as follows:

- as a community college for workforce education programs, lower-division level college credit courses, and programs funded in the CCPR;
- as a baccalaureate degree level institution for its upper-division level courses and programs.

State funding for baccalaureate programs is capped at 85% of the amount per FTE in a comparable state university program. Funds appropriated for baccalaureate programs must be used for that purpose. Reporting and funding distinctions must be maintained between programs approved by the SBE and other baccalaureate degree programs involving traditional concurrent-use partnerships.

COMMUNITY COLLEGE LEGISLATIVE CAPITAL OUTLAY BUDGET

Present Situation

Section 1013.31, F.S. requires each education board to arrange for an educational plant survey every 5 years to aid in formulating plans for housing the educational program and student population, faculty, administrators, staff, and auxiliary and ancillary services of the district or campus. The survey report must include an inventory of existing facilities and ancillary plants; recommendations for new and existing plants; campus master plan updates and details for community colleges; and other information that may be required by the SBE. Each community college's survey must reflect the capacity of existing facilities as specified in the DOE inventory. Projections of facility space needs must comply with standards for determining space needs as specified in SBE rule.

Section 1013.60, F.S., requires the Commissioner of Education to submit an integrated, comprehensive budget request for education facilities construction and fixed capital outlay needs for school districts, community colleges, and state universities pursuant to the provisions of s. 1013.64, F. S., and applicable provisions of ch. 216, F.S. the budget request must include:

- recommendations for the priority of expenditure of funds in the state system of public education;
- reasons for the recommended priorities;

- other recommendations which relate to the effectiveness of the educational facilities construction program; and
- all items in s. 1013.64, F.S., which include, but are not limited to, funds for remodeling, renovation, maintenance, and site improvements for existing satisfactory facilities; funds for school districts with urgent constructions needs.

The boards of trustees of each community college and state university must submit to the commissioner a 3-year plan and provide an annual estimate of the funds that will be used by community college and state universities in developing their 3-year priority lists pursuant to s. 1013.64, F.S.

Section 1013.64, F.S., describes the process to be used for making allocations from the Public Education Capital Outlay and Debt Service Trust Fund to the various boards for capital outlay projects. Funds for remodeling, maintenance, repairs, and site improvement for existing satisfactory facilities must be given priority consideration for appropriations allocated to the boards from the total amount appropriated.

The statutory provisions include a formula that is to be followed in calculating the funds and each board is to receive the percentage generated by the formula of the total amount appropriated. At least one-tenth of a board's annual allocation must be spent to correct unsafe, unhealthy, or unsanitary conditions in its educational facilities, as required by s. 1013.12, or a lesser amount sufficient to correct all deficiencies cited in its annual comprehensive safety inspection reports.

Community college boards of trustees and university boards of trustees receive funds for projects based on a 3-year priority list which must be updated annually and submitted by the SBE to the Legislature prior to the legislative session. The list must reflect decisions by the SBE concerning program priorities that implement the statewide plan for program growth and quality improvement in education. No new construction project may be included on the first year of a 3-year priority list unless the educational specifications have been approved by the commissioner. Any new construction project requested in the first year of the 3-year priority list which is not funded by the Legislature must be carried forward to be listed first in developing the updated 3-year priority list for the subsequent year's capital outlay budget. Should the order of the priority of the projects change from year to year, a justification for such change must be included with the updated priority list.

Effect of Proposed Changes

The Legislative Capital Outlay Budget Request submitted by the Commissioner of Education to the Governor and the Legislature must include recommendations for the priority expenditure of funds for facilities for SBE-approved baccalaureate degree program at community colleges, provided the projects are identified in a community college's capital improvement plan. Such projects are not to be considered a component part of the 3-year priority list of the community college or state university system pursuant to s. 1013.64(4)(a), F.S.

Community colleges approved to grant baccalaureate degrees are authorized to request funding from the Public Education Capital Outlay and Debt Service (PECO) for all authorized programs, including an approved baccalaureate degree.

C. SECTION DIRECTORY:

Section 1. Amends s. 1001.64, F.S., relating to powers and duties of community college boards of trustees.

Section 2. Amends s. 1004.65, F.S., relating to the mission and responsibilities of the community college, to require community colleges that are approved by the SBE to offer baccalaureate degree programs to maintain their primary mission and to prohibit the termination of associate programs as a result of the authorization to offer baccalaureate degree programs.

Section 3. Amends s. 1007.33, F.S., relating to site-determined baccalaureate degree access, to revise provisions relating to the process for community college submission of proposals to deliver baccalaureate degree programs and the approval of such proposals.

Section 4. Amends s. 1009.23, F.S., relating to community college student fees, to reference fees for baccalaureate degree programs that have been authorized by the SBE and to authorize an increase in the capital improvement fee.

Section 5. Amends s. 1011.83, F.S., relating to financial support of community colleges, to revise funding provisions for community colleges that have been authorized by the SBE to offer baccalaureate programs.

Section 6. Amends s. 1013.60, F.S., relating to the legislative capital outlay budget request, to revise provisions relating to PECO request from community colleges authorized by the SBE to offer baccalaureate degree programs.

Section 7. Amends s. 288.8175, F.S., relating to linkage institutes between postsecondary institutions in the state and foreign countries, to conform.

Section 8. Amends s. 1002.35, F.S., relating to New World School of the Arts, to conform.

Section 9. Amends s. 1004.76, F.S. relating to the Florida Martin Luther King, Jr., Institute for Nonviolence, to conform.

Section 10. Provides an effective date of July 1, 2005.

II. FISCAL ANALYSIS & ECONOMIC IMPACT STATEMENT

A. FISCAL IMPACT ON STATE GOVERNMENT:

1. Revenues:

See FISCAL COMMENTS.

2. Expenditures:

See FISCAL COMMENTS

B. FISCAL IMPACT ON LOCAL GOVERNMENTS:

1. Revenues:

See FISCAL COMMENTS

2. Expenditures:

See FISCAL COMMENTS

C. DIRECT ECONOMIC IMPACT ON PRIVATE SECTOR:

See FISCAL COMMENTS

D. FISCAL COMMENTS:

The fiscal impact of the bill is indeterminate.

Community College Funding

The bill requires community colleges authorized to grant baccalaureate degrees to fund nonrecurring cost related to the initiation of a new program without new state appropriation unless special grant

funds are designated by the SBE and subject to funding by the Legislature for that purpose. Recurring operational funding for the college will be funded as follows:

- as a community college for workforce development programs, lower-division level college credit courses, and programs funded in the Community College Program Fund (CCPF);
- as a baccalaureate degree level institution for its upper-division level courses and programs.

State funding for baccalaureate programs is capped at 85% of the amount per FTE in a comparable state university program. Funds appropriated for baccalaureate programs must be used for that purpose. Reporting and funding distinctions must be maintained between programs approved pursuant to s. 1007.33, F.S., and other baccalaureate degree programs involving traditional concurrent-use partnerships.

Office of Program Policy Analysis and Government Accountability (OPPAGA) Information

According to information from the Office of Program Policy Analysis and Government Accountability (OPPAGA) the underlying assumption was that community colleges offering baccalaureate degree programs would be less expensive than university programs. However, thus far expenditures per credit hour have been higher than at universities (exhibit 1). Much of the increased expense appears to be start up costs. If community colleges were able to attract enough students the cost per credit hour may decrease. For smaller community colleges this could be problematic. In the chart, Chipola has a higher cost possibly due to the smaller student population.

(Exhibit 1) Expenditures per credit hour are higher for Community College Baccalaureate Programs than for State University Programs, likely Due to Start-up Cost.

Baccalaureate Degree Granting Institution	Expenditures Per Upper Division Credit Hour		
	2002-03 (Actual)	2003-04 (Actual)	2004-05 (Estimated)
State University Average	\$244	\$243	\$259
Community College Baccalaureate Program Average	\$339	\$373	\$290
• Chipola College	--	\$2,706	\$805
• Miami-Dade College	--	\$317	\$219
• St. Petersburg College	\$339	\$ 345	\$ 286

Source: OPPAGA analysis of Department of Education expenditure data.

COMMUNITY COLLEGE TUITION AND FEES

The bill directs the SBE to adopt a fee schedule for baccalaureate programs at community colleges that have been approved by the SBE.

Tuition and out-of-state fees for upper-division level college credit courses must reflect the less expensive cost structure of the community college. Community college boards of trustees must establish tuition and out-of-state fees for upper-division courses within a range between fees for lower division credit courses and the local state university tuition and out-of-state fees.

The Department of Education reports that capital improvement fee revenues for community colleges total \$8.8 million for credit programs. If the capital improvement fee is increased to 10% of tuition for residents and 10% of tuition and out-of-state fees for non-residents, the total revenues would be \$46.7 million – an increase of 37.9 million. This bill limits the increase for residents to \$2 per credit hour over the previous year. Increasing the current capital improvement fee (\$1 per credit hour for residents and

\$3 per credit hour for nonresidents) for credit and non-credit by \$2 the first year would result in total fee revenue of \$24.7 million – an increase of \$15.9 million.

III. COMMENTS

A. CONSTITUTIONAL ISSUES:

1. Applicability of Municipality/County Mandates Provision:

This bill does not appear to require a city or county to spend funds or to take any action requiring expenditure of funds.

3. Other:

This bill does not appear to raise any constitutional issues.

B. RULE-MAKING AUTHORITY:

The State Board of Education is provided statutory authority to adopt rules necessary to implement the provisions of law relating to site-determined baccalaureate degree access.

C. DRAFTING ISSUES OR OTHER COMMENTS:

None.

IV. AMENDMENTS/COMMITTEE SUBSTITUTE & COMBINED BILL CHANGES