

HOUSE OF REPRESENTATIVES STAFF FINAL BILL ANALYSIS

BILL #: HB 5601 PCB HEA 21-01 Higher Education
SPONSOR(S): Higher Education Appropriations Subcommittee, Plasencia
TIED BILLS: **IDEN./SIM. BILLS:**

FINAL HOUSE FLOOR ACTION: 110 Y's 7 N's **GOVERNOR'S ACTION:** Approved

SUMMARY ANALYSIS

HB 5601 passed the House on April 30, 2021, as amended by the conference committee, and subsequently passed the Senate on April 30, 2021.

The bill conforms applicable statutes to the appropriations provided in the General Appropriations Act for Fiscal Year 2021-2022. Specifically, the bill:

- Removes the restriction that Florida Postsecondary Comprehensive Transition Program (FPCTP) grant funds be used only for start-up and enhancement costs and removes the maximum annual award for the grants;
- Codifies institutional reporting requirements and requires the Department of Education to make recommendations on minimum performance standards for institutions to be eligible to participate in the William L. Boyd, IV, Effective Access to Student Education (EASE) tuition assistance grant program;
- Repeals the Access to Better Learning and Education (ABLE) tuition assistance grant program; and
- Expands the existing state university administrative salary cap of \$200,000 from state funds to include all university faculty, excluding those in specified, high-demand disciplines.

The bill would have a significant positive fiscal impact. See Fiscal Analysis Section.

The bill was approved by the Governor on June 2, 2021, ch. 2021-46, L.O.F., and will become effective on July 1, 2021.

I. SUBSTANTIVE INFORMATION

A. EFFECT OF CHANGES:

Florida Postsecondary Comprehensive Transition Program

Present Situation

The Florida Postsecondary Comprehensive Transition Program Act was passed in 2016, to establish mechanisms for the approval of postsecondary education programs tailored to the needs of students with intellectual disabilities and provide statewide coordination of information about programs for students with disabilities. The Florida Center for Students with Unique Abilities (Center) was created within the University of Central Florida to improve the coordination of postsecondary options for students with developmental disabilities. In addition, criteria was established for approval as a Florida Postsecondary Comprehensive Transition Program (FPCTP) and start-up and enhancement grants were authorized.¹

Start-up grants are provided to facilitate development and initial implementation of an approved but not yet realized FPTCP. Start-up funding is used to develop additional postsecondary education programs across Florida by providing resources to institutions to implement the program described and approved in their FPCTP application.

Enhancement grants are provided to facilitate implementation of planned improvements or expansion of an existing program already serving students with intellectual disabilities, either to move the program from its current state to an approved FPCTP or to expand the capacity or quality of an already approved FPCTP.²

For the 2019-2020 reporting period, the Center awarded four new start-up grants and six enhancement grants.³ The maximum annual start-up and enhancement grant is \$300,000 per institution.⁴

Effect of the Bill

The bill amends s. 1004.6495, F.S., to provide flexibility in how the FPCTP grant funds can be awarded in order to better support existing programs. Specifically, the bill:

- Removes the restriction that FPCTP grant funds be used only for start-up and enhancement costs; and
- Removes the maximum value for such FPCTP grants, instead leaving the amounts to be as determined in the General Appropriations Act (GAA).

¹ Chapter 2016-2, Laws of Fla.

² Florida Center for Students with Unique Abilities, Frequently Asked Questions, <https://fcsua.org/faq.php> (last visited Mar. 11, 2021).

³ Florida Center for Students with Unique Abilities, Annual Report 2019-2020 (October 2020), available at https://fcsua.org/docs/AR_2019-20_FINAL_12112020.pdf at 1

⁴ Section 1004.6495(5), F.S.

William L. Boyd, IV, Effective Access to Student Education (EASE) Tuition Assistance Grant Program

Present Situation

EASE (formerly known as the Florida Resident Access Grant, or FRAG) is a grant program administered by the Department of Education (DOE) with the following parameters:⁵

- Student eligibility requirements:
 - Must be enrolled as a full-time undergraduate student at an eligible college or university.
 - Must not be enrolled in a program of study leading to a degree in theology or divinity.
 - Must be making satisfactory academic progress as defined by the college or university in which they are enrolled
- Institutional eligibility requirements:
 - Must be an independent nonprofit college or university.
 - Must be located in and chartered by the state of Florida.
 - Must be accredited by the Commission on Colleges of the Southern Association of Colleges and Schools.
 - Must grant baccalaureate degrees.
 - Must not be a state university or Florida College System institution.
 - Must have a secular purpose, so long as the receipt of state aid by students at the institution would not have the primary effect of advancing or impeding religion or result in an excessive entanglement between the state and any religious group.

As specified in the FY 2020-21 GAA, the Legislature provided funds to support 41,063 eligible students with an average award of \$2,841. The total appropriation for FY 2020-21 was \$116.7 million, which is a slight decrease of 1.2% since FY 2016-17.

Effect of the Bill

This bill amends s. 1009.89, F.S., requiring institutions receiving funds under the program to submit to the DOE an annual accountability report including the most recently available data on the following metrics:

- Access rate based upon percentage of Pell-eligible students;
- Affordability rate based upon average student loan debt; federal, state, and institutional financial assistance; and average tuition and fees;
- Graduation rate;
- Retention rate; and
- Postgraduate employment or continuing education rate.

The bill directs the DOE to provide recommendations regarding minimum eligibility standards, and to submit a report to the Legislature on the performance of eligible institutions and the institutions that have not met the minimum performance standards recommended by the DOE.

In addition, the bill modifies student eligibility requirements, stipulating that a student must:

- Be enrolled in a program of study leading to a baccalaureate degree;
- Be making satisfactory academic process as defined by the State Board of Education; and
- Have not completed more than 110 percent of the degree program in which they are enrolled.

The bill provides rulemaking authority to the DOE to implement the provisions above.

Access to Better Learning and Education (ABLE) Tuition Assistance Grant Program

⁵ Section 1009.89, F.S.

Current Situation

ABLE is a grant program administered by DOE with the following parameters:⁶

- Student eligibility requirements:
 - Must be enrolled as a full-time undergraduate student at an eligible college or university.
 - Must not be enrolled in a program of study leading to a degree in theology or divinity.
 - Must be making satisfactory academic progress as defined by the college or university in which they are enrolled
- Institutional eligibility requirements:
 - For-profit college or university
 - Must be located in and chartered by the state of Florida
 - Must be accredited by the Commission on Colleges of the Southern Association of Colleges and Schools
 - Nonprofit college or university
 - Must be chartered out of the state
 - Must have been located in the state for 10 years or more
 - Must be accredited by one of the following:
 - Commission on Colleges of the Southern Association of Colleges and Schools
 - Middle States Association of Colleges and Schools
 - North Central Association of Colleges and Schools
 - New England Association of Colleges and Schools
 - Must grant baccalaureate degrees.
 - Must not be a state university or Florida College System institution.
 - Must have a secular purpose, so long as the receipt of state aid by students at the institution would not have the primary effect of advancing or impeding religion or result in an excessive entanglement between the state and any religious group.

As specified in the FY 2020-21 GAA, the Legislature provided funds to support 1,769 eligible students with an average award of \$2,841. The total appropriation for FY 2020-21 is \$5 million. Historically, ABLE award amounts were substantially lower than those of EASE awards. The 89.4% five-year increase in ABLE award amounts reflect the purposeful efforts of the Legislature, beginning in FY 2017-18, to achieve parity between the two tuition assistance programs.

Effect of the Bill

This bill repeals the statutory framework for the ABLE program.

State University Faculty Salary Cap

Current Situation

State university administrative employees may not receive compensation of more than \$200,000 from appropriated state funds, including those from the General Revenue Fund and funds appropriated from state trust funds.⁷ However, this section does not apply to university teaching faculty or medical school teaching faculty or staff.

According to salary data provided by the BOG, eleven of the twelve institutions currently compensate faculty from 29 different disciplines in excess of \$200,000 from state funds. The total state funds used for compensation in excess of \$200,000 amounts to about \$25 million.⁸ The University of Florida is the largest contributor, accounting for more than 33% of the total salary in excess of \$200,000 from state

⁶ Section 1009.891, F.S.

⁷ Section 1012.976, F.S.

⁸ Email from Dale Bradley, Budget Director, Board of Governors, Dated February 26, 2021

funds, while Florida Gulf Coast University accounts for only 0.02%. Business and Management is the largest discipline with respect to excess faculty salary at 27%, while the smallest, Philosophy and Religious Studies, accounts for only 0.1%.

Effect of the Bill

This bill expands the salary cap for administration salaries to include teaching faculty. The bill, however, specifies that the salary cap does not apply to faculty in the following high-demand disciplines:

- Computer Information Sciences and Support Services;
- Engineering;
- Engineering Technologies and Engineering-Related Fields;
- Florida Mental Health Institute;
- Health Professions and Related Programs;
- Homeland Security, Law Enforcement, Firefighting and Related Fields;
- Mathematics;
- Nursing; and
- Physical Sciences.

This expansion of the salary cap to include certain faculty reduces state spending on salaries by approximately \$18.5 million. This change would not necessarily result in net pay losses for faculty because it does not prohibit institutions from using funds from nonstate sources, similar to how university presidents are currently compensated.

II. FISCAL ANALYSIS & ECONOMIC IMPACT STATEMENT

A. FISCAL IMPACT ON STATE GOVERNMENT:

1. Revenues:

None.

2. Expenditures:

The statutory cap of \$200,000 for select state university salaries enables a reduction of approximately \$18.5 million. The elimination of the ABLE tuition assistance grant program enables a \$4.5 million savings, the full amount appropriated for the program.

B. FISCAL IMPACT ON LOCAL GOVERNMENTS:

1. Revenues:

None.

2. Expenditures:

None.

C. DIRECT ECONOMIC IMPACT ON PRIVATE SECTOR:

None.

D. FISCAL COMMENTS:

None.

