

1989

## Session Law 89-367

Florida Senate & House of Representatives

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**H 986 GENERAL BILL/CS/CS/2ND ENG by Appropriations; Higher Education; Young and others (Similar CS/S 1020, Compare H 74, H 554, CS/H 777, CS/H 998, H 1071, H 1176, H 1205, CS/2ND ENG/H 1226, H 1400, S 536, S 598, S 671, S 952, S 1053, S 1060, CS/S 1192, CS/CS/2ND ENG/S 1388)**

**Postsecondary Education; revises criteria for determination of resident status for tuition purposes; revises student eligibility for grants from Fla. Public Student Assistance Grant Fund; establishes Fla. Private Student Assistance Grant Fund & Fla. Postsecondary Student Assistance Grant Fund; revises residency requirements for student eligibility for state financial aid; requires D.O.E. to maintain records on student loan default rates, etc. Amends Chs. 240, 320, 121, 112. Effective Date: 07/06/89.**

03/17/89 HOUSE Prefiled  
03/23/89 HOUSE Referred to Higher Education; Appropriations  
04/04/89 HOUSE Introduced, referred to Higher Education; Appropriations -HJ 93  
04/14/89 HOUSE On Committee agenda—Higher Education, 04/18/89, 10:15 am, 214-C—For referral to subcommittee  
04/18/89 HOUSE Subreferred to Subcommittee on Planning and Programs; On subcommittee agenda—Higher Education, 04/18/89, 10:30 am, 214-C—Workshop  
04/24/89 HOUSE On subcommittee agenda—Higher Education, 04/26/89, 3:45 pm, 214-C  
04/26/89 HOUSE Subcommittee Recommendation: Favorable as a proposed CS; On Committee agenda, pending subcommittee action—Higher Education, 04/26/89, 4:45 pm, 214-C; Preliminary Committee Action by Higher Education: Favorable as a CS  
05/02/89 HOUSE Comm. Report: CS by Higher Education -HJ 338; CS read first time -HJ 335; Now in Appropriations -HJ 338  
05/16/89 HOUSE On Committee agenda—Appropriations, 05/18/89, 1:00 pm, 21-HOB  
05/18/89 HOUSE Preliminary Committee Action by Appropriations: Favorable as a CS  
05/24/89 HOUSE Comm. Report: CS/CS by Appropriations, placed on Calendar -HJ 630; CS read first time -HJ 628  
05/26/89 HOUSE Placed on Consent Calendar; Read second time; Amendment adopted; Read third time; CS passed as amended; YEAS 110 NAYS 0 -HJ 680  
05/26/89 SENATE In Messages  
05/30/89 SENATE Received, referred to Higher Education; Finance, Taxation and Claims; Appropriations -SJ 566  
06/02/89 SENATE Withdrawn from Higher Education; Finance, Taxation and Claims; Appropriations; Substituted for CS/SB 1020 -SJ 886; CS passed as amended; YEAS 35 NAYS 0 -SJ 889  
06/02/89 HOUSE In Messages  
06/03/89 HOUSE Was taken up -HJ 1547; Concurred; CS passed as further amended; YEAS 105 NAYS 8 -HJ 1550  
06/03/89 Ordered engrossed, then enrolled  
06/20/89 Signed by Officers and presented to Governor  
07/06/89 Became Law without Governor's Signature; Chapter No. 89-367; See also: CS/HB 777 (Ch. 89-315), CS/CS/SB 1388 (Ch. 89-381) & CS/HB 1226 (Ch. 89-207)

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**NOTES:** Above bill history from Division of Legislative Information's *FINAL LEGISLATIVE BILL INFORMATION, 1989 SESSIONS*. Staff Analyses for bills amended beyond final committee action may not be in accordance with the enacted law. Journal page numbers (HJ & SJ) refer to daily Journals and may not be the same as final bound Journals.

STORAGE NAME: H0986-F.HE  
DATE: August 7, 1989

HOUSE OF REPRESENTATIVES  
COMMITTEE ON HIGHER EDUCATION  
FINAL STAFF ANALYSIS & ECONOMIC IMPACT STATEMENT

BILL #: CS/CS/HB 986

RELATING TO: Postsecondary Education

SPONSOR(S): Committee on Appropriations; Committee on Higher Education;  
Representative Young and others

EFFECTIVE DATE: Latter of July 1, 1989, or Upon Becoming Law

DATE BECAME LAW: July 6, 1989

CHAPTER #: 89-367, Laws of Florida

COMPANION BILL(S): Similar CS/SB 1020

OTHER COMMITTEES OF REFERENCE: (1) Appropriations  
(2)

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I. SUMMARY:

A. PRESENT SITUATION:

1. Currently, special classifications as residents for tuition purposes are granted to active duty members of the armed forces stationed in the state and their families; full-time instructional and administrative personnel employed by state public schools, community colleges, and universities; and students from Latin America and the Caribbean who receive scholarships from the federal or state government.
2. At present, the Challenger Astronauts Memorial Scholarship Program is not overtly specified in statute as an undergraduate scholarship, although the implication as such is clear. Scholarship recipients are presently limited to attending a state university or community college.
3. At present, the State Student Assistance Grant, as created in s. 240.409, F.S., is the only large-scale grant program operated by the state to help defray the cost of tuition and fees. The SSAG has most recently been funded through three separate line items in the appropriations bill -- one for the state community colleges and universities, one for SACS-accredited private colleges and universities, and one for the remaining eligible private colleges, universities, and nursing schools. The maximum award specified in statute is \$1,200, but the amount specified in the 1989 appropriations bill is \$1,300.

4. - Currently, the State Tuition Voucher, which is a tuition offset program for students attending eligible private colleges and universities, resides in Part IV of Chapter 240, grouped with sections relating to student financial aid. The current amount of the state tuition voucher, as specified in the 1988 appropriations bill, is \$1,150.
5. At present, there is no legislative mandate that the Department of Education maintain records on the student loan default rate of each Florida postsecondary institution.
6. Currently, there is established in statute a Trust Fund for Major Gifts, which provides to each of the nine state universities a \$50,000 matching grant for each private contribution of \$100,000. Grants received are placed in a restricted endowment. There is no program providing matching state funds for private contributions made to private nonprofit colleges and universities.
7. In current statute, specific provisions are made for the re-employment of persons retired and participating in the Florida Retirement System by school districts and community colleges, but not by the State University System (SUS).
8. Section 240.247, F.S., prohibits discrimination based on sex or race within certain faculty ranks of the State University System.
9. Presently, the Board of Regents is authorized to secure liability insurance for itself; the students and faculty of any SUS university; officers, employees, or agents of the board; professional practitioners practicing a profession within, or by virtue of employment by, any SUS university; and any of the SUS universities or their subdivisions.
10. Section 112.24, F.S., limits the duration of an employee interchange program to 2 years and 3 months.
11. **Currently, the New College Foundation is prohibited from participation in the Trust Fund for New Donors and the Trust Fund for Major Gifts programs.**

B. EFFECT OF PROPOSED CHANGES:

1. CS/CS/HB 986 would classify as residents for tuition purposes full-time employees of state agencies or political subdivisions of the state when the student fees are paid by the state agency or political subdivision for the purpose of job-related law enforcement or corrections training.
2. CS/CS/HB 986 would change the name of the Challenger Astronauts Memorial Scholarship Program to the "Challenger Astronauts Memorial Undergraduate Scholarship Program." A scholarship recipient would be allowed to attend not only a state university or community college, but also any independent nonprofit college or university located in and chartered by the state which is accredited by the Commission on Colleges of the Southern Association of Colleges and Schools.
3. CS/CS/HB 986 would establish in statute three student assistance grants, corresponding to the most recent division of the State Student Assistance Grant in the appropriations act. These would be: the State Student Assistance Grant (for state community colleges and universities); the Florida Student Assistance Grant (for SACS-accredited private colleges and universities); and the Florida Postsecondary Student Assistance Grant (for the remaining eligible private institutions). CS/CS/HB 986 would raise the maximum student assistance grant to \$1,500, or as specified in the General Appropriations Act. A trust fund would also be established for each of the grant programs.
4. CS/CS/HB 986 would renumber the section of statute relating to the state tuition voucher to place it in Part V of Chapter 240, with special programs as opposed to financial aid. CS/CS/HB 986 would specify a range for the voucher between \$1,150 and \$2,000, or as specified in the General Appropriations Act.
5. CS/CS/HB 986 would require the Department of Education to maintain records on the student loan default rate of each Florida postsecondary institution and report that information on an annual basis to both the institution and the respective sector board.
6. CS/CS/HB 986 would establish the Florida Postsecondary Endowment Grants Trust Fund to provide matching endowment grants to independent nonprofit colleges and universities in Florida that meet specified requirements. The state would match private contributions as follows:

match 70 percent of contributions between \$50,000 and \$75,000; match 75 percent of contributions between \$75,000 and \$100,000; match 80 percent of contributions between \$100,000 and \$125,000; match 100 percent of contributions over \$125,000.

-The bill would allow private contributions for a common purpose to be combined for purposes of receiving matching funds.

CS/CS/HB 986 would also amend the language relating to the Trust Fund for Major Gifts -- the already existing fund for the state universities -- to provide the same matching formula as that for the Florida Postsecondary Endowment Grants Trust Fund, and allow private contributions for a common purpose to be combined.

7. CS/CS/HB 986 would allow the State University System to re-employ a retired member as an adjunct faculty member or as a participant in a phased retirement program in much the same manner as community colleges and school districts are already allowed to re-employ their retirees.
8. CS/CS/HB 986 would expand the prohibition against discrimination on the basis of sex or race within the university system to include other employees within the general faculty pay plan and employees within the bargaining unit for faculty and professional employees.
9. CS/CS/HB 986 would authorize the Board of Regents to secure or otherwise provide liability insurance for direct support organizations of the state universities.
10. CS/CS/HB 986 would provide that employee interchange agreements relating to faculty members of the State University System may be extended biennially upon approval of the Department of Administration.
11. CS/CS/HB 986 would include the New College Foundation as a participant in the Trust Fund for New Donors and the Trust Fund for Major Gifts programs, provided it does not overlap with the University of South Florida Foundation.

C. SECTION-BY-SECTION ANALYSIS:

**Section 1.** Amends s. 240.1201, relating to determination of resident status for tuition purposes; provides that full-time employees of the state shall be classified as residents for tuition purposes if they are attending job-related law enforcement or corrections training, the fees of which are being paid by the state.

**Section 2.** Renames the Challenger Astronauts Memorial Scholarship Program the Challenger Astronauts Memorial Undergraduate Scholarship Program; includes independent, nonprofit SACS-accredited colleges and universities as eligible institutions.

**Section 3.** Revises s. 240.409, the State Student Assistance Grant Fund; limits eligible institutions to state community colleges and universities; references the student eligibility requirements of s. 240.404; raises the maximum annual award to

\$1,500, or as specified in the appropriations act; increases the maximum number of semesters of eligibility from 8 to 9; provides for transferability of eligibility among student assistance grant programs; creates a trust fund to be administered by the Commissioner of Education.

Section 4. Creates s. 240.4095, the Florida Student Assistance Grant Fund; limits eligible institutions to independent SACS-accredited colleges and universities; references the student eligibility requirements of s. 240.404; raises the maximum annual award to \$1,500, or as specified in the appropriations act; increases the maximum number of semesters of eligibility from 8 to 9 semesters; provides for transferability of eligibility among student assistance grant programs; creates a trust fund to be administered by the Commissioner of Education.

Section 5. Creates s. 240.4097, the Florida Postsecondary Student Assistance Grant Fund; limits eligible institutions to those eligible private institutions not included in the Florida Student Assistance Grant; references the student eligibility requirements of s. 240.404; raises the maximum annual award to \$1,500, or as specified in the appropriations act; increases the maximum number of semesters of eligibility from 8 to 9 semesters; provides for transferability of eligibility among student assistance grant programs; creates a trust fund to be administered by the Commissioner of Education.

Section 6. Provides for appropriations to all three student assistance grant funds.

Section 7. Renumbers s. 240.401 as s. 240.605, amends it, declaring the intent of the Legislature that state tuition vouchers be considered a tuition assistance program rather than a financial aid program; revises the eligibility requirements of institutions participating in the program; raises the range of the tuition voucher to be between \$1,150 and \$2,000.

Section 8. Amends s. 240.404, revising the general requirements for student eligibility to receive state financial aid.

Section 9. Corrects a cross reference.

Section 10. Corrects cross references.

Section 11. Corrects a cross reference.

Section 12. Amends s. 240.429, relating to assistance programs and activities of the department; requires the department to maintain records on the student loan default rate of each postsecondary institution and to report that information annually to the institution and the respective sector board.

Section 13. Creates s. 240.609, establishing the Florida Postsecondary Endowment Grants Trust Fund to be administered by DOE; provides for state matching of private contributions made to eligible private nonprofit colleges and universities (see Summary

for details).

**Section 14.** Amends s. 240.2605, relating to the Trust Fund for Major Gifts; revises the state matching formula to state universities receiving private contributions to correspond to that of the newly created Florida Postsecondary Endowment Grants Trust Fund (see Summary for details).

**Section 15.** Amends s. 121.091; provides limitations for employment after retirement with respect to the State University System, allowing the SUS to reemploy a retired member as an adjunct after the retired member has been retired for 1 calendar month (see Summary also).

**Section 16.** Corrects a cross reference.

**Section 17.** Amends s. 240.247, expanding the categories of employees subject to the program to eradicate salary discrimination based on race or sex (see Summary also).

**Section 18.** Amends s. 240.213, providing for certain corporations to participate in the Board of Regents' liability insurance programs (see Summary also).

**Section 19.** Amends s. 112.24, providing that interchange agreements relating to faculty members of the State University System may be extended biennially upon approval of the Department of Administration (see Summary also).

**Section 20.** Provides that Section 19 (inadvertently referred to as Section 20) applies to any interchange agreement in existence on the effective date of the act.

**Section 21.** Conforms the language of the newly titled Challenger Astronauts Memorial Undergraduate Scholarship Trust Fund.

**Section 22.** Amends s. 240.2605, providing for participation in the Trust Fund for Major Gifts by the New College Foundation.

**Section 23.** Amends s. 240.259, providing for participation in the Trust Fund for New Donors by the New College Foundation.

**Section 24.** Provides an effective date.

II. FISCAL ANALYSIS & ECONOMIC IMPACT STATEMENT:

A. FISCAL IMPACT ON STATE AGENCIES/STATE FUNDS:

1. Non-recurring or First Year Start-Up Effects:

None

2. Recurring or Annualized Continuation Effects:

(See Fiscal Comments)



3. Long Run Effects Other Than Normal Growth:

None

4. Appropriations Consequences:

(See Fiscal Comments)

B. FISCAL IMPACT ON LOCAL GOVERNMENTS AS A WHOLE:

1. Non-recurring or First Year Start-Up Effects:

None

2. Recurring or Annualized Continuation Effects:

None

3. Long Run Effects Other Than Normal Growth:

None

C. DIRECT ECONOMIC IMPACT ON PRIVATE SECTOR:

1. Direct Private Sector Costs:

None

2. Direct Private Sector Benefits:

Private colleges and universities receiving matching state funds would be the direct beneficiaries of CS/CS/HB 986.

3. Effects on Competition, Private Enterprise, and Employment Markets:

None

D. FISCAL COMMENTS:

Although the impact is indeterminate, there are provisions in this bill that will have appropriations consequences:

1. This bill creates the Florida Postsecondary Endowment Grants Trust Fund and requires the Legislature to transfer available sources to the trust fund to provide matching endowment grants to independent nonprofit colleges and universities in Florida that meet the requirements of this section. Matching grants are to be provided as follows:

a. For each endowment contribution in excess of \$75,000, but no more than \$100,000, the college or university shall receive a state matching grant equal to 75 percent of the private contribution.

- b. For each endowment contribution in excess of \$100,000, but no more than \$125,000, the private institution shall receive a state matching grant equal to 80 percent of the private contribution.
- c. For each endowment contribution in excess of \$125,000, the private institution shall receive a state matching grant equal to 100 percent of the private contribution.

Although the impact can not be determined at this time, this provision has the potential to have a fairly substantial fiscal impact on the state.

2. This bill changes the matching requirements for challenge grants for the state universities. Currently, the state provides a \$50,000 grant for each \$100,000 contributed by private sources. This bill changes the matching requirements to conform to the matching requirements for the newly created Postsecondary Endowment Grants Trust Fund described above. In addition to those, for each endowment contribution in excess of \$50,000, but no more than \$75,000, a university will receive a state matching grant of 70% of the private contribution. Although the impact can not be determined at this time, this provision has the potential to have a fairly substantial fiscal impact on the state.
3. For tuition purposes, full-time employees of state agencies or political subdivisions are considered Florida residents if the fees are being paid by the state agency or political subdivision. The amount of out-of-state student fees that educational institutions will be unable to collect is unknown.
4. The length of time a student may receive a state student assistance grant has been increased from 8 semesters or 12 quarters to 9 semesters or 14 quarters. The number of students requiring a grant for this additional time is not known.
5. The length of time has also been changed for the receipt of tuition vouchers. Under current law, students are eligible to receive tuition vouchers for no more than 4 years, 9 semesters, or 12 quarters. This bill changes this time to 9 semesters or 14 quarters. The number of students requiring tuition vouchers for this additional time is not known.
6. The residency requirement preceding the award of aid has been changed from 2 years to 1 year for several financial aid programs. This has the potential for more students to qualify for state aid.
7. This bill requires the Department of Education to maintain records on the student loan default rate of each Florida postsecondary institution. The Department can maintain these records within existing resources; no additional

appropriation is required.

8. Only the interest income from the public university endowments can be spent; the endowment itself can no longer be expended.
9. The section relating to private endowments is to be implemented only to the extent specifically funded and authorized by law.

III. LONG RANGE CONSEQUENCES:

CS/CS/HB 986 is consistent with the State Comprehensive Plan, specifically with the following:

(1)(b)17.j. Recognize private universities and colleges as an important component of Florida's higher educational system.

IV. COMMENTS:

None

V. SIGNATURES:

SUBSTANTIVE COMMITTEE:

Prepared by:

  
\_\_\_\_\_  
Stephen Hopkins

Staff Director:

  
\_\_\_\_\_  
Betty Tilton

SECOND COMMITTEE OF REFERENCE:

Prepared by:

Staff Director:

APPROPRIATIONS:

Prepared by:

Dr. Nancy McKee

Staff Director:

Dr. James A. Zingale

REVISED: \_\_\_\_\_

BILL NO. CS/SB 1020

DATE: May 4, 1989

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SENATE STAFF ANALYSIS AND ECONOMIC IMPACT STATEMENT

<u>ANALYST</u>	<u>STAFF DIRECTOR</u>	<u>REFERENCE</u>	<u>ACTION</u>
1. <u>Cohen</u> <i>QAC</i>	<u>Cohen</u> <i>QAC</i>	1. <u>HE</u>	<u>FAV/CS</u>
2. _____	_____	2. <u>FTC</u>	_____
3. _____	_____	3. <u>AP</u>	_____
4. _____	_____	4. _____	_____

SUBJECT:

Postsecondary Education/Grants

BILL NO. AND SPONSOR:

CS/SB 1020 by  
Higher Education  
and Senator Stuart

I. SUMMARY:

A. Present Situation:

Students who are enrolled in a nursing diploma school approved by the Florida Board of Nursing; a Florida college, university, or community college; or any Florida institution which grants credits that are acceptable for transfer to state universities may receive a State Student Assistance Grant if they meet the other eligibility criteria.

No grant-awarding financial aid program is provided by the state for needy students who enroll in vocational-technical centers, vocational degree or certificate programs conducted by community colleges, or proprietary schools. Such students may be eligible for Pell Grants.

Students who attend certain private colleges and universities receive a voucher from the state. Students may receive vouchers for eight semesters or 12 quarters. The state conducts two major challenge grant programs for state universities. Section 240.257, F.S., establishes the Florida Endowment Trust Fund for Eminent Scholars. Through this endowment, state universities may solicit private funds, then receive state matching funds for the purpose of employing internationally recognized faculty and paying for expenses directly related to the scholars' work.

B. Effect of Proposed Changes:

The bill would change the name State Student Assistance Grant to Florida Public Student Assistance Grant for students attending state universities and public community colleges.

The bill would allow eligible recipients to receive aid for nine semesters or 14 quarters and would clarify eligibility criteria for renewals. Students would be allowed to transfer to the two private sector programs. Enrollment for students in the five-year programs would be extended.

The bill would establish the Florida Private Student Assistance Grant as a separate program for baccalaureate degree-granting independent institutions accredited by the Commission on Colleges of the Southern Association of Colleges and Schools currently participating in the State Student Assistance Grant program. The Florida Postsecondary Student Assistance Grant (two or four year) would establish a separate program for private nursing diploma schools approved by the Florida Board of Nursing; institutions licensed by the State Board of Independent Colleges and Universities; or those exempted from licensure, or licensed by the State Board of Independent Postsecondary Vocational, Technical, Trade and Business Schools authorized to offer baccalaureate or associate degrees and is

accredited at the junior or senior college level by an accreditation agency which is a member of the Council on Postsecondary Accreditation.

The bill would limit institutional eligibility to baccalaureate degree-granting colleges and universities that are accredited by SACS; however, all current institutional recipients would be "grandfathered" in. This section of the bill would also increase student eligibility to nine semesters or 14 quarters.

The bill would move the Florida Tuition Voucher Program out of the "financial aid" part of Chapter 240 and into the "special program" part.

Several sections of the Florida Statutes pertaining to existing financial aid programs would be amended to correct cross references.

In addition, the bill would conform the Major Gifts Program for state universities to match the postsecondary endowment grants, and it would clarify that state matching grants for eminent scholars shall not exceed \$2,000,000.

The State Board of Education would be authorized to adopt rules to implement its provisions.

II. ECONOMIC IMPACT AND FISCAL NOTE:

A. Public:

B. Government:

There is no immediate appropriation required to implement this legislation.

III. COMMENTS:

IV. AMENDMENTS:

None.