

STATE BOARD OF EDUCATION

Consent Item

December 11, 2007

SUBJECT: Approval of Amendment to Proposed Rules 6E-2.002, Institutional Licensure, and 6E-4.001, Fees and Expenses.

PROPOSED BOARD ACTION

Approval

AUTHORITY FOR STATE BOARD ACTION

Section 1005.22, Florida Statutes

BACKGROUND INFORMATION

Amendment to Proposed Rule 6E-2.002 – This rule is proposed as amended to clarify the existence of an exception to the granting of a provisional license when an institution holding an annual license or license by means of accreditation, undergoes a substantive change and to implement a technical change by correcting a reference.

Amendment to Proposed Rule 6E-4.001 -- Currently, the Commission charges licensed institutions fees for services rendered by the Commission, distinguishing between degree and non-degree institutions, with a different fee based upon whether an institution has less or more than 100 students. Institutions Licensed by Means of Accreditation pay fees at a reduced rate and branch campuses pay no fees at all. With the exception of one year, since the creation of the Commission, the fees authorized by existing rule have been inadequate to cover the Commission's expenses. The inadequate fee structure has been exacerbated by the increase in the number of institutions Licensed by Means of Accreditation. These institutions represent 14% of the institutions licensed by the Commission and branches of these institutions, representing 7% of the institutions licensed, pay no fees. The Commission has avoided the need to seek a fee increase until this point by using a surplus the Commission inherited when two Boards (State Board of Nonpublic Career Education and State Board of Independent Colleges and Universities) merged to create the Commission. However, that surplus is now gone. The amendment adopts a more equitable fee structure, with fees based upon the number of students served by the institution. The difference in the fee charged for degree and non-degree institutions has been abolished. Institutions Licensed by Means of Accreditation and their branch campuses no longer receive reduced fees or free services. The change represents a decrease in fees for some of the institutions that serve lower numbers of students and any fee increases range, on average, from \$450 per institution to almost \$ 13,000 for an institution that serves over 10,000 students. If these costs were passed to students, the increase would range from a little over \$1.00 to no more than \$9.00 per student. The proposal also includes a provision allowing for an increase or decrease in fees depending upon future revenue and expenses.

Supporting Documentation Included: Proposed Rules 6E-2.002, Institutional Licensure; 6E-4.001, Fees and Expenses; Enrollment-Based Fee Revenue Projection; and Comparison of Current and Proposed Fees for Non-Degree and Degree Programs at Independent Schools and Colleges

Presenter: Sam Ferguson, Executive Director, Commission for Independent Education