

## HOUSE OF REPRESENTATIVES STAFF ANALYSIS

**BILL #:** CS/HB 491 Tuition Waivers  
**SPONSOR(S):** Schools & Learning; Scionti and others  
**TIED BILLS:** **IDEN./SIM. BILLS:** SB 2006

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REFERENCE	ACTION	ANALYST	STAFF DIRECTOR
1) <u>Committee on Postsecondary Education</u>	<u>7 Y, 0 N</u>	<u>Thomas</u>	<u>Tilton</u>
2) <u>Schools &amp; Learning Council</u>	<u>13 Y, 0 N, As CS</u>	<u>Thomas</u>	<u>Cobb</u>
3) <u>Policy &amp; Budget Council</u>	<u></u>	<u>Martin</u>	<u>Hansen</u>
4) <u></u>	<u></u>	<u></u>	<u></u>
5) <u></u>	<u></u>	<u></u>	<u></u>

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### SUMMARY ANALYSIS

CS/HB 491 creates the "Veterans' Tuition Assistance Act".

CS/HB 491 requires state universities and community colleges to waive 50 percent of the in-state tuition rate for a person who:

- Is a wartime veteran as defined in s. 1.01(14), Florida Statutes (F.S.);
- Received an honorable discharge;
- Is enrolled as a full-time, part-time, or summer-school student in any vocational or career course or undergraduate course that terminates in a degree or certificate;
- Is a resident of Florida at the time he or she applies for the waiver and was a Florida resident for one year prior to such application; and
- Submits to the state university and community college the DD-214 form issued at the time of separation from service or military order or other documentation issued regarding return from active duty as defined in 250.01(1), F.S.

CS/HB 491 sets the waiver to cover 110 percent of the number of required credit hours of the degree or certificate program in which the student is enrolled.

The effective date of this act is July 1, 2007.

The fiscal impact of the CS/HB 491 bill is indeterminate due to the uncertainty of the number veterans who would take advantage of the 50 percent fee waiver. Community colleges and state universities could face a loss of revenue of up to \$12 million because the bill does not provide a funding source or specific appropriation to offset the fees waived. (See Fiscal Comments)

## FULL ANALYSIS

### I. SUBSTANTIVE ANALYSIS

#### A. HOUSE PRINCIPLES ANALYSIS:

Ensure Lower Taxes – CS/HB 491 waives a portion of the in-state tuition for veterans who enroll as full-time, part-time, or summer-school students in any vocational or career education course, or undergraduate course, at a state university or community college. This would provide an education at a reduced cost to the veterans.

Empower Families – CS/HB 491 increases the opportunities for veterans who currently serve, or who have served and were discharged under honorable conditions, to learn a new skill if necessary.

#### B. EFFECT OF PROPOSED CHANGES:

##### **Background**

###### *Fee waivers*

Section 1009.26, F.S., authorizes school districts, community colleges, and state universities to provide a number of different fee waivers. Persons who may be eligible for fee waivers under this section include: persons who supervise student interns for a state university; full-time university employees; Florida residents 60 years of age or older; graduate students enrolled in certain state-approved school psychology training programs; certain out-of-state nondegree-seeking students; certain spouses of deceased state employees; some active members of the Florida National Guard; and, certain recipients of the Purple Heart.

###### *Tuition Assistance for Veterans*

The 2006 Legislature authorized state universities and community colleges to waive undergraduate tuition for recipients of the Purple Heart or other combat decoration superior in precedence. In order to receive an undergraduate tuition waiver, a recipient of the Purple Heart or other qualified combat decoration must:

- Enroll as a full-time, part-time, or summer-school student in an undergraduate program of study leading to a degree or certification.
- Reside currently in the State of Florida, and have been a Florida resident at the time of the military action that resulted in them receiving the award.
- Submit to the state university or community college the DD-214 form issued at the time of separation from service as documentation verifying that they are a recipient of an award.

The waiver covers 110 percent of the number of required credit hours of the degree or certificate program in which the student is enrolled.

###### *Montgomery G.I. Bill*

The Montgomery G.I. Bill allows enlistees to buy into an educational plan that could pay up to \$1,075<sup>1</sup> a month and can be used for a number of educational programs. Veterans have up to 10 years after they leave active duty to use their G.I. bill.

###### *National Guard*

In Florida, certain active members<sup>2</sup> of the National Guard qualify for a 100-percent tuition waiver under s. 1009.26(8), F.S. Once a person leaves the National Guard due to separation or retirement, they no longer qualify for the waiver.

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<sup>1</sup> Montgomery GI Bill (Chapter 30) Increased Educational Assistance Allowance. United States Department of Veterans Affairs.

Accessed: February 27, 2007. Available at: [http://www.gibill.va.gov/GI\\_Bill\\_Info/rates/CH30/ch30rates100106.htm](http://www.gibill.va.gov/GI_Bill_Info/rates/CH30/ch30rates100106.htm).

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DATE: 4/2/2007

### United States Department of Veterans Affairs

Veterans of the United States Armed Forces may be eligible for a broad range of programs and services provided by the federal Department of Veterans Affairs (VA). In order to qualify for certain VA benefits, service during wartime may be required. In order to determine eligibility for certain federal benefits, Congress and the President define service during periods of wartime in Title 38 of the United States Code.<sup>3</sup> The latest available figures from the VA and the US census estimate that 296,000 veterans lived in Florida in 2004,<sup>4</sup>

### **Effect of Proposed Changes**

CS/HB 491 creates the “Veterans’ Tuition Assistance Act”.

CS/HB 491 requires state universities and community colleges to waive 50 percent of the in-state tuition rate for a person who:

- Is a wartime veteran as defined in s. 1.01(14), F.S.;
- Received an honorable discharge;
- Is enrolled as a full-time, part-time, or summer-school student in any vocational or career course, or undergraduate course that terminates in a degree or certificate;
- Is a resident of Florida at the time he or she applies for the waiver and was a Florida resident for one year prior to such application; and
- Submits to the state university and community college the DD-214 form issued at the time of separation from service or military order or other documentation issued regarding return from active duty as defined in 250.01(1), F.S.

CS/HB 491 sets the waiver to cover 110 percent of the number of required credit hours of the degree or certificate program in which the student is enrolled.

The fiscal impact of CS/HB 491 is indeterminate. (See Fiscal Comments)

#### C. SECTION DIRECTORY:

**Section 1.** Provides a short title.

**Section 2.** Amends s. 1009.26, F.S., requiring state universities and community colleges to waive a percentage of the in-state tuition rate for veterans; providing a definition.

**Section 3.** Provides an effective date of July 1, 2007.

## II. FISCAL ANALYSIS & ECONOMIC IMPACT STATEMENT

#### A. FISCAL IMPACT ON STATE GOVERNMENT:

##### 1. Revenues:

See Fiscal Comments.

##### 2. Expenditures:

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<sup>2</sup> The phrase “active members of the National Guard” is not to be confused with active duty member of US Armed Forces. Active duty generally means federal active duty. A member of the National Guard is typically called to state active duty, such as natural disaster missions, but in times of war, the federal government may call the National Guard up for federal active duty.

<sup>3</sup> 5 U.S.C.A. § 2108

<sup>4</sup> U.S. Census Bureau. Statistical Abstract of the United States, National Security and Veterans Affairs, 2007. Table 507. Accessed February 27, 2007. Available at: <http://www.census.gov/compendia/statab/tables/07s0507.xls>.

See Fiscal Comments.

**B. FISCAL IMPACT ON LOCAL GOVERNMENTS:**

1. Revenues:

None

2. Expenditures:

None

**C. DIRECT ECONOMIC IMPACT ON PRIVATE SECTOR:**

The waivers will provide eligible veterans opportunities for a postsecondary education at a reduced cost.

**D. FISCAL COMMENTS:**

The fiscal impact is indeterminate due to the uncertainty of the number veterans who would take advantage of the 50 percent fee waiver. The Florida Department of Veterans Affairs estimates that there are 975,000 veterans in Florida between the ages of 18-and 64.<sup>5</sup>

According to the Department of Education veterans typically enroll in the summer term and complete at least 36 credit hours per year. The following fiscal estimate is based upon 36 credit hours and tuition of \$73.71 per credit hour at state universities and \$54.24 per credit hour at community colleges.<sup>6</sup>

2006-2007: 50 percent of cost of tuition for full-time student (36 semester credit hours per year)<sup>7</sup>

	In-State Tuition Only	Number of Potentially Eligible Veterans	Estimated System Cost
Community College	\$976	9,382	\$9,156,832
State University	\$1,326	2,360	\$3,129,360

According to the Board of Governors, community colleges and state universities would face a loss of revenue because the bill does not provide a funding source or specific appropriation to offset the fees waived.<sup>8</sup>

**III. COMMENTS**

**A. CONSTITUTIONAL ISSUES:**

1. Applicability of Municipality/County Mandates Provision:

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

The bill does not appear to reduce the authority that municipalities or counties have to raise revenues in the aggregate.

This bill does not appear to reduce the percentage of state tax shared with counties or municipalities

2. Other:

None.

<sup>5</sup> Conversation with Florida Department of Veterans Affairs, March 14, 2007.

<sup>6</sup> Department of Education Analysis of House Bill 491.

<sup>7</sup> Id.

<sup>8</sup> Board of Governors Analysis of House Bill 491

**B. RULE-MAKING AUTHORITY:**

This bill does not create any rule-making authority.

**C. DRAFTING ISSUES OR OTHER COMMENTS**

None.

**D. STATEMENT OF THE SPONSOR**

No statement submitted

**IV. AMENDMENTS/COUNCIL SUBSTITUTE CHANGES**

On March 20, 2007, the Committee on Postsecondary Education adopted a strike-all amendment to HB 491. The strike-all amendment:

- Requires state universities and community colleges to waive 50 percent of the in-state tuition rate for a person who:
  - Is a wartime veteran as defined in s.1.01(14), F.S.;
  - Received an honorable discharge;
  - Is enrolled as full-time, part-time, or summer-school student in any vocational or career course, or undergraduate course that terminates in a degree or certificate;
  - Is a resident of Florida at the time he or she applies for the waiver and was a Florida resident for one year prior to such application; and
  - Submits to the state university and community college the DD-214 form issued at the time of separation from service or military order or other documentation issued regarding return from active duty as defined in 250.01(1), F.S.
- Sets the waiver to cover 110 percent of the number of required credit hours of the degree or certificate program in which the student is enrolled.

CS/HB 491 was adopted by the School and Learning Council on March 27, 2007 and differs from HB 491 in the following ways:

- CS/HB 491 revises the qualifications a person must meet to be eligible for a tuition waiver.
  - The definition of veteran is revised to cross-reference the current definition in s. 1.01(14), F.S.
  - The applicant must be a Florida resident at the time he or she applies for the waiver and a Florida resident for one year prior to the application.
  - The DD-214 form issued at the time of separation from service or military orders or other documentation issued regarding return from active duty as defined in s. 250.01(1) F.S., must be submitted to the state university or the community college.
- CS/HB 491 deletes the option for a person to use the tuition waiver in any graduate courses.
- CS/HB 491 sets the waiver to cover 110 percent of the number of required credit hours of the degree or certificate program in which the student is enrolled.