

The Florida Senate
BILL ANALYSIS AND FISCAL IMPACT STATEMENT

(This document is based on the provisions contained in the legislation as of the latest date listed below.)

Prepared By: The Professional Staff of the Committee on Education

BILL: SB 1322

INTRODUCER: Senator Wright

SUBJECT: Postsecondary Fee Exemptions

DATE: February 14, 2020

REVISED: _____

	ANALYST	STAFF DIRECTOR	REFERENCE	ACTION
1.	Bouck	Sikes	ED	Pre-meeting
2.			AED	
3.			AP	

I. Summary:

SB 1322 removes the tuition and fee exemption for students in approved apprenticeship programs that partner with school districts, Florida College System institutions, and state universities for the instructional portion of a program.

The bill has no impact on state expenditures, and an indeterminate impact on state revenue.

The bill takes effect on July 1, 2020.

II. Present Situation:

Tuition and Fees

Tuition is the basic fee charged to a student for instruction provided by a public postsecondary educational institution in this state.¹ In addition to tuition, Florida law authorizes district school boards, and Florida College System (FCS) institution and state university boards of trustees to establish fees.² Fees may include, but are not limited to, out-of-state, financial aid, capital improvement, technology, activity and service, athletic, and health fees. Additionally, students may be assessed certain usage fees, fines, and surcharges.³ All postsecondary workforce education, FCS institution, and state university students are charged fees except students who are exempt from fees or students whose fees are waived.⁴

¹ Section 1009.01(1), F.S. Tuition for workforce education programs leading to a career certificate or an applied technology diploma is \$2.33 per contact hour. Section 1009.22(3)(c), F.S. Tuition at a Florida College System institution is \$71.98 per credit hour, and \$91.79 per credit hour for baccalaureate degree programs. Section 1009.23(3)(a), F.S. Tuition at a state university is \$105.07 per credit hour. Section 1009.24(4)(a), F.S.

² Sections 1009.22, 1009.23, and 1009.24, F.S.

³ Sections 1009.22(9), 1009.23(12)(a), 1009.24(14) and 1009.286, F.S.

⁴ Sections 1009.22(2), 1009.23(2)(a), and 1009.24(2), F.S.

Fee Exemptions

Florida law specifies a number of exemptions from the payment of tuition and fees, including laboratory fees, for students at a school district that provides workforce education programs, an FCS institution, or a state university.⁵ One such exemption is for students who are enrolled in an approved apprenticeship program.⁶

Apprenticeship Programs

It is the intent of the state for apprenticeship programs to provide educational opportunities for its residents so that they can be trained for trades, occupations, and professions suited to their abilities, and benefit from the valuable training opportunities developed when on-the-job training is combined with academic-related classroom experiences.⁷

An apprenticeship program is an organized course of instruction, registered and approved by the Department of Education (DOE),⁸ which contains all terms and conditions for the qualifications, recruitment, selection, employment, and training of apprentices.⁹ The apprenticeship program sponsor operates and registers an approved apprenticeship program.¹⁰ A sponsor may be a committee, a group of employers, an employer, or a group of employees, or any combination thereof.¹¹

Sponsors may elect to provide classroom instruction privately,¹² or partner with a local educational agency,¹³ such as a school district or FCS institution, to provide related and

⁵ Tuition and fee exemptions include students in dual enrollment programs, children in foster care or who were adopted, students in welfare transition programs, homeless students, and specified child protection and child welfare personnel in certain degree programs. Section 1009.25(1), F.S.

⁶ Section 1009.25(1)(b), F.S. Students enrolled in registered apprenticeship programs offered through school districts and FCS institutions may be assessed user fees and fines as specified in s. 1009.22(9), F.S., which may include, but are not limited to, parking fees and fines, library fees and fines, fees and fines relating to facilities and equipment use or damage, access or identification card fees, photocopying, transcript fees, or diploma fees. Florida Department of Education, *2019 Agency Legislative Bill Analysis of HB 6035* (Oct. 31, 2019), at 2. The exemption does not apply to non-apprenticeship program related courses; only courses identified in the Standards of Apprenticeship documentation for the program, as required by rule 6A-23.004, F.A.C., are exempt. *Id.*

⁷ Section 446.011, F.S.

⁸ Approval and registration of apprenticeship programs is detailed in rule 6A-23.003, F.A.C., based on standards established in rule 6A-23.004, F.A.C.

⁹ Section 446.021(6), F.S. An “apprentice” is a person at least 16 years of age who is engaged in learning a recognized skilled trade through actual work experience under the supervision of journeyman craftsmen, which should be combined with properly coordinated studies of technical and supplementary subjects. Section 446.021(2), F.S.

¹⁰ Rule 65A-23.002(21), F.A.C.

¹¹ Section 446.071(2), F.S.

¹² Many programs have internal training funds that may come from a variety of sources, including training fees assessed to members in joint (or union) programs. Florida Department of Education, *2019 Agency Legislative Bill Analysis of HB 6035* (Oct. 31, 2019), at 2.

¹³ Though not defined in the U.S. Department of Labor federal regulations governing registered apprenticeship programs, the U.S. Department of Education regulations define a local educational agency as a board of education or other legally constituted local school authority having administrative control and direction of public elementary or secondary schools in a city, county, township, school district, or political subdivision in a State, or any other public educational institution or agency having administrative control and direction of a vocational education program. 34 C.F.R. s. 400.4.

supplemental classroom instruction.¹⁴ The extent or amount of related instruction provided by educational institution varies depending on the apprenticeship program.¹⁵

The administration and supervision of related and supplemental instruction for apprentices, coordination of such instruction with job experiences, and selection and training of teachers and coordinators for such instruction is the responsibility of the appropriate career education institution.¹⁶ School districts and FCS institutions locally negotiate fees for services with the sponsor for costs such as curriculum development, instructors, facilities, and documentation. These types of costs may be charged to the apprenticeship program, but not to the apprentice enrolled in the school district or FCS institution program.¹⁷

Workforce education programs specified in law include registered apprenticeship programs.¹⁸ This provides school districts and FCS institutions authority to offer registered apprenticeship through their educational programs and to spend their state operating funds for the support of these programs.¹⁹

Generally, operating funds for school district postsecondary workforce education programs and FCS institutions are generated by student tuition and fees and by state funds. School district workforce education state operating funds are provided in the General Appropriations Act (GAA) through the Workforce Development Funds category. FCS institution state operating funds are provided annually in the GAA through the FCS Program Fund category. Apprenticeship programs are supported by state operating funds, tuition and fee revenue from other programs, and any contributions by sponsors. State operating funds cover the cost of classroom instruction,²⁰ but may not reflect actual school district²¹ and FCS institution²² program enrollments. In addition, school districts and FCS institutions incur administrative costs for apprenticeship programs that are not included in the funding provided for instruction. In 2017-2018, apprenticeship program instructional costs in school districts and FCS institutions were approximately \$21 million, and administrative costs were almost \$1.8 million.²³

¹⁴ Section 446.051(2), F.S. “Related instruction” means an organized and systematic form of instruction designed to provide the apprentice with knowledge of the theoretical subjects related to a specific trade or occupation. Section 446.021(9), F.S.

¹⁵ Florida Department of Education, *2019 Agency Legislative Bill Analysis of HB 6035* (Oct. 31, 2019), at 2.

¹⁶ Section 446.051(1), F.S.

¹⁷ Florida Department of Education, *2019 Agency Legislative Bill Analysis of HB 6035* (Oct. 31, 2019), at 3.

¹⁸ Section 1011.80(1), F.S.

¹⁹ Florida Department of Education, *Florida’s Annual Apprenticeship and Preapprenticeship Report, Program Year 2018-2019*, available at <http://www.fl DOE.org/core/fileparse.php/5398/urlt/2019appr-rpt.pdf>, at 13.

²⁰ For fee-exempt students, state funding is 100 percent of the average cost of instruction. Section 1011.80(6)(c), F.S.

²¹ District workforce funding calculates a three-year average enrollment, which may not reflect actual enrollment in district apprenticeship programs. Florida Department of Education, *2019 Agency Legislative Bill Analysis of HB 6035* (Oct. 31, 2019), at 3. In 2018-2019, the appropriation of district workforce education funds was approximately 95 percent of the calculated state funding need. Florida Department of Education, *2018-2019 District Workforce Education Funding Summary* (August 2018), available at <http://www.fl DOE.org/core/fileparse.php/7529/urlt/1819-wf-fundingsummary.pdf>, at 12.

²² Appropriations to the FCS Program Fund are based on a number of factors, including student enrollment. Section 1011.84(3)(b), F.S. Changes in current and projected student enrollment is reported in the State Board of Education legislative budget request. Section 1011.84(1)(a) and (3)(a), F.S.

²³ Florida Department of Education, *Florida’s Annual Apprenticeship and Preapprenticeship Report, Program Year 2018-2019*, available at <http://www.fl DOE.org/core/fileparse.php/5398/urlt/2019appr-rpt.pdf>, at Appendix C.

School districts and FCS institutions may supplement funding for workforce education with funds provided in the GAA for student completion of specified industry certifications.²⁴

In 2018-2019, there were 228 apprenticeship programs registered with the DOE. Approximately 40 percent of such programs partnered with a school district or FCS institution for the required technical and supplemental instruction.²⁵ During that school year, there were 10,681 students enrolled in a school district apprenticeship program, and 2,798 students enrolled in an FCS apprenticeship program.²⁶

III. Effect of Proposed Changes:

The bill modifies s. 1009.25, F.S., to remove the tuition and fee exemption for students enrolled in a registered apprenticeship program that is partnering with a school district, Florida College System institution, or state university for the portions of the apprenticeship program that are delivered by the educational institution.

However, the bill does not adopt a fee structure for registered apprenticeship programs. The current level of \$2.33 per contact hour is designated for programs leading to a career certificate or an applied technology diploma. Instruction as a part of an apprenticeship program may not lead toward either credential. Therefore, it is unclear if the existing tuition and fees for workforce education programs will apply to apprenticeship program instruction.

Apprenticeship program sponsors who partner with an educational institution often use the tuition and fee exemption as a recruitment tool for potential apprentices. If the tuition and fee exemption is removed, such sponsors may end the partnership with school districts and FCS institutions in favor of seeking alternate providers of related technical and supplemental instruction, or simply provide their own instruction.²⁷

However, removing the tuition and fee exemption may assist in the expansion of apprenticeship programs because the institutions may be able to recover costs associated with instruction.²⁸ A recent report by a Florida Apprenticeship Catalyst Workgroup (workgroup) found that while there is some funding for the local education agency through state reimbursement for classroom hour attendance as with any student, there is no recovery of tuition for apprenticeship programs. Postsecondary institutions may use funding for their existing workforce programs provided by the state to allocate toward apprenticeship tuition. As this may reduce funding for other longstanding workforce training commitments, there is very little benefit to an education institution for offering apprenticeship programs.²⁹ The workgroup recommended the removal of the exemption for tuition and fees for students enrolled in apprenticeship programs.³⁰

²⁴ Sections 1011.80(7)(b), F.S. and 1011.81(2), F.S.

²⁵ Florida Department of Education, *2019 Agency Legislative Bill Analysis of HB 6035* (Oct. 31, 2019), at 3.

²⁶ *Id.*

²⁷ *Id.* at 4.

²⁸ *Id.*

²⁹ Apprenticeship Catalyst Workgroup, *Florida Apprenticeship Workgroups Findings and Recommendations Report*, <https://careersourceflorida.com/wp-content/uploads/2018/07/Apprenticeship-Workgroups-Report.pdf>, at 9.

³⁰ *Id.* at 6.

The bill takes effect on July 1, 2020.

IV. Constitutional Issues:

A. Municipality/County Mandates Restrictions:

None.

B. Public Records/Open Meetings Issues:

None.

C. Trust Funds Restrictions:

None.

D. State Tax or Fee Increases:

Article VII, s. 19, of the State Constitution requires that a new state tax or fee, as well as a raise in a state tax or fee, must be approved by two-thirds of the membership of each house of the Legislature and must be contained in a separate bill that contains no other subject. Article VII, s. 19(d)(1), of the State Constitution defines “fee” to mean “any charge or payment required by law, including any fee for service, fee or cost for licenses, and charge for service.” Article VII, s. 19(d)(2), of the State Constitution includes in the definition of “raise” a decrease or elimination of a state tax or fee exemption or credit.

The bill amends s. 1009.25, F.S., to eliminate a tuition and fee exemption for students in approved apprenticeship programs specified in law at public postsecondary institutions that provide the related technical instruction. As such, the State Constitution may require that the elimination of the tuition and fee exemption be passed by a two-thirds vote of the membership of each house of the Legislature. The bill contains no other subject.

E. Other Constitutional Issues:

None.

V. Fiscal Impact Statement:

A. Tax/Fee Issues:

None.

B. Private Sector Impact:

There may be an increase in expenses for the student apprentices as a result of tuition and fees charges by a school district or Florida College System (FCS) institution that provides

the instruction portion of an apprenticeship program. The increased costs to the student are indeterminate at this time.³¹

C. **Government Sector Impact:**

Revenues to school districts, FCS institutions, and state universities that provide the instructional portion of an apprenticeship program may increase as a result of tuition and fees paid to the institutions by the student apprentice. The financial impact is indeterminate at this time.³²

VI. Technical Deficiencies:

None.

VII. Related Issues:

None.

VIII. Statutes Affected:

This bill substantially amends section 1009.25 of the Florida Statutes.

IX. Additional Information:

A. **Committee Substitute – Statement of Changes:**

(Summarizing differences between the Committee Substitute and the prior version of the bill.)

None.

B. **Amendments:**

None.

This Senate Bill Analysis does not reflect the intent or official position of the bill's introducer or the Florida Senate.

³¹ Florida Department of Education, *2019 Agency Legislative Bill Analysis of HB 6035* (Oct. 31, 2019), at 5.

³² *Id.* at 4.