HOUSE OF REPRESENTATIVES
AS FURTHER REVISED BY THE COMMITTEE ON
COMMUNITY COLLEGES & CAREER PREP
FINAL BILL RESEARCH & ECONOMIC IMPACT STATEMENT

BILL #: HB 3799 (Formerly PCB CCCP 98-02)

RELATING TO: Educational Facilities (Capital Improvement Fees)

SPONSOR(S): Committee on Community Colleges and Career Prep, Rep. Sindler, and others

COMPANION BILL(S): SB 962 by Senator Grant

ORIGINATING COMMITTEE(S)/COMMITTEE(S) OF REFERENCE:
(1) COMMUNITY COLLEGES AND CAREER PREP YEAS 10 NAYS 0
(2) FINANCE AND TAXATION YEAS 14 NAYS 0
(3) EDUCATION APPROPRIATIONS YEAS 15 NAYS 0
(5)

I. FINAL ACTION STATUS:

PASSED BY THE LEGISLATURE - CHAPTER 98-300, LAWS OF FLORIDA

House Bill 3799 was taken up off consent calendar and passed in the House on April 16, 1998, with 117 yeas, 0 nays. The bill was referred and then withdrawn from the Education, Governmental Reform and Oversight, and Ways and Means committees in the Senate. After being substituted for CS/SB 962 on the floor, the bill passed the Senate on April 24, 1998, with a vote of 36 Yeas and 0 Nays.

II. SUMMARY:

This bill expands the purposes for which community colleges can bond capital improvement fees to include renovation, remodeling, and equipment. The bill also clarifies that financing for an asset can not exceed its useful life, and that capital improvement fee revenues may be used for technology enhancements.

III. SUBSTANTIVE RESEARCH:

A. PRESENT SITUATION:

Community Colleges are authorized in two ways to charge students a capital improvement fee. The first authorization is found in s. 239.117, F.S., for students who take non-college-credit or vocational courses. For these students, statute specifies that a capital improvement fee may be charged at an amount not to exceed 5 percent of the matriculation fee. Community colleges and school boards may collect the capital improvement fee authorized in this section for capital improvements, technology enhancements, or equipping buildings.

The second statutory authorization for capital improvement fees is found in s. 240.35, F.S., for students who are taking college credit courses. This fee is set at an amount not to exceed $1 per credit hour. Currently, 25 community colleges charge the maximum $1 per credit hour and 3 charge no fee. Community colleges may collect a capital improvement fee authorized in this section for capital improvements and equipping buildings. Technology enhancements are not an authorized use for capital improvement fee revenues in s. 240.35, F.S.

During the 1997 Special Session A, the Legislature authorized community colleges to bond capital improvement fees only for the purpose of new construction of educational facilities.

B. EFFECT OF PROPOSED CHANGES:

This bill would expand the purposes for which community colleges can bond capital improvement fees to include renovation, remodeling, and equipment. Some smaller community colleges do not collect enough revenue from the capital improvement fee to finance the construction of a new building, but could renovate or remodel an existing structure and would benefit from being able to bond the cost of those improvements.

The bill would clarify that financing for an asset may not exceed its useful life. This provision would prevent the long-term financing of an asset such as computers, which would have a short-term useful life.

The bill would add technology enhancements as one of the allowable uses of capital improvement fee revenues authorized in s. 240.35, F.S., which would be consistent with the allowable uses authorized in s. 239.117, F.S.

C. APPLICATION OF PRINCIPLES:

1. Less Government:

a. Does the bill create, increase or reduce, either directly or indirectly:

(1) any authority to make rules or adjudicate disputes?

No.

(2) any new responsibilities, obligations or work for other governmental or private organizations or individuals?

No.

(3) any entitlement to a government service or benefit?

No.

b. If an agency or program is eliminated or reduced:

(1) what responsibilities, costs and powers are passed on to another program, agency, level of government, or private entity?

N/A

(2) what is the cost of such responsibility at the new level/agency?

N/A

(3) how is the new agency accountable to the people governed?

N/A

2. <u>Lower Taxes:</u>

a. Does the bill increase anyone's taxes?

No.

b. Does the bill require or authorize an increase in any fees?

No.

c. Does the bill reduce total taxes, both rates and revenues?

No.

d. Does the bill reduce total fees, both rates and revenues?

No.

e. Does the bill authorize any fee or tax increase by any local government?

No.

3. <u>Personal Responsibility:</u>

a. Does the bill reduce or eliminate an entitlement to government services or subsidy?

N/A

b. Do the beneficiaries of the legislation directly pay any portion of the cost of implementation and operation?

N/A

4. Individual Freedom:

   a. Does the bill increase the allowable options of individuals or private organizations/associations to conduct their own affairs?

      The bill would increase the financing options for individual community colleges seeking to construct, renovate, remodel, and equip an educational facility on the campus.

   b. Does the bill prohibit, or create new government interference with, any presently lawful activity?

      N/A

5. Family Empowerment:

   a. If the bill purports to provide services to families or children:

      (1) Who evaluates the family's needs?

          N/A

      (2) Who makes the decisions?

          N/A

      (3) Are private alternatives permitted?

          N/A

      (4) Are families required to participate in a program?

          N/A

      (5) Are families penalized for not participating in a program?

          N/A

   b. Does the bill directly affect the legal rights and obligations between family members?

      N/A

   c. If the bill creates or changes a program providing services to families or children, in which of the following does the bill vest control of the program, either through direct participation or appointment authority:

      (1) parents and guardians?

          N/A

(2) service providers?

N/A

(3) government employees/agencies?

N/A

D. STATUTE(S) AFFECTED:

Amends: ss. 239.117, 240.319, and 240.35, F. S.

E. SECTION-BY-SECTION RESEARCH:

Section 1. Amends section 239.117, F.S., to allow community college boards of trustees to bond capital improvement fee revenues from students enrolled in non-college-credit courses for renovation, remodeling, and equipment.

Section 2. Amends section 240.319, F.S., to authorize community college boards of trustees to issue bonds payable from the revenues generated by capital improvement fees for the purposes of renovation, remodeling, and equipment.

Section 3. Amends section 240.35, F.S., to allow community college boards of trustees to bond capital improvement fee revenues from students enrolled in college-credit courses for renovation, remodeling, and equipment.

Section 4. Provides that the act would take effect July 1 of the year in which it is enacted.

IV. <u>FISCAL RESEARCH & ECONOMIC IMPACT STATEMENT</u>:

A. FISCAL IMPACT ON STATE AGENCIES/STATE FUNDS:

1. <u>Non-recurring Effects</u>:

N/A

2. <u>Recurring Effects</u>:

N/A

3. <u>Long Run Effects Other Than Normal Growth</u>:

N/A

4. <u>Total Revenues and Expenditures</u>:

N/A

B. FISCAL IMPACT ON LOCAL GOVERNMENTS AS A WHOLE:

1. <u>Non-recurring Effects</u>:

N/A

2. Recurring Effects:

   N/A

3. Long Run Effects Other Than Normal Growth:

   N/A

C. DIRECT ECONOMIC IMPACT ON PRIVATE SECTOR:

1. Direct Private Sector Costs:

   N/A

2. Direct Private Sector Benefits:

   Community college students could potentially benefit from the construction, renovation, remodeling, and equipping of educational facilities.

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

   N/A

D. FISCAL COMMENTS:

Community colleges are presently authorized to bond revenues from the capital improvement fees, for purposes of new construction. This bill merely expands the purposes for which the bonded revenues may be used to include renovation, remodeling, and equipment.

V. CONSEQUENCES OF ARTICLE VII, SECTION 18 OF THE FLORIDA CONSTITUTION:

A. APPLICABILITY OF THE MANDATES PROVISION:

N/A

B. REDUCTION OF REVENUE RAISING AUTHORITY:

N/A

C. REDUCTION OF STATE TAX SHARED WITH COUNTIES AND MUNICIPALITIES:

N/A

VI. COMMENTS:

N/A

VII. AMENDMENTS OR COMMITTEE SUBSTITUTE CHANGES:

N/A

VIII. SIGNATURES:

COMMITTEE ON COMMUNITY COLLEGES AND CAREER PREP:

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