

**STORAGE NAME:** h4169a.ed

**DATE:** April 22, 1998

**HOUSE OF REPRESENTATIVES  
COMMITTEE ON  
EDUCATION APPROPRIATIONS  
BILL RESEARCH & ECONOMIC IMPACT STATEMENT**

**BILL #:** HB4169

**RELATING TO:** Tuition and Matriculation Fees

**SPONSOR(S):** Rep. Warner

**COMPANION BILL(S):** SB1854 (Similar)

**ORIGINATING COMMITTEE(S)/COMMITTEE(S) OF REFERENCE:**

- (1) EDUCATION APPROPRIATIONS YEAS 8 NAYS 3
  - (2)
  - (3)
  - (4)
  - (5)
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I. SUMMARY:

This bill provides that each university president may submit a plan to the Board of Regents to increase matriculation and tuition fees for any one or more of its first professional programs to a level not to exceed 110% of the average full-time tuition for the first professional program as reported by the United States Department of Education National Center for Education Statistics. First professional programs include dentistry, medicine, pharmacy, veterinary medicine, and law. Bill provides that these increases shall take place over a period of 3-5 years with automatic adjustments thereafter, and that the revenues generated as a result of the fee differential shall be retained by the university. Provides that there is no limitation on nonresident enrollment for the first professional programs.

II. SUBSTANTIVE RESEARCH:

A. PRESENT SITUATION:

Section 240.235, Florida Statutes, authorizes state universities to establish three separate fees to cover services provided on campus, including activity and service, athletic, and health. The amount assessed varies by university and ranges from \$9.14 to \$21.17 per credit hour. These fees may be raised only if first recommended by a fee committee with students comprising at least half its membership. The president and the Board of Regents must approve the fee committee's recommendations before the fees may be assessed. These fees are referred to as "local" fees, and the revenues are retained by each university.

Other student fees are governed by s. 240.209(3)(e), Florida Statutes. Annually, the Legislature requires an amount in fee revenue, and the Board of Regents establishes a systemwide standard fee schedule calculated to raise that amount. The Legislature appropriates these matriculation and tuition revenues.

B. EFFECT OF PROPOSED CHANGES:

This bill provides that each university president may submit a plan to the Board of Regents to increase matriculation and tuition fees for any one or more of its first professional programs to a level not to exceed 110% of the average full-time tuition for the first professional program as reported by the United States Department of Education National Center for Education Statistics. First professional programs include dentistry, medicine, pharmacy, veterinary medicine, and law. Bill provides that these increases shall take place over a period of 3-5 years with automatic adjustments thereafter, and that the revenues generated as a result of the fee differential shall be retained by the university.

Provides that there is no limitation on nonresident enrollment for the first professional programs. Currently, Board of Regents' rules indicate that the nonresident enrollment cannot exceed 10% of statewide average.

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?

N/A

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

N/A

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

N/A

- 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. Lower Taxes:

- a. Does the bill increase anyone's taxes?

N/A

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

N/A

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

N/A

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

N/A

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

N/A

3. Personal Responsibility:

- 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?

N/A

- 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:

s. 240.235, Florida Statutes.

E. SECTION-BY-SECTION RESEARCH:

Section 1. This bill provides that each university president may submit a plan to the Board of Regents to increase matriculation and tuition fees for any one or more of its first professional programs to a level not to exceed 110% of the average full-time tuition for the first professional program as reported by the United States Department of Education National Center for Education Statistics. First professional programs include dentistry, medicine, pharmacy, veterinary medicine, and law. Bill provides that these increases shall take place over a period of 3-5 years with automatic adjustments thereafter, and that the revenues generated as a result of the fee differential shall be retained by the university. Provides that there is no limitation on nonresident enrollment for the first professional programs.

Section 2. Corrects a statutory reference.

Section 3. Provides an effective date of July 1, 1998.

III. FISCAL RESEARCH & ECONOMIC IMPACT STATEMENT:

A. FISCAL IMPACT ON STATE AGENCIES/STATE FUNDS:

1. Non-recurring Effects:

N/A

2. Recurring Effects:

See fiscal comments

3. Long Run Effects Other Than Normal Growth:

See fiscal comments

4. Total Revenues and Expenditures:

See fiscal comments

B. FISCAL IMPACT ON LOCAL GOVERNMENTS AS A WHOLE:

1. Non-recurring Effects:

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:

To the extent that university presidents and the Board of Regents increase student fees at some first professional programs at state universities, students will pay an increased amount for enrolling in these academic programs.

2. Direct Private Sector Benefits:

N/A

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

N/A

D. FISCAL COMMENTS:

The fiscal impact of the bill is indeterminate, primarily since it is unclear which university presidents would choose to submit a plan to increase the matriculation and tuition for the first professional programs and which programs would be included. The bill allows the university presidents and the Board of Regents to increase matriculation and tuition fees; currently, the Legislature sets the tuition and matriculation amounts in the General Appropriations Act each year, and the Board of Regents establishes a systemwide standard fee schedule calculated to raise that amount. The Legislature appropriates these matriculation and tuition revenues. The fees assessed pursuant to s. 240.235 include activity and service, athletic, and health. These fees are assessed, collected, and expended at the university level.

The following table compares 1996-97 mandatory fees for in-state residents in first professional programs at Florida public universities with the national average published by the National Center for Education Statistics (NCES).

<u>Institution</u>	<u>Medical</u>	<u>Dentistry</u>	<u>Vet Medicine</u>	<u>Pharmacy</u>	<u>Law</u>
FAMU				\$3,236	
FSU					\$3,509
UF	\$9,774	\$8,594	\$7,334	\$3,096	\$3,460
USF	\$9,516				
Natl. Avg./All	\$14,771	\$13,502	\$8,484	\$7,969	\$11,995
Natl. Avg./Pub.	\$9,732	\$8,835	\$7,226	\$5,007	\$5,966
Natl. Avg./Prvt.	\$22,731	\$23,082	\$18,546	\$15,077	\$15,473

The bill provides that matriculation and tuition fees for any one or more of its first professional program may raise to a level not to exceed 110% of the average full-time tuition for the first professional program as reported by the United States Department of Education National Center for Education Statistics, and provides that each university president may submit a plan to the Board of Regents for an increase in these fees. The bill does not clarify whether the national average refers to public institutions, private institutions, or the average of the two. The following table shows the annual percent increase necessary to raise the average state university fees for Florida residents to 110% of the national average in five years.

**To Raise Fees to 110% of NCES**

<u>Average</u>	<u>Medical</u>	<u>Denistry</u>	<u>Vet Medicine</u>	<u>Pharmacy</u>	<u>Law</u>
Natl. Avg./All	10.99%	11.36%	4.94%	22.59%	30.51%
Natl. Avg./Pub.	2.11%	2.49%	1.62%	11.71%	13.50%

IV. 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

V. COMMENTS:

N/A

VI. AMENDMENTS OR COMMITTEE SUBSTITUTE CHANGES:

The Education Appropriations Committee adopted one amendment on April 21, 1998. The amendment included the following provisions:

- Clarifies that tuition may increase to a level not to exceed 110% of the average full-time tuition at all public universities for first-professional programs
- Provides that the increase be no greater than 15% of the previous year's matriculation and tuition fees
- Provides that the plan be recommended by a university committee, and approved by the university president and the student body president

VII. SIGNATURES:

COMMITTEE ON EDUCATION APPROPRIATIONS:

Prepared by:

Legislative Research Director:

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John Newman