

SENATE STAFF ANALYSIS AND ECONOMIC IMPACT STATEMENT

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

BILL: CS/SB 2086

SPONSOR: Education Committee and Senator Diaz-Balart

SUBJECT: Postsecondary Student Fees

DATE: April 19, 1999 REVISED: 4/21/99 _____

	ANALYST	STAFF DIRECTOR	REFERENCE	ACTION
1.	<u>White</u>	<u>O'Farrell</u>	<u>ED</u>	<u>Favorable/CS</u>
2.	<u>Cohen-Pippin</u>	<u>Hadi</u>	<u>FP</u>	<u>Fav/1 amendment</u>
3.	_____	_____	_____	_____
4.	_____	_____	_____	_____
5.	_____	_____	_____	_____

I. Summary:

This committee substitute:

- Authorizes community colleges to assess a technology fee of 5 percent of tuition¹ for college credit programs.
- Authorizes community colleges to pledge revenues from the technology fee and parking fees as a dedicated revenue source for the repayment of debt including bonds.
- Authorizes community colleges to charge a fee of 5 percent of tuition for improvements in safety and security.
- Establishes specific authority for community colleges and school districts to assess student fees currently established in rule.

The committee substitute amends the following sections of the Florida Statutes: 239.117, 240.319, and 240.35.

II. Present Situation:

Section 239.117, F.S., relates to fees for all workforce development programs, whether they are offered by school districts or community colleges. Section 240.35, F.S., relates to community college fees only. When the Legislature wishes to change fees for both vocational programs and college-credit programs, both sections must be amended.

Community colleges and school districts have specific statutory authority to assess regular registration fees, but other kinds of fees are established in rule, under broad rulemaking authority granted years ago to the State Board of Education. Changes in the Administrative Procedures Act call into question whether the statutory authorization for these fees is specific enough. Audit criticisms have put them at risk.

¹The word "tuition" is used with its plain meaning and not its statutory meaning of fees charged to nonresidents.

The following fees are regular registration fees and have specific statutory authority:

- Tuition
- Activity and service
- Capital improvement
- Financial aid

The following user fees or fines need more specificity in statute:

- Laboratory fees
- Parking fees and fines
- Library fees and fines
- Fees and fines relating to facilities and equipment use or damage
- Access or identification card fees
- Fees for duplicating, photocopying, binding, or microfilming
- Fees for standardized testing
- Diploma replacement fees
- Transcript fees
- Application fees
- Graduation fees
- Late fees

III. Effect of Proposed Changes:

The committee substitute will provide statutory authority for user fees that are already being assessed by the community colleges and school boards under broad rulemaking authority granted to the State Board of Education.

The bill also authorizes community colleges -- but not school districts -- to charge two new fees:

- A technology fee that will apply only to students in college credit courses.
- A new fee for safety and security.

These new fees will be indexed at 5 percent of the matriculation and tuition fees.

Another fee -- the fee for capital improvements, technology enhancements, or equipping student buildings -- will be indexed as well, rather than set at dollars per credit hour. At current tuition levels, indexing this fee will result in an increase of about \$.90 per credit hour.

The committee substitute also authorizes community colleges to pledge expected revenue from the new technology fee and from parking fees for revenue bonds and lease-purchase agreements.

The bill will increase the authority for fees to be charged, but each school district and community college will have the flexibility to decide whether or not to charge the fees. The following analysis by section gives details.

Section 1. (Amends s. 239.117, F.S.)

- Authorizes community colleges to establish a new fee for technology. The fee may be not more than 5 percent of tuition and may be assessed only to students in college-credit programs. Revenues generated must be used for technology equipment and infrastructure.

- Strikes the authority of school districts and community colleges to charge fees as authorized by rule.
- Provides specific statutory authority for the user fees authorized in rule. These fees will only be charged to people who receive the service and may not exceed the cost of service provided.
- Specifies that no fee may be charged to students unless specifically authorized by statute.
- Authorizes school districts or community colleges to “establish” instead of “collect” financial aid fees, but does not change the amount of the fee collected -- up to 10 percent of matriculation and tuition fees.
- Authorizes current practice of school districts and community colleges that establish fees for workforce development instruction that generates no state funds. An example is a contract with a private service provider to deliver instruction.

Section 2. (Amends s. 240.319, F.S.)

By adding a cross reference, this section gives the boards of trustees of community colleges authority to combine revenues from the new technology fee and parking fees for workforce development programs and college-credit programs, if they wish to use that expected revenue source to secure bonds. It also gives them specific authority to establish the same user fees authorized in section 1 of the bill for workforce development programs, prohibits them from charging a fee not authorized in statute, and corrects a cross reference.

Section 3. (Amends s. 240.35, F.S.)

This section of the Florida Statutes deals with student fees but applies only to community colleges for their college credit programs, not to school districts for their workforce development programs or to colleges for their vocational credit courses, applied technology diploma programs, or associate-in-science degree programs.

In this section, the committee substitute:

- Authorizes community colleges to establish a new fee for technology. The fee may be not more than 5 percent of tuition and may be assessed only to students in college-credit programs. Revenues generated must be used for technology equipment and infrastructure.
- Allows tuition to be raised by 5 percent, by changing the amount by which matriculation and tuition fees may vary from the amount in the adopted schedule. They may not be more than 10 percent below but may be 15 percent above the schedule. The extra 5 percent is for improvements in safety and security as recommended in the Strategic Plan. Some colleges report collecting this fee already, without authority.
- Deletes a requirement that the State Board of Education must review and approve the resident fee schedule adopted by the State Board of Community Colleges.
- Specifies that, if the Legislature adopts a different fee schedule in the appropriations act, it takes effect the next fall. This provision eliminates one step in a process already controlled by the Legislature.
- Clarifies the authorization for the financial aid fee as in section 1 of the bill.
- Authorizes the fee for capital improvements, technology enhancements, or equipping student buildings to be indexed at 5 percent of tuition fees, rather than \$1 per credit hour for residents and \$3 per credit hour for nonresidents. At the current level of tuition, this indexing would result in an increase from \$1.00 to \$1.88.

- Authorizes a separate technology fee of 5 percent of tuition. The technology fee applies to both college-credit and college-preparatory instruction and its revenue must be used for technology improvements.

Section 4. Effective date of July 1, 1999.

IV. Constitutional Issues:

A. Municipality/County Mandates Restrictions:

None.

B. Public Records/Open Meetings Issues:

None.

C. Trust Funds Restrictions:

None.

V. Economic Impact and Fiscal Note:

A. Tax/Fee Issues:

None.

B. Private Sector Impact:

Some students will pay more in fees and fines.

C. Government Sector Impact:

School districts and community colleges will generate more in fee revenue, but the funds are earmarked for the services provided. The amount will depend on whether all the allowed fees are charged, how many students are enrolled, and the level at which tuition fees are established. The authority to issue bonds using the expected revenues from parking fees and the technology fee will generate activity for financial institutions and the bond market, but it is unknown whether many colleges will take advantage of the authority.

VI. Technical Deficiencies:

None.

VII. Related Issues:

None.

VIII. Amendments:

#1 by by Fiscal Policy:

Strengthens the criteria which community colleges are to use in assessing an additional amount for the safety and security fee.

This Senate staff analysis does not reflect the intent or official position of the bill's sponsor or the Florida Senate.
