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DATE: April 17, 2001

**HOUSE OF REPRESENTATIVES
AS FURTHER REVISED BY THE
COUNCIL FOR LIFELONG LEARNING
ANALYSIS**

BILL #: HB 465
RELATING TO: Tuition/Residency/National Guard
SPONSOR(S): Representative(s) Baker
TIED BILL(S): None

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

- (1) COLLEGES AND UNIVERSITIES YEAS 11 NAYS 0
 - (2) EDUCATION APPROPRIATIONS YEAS 13 NAYS 0
 - (3) COUNCIL FOR LIFELONG LEARNING YEAS 10 NAYS 0
 - (4)
 - (5)
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I. SUMMARY:

House Bill 465 provides that members of the Florida National Guard who meet the requirements for the tuition assistance program at Florida's public postsecondary education institutions must be classified as residents for tuition purposes. The tuition assistance program is administered by the Department of Military Affairs which receives an annual appropriation for the program.

The Department of Military Affairs reports that in 1999-2000, 1,769 members participated in the program, 94 of whom were classified as non-residents for purposes of tuition at state universities. Of the \$1,122,315 appropriation for the tuition assistance program, \$124,728 was the cost for out-of-state tuition and fees for the 94 members. The department estimates that an additional 90 Florida National Guard members could have participated in the tuition assistance program with funds spent for non-resident tuition and fees.

The effective date of the bill is July 1, 2001.

II. SUBSTANTIVE ANALYSIS:

A. DOES THE BILL SUPPORT THE FOLLOWING PRINCIPLES:

- | | | | |
|-----------------------------------|---|-----------------------------|---|
| 1. <u>Less Government</u> | Yes <input type="checkbox"/> | No <input type="checkbox"/> | N/A <input checked="" type="checkbox"/> |
| 2. <u>Lower Taxes</u> | Yes <input type="checkbox"/> | No <input type="checkbox"/> | N/A <input checked="" type="checkbox"/> |
| 3. <u>Individual Freedom</u> | Yes <input checked="" type="checkbox"/> | No <input type="checkbox"/> | N/A <input type="checkbox"/> |
| 4. <u>Personal Responsibility</u> | Yes <input type="checkbox"/> | No <input type="checkbox"/> | N/A <input checked="" type="checkbox"/> |
| 5. <u>Family Empowerment</u> | Yes <input checked="" type="checkbox"/> | No <input type="checkbox"/> | N/A <input type="checkbox"/> |

For any principle that received a "no" above, please explain:

B. PRESENT SITUATION:

Section 240.1201, F.S., provides that students must be classified as residents or nonresidents for the purpose of assessing tuition fees at state universities and community colleges. A student classified as a "resident for tuition purposes" qualifies for the in-state tuition rate. Section 240.1201, F.S., establishes general residency requirements for such purposes and, additionally, establishes separate categories of persons who must be classified as residents for tuition purposes, including the following: active duty members of the United States Armed Services residing or stationed in this state and their spouses and dependent children; active duty members of the United States Armed Services and their spouses attending a state university or community college within 50 miles of the military establishment where they are stationed, if the military establishment is within a county contiguous to Florida; and others.

In the State University System (SUS) for 2000-2001, total full-time resident cost of matriculation and fees is \$2,347 and the total full-time nonresident cost of matriculation, tuition, and fees is \$9,685. In the State Community College System for 2000-2001, the total full-time cost of resident student fees is \$1,463 and the total full-time cost of nonresident student fees is \$4,566. HB 1807 as Introduced, the House proposed General Appropriations Act for FY 2001-2002, funds lower division instruction at \$5,214 and upper division instruction at \$7,822 for 30 credit hours at the State University System. Tuition pays \$1,554 of these costs.

Section 250.10(7), F.S., directs the Adjutant General and representatives of the Board of Regents, the State Board of Community Colleges, and the State Board of Education to design and develop a tuition assistance program for members in good standing of the active Florida National Guard who enlist after June 30, 1997 and enroll in a public institution of higher learning in the state. Provisions relating to requirements of applicants, eligible participants, and authorized programs of studies are also set forth in s. 250.10 (7), F.S.

The Department of Military Affairs administers the tuition assistance program. Participation in the program continues until graduation or termination of the full-time or part-time student, but cannot exceed a period of 10 years from the date of enrollment in the tuition assistance program, whichever occurs earlier. The Florida National Guard receives an annual appropriation to fund the tuition assistance program. Specific Appropriation 1977 in the FY 1999-2000 General Appropriations Act appropriated \$1,122,315 to the Department of Military Affairs for the tuition

assistance program. In 1999-2000, 1,769 Florida National Guard members participated in the tuition assistance program.

Sections 240.35 and 240.235, F.S., provide authority for an older, fee waiver/space-available program that is being phased-out by the department. Section 240.235, F.S., requires the Board of Regents to exempt one-half of all tuition and course-related fees for members of the Florida National Guard who participate in the tuition assistance program. This program is currently used by members in good standing of the active Florida National Guard who enlisted before June 30, 1997 and by others who are unable to participate in the tuition assistance program because of lack of funds. The SUS reports that for 1999-2000, 596 fee waivers valued at \$333,563 were provided to 414 such members. Section 240.35, F.S., requires community colleges to waive fees for members of the Florida National Guard who participate in the tuition assistance program. The State Community College System reports that for 1999-2000, 980 fee waivers valued at \$302,086 were provided to approximately 490 members. The State Community College System reports that Florida National Guard members are classified as Florida residents for purposes of fees; however, some community colleges waive all fees and some community colleges waive one-half of the fees.

Of participants in these programs, 94 were classified as out-of state students for which the Florida National Guard paid \$124,728. The Florida National Guard notes that the few program participants who are classified as non-residents under current procedures have made a substantial commitment to the state. This includes service in the state National Guard and a commitment to remain in the state for an extended period. Those who receive the benefit are required to stay in the National Guard for a minimum of 3 years after graduation. When this is added to the year of service required before a recruit is eligible for the program and the time it takes to complete a degree, it appears that those who take advantage of the program will commit a minimum of 8 years of National Guard service. The Department of Military Affairs reports that they spent \$124,728 for out-of-state tuition in 1999-2000 that could have been used to pay in-state rates for an additional 90 students. There are currently about 4,200 members of the guard on a waiting list for this program.

The Department of Military Affairs notes that in the four years that these programs have been in effect, the Florida National Guard has exceeded its federal recruiting goals and has been able to establish one new unit. They also report a positive impact on retention due to these programs.

C. EFFECT OF PROPOSED CHANGES:

The bill allows members of the Florida National Guard who meet the eligibility requirements for participation in the tuition assistance program administered by the Department of Military Affairs to be classified as Florida residents for tuition purposes, thereby qualifying such students for in-state rates at Florida's state universities and community colleges. Such change would enable the Department of Military Affairs to use the amount spent for out-of-state tuition to pay fees for additional members at the lower in-state rate. If they did not have to pay out-of-state tuition in 1999-2000, they could have paid in-state rates for an additional 90 students, causing a slight increase in enrollment at community colleges and state universities or a reduction in fee waivers for existing students who are members of the National Guard.

D. SECTION-BY-SECTION ANALYSIS:

See above.

III. FISCAL ANALYSIS & ECONOMIC IMPACT STATEMENT:

A. FISCAL IMPACT ON STATE GOVERNMENT:

1. Revenues:

See FISCAL COMMENTS.

2. Expenditures:

See FISCAL COMMENTS.

B. FISCAL IMPACT ON LOCAL GOVERNMENTS:

1. Revenues:

None

2. Expenditures:

None

C. DIRECT ECONOMIC IMPACT ON PRIVATE SECTOR:

None

D. FISCAL COMMENTS:

Based on the FY 1999-2000 appropriation to the Department of Military Affairs for the tuition assistance program, the classification of eligible Florida National Guard members as residents for tuition purposes would have enabled 90 more members to participate in the program. The change proposed in the bill would not increase appropriations to the Department of Military Affairs for the tuition assistance program, but would increase the number of Florida National Guard members served by the tuition assistance program. This would cause a slight increase in enrollment at community colleges and state universities and/or a reduction in fee waivers for existing students who are members of the National Guard.

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

A. APPLICABILITY OF THE MANDATES PROVISION:

The bill does not require counties or municipalities to spend funds or take an action requiring the expenditure of funds.

B. REDUCTION OF REVENUE RAISING AUTHORITY:

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

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

The bill does not reduce the percentage of a state tax shared with counties or municipalities.

V. COMMENTS:

A. CONSTITUTIONAL ISSUES:

None

B. RULE-MAKING AUTHORITY:

None

C. OTHER COMMENTS:

Subsection 250.10 (8), F. S., does not appear to clearly reflect the department's interpretation of the intent of the legislation that resulted in the current provisions of this statute. Paragraph (a) of this subsection provides for the department to pay one-half the fee and the remaining half to be waived by the colleges and universities. The waiver is also required by s. 240.35 and s. 240.235, F.S. Courses provided through these arrangements are on a space available basis. Paragraph (c) provides for a different arrangement for those who enter the guard after June 30, 1997. The department pays the fees for these recruits and they go through regular registration. The department only exercises the fee waiver for those who were recruited before June 30, 1997. However, there is nothing in s. 240.35, s. 240.235, or s. 250.10, F.S., that clearly phases-out the fee-waiver/space available program even though it is the intent of the department, and their understanding of the intent of the Legislature, that a phase-out occur.

VI. AMENDMENTS OR COMMITTEE SUBSTITUTE CHANGES:

None

VII. SIGNATURES:

COMMITTEE ON COLLEGES AND UNIVERSITIES:

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