SENATE STAFF ANALYSIS AND ECONOMIC IMPACT STATEMENT

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

		Prepa	red By: E	ducation Committ	ee		
BILL:	CS/SB 54	2					
SPONSOR:	Education Committee and Senator Smith						
SUBJECT:	Community College Student Fees						
DATE: February 8, 2005 REVISED:							
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I. Summary:

The Committee Substitute gives discretionary authority to each community college board of trustees to establish a user fee for transportation. The transportation fee would be in addition to other currently authorized fees charged by a community college board of trustees.

The Committee Substitute deletes existing language which restricts the cost of a fine to the cost of the service provided.

This Committee Substitute substantially amends section 1009.23 of the Florida Statutes.

II. Present Situation:

Section 1009.23, F.S., authorizes community college boards of trustees to charge certain fees. Fees are charged for college credit instruction leading to an associate in arts degree, an associate in applied science degree, an associate in science degree, and for noncollege credit college-preparatory courses as specified in statute. Currently, the authorized fees and the state average amount of the charge per credit hour are:

•	Tuition	\$:	50.52
•	Out-of-state	\$1	48.94
•	Financial aid	\$	2.50

• Capital improvement/technology enhancement/equipping student buildings \$0.98

Student activity and service \$ 4.64
Technology and \$ 0.60

BILL: CS/SB 542

User fees (lab fees, parking, library, facility and equipment use, etc.) which shall
not exceed the cost of the services provided and shall only be charged to persons
receiving the service.

The estimated state average community college resident tuition and required fees for 2003-04 for a full time equivalent (FTE) student placed Florida 37th in the nation at \$1,688. The national average was estimated at \$2,155¹.

Section 1009.24, F.S., specifies the fees which state universities are authorized to charge. The authorized fees for the Fall 2004 term are:

- Tuition
- Out-of-state
- Activity and service
- Health
- Athletic
- Financial aid
- Capital improvement/ building fee
- Miscellaneous fees and user fees which include a transportation access fee.

According to the Department of Education, six state universities charge a transportation access fee. The university and the amount of the charge per credit hour are as follows:

•	University of Florida	\$4.10
•	Florida State University	\$4.90
•	University of South Florida	\$2.25
•	University of West Florida	\$1.00
•	University of Central Florida	\$3.90
•	Florida Gulf Coast University	\$5.29

According to the University of Florida, the university and the City of Gainesville entered into an interlocal agreement as part of a growth management agreement. The goal of the agreement was to mitigate the impact of university transportation related issues specifically by taking cars off the road, and by reducing the demand for on-campus parking. To accomplish this goal, the university has contracted with the Gainesville Regional Transit System to provide students unlimited access to the city bus system. It is estimated that 53,000 riders per day use the bus system and that 70 to 75 percent of its daily rider ship is university students. The result has been that the Gainesville system is now the third or fourth busiest bus system in the state.

A committee of students and administrators determines which routes and service will be included in each annual contract. The higher the number of routes and level of service requested, the higher the cost. In general, busy stops are serviced every 10 to 15 minutes. Most stops are visited at least every 30 minutes. Routes are designed per student requests to visit specific apartment and condominium complexes, businesses and university sites. In addition, there is an intercampus route allowing students to travel from one part of campus to another. In general,

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¹ Department of Education information based on a Washington state five year tuition study.

hours of service are from 5:00 AM to midnight but certain routes may run later hours on weekends or for specific occasions. The university collects the fee and pays the city but does not keep any of the fee as an administrative charge.

Although students attending Santa Fe Community College may live in the same complexes or areas as University of Florida students, other than for the usual city bus routes, there are currently no special stops, times, or routes for Santa Fe Community College's students. Students taking classes at both the community college and the university or who are enrolled in dual enrollment classes on a campus may not find convenient routes or timing for travel from the college to the university or vice versa. In general, the result is that students travel to and from the college campus by car.

Fines are not usually considered a service but rather a punitive assessment for violating certain directed behavior. Most community colleges do not establish the amount of a fine based on how much it cost to levy the fine.

III. Effect of Proposed Changes:

The Committee Substitute for Senate Bill 542 has primarily been filed at the request of Santa Fe Community College to enable its students to participate in an existing transportation network with the City of Gainesville Regional Transit System and the University of Florida. The effect of the proposed statutory change, however, would be a general change to the statutes providing discretionary authority to any community college board of trustees to charge a user fee for transportation purposes. While the type of transportation related activities paid for by the fee would be decided by the local board of trustees, because this is a user fee, those charged the fee and the amount of the fee would be limited to persons receiving the service and limited to an amount to cover the cost of the service provided.

In the specific case of Santa Fe Community College, the college believes that by participating in the existing contract between the university and city, it will reduce the congestion and parking problems facing the college and provide students a relatively inexpensive and viable option for travel. The college currently enrolls 10,358 FTE fee paying students. Based on 30 hours per FTE, if the college were to charge the same \$4.10 per credit hour fee as the University of Florida, the college would have generated \$1,274,034 for transportation services in the current year.

Although there has been some question raised as to whether the community colleges already have the authority to charge a transportation fee under the existing statutes and through State Board of Education rule, the effect of the Committee Substitute would be to ensure that there is no doubt of that authority by placing it in the statutes².

The Committee Substitute amends current statutory language to clarify that fines are not assessed based on the cost of providing a service.

² State Board of Education rule 6A-14.054 Student Fees: (6) "Each board of trustees may establish user fees in addition to tuition fees for services that incur unusual costs. Such user fees shall not exceed the cost of the goods or services provided and shall only be charged to students or agencies receiving those goods or services."

The effective date of the Committee Substitute is July 1, 2005.

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:

Should a community college board of trustees choose to charge a transportation fee, there will be increased revenue to the institution. Because this fee is a user fee, the revenue generated should match the expenditure for the associated transportation activities funded from the fee. There are 254,946 actual fee paying full time equivalent (FTE) students in the community college system for the 2004-2005 academic year. If the fee had been approved by all of the community colleges, each \$1.00 assessed would have generated \$7,648,380 statewide. Because not all community colleges may decide to charge the fee, and a per credit hour charge might vary by institution, it is not known how much revenue the fee will actually generate.

The Committee Substitute amends current statutory language to clarify that fines are not assessed based on the cost of providing a service

B. Private Sector Impact:

To the extent a community college board of trustees decides to charge a transportation fee, the cost per credit hour to the student of attending the community college will be increased. However, while the student would bear the cost of the fee, they would also be the recipient of the service.

Should a community college levy the transportation fee there might be a fiscal impact on Prepaid Tuition Plans which include coverage of local fees. While this might not affect current holders of a plan, future purchasers of local fee coverage plans may pay a higher price to cover the local fees.

C. Government Sector Impact:

If the transportation fee is included within the local fees eligible to be paid from a Bright Futures Scholarship, the cost to the state will be increased.

VI. Technical Deficiencies:

None.

VII. Related Issues:

None.

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

VIII. Summary of Amendments:

None.

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