

# 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.)

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Prepared By: Education Appropriations Committee

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BILL: CS/SB 658

SPONSOR: Education Appropriations Committee and Senator Sebesta

SUBJECT: Student Fees/University of South Florida St. Petersburg

DATE: April 12, 2005

REVISED: \_\_\_\_\_

	ANALYST	STAFF DIRECTOR	REFERENCE	ACTION
1.	Matthews	O'Farrell	ED	<b>Favorable</b>
2.	Bryant	Newman	EA	<b>Favorable/CS</b>
3.			WM	
4.				
5.				
6.				

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## I. Summary:

The Committee Substitute authorizes the Campus Board of the University of South Florida St. Petersburg (USF St. Petersburg) to submit a proposal to levy a student-center-support fee. The fee may be used to retire bonds or other debt issued for the planning, constructing, equipping, or operating of the student center facility.

The fee must be recommended by a committee, at least half of whom are students appointed by the president of the student body and the remainder appointed by the campus board. The campus board and the president of the student body shall jointly appoint a chairperson, who only votes in case of a tie. A fee may not be levied until approved by the University of South Florida (USF) president and the USF Board of Trustees.

The fee would not be included in calculating the amount a student receives under the Bright Futures Scholarships Program.

This bill substantially amends s. 1009.24, F.S.

## II. Present Situation:

### *The University of South Florida St. Petersburg*

In 1969, the Legislature authorized the former Board of Regents to establish the St. Petersburg branch of the University of South Florida (USF).<sup>1</sup> The branch was operated and maintained as a part of the university.

In 2001, the Legislature converted the branch campus of USF St. Petersburg into a fiscally autonomous campus with a separate campus board and executive officer.<sup>2</sup> The USF Board of Trustees was directed to appoint the members of the campus board from recommendations of the USF President, who appoints the Campus Executive Officer of USF St. Petersburg.<sup>3</sup> In addition, the Legislature required USF to seek separate accreditation for the St. Petersburg campus.<sup>4</sup> If the application for accreditation is not approved or is provisionally approved, USF must correct any deficiencies and continue to work towards accreditation.<sup>5</sup>

The University of South Florida St. Petersburg remains accredited under the system-wide accreditation of USF.<sup>6</sup> The university's separate accreditation application is pending with the Southern Association for Colleges and Schools (SACS).<sup>7</sup> In 2004, USF delegated academic authority to the campus board and its campus executive officer.<sup>8</sup> Accordingly, last year, USF St. Petersburg began offering degrees under its own designation.<sup>9</sup>

### *Enrollment*

Over 4,600 students are enrolled in 34 undergraduate and graduate degree programs at USF St. Petersburg. The student body is composed of 50 percent full-time students. About 80 percent of the students are undergraduate students.

### *Student Center*

Although construction is scheduled to begin in April 2005 on the campus' first residence hall, the campus does not have a student center facility. On January 20, 2005, the student government president indicated that a student center would be pivotal to support the growth of the student population at USF St. Petersburg.<sup>10</sup> The student government held several town meetings regarding the creation of a new student fee that would generate funds for a student center.<sup>11</sup> A

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<sup>1</sup> Section 1, ch. 69-363, L.O.F.

<sup>2</sup> Section 37, ch. 2001-170, L.O.F.

<sup>3</sup> Id.

<sup>4</sup> Id.

<sup>5</sup> Id.

<sup>6</sup> <http://www.stpt.usf.edu/ceo/index.htm>

<sup>7</sup> Id.

<sup>8</sup> Id.

<sup>9</sup> Id.

<sup>10</sup> Correspondence from Thomas J. Piccolo, Student Government President of USF St. Petersburg, to Dr. Debra Austin, Chancellor of the Division of Colleges and Universities, dated January 20, 2005.

<sup>11</sup> Id.

majority of those students present at the meetings indicated their support for the creation of a new fee to finance construction.<sup>12</sup>

### *Student Fees*

According to the Department of Education, students at USF St. Petersburg currently pay the following fees per credit hour:

- Activity and Service Fee: \$9.16
- Athletic Fee: \$2.25 plus a \$5 per semester flat fee
- Health Fee: \$0.60
- Capital Improvement Trust Fund Fee: \$2.44

Under s. 1009.24, F.S., student fees for the Activity and Service, Athletic, and Health fees may not exceed 40 percent of the tuition established by law or the General Appropriations Act (GAA). Students at USF St. Petersburg currently pay fees equating to approximately 18 percent of their tuition. According to the Department of Education, approximately \$1.2 million in Capital Improvement Trust Fund Fees have been allocated to USF St. Petersburg for the 2005-2006 fiscal year.

### **III. Effect of Proposed Changes:**

The committee substitute authorizes the Campus Board of the USF St. Petersburg to submit a proposal to levy a student-center-support fee which may be used to retire bonds or other debt issued for the planning, constructing, equipping, or operating of the student center facility. The fee must be recommended by a committee, at least half of whom are students appointed by the president of the student body and the remainder appointed by the campus board. The campus board and the president of the student body shall jointly appoint a chairperson, who only votes in case of a tie. A fee may not be levied until approved by the USF president and the USF Board of Trustees.

The fee would not be included in calculating the amount a student receives under the Bright Futures Scholarships Program.

Under s. 1009.24, F.S., the sum of the activity and service fee, athletic fee, and health fee may not exceed 40 percent of the tuition established by law or the GAA.<sup>13</sup> Moreover, within the 40 percent cap, a university may not increase the aggregate sum of those fees more than 5 percent per year unless authorized by law or the GAA. Currently, the sum of those fees at USF St. Petersburg is approximately 18 percent of tuition. The committee substitute limits the student-center facility fee to the 40 percent total cap but not the 5 percent per year cap.

The bill takes effect July 1, 2005.

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<sup>12</sup> Id.

<sup>13</sup> The 2004 Legislature exempted an athletic fee for universities attempting to defray the cost associated with changing athletic divisions within the National Collegiate Athletic Association (NCAA) from the 40 percent cap and the 5 percent per year increase cap. However, the fee could not exceed \$2.00 per credit hour. (s. 1, ch. 2004-352).

**IV. Constitutional Issues:****A. Municipality/County Mandates Restrictions:**

None.

**B. Public Records/Open Meetings Issues:**

None.

**C. Trust Funds Restrictions:**

None.

**D. Other Constitutional Issues:**

*Board of Governors; Art. IX, Section 7 of the State Constitution*

Article IX, Section 7 of the State Constitution provides that the Board of Governors shall operate, regulate, control, and be fully responsible for the management of the whole university system. The courts have not interpreted this provision with respect to the extent of the powers and duties of the Board of Governors. A lawsuit was filed on December 21, 2004, against the Board of Governors and the State Board of Education seeking a declaratory action, among other things, regarding the Board of Governor's powers and duties with respect to the state university system including the power to set tuition and fees. The results of this lawsuit may have an impact on the constitutionality of the bill.

**V. Economic Impact and Fiscal Note:****A. Tax/Fee Issues:**

The bill authorizes the levy of an additional student fee to establish and maintain a student-center facility. The amount of the fee would be determined at the local level.

**B. Private Sector Impact:**

Students at USF St. Petersburg would incur additional costs if the fee is adopted. The amount of additional costs is determined at a future date by the bill's designated committee.

**C. Government Sector Impact:**

The proposed student-center fee is a new fee that would generate additional revenue for USF St. Petersburg. Since the amount of the fee is not provided for in the bill, the amount of revenue that adoption of the fee would generate is indeterminate. However, the Department of Education has estimated that 77,500 credit hours were attempted at USF St. Petersburg during the 2004-2005 school year. Accordingly, \$77,500 would be

generated for every \$1.00 of proposed fee collected. This fee is limited as a portion of specified local fees to a maximum of 40% of tuition.

The bill exempts the fee from payment under the Bright Futures Scholarship Program.

**VI. Technical Deficiencies:**

None.

**VII. Related Issues:**

None.

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

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## **VIII. Summary of Amendments:**

None.

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