

HOUSE OF REPRESENTATIVES STAFF ANALYSIS

BILL #: HB 917 University of South Florida St. Petersburg
SPONSOR(S): Rice
TIED BILLS: **IDEN./SIM. BILLS:** SB 658

REFERENCE	ACTION	ANALYST	STAFF DIRECTOR
1) <u>Colleges & Universities Committee</u>	_____	<u>Hunt</u>	<u>Tilton</u>
2) <u>Education Appropriations Committee</u>	_____	_____	_____
3) <u>Education Council</u>	_____	_____	_____
4) _____	_____	_____	_____
5) _____	_____	_____	_____

SUMMARY ANALYSIS

In 2001, the Legislature converted the branch campus of the University of South Florida in St. Petersburg (USF-St. Petersburg) into a fiscally autonomous, separately accredited campus with a separate campus board and executive officer.

Under s. 1009.24, F.S., each board of trustees is required to set university tuition and fees, and is authorized to establish separate activity and service, health, and athletic fees for any branch campus. The USF-St. Petersburg campus board is responsible for determining in a letter of agreement any allocation or sharing of student fee revenue between the USF main campus and USF-St. Petersburg.¹ In addition to the activity and service, health, and athletic fees, s. 1009.24, F.S. enumerates a number of different fees university boards of trustees are required or authorized to establish.

The bill authorizes the campus board of USF-St. Petersburg to forward a proposal to the USF Board of Trustees to establish a student-center-support fee.

The bill requires that:

- The aggregate amount collected from the fee in a fiscal year may not exceed the amount necessary in that fiscal year to retire indebtedness issued or procured for the purpose of planning, constructing, equipping, and operating the student center.
- The fee must be recommended by a committee, at least half of whom must be students appointed by the president of the student body, with the remainder appointed by the campus board.
- The recommendations of the committee shall take effect only after approval by
 - The university president after consultation with the student body president, and
 - The USF Board of Trustees.

The bill also requires that the amount of the fee will not be included in the calculation of Bright Futures scholarship award amounts.

The bill presents several drafting issues. **See Drafting Comments.**

The fiscal impact of the bill is indeterminate. **See Fiscal Comments.**

¹ S. 1004.33, F.S.

FULL ANALYSIS

I. SUBSTANTIVE ANALYSIS

A. HOUSE PRINCIPLES ANALYSIS:

Ensure lower taxes – The bill authorizes the establishment of a new student fee at the University of South Florida-St. Petersburg.

B. EFFECT OF PROPOSED CHANGES:

Background

In 2001, the Legislature converted the branch campus of the University of South Florida in St. Petersburg (USF-St. Petersburg) into a fiscally autonomous, separately accredited campus with a separate campus board and executive officer. The campus is over 35 years old and is the largest regional campus of the University of South Florida (USF). The campus has over 4,600 students enrolled in 24 undergraduate and 10 graduate degree programs.² The powers and duties of the campus board of USF-St. Petersburg are established in law, but additional powers and duties may also be delegated by the USF Board of Trustees. Students enrolled at USF-St. Petersburg have the same rights and obligations as provided by law, policy, or rule adopted by USF.³

USF-St. Petersburg is the only campus of its size within the state university system without a student center. USF-St. Petersburg will complete the construction of its first residence halls in 2006; a student center would extend student services on campus. The student center would support the growth of the student population at USF-St Petersburg by housing meeting rooms, dining facilities, classroom space, study areas, club offices, and a multi-use lecture hall. It would also serve as a social center for students living both on campus and off.⁴

According to the student government president, in a number of town hall meetings held by the USF-St Petersburg student government in 2003-2004, a majority of students were in favor of creating a fee to finance construction on a student center.⁵

Under s. 1009.24, F.S., each board of trustees is required to set university tuition and fees, and is authorized to establish separate activity and service, health, and athletic fees for any branch campus. The USF-St. Petersburg campus board is responsible for determining in a letter of agreement any allocation or sharing of student fee revenue between the USF main campus and USF-St. Petersburg.⁶ The total of the activity and service, health, and athletic fees is capped at 40% of tuition and must not increase by more than 5% each year. According to the Department of Education (DOE), students at USF-St. Petersburg currently pay the following fees per credit hour:

- Activity and Service Fee - \$9.16 per credit hour
- Athletic Fee - \$2.25 per credit hour, plus a \$5 per semester flat fee
- Health fee - \$.60 per credit hour.

Currently, these fees equate to approximately 18% of tuition.⁷

In addition to the capped fees, s. 1009.24, F.S. enumerates a number of different fees university boards of trustees are required or authorized to establish. The required fees include a \$2.44 per credit hour

² University of South Florida, Student Center Background Paper.

³ Section 1004.33, F.S.

⁴ Letter from Thomas J. Piccolo, USF-St. Petersburg Student Government President, to Dr. Debra Austin, Chancellor of Colleges and Universities, Florida Department of Education, January 20, 2005.

⁵ *Id.*

⁶ Section 1004.33, F.S.

⁷ Florida Department of Education 2005 Legislative Bill Analysis, HB 917, March 15, 2005, at 2.

Capital Improvement Trust Fund (CITF) fee. Fee revenue from the CITF fees is used for the construction of campus facilities; approximately \$1.2 million in CITF fees were allocated to USF-St. Petersburg for the 2005-06 fiscal year.⁸ The administration of USF-St. Petersburg plans to utilize all CITF funds from the past two academic years for the acquisition of property and construction for the center. However, the present student enrollment of the St. Petersburg campus does not generate enough CITF funding to completely fund the center.⁹

Mandatory fees required to register for courses are currently included in the calculation of Bright Futures scholarship awards¹⁰, with the exception of athletic fees exceeding the 40% and 5% caps levied to defray the cost associated with universities changing National Collegiate Athletic Association divisions.

Effect of Proposed Changes

The bill authorizes the campus board of USF-St. Petersburg to forward a proposal to the USF Board of Trustees to establish a student-center-support fee.

The bill requires that:

- The aggregate amount collected from the fee in a fiscal year may not exceed the amount necessary in that fiscal year to retire indebtedness issued or procured for the purpose of planning, constructing, equipping, and operating the student center.
- The fee must be recommended by a committee, at least half of whom must be students appointed by the president of the student body, with the remainder appointed by the campus board.
- The recommendations of the committee shall take effect only after approval by
 - The university president after consultation with the student body president, and
 - The USF Board of Trustees.

The bill also requires that the amount of the fee will not be included in the calculation of Bright Futures scholarship award amounts.

C. SECTION DIRECTORY:

Section 1: Amends s. 1004.33, F.S. to authorize the Campus Board of the University of South Florida St. Petersburg to forward a proposal to levy a student-center-support fee, to provide a standard for the maximum amount of fees collected, to provide procedures for the establishment of the fee, and to prohibit the inclusion of the fee in the calculation of Bright Futures scholarship awards.

Section 2: Provides an effective date of July 1, 2005.

II. FISCAL ANALYSIS & ECONOMIC IMPACT STATEMENT

A. FISCAL IMPACT ON STATE GOVERNMENT:

1. Revenues:

This bill does not appear to have a fiscal impact on state government revenues.

2. Expenditures:

This bill does not appear to have a fiscal impact on state government expenditures.

⁸ *Id.*, at 3.

⁹ Letter from Thomas J. Piccolo, USF-St. Petersburg Student Government President, to Dr. Debra Austin, Chancellor of Colleges and Universities, Florida Department of Education, January 20, 2005.

¹⁰ Sections 1009.534, 1009.535, and 1009.536, F.S.

B. FISCAL IMPACT ON LOCAL GOVERNMENTS:

1. Revenues:

Please see FISCAL COMMENTS.

2. Expenditures:

This bill does not appear to have a fiscal impact on local government expenditures.

C. DIRECT ECONOMIC IMPACT ON PRIVATE SECTOR:

The bill authorizes the USF Board of Trustees to establish a new fee for students at the USF-St. Petersburg campus, which, if established, would increase the cost of attendance for those students. The bill provides that the fee will not be included in the calculation of Bright Futures awards, so even students with scholarships will be required to pay the fee out-of-pocket.

D. FISCAL COMMENTS:

The fiscal impact of the bill is indeterminate.

According to the DOE, students at USF-St. Petersburg currently pay the following fees per credit hour:

- Activity and Service Fee - \$9.16 per credit hour
- Athletic Fee - \$2.25 per credit hour, plus a \$5 per semester flat fee
- Health fee - \$.60 per credit hour.

The bill would allow the USF-St. Petersburg campus to raise additional revenue from a new student fee to fund the construction and operation of a student center. For 2004-05, USF-St. Petersburg is estimated to generate 77,500 credit hours. Therefore, it is estimated that \$77,500 would be generated for every \$1.00 per credit hour collected from the proposed fee.¹¹ The only limitation on the amount of the fee provided in the bill is that the total revenue collected may not exceed the amount needed for the student center in the same fiscal year.

The fee will not be included in the calculation of Bright Futures awards.

III. COMMENTS

A. CONSTITUTIONAL ISSUES:

1. Applicability of Municipality/County Mandates Provision:

None.

2. Other:

None.

B. RULE-MAKING AUTHORITY:

None.

C. DRAFTING ISSUES OR OTHER COMMENTS:

The bill prohibits the aggregate amount collected from the fee in a fiscal year from exceeding the amount needed for certain costs related to the student center. According to the Department of Education, this may present implementation problems. For example, if the campus generates more in

¹¹ Florida Department of Education 2005 Legislative Bill Analysis, HB 917, March 15, 2005, at 2.

fee revenues than is necessary, it is unclear if the fee in the next year would be reduced in order to use the excess funds. Similarly, if the fee does not generate enough revenue to meet the need in a given year, it is unclear if the fee in future years could be increased to cover the prior year's costs.¹²

The bill references a legislative mandate to establish the USF-St. Petersburg campus as a campus of the USF system. The term "USF system" is not presently used in the section, and could be confusing given the consistent usage of the term "state university system" to reference the entire state university system.

The activity and service, health, and athletic fees are required for course registration and are limited to an aggregate cap of 40% of the cost of tuition. The bill does not subject the new student-center-fee to any cap. Currently, students at USF-St. Petersburg pay fees equating to approximately 18% of their tuition.¹³

IV. AMENDMENTS/COMMITTEE SUBSTITUTE & COMBINED BILL CHANGES

¹² *Id.* at 3.

¹³ *Id.* at 2.