

**HOUSE OF REPRESENTATIVES STAFF ANALYSIS**

**BILL #:** HB 5021C PCB PBC 07C-11 Tuition and Fees for Higher Education  
**SPONSOR(S):** Policy & Budget Council and Pickens  
**TIED BILLS:** **IDEN./SIM. BILLS:**

REFERENCE	ACTION	ANALYST	STAFF DIRECTOR
Orig. Comm.: Policy & Budget Council	27 Y, 1 N	Eggers\Martin	Hansen
1) _____	_____	_____	_____
2) _____	_____	_____	_____
3) _____	_____	_____	_____
4) _____	_____	_____	_____
5) _____	_____	_____	_____

**SUMMARY ANALYSIS**

The bill repeals a provision that requires the State Board of Education to adopt each year a student fee schedule for the following programs: workforce development education; advanced and professional education; associate in science degree; and college preparatory. The bill also repeals a provision that provides for state university undergraduate tuition to be established annually in the General Appropriations Act.

The bill establishes resident tuition, effective January 1, 2008, for each of the following programs: workforce development education; advanced and professional education; postsecondary vocational; college preparatory; educator preparatory; community college baccalaureate degree; and lower level and upper level coursework at state universities.

The bill increases resident tuition by five percent at public postsecondary educational institutions for the 2007-2008 fiscal year and provides for annual tuition rate adjustments for inflation. See FISCAL COMMENTS.

The bill amends ss. 1009.22, 1009.23, and 1009.24, Florida Statutes.

## FULL ANALYSIS

### I. SUBSTANTIVE ANALYSIS

#### A. HOUSE PRINCIPLES ANALYSIS:

Promote Personal Responsibility: The bill enables students and educational institutions to take responsibility for more of the cost of postsecondary education.

#### B. EFFECT OF PROPOSED CHANGES:

##### **Present Situation:**

Section 1009.22 (3) and (10), F.S., directs the State Board of Education to adopt no later than December 31 of each year a schedule of fees for workforce education. The fee schedule shall be based on the amount of student fees necessary to produce 25 percent of the prior year's average cost of a course of study leading to a certificate or diploma. Unless otherwise specified in the General Appropriations Act, this fee schedule shall take effect. For the past several years, the State Board of Education has not adopted a fee schedule and the fees have been specified annually in the General Appropriations Act.

Section 1009.23 (3), F.S., directs the State Board of Education to adopt by December 31 of each year a resident fee schedule for advanced and professional, associate in science degree, and college preparatory programs that produces revenues in the amount of 25 percent of the prior year's cost of these programs. In the absence of a provision to the contrary in an appropriations act, this fee schedule shall take effect. If the Legislature provides an alternative fee schedule in an appropriations act, the alternative fee schedule shall take effect the subsequent fall semester. For the past several years, the State Board of Education has not adopted a fee schedule and the fees have been specified annually in the General Appropriations Act.

Section 1009.24, F.S., provides that except as otherwise provided by law, undergraduate tuition shall be established annually in the General Appropriations Act. For the past several years undergraduate tuition has been specified annually in the General Appropriations Act.

##### **Effect of Proposed Changes:**

The bill establishes in law the resident tuition for all public postsecondary education institutions, with an effective date of January 1, 2008. The established rates for community colleges and state universities include an increase of five percent over the fiscal year 2006-2007 rates.

The bill also establishes in law an automatic annual tuition adjustment for inflation, unless otherwise provided in the General Appropriations Act. The bill requires the Office of Economic and Demographic Research to report the rate of inflation each year to the Legislature, the Governor, the State Board of Education, and the Board of Governors prior to March 1.

The effective date of the bill is upon becoming law.

C. SECTION DIRECTORY:

**Section 1.** Amends s. 1009.22, F.S., relating to workforce education postsecondary student fees, to provide that, effective January 1, 2008, the standard resident tuition per contact hour shall be \$1.67 for Career Certificate or Applied Technology Diploma and \$0.83 for Adult General Education. School districts and community colleges are authorized to adopt resident tuition that is within the range of five percent below to five percent above the standard tuition. The maximum increase in resident tuition for any school district or community college during the 2007-2008 fiscal year shall be five percent over the tuition charged during the 2006-2007 fiscal year. This section also establishes in law an automatic annual tuition adjustment for inflation, unless otherwise provided in the General Appropriations Act.

**Section 2.** Amends s. 1009.23, F.S., relating to community college student fees, to provide tuition and fee rates, effective January 1, 2008, for the following programs: advanced and professional, postsecondary vocational, college preparatory, and educator preparatory. The sum of the standard tuition and the technology fee per credit hour for students who are residents for tuition purposes shall be \$51.35. The sum of the standard tuition, the technology fee, and the out-of-state fee per credit hour for students who are nonresidents for tuition purposes shall be \$154.14. Additionally, this section provides that, effective January 1, 2008, the resident tuition per credit hour for community college baccalaureate programs shall be \$65.47; the tuition and out-of-state fee for students who are nonresidents for tuition purposes shall not exceed 85 percent of the sum of the tuition and out-of-state fees at the state university nearest the community college. This section also establishes in law an automatic annual tuition adjustment for inflation, unless otherwise provided in the General Appropriations Act.

**Section 3.** Amends s. 1009.24, F.S., relating to state university student fees, to provide that, effective January 1, 2008, the resident undergraduate tuition per credit hour for lower level and upper level coursework shall be \$77.39. This section also establishes in law an automatic annual tuition adjustment for inflation, unless otherwise provided in the General Appropriations Act.

**Section 4.** Establishes an effective date.

**II. 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:

See FISCAL COMMENTS.

2. Expenditures:

See FISCAL COMMENTS.

C. DIRECT ECONOMIC IMPACT ON PRIVATE SECTOR:

See FISCAL COMMENTS.

D. FISCAL COMMENTS:

The bill increases resident tuition at public postsecondary educational institutions by five percent. The increases per contact hour and credit hour are as follows:

- \$0.08 per contact hour for workforce development education;
- \$2.44 per credit hour for community college advanced and professional, postsecondary vocational, college preparatory, and educator preparatory programs;
- \$3.11 per credit hour for community college baccalaureate programs; and
- \$3.68 per credit hour for lower level and upper level undergraduate courses at state universities.

The five percent increases in tuition are estimated to generate the following revenues for the Spring 2008 semester:

- \$629,614 for school district workforce programs;
- \$11,446,858 community colleges; and
- \$9,547,941 for state universities.

The bill provides for an automatic annual tuition rate adjustment for inflation, unless otherwise provided in the General Appropriations Act. This adjustment will impact state expenditures for the Bright Futures Scholarship Program. For the 2007-2008 fiscal year, each one percent tuition increase results in additional state expenditures of approximately \$3.6 million from the Educational Enhancement Trust Fund. For the 2007-2008 fiscal year, the rate of inflation, as defined in the bill, is approximately 2.0 percent.

### III. COMMENTS

A. CONSTITUTIONAL ISSUES:

The bill does not appear to raise constitutional issues.

1. Applicability of Municipality/County Mandates Provision:

Not applicable because this bill does not appear to: require the counties or cities to spend funds or take an action requiring the expenditure of funds; reduce the authority that cities or counties have to raise revenues in the aggregate; or reduce the percentage of a state tax shared with cities or counties.

2. Other:

B. RULE-MAKING AUTHORITY:

None.

C. DRAFTING ISSUES OR OTHER COMMENTS:

None.

D. STATEMENT OF THE SPONSOR

None.

IV. AMENDMENTS/COUNCIL SUBSTITUTE CHANGES