

The Florida Senate
BILL ANALYSIS AND FISCAL IMPACT STATEMENT

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

Prepared By: The Professional Staff of the Higher Education Committee

BILL: CS/SB 1996

INTRODUCER: Higher Education Committee and Senator Constantine

SUBJECT: State Universities/Capital Improvement Trust Fund

DATE: March 27, 2009 **REVISED:** _____

	ANALYST	STAFF DIRECTOR	REFERENCE	ACTION
1.	Harkey	Matthews	HE	Fav/CS
2.			FT	
3.			HI	
4.			WPSC	
5.				
6.				

Please see Section VIII. for Additional Information:

- | | | |
|------------------------------|-------------------------------------|---|
| A. COMMITTEE SUBSTITUTE..... | <input checked="" type="checkbox"/> | Statement of Substantial Changes |
| B. AMENDMENTS..... | <input type="checkbox"/> | Technical amendments were recommended |
| | <input type="checkbox"/> | Amendments were recommended |
| | <input type="checkbox"/> | Significant amendments were recommended |

I. Summary:

This bill would:

- Authorize university boards of trustees to increase the monetary threshold for the use of Public Education Capital Outlay (PECO) funds for the replacement of minor facility projects from \$1 million to \$2 million;
- Remove a prohibition on initiating a project until the state match has been received under the university facility challenge grant program; and
- Authorize a university board of trustees to implement a renewable energy fee with approval from the student body.

This bill amends s. 1001.74, 1009.01, 1009.24, 1009.98, 1013.64, 1013.78, and 1013.79, Florida Statutes.

II. Present Situation:

Public Education Capital Outlay Funds (PECO)

University boards of trustees may use appropriated PECO funds for the replacement of minor facilities provided that such projects do not exceed \$1 million in cost or 10,000 gross square feet in size.¹

University Student Fees

State university students pay a number of fees in addition to tuition.² The sum of the activity and service fee, health fee and athletic fee may not exceed 40 percent of tuition. The financial aid fee may not exceed 5 percent of tuition. The Capital Improvement Trust Fund Fee is \$2.44 per credit hour and the building fee is \$2.32 per credit hour. Beginning in fall 2009, a technology fee of up to 5 percent of tuition may be assessed. Certain universities are authorized to charge a tuition differential that may not exceed either 30 percent or 40 percent of tuition depending on the institution's eligibility level for assessing the differential.

University Facility Enhancement Challenge Grant Program

The Alec P. Courtelis University Facility Enhancement Challenge Grant Program assists universities to build high priority instructional and research-related capital facilities.³ A university must raise from private sources a contribution equal to one-half of the total cost of a facilities construction project in order to obtain an equivalent state match for the remaining one-half of the total cost.⁴ Universities may not include any federal, state, or local funds in its money-raising efforts.⁵ The state match is contingent upon an appropriation by the Legislature.⁶

Finally, universities are prohibited from initiating the project until the private funds for the planning, construction, and equipping of the facility have been received and deposited in an identified program account and the state match has been appropriated.⁷ A university may expend available funds from private sources to develop a prospectus, including architectural schematics or models, to use in its efforts to raise private funds for the facility.⁸ If the state's share of the match is insufficient, the university must renegotiate the contribution terms of the donors.⁹ If the project is terminated, each private donation, plus accrued interest, is remitted to the donor.¹⁰

¹ s. 1013.64, F.S.

² s. 1009.24, F.S.

³ s. 1013.79(2), F.S.

⁴ s. 1013.79(6), F.S.

⁵ s. 1013.79(2), F.S.

⁶ s. 1013.79(6), F.S.

⁷ s. 1013.79(5), F.S.

⁸ *Id.*

⁹ s. 1013.79(7), F.S.

¹⁰ *Id.*

III. Effect of Proposed Changes:

University Facilities Construction

The bill would increase the maximum amount of a continuing contract that a board of trustees could approve for professional architectural, engineering, landscape architectural, or surveying and mapping services. The maximum construction cost for a continuing contract is increased from \$1 million to \$2 million and the maximum fee for study activity is increased from \$100,000 to \$200,000.

The bill would increase the maximum allocation of funding for the replacement of minor facilities from \$1 million to \$2 million in cost.

By removing the current requirement that restricts project initiation until all state funds for planning, construction and equipping the facility have been received, the bill would permit the expenditure of private funds to initiate a project. This provision may increase the possibility of unfinished buildings if the state match is not appropriated.

Student Fee for Renewable Energy

The bill would authorize each university board of trustees to establish a renewable energy fee to be paid by all students, provided the student body of a university approved the fee as well. The fee would be limited to a maximum of \$5 per credit hour during its first year of implementation. The bill does not cap the fee after the first year. The fee would not be covered by Bright Futures Scholarships. A university assessing the fee would have to establish a renewable energy fee committee to determine how the fee would be spent. Use of the fee would be limited to renewable energy technologies or energy efficiencies that directly lower the university's greenhouse gas emissions, waste, or energy costs. A university would have to hold a referendum five years after the implementation of a renewable energy fee to determine if the students were interested in continuing the fee.

IV. Constitutional Issues:

A. Municipality/County Mandates Restrictions:

None.

B. Public Records/Open Meetings Issues:

None.

C. Trust Funds Restrictions:

None.

V. Fiscal Impact Statement:**A. Tax/Fee Issues:**

None.

B. Private Sector Impact:

If a state university's student body voted to establish a renewable energy fee, each student at the university would pay the fee, which would not be covered by Bright Futures Scholarships. If the maximum fee of \$5 per credit hour was assessed, the cost for 30 credit hours would be \$150 during the first year of implementation. The fee is not capped after the first year.

C. Government Sector Impact:

Universities would be able to have continuing contracts for construction-related services at a maximum of \$2 million and could pay up to \$200,000 for study activities related to such construction.

Universities would be able to use private funds to initiate a construction project. However, if matching state funds were not appropriated, the project might not be finished.

Universities that implemented a renewable energy fee would receive income from the fee for renewal energy projects and energy efficiency activities.

VI. Technical Deficiencies

None.

VII. Related Issues:

None.

VIII. Additional Information:**A. Committee Substitute – Statement of Substantial Changes:**

(Summarizing differences between the Committee Substitute and the prior version of the bill.)

CS by Higher Education on March 25, 2009:

The committee substitute:

- Does not increase the Capital Improvement Trust Fund and building fees;
- Increases the threshold for a continuing contract for planning and construction from \$1 million to \$2 million and increases the fee for a study activity from \$100,000 to \$200,000;
- Authorizes each university board of trustees to establish a renewable energy fee to be paid by all students at a maximum rate of \$5 per credit hour for the first year, which would not be covered by Bright Futures Scholarships; and

- Requires a committee to determine how the fee will be spent.

B. Amendments:

None.

This Senate Bill Analysis does not reflect the intent or official position of the bill's introducer or the Florida Senate.
