

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: SB 2216

INTRODUCER: Senator Gaetz

SUBJECT: State Employee Fee Waivers

DATE: April 4, 2009

REVISED: 04/07/08

	ANALYST	STAFF DIRECTOR	REFERENCE	ACTION
1.	Wilson	Wilson	GO	Favorable
2.	Harkey	Matthews	HE	Favorable
3.			HI	
4.			WPSC	
5.				
6.				

I. Summary:

This bill would revise the policy for state employee fee waivers at state universities and community colleges to:

- Authorize distance learning and on-line courses as eligible methods of enrollment and extend the limitations required for traditional course work to such enrollments;
- Require an employee’s supervisor rather than the agency head to authorize the employee’s participation in the program; and
- Permit the state employees in university and community college courses whose fees are waived to be calculated in the fundable student enrollments.

This bill amends s. 1009.265(1), Florida Statutes.

II. Present Situation:

State employees are provided an additional fringe benefit of enrolling in state university and community college courses at reduced personal expense if the curriculum complements or improves a job-related skill. Each employer makes an individual determination of approval subject to the employee satisfying the enrollment requirements of the educational institution. Senate employees, for example, may use a pre-populated form on the agency human resources page to request approval. Two state universities, Florida State University and the University of South Florida, have web links on this same page. A standard form for this purpose is published by the Department of Management Services for state agencies.

Legislative policy on the subject of sponsored educational opportunities has not been linear. Section 110.1099, F.S., the current statement of general law, permits such enrollment provided there can be some showing of residual benefit to the employer. However, there are no specific funds set aside for university funding. In some circumstances the agency may require the employee to reimburse the agency for training received if the employee terminates within four years of its completion. For the fiscal year 2001-2002 only, that same section prohibited state employees from receiving fundable tuition waivers on a space-available basis.

Section 1009.265, F.S., makes a similar policy statement on fee waivers and places a six-hour credit hour limit on such enrollments per term but makes the space-available limitation permanent. Participating institutions are reimbursed based upon an assessment methodology developed by the Department of Education.

From time-to-time, the Legislature enacts specific funding provisions as part of the annual General Appropriations Act to recognize the amount of course work that can be generated in any one academic term. Each employer determines whether time granted away from normal duties is to be recognized as approved leave.

Subsection (3) of section 8 of the General Appropriations Act for Fiscal Year 2008-2009, ch. 2008-152, Laws of Florida, provides:

“(3) OTHER PROVISIONS

- (a) The following items shall be implemented in accordance with the provisions of this act and with the applicable negotiated collective bargaining agreements:
1. The state shall provide up to six (6) credit hours of tuition-free course per term at a state university or community college to full-time employees on a space available basis as authorized by law.”

III. Effect of Proposed Changes:

This bill would permit the enrollment of state employees in university and community college courses without payment of tuition and permits that enrollment to be calculated in the fundable student enrollments. The bill specifically authorizes distance learning and on-line course as eligible methods of enrollment and extends the limitations required for traditional course work to such enrollments. An employee’s supervisor rather than the agency head would be required to authorize the employee’s participation in the program.

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:

While the bill waives tuition and fees, it leaves unaddressed, according to the impact statement prepared by the Board of Governors on March 12, 2009, whether that waiver extends to distance learning course user fees authorized under s. 1009.24 (17), F.S.¹

B. Private Sector Impact:

Affected state employees would receive a subsidy in the nominal costs of the course, excluding materials, as that number reflects the residual amounts either directly provided the participating universities or indirectly borne by the adjusted tuition and fees paid by the other students.

C. Government Sector Impact:

The bill allows credit hours generated by state employee fee waivers to be included in the calculation of FTE enrollments for state funding purposes. While the bill retains the requirement of the waiver only being used for space-available courses, there may be an indeterminate fiscal to the state with this provision.

The university or community college effectively discounts its course cost by the amount of tuition but gains the residual value of the public funding to the university. The effect would vary by campus and is itself a function of the student mix between traditional and distance learning enrollment.

The BOG reports that if distance learning courses had been subject to fee waivers in the 2007-2008 fiscal year the foregone revenue associated with this change would be \$111,000 for the 2007-08 fiscal year in the aggregate. The impact varies with each institution and its student-employee case mix. Total distance learning revenues for that period were \$23.6 million. However, the BOG also reports that distance learning courses are typically the first to fill with enrollments, and therefore space would rarely be available for state employees after the end of the drop and add period.

There were 311 total state employee waivers in FY 2007-08 with 132 enrolled in distance learning courses.

The BOG points out that since the initial implementation of the state employee waiver, the number and nature of fees has evolved, the setting of tuition for graduate coursework has been devolved to university boards, and differential tuition has been implemented at some universities. The effect of these changes are reflected in a changing ratio of state

¹ See s. 1009.23(16), F.S., for a similar authorization to assess a distance learning course user fee at a community college.

funded instruction to student funded instruction, with students gradually becoming responsible for a greater share of instructional costs. As the student share of the costs increase and the state share decreases, state mandated fee waivers such as the state employee waiver would have a much greater fiscal impact on colleges and universities.

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.)

None.

B. Amendments:

None.