

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 Committee on Higher Education

BILL: SB 1230

INTRODUCER: Senator Sachs

SUBJECT: State University Fee Waivers

DATE: February 5, 2016

REVISED: _____

	ANALYST	STAFF DIRECTOR	REFERENCE	ACTION
1.	Graf	Klebacha	HE	Favorable
2.	_____	_____	AED	_____
3.	_____	_____	AP	_____

I. Summary:

SB 1230 requires each state university to waive any or all application fees and tuition and related fees for certain graduate students (e.g., graduate assistants and associates), and specifies that such waivers must be funded from annual funds provided in the General Appropriations Act for the general operations of the university.

The bill takes effect July 1, 2016.

II. Present Situation:

The Legislature has enacted laws to make higher education affordable to students in Florida.

Tuition and Fees

The term “tuition” is defined as “the basic fee charged to a student for instruction provided by a public postsecondary educational institution in this state.”¹ An “out-of-state fee” is the additional fee for instruction provided by a public postsecondary educational institution charged to a student who does not qualify for the in-state tuition rate.”²

A student who is classified as a “resident for tuition purposes” is a student who qualifies for the in-state tuition rate.³ A “non-resident for tuition purposes” is defined as a “person who does not qualify for the in-state tuition rate,”⁴ and pays the out-of-state fee in addition to tuition.

¹ Section 1009.01(1), F.S. Additionally, the definition states that “[a] charge for any other purpose shall not be included within this fee.” *Id.*

² Section 1009.01(2), F.S. Adding that “[a] charge for any other purpose shall not be included within this fee.” *Id.*

³ Section 1009.21(1)(g), F.S.

⁴ Section 1009.21(1)(e), F.S.

State universities may assess the following fees:

- Activity and service fee.⁵
- Health fee.⁶
- Athletic fee.⁷
- Capital Improvement Trust Fund fee.⁸
- Student financial aid fee.⁹
- Technology fee.¹⁰
- Tuition differential fee.¹¹
- Distance learning course fee.¹²

Additionally, students may be assessed certain user fees, fines, and surcharges.¹³

Fee Waivers

Florida law affords waivers from specified fees to certain students who meet identified criteria.¹⁴ Additionally, the law authorizes each state university board of trustees to waive tuition and out-of-state fees for purposes that support and enhance the mission of the university.¹⁵ All fees waived must be based on policies that are adopted by the university board of trustees which must be based on regulations adopted by the Board of Governors.¹⁶

III. Effect of Proposed Changes:

SB 1230 requires state universities to waive any or all application fees and tuition and related fees for a graduate student who has at least a 0.25 full-time equivalent appointment as a graduate assistant, graduate research assistant, graduate teaching assistant, graduate research associate, or graduate teaching associate. As specified, current law provides authority to each state university board of trustees to waive tuition and out-of-state fees for purposes that support and enhance the mission of the university.¹⁷ The bill may limit the universities' "full flexibility" to assess and waive the specified fees that support and enhance the mission of the university, as authorized in law.¹⁸

⁵ Section 1009.24(4),(9),and (10), F.S.

⁶ Section 1009.24(4),(9),and (11), F.S.

⁷ Section 1009.24(4),(9),and (12), F.S.

⁸ Section 1009.24(8), F.S.

⁹ Section 1009.24(7), F.S.

¹⁰ Section 1009.24(13), F.S.

¹¹ Section 1009.24(16), F.S.

¹² Section 1009.24(17), F.S.

¹³ Sections 1009.24(14) and 1009.286, F.S.

¹⁴ Section 1009.26, F.S.

¹⁵ Section 1009.26(9), F.S.

¹⁶ *Id.*

¹⁷ *Id.*

¹⁸ Board of Governors, 2016 Agency Legislative Bill Analysis for SB 1230 (Jan. 27, 2016), at 2, on file with the Committee on Higher Education staff.

In accordance with the law, at least 75 percent of funds from the student financial aid fee must be used to provide financial aid based on absolute need.¹⁹ The waiver of the student financial aid fee may decrease the student financial aid funds to assist students in need.²⁰ The technology fee, if waived, may limit a university's ability to enhance informational technology resources for students and faculty.²¹

Additionally, the bill specifies that state universities must fund the tuition and fee waiver for specified graduate students from annual funds provided in the General Appropriations Act for the general operations of universities.

The bill takes effect July 1, 2016.

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:

The 2015-2016 state university system average for graduate tuition and related fees is \$442.05 per student credit hour.²² Based on 32 credit hours equaling 1 graduate FTE, the annual tuition and fee savings for a graduate student meeting the requirements of the bill may amount to \$14,146.²³ Additionally, the specified graduate students may also be eligible for a waiver from \$30 application fee, which is currently assessed by all 12 state universities.²⁴

¹⁹ Section 1009.24(7), F.S.

²⁰ Board of Governors, 2016 Agency Legislative Bill Analysis for SB 1230 (Jan. 27, 2016), at 2, on file with the Committee on Higher Education staff.

²¹ *Id.* at 3.

²² Board of Governors, 2016 Agency Legislative Bill Analysis for SB 1230 (Jan. 27, 2016), at 4, on file with the Committee on Higher Education staff.

²³ *Id.*

²⁴ *Id.* at 1.

C. Government Sector Impact:

In the 2015-2016 academic year, all 12 state universities assessed graduate students a \$30 non-refundable application fee. An estimated 12,748 graduate students would have been eligible for the application fee waiver required in the bill, resulting in the state universities forgoing an estimated \$382,440 in application fee revenues.²⁵

An estimated 112,684 in graduate student credit hours for Fall 2015 have been accumulated based on 5,582 full-time equivalent (FTE) graduate student appointments either exceeding or equaling to 0.25 FTE as a graduate assistant, graduate research assistant, graduate teaching assistant, graduate research associate, or graduate teaching associate.²⁶ The 2015-2016 state university system average for graduate tuition and related fees is \$442.05 per student credit hour.²⁷ Based on 32 credit hours equaling 1 graduate FTE, the annual fee assessment may amount to \$14,146.²⁸ Under this bill, the state university system may have generated \$50 million less in tuition revenues for the Fall 2015 term,²⁹ which on an annual basis, results in an estimated fiscal impact of over \$100 million less in tuition revenues.³⁰

VI. Technical Deficiencies:

None.

VII. Related Issues:

None.

VIII. Statutes Affected:

This bill substantially amends section 1009.26 of the Florida Statutes.

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

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

None.

B. Amendments:

None.

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

²⁵ *Id* at 1-2 and 4.

²⁶ *Id* at 4.

²⁷ *Id*.

²⁸ *Id*.

²⁹ Board of Governors, 2016 Agency Legislative Bill Analysis for SB 1230 (Jan. 27, 2016), at 4, on file with the Committee on Higher Education staff.

³⁰ *Id*.