

**HOUSE OF REPRESENTATIVES
FINAL BILL ANALYSIS**

BILL #:	CS/HB 7019	FINAL HOUSE FLOOR ACTION:	
SPONSOR(S):	Education Committee; Higher Education & Workforce Subcommittee; Porter and others	114 Y's	0 N's
COMPANION BILLS:	CS/SB 984	GOVERNOR'S ACTION:	Approved

SUMMARY ANALYSIS

CS/HB 7019 passed the House on February 18, 2016. The bill was amended by the Senate on March 10, 2016, and subsequently passed by the House on March 10, 2016.

The bill promotes college affordability by:

- Requiring public postsecondary institutions to publicly notice any proposal to increase tuition or fees at least 28 days prior to consideration by the board of trustees.
- Removing the authority for the Board of Governors (BOG) to delegate the establishment of tuition for graduate and professional programs and out-of-state fees to the university boards of trustees.
- Requiring the State Board of Education (SBE) and the BOG to annually identify strategies and initiatives to promote college affordability (including the impact of tuition and fees, financial aid policies, and textbook costs) and submit an annual report to the Governor, President of the Senate, and Speaker of the House of Representatives.
- Enhancing the current textbook affordability law to provide students with sufficient time and information to seek out the lowest available prices by:
 - Authorizing state university and Florida College System institution boards of trustees to adopt policies that allow innovative pricing techniques and payment options for textbooks and instructional materials. The bill requires an opt-in provision for students and stipulates that policies may be adopted only if there is documented evidence of cost savings;
 - Requiring public postsecondary institutions to conduct cost benefit analyses and report annually to chancellors on implementation of textbook affordability policies;
 - Requiring chancellors to summarize institutional reports and submit a summary to the SBE and BOG respectively; and
 - Requiring public postsecondary institution boards of trustees to report, by semester, the cost variance among sections and the length of time textbooks and other materials are in use for all general education courses. This provision expires July 1, 2018.

The bill may result in significant cost savings to students if the SBE and BOG identify strategies to promote college affordability and institution boards of trustees adopt policies that allow for innovative pricing techniques and payment options for textbooks and instructional materials. See FISCAL COMMENTS.

The bill was approved by the Governor on April 14, 2016, ch. 2016-236, L.O.F., will become effective on July 1, 2016.

I. SUBSTANTIVE INFORMATION

A. EFFECT OF CHANGES:

Tuition and Fees

Present Situation

State University System

Current law authorizes the Board of Governors (BOG), or the board's designee, to establish tuition for graduate and professional programs and out-of-state fees for all programs.¹ The BOG has adopted regulations related to the adoption of tuition and fees at state universities. The regulations authorize undergraduate tuition per credit hour to be charged as established in law and that each university board of trustees (UBOT) set out-of-state fees, graduate fees and myriad other associated student fees.² All university actions pertaining to undergraduate student tuition and fees require BOG approval and do not become effective until such approval is received.³

BOG regulation requires the board to authorize all fees assessed to students and that only tuition and fees outlined in the board regulations may be charged.⁴ The BOG's regulation development procedures for the university boards of trustees (UBOT) require that UBOTs give at least 30 days notice prior to any proposed adoption or repeal of a regulation. Notice of the proposed regulation, amendment or repeal must be published on a clearly marked area of the institution's website and include a summary of the proposed action, the full text of the proposed action, a reference to the authority for the regulation, the university official initiating the proposed action and a procedure for commenting on the proposed action. Following the adoption by the UBOT, the regulation must be provided to the BOG for adoption. All regulations pertaining to student tuition and fees require BOG approval and do not become effective until such approval is received.⁵

BOG staff surveyed each university to obtain information regarding the meeting notice policies for their boards of trustees. The majority of the university boards of trustees post meeting notices and/or materials on the institution website at least 7 days prior to the meeting. One institution posts meeting notices and/or materials at least 10 days in advance and several others at least 14 days in advance of the meeting. One institution also posts meeting notices in the local newspaper. In addition, three institutions indicated that meeting dates are provided as far in advance as an entire academic year.⁶

Florida College System

The State Board of Education (SBE) has adopted a rule related to student fees. The rule authorizes each Florida College System (FCS) institution board of trustees to establish, publish, collect, and budget student fees, and establish dates for the payment of such fees.⁷ Department of Education (DOE) staff surveyed the FCS institutions to obtain information regarding the meeting notice policies for their boards of trustees. The majority of FCS institutions post meeting notices and/or materials to their websites 7 to 14 days in advance of the meeting. Many institutions also indicated that the president speaks with student groups (e.g., student government association) to discuss consideration of tuition changes. In addition, several institutions indicated that meeting dates are provided as far in advance as an entire academic year.⁸

¹ Section 1009.24(4)(b), F.S.

² Board of Governors Regulation 7.001

³ Board of Governors, Regulation Development Procedure for University Boards of Trustees, *available at* <http://www.flbog.edu/aboutsus/ubt.php> (last viewed September 18, 2015).

⁴ Board of Governors Regulation 7.003

⁵ Board of Governors, Regulation Development Procedure for University Boards of Trustees, *available at* <http://www.flbog.edu/aboutsus/ubt.php> (last viewed September 18, 2015).

⁶ Email, Board of Governors, General Counsel (September 18, 2015)

⁷ Rule 6A-14.054, F.A.C.

⁸ Email, Department of Education, Florida College System (September 28, 2015).

Effect of the Bill

The bill removes the authority for the BOG to delegate the establishment of tuition for graduate and professional programs and out-of-state fees for all programs to the university boards of trustees. As a result, any changes to tuition and fees for graduate and professional programs must now be approved by the BOG.

The bill requires that each state university and FCS institution board of trustees publicly notice and notify all enrolled students of any proposal to increase tuition or fees at least 28 days before the consideration of such an increase at a board of trustees meeting. The notice must be posted on the institution's website and issued in a press release. Additionally, the notice must include the day and time of the meeting, specific details of the original tuition and fee, the rationale for the increase, and intended use of the funds generated by the increase in tuition rate or fee.

College Affordability

Present Situation

The average published annual cost of attendance for a full-time, undergraduate Florida resident at a state university for the 2013-14 academic year is \$20,529 for students living on campus and \$11,407 for students living off-campus with family. Comparably, at Florida College System (FCS) institutions, the average published annual cost of attendance for a full-time, Florida resident is \$16,511 for students living on campus and \$8,514 for students living off-campus with family.⁹ The cost of attendance data published by these institutions represents a general estimate and does not account for any financial assistance a student may receive.¹⁰

The average 2015-16 in-state tuition and fees at public four-year institutions in Florida is \$5,943, an increase of 7.4 percent over the last five years.¹¹ The average 2014-15 in-state tuition and fees at public two-year institutions in Florida is \$3,156, an increase of 14.2 percent over the last five years.¹² Nationally, the average cost of attendance has increased 6.4 percent at public four-year institutions and 14.8 percent at public two-year institutions from 2011-12 to 2013-14.¹³

Of the full-time resident undergraduates attending state universities, approximately 40 percent have a family income below \$40,000. At FCS institutions, approximately 50 percent of students have a family income below \$40,000.¹⁴ According to the United States Department of Education Office of Federal Student Aid, 253,170 students enrolled in FCS institutions and 114,056 students enrolled in state universities received federal Pell Grants for the 2014-15 year.¹⁵

⁹ Email, Florida Department of Education, Division of Florida Colleges and Florida Board of Governors, State University System (March 10, 2015)

¹⁰ Florida Board of Governors, *Affordability Study: presentation to the Education Appropriations Subcommittee* (March 4, 2015) available at

[http://myfloridahouse.gov/Sections/Documents/publications.aspx?CommitteeId=2830&PublicationType=Committees&DocumentType=Meeting Packets&SessionId=76](http://myfloridahouse.gov/Sections/Documents/publications.aspx?CommitteeId=2830&PublicationType=Committees&DocumentType=Meeting%20Packets&SessionId=76).

¹¹ Board of Governors, Tuition and Fees, available at <http://www.flbog.edu/about/budget/current.php> (last visited September 24, 2015).

¹² Florida Department of Education, Division of Florida Colleges, Tuition and Fees

¹³ U.S. Department of Education, College Affordability and Transparency Center, <http://collegecost.ed.gov/catc/> (last visited September 18, 2015)

¹⁴ Florida Board of Governors, *Affordability Study: presentation to the Education Appropriations Subcommittee* (March 4, 2015) available at

[http://myfloridahouse.gov/Sections/Documents/publications.aspx?CommitteeId=2830&PublicationType=Committees&DocumentType=Meeting Packets&SessionId=76](http://myfloridahouse.gov/Sections/Documents/publications.aspx?CommitteeId=2830&PublicationType=Committees&DocumentType=Meeting%20Packets&SessionId=76).

¹⁵ U.S. Department of Education, Federal Student Aid, <https://studentaid.ed.gov/sa/about/data-center/student/title-iv> (last visited September 28, 2015) (Data reported does not include Florida Polytechnic University).

Current law regarding textbook affordability requires FCS institutions and state universities to post textbooks required for each course offered during the upcoming term at least 30 days prior to the beginning of the term. The posted list must include the International Standard Book Number (ISBN) for each required textbook or other identifying information, which must include, at a minimum: the title, all authors listed, publishers, edition number, copyright date, published date and any other relevant information necessary to identify the required textbook. Additionally, the SBE and the BOG are required to adopt policies, procedures, and guidelines for the implementation of efforts to further minimize the cost of textbooks for students while ensuring that the quality of education and academic freedom is maintained.¹⁶

Effect of the Bill

The bill requires the SBE and the BOG to annually identify strategies and initiatives to promote college affordability (including the impact of tuition & fees, financial aid policies, and textbook and instructional materials costs) and submit an annual report to the Governor, President of the Senate, and Speaker of the House of Representatives by December 31st of each year.

The bill also enhances the current textbook affordability law to provide students with sufficient time and information to seek out the lowest available prices by requiring each FCS institution and state university board of trustees to examine, by semester, the cost of textbooks and instructional materials by course and section for all general education courses offered at the institution. This examination is intended to identify the variance in the cost of textbooks and instructional materials among different sections of the same course and the percentage of materials that remain in use for more than one term. All courses identified to have a wide variance in cost or frequent changes in textbook or instructional materials selection shall be identified and sent to the appropriate academic department chair for review. This provision shall expire on July 1, 2018, unless reviewed and reenacted.

The bill also requires each postsecondary institution to conduct cost benefit analyses that enable students to obtain the highest quality product for the lowest available price, by considering:

- Purchasing digital textbooks in bulk;
- Expanding the use of open-access textbooks and instructional materials;
- Providing rental options for textbooks and instructional materials;
- Increasing the availability and use of affordable digital textbooks and learning objects;
- Developing mechanisms to assist in buying, renting, selling, and sharing textbooks and instructional materials;
- Examining the length of time textbooks and instructional materials remain in use; and
- Evaluating the relative cost savings for “opt-in” provisions versus “out-out” provisions for students purchasing textbooks and instructional materials.

The bill authorizes state university and Florida College System institution boards of trustees to adopt, policies in consultation with providers, including bookstores, that allow for the use of innovative pricing techniques and payment options for textbooks and instructional materials. The bill requires an opt-in provision for students and stipulates that policies may be adopted only if there is documented evidence that they will reduce the cost of textbooks and instructional materials.

Each FCS institution and state university board of trustees shall report to its respective chancellor by September 30 of each year, the institution’s textbook and instructional materials selection process for general education courses with identified cost variances and high-enrollment courses, specific initiatives designed to reduce costs, implementation status of cost saving policies, and the number of courses and sections that were unable to meet the textbook and instructional materials posting deadline. By November 1 of each year, each chancellor is required to provide a summary of the institution reports to the SBE and BOG, as appropriate.

¹⁶ Section 1004.085(3), F.S.

The bill extends the textbook affordability requirements to instructional materials which is defined as educational materials used within a course that are available in either print or digital format. Each FCS institution and state university must post in the course registration system and on its website a hyperlink to both required and recommended textbooks and course materials for each course being offered during the upcoming term.

The bill also requires FCS institutions and state universities to consult with school districts in identifying practices that impact the cost of dual enrollment textbooks and instructional materials to school districts, including the length of time textbook and related instructional materials should remain in use.

II. FISCAL ANALYSIS & ECONOMIC IMPACT STATEMENT

A. FISCAL IMPACT ON STATE GOVERNMENT:

1. Revenues:

None.

2. Expenditures:

None.

B. FISCAL IMPACT ON LOCAL GOVERNMENTS:

1. Revenues:

None.

2. Expenditures:

None.

C. DIRECT ECONOMIC IMPACT ON PRIVATE SECTOR:

Students at state universities and colleges will benefit from having a sufficient amount of time and information to seek out the lowest available prices for textbooks and instructional materials. In addition, students may realize significant cost savings if institution boards of trustees adopt policies that allow innovative pricing techniques and payment options for textbooks and instructional materials.

D. FISCAL COMMENTS:

None.