

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 Education

BILL: SB 1276

INTRODUCER: Senator Stargel

SUBJECT: Postsecondary Educational Institution Affordability

DATE: March 31, 2017

REVISED: _____

	ANALYST	STAFF DIRECTOR	REFERENCE	ACTION
1.	Androff	Graf	ED	Favorable
2.			AHE	
3.			AP	
4.			RC	

I. Summary:

SB 1276 prohibits Florida College System institution boards of trustees and State University System institution boards of trustees from increasing statutorily authorized student fees. The bill also:

- Requires each state university to waive a portion of certain graduate students' fees.
- Eliminates the authority of the Board of Governors to consider and approve a state university's proposal to establish a new fee or increase the current cap for an existing fee, and deletes a related reporting requirement.
- Requires the Chancellor of the Florida College System and the Chancellor of the State University System to report, annually by November 1, to the Governor and the Legislature about the revenue generated by the distance learning fee and the use of such fee.

The bill takes effect July 1, 2017.

II. Present Situation:

Florida law authorizes postsecondary education institutions to charge tuition¹ and specified fees unless as otherwise provided.²

Florida College System Institution Student Fees

In addition to tuition per credit hour, Florida law authorizes each Florida College System (FCS) institution board of trustees to assess the following fees:

¹ Tuition means the basic fee charged to a student for instruction provided by a public postsecondary educational institution in this state. A charge for any other purpose is not included in this fee. Section 1009.01(1), F.S.

² Sections 1009.23(2) and 1009.24(2), F.S.

- A differential out-of-state fee for nonresident students.³
- An activity and service fee paid into a student activity and service fund expended for lawful purposes to benefit the student body in general.⁴
- A financial aid fee that shall be placed into the loan and endowment fund or scholarship fund of the college and disbursed to students as quickly as possible.⁵
- A technology fee, the revenues generated from which shall be used to enhance instructional technology resources for students and faculty.⁶
- A separate fee for capital improvements, technology enhancements, equipping student buildings, or the acquisition of improved real property.⁷
- A service charge for the payment of tuition and fees in installments and a convenience fee for the processing of automated or online credit card payments.⁸
- A distance learning course user fee to each student enrolled in a course listed in the distance learning catalog. A distance learning course is a course in which at least 80 percent of the direct course instruction is delivered by technology when the student and instructor are separated by time, space, or both.⁹
- A transient student fee for processing the transient student admissions application.¹⁰
- The following miscellaneous user fees and fines: laboratory fees; parking fees and fines; library fees and fines; fees and fines related to facilities and equipment use or damage; access or identification card fees; duplicating, photocopying, binding or microfilming fees; standardized testing fees; diploma replacement fees; transcript fees; application fees; graduation fees; and late fees related to student registration and payment.¹¹

Florida law also specifically permits the Board of Trustees of Santa Fe College to establish a transportation access fee.¹² The revenue from this fee can only be used to provide or improve access for students enrolled at the college.¹³

State University Student Fees

Florida law provides that all students enrolled in college credit programs at state universities will be charged fees, except students that are exempt or those whose fees are waived.¹⁴ The law specifically allows a state university to assess the following fees:

- A differential out-of-state fee, in accordance with regulations established by the Board of Governors for certain students specified in law.¹⁵
- A financial aid fee that cannot exceed 5 percent of the tuition and out-of-state fee.¹⁶

³ Section 1009.23(6)(b), F.S.

⁴ *Id.* at (7).

⁵ Section 1009.23(8)(a) and (b), F.S.

⁶ *Id.* at (10).

⁷ *Id.* at (11)(a).

⁸ *Id.* at (15).

⁹ *Id.* at (16).

¹⁰ *Id.* at (17).

¹¹ *Id.* at (12)(a).

¹² Sections 1009.23(18) and 1009.22(12)(a), F.S.

¹³ *Id.*

¹⁴ Section 1009.24(1) and (2), F.S.

¹⁵ *Id.* at (5).

¹⁶ *Id.* at (7).

- A Capital Improvement Trust Fund fee that is established in law. Each university board of trustees is allowed to increase this fee if it follows specified procedures.¹⁷
- Separate student activity and service, health and athletic fees that will be collected as part of tuition and fees and retained by the university and paid into the separate activity and service, health and athletic funds.¹⁸ The law provides that that the sum of the activity and service, health, and athletic fees a student is required to pay to register for a course may not exceed 40 percent of the tuition established in law or by the Legislature in the General Appropriations Act.¹⁹
- A student activity and service fee.²⁰
- A student health fee.²¹
- A separate athletic fee.²²
- A technology fee of up to 5 percent of the tuition per credit hour, the revenue of which is used to enhance instructional technology resources for students and faculty.²³
- A tuition differential for undergraduate courses.²⁴
- A distance learning course fee.²⁵
- The following additional miscellaneous fees: a nonrefundable application fee; an orientation fee; a fee for security, access or identification cards; registration fees for audit and zero-hours registration; a service charge for installment payment of tuition and fees; a late registration fee; a late-payment fee; fees for transcript and diploma replacements; a nonrefundable admissions deposit for undergraduate, graduate, and professional degree programs; a fee for miscellaneous health-related charges for services provided at cost by the university health center that are not covered by the health fee; materials and supplies fees to offset the cost of materials or supplies that are consumed during the student's instructional activities; housing rental rates and miscellaneous housing charges; a charge for the reasonable cost of efforts to collect overdue payments; a service charge on university loans in lieu of interest and administrative handling charges; certain fees for off-campus course offerings; fees for duplicating, photocopying, binding, microfilming, copyright services, and standardized tests; fees and fines related to the use, late return and loss and damage of facilities and equipment; a returned check-fee; traffic and parking fines, charges for parking decals, and transportation access fees; an educational research center for child development fee for child care and services offered by the center; a transient student fee.²⁶

The law also authorizes the Board of Governors to approve a proposal from a university board of trustees to establish a new fee that is not specifically provided for in law or to increase an

¹⁷ Section 1009.24(8), F.S.

¹⁸ *Id.* (9).

¹⁹ *Id.* at (4)(d).

²⁰ *Id.* at (10)(a).

²¹ *Id.* at (11).

²² Section 1009.24(12), F.S.

²³ *Id.* at (13).

²⁴ *Id.* at (16).

²⁵ *Id.* at (17).

²⁶ *Id.* at (14).

existing fee.²⁷ Florida law permits state universities to waive certain fees and tuition for specified students.²⁸

III. Effect of Proposed Changes:

SB 1276 prohibits Florida College System (FCS) institution boards of trustees and State University System institution boards of trustees from increasing statutorily authorized student fees. The bill also:

- Requires each state university to waive a portion of certain graduate students' fees.
- Eliminates the authority of the Board of Governors to consider and approve a state university's proposal to establish a new fee or increase the current cap for an existing fee, and deletes a related reporting requirement.
- Requires the Chancellor of the Florida College System and the Chancellor of the State University System to report, annually by November 1, to the Governor and the Legislature about the revenue generated by the distance learning fee and the use of such fee.

Florida College System Institution Student Fees

Specifically, the bill prohibits each FCS institution boards of trustees from increasing the following:

- Differential out-of-state fees.
- Separate activity and service fees.
- Separate financial aid fees.
- Separate technology fees.
- Separate capital improvement fees.
- Additional user fees and fines including laboratory fees; parking fees and fines; library fees and fines; fees and fines relating to facilities and equipment use or damage; access or identification card fees; duplicating, photocopying, bidding, or microfilming fees; standardized testing fees; diploma replacement fees; transcript fees; application fees; graduation fees; and late fees related to registration and payment.
- The service charge for paying tuition and fees in instalments and a convenience fee for the processing of online or automated credit card payments.
- The distance learning course user fees.
- The transient student fees.

Moreover, the bill specifically prohibits the Board of Trustees of Santa Fe College from increasing its transportation access fee.

The prohibition on increasing certain student fees may result in cost savings for the students enrolled in FCS institutions and lower revenues for the institutions.

State University Student Fees

The bill prohibits the board of trustees of each state university from increasing the following:

²⁷ Section 1009.24(15)(a)1-2., F.S.

²⁸ Section 1009.26, F.S.

- The athletic fees.
- The financial aid fees.
- The Capital Improvement Trust Fund fees.
- Any separate student activity and service, health, and athletic fees.
- Student activity and service fees.
- Any additional student health fees.
- Any separate athletic fees.
- The technology fees.
- Additional user fees including a nonrefundable application fee; an orientation fee; a fee for security, access or identification cards; registration fees for audit and zero hours registration; a service charge for installment payments of tuition and fees; a late registration fee; a late-payment fee; a fee for transcript or diploma replacement; a nonrefundable admissions deposit for undergraduate, graduate, and professional degree programs; miscellaneous health-related charges for services provided at cost by the university health center that are not covered in the health fee; materials and supplies fees to offset the costs of materials or supplies that are consumed by the student's instructional activities; housing rental rates and miscellaneous housing charges; a charge for the reasonable cost of efforts to collect overdue payments; a service charge on university loans in lieu of interest and administrative handling charges; certain fees for off-campus course offerings; fees for duplicating, photocopying, binding, microfilming, copyright services, and standardized tests; fees and fines related to the use, late return and loss and damage of facilities and equipment; a returned check-fee; traffic and parking fines, charges for parking decals, and transportation access fees; an educational research center for child development fee for child care and services offered by the center; a transient student fee.

The prohibition on increasing certain student fees may result in cost savings for students enrolled in the state institutions and lower revenues for such universities.

The bill also repeals the authority of the Board of Governors to approve a proposal from a university board of trustees to establish a new student fee that is not specifically authorized in law or a proposal to increase the current cap for an existing fee established in law. The bill deletes the requirement that the Board of Governors annually submit to the Governor, the President of the Senate, and the Speaker of the House of Representatives a report specifying information about newly proposed and established fees. By deleting this approval authority, the Board of Governors will not be able to consider proposals from any university board of trustees to establish any new or raise the cap on any existing student fees.

Fee Waivers

The bill also requires each state university to waive 25 percent of the fees specified in law for a graduate student who has a 0.25, or greater, full-time equivalent appointment as a graduate assistant, graduate research assistant, graduate teaching assistant, graduate research associate, or graduate teaching associate. The required fee waiver may decrease the student fee that certain graduate students are required to pay and may incentivize additional graduate students to seek appointments for which the 25 percent of fees are waived.

Distance Learning Course User Fee

In addition to prohibiting FCS institutions and state universities from increasing the distance learning course user fee, the bill requires the Chancellor of the FCS system and the Chancellor of the State University System to each submit a report on the distance learning fee. The report must present the total the amount of revenue generated by the distance learning course user fee for the prior fiscal year and how the revenue was expended, systemwide and for each institution, and be provided to the Governor, the President of the Senate and the Speaker of the House of Representatives by November 1 of each year. The prohibition on increased distance learning course user fees may result in less revenue for FCS institutions and state universities. The reporting requirement may increase awareness about the use of such fees.

The bill takes effect July 1, 2017.

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:

SB 1276 may result in cost savings for students enrolled in a workforce education program, a Florida College System institution, or a state university.

C. Government Sector Impact:

None.

VI. Technical Deficiencies:

None.

VII. Related Issues:

None.

VIII. Statutes Affected:

This bill substantially amends the following sections of the Florida Statutes: 1009.22, 1009.23, 1009.24 and 1009.26.

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.
