

## HOUSE OF REPRESENTATIVES STAFF ANALYSIS

**BILL #:** CS/CS/HB 593 Postsecondary Fee Waivers

**SPONSOR(S):** Education Committee, Higher Education Appropriations Subcommittee, Trumbull and others

**TIED BILLS:** None **IDEN./SIM. BILLS:** CS/SB 1164

REFERENCE	ACTION	ANALYST	STAFF DIRECTOR or BUDGET/POLICY CHIEF
1) Higher Education & Career Readiness Subcommittee	13 Y, 0 N	Sleap	Bishop
2) Higher Education Appropriations Subcommittee	10 Y, 0 N, As CS	Butler	Lloyd
3) Education Committee	15 Y, 0 N, As CS	Sleap	Hassell

### SUMMARY ANALYSIS

Currently, eleven counties in Florida continue to recover from Hurricane Michael which made landfall near Mexico Beach, Florida on October 10, 2018. Florida College System (FCS) institutions serving in Hurricane Michael affected counties are experiencing enrollment reductions as a result of the hurricane's widespread damage to property, forced housing relocation, and disruption to the local economy.

The bill authorizes FCS institutions that serve counties directly impacted by a hurricane, and who experience an enrollment decrease by more than 10 percent as a result, to waive out-of-state fees for a period of 3 years, beginning 180 days after the date the hurricane first impacted counties served by the institution. The out-of-state fee waiver can assist affected FCS institutions to recruit out-of-state students to the institution. FCS students who qualify for the waiver are eligible to receive the waiver for up to 110 percent of the total number of credit hours required for the degree or certificate program in which the student is enrolled. In order to remain eligible for the fee waiver, a student may not disenroll from the institution for more than one semester.

Eligible out-of-state students attending a FCS institution that elects to implement the fee waiver, will not incur out-of-state fees. Each FCS institution shall report to the State Board of Education the number and value of all fee waivers granted annually. Out-of-state students enrolled at a FCS institution utilizing the fee waiver, may not be included in the enrollment totals for these institutions by the Education Estimating Conference on FCS Enrollment.

The bill has no state fiscal impact. See fiscal comments.

This bill has an effective date of July 1, 2019.

## FULL ANALYSIS

### I. SUBSTANTIVE ANALYSIS

#### A. EFFECT OF PROPOSED CHANGES:

##### ***Present Situation***

Hurricane Michael made landfall near Mexico Beach, Florida on October 10, 2018, as a high-end Category 4 hurricane, and caused widespread damage to property in the Florida Panhandle. The federal government issued Major Disaster Declaration FEMA DR-4399-FL on October 11, 2018, designating the following counties as adversely affected by Hurricane Michael: Bay, Calhoun, Franklin, Gadsden, Gulf, Homes, Jackson, Leon, Liberty, Taylor, Wakulla, and Washington.<sup>1</sup> These hardest-hit counties qualified for Individual Assistance and Public Assistance from the Federal Emergency Management Agency (FEMA).<sup>2</sup>

The following Florida College System (FCS) institutions serve Hurricane Michael affected counties:<sup>3</sup>

- Chipola College (Calhoun, Holmes, Jackson, Liberty, and Washington counties).
- Gulf Coast State College (Bay, Franklin and Gulf counties).
- North Florida Community College (Taylor County).
- Tallahassee Community College (Gadsden, Leon, and Wakulla counties).

Hurricane Michael caused widespread property damage, forced housing relocation, and disrupted the local economies of the affected counties. FCS institutions serving in the affected counties reported the following changes in enrollments for the fall 2018 and spring 2019 semesters:

- Chipola College – No significant changes fall 2018. For spring 2019, overall enrollment changes were not provided, but the institution reported 4.7% enrollment decreases for advanced & professional, postsecondary vocational and developmental education and for lower-level credit hour (associate) enrollment decreases between 10.10% to 30.92% over spring 2018.<sup>4</sup>
- Gulf Coast State College – A 8% decrease for fall 2018 and a 16% decrease spring 2019.<sup>5</sup>
- Tallahassee Community College - No significant changes<sup>6</sup>
- North Florida Community College - No significant changes<sup>7</sup>

Enrollment reductions as a result of Hurricane Michael may impact college staff positions, the local economy, and underutilize the college's available resources.

##### Florida College System Student Fees and Authority

Each FCS institution board of trustees is authorized to establish tuition and out-of-state fees.<sup>8</sup> Effective, July 1, 2014, for advanced and professional, postsecondary vocational, developmental education, and educator preparation institute programs, Florida law establishes a standard tuition of \$71.98 per credit hour for residents and nonresidents, and an out-of-state fee of \$215.94 per credit hour.<sup>9</sup> For baccalaureate degree programs, a tuition of \$91.79 per credit hour for students who are residents for

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<sup>1</sup> FEMA, *Florida Hurricane Michael (DR-4399)*, available at <https://www.fema.gov/disaster/4399> (February 15, 2019).

<sup>2</sup> FEMA, *Designated Areas: Disaster 4399*, available at <https://www.fema.gov/disaster/4399/designated-areas> (February 15, 2019).

<sup>3</sup> Section 1000.21(3), F.S.

<sup>4</sup> Email from President, Chipola College, RE: Lower-Level Credit Hour Summary (February 27, 2019).

<sup>5</sup> Telephone interview with President, Gulf Coast State College (February 26, 2019).

<sup>6</sup> Telephone interview with Associate Vice President for Institutional Effectiveness, Tallahassee Community College (February 26, 2019).

<sup>7</sup> Telephone interview with Director of Institutional Research and Assessment, North Florida Community College (February 26, 2019).

<sup>8</sup> Section 1009.23(4), F.S.

<sup>9</sup> Section 1009.23(3)(a), F.S.

tuition purposes, and the sum of the tuition and out-of-state fees per credit hour for students who are non-residents for tuition purposes shall be no more than 85 percent of the sum of tuition and out-of-state fee at the state university nearest the FCS institution.<sup>10</sup>

FCS institutions may charge fees to all students except those students who are exempt from fees or students whose fees are waived.<sup>11</sup> Those FCS institutions with a service area that borders another state may implement a plan for a differential out-of-state fee.<sup>12</sup>

Tuition and Fee revenues make up approximately 40 percent of the total operating costs for FCS institutions with state funding providing 60 percent.

### Florida College System Fee-waiver Authority

FCS institutions may waive fees for any fee-nonexempt student.<sup>13</sup> Current out-of-state fee waivers include:

- Honorably discharged veterans of the United States Armed Forces, United States Reserve Forces or the National Guard or a person entitled to and who uses educational assistance provided by the United States Department of Veterans Affairs who resides in Florida while enrolled in an institution.<sup>14</sup>
- Active-duty members of the Armed Forces of the United States residing or stationed outside of Florida.<sup>15</sup>
- Out-of-state students, including undocumented students for federal immigration purposes who meet established conditions.<sup>16</sup>

### ***Effect of Proposed Changes***

The bill authorizes a FCS institution that serves counties directly impacted by a hurricane, and that experiences an enrollment decrease by more than 10 percent as a result of the hurricane, to waive out-of-state fees for a period of 3 years, beginning 180 days after the date the hurricane first impacted counties served by the institution. The purpose of the out-of-state fee waiver is to recruit out-of-state students to the affected FCS institution to help train the workforce and rebuild the local economy.

Eligible FCS students may receive a waiver for up to 110 percent of the total number of credit hours required for the degree or certificate program in which the student is enrolled. In order to remain eligible for the fee waiver, a student may not disenroll from the institution for more than one semester.

Additionally, each FCS institution must report to the State Board of Education the number and value of all fee waivers granted annually. Out-of-state students enrolled at a FCS institution utilizing the fee waiver, may not be included in the enrollment totals for these institutions by the Education Estimating Conference on FCS Enrollment.

### **B. SECTION DIRECTORY:**

**Section 1.** Amends Section 1009.26, F.S., authorizing certain FCS institutions serving counties directly impacted by a hurricane to waive out-of-state fees for students for a specified time period; providing reporting requirements; providing that students enrolled under such fee waivers may not be included in certain enrollment totals.

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<sup>10</sup> Section 1009.23(3)(b), F.S.

<sup>11</sup> Section 1009.23(2)(a), F.S.

<sup>12</sup> Section 1009.23(6)(a), F.S.

<sup>13</sup> Section 1009.26(2), F.S.

<sup>14</sup> Section 1009.26(13), F.S.

<sup>15</sup> Section 1009.26(14), F.S.

<sup>16</sup> Section 1009.26(12), F.S.

**Section 2.** Provides an effective date of July 1, 2019.

## **II. FISCAL ANALYSIS & ECONOMIC IMPACT STATEMENT**

### **A. FISCAL IMPACT ON STATE GOVERNMENT:**

1. Revenues:

None.

2. Expenditures:

See Fiscal Comments.

### **B. FISCAL IMPACT ON LOCAL GOVERNMENTS:**

1. Revenues:

None.

2. Expenditures:

None.

### **C. DIRECT ECONOMIC IMPACT ON PRIVATE SECTOR:**

Eligible out-of-state students attending a FCS institution that elects to implement the fee waiver, will not incur out-of-state fees.

### **D. FISCAL COMMENTS:**

Institutions that choose to implement the fee waiver will not benefit from the out-of-state student fee required of other non-resident students. However, in waiving the fee, institutions that attract additional out-of-state students would realize an increased student enrollment which generates tuition revenues at the Florida resident rate. The bill disallows these students from being included in the enrollment totals for these institutions by the Education Estimating Conference on FCS Enrollment.

## **III. COMMENTS**

### **A. CONSTITUTIONAL ISSUES:**

1. Applicability of Municipality/County Mandates Provision:

None.

2. Other:

None.

### **B. RULE-MAKING AUTHORITY:**

None.

### **C. DRAFTING ISSUES OR OTHER COMMENTS:**

None.

#### **IV. AMENDMENTS/ COMMITTEE SUBSTITUTE CHANGES**

On April 1, 2019, the Higher Education Appropriations Subcommittee adopted two amendments and reported the bill favorably with a committee substitute. The amendments provide that:

- For a student to remain eligible to receive the out-of-state fee waiver, he or she may not disenroll from the institution for more than one semester, and
- Out-of-State students enrolled under this fee waiver shall not be included in the enrollment totals for these institutions by the Education Estimating Conference on Florida College System enrollment.

On April 9, 2019, the Education Committee adopted one amendment and reported the bill favorably with a committee substitute. The amendment provides that eligible FCS institutions that choose to implement the out-of-state fee waiver to aid in recruiting students, may do so for a period of 3 years, beginning 180 days after the date the hurricane first impacted counties served by the FCS institution.

The staff analysis has been updated to reflect the committee substitute as reported favorably by the Education Committee.