

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 1672

INTRODUCER: Senator Diaz

SUBJECT: State University Free Seat Program

DATE: March 22, 2021

REVISED: _____

	ANALYST	STAFF DIRECTOR	REFERENCE	ACTION
1.	Westmark	Bouck	ED	Pre-meeting
2.			AED	
3.			AP	

I. Summary:

SB 1672 creates the State University Free Seat Program to exempt Florida residents who have not been enrolled in a postsecondary institution for more than 5 years from the payment of tuition and fees for one online course at a state university each academic year. The bill also specifies that:

- A state university may not charge a student who meets such criteria more than 75 percent of the tuition rate or tuition differential for other courses.
- A student who qualifies for the tuition discount is eligible to receive the discount for up to 110 percent of the number of required credit hours of the enrolled degree program.

The bill has an indeterminate fiscal impact.

The bill takes effect July 1, 2021.

II. Present Situation:

Tuition and Fees

Tuition is the basic fee a student is charged for instruction provided by a public postsecondary educational institution in Florida.¹ All students are charged fees except students who are exempt or whose fees are waived.² State university boards of trustees are authorized to establish fees, which include activity and service, health, and athletic fees; a technology fee; a financial aid fee; a tuition differential; and various user fees, including an application fee; an orientation fee; a fee for security, access, or identification cards; registration fees and a late-registration fee; fees for

¹ Section 1009.01(1), F.S.

² Section 1009.24(2), F.S.

transcripts and diploma replacement; library fees and fines; and traffic and parking fines.³ State universities may also charge a per-credit hour distance learning course fee.⁴

Tuition and Fee Rate

The resident undergraduate tuition is set by law at \$105.07 per credit hour.⁵ The 2020-2021 State University System (SUS) resident undergraduate tuition and fees average is \$199.72 per credit hour.⁶

Tuition Differential

Each university board of trustees may establish, upon approval by the Board of Governors, a tuition differential to promote improvements in the quality of undergraduate education and is required to provide financial aid to undergraduate students who exhibit financial need for undergraduate courses.⁷

Seventy percent of the revenues from the tuition differential must be expended for purposes of undergraduate education, such as increasing course offerings, improving graduation rates, increasing the percentage of undergraduate students who are taught by faculty, decreasing student-faculty ratios, providing salary increases for faculty who have a history of excellent teaching in undergraduate courses, improving the efficiency of the delivery of undergraduate education through academic advisement and counseling, and reducing the percentage of students who graduate with excess hours.⁸ Except as otherwise provided, the remaining 30 percent of the revenues from the tuition differential, or the equivalent amount of revenue from private sources, must be expended to provide financial aid to undergraduate students who exhibit financial need, to meet the cost of university attendance.⁹

The aggregate sum of undergraduate tuition and fees per credit hour, including the tuition differential, may not exceed the national average of undergraduate tuition and fees at four-year degree-granting public postsecondary educational institutions.¹⁰ Each tuition differential may be assessed on one or more undergraduate courses or on all undergraduate courses at a state university, may vary by course or courses, by campus or center location, and by institution.¹¹

In 2020-2021, the SUS average resident undergraduate student tuition differential fee is \$42.88 per credit hour.¹²

³ Sections 1009.24(4), (5), (7), (8), (9), (10), (11), (12), (13), (14), and (16), F.S.

⁴ Sections 1009.24(17), F.S.

⁵ Section 1009.24(4)(a), F.S.

⁶ State University System of Florida, *Tuition and Required Fees, 2020-2021*, available at <https://www.flbog.edu/wp-content/uploads/2020-2021-SUS-Tuition-and-Fees-Report-1.pdf>, at 1.

⁷ Section 1009.24(16), F.S.

⁸ Section 1009.24(16)(a), F.S.

⁹ Section 1009.24(16)(a), F.S.

¹⁰ Section 1009.24(16)(b)4., F.S.

¹¹ Section 1009.24(16)(b), F.S.

¹² State University System of Florida, *Tuition and Required Fees, 2020-2021*, available at <https://www.flbog.edu/wp-content/uploads/2020-2021-SUS-Tuition-and-Fees-Report-1.pdf>, at 4.

Residency for Tuition Purposes

A legal resident of Florida for tuition purposes means one who has maintained his or her residence in this state for the preceding year, has purchased and occupies a home as primary residence, or has established a domicile in this state.¹³ Unless costs are exempted or waived, all students are charged fees.¹⁴ An out-of-state fee is charged as an additional fee for a student who does not qualify for the in-state tuition rate.¹⁵

Online Courses at State University System Institutions

Nationally, Florida ranks second in the number and percentage of students enrolled in distance learning courses.¹⁶ In the 2018-1019 academic year, 75 percent of undergraduate students at Florida's state universities took at least one distance learning course.¹⁷ At four institutions, the University of Central Florida, University of Florida, University of South Florida, and University of West Florida, at least 80 percent of undergraduate students take one or more distance learning courses.¹⁸ Across the SUS, 11 percent (36,648) of undergraduate students took distance learning courses exclusively, and a majority (63 percent) of undergraduate students (202,895) in the SUS took a combination of distance learning, classroom, or hybrid courses.¹⁹ Systemwide, 30 percent of total undergraduate credit hours were taken in distance learning courses.²⁰

During the Fall 2019 term, SUS institutions offered 164 online bachelor's degree programs.²¹ Additionally, SUS institutions converted almost 50,000 courses from primarily classroom, hybrid, and primarily distance learning, to courses that could be completed fully at a distance during the Spring 2020 term.²²

University of Florida Online

University of Florida Online (UF Online) was created by the 2013 Legislature as an institute for online learning at a preeminent state research university to provide for high quality, fully online baccalaureate degree programs at an affordable cost.²³ By 2018-2019, strategic development and expansion efforts allowed the program to offer 21 fully online majors and 7 minors.²⁴ More than

¹³ Section. 1009.21(1)(d), F.S. A person or, if that person is a dependent child, his or her parent or parents, must have established legal residence in this state and must have maintained legal residence in this state for at least 12 consecutive months immediately prior to his or her initial enrollment in an institution of higher education. Section 1009.21(2)(a)1., F.S.

¹⁴ Section 1009.24(2), F.S.

¹⁵ Section 1009.01(2), F.S. The in-state tuition rate is described in s. 1009.21(1)(g), F.S.

¹⁶ State University System of Florida, *2019 Annual Report for Online Education* (July 21, 2020), available at https://www.flbog.edu/wp-content/uploads/2019-Annual-Report_FINAL.pdf, at 9.

¹⁷ *Id.* at 4 and 10.

¹⁸ *Id.* at 10.

¹⁹ *Id.* at 10.

²⁰ *Id.* at 13.

²¹ *Id.* at 24.

²² *Id.* at 4-6.

²³ Section 1001.7065(4), F.S., permits the university to establish a tuition structure for its online institute, not to exceed 75 percent of the tuition rate established by the Legislature.

²⁴ State University System of Florida, *2019 Annual Report for Online Education* (July 21, 2020), available at https://www.flbog.edu/wp-content/uploads/2019-Annual-Report_FINAL.pdf, at 24.

2,000 students have graduated from UF Online.²⁵ The resident undergraduate tuition rate for UF Online courses is \$78.80 per credit hour.²⁶

National Recognition

In 2020, *U.S. News & World Report* ranked UF Online as one of the top five best online bachelor's degree programs in the nation.²⁷ The University of Central Florida ranked in the top 15, while Florida Atlantic University, Florida International University, and University of West Florida all ranked in the top 100.²⁸

III. Effect of Proposed Changes:

SB 1672 creates s. 1009.266, F.S., to establish the State University Free Seat Program to encourage nontraditional students to enroll in and attend a state university.

The bill specifies that:

- A student who is a resident for tuition purposes and who has not been enrolled in a postsecondary institution for more than 5 years is exempt from the payment of tuition and fees, including lab fees, for one online course at a state university during each academic year.
- For all other courses, a state university may not charge a student who meets such criteria more than 75 percent of the tuition rate and 75 percent of the tuition differential, if the student remains enrolled in at least one online course during each academic year.

The bill also specifies that a student who qualifies for the tuition discount as specified is eligible to receive the discount for up to 110 percent of the number of required credit hours of the degree program for which the student is enrolled. Most SUS baccalaureate degree programs are set at 120 credit hours, which would authorize the tuition discount for up to 132 credit hours.

The bill takes effect July 1, 2021.

IV. Constitutional Issues:

A. Municipality/County Mandates Restrictions:

None.

B. Public Records/Open Meetings Issues:

None.

²⁵ State University System of Florida, *2019 Annual Report for Online Education* (July 21, 2020), available at https://www.flbog.edu/wp-content/uploads/2019-Annual-Report_FINAL.pdf, at 24.

²⁶ State University System of Florida, *Tuition and Required Fees, 2020-2021*, available at <https://www.flbog.edu/wp-content/uploads/2020-2021-SUS-Tuition-and-Fees-Report-1.pdf>, at 4.

²⁷ *Id.* showing UF Online ranked at number 4 in 2020 and number 5 in 2019. See also U.S. News and World Report, *Best Online Bachelor's Programs*, accessible at <https://www.usnews.com/education/online-education/bachelors/rankings>.

²⁸ *Id.*

C. Trust Funds Restrictions:

None.

D. State Tax or Fee Increases:

None.

E. Other Constitutional Issues:

None.

V. Fiscal Impact Statement:

A. Tax/Fee Issues:

None.

B. Private Sector Impact:

Providing specified students one free online course in an online baccalaureate degree program at a state university and a 25 percent discount on tuition for all other courses in the program, provided each student remains enrolled in at least one online course during each academic year, may increase access to online classes and enrollment at state universities.

C. Government Sector Impact:

The number of students who will qualify for and make use of the State University Free Seat Program is unknown. For each eligible student, a state university will not receive tuition and fees for one online course in an academic year. For example, at UF Online this represents a loss of \$117.17²⁹ per credit hour, and at Florida State University, a loss of 180.49³⁰ per credit hour. Additionally, for all other courses, each state university will not receive 25 percent of the resident undergraduate tuition rate of \$105.07 and 25 percent of the resident undergraduate tuition differential, which averages \$42.88 in the State University System, for a total loss of approximately \$36.99 per credit hour. The fiscal impact to each state university would continue for up to 110 percent of the required credit hours of the student's degree program.

VI. Technical Deficiencies:

None.

²⁹ State University System of Florida, *Tuition and Required Fees, 2020-2021*, available at <https://www.flbog.edu/wp-content/uploads/2020-2021-SUS-Tuition-and-Fees-Report-1.pdf>, at 4.

³⁰ Florida State University, *2020-2021 Tuition, Distance Learning*, available at https://studentbusiness.fsu.edu/sites/g/files/upcbnu1241/files/2020-2021%20Tuition_DistanceLearning.pdf.

VII. Related Issues:

None.

VIII. Statutes Affected:

This bill creates section 1009.266 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.
