

HOUSE OF REPRESENTATIVES STAFF ANALYSIS

BILL #: CS/HB 991 Workforce Education Postsecondary Student Fees

SPONSOR(S): Secondary Education & Career Development Subcommittee, Shoaf and others

TIED BILLS: None **IDEN./SIM. BILLS:** SB 1122

REFERENCE	ACTION	ANALYST	STAFF DIRECTOR or BUDGET/POLICY CHIEF
1) Secondary Education & Career Development Subcommittee	13 Y, 0 N, As CS	Sleap	Sanchez
2) Higher Education Appropriations Subcommittee	14 Y, 0 N	Peters	Smith
3) Education & Employment Committee	18 Y, 1 N	Sleap	Hassell

SUMMARY ANALYSIS

Under current law, a Florida College System (FCS) institution and school district career center that has a service area that borders another state may implement a plan for a differential out-of-state fee. If implemented, the differential fee may reduce the out-of-state tuition charged to an out-of-state student attending a Florida postsecondary institution.

Currently, of the FCS institutions eligible to implement a differential out-of-state fee, five institutions have established such a fee for the 2021-2022 academic year. Of these five institutions, the differential tuition and fees save eligible nonresidents between \$174 to \$356 per credit hour than the standard out-of-state tuition and fees.

The bill authorizes an FCS institution and a school district career center, in consultation with regional workforce and economic development organizations, to implement a differential out-of-state fee for the purpose of recruiting students into programs of study necessary to address unmet current and future workforce needs in the region.

A program of study selected by an institution to address workforce needs must be identified by:

- the Labor Market Estimating Conference, which develops real-time supply and demand information on Florida's statewide, regional, and local labor markets; or
- the Credentials Review Committee, established under CareerSource Florida's state board, which identifies non-degree and degree credentials of value to Florida and credentials that meet local demand.

The bill requires an institution implementing the differential, to prioritize the enrollment of Florida residents over out-of-state students, and to annually report to the State Board of Education on the employment outcomes of students who received the differential, including the percentage of students employed in the occupation.

The bill has an indeterminate fiscal impact. See Fiscal Comments.

The bill provides an effective date of July 1, 2022.

FULL ANALYSIS

I. SUBSTANTIVE ANALYSIS

A. EFFECT OF PROPOSED CHANGES:

Postsecondary Workforce Education

Present Situation

Career Centers

Florida law allows a district school board to operate a career center as part of the district school system.¹ A career center is an educational institution which offers terminal courses of a technical nature, as well as courses for adults and out-of-school youth.² A center operates under the control of the district school board where it is located and each center is directed by a director who is responsible to the district school superintendent.³ Currently, there are 51 career centers operating in 32 school districts in Florida.⁴

In addition to career centers, current law allows for the operation of charter technical centers. Charter technical career centers are publicly-funded schools or technical centers operated under a charter granted by a district school board, Florida College System board of trustees or a consortium comprised of one or more of each.⁵ A sponsoring consortium must include the school district in which the facility is located.⁶ There is only one charter technical center operating in the state, Lake Technical College, sponsored by the Lake County school board.⁷

Florida College System

The Legislature created the Florida College System (FCS), “to maximize open access for students, respond to community needs for postsecondary academic education and career degree education, and provide associate and baccalaureate degrees that will best meet the state’s employment needs.”⁸ The FCS is comprised of 28 public postsecondary colleges, each serving the residents of its service area.⁹ FCS institutions are overseen by the State Board of Education (SBE) and are governed by local boards of trustees.¹⁰

Workforce Education Programs

A workforce education program is defined as the delivery of any of the following:

- Adult general education programs;
- Career certificate programs;
- Applied technology diploma programs;
- Continuing workforce education courses;
- Degree career education programs; or

¹ Section 1001.44(1), F.S.

² Section 1001.44(3)(a), F.S.

³ *Id.*

⁴ Florida Department of Education, Career and Adult Education, *District Postsecondary Institutions*, <https://www.fldoe.org/academics/career-adult-edu/dist-ps-instit.stml> (last visited Jan. 17, 2022). Lake Technical College operates as the only charter technical career center, authorized under s. 1002.34, F.S. and is sponsored by the Lake County School Board. See Florida Department of Education, Career & Adult Education, *Charter Technical Center Annual Report 2019-20*, at 5, available at <http://www.fldoe.org/core/fileparse.php/9904/urlt/charterreview20.pdf>.

⁵ Section 1002.34(3)(a)-(b), F.S.

⁶ Section 1002.34(3)(a), F.S.

⁷ Florida Department of Education, *Charter Technical Centers Annual Report (2019-2020)*, at 5, available at <http://www.fldoe.org/core/fileparse.php/9904/urlt/charterreview20.pdf>.

⁸ Section 1001.60(1), F.S.

⁹ Section 1000.21(3)(a)-(bb), F.S.

¹⁰ FLA. CONST. art. IX, s. 8.

- Apprenticeship and preapprenticeship programs.¹¹

Current law authorizes FCS institutions and school districts to conduct workforce education programs; however, only an FCS institution may award college credit for an associate in applied science (AAS) or an associate in science (AS) degree.¹² If an AAS or an AS degree program includes an occupational completion point¹³ that confers a certificate or an applied technology diploma (ATD), a school district career center can operate that portion of the program.¹⁴

Tuition and Fees

Under Florida law, ‘tuition’ is defined as the basic fee charged to a student for instruction provided by a public postsecondary educational institution in the state.¹⁵ A student who is classified as a “resident for tuition purposes” is a student who qualifies for the in-state tuition rate.¹⁶

An ‘out-of-state fee’ is the additional fee for instruction provided by a public postsecondary education institution in the state, and is charged to a student who does not qualify for the in-state tuition rate.¹⁷

Residents for tuition purposes are charged in-state rates for tuition while non-residents pay out-of-state fees in addition to tuition, unless these costs are exempted or waived.¹⁸

Residency

To qualify as a resident, a student or, if the student is a dependent, their 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 enrolling in a postsecondary institution.¹⁹ Each postsecondary institution is required to determine whether an applicant meets the residency requirements.²⁰

Florida College System and District Career Center Tuition and Fees

Each FCS board of trustees (BOT) is required to establish tuition and out-of-state fees, which may vary no more than 10 percent below and 15 percent above the standard tuition rate and out-of-state fees determined by the Legislature.²¹ An FCS BOT may also establish additional fees to support activities such as capital improvements, student activities and services, and technology.²²

Since July 1, 2014, the standard tuition at an FCS institution for advanced and professional, postsecondary vocational, developmental education, and educator preparation institute programs is \$71.98 per credit hour for residents and nonresidents, and the out-of-state fee is \$215.94 per credit hour.²³ Since July 1, 2014, for baccalaureate degree programs offered at an FCS institution, the tuition is \$91.79 per credit hour for students who are residents for tuition purposes.²⁴ For students who are

¹¹ Section 1011.80(1)(a)-(f), F.S.

¹² Section 1011.80(2), F.S.

¹³ See S. 1004.02(21), F.S. An occupational completion point means the occupational competencies that qualify a person to enter an occupation that is linked to a career and technical program.

¹⁴ Section 1011.80(2), F.S.

¹⁵ Section 1009.01(1), F.S. Additionally, the definition states that “[a] charge for any other purpose shall not be included within this fee.”

¹⁶ Section 1009.21(1)(g), F.S.

¹⁷ Section 1009.01(2), F.S. Adding that “[a] charge for any other purpose shall not be included within this fee.”

¹⁸ Sections 1009.22(3)(a) and 1009.23(3), F.S.

¹⁹ Section 1009.21(2)(a), F.S.

²⁰ Section 1009.21(3)(c), F.S.

²¹ Section 1009.23(4), F.S.

²² Section 1009.23(7)-(8) and (10)-(12), F.S.

²³ Section 1009.23(3)(a), F.S.

²⁴ Section 1009.23(3)(b)(1.), F.S.

nonresidents for tuition purposes, the tuition and out-of-state fee cannot be more than 85 percent of the sum of the tuition and the out-of-state fee at the state university nearest the FCS institution.²⁵

For workforce education programs at an FCS institution or district career center that lead to a career certificate or an ATD, the standard tuition is \$2.33 per contact hour for residents and nonresidents and the out-of-state fee is \$6.99 per contact hour.²⁶ For these programs, a district school board and FCS institution may adopt tuition and out-of-state fees that vary no more than 5 percent below or 5 percent above the combined total of the standard tuition and out-of-state fees.²⁷

Differential Out-of-State Fees

Current law authorizes an FCS BOT to establish a differential out-of-state fee if the institution meets the following requirements:

- has a service area that borders another state; or
- for a student who has been determined to be a nonresident for tuition purposes and is enrolled in a distance learning course offered by the institution.²⁸

Similar to the authorization for an FCS institution, a district school board for a school district that borders another state may implement a plan for a differential out-of-state fee for a district career center.²⁹

Seven FCS institutions and six district career centers are currently eligible to establish a differential out-of-state fee as a result of bordering another state.³⁰

Of the FCS institutions eligible to implement a differential out-of-state fee, five institutions have established such a fee for the 2021-2022 academic year.³¹ Of these five institutions, the differential tuition and fees charged to eligible nonresidents range from \$1 to \$114 per credit hour over in-state resident costs, this results in a cost savings to eligible out-of-state students ranging from \$174 to \$356 less per credit hour than the standard out-of-state tuition and fee amounts.³²

Identifying Workforce Need in Florida

In 2021, the Florida Legislature passed several initiatives to ensure that workforce education programs were tailored to Florida's workforce needs.³³

As a part of the comprehensive workforce legislation, the Legislature reconstituted the Workforce Estimating Conference as the Labor Market Estimating Conference (LMEC). The LMEC is tasked with the development of real-time supply and demand information on Florida's statewide, regional, and local

²⁵ Section 1009.23(3)(b)(2.), F.S.

²⁶ Section 1009.22(3)(c), F.S.

²⁷ Section 1009.22(3)(d), F.S.

²⁸ Section 1009.23(6)(a)-(b), F.S. A differential out-of-state fee established for a nonresident student enrolled in a distance learning course must be established so that the sum of tuition and the differential fee is sufficient to defray the full cost of instruction.

²⁹ Section 1009.22(4), F.S.

³⁰ See S.1000.21(3)(a)-(bb), F.S. and Florida Department of Education, *District Postsecondary Institutions*, <https://www.fldoe.org/academics/career-adult-edu/dist-ps-instit.shtml> (last visited Jan. 27, 2022).

³¹ See Chipola College, *Student Fees*, <https://www.chipola.edu/about/administrative-offices/business-office/student-fees/> (last visited Jan. 27, 2022); Florida State College at Jacksonville, *Tuition and Fees*, <https://www.fscj.edu/admissions-aid/student-financial-services/tuition-fees> (last visited Jan. 27, 2022); Florida Gateway College, *Tuition, Fees and Bill Payment*, <https://www.fgc.edu/students/fee-payment/> (last visited Jan. 27, 2022); Northwest Florida State College, *2021-2022 College Catalog-Paying for College*, <https://catalog.nwfsc.edu/> (last visited Jan. 27, 2022); Pensacola State College, *Costs Per Credit Hour*, <https://www.pensacolastate.edu/financial-aid/#cost-to-attend-001513> (last visited Jan. 27, 2022). North Florida College and Tallahassee Community College are eligible to implement a differential out-of-state fee since their service area borders another state, however, these institutions do not appear to have implemented a differential out-of-state fee.

³² *Id.*

³³ Ch. 2021-164, L.O.F.

labor markets.³⁴ Such information must include labor supply by education level, analyses of labor demand by occupational groups and occupations compared to labor supply, a ranking of critical areas of concern, and identification of in-demand, high-skill, middle-level to high-level wage occupations prioritized by level of statewide or regional shortages.³⁵ State agencies must align any labor market demand and supply with the information developed by the LMEC.³⁶

In addition, a Credentials Review Committee (CRC) was established under CareerSource Florida's state board. The CRC serves as centralized body which identifies and designates non-degree and degree credentials of value for inclusion on the Master Credentials List.³⁷ In their identification and designation of value, the CRC must ensure the credential meets labor market demand in Florida as identified by the LMEC or local demand as identified by the CRC.³⁸ Credentials must include registered apprenticeship programs, industry certifications, licenses, advanced technical certificates, college credit certificates, career certificates, applied technology diplomas, associate degrees, baccalaureate degrees, and graduate degrees.³⁹

Effect of Proposed Changes

The bill authorizes an FCS institution and a school district career center, in consultation with regional workforce and economic development organizations, to implement a differential out-of-state fee for the purpose of recruiting students into programs of study identified by the LMEC or the CRC as necessary to address unmet current and future workforce needs in the region.

The authorized institutions are not required to be located in an area that borders another state, rather, they must be implementing the differential for the purpose of addressing unmet workforce needs.

The bill requires an institution implementing the differential to prioritize the enrollment of Florida residents over out-of-state students, and to annually report to the SBE on the employment outcomes of students who received the differential, including the percentage of students employed in the occupation.

B. SECTION DIRECTORY:

Section 1. Amends s. 1009.22, F.S.; authorizing district school boards and Florida College System institutions, in consultation with certain organizations, to implement a plan for a differential out-of-state fee for specified purposes; requiring district school boards and Florida College System institutions to prioritize the enrollment of certain students in specified programs of study; providing reporting requirements.

Section 2. Amends s. 1009.23, F.S.; authorizing Florida College System institutions, in consultation with certain organizations, to implement a plan for a differential out-of-state fee for specified purposes; requiring district school boards and Florida College System institutions to prioritize the enrollment of certain students in specified programs of study; providing reporting requirements.

Section 3. Provides an effective date of July 1, 2022.

II. FISCAL ANALYSIS & ECONOMIC IMPACT STATEMENT

³⁴ Section 216.136(7), F.S.; *see also* Office of Economic & Demographic Research, *Labor Market Estimating Conference*, <http://edr.state.fl.us/content/conferences/labormarket/index.cfm> (last visited Jan. 27, 2022).

³⁵ *Id.*

³⁶ *Id.*

³⁷ Section 445.004(4), F.S.; *see also* CareerSource Florida, *Florida Credentials Review Committee*, <https://careersourceflorida.com/boardroom/florida-credentials-review-committee/> (last visited Jan. 27, 2022).

³⁸ Section 445.004(4)(h)4.a. and 5., F.S.

³⁹ *Id.*

A. FISCAL IMPACT ON STATE GOVERNMENT:

1. Revenues:

See Fiscal Comments.

2. Expenditures:

See Fiscal Comments.

B. FISCAL IMPACT ON LOCAL GOVERNMENTS:

1. Revenues:

None.

2. Expenditures:

None.

C. DIRECT ECONOMIC IMPACT ON PRIVATE SECTOR:

The bill would reduce out-of-state tuition costs and expand accessibility for non-Florida residents to attend public postsecondary education institutions, which would also have an impact on local economies and workforce needs.

D. FISCAL COMMENTS:

The fiscal impact of the bill is indeterminate. The number of Florida College System (FCS) institutions and school district career centers that will choose to implement a differential out-of-state fee for the purpose specified under the bill are unknown. Any institution that chooses to implement a differential out-of-state fee could experience a reduction in revenues from out-of-state fees that would otherwise be collected. Eligible institutions that currently chose to utilize an out-of-state differential fee charge nonresidents between \$174 to \$356 less per credit hour than the standard out-of-state tuition and fee amounts.

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 January 27, the Secondary Education & Career Development Subcommittee adopted one amendment and reported the bill favorably as a committee substitute. The amendment requires the following:

- the alignment of identified programs of study which address unmet current and future workforce needs to those identified by the Labor Market Estimating Conference or the Credentials Review Committee;
- the prioritization of Florida residents into identified programs over an out-of-state student; and
- annual reporting to the State Board of Education on the employment outcomes of students who receive the differential, including the percentage employed in the occupation.

The analysis is drafted to the committee substitute passed by the Secondary Education & Career Development Subcommittee.