

SENATE STAFF ANALYSIS AND ECONOMIC IMPACT STATEMENT

(This document is based only on the provisions contained in the legislation as of the latest date listed below.)

BILL: CS/SB 2300

SPONSOR: Commerce and Economic Opportunities Committee and Senator Diaz-Balart

SUBJECT: Community Colleges

DATE: April 13, 2000 REVISED: _____

	ANALYST	STAFF DIRECTOR	REFERENCE	ACTION
1.	<u>Robinson Pierce</u>	<u>Maclure</u>	<u>CM</u>	<u>Favorable/CS</u>
2.	<u>White</u>	<u>O'Farrell</u>	<u>ED</u>	<u>Favorable</u>
3.	_____	_____	<u>FP</u>	_____
4.	_____	_____	_____	_____
5.	_____	_____	_____	_____

I. Summary:

The committee substitute changes the fee structure for workforce development programs to align them with college-credit programs. Specifically, the committee substitute:

- sets a maximum value for fee waivers granted by a school district or community college;
- reduces the authorized amount of financial aid fees to be assessed for workforce development students;
- allows school districts or community colleges to determine need analysis for certain awards;
- extends the technology fee to workforce development students;
- specifies that an increase in the matriculation fee above the standard fee established for college-credit programs is to be used for additional safety and security purposes; and
- specifies that student and activity fees paid are to be expended for lawful purposes to directly benefit the student body in general.

The committee substitute amends the following sections of the Florida Statutes: 239.117 and 240.35.

II. Present Situation:

Workforce Development Education System

Florida has established the Workforce Development Education Fund in s. 239.115, F.S., to provide performance-based funding for workforce development education programs offered by community colleges and school districts. The funding for these programs must be provided from the Workforce Development Education Fund and be based upon cost categories, performance output measures, and performance outcome measures. (s. 239.115(4), F.S.) Workforce development education encompasses adult general education or vocational education, and may consist of a continuing workforce education course or program of study leading to an

occupational completion point, a vocational certificate, an applied technology diploma, or vocational education degree. (s. 239.105(28), F.S.)

Student Fees

For continuing workforce education courses, 50 percent of the cost of instruction comes from state funding through the Workforce Development Education Fund, except for fee-exempt students under s. 239.117, F.S., where state funding makes up 100 percent of the average cost of instruction. (s. 239.115(6), F.S.) For all other workforce education funded through the Workforce Development Education Fund, state funding equals 75 percent of the average cost of instruction. (s. 239.115(6), F.S.) The remaining 25 percent of costs come from student fees. All students are charged fees upon enrollment in a workforce development program, college credit instruction leading to an associate degree, or certain noncollege credit college-preparatory courses¹ unless exempted or fees are waived. (ss. 239.117(2) and 240.35(1), F.S.)

Fee waivers are authorized in ss. 239.117(5) and 240.35(5), F.S., for community colleges and school districts up to an amount established in the General Appropriations Act. In s. 239.5142(2), F.S., local educational agencies² are authorized to waive fees up to an amount equal to 8 percent of the agency's workforce development enrollment hours.

Each school board and community college board of trustees may establish a separate fee for financial aid purposes in an additional amount of up to 10 percent of the student fees collected for workforce development programs funded through the Workforce Development Education Fund. (s. 239.117(8), F.S.) Financial aid fees collected under the authorization of s. 239.117(8), F.S., are deposited into a separate workforce development student financial aid fee trust fund of the school district or community college to support students enrolled in workforce development programs. These funds are then dispersed in accordance with a nationally recognized system of need analysis approved by the State Board for Career Education. Community colleges are likewise authorized to establish this permissive fee for college credit instruction leading to an associate degree or for certain noncollege credit college-preparatory courses, but this fee is limited to up to 5 percent of the total student tuition or matriculation fees collected. (s. 240.35(10), F.S.)

The Commissioner of Education is required to provide to the State Board of Education, no later than December 31 of each year, a schedule of fees for workforce development education. (s. 239.117(6)(a), F.S.)

Each community college board of trustees must establish matriculation and tuition fees for college credit instruction leading to an associate degree and noncollege credit college-preparatory courses. (s. 240.35(7), F.S.) These fees may vary no more than 10 percent below and 15 percent

¹Noncollege credit college-preparatory courses for which student fees under s. 240.35, F.S., applies are courses through which a high school graduate who applies for an associate in arts degree program or an associate in science degree program may attain the communication and computation skills necessary to enroll in college credit instruction. (s. 239.105(11), F.S.)

²A local education agency is a community college or school district. (s. 239.105(21), F.S.)

above the fee schedule adopted by the State Board of Community Colleges, provided that any amount from 10 to 15 percent above the fee schedule is used only to support safety and security purposes. (s. 240.35(7), F.S.) For the 1999-2000 school year, each community college was authorized to increase the sum of the matriculation and technology fees by not more than 5 percent of the sum of the matriculation and local safety and security fees in the 1998-1999 school year. (s. 240.35(7), F.S.) Fees established for the 1999-2000 school year, however, could not exceed the statutory limit. If a college decided to increase the matriculation fee, s. 240.35(7), F.S., required the funds raised by this increase to be used solely for additional safety and security purposes. The funds raised by this increase cannot supplant funding expended in the FY 1998-1999 budget for safety and security purposes. (s. 240.35(7), F.S.)

Each community college district board of trustees is authorized to establish a separate activity and service fee which is not to exceed 10 percent of the matriculation fee. (s. 240.35(10), F.S.) The student activity fee must be collected as a component part of the registration and tuition fees. (s. 240.35(10), F.S.) Section 240.35(10), F.S., is permissive, but mandates that these fees, if collected, are to be paid into a student activity and service fund at the community college and used for lawful purposes to benefit the student body in general. These purposes include, but are not limited to, student publications and grants to duly recognized student organizations, the membership of which is open to all students at the community college without regard to race, sex, or religion. (s. 240.35(10), F.S.)

In 1999, the Legislature passed SB 1288, 2nd eng. (ch. 99-249, L.O.F.), which contained several provisions related to community college and workforce development education fees. While SB 1288 made several changes, student fee provisions remain that create a dual fee structure for college-credit students and workforce development students. Currently two students taking the same course but having different education objectives may be paying different fees. SB 1288 did not authorize the assessment of a technology fee or an activity and service fee for workforce development programs. These fees are currently assessed for only college-credit and college preparatory courses. (s. 239.117(18), F.S.)

III. Effect of Proposed Changes:

The committee substitute amends s. 239.117, F.S., providing that the total value of fee waivers granted by the school districts or community colleges may not exceed 8 percent of the district's or college's postsecondary vocational certificate program enrollment hours or an amount established annually in the General Appropriations Act. The committee substitute further deletes obsolete language relating to the transition of fees from 10 to 25 percent of the costs and provides that fees will produce up to 25 percent of the prior year's average cost.

The committee substitute reduces the amount for permissive financial aid fees from 10 to 5 percent of the student fees collected for workforce development programs and deletes a reference that limited the technology fee to associate degree programs and courses. The committee substitute also changes the source of the nationally recognized system of need analysis for awards from a district's or community college's workforce development student financial aid fee trust fund. Rather than having a need analysis approved by the State Board for Career Education, each school district or community college district board of trustees will establish the analysis.

The committee substitute deletes a date-specific reference in s. 240.35, F.S., and replaces it with more generic language that provides that if a college increases the matriculation fee to an amount between 10 and 15 percent above the standard matriculation fee, the funds raised by increasing the fee must be expended solely for additional safety and security purposes. Such funds may not supplant funds expended in the prior year's budget for safety and security purposes. The committee substitute further specifies that the student activity and service fees paid into a college's student activity and service fund must be expended for lawful purposes to directly benefit the student body in general.

The committee substitute takes effect July 1, 2000.

IV. Constitutional Issues:

A. Municipality/County Mandates Restrictions:

None.

B. Public Records/Open Meetings Issues:

None.

C. Trust Funds Restrictions:

None.

V. Economic Impact and Fiscal Note:

A. Tax/Fee Issues:

None.

B. Private Sector Impact:

The committee substitute reduces the permissive financial aid fee charged by school districts and community colleges from 10 to 5 percent of student fees collected for workforce development programs. Students enrolled in these programs could experience a 5 percent decrease in costs.

The committee substitute extends authority to school districts and community colleges to establish separate technology fees for workforce development programs. If assessed by school districts and community colleges, students enrolled in these programs would experience an increase in fees of up to \$1.80 per credit-hour or credit-hour equivalent for resident students or up to \$5.40 per credit-hour or credit-hour equivalent for nonresident students.

C. Government Sector Impact:

The committee substitute reduces the permissive financial aid fee charged by school districts and community colleges from 10 to 5 percent of student fees collected for workforce development programs. The department indicates that currently 75 percent of the school districts are assessing a 10 percent fee for these programs. Consequently, there would be a corresponding decrease in revenues available to support students enrolled in workforce development programs.

VI. Technical Deficiencies:

None.

VII. Related Issues:

None.

VIII. Amendments:

None.

This Senate staff analysis does not reflect the intent or official position of the bill's sponsor or the Florida Senate.
