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DATE: January 18, 2002

HOUSE OF REPRESENTATIVES
COUNCIL FOR LIFELONG LEARNING
ANALYSIS

BILL #: CS/HB 7
RELATING TO: Determination of residency for tuition purposes
SPONSOR(S): Committee on Colleges & Universities and Representative(s) Baker and Others
TIED BILL(S): None

ORIGINATING COMMITTEE(S)/COUNCIL(S)/COMMITTEE(S) OF REFERENCE:

- (1) COLLEGES & UNIVERSITIES YEAS 12 NAYS 0
 - (2) EDUCATION APPROPRIATIONS YEAS 13 NAYS 0
 - (3) COUNCIL FOR LIFELONG LEARNING
 - (4)
 - (5)
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I. SUMMARY:

CS/HB 7 provides that active members of the Florida National Guard who meet the requirements for the tuition assistance program established specifically for active National Guard members must be classified as residents for tuition purposes. The Department of Military Affairs (Department) administers the tuition assistance program and receives an annual appropriation for the program.

Active members of the Florida National Guard who are eligible for the tuition assistance program but who are not Florida residents are assessed tuition and fees at the out-of-state rate. This results in the appropriation provided to the Department of Military Affairs funding fewer participants than if all active members were automatically considered residents for tuition purposes. The Department was appropriated \$1,758,315 in 2000-2001. Of that appropriation, \$112,055 was used to pay out-of-state fees. The Department reports that of the 1,360 members that participated in the program in 2000-2001, 44 were classified as non-residents for tuition purposes. The Department estimates that had those 44 individuals been classified as residents for tuition purposes, the appropriation could have funded 70 more participants in the program. The bill will allow existing appropriations to be used more effectively without increasing cost and could result in more federal funding due to increased participation in the Florida National Guard.

The committee substitute names the act for Sergeant Larry Bowman. Sergeant Bowman was a former Army minister and Lake County resident who had recently relocated to New York City and had taken a job as a security officer in the North World Trade Center. Sergeant Bowman gave his life on September 11, 2001 assisting others who were fleeing the building.

The effective date of the bill is July 1, 2002.

II. SUBSTANTIVE ANALYSIS:

A. DOES THE BILL SUPPORT THE FOLLOWING PRINCIPLES:

- | | | | |
|-----------------------------------|---|-----------------------------|---|
| 1. <u>Less Government</u> | Yes <input type="checkbox"/> | No <input type="checkbox"/> | N/A <input checked="" type="checkbox"/> |
| 2. <u>Lower Taxes</u> | Yes <input type="checkbox"/> | No <input type="checkbox"/> | N/A <input checked="" type="checkbox"/> |
| 3. <u>Individual Freedom</u> | Yes <input checked="" type="checkbox"/> | No <input type="checkbox"/> | N/A <input type="checkbox"/> |
| 4. <u>Personal Responsibility</u> | Yes <input checked="" type="checkbox"/> | No <input type="checkbox"/> | N/A <input type="checkbox"/> |
| 5. <u>Family Empowerment</u> | Yes <input type="checkbox"/> | No <input type="checkbox"/> | N/A <input checked="" type="checkbox"/> |

For any principle that received a "no" above, please explain:

B. PRESENT SITUATION:

Tuition Assistance Program and Fees and Waivers at Public Institutions

Section 250.10(7), F.S., directs the Adjutant General and representatives of the Board of Regents, the State Board of Community Colleges¹, and the State Board of Education to design and develop a tuition assistance program for members in good standing of the active Florida National Guard who enroll in a public institution of higher learning in the state in accordance with certain provisions. Applicants to the program must be at least 17 years of age; be domiciled in the state at the time of application; be in good standing in the active Florida National Guard; maintain continuous satisfactory participation in the active Florida National Guard; agree in writing to serve in the active Florida National Guard for three years after completion of studies; have completed basic training; and have served for one year. The program excludes members who have more than 15 creditable years of service and members who already possess a baccalaureate degree.

Section 250.10(8), F.S., directs the Department of Military Affairs to administer the tuition assistance program. Sections 250.10(7) and (8)(a), 240.235(9), and 240.35(5)(a), F.S., provide that members of the Guard are exempt from payment of one-half of tuition and fees. The Department administers these provisions for those who join the guard prior to July 1, 1997, subject to the following conditions:

- Participation in the program is limited to 10 years from the date of initial enrollment, or until graduation or the full-time or part-time student terminates enrollment, whichever occurs earlier.
- Guard members are to be admitted on a space-available basis.

Section 250.10(8)(b), F.S., provides a second option. Subject to an annual appropriation in the General Appropriations Act, the Department of Military Affairs may pay the full cost of tuition and fees for required courses for Guard members if a member is unable to gain admittance on a space-available basis and, at least on one previous occasion, the member was denied admission to the required course.

¹ Chapter 2001-170, L.O.F., abolished the Board of Regents and the State Board of Community Colleges effective July 1, 2001. All powers and duties of those boards were transferred, by Type II transfer, to the Florida Board of Education.

Section 250.10(8)(c), F.S., provides a third option for those who join the Guard on or after July 1, 1997. For these members of the Guard, the Department of Military Affairs is authorized, subject to appropriations, to pay the full cost of tuition and fees for required courses.

The Department of Military Affairs was appropriated \$1,758,315 in 2000-2001. Of that appropriation, \$112,055 was used to pay out-of-state fees. The Department reports that of the 1,360 members that participated in the program in 2000-2001, 44 were classified as non-residents for tuition purposes. The Department estimates that had those 44 individuals been classified as residents for tuition purposes, the appropriation could have funded 70 more participants in the program.

The Department estimates that the space-available tuition waiver portion of the program will decrease in use as the year 2007 approaches. Those Guardsmen who enrolled in the tuition assistance program prior to June 30, 1997 will be close to the end of their 10-year eligibility period in 2007.

Section 240.235(9), F.S., directs the Board of Regents to exempt one-half of all tuition and course-related fees for Guard members participating in the tuition assistance program. The State University System (SUS) reports that for 2000-2001, fee waivers valued at \$351,777 were provided to 481 students. Of this amount, the SUS identified 48 nonresident students receiving waivers totaling \$70,948. For the state universities, tuition and required fees for a nonresident undergraduate is \$348.23 per credit hour. The required tuition and fees for a resident is \$85.31.

Section 240.35(5)(a), F.S., directs community colleges to waive fees for active Florida National Guard members participating in the tuition assistance program. The Community College System reports that they awarded waivers totaling \$351,866 for 2000-2001. For the Community College System the weighted average in-state tuition and required fees rate is \$50.85 per credit hour and the weighted average out-of-state tuition and required fees rate is \$187.45.

Residency for Tuition Purposes

Section 240.1201, F.S., provides that students must be classified as residents or nonresidents for the purpose of assessing tuition fees in state universities and public community colleges. A student classified as a "resident for tuition purposes" qualifies for the in-state tuition rate. Section 240.1201, F.S., establishes general residency requirements and establishes separate categories of persons who must be classified as a "resident for tuition purposes". Section 240.1201(10), F.S., provides that the following categories of students must be classified as a "resident for tuition purposes":

- Active duty members of the Armed Services of the United States residing or stationed in this state, their spouses, and dependent children.
- Active duty members of the Armed Services of the United States and their spouses attending a public community college or university within 50 miles of the military establishment where they are stationed, if such military establishment is within a county contiguous to Florida.
- Active duty members of the Canadian military residing or stationed in this state under the North American Air Defense (NORAD) agreement, and their spouses and dependent children, attending a public community college or university within 50 miles of the military establishment where they are stationed.

- United States citizens living on the Isthmus of Panama, who have completed 12 consecutive months of college work at the Florida State University Panama Canal Branch, and their spouses and dependent children.
- Full-time instructional and administrative personnel employed by state public schools, community colleges, and institutions of higher education, as defined in s. 228.041, F.S, and their spouses and dependent children.
- Students from Latin America and the Caribbean who receive scholarships from the federal or state government. Any student classified pursuant to this paragraph shall attend, on a full-time basis, a Florida institution of higher education.
- Southern Regional Education Board's Academic Common Market graduate students attending Florida's state universities.
- Full-time employees of state agencies or political subdivisions of the state when the student fees are paid by the state agency or political subdivision for the purpose of job-related law enforcement or corrections training.
- McKnight Doctoral Fellows and Finalists who are United States citizens;
- United States citizens living outside the United States who are teaching at a Department of Defense Dependent School or in an American International School and who enroll in a Board of Regents-approved graduate level education program which leads to a Florida teaching certificate.

Department of Military Affairs Expenditures for Out-of-State Students

The Department of Military Affairs reports that the \$112,055 spent for out-of-state tuition in 2000-2001 could have been used to pay in-state rates for an additional 70 students. There are currently about 4,200 members of the Guard on a waiting list for the tuition assistance program.

The Florida National Guard notes that all of the participants, regardless of classification for tuition purposes, have made a substantial commitment to the state, including service in the state National Guard and a commitment to remain in the state for an extended period. The three years of service required in exchange for participation in the program is in addition to the year of service required before a recruit is eligible for participation in the program and the time it takes to complete a degree. If a member enrolls in the program and takes four years to complete a baccalaureate degree, the service in the Florida National Guard from that recruit will be a minimum of 8 years.

Additionally, the Department hails the program for allowing the Florida National Guard to compete with the Active Armed Forces in recruiting young people. Successful recruiting efforts help the Florida National Guard maintain its authorized strength and in turn this causes the National Guard Bureau to look at Florida when new units become available. "New units mean more federal dollars to the state. Each 100 soldiers brings an additional \$2.3 million to our economy." If the 100 Guardsmen stay in Florida to use the Montgomery G.I. Bill, that alone would bring \$780,000 per year to the economy.

C. EFFECT OF PROPOSED CHANGES:

The committee substitute allows active members of the Florida National Guard who meet the eligibility requirements for participation in the tuition assistance program administered by the

Department of Military Affairs to be classified as Florida residents for tuition purposes, thereby qualifying such students for in-state rates at Florida's state universities and community colleges. Such a change would enable the Department of Military Affairs to use the amount spent for out-of-state tuition to pay tuition and fees for additional members at the lower in-state rate. If they did not have to pay out-of-state tuition in 2000-2001, they could have paid in-state rates for an additional 70 students.

The committee substitute names the act for Sergeant Larry Bowman. Sergeant Bowman was a former Army minister and Lake County resident who had recently relocated to New York City and had taken a job as a security officer in the North World Trade Center. Sergeant Bowman gave his life on September 11, 2001 assisting others who were fleeing the building.

D. SECTION-BY-SECTION ANALYSIS:

See above sections.

III. FISCAL ANALYSIS & ECONOMIC IMPACT STATEMENT:

A. FISCAL IMPACT ON STATE GOVERNMENT:

1. Revenues:

See fiscal comments.

2. Expenditures:

See fiscal comments.

B. FISCAL IMPACT ON LOCAL GOVERNMENTS:

1. Revenues:

See fiscal comments.

2. Expenditures:

See fiscal comments.

C. DIRECT ECONOMIC IMPACT ON PRIVATE SECTOR:

See fiscal comments.

D. FISCAL COMMENTS:

Based on the FY 2000-2001 appropriation to the Department of Military Affairs for the tuition assistance program, the classification of eligible Florida National Guard members as residents for tuition purposes would have enabled 70 more members to participate in the program.

The change proposed in the committee substitute would not increase the appropriation to the Department of Military Affairs for the tuition assistance program but would increase the number of Florida National Guard members served by the tuition assistance program.

To the extent that recruiting may draw more Guardsmen to a city and the state, additional revenues and expenses could be realized from the increased population.

The Department states that successful recruiting could potentially lead to Florida receiving additional Florida National Guard units. The Department reports, "New units mean more federal dollars to the state. Each 100 soldiers brings an additional \$2.3 million to our economy." If the Guardsmen stayed in Florida to use the Montgomery G.I. Bill, that alone would bring \$780,000 per year to the economy.

The universities and community colleges would lose the difference between the out-of-state rate and the in-state rate for tuition and fees for those students who are classified as "residents for tuition purposes". For state universities the amount of enrollment funded at the higher rate per student for state residents would increase to offset the loss in tuition revenues. Community colleges are not enrollment funded so the reduction in fee revenue would result in a slight loss in funding to the community colleges.

IV. CONSEQUENCES OF ARTICLE VII, SECTION 18 OF THE FLORIDA CONSTITUTION:

A. APPLICABILITY OF THE MANDATES PROVISION:

The committee substitute does not require counties or municipalities to spend funds or take an action requiring the expenditure of funds.

B. REDUCTION OF REVENUE RAISING AUTHORITY:

The committee substitute does not reduce the authority that municipalities or counties have to raise revenues in the aggregate.

C. REDUCTION OF STATE TAX SHARED WITH COUNTIES AND MUNICIPALITIES:

The committee substitute does not reduce the percentage of a state tax shared with counties or municipalities.

V. COMMENTS:

A. CONSTITUTIONAL ISSUES:

None

B. RULE-MAKING AUTHORITY:

None

C. OTHER COMMENTS:

None

VI. AMENDMENTS OR COMMITTEE SUBSTITUTE CHANGES:

On November 28, 2001, the Committee on Colleges & Universities adopted a strike-everything amendment and subsequently passed the bill as amended as a committee substitute.

CS/HB 7 provides a name for this Act: the "Sergeant Larry Bowman Act".

CS/HB 7 amends paragraph (a) of subsection (10) of s. 240.1201, F.S.; HB 7 created a new subsection to s. 240.1201, F.S. This change is stylistic rather than substantive. This is consistent with the language in SB 128, the senate companion for CS/HB 7.

VII. SIGNATURES:

COMMITTEE ON COLLEGES & UNIVERSITIES:

Prepared by:

Maria L. Eckard

Staff Director:

Betty H. Tilton, Ph.D.

AS REVISED BY THE FISCAL RESPONSIBILITY COUNCIL:

Prepared by:

Robert Cox

Staff Director:

John Newman

AS FURTHER REVISED BY THE COUNCIL FOR LIFELONG LEARNING:

Prepared by:

Maria L. Eckard

Staff Director:

Patricia Levesque