SENATE STAFF ANALYSIS AND ECONOMIC IMPACT STATEMENT

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

BILL: CS/ SB 1368

SPONSOR: Education Committee and Senator Webster

SUBJECT: Workforce Development

DATE: March 12, 2003   REVISED:

	ANALYST	STAFF DIRECTOR	REFERENCE	ACTION
1.	Woodruff	O'Farrell	ED	Favorable/CS
2.			FT	
3.			AED	
4.			AP	
5.				
6.				

I.   Summary:

The bill both amends existing fees and institutes new fees assessed by school districts and by community colleges to students enrolled in workforce development courses.

The bill amends fees assessed by community colleges to students enrolled in courses other than workforce development courses.

This bill substantially amends sections 1009.22 and 1009.23 of the Florida Statutes:

II.   Present Situation:

WORKFORCE DEVELOPMENT FEES: Workforce development students are assessed fees for tuition, being an out-of-state resident, for financial aid, capital improvements and for technology. In establishing the charge for tuition, the statutes require that student tuition be set at 25 percent of the prior year's cost of a course and that fees for students who are not residents for tuition purposes must offset the full cost of instruction.

The financial aid fee is specified as being set by the local board at up to 10 percent of tuition.

The capital improvement fee may not exceed 5 percent of tuition for resident students and 5 percent of tuition and out-of-state fees for nonresident students.

The technology fee is specified in statute as being $1.80 for resident students and $5.40 per credit hour or credit-hour equivalent for nonresident students.

COMMUNITY COLLEGE FEES: Community college students are assessed fees for tuition, being an out-of-state resident, for financial aid, capital improvements and for technology. In establishing the charge for tuition, the statutes require that student tuition be set at 25 percent of the prior year's cost of a course and that fees for students who are not residents for tuition purposes must offset the full cost of instruction.

The financial aid fee is specified as being set at up to, but not to exceed, 5 percent of tuition or of out-of-state fees collected.

The capital improvement fee may not exceed $1 per credit hour or credit-hour equivalent for resident students. For nonresidents, the fee must equal or exceed $3 per credit hour.

The technology fee is specified in statute as being $1.80 per credit hour or credit-hour equivalent for resident students and not more than $5.40 per credit hour or credit-hour equivalent for nonresident students.

III.   Effect of Proposed Changes:

The bill amends sections of the statutes which establish the fees charged to students enrolled in workforce development courses offered by both school districts and community colleges. The bill also amends fees charged to community college students for other types of courses.

Section 1. School districts and community colleges are given a new option in setting the fees to be charged for vocational-preparatory instruction. Currently the fee is established at the same rate as is charged for certificate career education instruction. The new language would allow the school districts and colleges to choose a fee equal to either the certificate charge or the fee charged for adult general-education instruction.

The fee currently charged to fee-nonexempt students for adult general-education instruction is about $20.40. The fee charged for certificate career education instruction is about $41.40 per credit hour or credit hour equivalent.

The State Board of Education would be allowed to adopt a fee schedule upon which the districts and colleges would base their own fees. The district or college could vary from the State Board schedule by from 10 percent below to 15 percent above the amount identified on the fee schedule. The Committee Substitute has clarifying language providing that if the Legislature establishes a fee schedule different from the State Board's schedule, the Legislature's schedule shall be the basis for the fee calculations.

A new activity and service fee would be assessed on students enrolled in workforce development instruction. Restrictions are placed on the use of such fee revenue. The current 10 percent cap on the financial aid fee is eliminated. The Committee Substitute has clarifying language stating that the total charge for both fees combined may not exceed 15 percent of tuition for resident students and 15 percent of tuition and out-of-state fees for nonresidents. The student activity and service fee shall be charged as a percentage of the tuition fee, and the financial aid fee shall be

charged as a percentage of the tuition fee for resident students and of the tuition and out-of-state fees for non-resident students.

The fee charged for capital improvements, technology enhancements, or equipping buildings is changed from 5 percent of tuition for resident students and 5 percent of tuition and out-of-state fees for nonresident students to a flat $4.76 per credit hour or credit hour equivalent. The current average capital improvement fee is $1.24 per credit hour.

The percent of the capital improvement fee that may be used for child care centers is changed from 15 cents per credit hour to 15 percent of the capital improvement fee. Based on the new figure of $4.76 per credit hour, the share of the fee going to child care centers would increase from 15 cents per credit hour to 71 cents per credit hour.

Assessment of the technology fee is expanded to include students enrolled in non-college credit courses. The current restriction limiting the fee to associate degree programs and courses is repealed.

Technical change. Fines are not assessed based on the cost of services.

Section 2. Current fees charged to community college students are amended. Presently, provisions restrict a portion of the fees students are charged to be used for safety and security purposes. This bill would repeal that provision.

The fee charged for capital improvements, technology enhancements, or equipping buildings is changed from $1 per credit hour for resident students and $3 per credit hour for out-of-state students to a flat $4.76 per credit hour or credit hour equivalent regardless of whether a student is a resident or nonresident. The current average capital improvement fee is $1.24 per credit hour.

The percent of the capital improvement fee that may be used for child care centers is changed from 15 cents per credit hour to 15 percent of the capital improvement fee. Based on the new figure of $4.76 per credit hour, the share of the fee going to child care centers would increase from 15 cents per credit hour to 71 cents per credit hour.

Technical change. Fines are not assessed based on the cost of services.

Section 3. Effective date. The effective date is July 1, 2003.

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:

Community colleges and school districts are given flexibility in the range within which tuition and out-of-state fees may be charged for workforce development.

The maximum potential impact of the flexibility granted for tuition and out-of-state fees change could be as much as $2.0 million for community colleges and $3.7 million for school districts.

A new student activity and service fee is assessed on students enrolled in workforce development courses offered by district school boards and community colleges.

The financial aid fee currently assessed on students enrolled in workforce development courses may be increased from 10 to 15 percent by the school districts or community colleges.

The total charge for the activity and service fee and the financial aid fee may not exceed 15 percent.

The maximum potential impact of the discretionary activity and service fee and the financial aid fee change could be as much as $1.0 million for community colleges and $1.7 million for school districts.

The categories of students required to pay the technology fee is expanded to include additional categories of students. Currently the fee is limited to associate degree programs and courses.

The maximum potential impact of the technology fee change could be as much as $578,869 for community colleges and $1,062,829 for school districts.

A flat fee of $4.76 per credit hour is established for capital improvement purposes. The current average fee charged for this purpose is $1.24. Out-of-state students currently pay 3 times as much as in-state students pay for this fee. The proposed change would set the same flat rate for both in-state and out-of-state students.

The maximum potential impact of the Capital Improvement Fee change on college credit fees could be as much as $25.3 million.

The maximum potential impact of the Capital Improvement Fee change on Workforce Credit fees could be as much as $865,088 for community colleges and $1,588,339 for school districts.

B. Private Sector Impact:

To the extent local school boards and community college boards of trustees implement new fees or raise existing fees, there will be a fiscal impact on students.

C. Government Sector Impact:

To the extent local school boards and community college boards of trustees implement new fees or raise existing fees, there will be a fiscal impact on revenue available to the school or college.

The State will experience an increase in the cost of providing a Bright Futures Scholarship. To the extent a scholarship provides coverage of fees, the increase in fees per student will be passed on to the State.

The fee increase will have an impact on the Prepaid Tuition Program for those students who purchased a contract that includes local fees. The Prepaid Program will have to generate sufficient revenue to cover the increase in local fees.

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.