

The Florida Senate
PROFESSIONAL STAFF ANALYSIS AND ECONOMIC IMPACT STATEMENT

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

Prepared By: Higher Education Committee

BILL: CS/SB 850

INTRODUCER: Higher Education Committee and Senator Lawson

SUBJECT: University Student Fees/Technology Fee

DATE: April 20, 2007

REVISED: _____

	ANALYST	STAFF DIRECTOR	REFERENCE	ACTION
1.	deMarsh-Mathues	Matthews	HE	Fav/CS
2.			HI	
3.				
4.				
5.				
6.				

I. Summary:

The bill gives discretionary authority to each university board of trustees to establish a fee for technology that directly benefits students. The technology fee is capped at \$10 per credit hour for the first year and at eight percent for each subsequent year, unless specifically authorized in law or in the General Appropriations Act (GAA). The bill provides a process for setting the fee. University students participate in the decision making process. The board of trustees may not establish the fee without the support of a majority of students in a referendum. The board of trustees has final approval of the amount of the fee and the permitted expenditures generated by the fee. However, the fee charged and technology expenditures must be in accordance with the results of the student referendum. The bill also provides that unexpended funds may be carried forward and used for technology expenditures in the following fiscal year. The fee is specifically exempted from the Bright Futures Scholarship Program.

This bill amends section 1009.24 of the Florida Statutes.

II. Present Situation:

Under s. 1009.24, F.S., all students enrolled in college credit programs at state universities must be charged fees except students who are exempt from fees or students whose fees are waived. Except as otherwise provided by law, undergraduate tuition must be established annually in the GAA. The Board of Governors or the board's designee may establish tuition for graduate and professional programs.

Section 1009.24, F.S., authorizes each state university board of trustees to establish an activity and service fee, health fee, and athletic fee. The sum of these fees may not exceed 40 percent of

the tuition established in law or in the GAA. However, a state university is not required to lower fees to achieve the 40 percent cap if the university exceeded the 40 percent cap prior to July 1, 2002.¹ Within the 40 percent cap, a state university may not increase the aggregate sum of the activity and service, health, and athletic fees more than five percent per year unless specifically authorized in law or in the GAA. A state university may increase or assess optional fees related to specific activities if the payment of the fees is not required to register for a course. The statute authorizes a university board of trustees to establish 18 other fees or fines for such things as library fines, copying, materials and supplies, and traffic and parking fines.² The statute does not authorize a technology fee.

Both the Bright Futures Scholarship Program³ and the Stanley G. Tate Florida Prepaid College Program⁴ cover certain fees. According to the Department of Education (DOE), the Bright Futures Scholarship Program covers a fee if it is assessed to all students at the institution. The fees included in the Bright Futures Scholarship award are health, activity and service, athletic, building and capital improvement, financial aid, technology, access/transportation, and lab.⁵ The Prepaid College Program university plan covers the registration fee for a specified number of undergraduate semester credit hours, not to exceed the average number of hours required for the conference of a baccalaureate degree.⁶ The student will pay the cost of any laboratory fee associated with enrollment in specific courses. The Florida Prepaid College Board may approve contracts for additional university fees delineated in s. 1009.24(8)-(11), F.S.⁷

Section 1009.23, F.S., authorizes community college boards of trustees to charge certain fees, including fees for technology.

According to the Board of Governors, universities are experiencing increased demand for student access and services, but do not currently have revenues dedicated to supporting student technology. The board notes that 70 percent of all universities have a technology fee. The national average is currently between \$7 and \$10 per credit hour. Universities are almost evenly split between charging a per credit hour fee, per semester fee, or yearly fee.⁸

The Board of Governors provided the following information, based on data collected through the 2005 EDUCAUSE core data survey about campus information technology (IT) environments at 955 colleges and universities:⁹

¹ s. 14, ch. 2001-170, L.O.F.

² s. 1009.24(12), F.S.

³ ss. 1009.534-1009.536, F.S.

⁴ s. 1009.98, F.S.

⁵ Department of Education memorandum. OSFA-STATE:# 05-06:03. July 29, 2005.

⁶ In s. 1009.97(3)(g), F.S., *registration fee* is defined as the tuition fee, financial aid fee, building fee, and Capital Improvement Trust Fund fee.

⁷ These subsections establish the student activity and service fee, student health fee, and the athletic fee.

⁸ Board of Governors, March 1, 2007.

⁹ *EDUCAUSE Core Data Service Fiscal Year 2005 Summary Report*. See <http://www.educause.edu/apps/coredata/reports/2005/index.asp?bhcp=1>

Category	State University System	National Survey Participants
IT Funding Per Student	\$2,701	\$4,146
Campus Computers per Student	0.67	0.82
Replacement plan in years	4.5	3.5
Number of PCs Replaced in FY 2004-2005	19.30%	24%
Number of computers supported per IT worker	184.36	76.24
Source: Educause Core Data Survey - 2005		

III. Effect of Proposed Changes:

The bill gives discretionary authority to each university board of trustees to establish a fee for technology that directly benefits students. Funds may not be used for technology resources that are not for general student use. The technology fee is capped at \$10 per credit hour for the first year and at eight percent for each subsequent year, unless specifically authorized in law or in the GAA. The bill provides a process for setting the fee. University students participate in the decision making process. The board of trustees may not establish the fee without the support of a majority of students in a referendum. The board of trustees has final approval of the amount of the fee and the permitted expenditures generated by the fee. However, the fee charged and technology expenditures must be in accordance with the results of the student referendum. The bill also provides that unexpended funds may be carried forward and used for technology expenditures in the following fiscal year.

The bill does not explicitly include the technology fee in the 40 percent cap that limits the amount of the activity and service, health, and athletic fees that a university can charge its students. The bill exempts the fee from the provisions of law which govern the Florida Bright Futures Scholarship Program. Thus recipients of a Bright Futures Scholarship award would have to pay the fee; it would not be paid by the scholarship award. According to the DOE, the Bright Futures Scholarship Program currently covers a technology fee, if it is assessed to all students at the institution.

The bill does not provide a specific exemption for the Stanley G. Tate Florida Prepaid College Program; however, the language of the bill amends s. 1009.24, F. S., by establishing the program with a new fee under subsection (12), which is not presently covered by the Prepaid College tuition plan or under the Prepaid College local fee plan. If the technology fee were adopted by a university board of trustees, the Florida Prepaid College Board would have two options in relation to current contracts: not to cover the fee as part of the original contract and subject the board to possible litigation, or to cover the fee at no additional charge to the student at an indeterminate cost to the board.

The effective date of the bill is July 1, 2007.

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:

Should a university board of trustees choose to charge a technology fee, there will be increased revenues to the institution. According to the Board of Governors, the State University System currently produces approximately 7.3 million student credit hours (based on final summer 2006, final fall 2006, and estimated spring 2007 student credit hours). The Board of Governors estimates that every dollar in technology fees will generate \$7.3 million in revenue for the system. The actual fee could vary by university.

B. Private Sector Impact:

The bill caps the fee at \$10 per credit hour for the first year. A change in the fee may occur only once each fiscal year and must be implemented in the fall term. All students at a state university which imposed a technology fee would have to pay the fee. Students whose tuition and fees were completely paid or largely paid through a Bright Futures Scholarship award would incur the cost of the fee if they attend an institution whose board of trustees imposed such a fee.

C. Government Sector Impact:

There would likely be a fiscal impact on the Prepaid College Trust Fund if the Florida Prepaid College Board is required to cover the fee for existing customers. However, the fiscal impact is unknown at this time.

VI. Technical Deficiencies:

None.

VII. Related Issues:

None.

VIII. Summary of Amendments:

None.

This Senate Professional Staff Analysis does not reflect the intent or official position of the bill's introducer or the Florida Senate.
