

The Florida Senate
BILL ANALYSIS AND FISCAL IMPACT STATEMENT

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

Prepared By: The Professional Staff of the Appropriations Subcommittee on Higher Education

BILL: SB 460

INTRODUCER: Senators Gainer and Broxson

SUBJECT: Postsecondary Fee Waivers

DATE: January 16, 2018

REVISED: _____

	ANALYST	STAFF DIRECTOR	REFERENCE	ACTION
1.	<u>Sanders</u>	<u>Ryon</u>	<u>MS</u>	Favorable
2.	<u>Sikes</u>	<u>Elwell</u>	<u>AHE</u>	Recommend: Favorable
3.	_____	_____	<u>AP</u>	_____

I. Summary:

SB 460 authorizes a Florida College System (FCS) institution to waive certain fees for a person who is an active duty member of the U.S. Armed Forces and using military tuition assistance provided by the U.S. Department of Defense.

The bill has no impact on state revenues or expenditures. However, FCS institutions that choose to implement the fee waiver will experience a loss of fee revenues from eligible students using military tuition assistance.

The bill takes effect on July 1, 2018.

II. Present Situation:

Military Tuition Assistance Program

The Military Tuition Assistance (MTA) program is a U.S. Department of Defense (DOD) education benefit awarded to active duty and certain National Guard and Reserve Component servicemembers. Eligible servicemembers may apply for financial assistance through their respective branch of service, which pays up to 100 percent of tuition expenses.¹ Servicemembers may use their MTA for:

- Vocational/technical programs;
- Undergraduate programs;
- Graduate programs;

¹ Tuition assistance pays for up to \$250 per semester credit hour or \$166 per quarter credit hour not to exceed \$4,500 per fiscal year, October 1 through September 30. Course-specific fees such as laboratory fees or online course fees are considered tuition expenses and are covered by the MTA program. See Military One Source, *How to Use the Military Tuition Assistance Program* (Aug. 6, 2017), <http://www.militaryonesource.mil/-/how-to-use-the-military-tuition-assistance-program> (last visited Nov. 29, 2017).

- Independent study; and
- Distance-learning programs.²

MTA is available to servicemembers from all four service branches³ and the U.S. Coast Guard. To be eligible, a servicemember must meet the minimum requirement of successfully completing basic training.⁴ Enlisted servicemembers must have enough time remaining in service to complete the course for which he or she applied; whereas an officer using MTA must have at least two years of his or her service obligation remaining to use MTA.⁵

The academic or technical program undertaken by the servicemember must be offered by an accredited educational institution. Each educational institution is required to sign a memorandum of understanding (MOU) prior to receiving funds from the MTA program.⁶ MTA funds are paid by the service branch directly to the educational institution. The MTA program was modified in 2014 and subsequently discontinued coverage of mandatory fees⁷ charged in addition to tuition.⁸ There are currently 156 institutions in Florida with an MOU on file with the DOD, including 27 of the 28 FCS institutions.⁹

Florida College System

The FCS is comprised of 28 institutions.¹⁰ The FCS provides associate and baccalaureate degrees at a savings to the student and to the state over the cost of providing the degree at a state university.¹¹ Each FCS institution is governed by a local board of trustees (BOT).¹² The FCS BOT members are appointed by the Governor to staggered four-year terms, and confirmed by the Senate.¹³ Each FCS BOT is responsible for cost-effective policy decisions regarding the FCS institution's mission, the implementation and maintenance of high-quality education programs within law and rules of the State Board of Education, the measurement of performance, the reporting of information, and the provision of input on state policy, budgeting, and education standards.¹⁴

² Military One Source, *How to Use the Military Tuition Assistance Program* (Aug. 6, 2017), <http://www.militaryonesource.mil/-/how-to-use-the-military-tuition-assistance-program> (last visited Nov. 29, 2017).

³ The four service branches include the Army, Air Force, Navy, and Marines.

⁴ Department of Defense, *Instruction 1322.25*, 14 (July 7, 2014), <http://www.esd.whs.mil/Portals/54/Documents/DD/issuances/dodi/132225p.pdf> (last visited Nov. 30, 2017). Each military department is authorized to implement additional service-specific eligibility criteria and management controls.

⁵ *Supra* note 2.

⁶ *Supra* note 4, at 22.

⁷ Fees include any charge not directly related to course instruction including, but not limited to, costs associated with room, board, distance learning, equipment, supplies, books/materials, exams, insurance, parking, transportation, admissions, registration, or fines. See *supra* note 4.

⁸ *Supra* note 4.

⁹ See DOD, *Voluntary Education Partnership MOU*, <https://www.dodmou.com/Home> (last visited Dec. 1, 2017).

¹⁰ A full list of FCS institutions can be found in s. 1000.21(3), F.S.

¹¹ Section 1001.60(2)(a), F.S.

¹² Sections 1001.60(3), 1001.61(1), and 1004.65(1), F.S. FCS institutions are statutorily designated as political subdivisions of the state. Section 1004.67, F.S.

¹³ Section 1001.61(2), F.S.

¹⁴ Section 1001.64(1), F.S.

Each FCS 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 in s. 1009.23(3), F.S.¹⁵ An FCS BOT may also establish additional fees to support activities such as capital improvements, student activities and services, and technology.¹⁶

Fee Waivers

Each FCS institution is authorized in statute to waive fees for specified populations.¹⁷ There currently is no fee waiver in place for active duty servicemembers utilizing the MTA program. However, FCS institutions are authorized in statute to provide for other military and veteran populations through waivers such as:

- A tuition waiver for recipients of the Purple Heart or another combat decoration superior in precedence;¹⁸
- An out-of-state fee waiver for veterans utilizing educational assistance from the U.S. Department of Veterans Affairs;¹⁹ and
- An out-of-state fee waiver for active duty servicemembers residing or stationed outside the state.²⁰

III. Effect of Proposed Changes:

The bill amends s. 1009.26, F.S., to authorize an FCS institution to waive certain fees for a person who is an active duty member of the U.S. Armed Forces and is using the MTA program provided by the U.S. Department of Defense. A FCS institution may waive any portion of the following fees:

- Student activity and service fee;
- Financial aid fee;
- Technology fee;
- Capital improvement fee; and
- Any other fee authorized in s. 1009.23, F.S.

The bill provides that a student who receives such a fee waiver may be reported for state funding purposes. However, FCS student enrollment is not the basis for the FCS annual appropriation.

The bill takes effect on July 1, 2018.

IV. Constitutional Issues:

A. Municipality/County Mandates Restrictions:

None.

¹⁵ Section 1009.23(4), F.S.

¹⁶ Id.

¹⁷ See s. 1009.26, F.S.

¹⁸ See s. 1009.26(8), F.S.

¹⁹ See s. 1009.26(13), F.S.

²⁰ See s. 1009.26(14), F.S.

B. Public Records/Open Meetings Issues:

None.

C. Trust Funds Restrictions:

None.

V. Fiscal Impact Statement:**A. Tax/Fee Issues:**

The bill has no impact on state revenues. However, an FCS institution, at its own discretion, may waive certain fees for active duty members of the U.S. Armed Forces using the MTA program.

B. Private Sector Impact:

Active duty members of the U.S. Armed Forces using the MTA program will benefit from a decrease in education costs at an FCS institution that chooses to implement the fee waiver. The savings are indeterminate at this time, as it will depend on the institution and the fees that are waived.²¹

C. Government Sector Impact:

The bill has no impact on state expenditures. However, FCS institutions that choose to implement the fee waiver will experience a loss of fee revenues from eligible students using MTA. However, in waiving the fees, FCS institutions may receive additional tuition revenue due to increased enrollment of active duty members of the U.S. Armed Forces using MTA.²²

VI. Technical Deficiencies:

None.

VII. Related Issues:

None.

VIII. Statutes Affected:

This bill amends section 1009.26 of the Florida Statutes.

²¹ Florida Department of Education, *Senate Bill 460 Agency Analysis* (Oct. 26, 2017) (on file with the Senate Committee on Military and Veterans Affairs, Space, and Domestic Security).

²² *Id.*

IX. Additional Information:

- A. **Committee Substitute – Statement of Changes:**
(Summarizing differences between the Committee Substitute and the prior version of the bill.)

None.

- B. **Amendments:**

None.

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