

HOUSE OF REPRESENTATIVES STAFF ANALYSIS

BILL #: HB 75 Postsecondary Fee Waivers

SPONSOR(S): Ponder and others

TIED BILLS: None **IDEN./SIM. BILLS:** SB 460

REFERENCE	ACTION	ANALYST	STAFF DIRECTOR or BUDGET/POLICY CHIEF
1) Post-Secondary Education Subcommittee	13 Y, 0 N	McAlarney	Bishop
2) Higher Education Appropriations Subcommittee	11 Y, 0 N	Butler	Lloyd
3) Education Committee	17 Y, 0 N	McAlarney	Hassell

SUMMARY ANALYSIS

Currently, active duty United States Armed Forces members are reimbursed for tuition through the US Department of Defense (DOD) Military Tuition Assistance (MTA) program. The DOD program expressly prohibits the payment of fees, which are defined as any charge not directly related to course instruction. Therefore, active duty military members incur out of pocket expenses for mandatory fees when enrolling in a Florida College System (FCS) institution.

The bill authorizes FCS institutions to waive any portion of specified fees that are not covered under the DOD MTA program.

Active duty service members using the DOD MTA program will no longer incur out of pocket costs when they are enrolled in a FCS institution that elects to implement the fee waiver.

Each FCS institution must report to the State Board of Education the number and value of all fee waivers granted annually.

Institutions that choose to implement the fee waiver will lose fee revenues from current eligible students. However, in waiving the fees, institutions could realize increased DOD MTA student enrollment, which would generate additional tuition revenues. Tuition and fee revenues make up approximately 40 percent of the total operating costs for FCS institutions, with state funding providing 60 percent. Because the potential eligible population and enrollment behavior is unknown, the fiscal impact on institutional revenues and future state appropriations to cover operational costs is indeterminate.

The bill has an effective date of July 1, 2018.

FULL ANALYSIS

I. SUBSTANTIVE ANALYSIS

A. EFFECT OF PROPOSED CHANGES:

Present Situation

The Department of Defense (DOD) Military Tuition Assistance (MTA) program is a benefit paid to eligible service members for tuition and fees at postsecondary education institutions. The program is authorized in federal code¹ and implemented through DOD instructions.² In 2014, the DOD MTA program instructions were modified to limit coverage of the benefit to tuition only. The payment of other mandatory fees using federal dollars is expressly prohibited. The guidance further defined fees to 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.

Florida's current tuition funding model authorizes tuition and fee charges at Florida College System (FCS) institutions³ and state universities.⁴ For Florida MTA students, the following mandatory fees are no longer covered by the DOD MTA program:

- Student activity and service fee
- Capital improvement fee
- Financial aid fee
- Technology fee
- Access fee

Together, these fees total approximately \$25 per credit hour at FCS institutions. It appears that several institutions are providing institution-based financial aid in order to eliminate out-of-pocket costs for their DOD MTA program beneficiaries. However, this may not be sustainable long-term.

Effect of Proposed Changes

This bill authorizes a FCS institution to waive any portion of the following fees for a US Armed Forces active duty member so long as they are using military tuition assistance provided by the US DOD:

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

Additionally, each FCS institution must report to the State Board of Education the number and value of all fee waivers granted annually.

B. SECTION DIRECTORY:

Section 1. Adds subsection (15) to section 1009.26, F.S., authorizing FCS institutions to waive specified fees for active duty U.S. Armed Forces members who use the DOD MTA program.

Section 2. Provides an effective date of July 1, 2018.

¹ 38 USC Ch. 33: Post-9/11 EDUCATIONAL ASSISTANCE.

² U.S. Dep't of Def., DoD Instruction (DoDI) 1322.25, Voluntary Education Programs, Jul. 7, 2014, <http://www.esd.whs.mil/Portals/54/Documents/DD/issuances/dodi/132225p.pdf> (last visited Oct. 10, 2017)

³ Section 1009.23, F.S.

⁴ Section 1009.24, F.S.

II. FISCAL ANALYSIS & ECONOMIC IMPACT STATEMENT

A. FISCAL IMPACT ON STATE GOVERNMENT:

1. Revenues:

None.

2. Expenditures:

See Fiscal Comments.

B. FISCAL IMPACT ON LOCAL GOVERNMENTS:

1. Revenues:

None.

2. Expenditures:

None.

C. DIRECT ECONOMIC IMPACT ON PRIVATE SECTOR:

Active duty service members using the DOD MTA program will no longer have to incur out of pocket costs when they are enrolled in a FCS institution that elects to implement the fee waiver.

D. FISCAL COMMENTS:

Institutions that choose to implement the fee waiver will lose fee revenues from current eligible students. However, in waiving the fees, institutions could realize increased DOD MTA student enrollment, which would generate additional tuition revenues. Tuition and fee revenues make up approximately 40 percent of the total operating costs for FCS institutions, with state funding providing 60 percent. Because the potential eligible population and enrollment behavior is unknown, the fiscal impact on institutional revenues and future state appropriations to cover operational costs is indeterminate.

III. COMMENTS

A. CONSTITUTIONAL ISSUES:

1. Applicability of Municipality/County Mandates Provision:

None.

2. Other:

None.

B. RULE-MAKING AUTHORITY:

None.

C. DRAFTING ISSUES OR OTHER COMMENTS:

None.

IV. AMENDMENTS/ COMMITTEE SUBSTITUTE CHANGES

None.