

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 Education

BILL: CS/SB 1164

INTRODUCER: Education Committee and Senator Gainer and others

SUBJECT: Postsecondary Fee Waivers

DATE: April 15, 2019

REVISED: _____

	ANALYST	STAFF DIRECTOR	REFERENCE	ACTION
1.	<u>Graf</u>	<u>Sikes</u>	<u>ED</u>	<u>Fav/CS</u>
2.	<u>Underhill</u>	<u>Elwell</u>	<u>AED</u>	<u>Pre-meeting</u>
3.	_____	_____	<u>AP</u>	_____

Please see Section IX. for Additional Information:

COMMITTEE SUBSTITUTE - Substantial Changes

I. Summary:

CS/SB 1164 authorizes certain Florida College System (FCS) institutions to waive out-of-state fees for students under certain conditions for the purpose of recruiting students. Specifically, the bill provides that:

- A FCS institution that serves counties directly impacted by a hurricane, and whose enrollment decreases by more than 10 percent as a result of such impact, may waive the out-of-state fees for the purpose of recruiting students for a period of three years, beginning 180 days after the date on which the hurricane directly impacted the counties served by the FCS institution.
- A student who qualifies for the hurricane-related out-of-state fee waiver is eligible to receive the waiver for up to 110 percent of the number of credit hours required for the degree or certificate program in which the student is enrolled. The bill specifies that such student may not disenroll from the FCS institution for more than one semester.
- Each FCS institution must report to the State Board of Education the number and value of all hurricane-related out-of-state fee waivers granted annually.
- Out-of-state students enrolled under the hurricane-related out-of-state fee waiver must not be included in the FCS institutions' enrollment totals by the Education Estimating Conference on Florida College System Enrollment.

The potential fiscal impact of the out-of-state fee waiver is indeterminate. While certain FCS institutions may lose revenue from waiving out-of-state fees, the waiver may also help these institutions recruit new students from out of state, who would still be required to pay in-state

tuition and fees.

The bill takes effect July 1, 2019.

II. Present Situation:

The Florida Legislature has enacted laws to make public postsecondary education more accessible and affordable in the state. For instance, Florida law extends fee waivers to students who meet specified conditions.¹ Some fee waivers are mandatory,² while others are permissive.³ For instance:

- A state university, a Florida College System (FCS) institution, a career center operated by a school district, or a charter technical career center must waive tuition for undergraduate college credit programs and career certificate programs for each recipient of a Purple Heart or another combat decoration superior in precedence if the recipient meets the criteria specified in law.⁴
- A FCS institution may waive any portion of the tuition, the activity and service fee, the financial aid fee, the technology fee, the capital improvement fee, and distance learning fee for the purpose of offering a baccalaureate degree for state residents for which the specified cost of tuition and the fees does not exceed \$10,000 for the entire degree program. The waivers provided must be applicable for upper-level courses not to exceed 100 percent of the number of required credit hours of the baccalaureate degree program for which the student is determined eligible.⁵

“Tuition” means the basic fee charged to a student for instruction provided by a public postsecondary educational institution in this state.⁶ “Out-of-state fee” means the additional fee for instruction provided by a public postsecondary educational institution in this state, which fee is charged to a student who does not qualify for the in-state tuition rate pursuant to Florida law.⁷

Florida law specifies the criteria that a student must meet to be classified as a Florida resident for tuition purposes.⁸ A student who is determined to be a Florida resident for tuition purposes qualifies for the in-state tuition rate.⁹ Such a student may also qualify for state financial aid awards and tuition assistance grants if he or she meets the criteria specified in law for such

¹ Section 1009.26, F.S.

² Section 1009.26 (5), (7)-(8), (12)-(14), F.S.

³ Section 1009.26 (1)-(4), (6), (9)-(11), and (15), F.S.

⁴ Section 1009.26(8), F.S.

⁵ Section 1009.26(11), F.S.

⁶ Section 1009.01(1), F.S.

⁷ Section 1009.01(2), F.S. For advanced and professional, postsecondary vocational, developmental education, and educator preparation institute programs, the standard tuition is \$71.98 per credit hour for residents and nonresidents, and the out-of-state fee is \$215.94 per credit hour. For baccalaureate degree programs, the tuition is \$91.79 per credit hour for students who are residents for tuition purposes. The sum of the tuition and the out-of-state fee per credit hour for students who are nonresidents for tuition purposes must be no more than 85 percent of the sum of the tuition and the out-of-state fee at the state university nearest the Florida College System institution. Section 1009.23(3), F.S.

⁸ Section 1009.21, F.S.

⁹ Section 1009.21(1)(g), F.S.

awards and grants.¹⁰ A nonresident student for tuition purposes does not qualify for the in-state tuition rate.¹¹ Accordingly, such student is responsible for paying the out-of-state fee.

III. Effect of Proposed Changes:

The bill authorizes certain FCS institutions to waive out-of-state fees for students under certain conditions for the purpose of recruiting students. Specifically, the bill provides that:

- An FCS institution that serves counties directly impacted by a hurricane, and whose enrollment decreases by more than 10 percent as a result of such impact, may waive the out-of-state fees for the purpose of recruiting students for a period of three years, beginning 180 days after the date on which the hurricane directly impacted the counties served by the FCS institution.
- A student who qualifies for the hurricane-related out-of-state fee waiver is eligible to receive the waiver for up to 110 percent of the number of credit hours required for the degree or certificate program in which the student is enrolled. The bill specifies that such student may not disenroll from the FCS institution for more than one semester.
- Each FCS institution must report to the State Board of Education the number and value of all hurricane-related out-of-state fee waivers granted annually.
- Out-of-state students enrolled under the hurricane-related out-of-state fee waiver must not be included in the FCS institutions' enrollment totals by the Education Estimating Conference on Florida College System Enrollment.

The out-of-state fee waiver may assist a FCS institution that experiences more than 10 percent dip in student enrollment owing to a hurricane impact recruit students from out of state. Additionally, the out-of-state fee waiver may help make earning a certificate or degree more affordable for non-Florida resident students enrolled at a FCS institution if the institution waives the out-of-state fee for such students for the specified period of time. The 3-year period, beginning 180 days after direct hurricane impact may provide the affected FCS institutions additional time to begin their student recruitment efforts.

The most recent hurricane that affected Florida was Hurricane Michael that made landfall on October 10, 2018 near Mexico Beach, Florida.¹² Hurricane Michael affected the following counties: Bay, Calhoun, Franklin, Gadsden, Gulf, Holmes, Jackson, Jefferson, Leon, Liberty, Okaloosa, Wakulla, Walton, and Washington.¹³

The following FCS institutions serve the counties impacted by Hurricane Michael:

- Chipola College, which serves Calhoun, Holmes, Jackson, Liberty, and Washington counties.¹⁴
- Gulf Coast State College, which serves Bay, Franklin, and Gulf counties.¹⁵

¹⁰ Section 1009.40, F.S.

¹¹ Section 1009.21(1)(e), F.S.

¹² Office of the Governor, *Executive Order Number 18-360*, available at https://www.flgov.com/wp-content/uploads/orders/2018/EO_18-360.pdf.

¹³ *Id.*

¹⁴ Section 1000.21(3)(d), F.S.

¹⁵ Section 1000.21(3)(i), F.S.

- North Florida Community College, which serves Hamilton, Jefferson, Lafayette, Madison, Suwannee, and Taylor counties.¹⁶
- Tallahassee Community College, which serves Gadsden, Leon, and Wakulla counties.¹⁷

FCS institutions serving counties in the Hurricane Michael affected areas reported the following enrollment changes:

- Chipola College – No significant change in student enrollment during the fall 2018 semester. For the spring 2019 semester, the overall student enrollment changes were not provided. However, the institution reported a 4.7 percent enrollment decrease for Advanced & Professional, Postsecondary Vocational, and developmental education. For lower-level credit hour (associate degree) programs, student enrollment decreased between 10.1 percent and 30.92 percent compared to the spring 2018 semester.¹⁸
- Gulf Coast State College – An eight percent decrease in student enrollment during the fall 2018 semester, a 16 percent decrease during the spring 2019 semester, and a projected 18.0 percent decrease during the 2019-2020 academic year.¹⁹
- North Florida Community College – No significant change in student enrollment.²⁰
- Tallahassee Community College – No change in student enrollment.²¹

The bill takes effect July 1, 2019.

IV. Constitutional Issues:

A. Municipality/County Mandates Restrictions:

None.

B. Public Records/Open Meetings Issues:

None.

C. Trust Funds Restrictions:

None.

D. State Tax or Fee Increases:

None.

E. Other Constitutional Issues:

None.

¹⁶ Section 1000.21(3)(p), F.S.

¹⁷ Section 1000.21(3)(aa), F.S.

¹⁸ Florida House of Representatives, *Staff Analysis of HB 593*, at 2. HB 593 is identical to SB 1164.

¹⁹ Telephone interview with staff from Gulf Coast State College (March 29, 2019).

²⁰ Florida House of Representatives, *Staff Analysis of HB 593*, at 2.

²¹ Telephone interview with staff from Tallahassee Community College (March 29, 2019).

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

None.

B. Private Sector Impact:

Students who are not classified as Florida residents for tuition purposes may experience a cost savings through the hurricane-related out-of-state fee waiver.

C. Government Sector Impact:

The bill authorizes Florida College System (FCS) institutions who serve counties directly affected by a hurricane, and whose enrollment decreases by more than 10 percent as a result of such impact, to waive out-of-state fees for a period of three years, beginning 180 days after the date on which the hurricane directly impacted the counties served by the FCS institution. While the out-of-state fee waiver may result in a loss of revenue for such FCS institutions, it may also help such these institutions recruit students from out of state who will still be required to pay in-state tuition and fees. Thus, the potential fiscal impact of the fee waiver is indeterminate.

VI. Technical Deficiencies:

None.

VII. Related Issues:

None.

VIII. Statutes Affected:

This bill substantially amends the section 1009.26 of the Florida Statutes.

IX. Additional Information:**A. Committee Substitute – Statement of Substantial Changes:**
(Summarizing differences between the Committee Substitute and the prior version of the bill.)**CS by Education Committee on April 2, 2019:**

The committee substitute maintains the substance of the bill with some modifications. Specifically, the committee substitute:

- Clarifies Florida College System (FCS) institutions' authority to grant hurricane-related out-of-state fee waivers to specify that such institutions may waive out-of-state fees for the purpose of recruiting students for a period of three years, beginning 180 days after the date on which the hurricane directly impacted the counties served by the FCS institution.

- Revises the student eligibility criterion regarding enrollment to specify that a student who qualifies for the hurricane-related fee waiver may not disenroll from the FCS institution for more than one semester.
- Specifies that out-of-state students enrolled under the hurricane-related out-of-state fee waiver must not be included in the FCS institutions' enrollment totals by the Education Estimating Conference on Florida College System Enrollment.

B. Amendments:

None.

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