



## FULL ANALYSIS

### I. SUBSTANTIVE ANALYSIS

#### A. HOUSE PRINCIPLES ANALYSIS:

Ensure lower taxes – The bill authorizes the establishment of a new student fee at the University of South Florida-St. Petersburg.

#### B. EFFECT OF PROPOSED CHANGES:

##### **Background**

In 2001, the Legislature converted the branch campus of the University of South Florida in St. Petersburg (USF-St. Petersburg) into a fiscally autonomous, separately accredited campus with a Campus Board and Campus Executive Officer. The campus is over 35 years old and is the largest regional campus of the University of South Florida (USF). The campus has over 4,600 students enrolled in 24 undergraduate and 10 graduate degree programs.<sup>2</sup> The powers and duties of the Campus Board of USF-St. Petersburg are established in law, but additional powers and duties may also be delegated by the USF Board of Trustees. Students enrolled at USF-St. Petersburg have the same rights and obligations as provided by law, policy, or rule adopted by USF.<sup>3</sup>

USF-St. Petersburg is the only campus of its size within the state university system without a student center. USF-St. Petersburg will complete the construction of its first residence halls in 2006; a student center would extend student services on campus. The student center would support the growth of the student population at USF-St. Petersburg by housing meeting rooms, dining facilities, classroom space, study areas, club offices, and a multi-use lecture hall. It would also serve as a social center for students living both on campus and off.<sup>4</sup>

According to the student government president, in a number of town hall meetings held by the USF-St. Petersburg student government in 2003-2004, a majority of students were in favor of creating a fee to finance construction on a student center.<sup>5</sup>

Under s. 1009.24, F.S., each state university board of trustees is required to set university tuition and fees, and is authorized to establish separate activity and service, health, and athletic fees for any branch campus. The USF-St. Petersburg Campus Board is responsible for determining in a letter of agreement any allocation or sharing of student fee revenue between the USF main campus and USF-St. Petersburg.<sup>6</sup> The total of the activity and service, health, and athletic fees is capped at 40% of tuition and must not increase by more than 5% each year. According to the Department of Education (DOE), students at USF-St. Petersburg currently pay the following fees per credit hour:

- Activity and Service Fee - \$9.16 per credit hour
- Athletic Fee - \$2.25 per credit hour, plus a \$5 per semester flat fee
- Health fee - \$.60 per credit hour.

Currently, these fees equate to approximately 18% of tuition.<sup>7</sup>

In addition to the capped fees, s. 1009.24, F.S. enumerates a number of different fees university boards of trustees are required or authorized to establish. The required fees include a \$2.44 per credit hour

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<sup>2</sup> University of South Florida, Student Center Background Paper.

<sup>3</sup> Section 1004.33, F.S.

<sup>4</sup> Letter from Thomas J. Piccolo, USF-St. Petersburg Student Government President, to Dr. Debra Austin, Chancellor of Colleges and Universities, Florida Department of Education, January 20, 2005.

<sup>5</sup> *Id.*

<sup>6</sup> Section 1004.33, F.S.

<sup>7</sup> Florida Department of Education 2005 Legislative Bill Analysis, HB 917, March 15, 2005, at 2.

Capital Improvement Trust Fund (CITF) fee. Fee revenue from the CITF fees is used for the construction of campus facilities; approximately \$1.2 million in CITF fees were allocated to USF-St. Petersburg for the 2005-06 fiscal year.<sup>8</sup> The administration of USF-St. Petersburg plans to utilize all CITF funds from the past two academic years for the acquisition of property and construction for the center. However, the present student enrollment of the St. Petersburg campus does not generate enough CITF funding to completely fund the center.<sup>9</sup>

Mandatory fees required to register for courses are currently included in the calculation of Bright Futures scholarship awards<sup>10</sup>, with the exception of athletic fees exceeding the 40% and 5% caps levied to defray the cost associated with universities changing National Collegiate Athletic Association divisions.

### **Effect of Proposed Changes**

The bill authorizes the Campus Board of USF-St. Petersburg to forward a proposal to the USF Board of Trustees to establish a student-center-support fee.

The bill requires that:

- The total of the activity and service, health, athletic, and student-center-support fees that a student is required to pay to register for a course at USF-St. Petersburg cannot exceed a cap of 40% of tuition. However, the student-center-support fee would not be subject to the 5% cap on the annual rate of increase that is imposed on the three other fees.
- The fee must be recommended by a committee, at least half of whom must be students appointed by the president of the student body, with the remainder appointed by the Campus Board.
- The recommendations of the committee shall take effect only after approval by
  - The university president after consultation with the student body president, and
  - The USF Board of Trustees.
- Revenues from the fee may be used to retire bonds or other forms of indebtedness issued or procured for the purpose of planning, constructing, equipping, and operating the student center facility.

The bill also requires that the amount of the fee will not be included in the calculation of Bright Futures scholarship award amounts.

### **C. SECTION DIRECTORY:**

**Section 1:** Amends s. 1009.24, F.S. to authorize the Campus Board of the University of South Florida St. Petersburg to forward a proposal to levy a student-center-support fee for specified purposes, to provide a cap on the sum of the fees students are required to pay for courses, to provide procedures for the establishment of the fee, and to prohibit the inclusion of the fee in the calculation of Bright Futures scholarship awards.

**Section 2:** Provides an effective date of July 1, 2005.

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<sup>8</sup> *Id.*, at 3.

<sup>9</sup> Letter from Thomas J. Piccolo, USF-St. Petersburg Student Government President, to Dr. Debra Austin, Chancellor of Colleges and Universities, Florida Department of Education, January 20, 2005.

<sup>10</sup> Sections 1009.534, 1009.535, and 1009.536, F.S.

## II. FISCAL ANALYSIS & ECONOMIC IMPACT STATEMENT

### A. FISCAL IMPACT ON STATE GOVERNMENT:

#### 1. Revenues:

Please see FISCAL COMMENTS.

#### 2. Expenditures:

Please see FISCAL COMMENTS.

### B. FISCAL IMPACT ON LOCAL GOVERNMENTS:

#### 1. Revenues:

Please see FISCAL COMMENTS.

#### 2. Expenditures:

Please see FISCAL COMMENTS.

### C. DIRECT ECONOMIC IMPACT ON PRIVATE SECTOR:

The bill authorizes the USF Board of Trustees to establish a new fee for students at the USF-St. Petersburg campus, which, if established, would increase the cost of attendance for those students. The bill provides that the fee will not be included in the calculation of Bright Futures awards, so even students with scholarships will be required to pay the fee out-of-pocket.

### D. FISCAL COMMENTS:

The fiscal impact of the bill is indeterminate.

According to the DOE, students at USF-St. Petersburg currently pay the following fees per credit hour:

- Activity and Service Fee - \$9.16 per credit hour
- Athletic Fee - \$2.25 per credit hour, plus a \$5 per semester flat fee
- Health fee - \$.60 per credit hour.

The total of the activity and service, health, athletic, and student-center-support fees that a student is required to pay to register for a course at USF-St. Petersburg cannot exceed a cap of 40% of tuition.

The bill would allow the USF-St. Petersburg campus to raise additional revenue from a new student fee to fund the construction and operation of a student center. For 2004-05, USF-St. Petersburg is estimated to generate 77,500 credit hours. Therefore, it is estimated that \$77,500 would be generated for every \$1.00 per credit hour collected from the proposed fee.<sup>11</sup>

The fee will not be included in the calculation of Bright Futures awards.

## III. COMMENTS

### A. CONSTITUTIONAL ISSUES:

#### 1. Applicability of Municipality/County Mandates Provision:

None.

#### 2. Other:

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<sup>11</sup> Florida Department of Education 2005 Legislative Bill Analysis, HB 917, March 15, 2005, at 2.

None.

B. RULE-MAKING AUTHORITY:

None.

C. DRAFTING ISSUES OR OTHER COMMENTS:

None.

#### **IV. AMENDMENTS/COMMITTEE SUBSTITUTE & COMBINED BILL CHANGES**

On April 5, 2005, the Colleges & Universities Committee adopted an amendment to HB 917. The bill was reported favorable with a Committee Substitute (CS).

The CS differs from the original bill in the following ways:

- Places the fee in the section of law that governs university fees.
- Removes legislative intent language.
- Changes the mechanism for capping the fees. Removes the requirement in the filed bill that the aggregate amount of fees collected not exceed the amount needed in each fiscal year for the retiring of indebtedness related to planning, constructing, equipping, and operating the student center facility. Instead, adds the student-center-support fee to the fees currently covered by the cap of 40% of tuition.
  - Therefore the 40% cap at USF-St. Petersburg would include the student-center-support, activity and service, health, and athletic fees.
  - However, provides that the student-center-support fee would not be subject to the 5% cap on the annual rate of increase that is imposed on the three other fees.

This analysis is drawn to the CS.