

HOUSE OF REPRESENTATIVES STAFF ANALYSIS

BILL #: HB 373 Tuition Waivers
SPONSOR(S): Harrell and others
TIED BILLS: None **IDEN./SIM. BILLS:** SB 122

REFERENCE	ACTION	ANALYST	STAFF DIRECTOR
1) <u>Military & Veteran Affairs Committee</u>	<u>8 Y, 0 N</u>	<u>Marino</u>	<u>Cutchins</u>
2) <u>Community Colleges & Workforce Committee</u>	<u></u>	<u></u>	<u></u>
3) <u>Education Appropriations Committee</u>	<u></u>	<u></u>	<u></u>
4) <u>State Administration Council</u>	<u></u>	<u></u>	<u></u>
5) <u></u>	<u></u>	<u></u>	<u></u>

SUMMARY ANALYSIS

House Bill 373 adds a new tuition fee waiver to a list of fee waivers in s. 1009.26, F.S. This new tuition fee waiver is for Purple Heart recipients who have been admitted to a Florida community college or state university and who are Florida residents at the present time and at the time they received the award. The tuition waiver can only be used by degree or certificate seeking undergraduate students, and who may be either full or part-time students or enrolled in summer school.

The Purple Heart is awarded to any member of the Armed Forces or any civilian national under the United States who has been wounded in combat. The U.S military recognizes order of precedence of awards and the Purple Heart is listed in the 16th position. The Purple Heart is unique in that an individual is not recommended for, but rather is entitled to this decoration when wounded in combat. The Florida Department of Veterans Affairs claims 2,482 Purple Heart recipients currently reside in Florida.

There appears to be no fiscal impact on 2006-2007 since this benefit begins in the 2007-2008 academic year. However, the fiscal impact in 2007-2008 could be up to approximately \$5,329,102.

The bill would take effect July 1, 2006.

FULL ANALYSIS

I. SUBSTANTIVE ANALYSIS

A. HOUSE PRINCIPLES ANALYSIS:

Ensure Lower Taxes – This bill would waive undergraduate tuition fees for Purple Heart recipients in Florida.

B. EFFECT OF PROPOSED CHANGES:

Present Situation:

Section 1009.26

Section 1009.26, F.S., lists fee waivers for postsecondary educational institutions. School districts, community colleges, university boards of trustees, the State Board of Education, and state universities may waive certain fees, such as tuition or application fees, charged to students and, in some cases, only on a space-available basis.

Those eligible for certain fee waivers under this section can include: persons who supervise student interns for a state university; full-time university employees; Florida residents 60 years of age or older; graduate students enrolled in certain state-approved school psychology training programs; certain out-of-state nondegree-seeking students; certain spouses of deceased state employees; and some active members of the Florida National Guard (FNG). Section 1009.26(8), F.S., specifically mentions the fee waiver for certain members of the FNG and references s. 250.10(8), F.S., which establishes the State Tuition Exemption Program (STEP) program. The Florida Department of Education reports that 82¹ community college students used the National Guard Fee Waiver in 2004-2005.

Purple Heart

The Purple Heart was established by General George Washington during the Revolutionary War. The Purple Heart is awarded to any member of the Armed Forces or any civilian national of the United States who has been wounded in combat. A wound can be an injury to any part of the body from an outside force or agent. Injuries which clearly justify receiving the Purple heart include, but are not limited to, injury caused by mine or trap, or enemy released chemical, biological, or nuclear agent. A person will not be eligible for the Purple Heart for certain wounds or injuries such as battle fatigue, heat stroke, or disease not directly caused by enemy agents. The Purple Heart is unique among other military awards, in that an individual is not recommended for, but rather is entitled to the decoration.

The U.S. military recognizes order of precedence of awards. Each award carries a level of significance and its own eligibility requirements. The Purple Heart is 16th in order of precedence according to Army Regulation 670-1, updated February 2005. The awards in precedence from Medal of Honor to the Purple Heart are:

- (1) Medal of Honor (Army, Navy, Air Force);
- (2) Distinguished Service Cross;
- (3) Navy Cross;
- (4) Air Force Cross;
- (5) Defense Distinguished Service Medal;
- (6) Distinguished Service Medal (Army, Navy, Air Force, Coast Guard);
- (7) Silver Star;

¹ Email from Sra Hamon. Florida Department of Education. January 13, 2006.

- (8) Defense Superior Service Medal;
- (9) Legion of Merit;
- (10) Distinguished Flying Cross;
- (11) Soldier's Medal;
- (12) Navy and Marine Corps Medal;
- (13) Airman's Medal;
- (14) Coast Guard Medal;
- (15) Bronze Star Medal; and
- (16) Purple Heart.

The Florida Department of Education (FDOE) reports that the Florida Department of Veterans Affairs (FDVA) provided them with the number of Purple Heart recipients currently residing in Florida to be approximately 2,482². It is unknown, however, how many recipients resided in Florida at the time they were awarded the medal.

Effect of Proposed Changes:

This bill adds a new tuition fee waiver under s. 1009.26, F.S. This new fee waiver is authorized for a full-time, part-time, or summer school degree or certificate seeking undergraduate student, who is a Purple Heart recipient, starting in the 2007-2008 school year. The student must currently be a resident of the state of Florida and must have been a Florida resident at the time the Purple Heart was awarded. Proper documentation must be submitted to the community college or university in order to receive the tuition waiver.

The bill will take effect July 1, 2006, although, the fee waiver would not be available to Purple Heart recipients until the 2007-2008 academic year.

C. SECTION DIRECTORY:

Section 1: Creates 1009.26(9), F.S., establishing a Purple Heart recipient undergraduate tuition waiver for state universities or community colleges beginning in the 2007-2008 academic year under certain circumstances.

Section 2: Provides for act to take effect July 1, 2006.

II. FISCAL ANALYSIS & ECONOMIC IMPACT STATEMENT

A. FISCAL IMPACT ON STATE GOVERNMENT:

1. Revenues:

There appears to be no fiscal impact on 2006-2007 since this benefit begins in the 2007-2008 academic year.

The impact on state revenue in 2007-2008 is indeterminate since it is unknown how many Purple Heart recipients resided in Florida at the time they received the award. It is also unknown how many will use the benefit in this bill.

However, if all 2,482 Purple Heart recipients in Florida used this benefit as full-time students with 30 credit hours in a state university in 2007-2008 it would cost approximately \$5,329,102.

² Eckard, Maria. Florida Department of Education. HB 0373 – Tuition Waivers-Purple Heart – Fiscal Only 01 05 06. January 12, 2006. On file with Committee on Military & Veteran Affairs.

2. Expenditures:

There are no known or expected fiscal impacts on state expenditures.

B. FISCAL IMPACT ON LOCAL GOVERNMENTS:

1. Revenues:

There are no known or expected fiscal impacts on local government revenues.

2. Expenditures:

There are no known or expected fiscal impacts on local government expenditures.

C. DIRECT ECONOMIC IMPACT ON PRIVATE SECTOR:

The chart shows the average savings per semester for a full-time, part-time, and summer student under this bill based on average credit hours³.

	Community College	State University
Full-time (12.48 avg. Credit Hours)	\$595.55	\$893.19
Part-time (6.02 avg. Credit Hours)	\$287.27	\$430.85
Summer (5.9 avg. Credit Hours)	\$281.55	\$422.26

D. FISCAL COMMENTS:

According to the 2005-2006 General Appropriations Act, the costs per credit hour for community colleges and state universities for the 2005-2006 fall/spring terms are \$47.72 and \$71.57 respectively.

The calculations in this analysis are based on the 2005-2006 GAA figures; however, the waiver created in this bill would not go into effect until the 2007-2008 academic year.

III. COMMENTS

A. CONSTITUTIONAL ISSUES:

1. Applicability of Municipality/County Mandates Provision:

The bill does not require counties or municipalities to spend funds or to take an action requiring the expenditure of funds. This bill does not reduce the percentage of a state tax shared with counties or municipalities. This bill does not reduce the authority that municipalities have to raise revenues.

2. Other:

There do not appear to be any constitutional issues with this bill.

B. RULE-MAKING AUTHORITY:

None.

C. DRAFTING ISSUES OR OTHER COMMENTS:

None.

³ Email from Sara Hamon, Florida Department of Education, January 12, 2006.

IV. AMENDMENTS/COMMITTEE SUBSTITUTE & COMBINED BILL CHANGES

None.