

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 Higher Education Appropriations Committee

BILL: PCS for SB 8-C

INTRODUCER: Committee on Higher Education Appropriations and Senator Lynn

SUBJECT: Tuition and Fees for Higher Education

DATE: October 2, 2007 **REVISED:** _____

| | ANALYST | STAFF DIRECTOR | REFERENCE | ACTION |
|----|---------|----------------|-----------|--------------------|
| 1. | Bryant | Hamon | HI | Pre-meeting |
| 2. | _____ | _____ | _____ | _____ |
| 3. | _____ | _____ | _____ | _____ |
| 4. | _____ | _____ | _____ | _____ |
| 5. | _____ | _____ | _____ | _____ |
| 6. | _____ | _____ | _____ | _____ |

I. Summary:

The bill establishes a standard resident student tuition, effective January 1, 2008 for each of the following programs: workforce development education, advanced and professional education, associate in science degree, college preparatory programs, baccalaureate programs in community colleges, and lower level and upper level coursework in universities. The standard tuition rates are 5 percent over the rates charged during the 2006-07 school year.

The bill provides nonrecurring appropriations from the General Revenue Fund to make up for tuition revenue decreases from the fall term due to the gubernatorial veto of a 5 percent tuition increase. These funds will be distributed to school districts, community colleges and state universities based on their respective share of student fee revenues.

This bill amends ss. 1009.22, 1009.23 and 1009.24 of the Florida Statutes.

II. Present Situation:

Section 1009.22 (3) and (10), F.S., directs the State Board of Education to adopt no later than December 31 of each year a schedule of fees for workforce education. The fee schedule shall be based on the amount of student fees necessary to produce 25 percent of the prior year's average cost of a course of study leading to a certificate or diploma. Unless otherwise specified in the General Appropriations Act this fee schedule shall take effect. For the past several years the State Board of Education has not adopted a fee schedule and the fees have been specified annually in the General Appropriations Act.

Section 1009.23 (3) and (4), F.S., directs the State Board of Education to adopt by December 31 of each year a resident fee schedule of fees for the following community college programs: advanced and professional; associate in science degree; and college preparatory programs that produce revenues in the amount of 25 percent of the full year's cost of these programs. In the absence of a provision to the contrary in an appropriations act this fee schedule shall take effect. If the Legislature provides an alternative fee schedule in an appropriations act, the alternative fee schedule shall take effect the subsequent fall semester. For the past several years the State Board of Education has not adopted a fee schedule, and the fees have been specified annually in the General Appropriations Act.

Section 1009.24, F.S., provides that, except as otherwise provided by law, state university undergraduate tuition shall be established annually in the General Appropriations Act. For the past several years undergraduate tuition has been specified annually in the General Appropriations Act.

III. Effect of Proposed Changes:

The effect of the bill is that resident student tuition and fees are established in law for all public postsecondary education with an effective date of January 1, 2008. The established rates reflect an increase of 5 percent over the 2006-2007 rates.

Section 1 amends s. 1009.22, F.S., to provide that, effective January 1, 2008, the standard resident tuition per contact hour shall be \$1.67 for Career Certificate or Applied Technology Diploma and \$0.83 for Adult General Education. School districts and community colleges are authorized to adopt a resident tuition that is within the range of five percent below to five percent above the standard tuition. These rates are 5 percent above rates charged during the 2006-07 school year. The maximum increase in resident tuition for any school district or community college during the 2007-2008 fiscal year shall be 5 percent over the fee charged during the 2006-2007 fiscal year.

Section 2 appropriates the nonrecurring sum of \$629,614 from the General Revenue Fund to make up for the revenue reductions from the fall term due to the gubernatorial veto of a 5 percent tuition increase. The funds shall be distributed to the districts in the same proportion as each district's resident student fee revenue is of the total for all districts.

Section 3 amends s. 1009.23, F.S., to provide that, effective January 1, 2008, the sum of the standard tuition and technology fee per credit hour for the following community college programs: advanced and professional, postsecondary vocational, college preparatory, and educator preparatory shall be \$51.35 for residents. For nonresidents, the sum of tuition, technology fee, and out-of-state fee shall be \$154.14. The resident tuition per credit hour for community college baccalaureate programs shall be \$65.47 and for nonresidents 85 percent of the tuition for out-of-state fees at the public university nearest the community college. These rates are 5 percent over rates charged during the 2006-07 school year.

Section 4 appropriates the nonrecurring sum of \$11,446,858 from the General Revenue Fund to make up for the tuition revenue reductions from the fall term due to the gubernatorial veto of a 5 percent tuition increase. The funds shall be distributed to community colleges in the same proportion as each college's resident student fee revenue is of the total for all colleges.

Section 5 amends s. 1009.24, F.S., to provide that, effective January 1, 2008, the maximum resident undergraduate tuition per credit hour for state university lower level and upper level coursework shall be \$77.39. This rate is 5 percent over rates charged during the 2006-07 school year.

Section 6 appropriates the nonrecurring sum of \$9,547,941 from the General Revenue Fund to make up for the tuition revenue reduction from the fall term due to the gubernatorial veto of a 5 percent tuition increase. The funds shall be distributed to universities in the same proportion as each university's resident student fee revenue is of the total for all universities.

Section 7 provides that the bill is effective upon becoming a law.

IV. Constitutional Issues:

A. Municipality/County Mandates Restrictions:

None.

B. Public Records/Open Meetings Issues:

None.

C. Trust Funds Restrictions:

None.

D. Other Constitutional Issues:

V. Fiscal Impact Statement:

A. Tax/Fee Issues:

None.

B. Private Sector Impact:

The standard resident tuition is increased as follows:

- i. \$0.08 per contact hour for workforce education programs,
- ii. \$2.44 per credit hour for community college programs, and
- iii. \$3.68 per credit hour for university lower level and upper level courses.

C. Government Sector Impact:

This bill provides nonrecurring appropriations from the General Revenue Fund in the sum of \$21,624,413 to be distributed to school districts, community colleges, and state universities to make up for the lost tuition revenue from the fall term due to the tuition increase veto.

The tuition increases effective January 1, 2008 will generate the following increases in tuition revenue: \$629,614 for public schools, \$11,446,858 for community colleges, and \$9,547,941 for universities.

VI. Technical Deficiencies:

None.

VII. Related Issues:

None.

VIII. Additional Information:**A. Committee Substitute – Statement of Substantial Changes:**

(Summarizing differences between the Committee Substitute and the prior version of the bill.)

None.

B. Amendments:

None.