

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: CS for SB 1774

INTRODUCER: Higher Education Appropriations Committee and Senator Lynn

SUBJECT: Technology Fees

DATE: April 2, 2008 REVISED: _____

| | ANALYST | STAFF DIRECTOR | REFERENCE | ACTION |
|----|---------|----------------|-----------|--------|
| 1. | Bryant | Hamon | HI | Fav/CS |
| 2. | _____ | _____ | _____ | _____ |
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I. Summary:

The bill specifies that the technology fee for community colleges and district school boards, for workforce education programs, is no longer a component part of tuition. The technology fee is authorized for all workforce students as well as community college students. The bill provides that the maximum amount of the technology fee is the same percentage of tuition and out-of-state fee as the maximum amount authorized for the state university technology fee. The bill clarifies that the revenue generated from the technology fee shall be used to enhance instructional technology resources for students and faculty and shall not be included in any award under the Florida Bright Futures Scholarship Program.

The bill deletes the date that each university board of trustees is authorized to begin the assessment of a technology fee and requires that the establishment of the fee is contingent upon a referendum of the student body in which a majority of the students participating in the referendum vote to support the technology fee. It also requires each university board of trustees to annually report on the total amount of revenue generated by the technology fee and how the revenue was expended to support technology.

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

II. Present Situation:

Sections 1009.22(7) and 1009.23(10), F.S., authorize each community college board of trustees to establish a separate fee for technology, which may not exceed \$1.80 per credit hour or credit-hour equivalent for resident students and not more than \$5.40 per credit hour or credit-hour

equivalent for non-resident students, to be expended according to technology improvement plans.

Section 1009.23(3), F.S., provides 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 vocation, college preparatory, and educator preparatory shall be \$51.35 for residents. For non-residents, the sum of tuition, technology fee, and out-of-state fee shall be \$154.14.

For the 2007-2008 academic year, five community colleges assess a technology fee as a component part of tuition: Brevard Community College, Gulf Coast Community College, Lake City Community College, Pasco-Hernando Community College, and Seminole Community College. The fee is currently covered by the Florida Bright Futures Scholarship Program.

Section 1009.24(13)(s), F.S., authorizes each university board of trustees, beginning the fall term of 2009-2010 academic year, to establish a technology fee of up to 5 percent of the per credit hour tuition. The revenue from this fee shall be used to enhance instructional technology resources for students and faculty and shall not be included in any award under the Florida Bright Futures Scholarship Program.

III. Effect of Proposed Changes:

Section 1 amends s. 1009.22(7), F.S., to state that the technology fee established by each community college board of trustees or district school board, for workforce education programs, shall not exceed 5 percent of tuition per credit hour and the out-of-state fee and shall be used to enhance instructional technology resources for students and faculty. The fee may also apply to all workforce students. The technology fee shall not be included in any award under the Florida Bright Futures Scholarship Program.

Section 2 amends s. 1009.23(3)), F.S., to delete the technology fee as a component part of tuition for college credit programs. This section also amends s. 1009.23(10)), F.S., to direct that the technology fee established by each community college board of trustees for advanced and professional, postsecondary vocational, college preparatory, and educator preparation institute programs shall not exceed 5 percent of tuition per credit hour and the out-of-state fee. Revenues generated by the technology fee shall be used to enhance instructional technology resources and shall not be included in any award under the Florida Bright Futures Scholarship Program.

Section 3 amends s. 1009.24(13)(s)), F.S., to delete the date that each university board of trustees is authorized to begin the assessment of a technology fee and states that the establishment of the fee is contingent upon a referendum of the student body in which a majority of the students participating in the referendum vote to support the establishment of the fee. Each university board of trustees is required to annually report on the total amount of revenue generated by the technology fee and how the revenue was expended to support technology as required by this section.

Section 4 provides the effective date of July 1, 2008.

IV. Constitutional Issues:

A. Municipality/County Mandates Restrictions:

None.

B. Public Records/Open Meetings Issues:

None.

C. Trust Funds Restrictions:

None.

V. Fiscal Impact Statement:

A. Tax/Fee Issues:

None.

B. Private Sector Impact:

Students may, depending on the decisions of the local boards or the current local use of a technology fee, see a change in fees paid. See the discussion below.

C. Government Sector Impact:

The bill specifies that the community college technology fee shall no longer be a component part of tuition and that it is not covered by Bright Futures Scholarship Program; students would be required to pay the technology fee. In FY 2006-07, the cost to pay the technology fee for students attending the five community colleges that currently assess the fee was approximately \$185,000.

The other 23 community colleges may choose to assess the technology fee should it become a separate fee rather than a component part of tuition. If all 28 community colleges assess the technology fee, the total potential revenue to the system is \$26.6 million based on 2007-08 credit hour estimates provided by the Division of Community Colleges. This maximum estimate assumes full 5 percent implementation of the technology fee for all students.

If all 11 universities assess the technology fee, the total potential revenue to the system is up to \$37.3 million based on 2007-08 student credit hours provided by the Board of Governors. This maximum estimate assumes full 5 percent implementation for all students, both undergraduate and graduate.

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.)

CS by Higher Education Appropriations Committee on April 2, 2008:

Senate Bill 1774 was originally filed as a shell bill expressing legislative intent to revise laws relating to higher education funding. The bill, as adopted by the Higher Education Appropriations Committee, specifies that the technology fee each community college board of trustees or district school board is authorized to establish is no longer a component part of tuition and applies to all workforce students as well as community students. The bill provides that the maximum amount of the community college and workforce technology fee is the same percentage of tuition and out-of-state fee as the maximum amount authorized for the state university technology fee. The bill clarifies that the revenue generated from the technology fee shall be used to enhance instructional technology resources for students and faculty and shall not be included in any award under the Florida Bright Futures Scholarship Program.

The bill deletes the date that each university board of trustees is authorized to begin the assessment of a technology fee and requires that the establishment of the fee is contingent upon a referendum of the student body in which a majority of the students participating in the referendum vote to support the technology fee. It also requires each university board of trustees to annually report on the total amount of revenue generated by the technology fee and how the revenue was expended to support technology.

- B. **Amendments:**

None.