

HOUSE OF REPRESENTATIVES STAFF ANALYSIS

BILL #: HB 723

Postsecondary Education Fee Waivers

SPONSOR(S): Sachs

TIED BILLS:

IDEN./SIM. BILLS: SB 2102

	REFERENCE	ACTION	ANALYST	STAFF DIRECTOR
1)	State Universities & Private Colleges Policy Committee		Valenstein	Tilton
2)	State Universities & Private Colleges Appropriations Committee			
3)	Education Policy Council			
4)				
5)				

SUMMARY ANALYSIS

Current law authorizes state universities, community colleges and school districts to waive tuition and fees under various circumstances.

HB 723 authorizes a state university or community college to waive tuition and fees for full-time public school instructional personnel who meet academic requirements for up to six credit hours per term. The fee waiver applies only to those courses that the Department of Education has approved.

The fiscal impact of the bill is indeterminate. (See FISCAL COMMENTS)

The effective date provided is July 1, 2010.

HOUSE PRINCIPLES

Members are encouraged to evaluate proposed legislation in light of the following guiding principles of the House of Representatives

- Balance the state budget.
- Create a legal and regulatory environment that fosters economic growth and job creation.
- Lower the tax burden on families and businesses.
- Reverse or restrain the growth of government.
- Promote public safety.
- Promote educational accountability, excellence, and choice.
- Foster respect for the family and for innocent human life.
- Protect Florida's natural beauty.

FULL ANALYSIS

I. SUBSTANTIVE ANALYSIS

A. EFFECT OF PROPOSED CHANGES:

Background

Currently, school districts, community colleges and state universities are authorized to grant fee waivers under various circumstances.¹ Section 1009.26, F.S., authorizes fee waivers for: supervisors of university student interns; full-time university employees for up to 6 credit hours per term, as space is available; state residents 60 years or older, as space is available; graduate students in a psychology training program for specified internships; certain nondegree-seeking students; the spouse of a deceased state employee; recipient of a Purple Heart; and for other such purposes that support the mission of a state university.² Additionally, section 1009.26, F.S., authorizes school districts and community colleges to waive fees for any fee-nonexempt student, up to the amount established annually in the General Appropriations Act. Section 1009.265, F.S., requires state universities and community colleges to waive tuition and fees for approved state employees to take up to six credit hours per term, as space is available.³ There is no specific statutory authority to waive tuition and fees for public school instructional personnel; however, some of these individuals may be eligible for an existing fee waiver such as one granted under the general authority provided to state universities to waive tuition and out-of-state fees for any purpose that supports the mission of the university.

According to the State University System Fee Waiver Summary report for 2007-2008⁴, there were 30,064 students enrolled using a fee waiver.⁵ This resulted in the universities forgoing approximately \$77,194,555 in revenues.⁶

The Education Information & Accountability Services Data Report states there were 189,429 total full-time public school instructional personnel. Of those, 166,724 were teachers.⁷ It is unclear whether the full-time public school instructional personnel data reported in this report contain all persons defined in s. 1012.01(2), F.S., which includes classroom teachers, student personnel services, librarians/media specialists, other instructional staff, and education paraprofessionals.

¹ Sections 1009.26 and 1009.265, F.S.

² Section 1009.26(1)-(9), F.S.

³ Section 1009.265(1), F.S.

⁴ Fee Waiver summary created from Student Data Course File Edit Reports – Summer 2007, Fall 2007, and Spring 2008.

⁵ State University System of Florida, Fee Waiver Summary 2007-08, State University System of Florida Fact Book, Table 37, available at <http://www.flbog.org/resources/factbooks/factbooks.php> (last visited March 12, 2010).

⁶ *Id.*

⁷ Available at <http://www.fldoe.org/eias/eiaspubs/default.asp> (Last visited March 12, 2010).

Public school instructional personnel continue to take academic course work at community colleges and state universities during their careers to maintain licensure, participate in professional development and seek additional academic credentials and degrees.⁸ These additional academic credentials and degrees are often linked with higher salaries.⁹ The Office of Program Policy Analysis and Government Accountability stated educational attainment is the second most influential predictor of total compensation.¹⁰ The statewide average salary for Florida teachers with a bachelor's degree for the academic year 2007-2008 was \$42,943, while the salary for those teachers with a master's degree was \$50,340.¹¹

Effect of Proposed Changes

HB 723 authorizes, but does not require, a state university or community college to waive tuition and fees for full-time public school instructional personnel who meet academic requirements. The fee waiver is valid for up to six (6) credit hours per term for those courses approved by the Department of Education (DOE).

The fee waiver is limited to full-time public school instructional personnel which includes classroom teachers, student personnel services, librarians/media specialists, other instructional staff, and education paraprofessionals.¹² More specifically, this includes those teaching exceptional students, career education, and adult education. It also includes substitute teachers, guidance counselors, social workers, career specialists, school psychologists, primary specialists, learning resource specialists, instructional trainers, adjunct educators, classroom paraprofessionals in regular instruction, exceptional education paraprofessionals, career education paraprofessionals, adult education paraprofessionals, library paraprofessionals, physical education and playground paraprofessionals, and other school-level paraprofessionals.¹³ In the Fall of 2009, approximately 189,429 employees fell into the category of full-time public school instructional personnel.¹⁴ It is unclear whether all persons falling into the statutory definition of full-time public school instructional personnel were included in this data.

HB 723 limits the courses available for the fee waiver to those that have been approved by the DOE; however, it is unclear what standards HB 723 intends the DOE to use in approving courses. Additionally, HB 723 needs to provide rulemaking authority for the DOE to approve courses for the tuition waiver.

The DOE recommended that the bill clarify eligibility requirements for the fee waiver.¹⁵ As drafted, HB 723 defines eligibility criteria for a fee waiver to be "full-time public school instructional personnel who meet academic requirements." Without more specificity in the eligibility criteria, potentially all full-time public instructional personnel could be eligible for the benefit.¹⁶

The Board of Governors expressed concern that the fee waivers could impact access to courses for tuition paying students. The fee waivers may also exacerbate the shortage of instructional space and the lack of qualified faculty to teach the high demand courses that many campuses are facing.¹⁷

⁸ Florida Department of Education Analysis of HB 723, February 2, 2010.

⁹ See *Teacher Compensation Varies Among School Districts, but Daily Pay Compares Well to Other Occupations*, OPPAGA Report No. 04-36, June 2004; *Teacher Pay Review*, Florida Department of Education, Division of Accountability, Research, and Measurement, May 2006, p. 28.

¹⁰ *Teacher Compensation Varies Among School Districts, but Daily Pay Compares Well to Other Occupations*, OPPAGA Report No. 04-36, p. 6, June 2004.

¹¹ *Average Salary \$ for Florida's Teachers with Demographics and Trends*, Florida Department of Education, available at <http://www.fldoehub.org/Teachers/Pages/AvgSalaryofTeachersTrends.aspx> (last visited March 12, 2010).

¹² Section 1012.01(2), F.S.

¹³ *Id.*

¹⁴ Available at <http://www.fldoe.org/eias/eiaspubs/default.asp> (click on *Staff in Florida's Public Schools, Fall 2009*) (Last visited March 12, 2010).

¹⁵ Florida Department of Education Analysis of HB 723, February 2, 2010.

¹⁶ *Id.*

¹⁷ *Id.*

At the time of this analysis, there was no information available regarding the potential of increased educational attainment of Florida teachers taking advantage of the fee waivers. As public school instructional personnel obtain more certificates and degrees, their compensation will likely increase.

B. SECTION DIRECTORY:

Section 1. Amends s. 1009.26, F.S., authorizing a state university or community college to waive tuition and fees for qualified full-time public school instructional personnel for up to six credit hours per term for courses approved by the Department of Education.

Section 2. Provides an effective date of July 1, 2010.

II. FISCAL ANALYSIS & ECONOMIC IMPACT STATEMENT

A. FISCAL IMPACT ON STATE GOVERNMENT:

1. Revenues:

None.

2. Expenditures:

None.

B. FISCAL IMPACT ON LOCAL GOVERNMENTS:

1. Revenues:

None.

2. Expenditures:

None.

C. DIRECT ECONOMIC IMPACT ON PRIVATE SECTOR:

Fee waivers would benefit K-12 instructional personnel who currently pay to take academic course work during their careers for the purpose of maintaining certification, professional development, or to seek additional credentialing.¹⁸

D. FISCAL COMMENTS:

Public instructional personnel continue to take academic course work during their careers to maintain licensure, participate in professional development and seek additional academic credentials and degrees. The universities may lose revenues from existing fee paying students who will qualify for the fee waiver.¹⁹

The total fiscal impact of the fee waivers cannot be determined. The fiscal analyses provided by Florida Department of Education and the Board of Governors assumed the fee waivers were limited to undergraduate courses; however, the bill does not make that limitation. In fact, most of the eligible instructional personnel already possess undergraduate degrees and it seems likely the fee waivers will be used to pursue advanced degrees.

The Board of Governors calculated the potential loss of revenues the universities may face from the fee waivers, assuming the fee waivers will be used solely for undergraduate courses, even though HB 723

¹⁸ Florida Department of Education Analysis of HB 723, February 2, 2010.

¹⁹ *Id.*

does not limit the use of fee waivers to undergraduate courses. The Board of Governor's analysis of the potential loss of revenues is as follows²⁰:

Each eligible public school instructional employee who meets academic requirements may receive 6 credits per term x 3 academic terms per year = 18 credit hours cost waived annually. Using the state university system average hourly rate of \$145.03 for combined undergraduate tuition and fees, each eligible employee could receive up to \$2,610.54 in waiver authority per academic year.

If a participation methodology is used that looks at the percentage of state university personnel utilizing a university fee waiver available during the fall of 2008, which equates to approximately 3% of all state university full-time personnel, an estimated cost associated with this proposed legislation can be calculated as:

If 3% (5683) of all eligible public school instructional personnel were to fully utilize the proposed state university waivers for 3 academic terms per year (totaling 102294 credit hours), the associated tuition & fees costs would be approximately \$14,835,698.82 annually.

Using the same calculation for the state university system average hourly rate for graduate level courses of \$320.55, the total tuition and fees would be approximately \$32,790,341.70.

Using the same calculation for the Florida Colleges average hourly rate of \$84.51, the total tuition and fees would be approximately \$8,644,865.94.

HB 723 may cause additional administrative costs for the university or college which will have to verify that each student seeking a fee waiver falls within the statutory definition of full time public school instructional personnel and also track and limit waived tuition and fees to six credit hours per term per eligible employee.²¹

Additionally, it is unclear what effect HB 723 may have on teacher compensation. As eligible personnel take advantage of the fee waivers and obtain additional certificates and degrees, teacher compensation will likely be effected.

Similar to other fee waivers, the language "as space is available" may be added to prevent fee waiver students from filling a spot that could have been filled by a tuition paying student.²² This could reduce the loss of revenue experienced by the universities and colleges.

The fiscal impact is indeterminate at this time. The impact will depend on numerous factors, including the number of institutions which grant the fee waivers, the number of eligible personnel that participate in the fee waiver program and the types of courses taken by eligible personnel. Specific information regarding these variables is unavailable at this time.

III. COMMENTS

A. CONSTITUTIONAL ISSUES:

1. Applicability of Municipality/County Mandates Provision:

This bill does not appear to require a city or county to expend funds or to take any action requiring the expenditure of funds.

²⁰ Board of Governors Analysis of HB 723, February 23, 2010.

²¹ See Florida Department of Education Analysis of HB 723, February 2, 2010.

²² Board of Governors Analysis of HB 723, February 23, 2010.

The bill does not appear to reduce the authority that municipalities or counties have to raise revenues in the aggregate.

This bill does not appear to reduce the percentage of state tax shared with counties or municipalities.

2. Other:

None.

B. RULE-MAKING AUTHORITY:

None.

C. DRAFTING ISSUES OR OTHER COMMENTS:

The sponsor plans to offer an amendment to clarify the concerns identified in the analysis. The amendment will limit the scope of the fee waivers by applying the fee waiver only to full-time classroom teachers and only as space is available. The amendment will also provide guidelines for the approval of courses by DOE.

IV. AMENDMENTS/COUNCIL OR COMMITTEE SUBSTITUTE CHANGES