

## HOUSE OF REPRESENTATIVES STAFF ANALYSIS

**BILL #:** CS/HB 1273 Out-of-state Fee Waiver for Nonresident Students  
**SPONSOR(S):** Higher Education Appropriations Subcommittee, Maney and other  
**TIED BILLS:** None **IDEN./SIM. BILLS:** SB 1728

REFERENCE	ACTION	ANALYST	STAFF DIRECTOR or BUDGET/POLICY CHIEF
1) Post-Secondary Education & Lifelong Learning Subcommittee	11 Y, 3 N	Kiner	Kiner
2) Higher Education Appropriations Subcommittee	15 Y, 0 N, As CS	Crowley	Smith
3) Education & Employment Committee			

### SUMMARY ANALYSIS

To attract talented out-of-state students, the bill provides an out-of-state fee waiver for top-performing, out-of-state high school graduates who have a grandparent that is a Florida resident.

The out-of-state fee waiver is applicable for up to 110 percent of the number of required credit hours of the degree program for which the student is enrolled. This means that for a 120-credit hour state university baccalaureate degree program, the waiver is applicable for up to 132 credit hours.

Each state university must annually report to the Board of Governors the number and value of fee waivers granted pursuant to the bill's provisions.

The Board of Governors must adopt regulations to administer the granting of the waiver.

The bill's fiscal impact is negative, but indeterminate.

The bill is effective July 1, 2021.

# FULL ANALYSIS

## I. SUBSTANTIVE ANALYSIS

### A. EFFECT OF PROPOSED CHANGES:

#### **Present Situation**

Recent census data shows that one in five of Florida's residents is aged 65 years of age or older.<sup>1</sup> This percentage is the second highest in the nation.<sup>2</sup> Florida's senior population, which includes the Baby Boomer generation, impacts Florida's economy through the purchase of homes and automobiles, and through the payment of property, sales, and other taxes.

#### State-Funded Scholarship Programs for High-Academic Achievers

The Florida Bright Futures Scholarship Program rewards Florida high school graduates who merit recognition for high academic achievement and who enroll in a degree program, certificate program, or applied technology program at an eligible Florida public or private postsecondary education institution.<sup>3</sup>

The Bright Futures Scholarship Program consists of four awards: the Florida Academic Scholarship (FAS)<sup>4</sup>, the Florida Medallion Scholarship (FMS)<sup>5</sup>, the Florida Gold Seal Career and Professional Education (CAPE) Scholarship, and the Florida Gold Seal Vocational Scholarship.<sup>6</sup>

The minimum required SAT score for the FAS award is no lower than the 89<sup>th</sup> national percentile on the SAT.<sup>7</sup> For the FMS award, the minimum required SAT score is no lower than the 75<sup>th</sup> national percentile on the SAT.<sup>8</sup> The required ACT scores for each must be made concordant to the required SAT scores, using the latest published national concordance table developed jointly by the College Board and ACT, Inc.<sup>9</sup>

Florida high school students who wish to qualify for the Florida Academic Scholar (FAS) awards or the Florida Medallion Scholars (FMS) awards must graduate from a Florida public high school with a standard high school diploma, graduate from a registered Florida Department of Education private high school, earn a general education diploma (GED), complete a home education program, or graduate from a non-Florida high school as an eligible student.<sup>10</sup>

#### Tuition and Out-of-State Fees

Under Florida law, 'tuition' is defined as the basic fee charged to a student for instruction provided by a public postsecondary educational institution in the state.<sup>11</sup> A student who is classified as a "resident for tuition purposes" is a student who qualifies for the in-state tuition rate.<sup>12</sup>

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<sup>1</sup> See U.S. Census Bureau website at: <https://www.census.gov/newsroom/press-releases/2020/65-older-population-grows.html>. (Last viewed February 27, 2021).

<sup>2</sup> See Population Reference Bureau website at: <https://www.prb.org/which-us-states-are-the-oldest/>. (Last viewed February 27, 2021).

<sup>3</sup> s. 1009.53(1), F.S.

<sup>4</sup> The award amount is 100 percent of tuition and applicable fees and \$300 for both fall and spring semesters for additional educational expenses.

<sup>5</sup> The award amount is 75 percent of tuition and applicable fees.

<sup>6</sup> s. 1009.53(2), F.S.

<sup>7</sup> s. 1009.531(6)(c), F.S.

<sup>8</sup> *Id.*

<sup>9</sup> *Id.*

<sup>10</sup> s. 1009.531(1), F.S.

<sup>11</sup> s. 1009.01(1), F.S. Additionally, the definition states that "[a] charge for any other purpose shall not be included within this fee."

<sup>12</sup> s. 1009.21(1)(g), F.S.

An 'out-of-state fee' is the additional fee for instruction provided by a public postsecondary education institution in the state, and is charged to a student who does not qualify for the in-state tuition rate.<sup>13</sup>

Residents for tuition purposes are charged in-state rates for tuition while non-residents pay out-of-state fees in addition to tuition, unless these costs are exempted or waived.<sup>14</sup>

The resident undergraduate tuition rate for the SUS is currently set in statute at \$105.07 per credit hour.<sup>15</sup> The average cost of resident and nonresident tuition and fees per credit hour is shown below<sup>16</sup>:

<b>State University Tuition &amp; Fees<sup>17</sup></b>				
<b>Undergraduate Baccalaureate</b>	<b>Standard Tuition (Per Credit Hour)</b>	<b>Average Tuition &amp; Fees (Per Credit Hour)</b>	<b>Standard Tuition (Per 30 Credit Hours)</b>	<b>Average Tuition &amp; Fees (Per 30 Credit Hours)</b>
<b>Resident</b>	\$105.07	\$199.72	\$3,152.10	\$5,991.79
<b>Non-Resident</b>	\$105.07	\$690.63	\$3,152.10	\$20,719.07
<b>Difference</b>	-	\$490.91	-	\$14,727.28

### Fee Exemptions and Fee Waivers

Florida law authorizes school districts that provide workforce education programs, state colleges, and state universities to grant fee exemptions<sup>18</sup> and fee waivers<sup>19</sup> to qualified students that meet specified criteria. A number of fee exemptions and fee waivers are permissive<sup>20</sup> while others are mandatory.<sup>21</sup> There is a limitation on the number of permissive fee waivers a school district providing workforce education programs or a state college may grant;<sup>22</sup> however, this limit does not apply to mandatory fee waivers.

### Legal Residency in Florida

With respect to tuition and fees at postsecondary institutions, a legal Florida resident is someone who has maintained his or her residence in this state for the preceding year, has purchased a home which is occupied by him or her as his or her residence, or has established a domicile in this state.<sup>23</sup>

### State University System Out-of-State Student Enrollment

By regulation, the Board of Governors of the State University System limits the system-wide enrollment of out-of-state students at ten percent.<sup>24</sup> The ten percent limit on out-of-state student enrollment applies system-wide and not at each individual institution.

### **Effect of Proposed Changes**

<sup>13</sup> s. 1009.01(2), F.S. Adding that “[a] charge for any other purpose shall not be included within this fee.”

<sup>14</sup> s. 1009.24(2), F.S.

<sup>15</sup> s. 1009.24(4)(a), F.S.

<sup>16</sup> See State University System of Florida, Tuition and Required Fees, 2020-211.

<sup>17</sup> *Id.*

<sup>18</sup> s. 1009.25, F.S.

<sup>19</sup> s. 1009.26, F.S.

<sup>20</sup> s. 1009.25(2), F.S. (authorizing each state college to grant additional fee exemptions “up to 54 full-time equivalent students or 1 percent of [an] institution’s total full-time equivalent enrollment, whichever is greater at each institution”); ss. 1009.26(1)-(4), (6), (9), (10), (11), F.S.

<sup>21</sup> ss. 1009.25(1)(a)-(g), and 1009.26(5), (7), (8), F.S.

<sup>22</sup> s. 1009.26(1), F.S.

<sup>23</sup> s. 1009.21(1)(d), F.S.

<sup>24</sup> BOG Regulation 7.006

The bill requires a state university to waive the out-of-state fee for an out-of-state student who has a grandparent who is a legal Florida resident and who meets the following criteria:

- Earns a high school diploma that is comparable to a standard Florida high school diploma, or its equivalency, or completes a home education program;
- Achieves an SAT combined score no lower than the 89<sup>th</sup> national percentile, an equivalent ACT score, or, if the university accepts it for admission purposes, an equivalent score on the Classic Learning Test (CLT) exam, if a state university accepts the CLT for admission purposes<sup>25</sup>;
- Enrolls as a full-time undergraduate student at a state university in the fall academic term immediately following high school graduation; and
- Provides a written declaration by the student or the student's parent, if the student is a dependent child, pursuant to s. 92.525(2), F.S., verifying the student's familial relationship to a grandparent who is a legal resident.

The waiver is applicable for up to 110 percent of the number of required credit hours of the degree program for which the student is enrolled. This means that for a 120-credit hour state university baccalaureate degree program, the waiver is applicable for up to 132 credit hours. The bill also specifies that state universities shall prioritize the enrollment of students eligible for the waiver over that of other non-resident applicants.

Each state university must annually report to the Board of Governors the number and value of waivers granted pursuant to the bill's provisions.

The Board of Governors must adopt regulations to administer the granting of the waiver.

#### B. SECTION DIRECTORY:

**Section 1.** Revises s. 1009.26, F.S., to provide an out-of-state fee waiver for certain out-of-state students.

**Section 2.** Provides an effective date of July 1, 2021.

## II. FISCAL ANALYSIS & ECONOMIC IMPACT STATEMENT

#### A. FISCAL IMPACT ON STATE GOVERNMENT:

##### 1. Revenues:

The bill has a negative, but indeterminate impact on state university revenues. *See Fiscal Comments.*

##### 2. Expenditures:

None.

#### B. FISCAL IMPACT ON LOCAL GOVERNMENTS:

##### 1. Revenues:

None.

##### 2. Expenditures:

None.

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

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<sup>25</sup> According to information posted on the Classic Learning Initiatives website, the CLT is not currently accepted by any of Florida's state universities. See <https://www.cltexam.com/colleges>. (last visited February 28, 2021).

The bill provides in-state tuition for top-performing, out-of-state high-school graduates who have a grandparent that is a Florida resident, resulting in an average savings of \$490.91 per credit hour.

**D. FISCAL COMMENTS:**

The bill has an indeterminate fiscal impact due to the unknown number of students that will qualify for, and take advantage of, the out-of-state fee waiver. However, university systemwide non-resident enrollment has increased steadily from 6.6% in 2015 to 9.0% in 2020.<sup>26</sup> Inclusion of students eligible for a waiver under this program within the 10% systemwide cap reduces the potential fiscal impact.

For each student that receives the out-of-state fee waiver, a state university would receive the in-state tuition amount, which is \$105.07 per credit hour, in lieu of the in-state tuition amount, plus the out-of-state fee. The fiscal impact would be recurring while the student is receiving the waiver, up to 110 percent of the number of required credit hours of the degree program for which the student is enrolled.

**III. COMMENTS**

**A. CONSTITUTIONAL ISSUES:**

1. Applicability of Municipality/County Mandates Provision:

The bill does not appear to affect county or municipal governments.

2. Other:

None.

**B. RULE-MAKING AUTHORITY:**

The bill requires the Board of Governors to adopt regulations to administer the bill's provisions.

**C. DRAFTING ISSUES OR OTHER COMMENTS:**

None.

**IV. AMENDMENTS/ COMMITTEE SUBSTITUTE CHANGES**

On March 8, 2021, the Higher Education Appropriations Subcommittee adopted an amendment and reported the bill favorably as a committee substitute. The adopted amendment:

- Removes an exemption to BOG Regulation 7.006, specifying that students eligible for the waiver be counted in the non-resident enrollment cap of 10% systemwide.
- Requires state universities to prioritize the admission of students eligible for a waiver over that of other non-resident applicants.

The bill analysis is drafted to CS/HB 1273.

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<sup>26</sup> Email from BOG Office of Data & Analytics, received 2/4/2021  
**STORAGE NAME:** h1273d.HEA  
**DATE:** 3/9/2021