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in this section, the sum of tuition and out-of-state fees assessed to nonresident students must be sufficient to offset the full instructional cost of serving such students. However, adjustments to out-of-state fees or tuition for graduate programs and professional programs may not exceed 15 percent in any year.

- (d) The Board of Governors may consider and approve flexible tuition policies as requested by a university board of trustees in accordance with the provisions of subsection (15) only to the extent such policies are in alignment with the mission of the university and do not increase the state's fiscal liability or obligations, including, but not limited to, any fiscal liability or obligation for programs authorized under ss. 1009.53-1009.538 and ss. 1009.97-1009.984.
- (e) (d) The sum of the activity and service, health, and athletic fees a student is required to pay to register for a course shall not exceed 40 percent of the tuition established in law or in the General Appropriations Act. No university shall be required to lower any fee in effect on the effective date of this act in order to comply with this subsection. Within the 40 percent cap, universities may not increase the aggregate sum of activity and service, health, and athletic fees more than 5 percent per year unless specifically authorized in law or in the General Appropriations Act. A university may increase its athletic fee to defray the costs associated with changing National Collegiate Athletic Association divisions. Any such increase in the athletic fee may exceed both the 40 percent cap and the 5 percent cap imposed by this subsection. Any such

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increase must be approved by the athletic fee committee in the process outlined in subsection (12) and cannot exceed \$2 per credit hour. Notwithstanding the provisions of ss. 1009.534, 1009.535, and 1009.536, that portion of any increase in an athletic fee pursuant to this subsection that causes the sum of the activity and service, health, and athletic fees to exceed the 40 percent cap or the annual increase in such fees to exceed the 5 percent cap shall not be included in calculating the amount a student receives for a Florida Academic Scholars award, a Florida Medallion Scholars award, or a Florida Gold Seal Vocational Scholars award.

- <u>(f) (e)</u> This subsection does not prohibit a university from increasing or assessing optional fees related to specific activities if payment of such fees is not required as a part of registration for courses.
- (5) A university may implement a differential out-of-state fee in accordance with regulations developed by the Board of Governors for the following:
- (a) A student from another state that borders the service area of the university.
- (b) A graduate student who has been determined to be a nonresident for tuition purposes pursuant to s. 1009.21 and has a .25 full-time equivalent appointment or greater as a graduate assistant, graduate research assistant, graduate teaching assistant, graduate research associate, or graduate teaching associate.
- (c) A graduate student who has been determined to be a nonresident for tuition purposes pursuant to s. 1009.21 and is

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deposit shall be deposited in an auxiliary account of the university and used to expand financial assistance, scholarships, and student academic and career counseling services at the university. A university board of trustees that establishes an admissions deposit pursuant to this subsection must also adopt policies that provide for the waiver of such deposit on the basis of financial hardship.

- (15) (a) The Board of Governors may approve:
- 1. A proposal from a university board of trustees to establish a new student fee that is not specifically authorized by this section.
- 2. A proposal from a university board of trustees to increase the current cap for an existing fee authorized pursuant to paragraphs (14)(a)-(g).
- 3. A proposal from a university board of trustees to implement flexible tuition policies, such as undergraduate or graduate block tuition, block tuition differential, or market tuition rates for graduate-level online courses or graduate-level courses offered through a university's continuing education program. A block tuition policy for resident undergraduate students or undergraduate-level courses shall be based on the per-credit-hour undergraduate tuition established under subsection (4). A block tuition policy for nonresident undergraduate students shall be based on the per-credit-hour undergraduate tuition and out-of-state fee established under subsection (4). Flexible tuition policies, including block tuition, may not increase the state's fiscal liability or obligation.

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- (b) A proposal developed pursuant to paragraph (a) shall be submitted in accordance with guidelines established by the Board of Governors. Approval by the Board of Governors of such proposal must be made in accordance with the provisions of this subsection.
- (c) In reviewing a proposal to establish a new fee under subparagraph (a)1., the Board of Governors shall consider:
- 1. The purpose to be served or accomplished by the new fee.
- 2. Whether there is a demonstrable student-based need for the new fee that is not currently being met through existing university services, operations, or another fee.
- 3. Whether the financial impact on students is warranted in light of other charges assessed to students for tuition and associated fees.
- 4. Whether any restrictions, limitations, or conditions should be placed on the use of the fee.
- 5. Whether there are outcome measures to indicate if the purpose for which the fee was established is accomplished.
- (d) In reviewing a proposal to increase or exceed the current cap for an existing fee under subparagraph (a)2., the Board of Governors shall consider:
- 1. The services or operations currently being funded by the fee.
 - 2. Whether those services or operations can be performed more efficiently to alleviate the need for any increase.
- 1258 <u>3. The additional or enhanced services or operations to be</u>
 1259 funded by the increase.

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1260 <u>4. Whether any alternative resources are available to meet</u>
1261 <u>the need.</u>

- 5. Whether the financial impact on students is warranted in light of other charges assessed to students for tuition and associated fees.
- (e) In reviewing a proposal to implement a flexible tuition policy under subparagraph (a)3., the Board of Governors shall consider:
- 1. Whether the proposed tuition flexibility policy is aligned with the mission of the university.
- 2. Whether the proposed tuition flexibility policy increases the state's fiscal liabilities or obligations and, if so, the proposal shall be denied.
- 3. Whether any restrictions, limitations, or conditions should be placed on the policy.
- 4. How the proposed tuition flexibility policy will be implemented to honor the advance payment contracts of students who are beneficiaries of prepaid tuition contracts under s. 1009.98.
- (f) The Board of Governors shall submit an annual report to the President of the Senate, the Speaker of the House of Representatives, and the Governor summarizing the proposals received by the board during the preceding year and actions taken by the board in response to such proposals. The Board of Governors shall also include in the annual report the following information for each fee established pursuant to subparagraph (a)1.:
 - 1. The amount of the fee.

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- 1288 2. The total revenues generated by the fee.
 - $\underline{\text{3. Detailed expenditures of the revenues generated by the}}$
 - (g) The aggregate sum of any fees established pursuant to subparagraph (a)1. that a student is required to pay to register for a course shall not exceed 10 percent of tuition.
 - (h) Any fee established pursuant to subparagraph (a)1.

 shall not be included in any award under the Florida Bright

 Futures Scholarship Program established pursuant to ss. 1009.531009.538.
 - (i) The revenues generated by a fee established pursuant to subparagraph (a)1. may not be transferred to an auxiliary enterprise or a direct-support organization and may not be used for the purpose of paying or securing debt.
 - proposal to establish a fee pursuant to subparagraph (a)1., a fee committee shall be established at the university to make recommendations to the university president and the university board of trustees regarding how the revenue from the fee is to be spent and any subsequent changes to the fee. At least one-half of the committee must be students appointed by the student body president. The remainder of the committee shall be appointed by the university president. A chair, appointed jointly by the university president and the student body president, shall vote only in the case of a tie.
 - (k) An increase to an existing fee or a fee established pursuant to subparagraph (a)1. may occur no more than once each fiscal year and must be implemented beginning with the fall term

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CODING: Words stricken are deletions; words underlined are additions.

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learning course. If the distance learning course fee is assessed by a state university, the institution may not assess duplicative fees to cover the additional costs.

- (c) The link for the catalog must be prominently displayed within the advising and distance learning sections of the institution's website, using a graphic and description provided by the Florida Distance Learning Consortium, informing students of the catalog.
- (18) A state university may not charge any fee except as specifically authorized by law.
- (19) The Board of Governors shall adopt regulations to implement the provisions of this section.
- Section 22. Subsection (9) of section 1009.26, Florida Statutes, is amended to read:

1009.26 Fee waivers.-

(9) Each university board of trustees is authorized to waive tuition and out-of-state fees for purposes that support and enhance the mission of the university. All fees waived must be based on policies that are adopted by university boards of trustees pursuant to <u>regulations rules</u> adopted by the Board of Governors. Each university shall report the purpose, number, and value of all fee waivers granted annually in a format prescribed by the Board of Governors.

Section 23. Paragraph (b) of subsection (1) and paragraph (b) of subsection (4) of section 1010.04, Florida Statutes, are amended to read:

1010.04 Purchasing.-

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