

## HOUSE OF REPRESENTATIVES STAFF ANALYSIS

**BILL #:** CS/HB 343 Florida Work Experience Program  
**SPONSOR(S):** Schools & Learning Council  
**TIED BILLS:** **IDEN./SIM. BILLS:**

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REFERENCE	ACTION	ANALYST	STAFF DIRECTOR
1) <u>Committee on Education Innovation &amp; Career Preparation</u>	<u>8 Y, 0 N</u>	<u>Beagle</u>	<u>White</u>
2) <u>Schools &amp; Learning Council</u>	<u>14 Y, 0 N, As CS</u>	<u>Beagle</u>	<u>Cobb</u>
3) <u>Policy &amp; Budget Council</u>	<u></u>	<u></u>	<u></u>
4) <u></u>	<u></u>	<u></u>	<u></u>
5) <u></u>	<u></u>	<u></u>	<u></u>

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### SUMMARY ANALYSIS

The Florida Student Assistance Grant Program (FSAG) consists of three separately funded need-based financial aid programs. To qualify for an award, students must attend an eligible institution and meet state residency and other specified requirements. Students must also qualify for a federal Pell Grant. The FSAG is not open to students enrolled in a postsecondary career certificate program.

The Florida Work Experience Program (FWEP) is a work-study financial aid program that enables certain Florida postsecondary students to gain work experience in their field of study. Participating students work for an employer that is reimbursed from the student's postsecondary institution for 70 percent of the student's wages. The program is open only to certain students pursuing associate or baccalaureate degrees at eligible postsecondary institutions. It is not open to students who have attained a bachelor's degree or who are enrolled in a postsecondary career certificate program.

The Council Substitute for House Bill 343 (bill) expands the FSAG by creating the Florida Public Postsecondary Career Education Student Assistance Grant (FCESAG) to provide need-based financial aid to postsecondary career certificate students who attend a community college or district school board operated career center. Unlike other FSAG programs, the bill provides that postsecondary career certificate students are not required to qualify for a Pell Grant to receive aid through the FCESAG.

The bill also expands eligibility for the FWEP to: (a) postsecondary career certificate students who attend a community college or district school board operated career center; and (b) students pursuing teacher certification at an Educator Preparation Institute (EPI), although they have previously attained a baccalaureate degree. Further, the bill amends the FWEP program to:

- Provide that employers may be reimbursed for *up to* 70 percent of a student's wages.
- Require employers to pay student employees the federal or state minimum wage, whichever is greater.
- Require postsecondary institutions to pay for certain mandatory prerequisites to a student's employment with a public elementary or secondary school.
- Permit a postsecondary institution to use up to 100 percent of its FWEP funding to employ students within the institution and to reimburse itself for 100 percent of such students' wages.

From the Student Loan Operating Trust Fund, the bill appropriates \$500,000 to the FWEP and \$2.6 million to the FCESAG Program. Please see FISCAL ANALYSIS & ECONOMIC IMPACT STATEMENT.

This document does not reflect the intent or official position of the bill sponsor or House of Representatives.

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DATE: 4/5/2007

## FULL ANALYSIS

### I. SUBSTANTIVE ANALYSIS

#### A. HOUSE PRINCIPLES ANALYSIS:

**Promote Personal Responsibility--** The bill enables eligible postsecondary career certificate students and students pursuing teacher certification at an EPI to work for tuition assistance. The bill also enables postsecondary career certificate students to receive need-based education assistance grants.

**Empower Families--** The bill provides eligible postsecondary career certificate students and students pursuing teacher certification at an EPI with need-based alternatives to incurring increased student loan debt.

#### B. EFFECT OF PROPOSED CHANGES:

##### Present Situation

##### The Florida Student Assistance Grant Program

The FSAG consists of three separately funded need-based financial aid programs:

- The Florida Public Student Assistance Grant (FPSAG) is available to full- or part-time, degree-seeking students who attend state universities and public community colleges and who are enrolled in an associate or baccalaureate degree program.<sup>1</sup> Thirty-nine Florida public postsecondary institutions are eligible to participate in the program.<sup>2</sup>
- The Florida Private Student Assistance Grant (FPRSAG) is available to full-time, degree-seeking students who attend an eligible private, non-profit, four-year, baccalaureate degree granting college or university that is located in the state of Florida and accredited by the Commission on Colleges of the Southern Association of Colleges and Schools.<sup>3</sup> Thirty-one Florida private postsecondary institutions are eligible to participate in the program.<sup>4</sup>
- The Florida Postsecondary Student Assistance Grant (FPOSAG) is available to full-time, degree-seeking students who attend private college or university that is licensed by the Commission for Independent Education or a private nursing diploma school approved by the Florida Board of Nursing.<sup>5</sup> Seventy-one postsecondary institutions are eligible to participate in the program.<sup>6</sup>

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<sup>1</sup> Section 1009.50, F.S., The Florida Public Student Assistance Grant Program.

<sup>2</sup> Florida Department of Education, Office of Student Financial Assistance, 2006-07 Florida Student Assistance Grant Program, Eligible Public Institutions *available at* [https://www.floridastudentfinancialaid.org/SSFAD/admin/SAWELIGPSI\\_ByProg.asp?ByProg=FSAGpub](https://www.floridastudentfinancialaid.org/SSFAD/admin/SAWELIGPSI_ByProg.asp?ByProg=FSAGpub).

<sup>3</sup> Section 1009.51, F.S., The Florida Private Student Assistance Grant Program.

<sup>4</sup> Florida Department of Education, Office of Student Financial Assistance, 2006-07 Florida Student Assistance Grant Program, Eligible Private Institutions *available at* [https://www.floridastudentfinancialaid.org/SSFAD/admin/SAWELIGPSI\\_ByProg.asp?ByProg=FSAGpri](https://www.floridastudentfinancialaid.org/SSFAD/admin/SAWELIGPSI_ByProg.asp?ByProg=FSAGpri).

<sup>5</sup> Section 1009.52, F.S., The Florida Postsecondary Student Assistance Grant Program.

<sup>6</sup> Florida Department of Education, Office of Student Financial Assistance, 2006-07 Florida Student Assistance Grant Program, Eligible Postsecondary Institutions *available at* [https://www.floridastudentfinancialaid.org/SSFAD/admin/SAWELIGPSI\\_ByProg.asp?ByProg=FSAGpost](https://www.floridastudentfinancialaid.org/SSFAD/admin/SAWELIGPSI_ByProg.asp?ByProg=FSAGpost).

Students must meet state residency, grade point average, and other requirements to receive student financial aid awards through the FSAG.<sup>7</sup> Such students must also qualify for a federal Pell Grant.<sup>8</sup> Students pursuing a postsecondary career certificate are not eligible to participate in the FSAG.

Funding for FSAG programs is provided by the Legislature in the General Appropriations Act. The 2006 Legislature appropriated a total of \$120,510,278 to FSAG programs for 2006-2007. (See Fiscal Comments, II.D.).

### **The Florida Work Experience Program**

The FWEP is a work-study financial aid program that enables eligible students to gain work experience in their field of study. Established in 1993, the program allows students who have unmet financial need to work for financial aid. The program is open only to students pursuing associate or baccalaureate degrees at eligible postsecondary institutions. Students pursuing postsecondary career certificates are currently ineligible for financial aid through the FWEP. Because participation in the program is limited to students who have not previously attained a baccalaureate degree, students pursuing teacher certification at an Educator Preparation Institute (EPI) are also ineligible for financial aid via the FWEP.<sup>9</sup>

#### **Eligible Postsecondary Institutions**

Students must be enrolled at an eligible postsecondary institution to participate in the FWEP. An eligible institution is any one of the following types of institutions:

- A state university or community college;<sup>10</sup>
- A non-profit college or university which is accredited by the Commission on Colleges of the Southern Association of Colleges and Schools and chartered as a Florida domestic corporation;<sup>11</sup>
- A college or university licensed by the Commission for Independent Education;<sup>12</sup> or
- A private nursing diploma school approved by the Florida Board of Nursing.<sup>13</sup>

Each participating postsecondary institution is responsible for identifying work experiences suited to students' areas of study, recruiting and contracting with employers, placing students with employers, and monitoring program expenditures. Application procedures, placement procedures, program deadlines, and student financial need are also determined by the postsecondary institution. A participating institution may use up to 25 percent of its FWEP allocation to employ students within the institution. Each institution may retain up to 10 percent of its total FWEP allocation to cover the cost of administering the program.<sup>14</sup>

Ninety postsecondary institutions are currently eligible to participate in the FWEP.<sup>15</sup> Twenty-three of these institutions participated during 2005-2006.<sup>16</sup> Many eligible postsecondary institutions choose not to participate in the FWEP because, according to DOE, they find that the cost and burdens associated with administering the program outweigh the 10 percent of total FWEP funds that they are allowed to allocate to program administration.<sup>17</sup>

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<sup>7</sup> See Section 1009.40, F.S (requiring a 2.0 grade point average, one year state residency, and other conditions for the receipt of grants through the FSAG Program).

<sup>8</sup> Sections 1009.50, 1009.51, and 1009.52, F.S.

<sup>9</sup> Section 1009.77, F.S.

<sup>10</sup> *Id.*

<sup>11</sup> Section 1009.51, F.S.

<sup>12</sup> Section 1009.52, F.S.

<sup>13</sup> *Id.*

<sup>14</sup> Section 1009.77, F.S., and Rule 6A-20.038, F.A.C.

<sup>15</sup> Florida Department of Education, Office of Student Financial Assistance, 2006-2007 Florida Work Experience Program Eligible Institutions *available at* [https://www.floridastudentfinancialaid.org/SSFAD/admin/SAWELIGPSI\\_ByProg.asp?ByProg=FWEP](https://www.floridastudentfinancialaid.org/SSFAD/admin/SAWELIGPSI_ByProg.asp?ByProg=FWEP).

<sup>16</sup> Florida Department of Education Bill Analysis for House Bill 343.

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

### Student Eligibility Requirements

Florida law specifies several criteria that students must meet to participate in the FWEP. Students must:

- Be enrolled as an undergraduate in good standing at an eligible college or university as no less than a half-time student;
- Meet the requirements for receipt of student financial aid contained in s. 1009.40, F.S., except as otherwise provided;
- Demonstrate financial need; and
- Maintain a 2.0 cumulative grade point average for all college coursework.<sup>18</sup>

Students may participate in the FWEP for a maximum of eight semesters or twelve quarters, or until attainment of a first baccalaureate degree.<sup>19</sup> Participating students must interview with the employer to secure employment. Each student is paid an hourly wage by the employer. Wages earned must not exceed the student's net financial need by more than \$300 per academic year.<sup>20</sup>

Each employer receives reimbursement from the student's postsecondary institution. Reimbursements are paid from State Student Financial Assistance Trust Fund monies received by the postsecondary institution. Public secondary or elementary schools that employ students must be reimbursed for 100 percent of student wages paid. All other employers must be reimbursed for 70 percent of student wages paid.<sup>21</sup>

The 2005 Legislature appropriated \$1,069,922 to fund the FWEP for 2005-2006.<sup>22</sup> Three hundred thirty-nine students received awards that year. The average award was \$2,388. A total of \$809,560 was distributed to students.<sup>23</sup> Although 90 postsecondary institutions are currently eligible, only 23 participated in 2005-2006.<sup>24</sup> The 2006 Legislature appropriated \$1,069,922 to fund the FWEP for 2006-2007.<sup>25</sup>

### Florida Work Experience Pilot Program

In 1998, the Legislature allocated \$200,000 to the Florida Community College at Jacksonville for the purpose of establishing a pilot program that expanded eligibility for the FWEP to vocational students.<sup>26</sup> One hundred eighty-seven postsecondary career certificate students participated in the FWEP from 1999 to 2001. Approximately \$486,000 in student aid was awarded during the program. Funding for the program was discontinued by the Legislature in 2001.<sup>27</sup>

### School District Career Centers

Florida law authorizes district school boards to operate career centers.<sup>28</sup> Such centers are part of the overall district school system, and must be approved by the DOE. Career centers may provide career-technical education to secondary students, out of school youth, and adults.

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<sup>18</sup> Section 1009.77, F.S.

<sup>19</sup> Section 1009.40, F.S. and Rule 6A-20.038, F.A.C.

<sup>20</sup> Section 1009.77, F.S., and Rule 6A-20.038, F.A.C.

<sup>21</sup> *Id.*

<sup>22</sup> Specific Appropriation 67 of the Conference Committee Report on SB 2600, Enrolled Chapter 2005-70, Laws of Florida.

<sup>23</sup> Florida Department of Education, Office of Student Financial Assistance, Annual Report to the Commissioner 2005-06 (October 2006).

<sup>24</sup> Florida Department of Education Bill Analysis for House Bill 343. See also Florida Department of Education, Office of Student Financial Assistance, 2006-2007 Florida Work Experience Program Eligible Institutions *available at* [https://www.floridastudentfinancialaid.org/SSFAD/admin/SAWELIGPSI\\_ByProg.asp?ByProg=FWEP](https://www.floridastudentfinancialaid.org/SSFAD/admin/SAWELIGPSI_ByProg.asp?ByProg=FWEP).

<sup>25</sup> Specific Appropriation 84 of the Conference Committee Report on HB 5001, Enrolled Chapter 2006-25, Laws of Florida.

<sup>26</sup> Specific Appropriation 108 of the Conference Committee Report on HB 4201, Enrolled Chapter 1998-422, Laws of Florida.

<sup>27</sup> Data provided by the Florida Community College at Jacksonville.

<sup>28</sup> Section 1001.44, F.S.

Career centers offer a variety of programs, including:

- Workforce education certificate programs;
- Apprenticeship programs;
- Continuing career education programs; and
- Adult general education programs.

There are 45 such career centers presently in operation.<sup>29</sup>

#### Educator Preparation Institutes

An EPI is a teacher training program conducted by an eligible postsecondary institution. EPI programs must be approved by the DOE. An EPI may offer the following:

- Professional development for existing teachers and substitute teachers;
- Programs that enable existing teachers to obtain additional certifications such as a reading endorsement;
- Programs to assist education paraprofessionals with meeting education and training requirements; and
- Programs designed to enable baccalaureate degree holders and career changers to obtain training in teaching practices and subject area content, participate in field experiences, and become certified to teach.<sup>30</sup>

Thirty Florida postsecondary institutions currently operate an EPI. Twenty-eight of these institutions are community colleges. Two state universities currently operate an EPI.<sup>31</sup>

#### Minimum Wage

The federal Fair Labor Standards Act (FLSA) of 1938 regulates the hours and wages of employees and prohibits oppressive child labor and discrimination in the payment of wages on the basis of sex.<sup>32</sup> Currently, workers subject to the FLSA are entitled to a minimum wage of at least \$5.15 per hour.<sup>33</sup>

In November 2004, Florida voters passed Amendment 5 which established a state minimum wage. This amendment was codified as Section 24, Article X of the State Constitution. Subsection 24(b) provides that the terms "Employer," "Employee" and "Wage" have the meanings established under the FLSA and its implementing regulations. Additionally, subsection 24(f) provides that "[i]t is intended that case law, administrative interpretations, and other guiding standards developed under the FLSA shall guide the construction of this amendment and any implementing statutes or regulations."

Effective May 2, 2005, the state minimum wage was \$6.15 per hour. Subsection 24(c) of Article X of the State Constitution provides that the Agency for Workforce Innovation is to adjust this amount by the rate of inflation annually on September 30th.<sup>34</sup> As of January 1, 2007, Florida's minimum wage is \$6.67 per hour.<sup>35</sup>

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<sup>29</sup> Florida Department of Education Bill Analysis for House Bill 343.

<sup>30</sup> Section 1004.85, F.S.

<sup>31</sup> Florida Department of Education, Teach in Florida.Com, Educator Preparation Institutes *available at* <http://www.teachinflorida.com/PreCollegiate/EPI.asp>.

<sup>32</sup> 29 USCA §§ 201 et seq.

<sup>33</sup> See: <http://www.dol.gov/dol/topic/wages/minimumwage.htm>

<sup>34</sup> See also s. 448.110, F.S., the Florida Minimum Wage Act.

<sup>35</sup> See: [http://www.floridajobs.org/resources/fl\\_min\\_wage.html](http://www.floridajobs.org/resources/fl_min_wage.html)

## Effect of Proposed Changes

*Florida Public Postsecondary Career Education Student Assistance Grant (FCESAG) Program:* The bill creates the FCESAG Program to provide need-based aid to students pursuing a postsecondary career certificate. Eligible postsecondary career certificate programs must: consist of no less than 450 clock hours of instruction; be offered at a community college or district school board operated career center; and terminate in a career certificate.

Students who wish to receive a FCESAG award must: (a) be certificate seeking students enrolled at least half-time;<sup>36</sup> (b) meet general requirements for state financial aid under s. 1009.40, F.S., including having been state residents for at least one-year and maintaining a 2.0 grade point average for renewal awards; (c) demonstrate unmet need; and (d) apply for a federal Pell Grant; however, unlike grant recipients under the FSAG programs, students are not required to qualify for a Pell Grant in order to receive a FCESAG award.

The amount of the grant awards must range between \$200 and either: (a) the average cost for the prior academic year of tuition and registration fees for the equivalent in clock hours at a career certificate program of 30 semester credit hours at a state university; or (b) an amount specified in the General Appropriations Act. The awards may be used to fund tuition and registration fees for up to 110 percent of the number of clock hours required to complete the career certificate program.

Funds appropriated for FCESAG awards are to be distributed to participating community colleges and school districts according to a formula approved by the DOE. These participating institutions must report the students who receive grants, along with demographic and eligibility data to the DOE. Additionally, these institutions must certify to the DOE the grant amount disbursed to each student.

The bill requires the State Board of Education to establish rules necessary to implement the program and provides that the program may only be implemented to the extent that it is specifically funded and authorized by law.

The bill provides an appropriation for Fiscal Year 2007-2008 of \$2.6 million in non-recurring funds from the Student Loan Operating Trust Fund<sup>37</sup> to the FCESAG Program. The appropriation specifies that its purpose is to fund student assistance grants under s. 1009.505, F.S.

*Florida Work Experience Program (FWEP):* The bill revises the purpose of the FWEP to state that the program provides self-help student aid that reduces student loan indebtedness. The bill also specifies that the program's opportunities for employment at a student's school will serve as a retention tool because students employed on campus are more likely to complete their postsecondary education.

The bill expands eligibility for the FWEP to include students pursuing:

- A postsecondary career certificate at a community college or district school board operated career center. Eligible postsecondary career certificate programs must be approved by the DOE and must consist of no less than 450 hours of instruction.
- Teacher certification at an EPI, even though such student has obtained a baccalaureate degree.<sup>38</sup>

The bill amends the FWEP's employer reimbursement provisions that currently require participating postsecondary institutions to reimburse 70 percent of the wages paid to a student by an employer. Instead, under the bill, institutions may reimburse employers for "up to" 70 percent of the student's

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<sup>36</sup> The bill defines "half-time" to mean, "the equivalent in clock hours at a public postsecondary career certificate program of six semester credit hours at a community college.

<sup>37</sup> See Section 1009.86, F.S., creating the Student Loan Operating Trust Fund.

<sup>38</sup> The bill maintains current law's requirement that other students eligible for the FWEP may not have a baccalaureate degree.

wages. Additionally, the bill allows a participating postsecondary institution to use up to 100 percent of its FWEP funding to employ students within the institution and provides that the institution is to be reimbursed for 100 percent of a student employee's wages; whereas, under current law, the institution may only use 25 percent of FWEP funding to employ students within the institution and may only reimburse itself for up to 70 percent of a student employee's wages.

The bill also adds the following requirements for the FWEP:

- All employers under the program must pay students the federal or state minimum wage, whichever is greater.
- A participating postsecondary institution must pay for the cost of background screenings, tuberculosis testing, and other pre-employment requirements necessary for students to be employed by school districts under the FWEP.
- A participating postsecondary institution must certify to the DOE the amount of funds disbursed to each student within 30 days after the end of each term.

The bill provides that funds appropriated may, rather than must as in current law, be deposited in the State Student Financial Assistance Trust Fund. This is a technical amendment that recognizes the elimination of double budgeting.

Finally, the bill provides an appropriation for Fiscal Year 2007-2008 of \$500,000 in non-recurring funds from the Student Loan Operating Trust Fund to the FWEP. The appropriation specifies that its purpose is to fund participation in the FWEP by postsecondary career certificate students enrolled at a community college or district school board career center.

#### C. SECTION DIRECTORY:

**Section 1.:** Amends s. 1009.40, F.S.; requires state residency for FCESAG award recipients; and revises eligibility criteria for renewal FCESAG awards.

**Section 2.:** Creates s. 1009.505, F.S.; establishes the FCESAG program; provides that postsecondary career certificate students may receive need-based grants through the program; provides definitions; specifies institutions that may participate in program; specifies student eligibility requirements; specifies authorized award amounts; provides for distribution of funds; requires reporting; requires the State Board of Education to adopt rules; and provides that program may only be implemented to extent funded.

**Section 3.:** Amends s. 1009.77, F.S.; expands FWEP participation to certain students; provides for employer reimbursement for up to 70 percent of student wages; permits a participating institution to use up to 100 percent of FWEP funding for student employment within the institution and requires an institution to reimburse itself for 100 percent of a student's wages; requires payment of certain pre-employment requirements; requires employers to pay students the federal or state minimum wage, whichever is greater; and requires participating institutions to certify the amount of funds disbursed to students.

**Section 4.:** Provides an appropriation.

**Section 5.:** Provides an appropriation.

**Section 6.:** Provides an effective date of July 1, 2007.

## II. FISCAL ANALYSIS & ECONOMIC IMPACT STATEMENT

### A. FISCAL IMPACT ON STATE GOVERNMENT:

#### 1. Revenues:

This bill does not appear to have a fiscal impact on state revenues.

#### 2. Expenditures:

The bill specifies that the FCESAG Program may only be implemented to the extent funded and it appropriates \$2.6 million in non-recurring funds from the Student Loan Operating Trust Fund to the program for Fiscal Year 2007-2008. According to the DOE, fully funding the FCESAG Program for all eligible students would require an \$11.9 million appropriation (9,550 students multiplied by average award amounts of \$1,250).<sup>39</sup>

The bill also provides an appropriation of \$500,000 in non-recurring funds from the Student Loan Operating Trust Fund to the FWEP. The appropriation specifies that its purpose is to fund participation in the FWEP by postsecondary career certificate students enrolled at a community college or district school board career center. (SEE FISCAL COMMENTS)

### B. FISCAL IMPACT ON LOCAL GOVERNMENTS:

#### 1. Revenues:

This bill does not appear to have a fiscal impact on local revenues.

#### 2. Expenditures:

This bill does not appear to have a fiscal impact on local expenditures.

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

The bill eliminates the requirement that employers be reimbursed for 70 percent of student wages earned. Instead, postsecondary institutions may reimburse employers "up to" 70 percent. Employers that participate in the FWEP may receive smaller reimbursement amounts as a result.

### D. FISCAL COMMENTS:

Funding for the FSAG is provided by the Legislature in the General Appropriations Act:

- **FPSAG:** The 2006 Legislature appropriated \$94,721,079 to the FPSAG for 2006-2007.<sup>40</sup> This amount was a significant increase from the \$76,303,560 appropriated in 2005-2006.<sup>41</sup> Forty seven thousand one hundred and thirty-two full-time students and 31,105 part-time students received FPSAG awards in 2005-2006.<sup>42</sup>
- **FPRSAG:** The 2006 Legislature appropriated \$15,304,805 to the FPRSAG for 2006-2007.<sup>43</sup> This amount is an increase from \$12,618,522 appropriated in 2005-2006.<sup>44</sup> Eleven thousand nine hundred and seventy-four students received FPRSAG awards in 2005-2006.<sup>45</sup>

<sup>39</sup> Florida Department of Education, 2007 Legislative Budget Request.

<sup>40</sup> Specific Appropriation 84 of the Conference Committee Report on HB 5001, Enrolled Chapter 2006-25, Laws of Florida.

<sup>41</sup> Specific Appropriation 67 of the Conference Committee Report on SB 2600, Enrolled Chapter 2005-70, Laws of Florida.

<sup>42</sup> Florida Department of Education, Office of Student Financial Assistance, Annual Report to the Commissioner 2005-06 (October 2006).

<sup>43</sup> Specific Appropriation 84 of the Conference Committee Report on HB 5001, Enrolled Chapter 2006-25, Laws of Florida.

<sup>44</sup> Specific Appropriation 67 of the Conference Committee Report on SB 2600, Enrolled Chapter 2005-70, Laws of Florida.



- **FPOSAG:** The 2006 Legislature appropriated \$10,484,394 to the FPOSAG for 2006-2007.<sup>46</sup> This amount is an increase from \$6,935,900 appropriated in 2005-2006.<sup>47</sup> Ten thousand and thirty-seven students received FPOSAG awards in 2005-2006.<sup>48</sup>

The minimum and maximum award amount varies each year. For 2006-2007, the minimum student award is \$200 and the maximum award amount is \$1722.<sup>49</sup> According to the DOE, the cost to fully fund need-based financial aid to students under the FCESAG program will be approximately \$11.9 million.<sup>50</sup> The bill appropriates \$2.6 million for the FCESAG Program.

The 2005 Legislature appropriated \$1,069,922 to fund the FWEP for 2005-2006.<sup>51</sup> The 2006 Legislature appropriated the same amount to fund the program for 2006-2007.<sup>52</sup> Three hundred thirty-nine students received awards in 2005-2006. The average award was \$2,388. A total of \$809,560 was distributed to students.<sup>53</sup>

Although 90 postsecondary institutions were eligible to participate in the FWEP, only 23 institutions actually participated in 2005-2006.<sup>54</sup> Many eligible postsecondary institutions choose not to participate in the FWEP. According to the DOE, many institutions find that the cost of administering the program outweighs the 10 percent of total FWEP funds that may be allocated to program administration.<sup>55</sup>

The bill appropriates \$500,000 to expand the FWEP.

### III. COMMENTS

#### A. CONSTITUTIONAL ISSUES:

##### 1. Applicability of Municipality/County Mandates Provision:

This bill does not appear to require counties or municipalities to take an action requiring the expenditure of funds. This bill does not appear to reduce the authority that counties or municipalities have to raise revenue in the aggregate. This bill does not appear to reduce the percentage of state tax shared with counties or municipalities.

##### 2. Other:

None.

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<sup>45</sup> Florida Department of Education, Office of Student Financial Assistance, Annual Report to the Commissioner 2005-06 (October 2006).

<sup>46</sup> Specific Appropriation 84 of the Conference Committee Report on HB 5001, Enrolled Chapter 2006-25, Laws of Florida.

<sup>47</sup> Specific Appropriation 67 of the Conference Committee Report on SB 2600, Enrolled Chapter 2005-70, Laws of Florida.

<sup>48</sup> Florida Department of Education, Office of Student Financial Assistance, Annual Report to the Commissioner 2005-06 (October 2006).

<sup>49</sup> Florida Department of Education, Office of Student Financial Assistance, 2006-2007 Florida Student Assistance Grant Program Fact Sheet *available at* <https://www.floridastudentfinancialaid.org/SSFAD/pdf/FSAG.06-07.pdf>.

<sup>50</sup> Florida Department of Education, 2007 Legislative Budget Request.

<sup>51</sup> Specific Appropriation 67 of the Conference Committee Report on SB 2600, Enrolled Chapter 2005-70, Laws of Florida.

<sup>52</sup> Specific Appropriation 84 of the Conference Committee Report on HB 5001, Enrolled Chapter 2006-25, Laws of Florida.

<sup>53</sup> Florida Department of Education, Office of Student Financial Assistance, Annual Report to the Commissioner 2005-06 (October 2006).

<sup>54</sup> Florida Department of Education Bill Analysis for House Bill 343. See also Florida Department of Education, Office of Student Financial Assistance, 2006-2007 Florida Work Experience Program Eligible Institutions *available at* [https://www.floridastudentfinancialaid.org/SSFAD/admin/SAWELIGPSI\\_ByProg.asp?ByProg=FWEP](https://www.floridastudentfinancialaid.org/SSFAD/admin/SAWELIGPSI_ByProg.asp?ByProg=FWEP).

<sup>55</sup> Florida Department of Education Bill Analysis for House Bill 343.

B. RULE-MAKING AUTHORITY:

This bill requires the State Board of Education to adopt rules for implementing the FCESAG.

C. DRAFTING ISSUES OR OTHER COMMENTS:

None.

D. STATEMENT OF THE SPONSOR

Statement for Rep. Bean on FWEP

This legislation promotes two critical values that make our nation great – affordable access to higher education and the personal work ethic. Higher education provides the path to economic prosperity and security for Florida’s families and it sustains our economy.

The purpose of *public higher education* is to provide *affordable access* to Florida’s citizens so they may pursue career and professional education. Florida’s citizens should not have to borrow their future earnings by acquiring high debt to obtain an education.

There is a growing concern that more and more students are financing their education through student loans which, with compounding interest, becomes very difficult for some to repay. This is especially troublesome for those who graduate, but as new entrants into their occupation, cannot earn enough to pay off high debt and support themselves and their families.

This legislation enables a student who is willing and able to work for their financial aid to earn it by working in a field for which they are training. The business community is brought in as partners to provide a paid work experience which can lead to permanent employment. Students working in school districts can provide help in various ways from working as computer technicians to obtaining teaching experience as teachers’ aides.

This legislation can reduce student debt, provide real-world experience by providing work in a field for which the student is training, and promote a strong work ethic.

#### IV. AMENDMENTS/COUNCIL SUBSTITUTE CHANGES

On March 6, 2007, the Committee on Education Innovation and Career Preparation adopted a strike everything amendment and reported the bill favorably with a recommended council substitute.

The strike everything amendment:

- Clarifies the bill’s “whereas” clauses to state that the bill applies to “public postsecondary workforce certificate programs.”
- Amends s. 1009.50, F.S., to expand eligibility for the Florida Public Student Assistance Grant (FPSAG) Program so that students enrolled in public postsecondary workforce certificate programs may apply for a FPSAG. These students must first apply for a Pell Grant, but they are not required, like other students eligible for a FPSAG, to receive Pell Grant funding prior to receipt of a FPSAG. According to the Department of Education (DOE), expanding the FPSAG to include postsecondary workforce certificate students will have a fiscal impact of \$11.9 million.<sup>56 57</sup>

<sup>56</sup> Florida Department of Education, 2007 Legislative Budget Request.

<sup>57</sup> The 2006 Legislature appropriated \$94,721,079 to fund the FPSAG for 2006-2007. See: Specific Appropriation 84 of the Conference Committee Report on HB 5001, Enrolled Chapter 2006-25, L.O.F. This amount represented an almost 25 percent increase

- Amends s. 1009.77, F.S., to require postsecondary educational institutions that participate in the FWEP to pay for the cost of background screenings, tuberculosis testing, and other pre-employment requirements necessary for students to be employed by school districts under the FWEP.
- Amends the bill's \$500,000 appropriation for the FWEP to clarify that those funds are intended to accommodate expansion of the FWEP to include "postsecondary career education" and EPI students.

On April 4, 2007, the Schools and Learning Council reported the bill favorably as a council substitute. The council substitute:

- Clarifies the bill's "whereas" clauses to state that the bill applies to "public postsecondary career certificate programs."
- Creates a separate financial assistance program in a new s. 1009.505, F.S., entitled the Florida Public Postsecondary Career Education Student Assistance Grant (FCESAG) Program. This program provides need-based financial aid to career certificate students at a community college or postsecondary district school career center. In contrast, the recommended council substitute had amended s. 1009.50, F.S., to provide this financial aid to career certificate students.
- Amends s. 1009.40, F.S., to cross-reference s. 1009.505, F.S., and to establish eligibility and renewal criteria for a grant under for the FCESAG Program, e.g., state residency, grade point average, and minimum credits earned requirements.
- Revises the purpose of the Florida Work Experience Program (FWEP).
- Permits postsecondary institution employers to be reimbursed for up to 100 percent of student employee wages.
- Requires FWEP employers to pay students the federal or state minimum wage, whichever is greater.
- Requires a participating institution to certify the amount of funds disbursed to a student within 30 days after the end of each term.
- Provides that funds appropriated for the FWEP may, rather than must, be deposited in the State Student Financial Assistance Trust Fund.
- Appropriates \$2.6 million in non-recurring funds from the Student Loan Operating Trust Fund to the FCESAG Program.
- Appropriates \$500,000 in non-recurring funds from the Student Loan Operating Trust Fund to the FWEP.

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over the \$76,303,560 appropriated for 2005-2006. See: Specific Appropriation 67 of the Conference Committee Report on SB 2600, Enrolled Chapter 2005-70, L.O.F. The minimum and maximum award amount for a FPSAG varies each year. In 2006-2007, the minimum student award is \$200, and the maximum award amount is \$1,722.