

**STORAGE NAME:** h1873.cu

**DATE:** April 2, 1997

**HOUSE OF REPRESENTATIVES  
COMMITTEE ON  
Colleges & Universities  
BILL ANALYSIS & ECONOMIC IMPACT STATEMENT**

**BILL #:** HB 1873 (PCB CU 97-03)

**RELATING TO:** Financial Assistance

**SPONSOR(S):** Committee on Colleges & Universities; Casey & Others

**STATUTE(S) AFFECTED:** Amends ss. 228.502; 232.2465; 239.117; 239.217; 240.107; 240.235;  
240.35; 240.404; 240.4041; 240.4069; 240.408; 240.412; 240.437;  
240.6045; 240.606.  
Repeals ss. 240.4025; 240.4045; 240.407; 240.4085; 240.4093

**COMPANION BILL(S):** None

**ORIGINATING COMMITTEE(S)/COMMITTEE(S) OF REFERENCE:**

- (1)
- (2)
- (3)
- (4)
- (5)

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**I. SUMMARY:**

This bill incorporates a number of recommendations from recent reports published by the Postsecondary Education Planning Commission. The bill provides for the development of a comprehensive student financial assistance data base; permits use of seventh semester information to determine the eligibility of high school students for the Undergraduate Scholars and Vocational Gold Seal awards; repeals provisions conditioning eligibility for state financial aid on participation in the college-level communications and computation skills testing program; expands participation in the Florida Work Experience Program and eliminates the requirement that a minimum of 25 percent of the program funds be used to contract with public schools; and, deletes the requirement that a student must be denied admission to an eligible State University System program to qualify for the limited access competitive grant program.

The bill expands the current fee exemptions for children who remain in long-term foster care or independent living to include children who are adopted from the foster care program.

The bill revises state financial aid eligibility requirements to include part-time students with disabilities.

The bill transfers administration of the Virgil Hawkins Fellows Scholarships from the Department of Education to the Board of Regents and revises guidelines regarding the program.

The bill modifies matching fund requirements for the Jose Marti Scholarship Challenge Grant Fund.

The bill repeals a number of obsolete provisions relating to financial assistance.

The fiscal impact of the bill is indeterminate.

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II. SUBSTANTIVE ANALYSIS:

A. PRESENT SITUATION:

Student Financial Assistance Data Base

According to the January 1996 Postsecondary Education Planning Commission (PEPC) report, State Student Financial Aid, the Department of Education (Department) currently administers 29 financial aid programs through separate data bases. The Department is in the process of developing an integrated data base for state financial aid programs. The report notes that when complete, the new system will permit integrated applications, processing, eligibility determination, award packaging, reporting and transfer of funds. The new system reportedly will also assist in program analysis and evaluation and provide ready access to a variety of data including: demographics; need analysis; high school academic performance; and, SAT/ACT, GED, and CLAST scores. The PEPC report recommends that the Department place a high priority on the timely completion and implementation of the data base for all state student aid programs.

In addition to the state financial aid programs administered by the Department, students may also receive state-supported financial assistance in other forms such as fee waivers or tuition assistance payments as well as assistance from a variety of other sources such as scholarships, grants, or loans supported by federal, institutional, or private funds.

There is no comprehensive data base that can be used to provide policy-makers with an overall picture of the level of financial assistance provided to students attending postsecondary institutions in this state or a profile of the students receiving the support.

Education Success Incentive Program

Section 228.502(12), F.S., requires that the Education Success Incentive Council serve as the board of directors of the direct-support organization authorized pursuant to that section. Section 9(2), ch. 96-404, Laws of Florida, provides that, unless reenacted into law, the Education Success Incentive Council is dissolved effective July 1, 1997.

Undergraduate Scholars Program

Section 232.2465, F.S., the Florida Academic Scholars' Certificate Program, provides a mechanism for recognizing and rewarding outstanding performance and academic achievement on the part of high school students. The Commissioner of Education is directed to recognize each student who meets the criteria outlined in s. 232.2465, F.S. Students who are designated as Florida Academic Scholars are eligible to receive a Florida Undergraduate Scholars award.

Eligibility for the scholarship is currently determined after the student's graduation. Information essential to the Department of Education for use in determining eligibility for the scholarship is not received by the Department of Education until mid-summer, making it impossible to notify the students of their eligibility for the award until July or later. According to the January 1996 PEPC report State Student Financial Aid, a college-bound high school student seriously considering an out-of-state institution could

be required to commit by winter or early spring, prior to being designated as a Florida Academic Scholar. The report further suggests that if the purpose of the award is to encourage students to stay in Florida, early notification could increase this possibility. The report includes a recommendation to use seventh semester information for high school students to determine Undergraduate Scholar award eligibility.

#### Tuition Exemption for Adopted Foster Children

Sections 239.117, 240.235 and 240.35, F.S., provide fee exemptions at public postsecondary institutions for children who remain in long-term foster care or independent living. Once adopted, these children lose eligibility for this exemption.

#### Florida Gold Seal Vocational Endorsement Program

Section 239.217, F.S., provides for the creation of the Vocational Gold Seal Endorsement Program to recognize and reward academic achievement and vocational preparation by high school students and to inform potential employers of the quality of a student's academic and vocational preparation. Each school district is permitted to award the Florida Gold Seal Vocational Endorsement to high school students who meet the requirements set forth in s. 239.217, F.S. Students who receive the Florida Gold Seal Endorsement are eligible to receive a Florida Gold Seal Vocational Scholarship or may be eligible to receive a Florida Undergraduate Scholars' Scholarship. Eligibility for the scholarship is currently determined after the student's graduation. Information essential to the Department of Education for use in determining eligibility for the scholarship is not received by the Department of Education until mid-summer making it impossible to notify the students of their eligibility for the award until July or later.

#### General Requirements for Student Eligibility for State Financial Aid

Section 240.404, F.S., sets forth a number of general eligibility requirements for students to receive state financial aid awards. The requirements relating to participation in the college-level communication and skills examination and Selective Service registration appear to be obsolete.

The 1995 Legislature amended the provisions of s. 240.107, F.S., relating to the college-level communication and computation skills examination, to authorize the use of several alternatives to the examination. Section 240.404, F.S., however, still requires that to be eligible for state financial aid a student seeking an associate's or bachelor's degree must participate in the college-level communication and computation skills testing program. Sections 240.412 and 240.437, F.S., contain similar provisions linking participation in state financial aid programs to participation in the college-level communication and computation skills examination. The January 1996 PEPC report, State Student Financial Aid, includes a recommendation to eliminate the requirement that students participate in the college-level communications and computation skills testing program as a condition for state financial aid eligibility.

The provisions of ss. 240.404 and 240.4045, F.S., require male applicants for, or recipients of, scholarship or financial aid to provide evidence of compliance with

Selective Service System registration requirements. According to staff of the Department of Education, this provision was enacted to comply with provisions regarding receipt of Federal aid. The Federal government has removed this requirement as a criteria for the receipt of aid.

#### State Financial Aid -- Students with Disabilities

The state statutes governing a number of the state financial aid programs contain provisions requiring the student to be enrolled full-time. In addition, the provisions of s. 240.404, F.S., which outline the general requirements for receipt of a state financial aid award, require that, as a condition for renewal, a student must have earned, for full-time study, 12 credits per term or the equivalent for the number of terms for which aid was received.

A complaint has been filed with the U. S. Department of Education, Office of Civil Rights (OCR) alleging that the State University System of Florida (SUS) discriminates against students with disabilities in the awarding of Florida Public Student Assistance Grants (FPSAG). According to correspondence from the OCR (January 23, 1997 letter to Commissioner Frank Brogan), the complainant alleged that, in determining eligibility to receive an FPSAG award, the SUS "categorically excludes students with disabilities, who are carrying less than a full-time course load as an accommodation for a disability." OCR has reviewed the allegation and concluded that there is evidence to establish a violation of Section 504 (which prohibits discrimination on the basis of disability in programs and activities that receive Federal assistance) and Title II ( which prohibits discrimination on the basis of disability by public entities irrespective of whether they receive Federal financial assistance). The correspondence from OCR indicates that failure to change current eligibility requirements could result in the initiation of enforcement actions by OCR.

#### Virgil Hawkins Fellows Scholarships

The Virgil Hawkins Fellows Scholarships (program) are provided for study in law to minority students at the Florida State University College of Law and at the University of Florida College of Law. Current law provides for the program to be administered by the Department of Education pursuant to rules adopted by the State Board of Education. Staff of the Board of Regents indicate that funding for the program has been provided to the Board of Regents for the last two years.

Recommendations from the January 1996 PEPC study, State Student Financial Aid, suggest that wherever appropriate, the Legislature and the Department of Education should decentralize the administration of the special purpose/special population aid programs to assure that they are handled as efficiently as possible.

#### Jose Marti Scholarship Challenge Grant Fund

The provisions of s. 240.412, F.S., establish the Jose Marti Scholarship Challenge Grant Fund to provide matching grants for private sources that raise money for scholarships to be awarded to Hispanic-American students. Funds appropriated to the trust fund are to

be allocated by the Department of Education on the basis of one \$5,000 challenge grant for each \$5,000 raised from private sources.

#### Limited Access Competitive Grant Program

The 1995 Legislature established the Limited Access Competitive Grant Program to provide enrollment opportunities for qualified applicants unable to obtain admission to selected state university limited access programs or equivalent academic tracks. Program applicants must be Florida residents, either community college graduates or state university students, who because of lack of space have been denied admission to a state university program directly related to a high employment field. High employment fields with insufficient capacities at one or more universities are identified annually by the Postsecondary Education Planning Commission for the State Board of Education.

The December 1996 PEPC study, Student Financial Assistance and Tuition Policy, reports that of the \$1 million appropriated for the program in 1996, less than \$8,000 of the funds were disbursed. The study notes that representatives from the private sector experience difficulty in identifying and enrolling students who have been denied access in the public sector. The report includes a recommendation to eliminate the requirement that limited access competitive grant program applicants must have been denied admission to a designated state university program.

#### Florida Work Experience Program

The purpose of the Florida Work Experience Program, established pursuant to the provisions of s. 240.606, F.S., is to introduce eligible students to work experience that will complement and reinforce their educational program and career goals and provide a self-help student aid program. The program is available to students who attend state universities, public community colleges, or certain independent colleges or universities.

The independent college or university must meet a number of criteria. The institution must be nonprofit. The institution must be accredited by a member of the Commission on Recognition of Postsecondary Accreditation. The institution's credits must be acceptable, without qualification, for transfer to a state university. The institution must grant baccalaureate or associate degrees. The institution may not be pervasively sectarian. The institution must be located in and chartered by the state.

A minimum of 25 percent of the funds for the Florida Work Experience Program must be used to contract with public schools for student work experience opportunities.

The January 1996 PEPC report, State Student Financial Aid, includes a recommendation that the program be expanded to include all institutions eligible to participate in the Florida student assistance grant programs. PEPC also recommends elimination of the requirement that 25 percent of the Florida Work Study Program funds be spent in the public schools.

#### Unfunded Financial Assistance Programs

Section 240.437(6), F.S., provides that effective July 1, 1992, all new and existing financial assistance programs authorized under Part IV of chapter 240, F.S., which are not funded for three consecutive years after enactment shall stand repealed. The Office of Student Assistance of the Department of Education is directed to annually review the legislative appropriation of financial aid to identify such programs.

The Office of Student Financial Assistance has identified the following statutes for repeal in accordance with the provisions of s. 240.437(6), F.S.:

- s. 240.4025, F.S., relating to the Florida Graduate Scholars' Fund;
- s. 240.407, F.S., relating to General scholarship loans;
- s. 240.4085, F.S., relating to the Florida Student Tuition Scholarship Grant;
- s. 240.4093, F.S., relating to the Vocational Student Assistance Grant.

**B. EFFECT OF PROPOSED CHANGES:**

Student Financial Assistance Data Base

The Department of Education is directed to develop a comprehensive financial assistance data base to facilitate the delivery and administration of state-funded student financial aid and to provide policy-makers with comprehensive information regarding the various forms of financial assistance provided students attending Florida postsecondary institutions.

Education Success Incentive Program

Obsolete language requiring the Education Success Incentive Council to serve as the board of directors of the direct support organization for the Education Success Incentive Program is deleted.

Undergraduate Scholars Program

Use of seventh semester information to determine the eligibility of high school students for the Undergraduate Scholars award is permitted.

Tuition Exemption for Adopted Foster Children

Current fee exemptions for children who remain in long-term foster care or independent living are expanded to include children who are adopted from the foster care program.

Florida Gold Seal Vocational Endorsement Program

Use of seventh semester information to determine the eligibility of high school students for the Florida Gold Seal Vocational Endorsement Program is permitted.

General Requirements for Student Eligibility for State Financial Aid

Provisions conditioning eligibility for state student financial aid on participation in the college-level communications and computation skills testing program and evidence of compliance with Selective Service System registration requirements are repealed.

State Financial Aid -- Students with Disabilities

State financial aid eligibility requirements are modified to include part-time students with disabilities.

Virgil Hawkins Fellows Scholarships

Responsibility for the administration of the Virgil Hawkins Fellows Scholarships is transferred from the Department of Education to the Board of Regents. The name of the program is changed to "Virgil Hawkins Fellows Assistance Program."

Jose Marti Scholarship Challenge Grant Fund

The matching fund requirements are modified to provide one \$5,000 challenge grant for each \$2,500 raised from private sources.

Florida Work Experience Program

Eligibility to participate in the program is expanded to include any student attending a nonprofit postsecondary education institution that is eligible to participate in either the Florida Private Student Assistance Grant Program or the Florida Postsecondary Student Assistance Grant Program. The requirement that a minimum of 25 percent of the program funds be used to contract with public schools is eliminated.

Limited Access Competitive Grant Program

The requirement that a student be denied admission to an eligible State University System program to qualify for the limited access competitive grant program is eliminated.

Repeal of Non-funded Financial Assistance Programs

Provisions relating to non-funded financial assistance programs identified by the Department of Education in accordance with the provisions of s. 240.437(6), F.S., are repealed.

C. APPLICATION OF PRINCIPLES:

1. Less Government:



a. Does the bill create, increase or reduce, either directly or indirectly:

(1) any authority to make rules or adjudicate disputes?

Yes. Responsibility for the administration of the Virgil Hawkins Fellows Scholarships is transferred from the Department of Education to the Board of Regents.

(2) any new responsibilities, obligations or work for other governmental or private organizations or individuals?

The Department of Education is directed to develop a comprehensive student financial assistance data base to facilitate administration of state financial aid programs and to provide policy-makers with comprehensive information regarding the various financial assistance programs available to students attending Florida postsecondary education institutions.

Responsibility for the administration of the Virgil Hawkins Fellows Scholarships is transferred from the Department of Education to the Board of Regents.

The bill eliminates the need for financial aid administrators to collect certain information that is no longer relevant to financial aid eligibility.

Provisions relating to four nonfunded state financial aid programs are repealed eliminating the need for the Department of Education to administer the programs.

(3) any entitlement to a government service or benefit?

No.

b. If an agency or program is eliminated or reduced:

(1) what responsibilities, costs and powers are passed on to another program, agency, level of government, or private entity?

None.

(2) what is the cost of such responsibility at the new level/agency?

N/A.

(3) how is the new agency accountable to the people governed?

N/A.

2. Lower Taxes:

a. Does the bill increase anyone's taxes?

No.

b. Does the bill require or authorize an increase in any fees?

No.

c. Does the bill reduce total taxes, both rates and revenues?

No.

d. Does the bill reduce total fees, both rates and revenues?

No.

e. Does the bill authorize any fee or tax increase by any local government?

No.

3. Personal Responsibility:

a. Does the bill reduce or eliminate an entitlement to government services or subsidy?

No.

b. Do the beneficiaries of the legislation directly pay any portion of the cost of implementation and operation?

N/A.

4. Individual Freedom:

a. Does the bill increase the allowable options of individuals or private organizations/associations to conduct their own affairs?

N/A.

- b. Does the bill prohibit, or create new government interference with, any presently lawful activity?

No.

5. Family Empowerment:

- a. If the bill purports to provide services to families or children:

- (1) Who evaluates the family's needs?

N/A.

- (2) Who makes the decisions?

N/A.

- (3) Are private alternatives permitted?

N/A.

- (4) Are families required to participate in a program?

N/A.

- (5) Are families penalized for not participating in a program?

N/A.

- b. Does the bill directly affect the legal rights and obligations between family members?

No.

- c. If the bill creates or changes a program providing services to families or children, in which of the following does the bill vest control of the program, either through direct participation or appointment authority:

- (1) parents and guardians?

N/A.

(2) service providers?

N/A.

(3) government employees/agencies?

N/A.

**D. SECTION-BY-SECTION ANALYSIS:**

Section 1. Requires the Department of Education to design a student financial assistance data base; provides a definition of financial assistance; requires submission of information by institutions participating in any state financial assistance programs; requires a progress report to the President of the Senate and the Speaker of the House by December 1, 1997.

Section 2. Amends s. 228.502(12), F.S., to delete obsolete language requiring that the Education Success Incentive Council serve as the board of directors of the direct support organization of the Education Success Incentive Program.

Section 3. Amends s. 232.2465(1)(a), F.S., to permit use of seventh semester information in determining the eligibility of high school students for the Academic Scholars Certificate.

Section 4. Amends s. 239.117(2)(e), F.S., relating to postsecondary student fees, to expand eligibility for the fee exemption to include foster children who are adopted.

Section 5. Amends s. 239.217(2)(a), F.S., to permit use of seventh semester information to determine the eligibility of high school students for the Florida Gold Seal Vocational Endorsement Program.

Section 6. Amends s. 240.107(7), F.S., to conform with the provisions of Section 9 of the bill.

Section 7. Amends s. 240.235(5)(a), F.S., relating to State University System fees, to expand eligibility for the fee exemption to include foster children who are adopted.

Section 8. Amends s. 240.35(2)(a), F.S., relating to student fees within the Community College System, to expand eligibility for the fee exemption to include foster children who are adopted.

Section 9. Amends s. 240.404(1)(a), F.S., to modify eligibility requirements for state financial aid; deletes the requirement that degree-seeking students must participate in the college-level communication and computation skills testing program; deletes the requirement that male students must show evidence of Selective Service System registration.

Section 10. Creates s. 240.4041, F.S., to permit a part-time student with a disability to be eligible for state financial aid.

Section 11. Amends s. 240.4069, F.S., relating to the Virgil Hawkins Fellows Scholarships, to transfer responsibility for the implementation and administration of the program to the Board of Regents; changes the name of the program to the "Virgil Hawkins Fellows Assistance Program."

Section 12. Amends s. 240.408, F.S., to conform with the provisions of Section 17 of the bill.

Section 13. Amends s. 240.412, F.S., to delete the requirement that recipients of the Jose Marti Scholarship must participate in the college-level communication and computation skills testing program and to change the matching fund requirements for the challenge grant.

Section 14. Amends s. 240.437(2), F.S., to delete provisions relating to participation in the college-level communication and computation skills testing program as an eligibility requirement for state financial aid.

Section 15. Amends s. 240.6045, F.S., to delete the eligibility requirement that a student be denied admission to an eligible SUS program to qualify for the limited access competitive grant program.

Section 16. Amends s. 240.606, F.S., to expand participation in the Florida Work Experience Program to include any student attending a nonprofit Florida postsecondary education institution that is eligible to participate in either the Florida Private Student Assistance Grant Program or the Florida Postsecondary Student Assistance Grant Program; deletes the requirement that a minimum of 25 percent of the program funds must be used to contract with public schools.

Section 17. Repeals ss. 240.4025, 240.4045, 240.407, 240.4085, and 240.4093.

Section 18. Provides an effective date.

### III. FISCAL ANALYSIS & ECONOMIC IMPACT STATEMENT:

#### A. FISCAL IMPACT ON STATE AGENCIES/STATE FUNDS:

1. Non-recurring Effects:

See "Fiscal Comments" section.

2. Recurring Effects:

See "Fiscal Comments" section.

3. Long Run Effects Other Than Normal Growth:

See "Fiscal Comments" section.

4. Total Revenues and Expenditures:

See "Fiscal Comments" section.

B. FISCAL IMPACT ON LOCAL GOVERNMENTS AS A WHOLE:

1. Non-recurring Effects:

None.

2. Recurring Effects:

None.

3. Long Run Effects Other Than Normal Growth:

None.

C. DIRECT ECONOMIC IMPACT ON PRIVATE SECTOR:

1. Direct Private Sector Costs:

See "Fiscal Comments" section.

2. Direct Private Sector Benefits:

See "Fiscal Comments" section.

3. Effects on Competition, Private Enterprise and Employment Markets:

See "Fiscal Comments" section.

D. FISCAL COMMENTS:

The fiscal impact of this bill is indeterminate.

The development of a student financial assistance data base will require resources. The 1997-98 Governor's Budget Recommendations includes funding to support a financial aid data base.

Expanding the fee exemptions for foster children to include children who are adopted will require resources if the educational institutions are to receive funding to cover any fees they do not receive as a result of these exemptions. This additional cost to the state could be offset to the extent that the expanded fee exemption serves as an added incentive for families to adopt youth from the Department of Children and Families. Representatives from the Department of Children and Families indicate that the cost to the state for children to be in an adoptive home is less than the cost to the state for children to be in foster care.

Modifying the eligibility requirements for state financial aid programs to include part-time students with disabilities should increase the number of students eligible for state financial aid. The opportunity to receive state financial assistance would be provided to students who may have been unable to participate in these programs in the past.

IV. CONSEQUENCES OF ARTICLE VII, SECTION 18 OF THE FLORIDA CONSTITUTION:

A. APPLICABILITY OF THE MANDATES PROVISION:

This bill does not require counties or municipalities to spend funds or to take an action requiring the expenditure of funds.

B. REDUCTION OF REVENUE RAISING AUTHORITY:

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

C. REDUCTION OF STATE TAX SHARED WITH COUNTIES AND MUNICIPALITIES:

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

V. COMMENTS:

None.

VI. AMENDMENTS OR COMMITTEE SUBSTITUTE CHANGES:

None.

VII. SIGNATURES:

COMMITTEE ON Colleges & Universities:  
Prepared by:

Legislative Research Director:

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Betty H. Tilton, Ph.D.

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