

**STORAGE NAME:** h4747.cu

**DATE:** April 9, 1998

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

**BILL #:** HB 4747 (PCB CU 98-06)

**RELATING TO:** Florida Bright Futures Scholarship Program

**SPONSOR(S):** Committee on Colleges and Universities and Rep. Casey

**COMPANION BILL(S):** None

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

- (1) COLLEGES & UNIVERSITIES YEAS 11 NAYS 0
  - (2)
  - (3)
  - (4)
  - (5)
- 

**I. SUMMARY:**

The Florida Bright Futures Scholarship Program was established to reward Florida high school graduates who merit recognition of high academic achievement. The Bright Futures Program consists of three types of awards -- the Florida Academic Scholarship, the Florida Merit Scholarship, and the Florida Vocational Gold Seal Scholarship. The program is administered by the Department of Education.

This bill makes several changes to facilitate administration of the program. Provisions relating to notification of the student regarding the program and options available through the program are modified. The process for transmitting payments to institutions is revised. The ability to obtain comparable, complete, and timely data is addressed by requiring initial award applicants to complete a Free Application for Federal Student Aid.

The minimum test scores used in determining eligibility for an award are set in statute. The test score for the Florida Academic Scholarship is set at the same level currently used by the department; the minimum test score for the Merit Award is set at 1100. The new test score for the Merit Award applies to students who graduate in or after 2001. This date coincides with the graduation date of the first group of students subject to the more rigorous graduation standards enacted by the 1997 Legislature. The three year delay coupled with the more rigorous graduation standards provide a student time to take the courses that will best prepare the student to qualify for one of the three awards available through the Bright Futures Program.

Provisions relating to the award amount are clarified to specify the fees that are to be included in determining the actual award amount.

Effective Fall 1999, a Gold Seal award may not be used at a baccalaureate degree-granting institution unless the award is a renewal of an initial award issued prior to Fall 1999. A process is established, however, whereby a Gold Seal award recipient who successfully completes the program for which the student is receiving the Gold Seal award, maintains a 2.75 GPA, and enrolls in an associate or baccalaureate degree program at an eligible institution would be eligible to transfer to the Merit Scholarship component of the Bright Futures Program.

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The fiscal impact of the bill is indeterminate.

II. SUBSTANTIVE RESEARCH:

A. PRESENT SITUATION:

See SECTION-BY-SECTION RESEARCH.

B. EFFECT OF PROPOSED CHANGES:

See SECTION-BY-SECTION RESEARCH.

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. The minimum test scores used in determining eligibility for the Florida Academic Scholarship and the Florida Merit Scholarship will no longer be set in rule.

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

No.

(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?

N/A

(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?

N/A

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?

N/A

- 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. STATUTE(S) AFFECTED:**

Sections 240.40201, 240.40202, 240.40203, 240.40205, 240.40206, and 240.40207, F.S.

**E. SECTION-BY-SECTION RESEARCH:**

**Section 1.** Amends s. 240.40201, F.S., regarding provisions relating to notification of students and provisions relating to transmittal of award payments.

**Present Situation.** The Florida Bright Futures Scholarship Program was established to reward Florida high school graduates who merit recognition of high academic achievement. The Bright Futures Program consists of three types of awards -- the Florida Academic Scholarship, the Florida Merit Scholarship, and the Florida Vocational Gold Seal Scholarship. The program is administered by the Florida Department of Education (DOE).

The provisions of s. 240.40201(3), F.S., require the DOE to advertise the availability of the Florida Bright Futures Scholarship Program and notify students, teachers, parents, guidance counselors, and principals or other relevant school administrators of the criteria and application procedures. DOE must begin this process of notification no later than January 1 of each year. Concerns have been expressed that students are not adequately advised regarding the options available to the student through the Bright Futures Program.

The provisions of s. 240.40201(5), F.S., establish the process whereby award payments are transmitted to the institutions. Prior to the registration period each semester, DOE transmits payments for each award to the president or director of each institution. Within 30 days after the end of the regular registration each semester, the educational institution must certify to the department the eligibility status of each student who receives an award. Within 60 days after the end of regular registration, the institution must certify to the department the amount of funds disbursed to each student and remit any undisbursed advances.

**Effect of Proposed Changes.** The provisions of s. 240.40201(3), F.S., are amended to designate the principal as the party responsible for seeing that guidance counselors or other relevant school administrators adequately advise students regarding the options available through the Bright Futures Program.

The process for transmitting award payments to institutions is modified. Following each drop/add period, an institution must certify to the department the award amount

necessary for each student eligible to receive an award. Payments will be transmitted to institutions after receipt of information from the institution.

**Section 2.** Amends s. 240.40202, F.S., relating to student eligibility requirements for initial awards.

**Present Situation.** Section 240.40202, F.S., sets forth the student eligibility requirements for an initial award from the Florida Bright Futures Program. A student must be a Florida resident; earn a Florida high school diploma or the equivalent; enroll in an eligible institution for at least 6 semester credit hours or the equivalent; not have been found guilty of, or plead nolo contendere to, a felony charge; and apply for a scholarship by April 1 of the last semester before high school graduation.

The availability of comparable, complete, and timely data with which to evaluate the program and profile the students served is limited.

**Effect of Proposed Changes:** A student applying for an initial award will be required to submit to the U.S. Department of Education a completed Free Application for Federal Student Aid and permit release of the information to the state.

**Section 3.** Amends s. 240.40205, F.S., to set in statute the specific cut-off score for eligibility for the Florida Academic Scholars award and to specify the fees to be used in determining the award amount.

**Present Situation:** The specific eligibility requirements for the Florida Academic Scholars award are set forth in s. 240.40205(1), F.S. That section provides for the DOE to identify in rule the minimum test score a student must attain to be eligible to receive a Florida Academic Scholars award. The test score established by the department is 1270 on the recentered SAT (test taken on or after April 1, 1995) or the equivalent.

Section 240.40205(2), F.S., provides that a Florida Academic Scholar is eligible for an award equal to the amount required to pay matriculation, fees, and \$600 for college-related expenses annually if a student is enrolled in a public postsecondary education institution and a comparable amount if the student is enrolled in a nonpublic institution. The term "fees" is not defined. Currently, the award amount at a public institution is based on the following fees, if assessed: matriculation fee, financial aid fee, building fee, capital improvement fee, activity and service fee, athletic fee, and health fee.

**Effect of Proposed Changes:** The provisions of s. 240.40205(1), F.S., are amended to place the actual test score of 1270 in statute.

The provisions of s. 240.40205(2), F.S., are amended to index the award amount for a student attending a public postsecondary education institution to the amount required to pay registration fees and \$600 for college-related expenses. Registration fees are defined to include the following fees if authorized by the Legislature and assessed by the institution: matriculation fee, financial aid fee, building fee, capital improvement fee, health fee, athletic fee, activity and service fee, and technology fee. A student enrolled in a nonpublic institution would be eligible for an award amount equal to the amount that would be required to pay for the average registration fees of a public institution at the comparable level plus the annual \$600.

**Section 4.** Amends s. 240.40206, F.S., to set in statute the specific cut-off score for eligibility for the Florida Merit Scholars award and to specify the fees to be used in determining the award amount.

**Present Situation.** The specific eligibility requirements for the Florida Merit Scholars award are set forth in s. 240.40206(1), F.S. That section provides for the DOE to identify in rule the minimum test score a student must attain to be eligible to receive a Florida Merit Scholars award. The test score established by the department is 970 on the recentered SAT or the equivalent. This score corresponds to the minimum test score for admission to a State University System institution. For purposes of admission to an SUS institution, Rule 6C-6.002, F.A.C., suggests that a score of 970 on the recentered SAT is equivalent to a score of 860 on an SAT taken prior to April 1, 1995.

Information provided by DOE reports that the average combined SAT score for Florida students in 1996 was 994; nationally, the 1996 average combined score was 1013. Reports provided by the Board of Regents indicate that the average SAT score for students who were admitted and registered at an SUS institution during Fall 1996 was 1128.

Section 240.40208, F.S., contains transition provisions relating to the Florida Bright Futures Program for the 1997-1998 academic year and addresses home school students in the following manner: A student who has completed a college-preparatory curriculum in 1997 through an approved home school program and has attained a score of 970 on the combined verbal and quantitative parts of the recentered SAT, or an equivalent score on the ACT is eligible for a Florida Merit Scholarship. Eligibility is determined in the same manner as for public school students. For students whose parents are unable to document a college-preparatory curriculum, a score of 1070 on the SAT, or equivalent score on the ACT, is required for award eligibility. Representatives of the department indicate they plan to continue to follow this process for home education students.

Section 240.40206(2), F.S., provides that a Florida Merit Scholar is eligible for an award equal to the amount required to pay 75% of "matriculation and fees" if a student is enrolled in a public postsecondary education institution and a comparable amount if the student is enrolled in a nonpublic institution. The term "fees" is not defined. Currently, the award amount at a public institution is based on the following fees, if assessed: matriculation fee, financial aid fee, building fee, capital improvement fee, activity and service fee, athletic fee, and health fee.

The 1997 Legislature adopted legislation enacting more rigorous high school graduation requirements. Chapter 97-2, L.O.F., increases the cumulative GPA for the class entering 9th grade during the 1997-1998 school year and each class thereafter to 2.0 on a 4.0 scale. The law requires successful completion of Algebra I, or a series of equivalent courses, or a higher level course. The law prohibits a student from receiving credit toward high school graduation for any Level I course, unless assessment indicates a more rigorous course of study would be inappropriate. "Level I" is the designation in the DOE *Course Code Directory* assigned to courses in a curriculum area with contents that are at a basic or fundamental level. Levels II and III are more advanced courses. Prior to the enactment of ch. 97-2, L.O.F., each course listed in the *Course Code Directory*, regardless of the designated level (I, II, or III), was worth the same credit value for high school graduation purposes.



**Effect of Proposed Changes.** The provisions of s. 240.40206, F.S., are amended to set the minimum test score in statute. The score is set at 1100. The 1100 cut-off score applies to students who graduate from high school in or after 2001. This date coincides with the graduation date of the first group of students subject to the more rigorous graduation standards enacted by the 1997 Legislature. Reports released by the department suggest that better prepared students score higher on the SAT. The 3-year delay coupled with the changes in the graduation requirements provide a student time to take the courses that will best prepare the student to qualify for one of the three awards available through the Bright Futures Program.

Provisions relating to eligibility requirements for home education students to receive a Florida Merit Scholars award are included in the general eligibility provisions for the Merit award thereby continuing the practice of requiring a 970 SAT score for students who document a college prep curriculum and a 1070 SAT score for those who do not. The minimum test score requirement for students who complete a home education program in or after 2001 is also raised to 1100.

The provisions of s. 240.40206(2), F.S., are amended to index the award amount for a student attending a public postsecondary education institution to 75% of the amount required to pay registration fees. Registration fees are defined to include the following fees if authorized by the Legislature and assessed by the institution: matriculation fee, financial aid fee, building fee, capital improvement fee, health fee, athletic fee, activity and service fee, and technology fee. A student enrolled in a nonpublic institution would be eligible for an award amount equal to the amount that would be required to pay for the average registration fees of a public institution at the comparable level.

**Section 5.** Amends s. 240.40207, F.S., to revise provisions relating to the use of the Florida Gold Seal Vocational Scholars award and to specify the fees to be used in determining the award amount.

**Present Situation.** The purpose of the Florida Gold Seal Vocational Scholars award is to recognize and reward academic achievement and vocational preparation by high school students who wish to continue their education. A student is eligible for an award if the student meets the general eligibility requirements for the Florida Bright Futures Scholarship Program and the student completes the secondary school portion of a sequential program of study that requires at least 3 secondary school vocational credits taken over at least two academic years and is continued in a planned, related postsecondary education program; earns a passing score on the Florida College Entry Level Placement Test, or equivalent; earns a minimum weighted GPA of 3.0, excluding elective courses; and completes the requirements of a vocational-ready diploma program as defined by State Board of Education rules.

Section 240.40207(2), F.S., provides that a Florida Gold Seal Scholar is eligible for an award equal to the amount required to pay 75% of "matriculation and fees" if the student enrolls in a public postsecondary education institution and a comparable amount if the student enrolls in a nonpublic institution. The term "fees" is not defined. Currently, the award amount at a public institution is based on the following fees, if assessed: matriculation fee, financial aid fee, building fee, capital improvement fee, activity and service fee, athletic fee, and health fee.

The award amount for the Gold Seal award is calculated in the same manner as the Merit award. Like the Merit award, the Gold Seal award may be used at any eligible institution. Unlike the Merit award, a student receiving a Gold Seal award is not required to make a minimum score on the SAT or obtain a minimum GPA in college-prep courses. According to information provided by DOE, during the Fall 1997 term, over 2900 initial Gold Seal awards were made to students attending a State University System institution.

**Effect of Proposed Changes:** Effective Fall 1999, a Gold Seal award may not be used at a baccalaureate degree-granting institution unless the award is a renewal of an initial award issued prior to Fall 1999.

The provisions of s. 240.40207(2), F.S., are amended to index the award amount for a student attending a public postsecondary education institution to 75% of the amount required to pay registration fees. Registration fees are defined to include the following fees if authorized by the Legislature and assessed by the institution: matriculation fee, financial aid fee, building fee, capital improvement fee, health fee, athletic fee, activity and service fee, and technology fee. A student enrolled in a nonpublic institution would be eligible for an award amount equal to the amount that would be required to pay for the average registration fees of a public institution at the comparable level.

A process is established whereby a student who successfully completes the postsecondary vocational education program described in s. 240.40207(1)(a), F.S., maintains a GPA of 2.75 on all postsecondary education work attempted, and enrolls in an associate or baccalaureate degree program at an eligible postsecondary education institution is eligible to transfer to the Florida Merit Scholars component of the Bright Futures Program.

**Section 6.** Conforms provisions of s. 240.40208, F.S., with changes made in Section 3 of the bill.

**Section 7.** Establishes an effective date of July 1 of the year in which enacted.

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

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

1. Non-recurring Effects:

See FISCAL COMMENTS.

2. Recurring Effects:

See FISCAL COMMENTS.

3. Long Run Effects Other Than Normal Growth:

See FISCAL COMMENTS.

4. Total Revenues and Expenditures:

See FISCAL COMMENTS.

B. FISCAL IMPACT ON LOCAL GOVERNMENTS AS A WHOLE:

1. Non-recurring Effects:

N/A

2. Recurring Effects:

N/A

3. Long Run Effects Other Than Normal Growth:

N/A

C. DIRECT ECONOMIC IMPACT ON PRIVATE SECTOR:

1. Direct Private Sector Costs:

See FISCAL COMMENTS.

2. Direct Private Sector Benefits:

See FISCAL COMMENTS.

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

See FISCAL COMMENTS.

D. FISCAL COMMENTS:

The fiscal impact of the provisions of this bill on award recipients, eligible institutions, or the funding required to support the program is indeterminate at this time.

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.

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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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