

**STORAGE NAME:** h543s1.ei

**DATE:** March 14, 1997

**HOUSE OF REPRESENTATIVES  
COMMITTEE ON  
EDUCATION INNOVATION  
BILL ANALYSIS & ECONOMIC IMPACT STATEMENT**

**BILL #:** CS/HB 543 and 607

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

**SPONSOR(S):** Committee on Education Innovation and Representatives Pruitt, Chestnut, and Fasano

**STATUTE(S) AFFECTED:** ss. 24.121, 232.2465, 239.217, 240.402, 240.4021, 240.4024, 240.404, F.S.

**COMPANION BILL(S):** SB 858

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

- (1) EDUCATION INNOVATION YEAS 8 NAYS 0
  - (2) EDUCATION APPROPRIATIONS
  - (3)
  - (4)
  - (5)
- 

**I. SUMMARY:**

CS/HB 543 and 607 provides for a lottery-funded scholarship program. The Florida Bright Futures Scholarship Program consists of three awards: Florida Academic Scholars, Florida Merit Scholarship, and the Florida Gold Seal Vocational Endorsement Scholarship. The scholarship programs have some revised eligibility, renewal, and reinstatement requirements. The program is funded from the Educational Enhancement Trust Fund on a priority basis over the funding for public schools, community colleges, and universities. If adequate funding is not available, these three categories are cut before the Scholarship Program is cut. If the Scholarship Program does not receive sufficient funds to fund all eligible applicants in all three award categories, the awards will be prorated.

Enrollment in independent institutions is allowed for all the award programs. However, independent institutions are limited to the average tuition of comparable public institutions.

The Florida Academic Scholars award retains the five options which currently exist for earning a scholarship with the added requirement that the student must be free of felony convictions at the time of application. The high school 3.5 GPA requirement is calculated on a college preparatory curriculum. A student must also complete 75 hours of community service. The award is for full tuition, fees and \$600 per semester for books and college-related expenses. The required GPA for renewal changes from 3.0.

The Florida Merit Scholarship award requires a 3.0 GPA, also calculated on a college preparatory curriculum, and minimum SAT score; or, for home education students, the minimum SAT is required. The award includes 75 percent of full tuition and fees in a college, university, vocational or technical institution. The required GPA for renewal is 2.75.

The Florida Gold Seal Vocational Vocational Endorsement Scholarship award requires a standard high school diploma, three vocational credits in a sequential program of at least two years, a passing score on the Florida College Placement Test, a 3.0 GPA on all subjects required for high school graduation and a 3.5 on all vocational courses. The award is 75 percent of tuition and fees. Renewal GPA is 2.75.

The fiscal impact is approximately \$33.2 million loss to the General Revenue Fund.

II. SUBSTANTIVE ANALYSIS:

A. PRESENT SITUATION:

In 1986, the voters amended Florida's Constitution to allow state operated lotteries. The Florida Public Education Lottery Act, Chapter 24, F.S., passed in 1987 to implement Section 15 of Article X of the State Constitution, providing statutory framework for the state lottery. The intent of the Legislature as established in s. 24.102(2)(a), F.S., was to use the net proceeds of lottery games "to support improvements in public education and that such proceeds not be used as a substitute for existing resources for public education."

Section 24.121, F.S., provides that:

- ▶ "As nearly as practical" 50 percent of the gross revenue from lottery ticket sales be returned to the public in the form of prizes paid by the department or to the retailers.
- ▶ Each fiscal year, at least 38 percent of the gross revenue is deposited in the Educational Enhancement Trust Fund (EETF), which is administered by the Department of Education, to be used to the benefit of public education. Transfers are made at least once a quarter, and must be used to the "benefit of public education."
- ▶ The remaining 12 percent of the gross revenues from lottery ticket sales is authorized for use by the Department of the Lottery for payment of administrative expenses. Any unencumbered balance remaining in the Administrative Trust Fund at the end of the fiscal year is transferred to the Educational Enhancement Trust Fund.

Section 24.121(5), F.S., designates how lottery funds may be allocated and provides that education programs and purposes may include, but are not limited to:

- ▶ Endowment
- ▶ Scholarship
- ▶ Matching funds
- ▶ Direct grants
- ▶ Research and economic development related to education
- ▶ Salary enhancement
- ▶ Contracts with independent institutions to conduct programs consistent with the state master plan for postsecondary education
- ▶ Any other educational program or purpose deemed desirable by the Legislature.

The Legislature is also charged with equitably apportioning EETF moneys among public schools, community colleges, and universities. During the 1995-1996 budget year, the amount of lottery revenue which went to the EETF amounted to \$829 million dollars. Lottery revenues amounted to 2.1 percent of the total state budget. Through the General Appropriations Act, the Legislature determines the educational programs to be funded by the Educational Enhancement Trust Fund and the amount of such funding. In previous years, the Legislature has appropriated lottery money using the same formula; approximately 70 percent to kindergarten through grade twelve, 15 percent to the state university system, and 15 percent to the state community colleges.

**State Student Financial Assistance Trust Fund**

The State Student Financial Assistance Trust Fund is created in s. 240.40, F.S., and is administered by the Department of Education. It is comprised from funds from General Revenue, private donations, and federal receipts for scholarship and grant programs. Individual accounting is established for each funded scholarship and grant program for auditing purposes. End of fiscal year balances remain in the trust fund.

The Department of Education administers the scholarship programs and the State Board of Education can adopt rules for the programs.

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### **Florida Academic Scholars' Certificate Program and Florida Undergraduate Scholars Fund**

The Florida Undergraduate Scholars' Program awards scholarships to Florida students who meet one of the following criteria.

- ▶ National Merit Scholar or finalist
- ▶ 3.5 grade point average (GPA) and a minimum score as determined by the Department of Education on the Scholastic Aptitude Test (SAT) or American College Test (ACT); 1270 is current score set by State Board of Education
- ▶ Attendance at a home education program for grades 9 through 12 and has minimum score on the SAT or ACT
- ▶ Florida Academic Scholar, pursuant to s. 232.2465, F.S.
- ▶ International Baccalaureate Diploma

In addition to the above qualifications, the student must be a state resident for at least one year, comply with Selective Service registration requirements, all per s. 240.404, F.S.; and receive a Florida high school diploma or equivalent, file an application during high school senior year, attend the approved institution as a full-time student, and be a first time in college student.

The award can be renewed annually for a maximum of 8 semester or 12 quarters if the student continues to qualify and maintains a cumulative 3.2 GPA or has an approved equivalent student progress evaluation plan on at least 12 credit hours. An exception to the 8 semesters is for students who are enrolled in a five year undergraduate degree program; they may receive 8 semesters or 15 quarters. The award can be transferred from one eligible institution to another. An approved Florida institution is identified in s. 232.2465(4), F.S., as a state university, a public community college, a nursing diploma school approved by the Board of Nursing, or a private institution of higher education which is accredited by a member of the Commission on Recognition of Postsecondary Accreditation or the credits of which are acceptable for transfer to state universities.

If a student applies for an initial award during their last year in high school or for a renewal award, but does not accept it, the student may reapply at any subsequent application period within three years of their initial application. Upon reapplication, they must have a 3.2 cumulative GPA for all college work they have attempted. The department accepts reinstatement application postmarked between February 15 and June 1, and will not accept them after June 1 each year.

The annual award is \$2,500. The highest-ranked, eligible, initial applicant from each county is designated as a Challenger Astronauts Memorial Award recipient and receives \$4,000, for the initial and renewal award, rather than \$2,500. The department ranks the applicants on GPAs and test scores.

Payment is transmitted to the institution before the registration period. If full funding is not available for all eligible applicants, the department may prorate the available funds and make a partial award to the applicants. Fifteen days after the end of registration, institutions determine and inform the department of the eligibility status of the student. Although an institution does not have to re-evaluate eligibility after this, they are asked to make refunds for students who drop out and are eligible under the institution's refund policies. The institution has 60 days after registration to certify to the department the amount of funds disbursed and remit undisbursed advances.

All notification and advertising responsibilities belong to the department and are begun no later than January of each year.

Funding is from the General Revenue Fund and from the Challenger Astronauts Memorial Undergraduate Scholarship Trust Fund. All balances are carried over to the following year.

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### **Florida Gold Seal Vocational Endorsement Program/Vocational Gold Seal Endorsement Scholarship Program**

In addition to the Florida Undergraduate Scholars' award, a Florida Gold Seal Vocational Endorsement Scholarship Program is available. A student may not receive both scholarships. The vocational program was established to reward high school students for academic achievement and vocational preparation and to inform potential employers of a student's preparation. Eligibility criteria are in s. 239.217, F.S., and include:

- ▶ Must have number of credits, courses, GPA, and minimum performance standards and basic skills to meet high school graduation requirements
- ▶ Complete three vocational credits sequentially in a vocational job-preparatory or technology-education program.
- ▶ Demonstrate competency in basic occupational skills of reading, writing, and computation and general employable skills and knowledge
- ▶ 3.0 GPA for subjects required for a standard high school diploma (Level I courses are allowed)
- ▶ 3.5 GPA for secondary vocational courses

Additionally, they must be a state resident for at least one year, attend an approved institution comply with Selective Service registration requirements, all per s. 240.404, F.S. and receive a Florida high school diploma or equivalent, file an application during high school senior year, attend the approved institution as a full-time student, and be a first time in college student.

For renewal, an applicant must maintain a 3.0 GPA and earn 12 semester credits for each term. Students who do not accept their initial awards or renewal awards may reapply to receive awards during subsequent application periods within three years of high school graduation. They must have a 3.0 GPA on all attempted college work.

The annual award is \$2,000. If full funding is not available, the department may prorate awards to applicants. Payment to the institution is done in the same manner as payment for the Florida Undergraduate Scholars' Award.

### **Florida Postsecondary Tuition Program**

The Florida Postsecondary Tuition Program was created during the 1996 legislative session to provide financial assistance for postsecondary education to outstanding Florida high school students. This financial assistance can be used at any Florida public university, community college, or technical institute. ( The original 1996 House Bill proposed permitting students to use the tuition funds at private institutions.) Financial assistance is to assist with the cost of education, but not to exceed the cost of tuition, books and mandatory fees, and may not be used for remedial courses.

Eligibility for the program is based on the following criteria:

- Florida residency
- Florida high school diploma or equivalency diploma. Home education students, students who are enrolled on a full-time basis in the early admission program of an eligible postsecondary institution, and students who are dependents of Florida residents who are on military or public service assignments away from Florida when the dependents live with the Florida residents and receive high school diplomas from non-Florida schools are exempt from this provision.
- Free from felony convictions

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- GPA of 3.0 unless student is in home education program or a high school equivalency diploma recipient, where the student must have a minimum score on Scholastic Assessment Test or American College Test

Students must use the scholarship by the date established by the department.

Eligible Florida postsecondary institution is defined as an institution within the State University System, the community college system, or a public vocational-technical institution.

The annual awards may be received by students for the first 30 semester credit hours attempted. The maximum amount of the award is tuition, mandatory fees, and a book allowance of up to \$150 per semester. Awards shall be disbursed in equal installments each academic term. Students who have a 3.5 or higher GPA in a college preparatory curriculum may receive a higher award determined by the department. Students attending a Florida public technical institute may qualify for tuition scholarships for the cost of tuition, mandatory fees and up to \$150 per semester for a book allowance.

Full-time enrollment is not required. Awards will be distributed on the following basis:

- Students enrolled for 6 to 8 credit hours may receive up to one-half of the maximum award
- Students enrolled for 9 to 11 credit hours may receive up to three-fourths of the maximum award
- Students enrolled for 12 or more credit hours may receive up to the full award

The receipt of the scholarship will be considered in the calculation of the student's federal loan eligibility.

Students may renew during their sophomore, junior, and senior years if they meet the following criteria:

- Maintain a 3.0 cumulative GPA
- Make satisfactory academic progress
- Have used, within five years, less than the maximum number of semesters, as determined by the Department of Education. The department may waive this for students who demonstrate that compliance would entail extraordinary hardship.

Students must comply with the application requirements of their postsecondary institution. Renewal applications must be completed and submitted to the institution. The institution shall determine whether the student meets the criteria and submit a request for payment to the Department of Education.

The Department of Education is given the authority to create rules to implement and administer the program. If funds are not appropriated in an amount sufficient to fund the full program for eligible students, the amount may be prorated for a partial award to applicants.

The criteria for the Florida Postsecondary Tuition Program will also apply to the children of deceased or disabled veterans who receive scholarships under Chapter 295, F.S.

**B. EFFECT OF PROPOSED CHANGES:**

CS/HB 543 and 607 establishes the Florida Bright Futures Scholarship Program, a lottery-funded scholarship program for high achieving high school students who are ready for postsecondary education. Awards for the Florida Academic Scholars, the Florida Merit Scholarship, and the Florida Gold Seal Vocational Endorsement Scholarship will be funded annually from the Educational Enhancement Trust Fund. The funds to these scholarship programs will be allocated before the equitable distribution formula for public schools, community colleges, and state universities. The split used in recent years of 70 percent to public schools, 15 percent to community colleges and 15 percent to state universities will not be applicable. If funding shortages require reductions, they will be made in public schools, community colleges, and universities before they are made to the Florida Bright Futures Scholarship Program.

If funding is short in the Florida Bright Futures Scholarship Program and are not sufficient to provide awards to all eligible applicants, the awards in all three scholarship programs will be prorated. If all funds allocated to the program are not fully used in any one fiscal year, up to 5 percent of the total allocation may be carried over to be used to help fund the program in future years.

**Postsecondary Institution Definition**

For purposes of the Florida Academic Scholars, the Florida Merit Scholarship, and the Florida Gold Seal Vocational Endorsement Scholarship, an eligible postsecondary institution is redefined to include private institutions. Eligible institutions include any Florida public university, a public community college or technical institute or any eligible Florida independent college, university, or vocational-technical school. A Florida independent college, university, or vocational technical school is eligible if it meets these criteria:

- Offers a nursing diploma approved by the Board of Nursing or a Florida college, university, or community college which is accredited by a member of the Commission on Recognition of Postsecondary Accreditation or the credits of which are acceptable for transfer to state universities; or,
- Licensed by the State Board of Independent Postsecondary Vocational, Technical, Trade, and Business schools which is located in located in and licensed to operate by the state
- Has a minimum program completion and placement rate
- Is in sound financial condition
- Accredited and operated in state for three years under the same owner without complaints or licensed by state and operated for five years under same owner without complaints.

Awards paid to qualifying private institutions cannot exceed the average tuition which would be paid to a state institution for the same number of credit hours.

**General Eligibility Criteria**

Eligibility for all award programs is based on the following criteria unless otherwise specified under the specific award:

- Must be enrolled in at least 6 semester credit hours or equivalent in quarter or clock hours
- Must be resident in Florida for at least one year before the award of aid
- Must be free of felony convictions at the time the application is submitted

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- Must have standard Florida high school diploma or equivalent unless they are one of 3 exceptions: (1) full-time early admission program student; or (2) home education program student; or (3) dependents of a Florida resident on military or public service duty and living outside of Florida and receive a high school diploma from a school outside of Florida

Students apply for awards by April 1 of the last semester before high school graduation. To meet this date, the GPA will be from the end of the seventh semester of high school. If a student applies for and is eligible for an award, but does not accept their initial award, they can reapply during subsequent application periods, but it must be within three years of the student's high school graduation. The same is true for renewal awards; if a student does not accept a renewal award, they may reapply during subsequent application periods, within a three year period.

If a student does not meet the requirements for the awards because of misguided information supplied by any school district personnel, the student may be eligible if the principal or superintendent verifies that misinformation was the reason for the deficiency. The school district must provide a way for the student to correct the deficiency due to the misinformation and, to be eligible, the student must correct this by December 31 after high school graduation. This can either be done through a postsecondary institution or a directed individualized study program by the school district.

Initial and subsequent renewal awards are limited to a total of 132 credit hours for a four-year program. If a student is in an approved five-year program, they are limited to 165 credit hours. For a renewal the institution provides all required information to the department by June 1 of the academic year preceding the renewal year. The academic year generally begins in August. If the student's GPA does not qualify for renewal in the spring, but is high enough to qualify by the end of the summer session, the student is qualified for the renewal. However, the institution must notify the department as to whether the GPA may be increased sufficiently during the summer term. If the GPA cannot be increased sufficiently, the student will be notified of nonrenewal for the next academic year.

The awards may be used for summer terms; however, the department must be notified of the intention to attend summer term by June 1 of the preceding year. For example, if a student intends to attend summer term during 1998, he or she must notify the department by June 1, 1997, almost a year before the summer term.

Awards are given on an annual basis for up to 45 credit hours or the equivalent. Although students are eligible for only one annual award, they can move from one program to another as follows:

- If Florida Academic Scholar recipient fails to meet renewal GPA, he or she may become eligible for a Florida Merit Scholarship if he or she meets those criteria
- If a Florida Gold Seal Vocational Endorsement Scholarship recipient meets the qualifying GPA and is accepted in a upper-division program of a qualified college or university, he or she may transfer to a Florida Merit Scholarship award. However, certain maximum hour criteria apply to this transfer.

Part-time students receive prorated awards based on the number of credit hours they are taking.

<b>If a student takes:</b>	<b>He or she receives:</b>
6 to 8 credit hours	One-half of maximum award
9 to 11 credit hours	Three-fourths of maximum award
12 or more credit hours	Full award

Annual renewal of awards requires completion of at least 12 semester hours or equivalent in one academic year. Students may renew awards for up to 7 years after high school graduation. The student can transfer the award to another eligible institution as long as he or she has met all the other eligibility requirements; for example, the GPA at the initial institution must be at the qualifying level at the time of the transfer.

If a student's GPA is not high enough to qualify for renewal, he or she is allowed a one-time reinstatement. All reinstatement applications must be postmarked by June 1 of the academic year preceding the renewal academic year.

The awards may not be used for postsecondary remedial courses.

Program awards are made before federal family education loans or federal direct loans and are considered in the calculation of the student's loan eligibility.

Payment is sent to the institution before the registration period unless the department withholds payment because the institution failed to meet reporting and refund requirements. Institutions must certify to the department the eligibility status of students within 30 days after registration period. This is the only time the institution has to determine the eligibility status of the student. However, the institution is obligated to make refunds to the department for students who receive an award, terminate enrollment, and would be eligible for a refund. Within 60 days after registration, the institution certifies the undisbursed advances to the department. The institution has auditing and reporting requirements.

The department has rulemaking authority. All advertising and notification duties to schools, students and parents are the responsibility of the department.

**Florida Academic Scholars**

A high school student qualifies in one of the following four ways for the Florida Academic Scholars award:

- Must have an unweighted 3.5 GPA on a 4.0 scale in a college preparatory curriculum and attain minimum score on the SAT or ACT;
- Attend a home education program for grades 9 through 12 and a attain minimum score on the SAT or ACT;
- Earn an International Baccalaureate Diploma; or,
- Achieve recognition by the National Merit Scholarship Corporation as a scholar or finalist.

Additionally, a student must perform 75 hours of community service work

The Florida Academic Scholars award will be for matriculation (tuition), mandatory fees, and \$600 for college-related expenses annually. In each school district, the Florida Academic Scholar with

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the highest GPA receives an additional \$1,500 from the Florida Bright Futures Scholarship Program.

For renewal, a 3.0 cumulative GPA is required.

If a student graduated from high school in or prior to 1997 and was eligible for the Florida Undergraduate Scholar's Program, he or she will be eligible for the Florida Academic Scholars award.

### **Florida Gold Seal Vocational Endorsement Scholarship**

To receive a Florida Gold Seal Vocational Endorsement, a high school student must:

- Meet all the high school graduation requirements
- Complete three secondary school vocational credits must be taken over at least two school years in a sequential program of studies in a vocational job-preparatory or technology-education program or an equivalent program
- Pass the Florida College Placement Test
- Earn a cumulative GPA of 3.0 on all subjects required for a high school diploma

The Florida Gold Seal Vocational Endorsement Scholarship award will be for 75 percent of tuition and mandatory fees.

For renewal, a 2.75 GPA is required.

Students who graduate from high school in or prior to 1997 and are eligible for a Vocational Gold Seal Endorsement Scholarship will be eligible for the Florida Gold Seal Vocational Endorsement Scholarship award.

A student may take up to 80 credit hours using the Gold Seal Endorsement Scholarship. If a student desires to continue their education in a college or university, they may apply for a Florida Merit Scholarship award. A student must first either complete the 80 credit hours or complete a certificated vocational program or receive an associate degree. If completion of the certificated or vocational program required less than 80 hours, the student is eligible to apply for the Florida Merit Scholarship award.

To exercise this option, the student must be accepted into an eligible college or university and have a GPA of 2.75 in all postsecondary work. The Florida Merit Scholarship award will be limited by the number of credit hours that the student used under the Gold Seal award. For example, if a student takes 80 credit hours using the Gold Seal award, he or she can still be eligible to take 52 credit hours using the Florida Merit Scholarship award. If a student has completed the vocational program under Gold Seal in fewer than 80 hours, he would have more hours available under the Florida Merit Scholarship award.

### **Florida Merit Scholarship**

The Florida Merit Scholarship award can be earned in one of two ways:

- Must have an unweighted 3.0 GPA on a 4.0 scale in a college preparatory curriculum and attain minimum score on the SAT or ACT;
- Attend a home education program for grades 9 through 12 and a attain minimum score on the SAT or ACT;

The Florida Merit Scholarship award is for 75 percent of the student's tuition and mandatory fees.

For renewal, a 2.75 cumulative GPA for all college work attempted is required.

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?

The Department of Education and the State Board of Education have the authority to make rules over educational programs. In this act, the department is given direct authority to make rules.

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

Administrators for the financial aid programs will need to learn the new criteria associated with each program.

The department is responsible for advertising and notification to parents, schools and students.

Eligible institutions who receive funds for students are responsible for auditing and reporting requirements.

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

Students who meet the qualifying criteria will be eligible to apply for the scholarships.

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

Not applicable.

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

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

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

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?  
No.

4. Individual Freedom:

- a. Does the bill increase the allowable options of individuals or private organizations/associations to conduct their own affairs?  
Not applicable.
- 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?  
Not applicable.
  - (2) Who makes the decisions?  
Not applicable.

(3) Are private alternatives permitted?

Not applicable.

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

No.

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

No.

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?

Parents and guardians can motivate their children to meet the qualifying criteria so that the student will be eligible for a financial award to meet or help meet the educational costs beyond high school.

(2) service providers?

The institutions, with the department, handle the administrative tasks of disbursement and ensuring that students are eligible.

(3) government employees/agencies?

Same as above.

D. SECTION-BY-SECTION ANALYSIS:

- Section 1** Establishes the Florida Bright Futures Scholarship Program, consisting of two levels and three awards: the Florida Academic Scholarship, the Florida Merit Scholarship, and the Florida Gold Seal Vocational Endorsement Scholarship, which all be funded from the Educational Enhancement Trust Fund prior to disbursement to public schools, community colleges, and state universities. Provides criteria for qualifying institutions and general eligibility criteria for students.
- Section 2** Provides requirements for qualification for a Florida Academic Scholars award.
- Section 3** Provides requirements for qualification for Florida Merit Scholarship award.
- Section 4** Provides requirements for qualification for Florida Gold Seal Vocational Endorsement Scholarship award.
- Section 5** Provides for transition of high school students who graduated in 1997 or prior to 1997 and are eligible for the Florida Undergraduate Scholarship or the Vocational Gold Seal Endorsement Scholarship to be eligible for the Florida Academic Scholars award or the Florida Gold Seal Vocational Endorsement Scholarship award, respectively.

- Section 6** Amends s. 24.121, F.S., 1996 Supplement, relating to the allocation of revenues and expenditure of funds for public schools, to provide an exception to the equitable distribution to public schools, community colleges and state universities from the Educational Enhancement Trust Fund for the Florida Bright Futures Scholarship Program.
- Section 7** Repeals ss. 232.2465, 239.217, 240.402, 240.4021, and 240.4024, F.S., relating to the current programs for Florida Academic Scholars, Florida Gold Seal Vocational Endorsement, Florida Undergraduate Scholars, and Florida Postsecondary Tuition.
- Section 8** Amends s. 240.233, F.S., regarding admission of students to universities, allowing a college preparatory curriculum to be weighted at a higher value than less rigorous courses.
- Section 9** Amends s. 232.246, F.S., relating to general requirements for high school graduation, correcting cross references.
- Section 10** Amends s. 240.404, F.S., relating to general requirements for student eligibility for state financial aid, correcting cross references for residency in the state.
- Section 11** Amends s. 240.40242, F.S., 1996 Supplement, relating to use of certain scholarship funds by children of deceased or disabled veterans and conforming language.
- Section 12** Provides that this act will take effect upon becoming law.

III. FISCAL ANALYSIS & ECONOMIC IMPACT STATEMENT:

A. FISCAL IMPACT ON STATE AGENCIES/STATE FUNDS:

1. Non-recurring Effects:

2. Recurring Effects:

The following table reflects the estimated costs:

Program Title	1997-1998		1998-1999		1999-2000		2000-2001	
	Awards	Cost (\$M)	Awards	Cost (\$M)	Awards	Cost (\$M)	Awards	Cost (\$M)
Florida Undergraduate Scholars	17,700	\$50.8	20,620	\$59.1	23,458	\$67.3	26,296	\$75.4
Florida Postsecondary Tuition Program	11,596	\$12.9	19,353	\$21.6	24,964	\$27.8	28,528	\$31.8
Vocational Gold Seal Scholarship	13,381	\$15.5	18,701	\$21.6	23,472	\$27.1	27,682	\$32.0
<b>Total Merit Programs</b>	<b>42,677</b>	<b>\$79.2</b>	<b>58,674</b>	<b>\$102.3</b>	<b>71,894</b>	<b>\$122.3</b>	<b>82,506</b>	<b>\$129.2</b>

3. Long Run Effects Other Than Normal Growth:

None.

4. Total Revenues and Expenditures:

See chart above. Funding will be from the Educational Enhancement Trust Fund. Historically, these funds from the lottery revenue are split with 70 percent going to public schools, 15 percent to the universities, and 15 percent to the community colleges. However, CS/HB 543 and 607 requires that the Bright Futures Program be funded first before the distribution to the public schools, universities and community colleges.

Last year, the existing scholarship programs were funded at \$46 million. The total cost to fund the proposed programs is \$79.2 million. This is a difference of \$33.2 million, which will be a loss to the General Revenue Fund.

B. FISCAL IMPACT ON LOCAL GOVERNMENTS AS A WHOLE:

1. Non-recurring Effects:

None.

2. Recurring Effects:

Indeterminate.

3. Long Run Effects Other Than Normal Growth:

None.

C. DIRECT ECONOMIC IMPACT ON PRIVATE SECTOR:

1. Direct Private Sector Costs:

None.

2. Direct Private Sector Benefits:

Private independent institutions can now benefit by receiving state dollars as scholarship funds for qualifying students.

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

None.

D. FISCAL COMMENTS:

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 expend funds.

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B. REDUCTION OF REVENUE RAISING AUTHORITY:

This bill does not reduce the authority of counties or municipalities to raise revenue.

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

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

V. COMMENTS:

VI. AMENDMENTS OR COMMITTEE SUBSTITUTE CHANGES:

VII. SIGNATURES:

COMMITTEE ON EDUCATION INNOVATION:

Prepared by:

Legislative Research Director:

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Ouida J. Ashworth

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Peter C. Doherty