

STORAGE NAME: h1931.ed

DATE: April 6, 1999

**HOUSE OF REPRESENTATIVES
AS REVISED BY THE COMMITTEE ON
EDUCATION APPROPRIATIONS
ANALYSIS**

BILL #: HB 1931 (PCB CU 99-07)

RELATING TO: Florida Bright Futures Scholarship Program

SPONSOR(S): Committee on Colleges and Universities

COMPANION BILL(S): SB 1380

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

- (1) COLLEGES & UNIVERSITIES YEAS 6 NAYS 1
 - (2) EDUCATION APPROPRIATIONS
 - (3)
 - (4)
 - (5)
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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 sets the minimum test score used to determine initial eligibility for an Academic Scholars award and a Merit Scholars award in statute rather than rule. The test score for the Academic Scholars award is set at 1270 on the recentered SAT, or the equivalent. This is the level currently used by the Department of Education for students other than those who qualify for the Academic Scholars award by receiving an International Baccalaureate Diploma; recognition by the merit or achievement programs of the National Merit Scholarship Corporation as a scholar or finalist; or meeting the requirements for a Florida Academic Scholars Certificate. (Current law provides that the Florida Academic Scholars Certificate criteria can be used for students who graduate in 1999 or earlier.) The minimum test score for the Merit Award is set at 970 on the recentered SAT (or the equivalent) for students who graduate from high school by the end of the 2001 - 2002 school year and at 1020 (or the equivalent) for students who graduate from high school in the 2002 - 2003 school year or there after.

Effective Fall 2000, 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 2000. Upon successful completion of an associate degree program, a student who meets the renewal criteria for the award and enrolls in an associate or baccalaureate degree program at an eligible institution would be eligible to transfer into Merit Scholars component of the program without being required to meet the initial eligibility criteria for that award.

In addition, the bill requires students who apply for a Bright Futures award to also apply for a Pell Grant; provides an alternative methodology for calculating the GPA for certain students who fail to meet the initial GPA requirement; caps receipt of the award at 132 semester credit hours or the equivalent; and provides that the rate at which award amounts are calculated cannot exceed the undergraduate level at a state university.

The respective time delays in implementing revisions to the initial eligibility criteria coupled with the more rigorous graduation standards that have been enacted recently should provide high school students time to take the courses that will best prepare them to qualify for one of the three awards available through the Bright Futures Program.

The fiscal impact of the bill is indeterminate at this time.

SUBSTANTIVE ANALYSIS:

PRESENT SITUATION:

See SECTION-BY-SECTION ANALYSIS.

EFFECT OF PROPOSED CHANGES:

See SECTION-BY-SECTION ANALYSIS.

APPLICATION OF PRINCIPLES:

1. _____

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

any authority to make rules or adjudicate disputes?

Yes. The minimum test scores used to determine initial eligibility for the Florida rather than rule.

(2) organizations or individuals?

Applicants for a Bright Futures award will be required to apply for a Pell Grant.

any entitlement to a government service or benefit?

No.

If an agency or program is eliminated or reduced:

No agency or program is eliminated or reduced.

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:

Does the bill increase anyone's taxes?

No.

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?

No.

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:

The bill does not purport 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:

The bill does not create or change a program providing services to families or children.

(1) parents and guardians?

N/A

(2) service providers?

N/A

(3) government employees/agencies?

N/A

D. STATUTE(S) AFFECTED:

Amends ss. 240.40202, 240.40203, 240.40205, 240.40206, 240.40207, and 240.40208, F.S.

E. SECTION-BY-SECTION ANALYSIS:

SECTION 1. 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 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 the scholarship by April 1 of the last semester before high school graduation.

Certain applicants for Georgia's HOPE Scholarship are also required to apply for a federal Pell Grant. A recent publication by the Southern Regional Education Board (SREB), **State-funded Merit Scholarship Programs: Why are they popular? Can they increase participation in higher education?** reports that since the HOPE program began in Georgia more students from low-income families are applying for federal Pell Grants and the number of Pell Grant recipients has increased even though the number of high school graduates has not increased significantly.

To apply for a Pell Grant, a student must complete the **FAFSA** or **Free Application for Federal Student Aid**. The **FAFSA** is a four-page form that is available from most high school counselors or financial aid offices or over the Internet. The completed application may be mailed or submitted electronically. According to information included with the form, the time required to complete the form is estimated to be one hour, including time to review instructions, search data resources, gather the data needed, and complete and review the information collected.

Currently, the grade point average used to determine eligibility for an initial Academic Scholars award or Merit Scholars award is based on grades earned in academic core courses required for admission to a state university -- 4 units in English, 3 units in Mathematics, 3 units in Natural Science, 3 units in Social Science, and 2 units in Foreign Language. The grade point average for an initial Gold Seal award is based on the grades earned in subjects required for a standard high school diploma,

excluding elective courses, plus grades earned in secondary vocational courses comprising the vocational program.

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

Effect of Proposed Changes. A student applying for an initial Bright Futures award will be required to apply for a Pell Grant.

The bill provides an alternative methodology for calculating the GPA used to determine initial eligibility for an award. A student who is determined to be ineligible for an initial award for failure to meet the high school GPA requirement would be permitted to appeal to the Department of Education and request a recalculation of the GPA including in the revised calculation the grades earned in up to three credits of advanced fine arts courses. "Fine arts courses" include courses in music, drama, painting, sculpture, speech, debate, or a course in any art form that requires manual dexterity. "Advanced fine arts courses" include fine arts courses identified in the *Course Code Directory* as Advanced Placement, pre-International Baccalaureate or International Baccalaureate, or fine arts courses taken in the third or fourth year of a fine arts curriculum.

SECTION 2. Amends s. 240.40203, F.S., relating to student eligibility requirements for renewal awards.

Present Situation. Under current law, a student who is enrolled in a program that terminates in an associate degree or a baccalaureate degree may receive an award for a maximum of 110 percent of the number of credit hours required to complete the program. Questions have been raised recently regarding programs which students enter as undergraduates that do not terminate in a baccalaureate degree, such as the PharmD program at UF and FAMU, as well as programs which are expanding their required coursework in response to national accreditation criteria.

Effect of Proposed Changes. Section 240.40203, F.S., is amended to provide that a student who is enrolled in a program that terminates in a "degree" is eligible to receive an award for a maximum of 132 semester credit hours or the equivalent. Deletion of the term "baccalaureate" should resolve any questions regarding the eligibility of a student in a program, such as the PharmD, to participate in the program. Capping the award at a maximum of 132 semester credit hours or the equivalent makes the cost of the Bright Futures program less susceptible to the criteria imposed upon academic programs by national accrediting associations.

SECTION 3. Amends s. 240.40205, F.S., relating to initial eligibility requirements and calculation of award amount for the Academic Scholars award.

Present Situation. The initial eligibility requirements specific to the Florida Academic Scholars award are set forth in s. 240.40205(1), F.S. A student's high school GPA is calculated using grades earned in courses adopted by the Board of Regents and recommended by the State Board of Community Colleges as college preparatory academic courses (15 credits). Students who have not been awarded an International Baccalaureate Diploma or who have not been recognized by the merit or achievement programs of the National Merit Scholarship Corporation as a scholar or finalist must attain a minimum test score (SAT or equivalent) identified by rules of the Department of Education. The test score established by the department is 1270 on the recentered SAT (test taken after April 1, 1995) or equivalent. Current law (s. 240.40208, F.S.) also permits a student who graduates from high school in 1999 or earlier to qualify for the Academic Scholars award if the student meets the criteria for a Florida Academic Scholars Certificate (1180 SAT and 24 credits).

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 if the student is enrolled in a public postsecondary 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. According to 6C-7.001, F.A.C., the current Matriculation Fee assessed in the State University System is \$46.99 per credit hour for an undergraduate course and \$113.03 for a graduate-level course. Representatives of the Department of Education indicate that the award amounts for Bright Futures

recipients at state universities are calculated at the undergraduate matriculation rate regardless of the level of the course.

Effect of Proposed Changes. Statutory provisions relating to the courses used to calculate the high school GPA are clarified to reflect current practice and cross-reference rules of the Board of Regents. The minimum test score used to determine initial eligibility is set in statute at 1270 on the recentered SAT (or the equivalent).

Provisions relating to the award amount are revised to codify current practice of calculating the awards for students attending state universities based on matriculation and fees assessed at the undergraduate rate.

SECTION 4. Amends s. 240.40206, F.S., relating to initial eligibility requirements and calculation of award amount for the Merit Scholars award.

Present Situation. The initial eligibility requirements specific to the Florida Merit Scholars award are set forth in s. 240.40206(1), F.S. A student's high school GPA is calculated using grades earned in courses adopted by the Board of Regents and recommended by the State Board of Community Colleges as college preparatory academic courses (15 credits). Students must attain a minimum test score (SAT or equivalent) identified by rules of the Department of Education. The test score established by the department is 970 on the recentered SAT or the equivalent. This score corresponds to the minimum test score required for admission to a State University System institution for a student whose high school GPA in the required academic courses equals 2.9. (Note: In computing the high school grade point average for purposes of admission to a state university, additional weights are assigned to grades in Honors, International Baccalaureate, and Advanced Placement courses.)

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 1996 average SAT scores for SUS institutions ranged from 996 to 1196.

Section 240.40205(2), F.S., provides that a Florida Merit Scholar is eligible for an award equal to the amount required to pay 75% of the matriculation and fees at a public postsecondary 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. According to 6C-7.001, F.A.C., the current Matriculation Fee assessed in the State University System is \$46.99 per credit hour for an undergraduate course and \$113.03 for a graduate-level course. Representatives of the Department of Education indicate that the award amounts for Bright Futures recipients at state universities are calculated at the undergraduate matriculation rate regardless of the level of the course.

The 1997 Legislature adopted legislation enacting more rigorous high school graduation requirements. Section 232.246(5), F.S., provides that the requisite cumulative GPA for the class entering 9th grade during the 1997-1998 school and each class thereafter is 2.0 on a 4.0 scale. These students must also successfully complete Algebra I, or a series of equivalent courses, or a higher level course. In addition, current law prohibits a student from receiving credit toward high school graduation from 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 course 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. Statutory provisions relating to the courses used in calculation of the high school GPA are clarified to reflect current practice and cross-reference rules of the Board of Regents. The minimum test score used to determine initial eligibility for a Merit Scholar award is set in statute at 970 on the recentered SAT (or the equivalent) for students who graduate from high school by the end of the 2001 - 2002 school year and at 1020 for students who graduate from high school in the 2002 - 2003 school year or there after. Students in a registered home education program are subject to the same test scores except that students whose parents do not document a

college-preparatory curriculum would be required to attain an SAT score of at least 1070 through the end of the 2001 - 2002 school year and an SAT score of at least 1120 beginning in the 2002 - 2003 school year or there after. The time delay coupled with the more rigorous graduation standards that have been enacted recently should provide students time to take the courses that will best prepare them to qualify for one of the three awards available through the Bright Futures Program.

Provisions relating to the award amount are revised to codify current practice of calculating the awards for students attending state universities based on matriculation and fees assessed at the undergraduate rate.

SECTION 5. Amends s. 240.40207, F.S., to revise provisions relating to the use of the Florida Gold Seal Vocational Scholars award.

Present Situation. The purpose of the Gold Seal 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 on all subjects required for graduation, excluding elective courses; earns a minimum unweighted GPA of 3.5 for secondary vocational courses comprising the vocational program; 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 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 obtain 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 scholarships were awarded to students attending a State University System institution.

Effect of Proposed Changes: Effective Fall 2000, 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 2000.

A process is established whereby a student who successfully completes an associate degree program, 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. The student would not be subject to the initial eligibility requirements for the Merit award.

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, 1999.

III. FISCAL ANALYSIS & 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:

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:

None.

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 bill is indeterminate at this time.

Restricting the use of the Gold Seal award to institutions that do not grant baccalaureate degrees should reduce the costs of funding awards associated with that component of the program because matriculation and fees may be assessed at a lower rate. In addition, any enrollment funding required to support the students receiving these awards should be less if the student's first two years are at a community college or vocational-technical center rather than a state university. There are no estimates of how many eligible students may decline the Gold Seal award if enrollment is limited to institutions that do not award the baccalaureate degree. Enrollment could shift from 4-year institutions to eligible community colleges, vocational technical centers, and career schools if such students choose to accept the award rather than begin their postsecondary education at a 4-year institution.

An increase in the minimum qualifying SAT score for a merit award from 970 to 1020 reduces the number of scholarships awarded. According to the Department of Education, 4,355 of the 18,977

total Florida Merit Scholarships awarded went to students who graduated from high school in 1998 and scored between 970 and 1020 (23%). If the 1020 SAT minimum score had been in effect for the 1998/99 Fiscal Year, the potential savings to the state would have been \$9.2 million, based on average tuition and fees in the State University System.

This bill allows the recalculation of a grade point average to include up to three credit hours of advanced fine arts courses which may result in additional students qualifying for Bright Futures awards. The impact is not anticipated to be significant.

This bill limits the award to a maximum of 132 semester credit hours which may result in students being able to take fewer credit hours under the Bright Futures Program. Under current law, students are eligible to receive an award for up to 110% of the number of credit hours required to complete the program. However, some degree programs (like pharmacy, engineering, and fine arts) require more than 120 hours. This change should reduce the cost of the Bright Futures program by an indeterminate amount. The savings to the state from this change is not anticipated to be significant.

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:

Betty H. Tilton, Ph.D.

Staff Director:

Betty H. Tilton, Ph.D.

AS REVISED BY THE COMMITTEE ON EDUCATION APPROPRIATIONS:

Prepared by:

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