

STORAGE NAME: h1631s1.ed

DATE: April 5, 2000

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

BILL #: CS/HB 1631 (PCB CU 00-02)

RELATING TO: Student Financial Aid

SPONSOR(S): Committee of Education Appropriations, Committee on Colleges & Universities, Representative Casey and others

TIED BILL(S): None

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

- (1) COLLEGES & UNIVERSITIES YEAS 6 NAYS 0
- (2) EDUCATION APPROPRIATIONS YEAS 13 NAYS 0
- (3)
- (4)
- (5)

I. SUMMARY:

CS/HB 1631 incorporates a number of recommendations from the Department of Education (DOE) to facilitate and streamline the administration of state-supported financial aid programs.

CS/HB 1631 repeals two unfunded financial assistance programs that are administered by DOE -- the Education Success Incentive Program and Access Grants for Community College Graduates; modifies repayment requirements for the Critical Teacher Shortage Student Loan Forgiveness Program; eliminates the requirement that an initial Bright Futures award must be granted within 3 years of high school graduation; clarifies that a Bright Futures award must be used within 7 years of high school graduation; defines the terms "public service assignment", "renewal", "reinstatement", and "restoration" for purposes of the Bright Futures program; provides for Bright Futures awards to students enrolled in programs that terminate in a graduate degree; replaces obsolete terminology with regard to accrediting associations; modifies initial eligibility criteria for a Merit Scholars award to include National Merit Scholars or Finalists who do not meet the community service requirement; authorizes DOE to define the term "fees" for purposes of a Bright Futures award; modifies initial eligibility criteria for a Gold Seal award and limits use of the award to nonbaccalaureate degree-granting institutions beginning Fall 2002; clarifies residency requirements to maintain eligibility for state financial aid; increases the maximum award level for the Critical Teacher Shortage Tuition Reimbursement Program; eliminates references to graduate student participation in the Jose Marti program; expands the repeal provision for unfunded financial assistance programs; aligns state and federal provisions for loan default; transfers provisions relating to financial aid benefits for children of deceased or disabled veterans to ch. 295, F.S., and clarifies that such benefits are tied to wartime service; expands eligibility to participate in the Florida Student Assistance Grant (FSAG) Program to part-time students; requires DOE to establish an application deadline for the FSAG program; and establishes priorities for distribution of FSAG funds.

The fiscal impact of CS/HB 1631 is indeterminate. Increasing the amount paid per semester hour for the Critical Teacher Shortage Tuition Reimbursement Program would have required an additional \$260,000 in funding to maintain the level served in 1998-99 or a reduction in the number of courses funded by 32%. Restricting 1999 initial Gold Seal award recipients to 2-year institutions would have produced a savings of \$600,000. Unless additional funding is

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provided, expanding participation in the FSAG to include part-time students could increase the number of eligible students who do not receive awards.

II. SUBSTANTIVE ANALYSIS:

A. DOES THE BILL SUPPORT THE FOLLOWING PRINCIPLES:

- | | | | |
|-----------------------------------|---|-----------------------------|---|
| 1. <u>Less Government</u> | Yes <input checked="" type="checkbox"/> | No <input type="checkbox"/> | N/A <input type="checkbox"/> |
| 2. <u>Lower Taxes</u> | Yes <input type="checkbox"/> | No <input type="checkbox"/> | N/A <input checked="" type="checkbox"/> |
| 3. <u>Individual Freedom</u> | Yes <input type="checkbox"/> | No <input type="checkbox"/> | N/A <input checked="" type="checkbox"/> |
| 4. <u>Personal Responsibility</u> | Yes <input type="checkbox"/> | No <input type="checkbox"/> | N/A <input checked="" type="checkbox"/> |
| 5. <u>Family Empowerment</u> | Yes <input type="checkbox"/> | No <input type="checkbox"/> | N/A <input checked="" type="checkbox"/> |

For any principle that received a "no" above, please explain:

B. PRESENT SITUATION:

See SECTION-BY-SECTION ANALYSIS.

C. EFFECT OF PROPOSED CHANGES:

See SECTION-BY-SECTION ANALYSIS.

D. SECTION-BY-SECTION ANALYSIS:

Section 1. Amends s. 231.621, F.S., relating to the Critical Teacher Shortage Student Loan Forgiveness Program.

Present Situation. Section 231.621, F.S., provides for the Critical Teacher Shortage Student Loan Forgiveness Program. The program provides financial assistance to eligible Florida teachers for the repayment of undergraduate and graduate educational loans which led to certification in a critical teacher shortage subject area.

Eligible teachers may receive up to a maximum of \$10,000 toward repayment of the principal balance of their educational loans, at the rate of \$2,500 per year for undergraduate loans and \$5,000 per year for graduate loans, for study leading to certification. Awards are made on a first-come, first-served basis, with priority given to renewal applicants. Awards are subject to availability of funds.

All repayments are contingent on continued proof of employment in the designated subject area in this state. Current law requires that repayments must be made directly to the holder of the loan. DOE reports that applicants are required to continue to make payments on their principal loan balance during their participation in this program. In order to be eligible for receipt of the final payment, teachers must have a principal balance due with the holder of the loan. DOE suggests that making the final repayment to the holder of the loan penalizes teachers for continuing to make payments by making the teachers ineligible for receipt of their final repayment.

Effect of Proposed Changes. The requirement that repayments be made directly to the holder of the loan is eliminated.

Section 2. Amends s. 240.40201, F.S., relating to the Florida Bright Futures Scholarship Program.

Present Situation. Section 240.40201, F.S., creates the Florida Bright Futures Scholarship Program to establish a lottery-funded scholarship program to reward any Florida high school graduate who merits recognition of high academic achievement and who enrolls in an eligible Florida public or private postsecondary education institution within 3 years of graduation from high school. Concerns have been expressed that students who pursue an alternative to postsecondary education immediately following high school graduation, such as entering the military service, may lose their eligibility for a Bright Futures award because of an inability to enroll within 3 years of graduation.

Effect of Proposed Changes. The requirement that a student enroll within 3 years of graduation is eliminated. Regardless of when the student first receives scholarship funding, all eligibility ends 7 years after high school graduation. In addition, the student must be enrolled in a degree program, certificate program, or applied technology diploma program to be eligible to receive an award.

Section 3. Amends s. 240.40202, F.S., relating to the Florida Bright Futures Scholarship Program; 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 earn a Florida high school diploma or the equivalent. There are three exceptions to the Florida high school diploma requirement -- a student who is enrolled full-time in the early admission program of an eligible institution; a student who completes a home education program; and a student who earns a high school diploma from a non-Florida school while living with a parent or guardian who is on military or public service assignment away from Florida. The term "public service assignment" is not defined.

The student must not have been found guilty of, or plead nolo contendere to, a felony charge. The statutory provisions are silent regarding a student who has had adjudication withheld as well as a student who pleads guilty to a felony charge.

A student must apply for the scholarship by April 1 of the last semester before high school graduation. The April 1 deadline has been problematic for some students who would otherwise be eligible for an award -- for example, a student who, for whatever reason, does not learn about the program or the deadlines until the student arrives on a college campus.

A student is eligible to receive an initial award for 3 years following high school graduation and a renewal award for 7 years following high school graduation. A student who applies for an award by April 1 and meets all other eligibility requirement, but does not use the award, may reapply during subsequent application periods for up to 3 years after high school graduation.

Effect of Proposed Changes. The term "public service" is defined. For purposes of determining eligibility for a Bright Futures initial award, the term "public service" means the occupational assignment outside of Florida of a person who is a permanent resident of Florida and who is employed by the United States Government or the State of Florida, a condition of which employment is assignment outside of Florida.

A student who has had adjudication withheld for or pled guilty to a felony charge would not be eligible for an initial award unless the student had been granted clemency by the Executive Office of Clemency.

The April 1 application deadline for an initial award is extended to December 31 after high school graduation. There is no application deadline for the student who earns a high school diploma from a non-Florida school while living with a parent or guardian who is on military or public service assignment away from Florida.

The requirement that a student accept the initial award within 3 years following high school graduation and a renewal award within 7 years following high school graduation is eliminated. A student who meets all eligibility requirements but does not accept his or her award during the first year of eligibility after high school graduation may apply for reinstatement of the award for use within 7 years after high school graduation. Reinstatement applications must be received by the deadline established by DOE.

Section 4. Amends s. 240.40203, F.S., relating to the Florida Bright Futures Scholarship Program; student eligibility requirements for renewal.

Present Situation. Section 240.40203, F.S., sets forth the student eligibility requirements for renewal awards. The distinction between students who meet the minimum GPA requirements and are renewing their awards after the first or a subsequent year of eligibility, students who were eligible but did not receive an award during a previous year or years and who may wish to reestablish use of the scholarship, and students who lost their scholarship eligibility due to a low renewal GPA but earned the required GPA in a subsequent academic year is not clear from the terminology used.

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. Concerns have been expressed regarding the eligibility of students who enroll in programs which students enter as undergraduates that terminate in a graduate degree, such as the PharmD program at Florida A & M University and the University of Florida, or in the simultaneous award of a baccalaureate and graduate degree.

Effect of Proposed Changes. The terms “renewal”, “reinstatement”, and “restoration” are defined to provide clarification regarding a student’s eligibility to receive an award following the first year of eligibility.

The term “renewal” applies to a student who receives an award for at least one term during the academic year. The renewal criteria are amended to reference the required number of hours as well as the required GPA.

The term “reinstatement” applies to a student who was eligible but did not receive an award during the previous academic year and who may apply to reestablish the use of the scholarship. For reinstatement, a student must have been eligible at the time of the student’s most recent Bright Futures eligibility determination. The student must apply by the deadline established by DOE.

The term “restoration” applies to a student who lost scholarship eligibility due to a low renewal GPA, but earned the required GPA in a subsequent academic year and who may apply to receive awards in the future. A student is eligible to receive such restoration only once. The student must apply by the deadline established by DOE.

A student who is enrolled in an undergraduate program that terminates in the award of a postbaccalaureate degree or the simultaneous award of baccalaureate and postbaccalaureate degrees may receive an award for a maximum of 132 semester hours, or the equivalent, at the undergraduate rate.

Section 5. Amends s. 240.40204, F.S., relating to the Florida Bright Futures Scholarship Program; eligible postsecondary education institutions.

Present Situation. Section 240.40204, F.S., sets forth the criteria for postsecondary education institutions to participate in the Bright Futures program. Eligible institutions include independent Florida colleges and universities that are accredited by a member of the Commission on Recognition of Postsecondary Accreditation (CORPA) which have operated in the state for at least three years. CORPA was created as a temporary replacement for the Council on Postsecondary Accreditation (COPA) which disbanded in 1993. CORPA is no longer active. Postsecondary institutions that wish to participate in federal financial aid programs must be accredited by an accrediting association recognized by the United States Department of Education.

Effect of Proposed Changes. The reference to the Commission on Recognition of Postsecondary Accreditation is replaced with a reference to the United States Department of Education.

Section 6. Amends s. 240.40205, F.S., relating to the Florida Academic Scholars award.

Present Situation. Section 240.40205, 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 the student is enrolled in a public postsecondary institution. The term "fees" is not defined. For example, a student who enrolls at a state university is assessed a per credit hour matriculation fee, financial aid fee, building fee, capital improvement fee, activity and service fee, athletic fee, and health fee.

DOE reports that the amount it transmits to an institution to cover Bright Futures awards is based on the amount that institution bills the department. During the 1998-1999 academic year, DOE reports that it transmitted \$1.6 million in Bright Futures payments to public postsecondary institutions to cover fees in excess of the amount attributable to mandatory per credit hour fees. Responses to a survey of the state universities and public community colleges indicate that the institutions bill DOE for a variety of fees including: material and supply fees; lab fees; orientation fees; ID card fees; parking and transportation fees; late payment fees; late registration fees; insurance fees; testing fees; application fees; application for degree fees; transcript fees; internship fees; and 'special' fees.

In each school district, the Florida Academic Scholar with the highest academic ranking receives an additional award of \$1,500 for college-related expenses.

Effect of Proposed Changes. DOE is authorized to define the term "fees" for purposes of determining the Bright Futures award amount. DOE policy has defined the fees to be included in the calculation of the Bright Futures payment to include only those mandatory fees charged to all students at the institution (i.e., those included in the cost per credit hour/block fees) and lab fees up to a maximum of \$300 per semester.

The \$600 annual award for college-related expenses is changed to \$300 per semester or the equivalent. The \$1,500 award for the highest ranking Academic Scholar in each school

district is changed to \$750 per semester. According to DOE, these changes should facilitate DOE making awards to Bright Futures recipients who enroll during a Summer term.

References to restoration are added to the provisions relating to the renewal of the Academic Scholars award.

Section 7. Amends s. 240.40206, F.S., relating to the Florida Merit Scholars award.

Present Situation. A student who has been recognized by the merit or achievement programs of the National Merit Scholarship Corporation as a Scholar or Finalist and has completed 75 hours of community service is eligible for a Florida Academic Scholars award. These students automatically qualify for the award and are not required to meet the test score/GPA requirements. There is no specific provision for students who are recognized by the National Merit Scholarship Corporation who fail to complete the required community service.

Section 240.40205, 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 the student is enrolled in a public postsecondary institution. The term "fees" is not defined. For example, a student who enrolls at a state university is assessed a per credit hour matriculation fee, financial aid fee, building fee, capital improvement fee, activity and service fee, athletic fee, and health fee.

DOE reports that the amount it transmits to an institution to cover Bright Futures awards is based on the amount that institution bills the department. During the 1998-1999 academic year, DOE reports that it transmitted \$1.6 million in Bright Futures payments to public postsecondary institutions to cover fees in excess of the amount attributable to mandatory per credit hour fees. Responses to a survey of the state universities and public community colleges indicate that the institutions bill DOE for a variety of fees including: material and supply fees; lab fees; orientation fees; ID card fees; parking and transportation fees; late payment fees; late registration fees; insurance fees; testing fees; application fees; application for degree fees; transcript fees; internship fees; and 'special' fees.

Effect of Proposed Changes. Eligibility criteria for the Merit Scholars award are expanded to include students who have been recognized by the merit or achievement programs of the National Merit Scholarship Corporation as Scholars or Finalists, but have not completed the required program of community service.

DOE is authorized to define the term "fees" for purposes of determining the Bright Futures award amount. DOE policy has defined the fees to be included in the calculation of the Bright Futures payment to include only those mandatory fees charged to all students at the institution (i.e., those included in the cost per credit hour/block fees) and lab fees up to a maximum of \$300 per semester.

References to restoration are added to the provisions relating to the renewal of the Merit Scholars award.

Section 8. Amends s. 240.40207, F.S., relating to the Florida Gold Seal Vocational Scholars award.

Present Situation. The purpose of the 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 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.

A Gold Seal Scholar is eligible for an award equal to the amount required to pay 75% of matriculation and fees if the student is enrolled in a public postsecondary institution. The term "fees" is not defined. For example, a student who enrolls at a state university is assessed a per credit hour matriculation fee, financial aid fee, building fee, capital improvement fee, activity and service fee, athletic fee, and health fee.

DOE reports that the amount it transmits to an institution to cover Bright Futures awards is based on the amount that institution bills the department. During the 1998-1999 academic year, DOE reports that it transmitted \$1.6 million in Bright Futures payments to institutions to cover fees in excess of the amount attributable to mandatory per credit hour fees. Responses to a survey of the state universities and public community colleges indicate that the institutions bill DOE for a variety of fees including: material and supply fees; lab fees; orientation fees; ID card fees; parking and transportation fees; late payment fees; late registration fees; insurance fees; testing fees; application fees; application for degree fees; transcript fees; internship fees; and 'special' fees.

A student may earn a Gold Seal Vocational Scholarship for 110 percent of the number of credit hours required to complete the program, up to 90 credit hours or the equivalent. A Gold Seal Scholar who has a cumulative grade point average of 2.75 in all postsecondary education work attempted may apply for a Florida Merit Scholars award at any renewal period. All other provisions of that program apply. Representatives of DOE report that the department has begun automatically transferring students from the Gold Seal component to the Merit component if the student possesses a 2.75 grade point average and is within 35 credit hours of maximizing the Florida Vocational Gold Seal Scholarship.

As noted previously, the award amount for the Gold Seal award is calculated in the same manner as the award amount for the Merit award. Also, like the Merit award, the Gold Seal award may be used at any eligible institution. Unlike the Merit award, however, a student receiving a Gold Seal award is not required to obtain a minimum score on the SAT or complete and obtain a minimum GPA in certain college-prep courses. According to information provided by DOE, there were 4,033 students who received a Gold Seal award and attended a state university during the 1997-1998 academic year and 4,258 students who received a Gold Seal award and attended a state university during the 1998-1999 academic year.

Effect of Proposed Changes. Initial eligibility requirements are changed to require successful completion of at least three secondary school vocational credits in one program of study, as identified by DOE. DOE has identified 85 such programs.

Reference to completion of the requirements of a vocational ready diploma program is deleted.

DOE is authorized to define the term "fees" for purposes of determining the Bright Futures award amount. DOE policy has defined the fees to be included in the calculation of the Bright Futures payment to include only those mandatory fees charged to all students at the institution (i.e., those included in the cost per credit hour/block fees) and lab fees up to a maximum of \$300 per semester.

References to restoration are added to the provisions relating to renewal of the Gold Seal Vocational Scholars award.

Beginning with the fall term of 2002, 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 the fall term of 2002 or as otherwise provided in s. 240.40207, F.S.

Provisions for transferring from the Vocational Gold Seal award component of the program to the Merit award component are revised. A student who successfully completes an associate degree program, maintains a GPA of 2.75 on all postsecondary education work attempted, and enrolls in a baccalaureate degree program at an eligible postsecondary education institution is eligible to transfer to the Merit Scholars award component of the program. Provisions are made for continued receipt of a Bright Futures award by students who receive an associate degree mid-year and enroll in a baccalaureate degree program during the same academic year.

Section 9. Amends s. 240.40209, F.S., relating to Bright Futures Scholarship recipients attending nonpublic institutions; calculation of awards.

Present Situation. The calculation of awards for Bright Futures Scholarship recipients attending nonpublic institutions is based on a calculation using the average matriculation and fees for full-time attendance at a public postsecondary educational institution at the comparable level. The term "fees" is not defined.

Effect of Proposed Changes. DOE is authorized to define "fees" for purposes of calculating the awards for Bright Futures Scholarship recipients attending nonpublic institutions.

Section 10. Amends s. 240.404, F.S., relating to general requirements for student eligibility for state financial aid.

Present Situation. The general requirements for student eligibility for state financial aid awards include attendance at a Florida college, university, community college, or private vocational-technical institution which is accredited by a member of the Commission of Recognition of Postsecondary Accreditation (CORPA). CORPA was created as a temporary replacement for the Council on Postsecondary Accreditation (COPA) which disbanded in 1993. CORPA is no longer active. Postsecondary institutions that wish to participate in federal financial aid programs must be accredited by an accrediting association recognized by the United States Department of Education.

The general requirements for student eligibility for state financial aid also address residency. Residency in the state for no less than one year preceding the award of aid is specifically required in this section for the following programs: the Florida Student Assistance Grant Program; the Jose Marti Challenge Grant Program; the Mary McLeod Bethune Scholarship Program; the Seminole and Miccosukee Indian Scholarships; the Florida Minority Medical Education Program; the William L. Boyd, IV, resident access grants; and the Florida Work Experience Program. Residency in the state must be for

purposes other than to obtain an education. Residency status for purposes of receiving state financial aid awards is to be determined in the same manner as resident status for tuition purposes.

The general requirements for student eligibility for state financial aid also address the maximum time a student can receive an award. Undergraduate students are eligible to receive financial aid for a maximum of 8 semesters or 12 quarters. An exception is provided for undergraduate students enrolled in college-preparatory instruction, students requiring additional time to complete the college-level communication and computation skills testing programs, and students enrolled in 5-year undergraduate degree programs. The maximum amount of time for these students is 10 semesters or 15 quarters.

Effect of Proposed Changes. References to the Commission on Recognition of Postsecondary Accreditation are replaced with a reference to the United States Department of Education.

Residency provisions are expanded to clarify conditions under which residency status, for purposes of determining eligibility for state financial aid, may be retained.

The maximum time an undergraduate student can receive financial aid is revised to be 110 percent of the number of credit hours required to complete the program, up to a maximum of 132 credit hours, or the equivalent.

Section 11. Amends s. 240.4064, F.S., Critical Teacher Shortage Tuition Reimbursement Program.

Present Situation. The Critical Teacher Shortage Tuition Reimbursement Program provides financial assistance to full-time Florida public school employees who are certified to teach in Florida and who are teaching or are preparing to teach in critical teacher shortage subject areas approved by the State Board of Education. Participants may receive tuition reimbursement for up to 9 semester hours, or the equivalent, per academic year at a rate not to exceed \$78 per semester hour, for a maximum of 36 semester hours. For the purpose of this program, an academic year begins with the summer term. Awards are made on a first-come, first-served basis. Awards are subject to the availability of funds.

Effect of Proposed Changes. The maximum award amount is increased to \$115 per semester hour.

Section 12. Amends s. 240.412, F.S., relating to the Jose Marti Scholarship Challenge Grant Program.

Present Situation. The Jose Marti Scholarship Challenge Grant provides financial assistance to Hispanic-American students who meet scholastic requirements, demonstrate financial need, and enroll for undergraduate or graduate study. The amount of the grant is \$2,000 per academic year for a maximum of eight semesters or 12 quarters of undergraduate study, or a maximum of four semesters or six quarters of graduate study. Renewal awards take priority over new awards in any year in which funds are insufficient to award all eligible and timely applicants. Priority is given to undergraduates with the lowest total family resources. According to DOE, no awards have been made to graduate students due to limited funding.

Award recipients must be accepted at a state university or community college or any Florida college or university accredited by a member of the Commission on Recognition of

Postsecondary Accreditation (CORPA). CORPA was created as a temporary replacement for the Council on Postsecondary Accreditation (COPA) which disbanded in 1993. CORPA is no longer active. Postsecondary institutions that wish to participate in federal financial aid programs must be accredited by an accrediting association recognized by the United States Department of Education.

Effect of Proposed Changes. References to graduate student participation in the program are removed. The reference to the Commission on Recognition of Postsecondary Accreditation is replaced with a reference to the United States Department of Education.

Section 13. Amends s. 240.413, F.S., relating to the Seminole and Miccosukee Scholarships.

Present Situation. The Seminole and Miccosukee Indian Scholarship Program provides financial assistance to Florida Seminole or Miccosukee Indian students who are enrolled as undergraduate or graduate students and demonstrate financial need. The amount of the award, recommended by the respective tribe, may not exceed the student's annual cost of education. Eligible institutions include any Florida college, university, or community college which is accredited by a member of the Commission on Recognition of Postsecondary Accreditation (CORPA). CORPA is no longer active. Postsecondary institutions that wish to participate in federal financial aid programs must be accredited by an accrediting association recognized by the United States Department of Education.

Effect of Proposed Changes. The reference to the Commission on Recognition of Postsecondary Accreditation is replaced with a reference to the United States Department of Education.

Section 14. Amends s. 240.437, F.S., relating to Student financial aid planning and development.

Present Situation. Section 240.437, F.S., provides for the repeal of financial aid programs authorized under Part IV of chapter 240, F.S., when the programs have not been funded for three years. DOE is directed to annually review the legislative appropriation of financial aid to identify such programs.

Effect of Proposed Changes. The repeal provision is expanded to include any financial assistance programs administered by DOE's Bureau of Student Financial Assistance.

Section 15. Amends s. 240.465, F.S., relating to Delinquent Accounts.

Present Situation. The provisions of s. 240.465, F.S., direct DOE to exert every lawful and reasonable effort to collect all delinquent unpaid and uncanceled scholarship loan notes, student loan notes, and defaulted guaranteed loan notes. Current law prohibits furnishing a student who is in default with the student's academic transcripts or other student records until such time as the loan is paid in full or the default status has been removed. DOE notes that when the provision to withhold transcripts was first imposed, it was an efficient mechanism to encourage students to repay their loans. The federal government has since identified other mechanisms for collecting on defaulted loans, including wage withholding and IRS offset programs. DOE suggests it may be more prudent to assist borrowers holding defaulted loans by releasing transcripts to enable them to become employed to facilitate repayment.

Effect of Proposed Changes. The provision prohibiting the release of the student's transcript or other student records is eliminated. DOE reports that the new procedure aligns state and federal provisions for loan default.

Section 16. Amends s. 240.472, F.S., relating to Definitions.

Present Situation. Section 240.472, F.S., defines the term "institution" as any college or university which, by virtue of law or charter, is accredited by and holds membership in the Commission on Recognition of Postsecondary Accreditation. The Commission on Recognition of Postsecondary Accreditation is no longer active. Postsecondary institutions that wish to participate in federal financial aid programs must be accredited by an accrediting association recognized by the United States Department of Education.

Effect of Proposed Changes. The reference to the Commission on Recognition of Postsecondary Accreditation is replaced with a reference to the United States Department of Education.

Section 17. Amends s. 295.01, F.S., relating to Children of Deceased or Disabled Veterans; education.

Present Situation. Section 295.01, F.S., provides for educational benefits in certain circumstances for the dependent children of deceased or 100% disabled Florida veterans. The parent must have been a Florida resident at the time he or she entered the Armed Forces. Additionally, the parent(s) of the dependent student applying for a scholarship must have been a resident(s) of Florida for five years prior to the student's application for the benefits provided.

Effect of Proposed Changes. Eligibility criteria are amended to clarify that the parent with the 100% disability must have participated in a period of wartime service as provided for in ch. 295, F.S.

Section 18. Amends s. 295.02, F.S., relating to use of funds; age, etc.

Present Situation. Section 295.02, F.S., provides that all sums appropriated and expended under ch. 295, F.S., must be used to pay tuition and registration fees, board, and room rent and to buy books and supplies for the children of certain deceased or disabled veterans or of parents classified as prisoners of war or missing in action. The term "fees" is not defined.

In addition, s. 295.02, F.S., provides that these children must attend a state-supported institution of higher learning. Section 240.40242, F.S., provides that postsecondary institutions eligible to participate in the Bright Futures Scholarship Program are also eligible to participate in the Children of Deceased or Disabled Veterans Scholarship Program.

Effect of Proposed Changes. DOE is authorized to define the term "fees". Provisions from s. 240.40242, F.S., permitting certain nonpublic institutions to participate in the program are transferred to ch. 295, F.S. The award amount for students attending an eligible private postsecondary institution is equivalent to the average matriculation and fees calculated for full-time attendance at a public postsecondary institution at the comparable level. The State Board of Education is provided rule-making to implement the provisions of the program.

Section 19. Repeals ss. 228.502, 240.40242, and 240.6055, F.S.

Present Situation. Section 228.502, F.S., establishes the Education Success Incentive Program, administered by the Department of Education, to encourage students from low income and disadvantaged backgrounds to maintain satisfactory academic progress and enroll in postsecondary institutions. The program was created by the 1990 Legislature but has never been funded.

Section 240.40242, F.S., provides that postsecondary institutions eligible to participate in the Bright Futures Scholarship Program are also eligible to participate in the Children of Deceased or Disabled Veterans Scholarship Program.

Section 240.6055, F.S., establishes access grants for community college graduates. The program was established by the 1993 Legislature and has never been funded.

Effect of Proposed Changes. Provisions relating to the Education Success Incentive Program and access grants for community college graduates are repealed. Provisions relating to programs for the children of deceased or disabled veterans are transferred from chapter 240, F.S., to ch. 295, F.S.

Section 20. Removes an obsolete cross-reference to s. 240.6055, F.S., Access grants for community college graduates. Section 19 of the bill provides for the repeal of this program.

Section 21. Amends s. 240.409, F.S., relating to the Florida Public Student Assistance Grant Program; Eligibility for grants.

Present Situation. The Florida Public Student Assistance Grant Program provides state-funded, need-based aid to eligible students who attend a Florida public community college or university. The program is administered by participating institutions in accordance with rules of the State Board of Education. Current law does not provide for an application deadline. In addition to other criteria, a student must be enrolled full-time to be eligible to receive an award.

Effect of Proposed Changes. DOE must establish, for fall enrollment, an initial application deadline as well as an additional deadline for community colleges students who apply after the initial deadline. The General Appropriations Act will designate an amount of funds to be reserved each year for the purpose of providing awards to community college students who apply for a student assistance grant after the initial deadline. Community college applicants who apply during the initial application period and are eligible to receive an award but do not receive an award because of insufficient funds, must have their applications reconsidered with those community college applicants who apply after the initial application deadline.

Eligibility to participate in the program is expanded to include part-time degree-seeking students. The requirement that a student be enrolled full-time is eliminated and replaced by a requirement that the student be enrolled in at least six semester hours or the equivalent per semester.

Section 22. Amends s. 240.4095, F.S., relating to the Florida Private Student Assistance Grant Program; eligibility for grants.

Present Situation. The Florida Private Student Assistance Grant Program provides state-funded, need-based aid to eligible students who attend certain Florida independent non-profit colleges and universities which offer baccalaureate degrees. The institution must be located in and chartered as a domestic corporation by the state and accredited by the

Commission on Colleges of the Southern Association of Colleges and Schools (SACS). The program is administered by participating institutions in accordance with rules of the State Board of Education. Current law does not provide for an application deadline. In addition to other criteria, a student must be enrolled full-time to be eligible to receive an award.

Effect of Proposed Changes. DOE must establish, for fall enrollment, an initial application deadline. Eligibility to participate in the program is expanded to include part-time degree-seeking students. The requirement that a student be enrolled full-time is eliminated and replaced by a requirement that the student be enrolled in at least six semester hours or the equivalent per semester.

Section 23. Amends s. 240.4097, F.S., relating to the Florida Postsecondary Student Assistance Grant Program; eligibility for grants.

Present Situation. The Florida Postsecondary Student Assistance Grant Program provides state-funded, need-based aid to eligible students who attend an eligible Florida private college or university. The institution must be located in the state and either a private nursing diploma school that is approved by Florida Board of Nursing, an institution that is licensed by the State Board of Independent Colleges and Universities, or an institution that is exempt from licensure pursuant to s. 246.085, F.S. (excluding those institutions eligible to participate in the Private Student Assistance Grant Program). The program is administered by participating institutions in accordance with rules of the State Board of Education. Current law does not provide for an application deadline. In addition to other criteria, a student must be enrolled full-time to be eligible to receive an award.

Effect of Proposed Changes. DOE must establish, for fall enrollment, an initial application deadline. Eligibility to participate in the program is expanded to include part-time degree-seeking students. The requirement that a student be enrolled full-time is eliminated and replaced by a requirement that the student be enrolled in at least six semester hours or the equivalent per semester.

Section 24. Creates a new section of law, s. 240.4099, F.S., to specify the priority for receiving grants under the Florida Student Assistance Grant (FSAG) Program.

Present Situation. The Florida Student Assistance Grant Program includes three components -- the Florida Public Student Assistance Grant Program (s. 240.409, F.S.), the Florida Private Student Assistance Grant Program (s. 240.4095, F.S.), and the Florida Postsecondary Student Assistance Grant Program (s. 240.4097, F.S.). Statutory provisions for these three grant programs require that priority in the distribution of grant moneys be given to students with the lowest total family resources. DOE must establish the maximum expected family contribution to be used by institutions in determining an applicant's eligibility for an award.

Effect of Proposed Changes: Additional priorities with regard to the distribution of grant moneys under the Florida Student Assistance Grant Program are established. In addition to the priorities and criteria for distribution of funds established within the statutory provision relating to each of the three programs, priority in the distribution of grant money to initial applicants must be given in the following order:

- (1) To the full-time students with the most financial need, as determined by the Department of Education.

(2) To students with financial need who graduate from public Florida high schools, who have completed the high school courses that are adopted by the Board of Regents and recommended by the State Board of Community Colleges as college-preparatory academic courses, and who rank in the top 20 percent of their high school graduating class. Class rank will be determined by DOE.

(3) To other full-time students with financial need.

(4) To other part-time students with financial need, if funds are remaining.

Section 25. Establishes an effective date of July 1, 2000.

III. FISCAL ANALYSIS & ECONOMIC IMPACT STATEMENT:

A. FISCAL IMPACT ON STATE GOVERNMENT:

1. Revenues:

See FISCAL COMMENTS.

2. Expenditures:

See FISCAL COMMENTS.

B. FISCAL IMPACT ON LOCAL GOVERNMENTS:

1. Revenues:

None.

2. Expenditures:

None.

C. DIRECT ECONOMIC IMPACT ON PRIVATE SECTOR:

See FISCAL COMMENTS.

D. FISCAL COMMENTS:

DOE reports that during 1998-1999 the department expended \$479,828 on the Critical Teacher Shortage Tuition Reimbursement Program. This amount provided reimbursements for participants in 2,116 courses at the rate of \$78 per semester hour. If the award amount is increased to \$115 per semester credit hour, this same number of courses would require funding of \$730,000. If no additional funding is appropriated to accommodate an increased award amount, the number of courses to be funded would be reduced by 32%.

DOE estimates a savings of slightly over \$600,000 if the students who received an initial Gold Seal Scholar award in 1999 had been required to attend 2-year schools rather than permitted to attend 4-year institutions.

The fiscal impact of expanding eligibility to participate in the Florida Student Assistance Grant Program to include part-time students is indeterminate. Expansion of the program to include part-time students permits greater access to financial assistance for these students and greater flexibility to the institutions in terms of the students that can be served. The workload costs associated with administering the program may increase with the expanded eligibility pool. If funding for the program is not increased, the number of eligible students who are not served may increase.

The provision requiring prioritization in the distribution of FSAG funds clarifies that although additional flexibility has been provided, institutions are to manage awards within the funds available.

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

A. APPLICABILITY OF THE MANDATES PROVISION:

The bill does not require counties or municipalities to spend funds or 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:

A. CONSTITUTIONAL ISSUES:

None.

B. RULE-MAKING AUTHORITY:

None.

C. OTHER COMMENTS:

None.

VI. AMENDMENTS OR COMMITTEE SUBSTITUTE CHANGES:

On April 5, 2000, the Committee on Education Appropriations adopted five amendments to HB 1631 and then made the bill a committee substitute. This committee substitute differs from the original bill in the following ways:

(1) Under the Florida Academic Scholars Award component of the Florida Bright Futures Scholarship Program, the annual award amounts for college-related expenses (\$600) and the Top Scholar in each school district (\$1,500) are changed to per semester award amounts, or the equivalent, of \$300 and \$750, respectively. This change was recommended by DOE to facilitate processing of awards to Bright Futures recipients who enroll in a Summer Term.

(2) Flexibility in the use of Gold Seal awards is provided for students who complete an associate's degree and transfer to a 4-year institution in the same academic year. DOE recommended this change to address difficulties the department identified with regard to administering the Gold Seal program once it is limited to non-baccalaureate degree-granting institutions.

(3) The State Board of Education is provided rule-making authority with regard to the program that provides financial assistance to the children of deceased and disabled veterans.

(4) DOE must establish an application deadline for the Florida Student Assistance Grant programs.

(5) Priorities are established for the distribution of Florida Student Assistance Grant funds.

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:

Robert S. Cox

Staff Director:

John Newman