

STORAGE NAME: h0503.cu

DATE: February 18, 2000

**HOUSE OF REPRESENTATIVES
COMMITTEE ON
COLLEGES & UNIVERSITIES
ANALYSIS**

BILL #: HB 503

RELATING TO: Florida Academic Scholars Award

SPONSOR(S): Representative Annie Betancourt

TIED BILL(S): None

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

- (1) COLLEGES & UNIVERSITIES
 - (2) EDUCATION APPROPRIATIONS
-

I. SUMMARY:

The 1997 State Legislature established the Florida Bright Futures Scholarship Program to reward Florida high school graduates who attain high levels of academic achievement. The scholarship program consists of three separate awards: the Florida Academic Scholarship Award, the Florida Merit Scholarship Award, and the Florida Vocational Gold Seal Scholarship Award.

Current law permits the Florida Department of Education to provide an initial Florida Academic Scholarship Award to students who comply with all of the general eligibility requirements for the Bright Futures Scholarship, complete a minimum of 75 hours of community service, and are National Merit Scholars or Finalists or National Achievement Scholars or Finalists.

This bill expands the initial eligibility criteria for the Florida Academic Scholarship Award to also include students who comply with all of the general eligibility requirements for the Bright Futures Scholarship, complete a minimum of 75 hours of community service, and are National Hispanic Scholars.

This bill may have a negative fiscal impact on state expenditures. As a result of expanding the initial eligibility criteria for the Florida Academic Scholarship Award in order to include recipients of the National Hispanic Scholar Award, the total costs of the Florida Bright Futures Scholarship Program may increase.

II. SUBSTANTIVE ANALYSIS:

A. DOES THE BILL SUPPORT THE FOLLOWING PRINCIPLES:

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

B. PRESENT SITUATION:

FLORIDA BRIGHT FUTURES SCHOLARSHIP PROGRAM

Section 240.40201, Florida Statutes, establishes the Florida Bright Futures Scholarship Program in order to reward Florida high school graduates who attain high levels of academic achievement. The scholarship program is administered by the Florida Department of Education and is funded through the state's lottery revenues. The scholarship program consists of three separate awards: the Florida Academic Scholarship Award, the Florida Merit Scholarship Award, and the Florida Vocational Gold Seal Scholarship Award.

Section 240.40202, Florida Statutes, specifies the student initial eligibility criteria for the Florida Bright Futures Scholarship Program. In order for a Florida student to receive an initial Bright Futures Scholarship, he or she must earn a high school diploma or an equivalency diploma; enroll in a minimum of six semester credit hours at an eligible postsecondary education institution; never have been found guilty of a felony or pled no contest to a felony; and apply for a scholarship by April 1 of the year prior to high school graduation.

The actual scholarship award amount that is awarded to a Bright Futures Scholarship recipient is stipulated in sections 240.40205, 240.40206, and 240.40207, Florida Statutes, and differs among the three scholarship components that comprise the Bright Futures Scholarship Program. The award amount for all of the three scholarship components is based on a certain percentage of the recipient's matriculation and fees. A Florida Academic Scholar is eligible for an award amount that is equal to 100% of the amount required to pay matriculation and fees. He or she is also eligible for an annual stipend of \$600 and may be eligible for an additional \$1,500 if he or she is rated as the school district's highest-ranking scholar. Meanwhile, a Florida Merit Scholar and a Florida Vocational Gold Seal Scholar are eligible for an award amount that is equal to 75% of the amount required to pay matriculation and fees.

FLORIDA ACADEMIC SCHOLARSHIP AWARD

Subsection 240.40205(1), Florida Statutes, specifies the student initial eligibility criteria for the Florida Academic Scholarship Award. The primary method for a student to qualify for an initial award is to comply with all of the general eligibility requirements for the Bright Futures Scholarship, complete a minimum of 75 hours of community service, earn a 3.5 weighted grade point average in high school courses that are classified as college-preparatory courses, and achieve a 1270 on the SAT. However, the Department of Education also provides an initial award to a student who complies with all of the general eligibility requirements for the Bright

STORAGE NAME: h0503.cu

DATE: February 18, 2000

PAGE 3

Futures Scholarship, completes a minimum of 75 hours of community service, and is a National Merit Scholar or Finalist or a National Achievement Scholar or Finalist.

According to subsection 240.40205(2), Florida Statutes, a Florida Academic Scholar who is enrolled in a public postsecondary education institution is eligible for an award amount that is equal to 100% of the amount required to pay matriculation and fees and an annual stipend of \$600. A Florida Academic Scholar who is enrolled in a nonpublic postsecondary education institution is eligible for an award amount that is equal to 100% of the amount required to pay the average matriculation and fees of a public postsecondary education institution at the comparable level and an annual stipend of \$600. Furthermore, a Florida Academic Scholar may be eligible to receive an additional award amount of \$1,500 if he or she is rated as the school district's highest-ranking scholar.

NATIONAL MERIT SCHOLARSHIP PROGRAM

The National Merit Scholarship Program is a privately financed academic competition that recognizes and awards scholarships to students who achieve rigorous academic standards. The National Merit Scholarship Corporation is a not-for-profit organization that operates without government assistance and administers the academic competition.

According to the National Merit Scholarship Corporation, a student is considered for a National Merit Program Recognition or a National Merit Scholarship if he or she is enrolled in high school on a full-time basis and planning to attend college; a United States citizen or a United States permanent resident in the process of becoming a United States citizen; and taking the Preliminary SAT/National Merit Scholarship Qualifying Test (PSAT/NMSQT) at the appropriate time.

Information provided by the National Merit Scholarship Corporation indicates that 1.2 million students planning to enroll in college in 2001 are presently competing for a National Merit Program Recognition or a National Merit Scholarship. Some of these students will qualify for one of the following National Merit Program Recognitions: National Merit High Scorers, National Merit Commended Students, National Merit Semifinalists, and National Merit Finalists.

Approximately 50,000 students will be recognized as National Merit High Scorers and the National Merit Scholarship Corporation will refer each of these students to two colleges or universities of their choice. The referral is intended to encourage college officials to contact these scholastically talented students in order to inform them of educational opportunities that may be available to them.

Of the students who will be recognized as National Merit High Scorers, approximately 34,000 will be recognized as National Merit Commended Students. The National Merit Scholarship Corporation recognizes students as National Merit Commended Students as a result of the students' PSAT/NMSQT scores. National Merit Commended Students usually score above the 96th percentile of college-bound high school juniors who take the PSAT/NMSQT.

Of the 50,000 students who will be recognized as National Merit High Scorers, approximately 16,000 will be recognized as National Merit Semifinalists. The National Merit Scholarship Corporation recognizes students as National Merit Semifinalists as a result of ranking the students' PSAT/NMSQT scores within each state. Each state is allocated a certain number of National Merit Semifinalists that is proportional to each state's percentage of the national number of high school graduating seniors.

STORAGE NAME: h0503.cu

DATE: February 18, 2000

PAGE 4

Approximately 14,500 students will be recognized as National Merit Finalists if the students are enrolled on a full-time basis in their last year of high school, earn scores on the SAT that confirm their performance on the PSAT/NMSQT, submit completed scholarship applications that include written essays, possess records of very high academic performance in high school and in any completed college course work, receive endorsements and recommendations by their high school principal, and provide additional documentation and information as deemed necessary by the National Merit Scholarship Corporation.

Of the 14,500 students who will be recognized as National Merit Finalists, 7,600 will qualify for one of the following Merit Scholarships: the National Merit Scholarship, the Corporate-Sponsored Merit Scholarship, and the College-Sponsored Merit Scholarship. In order for National Merit Finalists to earn one of these Merit Scholarships, consideration will be given to their academic record; scores on the PSAT/NMSQT and SAT; written essays; demonstrated leadership in significant activities and contributions to the school and community; and letters of recommendation submitted by their principal.

Of the 7,600 students who will qualify for a Merit Scholarship, approximately 2,400 will be eligible to receive a National Merit Scholarship that is worth \$2,000. Meanwhile, 1,200 students will be eligible to receive a Corporate-Sponsored Merit Scholarship and 4,000 students will be eligible to receive a College-Sponsored Merit Scholarship. The award amounts for these scholarships vary among recipients.

NATIONAL ACHIEVEMENT SCHOLARSHIP PROGRAM

The National Merit Scholarship Corporation is responsible for administering the National Achievement Scholarship Program, which is a privately financed academic competition that recognizes and awards scholarships to African-American students who achieve rigorous academic standards. The program was established in conjunction with the passage of the 1964 Civil Rights Act.

According to the National Merit Scholarship Corporation, an African-American student is considered for a National Achievement Program Recognition or a National Achievement Scholarship if he or she is enrolled in high school on a full-time basis and planning to attend college; a United States citizen or a United States permanent resident in the process of becoming a United States citizen; and taking the Preliminary SAT/National Merit Scholarship Qualifying Test (PSAT/NMSQT) at the appropriate time.

Information provided by the National Merit Scholarship Corporation indicates that 100,000 African-American students planning to enroll in college in 2001 are presently competing for a National Achievement Program Recognition or a National Achievement Scholarship. Some of these students will qualify for one of the following National Achievement Program Recognitions: National Achievement Commended Students, National Achievement Semifinalists, and National Achievement Finalists.

Approximately 3,000 African-American students will be recognized as National Achievement Commended Students. The National Merit Scholarship Corporation recognizes students as National Achievement Commended Students as a result of the students' PSAT/NMSQT scores. National Achievement Commended Students usually score within the top 5% of all National Achievement Program applicants.

Approximately 1,500 African-American students will be recognized as National Achievement Semifinalists. The National Merit Scholarship Corporation recognizes students as National Achievement Semifinalists as a result of ranking the students' PSAT/NMSQT scores within

each geographical region. Each geographical region is allocated a certain number of National Achievement Semifinalists that is proportional to each geographical region's percentage of the national population of African-Americans.

Approximately 1,200 African-American students will be recognized as National Achievement Finalists if the students are enrolled on a full-time basis in their last year of high school, earn scores on the SAT that confirm their performance on the PSAT/NMSQT, submit completed scholarship applications that include written essays, possess records of very high academic performance in high school and in any completed college course work, receive endorsements and recommendations by their high school principal, and provide additional documentation and information as deemed necessary by the National Merit Scholarship Corporation.

Of the 1,200 African-American students who will be recognized as National Achievement Finalists, 710 will qualify for one of the following Achievement Scholarships: the National Achievement Scholarship, the Corporate-Sponsored Achievement Scholarship, and the College-Sponsored Achievement Scholarship. In order for National Achievement Finalists to earn one of these Merit Scholarships, consideration will be given to their academic record; scores on the PSAT/NMSQT and SAT; written essays; demonstrated leadership in significant activities and contributions to the school and community; and letters of recommendation submitted by their principal.

Of the 710 African-American students who will qualify for an Achievement Scholarship, approximately 440 will be eligible to receive a National Achievement Scholarship that is worth \$2,000. Meanwhile, 170 students will be eligible to receive a Corporate-Sponsored Achievement Scholarship and 100 students will be eligible to receive a College-Sponsored Achievement Scholarship. The award amounts for these scholarships vary among recipients.

NATIONAL HISPANIC SCHOLAR RECOGNITION PROGRAM

The National Hispanic Scholar Recognition Program is designed to encourage the postsecondary education enrollment of Hispanic students. The College Board annually honors Hispanic students, who are high school seniors for their exceptional academic achievements.

According to the College Board, 100,000 Hispanic students are annually considered for a National Hispanic Scholar Recognition upon taking the PSAT/NMSQT. The 3,000 highest scoring Hispanic students are annually classified as semifinalists. According to the College Board, the minimum PSAT/NMSQT score necessary for a Hispanic student to be classified as a semifinalist during the 1998-1999 academic year was a 170. Of the 3,000 semifinalists, those students who earn a grade point average that ranges between a 3.0 and a 3.4 in high school are recognized as National Hispanic Honorable Mentions and those students who earn a minimum grade point average of 3.5 in high school are recognized as National Hispanic Scholars.

Of the semifinalists, approximately 2,500 students are annually recognized as National Hispanic Honorable Mentions or National Hispanic Scholars. The names of each of these 2,500 students are provided to the admission offices of 2,000 colleges and universities in order to encourage the institutions to recruit Hispanic students and provide them with financial assistance. According to the Florida Department of Education, 306 students in Florida were recognized as National Hispanic Scholars in 1998 and 309 students in Florida were recognized as National Hispanic Scholars in 1999.

C. EFFECT OF PROPOSED CHANGES:

The provisions of this bill expand the initial eligibility criteria for the Florida Academic Scholarship Award to include recipients of the National Hispanic Scholar Award. Recipients of the National Hispanic Scholar Award must still comply with all of the general eligibility requirements for the Bright Futures Scholarship and complete a minimum of 75 hours of community service. It appears that the total number of Florida Academic Scholars may increase as a result of expanding the eligibility criteria for the Florida Academic Scholarship Award to include recipients of the National Hispanic Scholar Award.

As mentioned in the previous section of the bill analysis, 306 students in Florida were recognized as National Hispanic Scholars in 1998. The Department of Education reports that 247 (81%) National Hispanic Scholars also qualified for the Florida Academic Scholarship Award, while a total of 276 (90%) National Hispanic Scholars qualified for one of the components of the Bright Futures Scholarship Program. As mentioned in the previous section of the bill analysis, 309 students in Florida were recognized as National Hispanic Scholars in 1999. The Department of Education reports that 220 (71%) National Hispanic Scholars also qualified for the Florida Academic Scholarship Award, while a total of 261 (85%) National Hispanic Scholars qualified for one of the components of the Bright Futures Scholarship Program. While a substantial number of National Hispanic Scholars qualified for the Florida Academic Scholarship Award in 1998 and 1999, it must be noted that students were eligible to initially qualify for the Florida Academic Scholarship Award during these years by earning a 3.0 unweighted grade point average in high school and an 1180 on the SAT. Beginning in 2000, students must earn a 3.5 weighted grade point average in high school and a 1270 on the SAT in order to be initially eligible for the Florida Academic Scholarship Award.

The Department of Education's historical data suggest that a substantial number of National Hispanic Scholars already qualify for the Florida Academic Scholarship Award. Consequently, expanding the initial eligibility criteria for the Florida Academic Scholarship Award to automatically include recipients of the National Hispanic Scholar Award appears to slightly increase the potential number of Florida Academic Scholars. However, the number of National Hispanic Scholars that qualify for the Florida Academic Scholarship Award in 2000 and thereafter may not be as substantial as the number of National Hispanic Scholars who qualified for the Florida Academic Scholarship Award in 1998 and 1999 due to the more rigorous initial eligibility requirements that are effective as of 2000.

D. SECTION-BY-SECTION ANALYSIS:

SECTION 1: Amends subsection 240.40205(1), Florida Statutes, in order to permit National Hispanic Scholars to be initially eligible for the Florida Academic Scholarship Award.

SECTION 2: Establishes an effective date of July 1, 2000.

III. FISCAL ANALYSIS & ECONOMIC IMPACT STATEMENT:

A. FISCAL IMPACT ON STATE GOVERNMENT:

1. Revenues:

This bill does not appear to have a fiscal impact on state revenues.

2. Expenditures:

The Department of Education reports that 41 National Hispanic Scholars qualified for a Florida Merit Scholarship Award or a Florida Vocational Gold Seal Scholarship Award in 1999. The Department of Education projects that an additional \$47,478 would have been disbursed to these 41 National Hispanic Scholars had they automatically qualified for the Florida Academic Scholarship Award in 1999.

The Department of Education also reports that 48 National Hispanic Scholars did not apply for a Bright Futures Scholarship in 1999. Under the provisions of HB 503, the Department of Education projects that an additional \$136,032 could have potentially been disbursed to these 48 National Hispanic Scholars had they applied for the Bright Futures Scholarship and automatically qualified for the Florida Academic Scholarship Award in 1999.

B. FISCAL IMPACT ON LOCAL GOVERNMENTS:

1. Revenues:

This bill does not appear to have a fiscal impact on local revenues.

2. Expenditures:

This bill does not appear to have a fiscal impact on local expenditures.

C. DIRECT ECONOMIC IMPACT ON PRIVATE SECTOR:

This bill expands the initial eligibility criteria for the Florida Academic Scholarship Award to include recipients of the National Hispanic Scholar Award. Consequently, National Hispanic Scholars are eligible to receive a scholarship award amount that is equal to 100% of the amount required to pay matriculation and fees and an annual stipend of \$600.

D. FISCAL COMMENTS:

None.

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 action which requires the expenditure of funds.

B. REDUCTION OF REVENUE RAISING AUTHORITY:

This bill does not reduce the authority that counties and municipalities have to raise revenues.

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:

A. CONSTITUTIONAL ISSUES:

None.

B. RULE-MAKING AUTHORITY:

None.

C. OTHER COMMENTS:

Committee staff recommends that the language amended to subsection 240.40205(1), Florida Statutes, that appears on page 2, lines 14-15 of the bill, should be modified to include the official name of the program and the award. Consequently, staff recommends that lines 14-15 on page 2 of the bill should be deleted and in lieu, the following language should be inserted:

(f) Has been recognized by the National Hispanic Recognition Program as a scholar recipient.

VI. AMENDMENTS OR COMMITTEE SUBSTITUTE CHANGES:

None.

VII. SIGNATURES:

COMMITTEE ON COLLEGES & UNIVERSITIES:

Prepared by:

Staff Director:

Daniel Furman

Betty H. Tilton, Ph.D.