

# SENATE STAFF ANALYSIS AND ECONOMIC IMPACT STATEMENT

(This document is based on the provisions contained in the legislation as of the latest date listed below.)

BILL: CS/SB 1342

SPONSOR: Education Committee and Senator Klein

SUBJECT: Public Student Assistance Grant

DATE: April 20, 2001                      REVISED: \_\_\_\_\_

	ANALYST	STAFF DIRECTOR	REFERENCE	ACTION
1.	<u>White</u>	<u>O'Farrell</u>	<u>ED</u>	<u>Favorable/CS</u>
2.	<u>McKee</u>	<u>Hickam</u>	<u>AED</u>	<u>Favorable</u>
3.	_____	_____	<u>AP</u>	<u>Withdrawn: Favorable</u>
4.	_____	_____	_____	_____
5.	_____	_____	_____	_____
6.	_____	_____	_____	_____

**I. Summary:**

This bill creates a separate need-based student grant program within the Florida Student Assistance Grant for students enrolled part time at a public community college or university.

This bill creates the following section of the Florida Statutes: 240.401.

**II. Present Situation:**

Florida has three state-funded need-based financial aid programs. All require full-time enrollment, defined as a minimum of 12 semester credit hours per term, or the equivalent:

- The Florida Public Student Assistance Grants (s. 240.409, F.S.) are for students enrolled in a state university or community college. The 2000-2001 appropriation for this program is \$51.315 million.
- The Florida Private Student Assistance Grants (s 240.4095, F.S.) are for students enrolled in an independent, nonprofit, baccalaureate-degree-granting college or university that is also located in and chartered in Florida and accredited by the Southern Association of Colleges and Schools. These are also the requirements for membership in the Independent Colleges and Universities of Florida (ICUF) and for eligibility for the William L. Boyd, IV, Florida Resident Access Grant (FRAG, s. 240.605, F.S.).<sup>1</sup> The 2000-2001 appropriation for this program is \$8.504 million.
- The Florida Postsecondary Student Assistance Grants (s. 240.4097, F.S.) are for students at a private nursing diploma school or a college that is under the jurisdiction of the State Board of Independent Colleges and Universities and is licensed or exempt from licensure because of

<sup>1</sup> Eligibility for the access grant also requires that a college have a secular purpose. Currently three religious colleges meet the other requirements, but they do not participate in the Private Student Assistance Grant program.

its accreditation, except for the colleges that are eligible for the Florida Private Student Assistance Grant. The 2000-2001 appropriation for this program is \$6.119 million.

For each program, a student demonstrates financial need based on a formula developed for federal financial aid programs. The formula uses information on the resources available to the student, submitted on the Free Application for Federal Student Aid (FAFSA). The formula takes into account total family income, adjusted by a number of factors, including educational expenses.

The result of the formula is the student's "unmet need." A student in an expensive private college whose family has limited resources has greater unmet need than the same student at a public college or university or one with a well-to-do family. The total amount of each award is capped at the average of the prior year's average tuition and other fees at a public university, plus \$1,000 for students at private colleges or schools.

Another determining factor is the "Expected Family Contribution" (EFC). The Department of Education establishes the EFC, and a student whose unmet need is less than the EFC is not eligible for an award. Thus, if the EFC is low, fewer students will be eligible; if it is higher, more students will be eligible. Florida typically has a low EFC. For several years, the EFC has been \$1,590 for a dependent student attending a public institution in Florida. By comparison, the EFC for a federal Pell grant is \$3,550.

Historically, the Legislature does not appropriate enough to fully fund these programs. Instead of the statutory maximum of \$2,408 for the public student assistance grant and \$3,408 for the two grants for students at independent colleges, the 2000 Legislature appropriated a maximum of \$1,300 for each type of grant.

### **III. Effect of Changes:**

The legislation under consideration creates a new component of the Florida Student Assistance Grant Program for part-time students who meet the general eligibility requirements. The student must have been accepted to a state university or community college. Priority in the distribution of grants will be given to students who have the lowest family resources.

Under the bill, each participating institution will report to the Department of Education the number of eligible students who will receive grant moneys each academic term. Each institution will report demographic and eligibility data for the students.

The Department of Education will allocate to public postsecondary institutions funds for part-time students, funds appropriated for the program will be allocated to eligible institutions.

### **IV. Constitutional Issues:**

#### **A. Municipality/County Mandates Restrictions:**

None.

**B. Public Records/Open Meetings Issues:**

None.

**C. Trust Funds Restrictions:**

None.

**V. Economic Impact and Fiscal Note:****A. Tax/Fee Issues:**

None.

**B. Private Sector Impact:**

About 50 thousand part-time students with financial need could become eligible for a grant to attend a public college or university part time.

**C. Government Sector Impact:**

By using the number of part-time SUS students receiving Pell Grants to project the students that may need part-time awards in the state university and community college system, an estimated \$15.1 million would be needed to fund this program. Additional funds may be needed if the presence of this award encourages more students to enroll in postsecondary institutions.

The Senate General Appropriations Act includes \$6.2 million for part-time students.

**VI. Technical Deficiencies:**

None.

**VII. Related Issues:**

None.

**VIII. Amendments:**

None.