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HOUSE OF REPRESENTATIVES
COUNCIL FOR LIFELONG LEARNING
ANALYSIS

BILL #: CS/CS/HB 1275

RELATING TO: Florida Bright Futures Scholarship Program

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

TIED BILL(S): None

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

- (1) COMMITTEE ON COLLEGES & UNIVERSITIES YEAS 12 NAYS 1
 - (2) EDUCATION APPROPRIATIONS YEAS 10 NAYS 0
 - (3) COUNCIL FOR LIFELONG LEARNING YEAS 11 NAYS 4
 - (4)
 - (5)
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I. SUMMARY:

THIS DOCUMENT IS NOT INTENDED TO BE USED FOR THE PURPOSE OF CONSTRUING STATUTES, OR TO BE CONSTRUED AS AFFECTING, DEFINING, LIMITING, CONTROLLING, SPECIFYING, CLARIFYING, OR MODIFYING ANY LEGISLATION OR STATUTE.

CS/CS/HB 1275 expands required participation in the Bright Futures Testing Program to students attending independent postsecondary educational institutions and provides for optional participation by Gold Seal Vocational Scholars. Completion of at least five approved exams under the program is made a condition for renewal of a Florida Academic Scholars award and a Florida Merit Scholars award. CS/CS/HB 1275 expands the type of exams that may be taken to fulfill the requirements of the Testing Program to include any nationally recognized exam that is approved by the Florida Board of Education.

CS/CS/HB 1275 removes the requirement that the maximum number of credit hours for which a student is eligible to receive a Bright Futures award is to be reduced by the number of hours for which credit is awarded pursuant to this program; reduces the maximum number of credit hours for which any student may receive an award to the number of hours required by the program; and removes the cap on the amount that may be paid for each exam. CS/CS/HB 1275 requires that funding for the Testing Program be provided from the Educational Enhancement Trust Fund after allocations to the Classrooms First Program and the Bright Futures Scholarship Program but prior to any other disbursements. CS/CS/HB 1275 requires DOE to: negotiate with exam providers to provide for exams and test administration services; administer the program to track and annually report on the effectiveness of the program; to determine eligibility for the scholarship program; to contract for centralized administrative services; and to provide a \$50 incentive for each passed exam. CS/CS/HB 1275 requires that the cost of contracted centralized administrative services not exceed the cost per student of administering the program in 2001-2002. The state will experience costs for the expansion of the program to include students attending independent postsecondary educational institutions, for incentives, exams, test administration, and contracted administrative services. The state may experience increased costs from removal of the cap on the amount that may be paid for each exam. The Department of Education estimates a FY 2002-2003 cost of \$7.5 million for the purchase of exams and payment of student bonuses. Potential savings exist to the extent the state is able to save on instructional costs for students who are able and who choose to graduate early. The effective date of CS/CS/HB 1275 is July 1, 2002.

II. SUBSTANTIVE ANALYSIS:

A. DOES THE BILL SUPPORT THE FOLLOWING PRINCIPLES:

- | | | | |
|-----------------------------------|---|--|---|
| 1. <u>Less Government</u> | Yes <input type="checkbox"/> | No <input checked="" 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 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"/> |

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

CS/CS/HB 1275 expands required participation in the Bright Futures Testing Program to include students attending independent postsecondary education institutions. Participation in the program is made a condition of renewing an award.

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. 240.4015, F.S., relating to the Florida Bright Futures Scholarship Testing Program.

Present Situation:

Acceleration Mechanisms

Section 240.116(1), F.S., provides legislative intent with regard to the use of articulated acceleration mechanisms by secondary and postsecondary students attending public educational institutions. The Legislature intends for articulated acceleration to shorten the time necessary for a student to complete the requirements associated with the conference of a high school diploma and a postsecondary degree, broaden the scope of curricular options available to students, or increase the depth of study available for a particular subject. Articulated acceleration mechanisms include the College Board Advanced Placement (AP) Program, the International Baccalaureate (IB) Program, the credit by examination program, and dual enrollment.

Section 240.116(2), F.S., provides that dual enrollment is the enrollment of an eligible secondary student in a postsecondary course creditable toward a vocational certificate or an associate or baccalaureate degree. Students who enroll in dual enrollment courses are exempt from the payment of registration, matriculation, and lab fees.

Section 240.116(4), F.S., provides that postsecondary credit for an Advanced Placement course must be limited to students who score a minimum of three on a five-point scale on the

corresponding Advance Placement Examination. The community college or university that accepts the student for admission determines the specific courses for which students receive credit. Students enrolled in Advanced Placement courses are exempt from the payment of any fees for the administration of the examination.

Section 240.116, (5) F.S., provides for credit by examination as the program through which secondary and postsecondary students generate postsecondary credit based on the receipt of a specified minimum score on a nationally standardized general or subject-area examinations. For the purpose of statewide application, such examinations and the corresponding minimum scores required for the State Board of Education must delineate an award of credit in the statewide articulation agreement. The maximum credit generated by a student must be mitigated by any related postsecondary credit earned by the student prior to the administration of the exam.

Section 240.116(6), F.S., requires the State Board of Education to specify the cut-off scores and International Baccalaureate exams that will be used to grant postsecondary credit. The specific course for which a student receives credit is to be determined by the community college or university that accepts the student for admission. Students enrolled in the IB Program are exempt from the payment of any fees for administration of the exams.

The Florida Bright Futures Scholarship Testing Program

Section 240.4015(1), F.S., the Florida Bright Futures Scholarship Testing Program, ¹requires the Articulation Coordinating Committee (ACC) to identify minimum scores, maximum credit, and course or courses for which credit is to be awarded for each CLEP general exam, CLEP subject exam, AP Program exam, and IB exam. In addition the ACC must identify courses in the general education core curriculum of each state university and community college for which credit may be awarded by virtue of a certain score on one of the aforementioned exams.²

Section 240.4015, F.S., further requires that beginning with initial award recipients for the 2002-2003 academic year, eligible Florida Academic Scholars award recipients and eligible Florida Merit Scholars award recipients who enroll in a public postsecondary institution must complete at least five exams (CLEP, AP, or IB), one each in the following areas: English; humanities; mathematics; natural sciences; and social sciences. The testing requirement is not a condition for the receipt of an award. Participation in the program is only required of Florida Academic Scholars and Florida Merit Scholars who attend a public community college or a state university. The program does not currently apply to students who receive a Gold Seal award or to students who enroll in a postsecondary vocational technical center or an independent postsecondary education institution.

The exams must be taken prior to registering for any course for which credit could be awarded through a CLEP exam and must be taken no later than registration for the student's second term. Successful completion of dual enrollment courses, AP and IB examinations taken prior to high school graduation may be used to satisfy this requirement. The Articulation Coordinating Committee must identify the examinations that satisfy each component of this requirement.

Each community college and state university must award credit for each specific course for which competency has been demonstrated by successful passage of one of these examinations. Credit awarded by exam may not duplicate other credit already awarded. This requirement applies to all students, not just Bright Futures recipients.

¹ Chapter 2001-170, L.O.F.

² On September 19, 2001, the ACC adopted the list of credit-by-exam equivalents required by s. 240.4015, F.S. The list includes credit-by-exam equivalents for AP, CLEP, and IB exams, as required, as well as DANTES/DSST and Excelsior College exam equivalents. November 14, 2001, the ACC adopted Credit-By-Exam Guidelines for Postsecondary Institutions.

Each community college and state university must pay for the CLEP examinations required pursuant to this program from funds appropriated from the Education Enhancement Trust Fund. Institutions are prohibited from paying more than \$46 per examination for the program, including access to a student guide to prepare for the test. The Department of Education (DOE) is required to negotiate with the College Board for a reduced rate for examinations. Institutions are not to charge students for preparation and administration for the test, access to a student guide for preparation for the test, or record keeping and reporting of each student's test results to DOE. There is currently a process in place for Florida Academic Scholars and Florida Merit Scholars to be reimbursed for CLEP examination fees under the Bright Futures Testing Program by the public postsecondary institution in which the student enrolls.

The credit awarded by exam pursuant to this program must apply toward the 120 hours of college credit required pursuant to s. 240.115(6), F.S. The maximum number of credit hours for which a student is eligible to receive a Bright Futures award is to be reduced by the number of hours for which credit is awarded pursuant to this program.

DOE is required to track and annually report on the effectiveness of the program including the following information: the number of students participating in the program; the CLEP exams taken and the passage rate of Florida Academic Scholars and Florida Merit Scholars; the use of AP exams, IB exams, and dual enrollment to satisfy the requirements of the program; and the course credit provided. The first annual report is to begin with data related to the 2002-2003 award recipients.

Implementation of the Testing Program

The DOE entered into an agreement with the College Board for 2001 CLEP prices and billing procedures. The Florida Bright Futures website provides easy access to CLEP test site information, the Bright Futures Testing Program Procedural Manual, and required forms developed to date.

The Articulation Coordinating Committee has created three documents that identify the minimum scores, maximum college credit earned, and course equivalents for tests currently available to Florida students. The FACTS website has been updated to include the following ACC documents:

- Guidelines for Administering Credit-by-Exam Equivalents for Postsecondary Institutions;
- Required Course Equivalents for AP exams, IB exams, CLEP exams, and recommended equivalents for DANTES Subject Standardized Tests, and Excelsior College Examinations (formerly known as Regents College Exams).
- Recommendations for Cambridge AICE (British A-Level) Exams.

DOE reports having been "...intricately involved in a leadership role to implement the Bright Futures Scholarship Testing Program. The Department recognizes the complexity of implementing a program that affects many areas of education including high school academic advisement, postsecondary academic advisement, postsecondary academic assessment testing, postsecondary student financial aid disbursement, the work of the Articulation Coordinating Committee, and the Florida Bright Futures Scholarship Program."

According to DOE, a work group with stakeholder representation was established in July 2001 and has met on numerous occasions to provide administrative procedures for implementation of the

program for 2001 and 2002 high school graduates and to discuss various issues relevant to stakeholders.

Currently, eligible students have access to up to five CLEP study guides free of charge through the Bright Futures web-based system. DOE reports current discussions with the College Board to partner in the development of building a system that recognizes the critical role that technology plays in the implementation of this program. Estimated costs will be established for legislative consideration.

The College Board reports that there are currently 69 test centers throughout the state, including 27 community colleges and 10 state universities. Twenty-four additional locations are currently requesting to become test centers. To date, 348 Bright Futures Scholars have taken CLEP exams with a pass rate of 52 percent. Each student is provided five study guides on-line at no cost to the student. The College Board also provides on-line test preparations, information on test centers, and on-line registration. At no expense to the student or the state, the College Board provides centralized record keeping and published student brochures to the test centers. From its record keeping, the College Board provides DOE with data.

The College Board administers the most widely accepted credit-by-exam test program. According to the College Board, approximately 2,900 colleges and universities nationally accept the CLEP test program. There are currently 34 exams, which take an hour and a half to administer. All but one is scored instantly. CLEP exams are updated yearly.

Effect of Proposed Changes:

CS/CS/HB 1275 expands required participation in the Bright Futures Testing Program to students attending independent postsecondary educational institutions and provides for optional participation by Gold Seal Vocational Scholars. Gold Seal Vocational Scholars who choose to participate must complete the exams prior to registration for courses in which credit may be earned through an approved examination.

CS/CS/HB 1275 expands the type of exams that may be taken to fulfill the requirements of the Testing Program to include any nationally recognized exam that is approved by the Florida Board of Education. The ACC is required to identify credit awarded for each adopted exam.

CS/CS/HB 1275 provides that if a student achieves a passing score, as identified by the ACC, on a required exam, the student must receive credit equivalent to successfully completing the equivalent course as identified by the ACC in a state university or community college, provided that such credit is not duplicative of credit already earned by the student.

CS/CS/HB 1275 requires Florida Academic Scholars and Florida Merit Scholars award recipients to complete at least five exams in *any* of the following areas: English; humanities; mathematics; natural sciences; and social sciences. It is unclear whether a student may take multiple approved exams in the same area. The exams must be completed before a student may register for any course for which credit may be earned through an approved exam. All five exams required under the Testing Program must be completed prior to registration for the second term. CS/CS/HB 1275 provides that successful completion of dual enrollment courses, AP exams, and IB exams in these areas may satisfy the testing requirement of the program.

CS/CS/HB 1275 deletes obsolete language permitting initial Florida Academic Scholars and Florida Merit Scholars for 2001-2002 academic year to participate in the Bright Futures Testing Program. CS/CS/HB 1275 removes the requirement for each community college and state university to pay for the CLEP exams. HB 1275 removes the \$46 per exam cap on the amount that institutions may

pay for an exam. CS/CS/HB 1275 removes the requirement for DOE to negotiate with the College Board for a reduced rate for the CLEP. CS/CS/HB 1275 instead requires that DOE negotiate with "examination providers to provide for examinations and test administration services on a cost effective, lowest cost per test available."

CS/CS/HB 1275 requires DOE to provide a \$50 incentive to students for each required examination that is passed. The bonuses would not be provided for successful completion of dual enrollment courses, Advanced Placement examinations, or International Baccalaureate examinations. Gold Seal Vocational Scholars who achieve a passing score on an approved examination must also receive the \$50 per test incentive.

CS/CS/HB 1275 removes the requirement that the maximum number of credit hours for which a student is eligible to receive a Bright Futures award is to be reduced by the number of hours for which credit is awarded pursuant to this program.

CS/CS/HB 1275 requires DOE to administer the program for all students in the state in order to track and annually report on the effectiveness of the program. The annual reporting must include information on the number of students participating in the program; the number of approved examinations taken and the passage rate of Florida Academic Scholars, Florida Merit Scholars, and Florida Gold Seal Vocational Scholars; the use of AP exams, IB exams, and dual enrollment to satisfy the requirements of the program; and the course credit provided.

CS/CS/HB 1275 requires DOE to contract for centralized administrative services for the program. The contracted administrative services must include a website with appropriate links for student registration; delivery of on-line test preparation, study guides, and practice tests; record keeping; and technical support. CS/CS/HB 1275 requires that the cost of contracted centralized administrative services not exceed the cost per student of administering the program in 2001-2002.

CS/CS/HB 1275 requires funding for the Bright Futures Testing Program to be provided from the Educational Enhancement Trust Fund after allocations to the Classrooms First Program and the Bright Futures Scholarship Program but prior to calculations for allocations for disbursement to other educational institutions. Such funding must include, but is not limited to, payment for required exams, payment of incentives, and payment for contracted administrative services.

Section 2. Amends s. 240.40203(2), F.S., and adds a subsection (3) to s. 240.40203, F.S., relating to the Florida Bright Futures Scholarship Program; student eligibility requirements for renewal awards.

Present Situation:

Section 240.40203(2), F.S., provides that a student who is enrolled in a program that terminates in an associate degree or baccalaureate degree may receive an award for a maximum of 110 percent of the number of credit hours required to complete the program. A student who is enrolled in a program that terminates in a technical certificate may receive an award for a maximum of 110 percent of the credit hours or clock hours required to complete the program up to 90 credit hours.

Pursuant to ss. 240.40203(1) and 240.40205(3), F.S., to renew a Florida Academic Scholars award, a student must earn a 3.0 cumulative GPA and six credit hours per semester funded. A Florida Academic Scholars award recipient who earns a 2.75 - 2.99 cumulative college GPA and six credit hours per semester funded may renew as a Florida Merit Scholar.

Pursuant to ss. 240.40203(1) and 240.40206(3), F.S., to renew a Florida Merit Scholars award, a student must earn a 2.75 cumulative GPA and six credit hours per semester funded.

Effect of Proposed Changes:

CS/CS/HB 1275 provides that a student enrolled in an associate or baccalaureate degree level program may not receive an award for more than the maximum number of hours required to complete the program and that a student must complete at least five approved exams to receive a renewal of a Bright Futures Scholarship.

CS/CS/HB 1275 provides that beginning with initial award recipients for 2002-2003 and continuing thereafter, Florida Academic Scholars and Florida Merit Scholars award recipients must have met the required test requirements of the Bright Futures Testing Program in order to renew the scholarship.

CS/CS/HB 1275 provides that a student may earn a Gold Seal Vocational Scholarship for up to 90 credit hours or the equivalent.

Section 3. Amends s. 240.40207(4), F.S., relating to the Florida Gold Seal Vocational Scholars award.

Present Situation:

Section 240.40207(4), F.S., provides that a student may earn a Florida 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.

Effect of Proposed Changes:

CS/CS/HB 1275 provides that a student may earn a Gold Seal Vocational Scholarship for up to 90 credit hours or the equivalent.

Section 4. Provides an effective date of July 1, 2002.

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:

See fiscal comments.

2. Expenditures:

See fiscal comments.

C. DIRECT ECONOMIC IMPACT ON PRIVATE SECTOR:

Private test providers may benefit to the extent that the Department of Education is able to negotiate a cost-effective agreement with a given provider. A private organization may benefit if awarded the DOE contract to provide administrative services. Individual students of Florida may benefit from monetary incentives to the extent that required approved exams are passed. Students and their families may benefit from reduced costs to obtain an undergraduate degree to the extent that students use any credit earned through the program to shorten their time to earn a degree. Students who in the past would have received a Bright Futures award will not receive the award if the student fails to complete the testing program requirements prior to renewal.

D. FISCAL COMMENTS:

The fiscal impact of CS/CS/HB 1275 is indeterminate. The potential savings involve reducing the number of credit hours for which the state pays the cost of instruction at state community colleges and universities, and reducing the cost of the Bright Futures Scholarships that covers the student's fees. The costs involve the paying for central administrative services, the test fees and the cost of conducting the tests.

The expansion of the program to students attending private colleges and universities and to those attending vocational programs and choose to participate will entail the same average cost as is experienced with existing students. For students attending private universities, savings are limited to potential reductions in the cost of Bright Futures Scholarships since the state does not pay for the entire cost of instruction.

The fiscal impact of the removal of the \$46 per exam cap that currently limits how much may be paid for an exam and the expansion of the type of exams for which the state will pay is indeterminate since the exams and the fees that will be assessed to students to take the new exams that will be included are unknown.

CS/CS/HB 1275 transfers the responsibility for paying for the cost of the test from the community colleges and universities to the Department of Education. This cost is currently paid out of the program funds that support the community colleges and universities; no additional funds were appropriated to community colleges and universities for this payment.

CS/CS/HB 1275 removes the automatic reduction in awards based on earning credit through successful testing. This may be offset by a provision of the bill that reduces the overall number of hours for which a student may receive an award from 110 percent of the program requirements to the hours required for the degree. However, the Department of Education reports, "50% of Florida Academic and Merit Scholars do not use more than 102 hours of their Bright Futures Scholarships and 70% do not use more than 117 hours". This may be due to enrollment in the summer term, which is not currently funded for scholarships.

CS/CS/HB 1275 requires funding for the Bright Futures Testing Program to be provided from the Educational Enhancement Trust Fund "after allocations to the Classrooms First Program and the Bright Futures Scholarship Program but prior to calculations for allocations for disbursement to other educational institutions. Such funding shall include, but is not limited to, payment for required examinations, payment of incentives, and payment for contracted administrative services."

The Department of Education estimates that students will average taking three tests and will exempt two through AP, IB and Dual Enrollment. Assuming that the cost per test and the passage rate remain the same, the Department of Education projects a cost of \$7.5 million in 2002-2003 to pay for the exams and student bonuses. This amount is projected reach \$8.7 million in 2004-2005

with the growth of the Bright Futures program. Potential savings exist to the extent the state is able to save on instructional costs for students who are able and who choose to graduate early. The costs for contracted administrative services and the impact on testing center workload from expanded participation in the testing requirement are unknown. CS/CS/HB 1275 requires that the cost of contracted centralized administrative services not exceed the cost per student of administering the program in 2001-2002. The House Education Appropriations Committee PCB EA 02-01 contains no appropriation for the cost of this program as of February 22, 2002.

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 take action requiring the expenditure of funds.

B. REDUCTION OF REVENUE RAISING AUTHORITY:

The bill does not reduce the authority that counties or municipalities have to raise revenues in the aggregate.

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

The bill does not reduce the percentage of a state tax shared with counties or municipalities.

V. COMMENTS:

A. CONSTITUTIONAL ISSUES:

CS/CS/HB 1275 does not appear to violate any constitutional provisions.

B. RULE-MAKING AUTHORITY:

CS/CS/HB 1275 does not provide any additional or repeal any existing rule-making authority.

C. OTHER COMMENTS:

None.

VI. AMENDMENTS OR COMMITTEE SUBSTITUTE CHANGES:

On February 12, 2002 the Committee on Colleges & Universities adopted four amendments and passed the bill as CS/HB 1275. The committee substitute clarified that in addition to current eligibility requirements, that beginning with initial award recipients in 2002-2003, all Bright Futures Scholars must meet the requirements of the Bright Futures Testing Program to be eligible to receive any award. The bill as originally drafted inadvertently omitted certain students from this requirement. CS/HB 1275 requires that funding for the Bright Futures Testing Program be provided from the Educational Enhancement Trust Fund after allocations to the Classrooms First Program and the Florida Bright Futures Scholarship Program but prior to any other disbursements. The original bill provided for funding from the public schools portion of discretionary lottery dollars and current law provides that exams be paid from discretionary lottery dollars allocated to state universities and community colleges. CS/HB 1275 clarified that if a student achieves a passing score as identified by the ACC on any approved exam required by the Bright Futures Testing Program, that student must receive equivalent course credit, as identified by the ACC, provided such credit has not already been earned by the student.

On February 22, 2002, the Committee on Education Appropriations adopted a strike-everything amendment and passed the bill as CS/CS/HB 1275. The significant changes made in the committee substitute were as follows:

1. Requires that any additional examinations other than those currently approved in law must be nationally recognized and approved by the Florida Board of Education.
2. Makes participation by Florida Gold Seal Vocational Scholars optional.
3. Requires that the cost of contracted centralized administrative services not exceed the cost per student of administering the program in 2001-2002.
4. Clarifies that all scholarships for all programs are capped at the maximum number of hours required to meet program requirements.
5. Removes the requirement contained in the CS/HB 1275I that tests must be taken as a condition of an initial award. Instead the amendment requires the completion of the test requirements of the Bright Futures Testing Program as a condition for renewal.

VII. SIGNATURES:

COMMITTEE ON COMMITTEE ON COLLEGES & UNIVERSITIES:

Prepared by:

Maria L. Eckard

Staff Director:

Betty H. Tilton, Ph.D.

AS REVISED BY THE COMMITTEE ON EDUCATION APPROPRIATIONS:

Prepared by:

Bob Cox

Staff Director:

John Newman

AS FURTHER REVISED BY THE COUNCIL FOR LIFELONG LEARNING:

Prepared by:

Maria L. Eckard

Council Director:

Patricia Levesque