

STORAGE NAME: h0459s1.llc.doc
DATE: January 23, 2002

HOUSE OF REPRESENTATIVES
COUNCIL FOR LIFELONG LEARNING
ANALYSIS

BILL #: CS/HB 459
RELATING TO: Bright Futures Scholarship Program
SPONSOR(S): Council for Lifelong Learning and Representative Kilmer
TIED BILL(S): None

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

- (1) COLLEGES & UNIVERSITIES YEAS 9 NAYS 3
 - (2) FISCAL POLICY AND RESOURCES YEAS 8 NAYS 3
 - (3) COUNCIL FOR LIFELONG LEARNING YEAS 17 NAYS 1
 - (4)
 - (5)
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I. SUMMARY:

Current law requires students to begin using their Bright Futures Scholarship within three years of graduating from high school. In addition, scholarships are only effective for seven years from high school graduation.

CS/HB 459 changes the starting date for a Bright Futures Scholarship to allow a student to begin a scholarship at any time within seven years from high school graduation.

CS/HB 459 allows students who enter the military within seven years of high school graduation an additional seven years to use their Bright Futures Scholarship when they end active military duty.

CS/HB 459 allows students who qualify for Bright Futures and go to one of the United States military service academies (U.S. Military Academy, U.S. Naval Academy, U.S. Air Force Academy, U.S. Merchant Marine Academy, and U.S Coast Guard Academy) to use the Bright Futures Scholarship at those institutions. Current law does not provide for the use of the Bright Futures Scholarship at any institution outside Florida.

The effective date of the bill is upon becoming law.

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/HB 459 requires the Department of Education to verify that the student is enrolled in a United States military academy and meets the eligibility requirements for receipt of a Bright Futures award. CS/HB 459 also requires the Comptroller to issue warrants to the students.

B. PRESENT SITUATION:

Bright Futures Scholarship Program

The Bright Futures Scholarship Program (Program) is a lottery-funded scholarship program created by the 1997 Legislature to reward Florida high school graduates who merit recognition of high academic achievement and enroll in eligible Florida public and non-public postsecondary institutions. The Program is an umbrella program providing three awards: the Florida Academic Scholars Award, the Florida Merit Scholars Award, and the Florida Gold Seal Vocational Scholars Award.

A student must meet the following general criteria to be considered for an award under the Bright Futures Scholarship Program:

- complete a Bright Futures Scholarship Program *Student Authorization Form*
- be a Florida resident
- earn a Florida high school diploma, or the equivalent
- enroll in an eligible Florida postsecondary education institution for at least six credit hours per semester
- not have been found guilty of, or pled nolo contendere to, a felony charge
- commence using the award within three years of graduation

Specific eligibility requirements and award amounts vary for each component of the Program. Students qualifying for the top award, the Florida Academic Scholars award, must achieve a 3.5 weighted GPA using the 15 core credits required for admission to a state university; perform 75 hours of community service; and score a 1270 SAT or 28 ACT (best composite score). Florida Merit Scholars must achieve a 3.0 weighted GPA using the 15 core credits required for admission to a state university and score a 970 SAT or 20 ACT (best composite score). Florida Gold Seal Vocational Scholars must achieve a 3.0 weighted GPA using the core credits required for graduation; achieve a 3.5 unweighted GPA in a minimum of three sequential vocational credits; and achieve a passing score on the Common Placement Test (CPT) (or equivalent score on the SAT or ACT).

Current law requires students to begin using the Bright Futures Scholarship within three years of graduating from high school. The total time allowed for a student to use the scholarship is seven years. All eligibility ceases after seven years. The Florida Department of Education (DOE) reports that 1,943 reinstatement applications last year. Of those, all but 19 were eligible to rejoin the Bright Futures Scholarship program after having been out of high school 1-3 years.

Each of the U.S. military academies is located outside the State of Florida. Currently, the Bright Futures Scholarship may only be used at Florida public or non-public institutions and may not be used at an institution outside the State of Florida.

The award amount for a Florida Academic Scholar who attends an eligible non-public institution equals the amount that would be required to pay for 100 percent of the average matriculation and fees of a public postsecondary education institution at the comparable level, plus an annual \$600 for college-related expenses. The 2001-2002 average semester award amount, including the \$300 per semester educational allowance, at a four-year institution for a Florida Academic Scholar is \$1,606. The award amount for a Florida Merit Scholar or Gold Seal Vocational Scholar equals the amount that would be required to pay for 75 percent of the average matriculation and fees of a public postsecondary education institution at the comparable level. The 2001-2002 average semester award amount for the Florida Merit Scholar and the Gold Seal Vocational Scholar is \$980.

United States Military Academies

There are five United States military academies established in Federal law: the United States Military Academy (West Point, NY), the United States Naval Academy (Annapolis, MD), the United States Air Force Academy (Colorado Springs, CO), the United States Merchant Marine Academy (Kings Point, NY), and the United States Coast Guard Academy (New London, CT). Each student attending one of these academies commits to serve at least five years of service in a branch of the military after graduation. Attendance at four of the academies (the Military Academy, the Naval Academy, the Air Force Academy, and the Merchant Marine Academy) requires a nomination and subsequent appointment. Attendance at the U.S. Coast Guard Academy is by competitive application process. While the United States military academies have no application fee and provide for tuition, room, and board, each academy, as any other institution of higher learning, has other expenses associated with a student's education that are not covered by the government. Specific cost provisions relating to each of the five academies are described in the following paragraphs.

- **United States Military Academy**

A \$2,400 deposit must be paid prior to entry, which may be deducted from the cadet's pay if the cadet is not able to pay the fee up front. Cadets receive pay of \$705 per month. From this pay, expenses for uniforms, books, laundry, a computer, and incidentals are deducted. A first year cadet receives approximately \$80 per month of his or her pay after expenses are deducted. By the fourth year, a cadet may receive about \$300 per month after expenses. The Military Academy pays for a one-way ticket to school the first year. All other travel is the responsibility of the student. Cadets are also responsible for telephone bills, various functions on and off campus, etc. Cadets receive breaks for Thanksgiving, Christmas, Spring Break, and during the summer. Cadets do not receive federal financial aid. No scholarships are awarded; anything required and not paid by the government is deducted from cadet pay.

- **United States Naval Academy**

No initial deposit or fee is required. Midshipmen receive pay of \$700 per month. From this pay, expenses for uniforms, books, laundry, a computer, personal items, and telephone bills are

deducted. A first year midshipman receives approximately \$80 per month of his or her pay after expenses are deducted. By the fourth year, a cadet may receive about \$300 per month after expenses. The government pays for professional development travel; all other travel is the responsibility of the student. Midshipmen are also responsible for various functions on and off campus, some of which may be deducted from cadet pay. Midshipmen receive breaks for Thanksgiving, Christmas, Spring Break, and a month during the summer. Midshipmen do not receive federal financial aid. No scholarships are awarded; anything required and not paid by the government is deducted from midshipman pay.

- **United States Air Force Academy**

Initial fees total approximately \$8,000, of which the Air Force Academy advances \$7,500 and arranges for this amount to be repaid via deductions from the cadet's pay. Cadets receive pay of \$699 per month from which expenses for uniforms, laundry, books, computers, and the repayment of the upfront loan are deducted. When the loan is paid in full, the portion deducted to repay the loan is attributed to the cadet's held pay account. After expenses are paid, cadets receive a monthly allotment to cover their personal expenses. The allotment depends on class: fourth classmen (freshmen) - \$80 per month; third classmen - \$220 per month; second classmen - \$320; first classmen – net pay. All travel is the responsibility of the student. Cadets are also responsible for telephone bills, various functions on and off campus, and athletic fees of \$75. Cadets receive breaks for Thanksgiving, Christmas, Spring Break, and during the summer. Cadets do not receive federal financial aid. No scholarships are awarded; anything required and not paid by the government is deducted from cadet pay. Personnel spoken with at the Air Force Academy stressed that even if a cadet could pay the initial \$7,500 outright, all are encouraged to take the loan and have an amount deducted from the cadet's pay until repaid. This keeps the procedure the same for each cadet. The Air Force Academy, however, is set up to receive various scholarships. The money goes directly to the U.S. Treasury held pay account for the cadet.

- **United States Merchant Marine Academy**

No initial deposit or fee is required; however fees of \$4,071 are due before classes begin. Midshipmen receive pay of \$600 per month ONLY while they are out to sea, which is six months during years two and three. The Merchant Marine Academy covers uniforms and books, but the student is responsible for any fees not covered by the government. In the first year those fees amount to \$6,000. Of that amount, \$4,071 is due prior to the first day of class. Second and third year students incur fees of \$1,400-\$1,700, and fourth year midshipmen incur costs between \$2,200 and \$2,400 for the year. The Merchant Marine Academy pays for a midshipman's initial travel to the Academy, to go home upon graduation, and travel to and from sea duty. All other travel is the responsibility of the student. Midshipmen are responsible for telephone bills, personal items, and elective programs and organizations in which they participate. Midshipmen receive breaks at Thanksgiving, Christmas, a parent's weekend, and Spring Break. Merchant Marine Academy midshipmen are eligible to apply for Stafford loans and Parent's PLUS loans. The Merchant Marine Academy is hoping for Pell grants to come on-line in 2002-2003. Currently 25-33 percent of freshmen receive some type of loan. No scholarships are awarded.

- **United States Coast Guard Academy**

The academy admits approximately 265 out of 5,500 applicants per year. The average SAT score of a cadet is 1250. There is a one-time entrance fee of \$3,000. Cadets receive pay of \$700 per month. From this pay, expenses for uniforms, books, laundry, a computer, and personal items are deducted. A first year cadet receives approximately \$90 per month of his or her pay after expenses are deducted. By the fourth year, a cadet may receive about \$240 per month after expenses. The Coast Guard Academy pays for travel for assigned duties; all other travel is the responsibility of the

student. Cadets receive breaks for Thanksgiving, Christmas, Spring break, and three weeks during the summer. Cadets do not receive federal financial aid. No scholarships are awarded; anything required and not paid for is deducted from cadet pay.

C. EFFECT OF PROPOSED CHANGES:

CS/HB 459 changes the starting date for a Bright Futures Scholarship to allow a student to begin use of a scholarship at any time within seven years, rather than three, of high school graduation. Based on historical data of the number of students who return within the three year period currently granted, DOE anticipates that the longer a student is out of high school, the less likely he or she will be to return to use the Bright Futures Scholarship. DOE estimates an additional 1, 500 students aggregate for the fourth, fifth, sixth, and seventh years after a student graduates high school. Regardless of when the student begins using the scholarship, all eligibility ceases after seven years. For example, if a student begins using his or her Bright Futures Scholarship in the sixth year following high school graduation, he or she will only have one more year of eligibility to receive the scholarship.

CS/HB 459 provides students who enter the military within seven years of high school graduation an additional seven years to use any remaining Bright Futures Scholarship eligibility after the student ends active military duty.

CS/HB 459 allows students who qualify for Bright Futures and go to one of the United States military academies (U.S. Military Academy, U.S. Naval Academy, U.S. Air Force Academy, U.S. Merchant Marine Academy, and the U.S. Coast Guard Academy) to use the Bright Futures Scholarship at those institutions.

D. SECTION-BY-SECTION ANALYSIS:

See above sections.

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:

None.

D. FISCAL COMMENTS:

The Florida Department of Education (DOE) reports that 1,943 reinstatement applications last year. Of those, all but 19 were eligible to rejoin the Bright Futures Scholarship program after having been out of high school 1-3 years. Based on historical data of the number of students who return within the three year period currently granted, DOE anticipates that the longer a student is out of high school, the less likely he or she will be to return to use the Bright Futures Scholarship. DOE estimates an additional 1, 500 students aggregate for the fourth, fifth, sixth, and seventh years after a student graduates high school. Regardless of when the student begins using the scholarship, all eligibility ceases after seven years. For example, if a student begins using his or her Bright Futures Scholarship in the sixth year following high school graduation, he or she will only have one more year of eligibility to receive the scholarship.

The 2001-2002 average semester award amount, including the \$300 per semester educational allowance, at a four-year institution for a Florida Academic Scholar is \$1,606. The average semester award for the Florida Merit Scholar and the Gold Seal Vocational Scholar is \$980.

The table below details the number of Florida residents who received appointments to the five military academies from 1997-2001. Information is not available on the number of Florida residents who qualified for Bright Futures scholarships and enrolled in a U.S. military academy since 1997. However, all U.S. military academies are limited in the number of students who can be accepted.

Enrollment of Florida Students in Each of the Military Academies over the past 5 years

Academy Class/H.S. Grad Year	USMA	USNA	USAFA	USMMA	CGA	Total admitted	5 year average
Class of 2005 (2001)	54	70	66	22	23	235	
Class of 2004 (2000)	49	63	85	13	26	236	
Class of 2003 (1999)	45	64	62	12	19	202	
Class of 2002 (1998)	48	66	65	14	14	207	
Class of 2001 * (1997)	31	62	44	14	14	165	
5-Year Total	227	325	322	75	75	1045	209

Sources: USMA, USNA, USAFA, USMMA, and CGA.

* USMMA and CGA were estimated for 2001 simply using the same number as 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 spend funds or take an action requiring the expenditure of funds.

B. REDUCTION OF REVENUE RAISING AUTHORITY:

The 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:

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

V. COMMENTS:

A. CONSTITUTIONAL ISSUES:

CS/HB 459 does not appear to violate any constitutional provisions.

B. RULE-MAKING AUTHORITY:

None.

C. OTHER COMMENTS:

None.

VI. AMENDMENTS OR COMMITTEE SUBSTITUTE CHANGES:

On January 23, 2002, the Council for Lifelong Learning adopted one amendment, which removed provisions making the Bright Futures award to students attending military academies retroactive. The Council passed the bill as amended as CS/HB 459.

VII. SIGNATURES:

COMMITTEE ON COLLEGES & UNIVERSITIES:

Prepared by:

Maria L. Eckard

Staff Director:

Betty H. Tilton, Ph.D.

AS REVISED BY THE COMMITTEE ON FISCAL POLICY AND RESOURCES:

Prepared by:

Kama Monroe

Staff Director:

Lynne Overton

AS FURTHER REVISED BY THE COUNCIL FOR LIFELONG LEARNING:

Prepared by:

Maria L. Eckard

Staff Director:

Patricia Levesque