

HOUSE OF REPRESENTATIVES STAFF ANALYSIS

BILL #: HB 917 Student Tuition Assistance
SPONSOR(S): Baxley
TIED BILLS: **IDEN./SIM. BILLS:** SB 638

REFERENCE	ACTION	ANALYST	STAFF DIRECTOR
1) Higher Education (Sub)	4 Y, 1 N	Britton	Bohannon
2) Education K-20			
3) Education Apps. (Sub)			
4) Appropriations			
5)			

SUMMARY ANALYSIS

Currently, Florida does not offer access grants to students who are residents of the state and attend for-profit colleges and universities.

HB 917 creates the Access to Better Learning and Education Grant Program. The grant program will be administered by the Department of Education and limited to Florida resident students seeking a baccalaureate degree from a for-profit college or university that: is accredited by the Commission on Colleges of the Southern Association of Colleges and Schools; grants baccalaureate degrees; is located in and chartered by the state; and has a secular purpose. The annual amount of the grant would be established in the General Appropriations Act, and the grant program would have no relation to a student's need for financial assistance.

There will be no fiscal impact on local governments, but there will be an impact on state government expenditures. The annual amount of funding for the grant would be determined by the Legislature and established in the General Appropriations Grant. Please refer to the Fiscal Comments and Economic Impact Section.

The extent to which enrollment at these institutions may increase in the future or the extent to which additional institutions and their students may become eligible to participate in the program is unknown. In addition, the extent to which students may change their status from associate degree-seeking to baccalaureate degree-seeking and, therefore qualify for this program is also unknown.

On April 3, 2003, the Subcommittee on Higher Education adopted a strike-all amendment to clarify that the program will only be implemented to the extent the Legislature chooses to fund it.

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This document does not reflect the intent or official position of the bill sponsor or House of Representatives.

STORAGE NAME: h0917a.edk.doc
DATE: April 4, 2003

FULL ANALYSIS

I. SUBSTANTIVE ANALYSIS

A. DOES THE BILL:

- | | | | |
|--------------------------------------|---|--|---|
| 1. Reduce government? | Yes <input type="checkbox"/> | No <input checked="" type="checkbox"/> | N/A <input checked="" type="checkbox"/> |
| 2. Lower taxes? | Yes <input type="checkbox"/> | No <input type="checkbox"/> | N/A <input checked="" type="checkbox"/> |
| 3. Expand individual freedom? | Yes <input checked="" type="checkbox"/> | No <input type="checkbox"/> | N/A <input type="checkbox"/> |
| 4. Increase personal responsibility? | Yes <input type="checkbox"/> | No <input type="checkbox"/> | N/A <input checked="" type="checkbox"/> |
| 5. Empower families? | Yes <input checked="" type="checkbox"/> | No <input type="checkbox"/> | N/A <input type="checkbox"/> |

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

The bill creates a new tuition assistance program that is administered by the Department of Education.

B. EFFECT OF PROPOSED CHANGES:

Currently, Florida offers access grants for resident students to attend nonprofit colleges and universities. The program is called the Florida Resident Access Grant Program, and for the 2002-2003 academic year, the total funding for the FRAG Program in the General Appropriations Act was \$79,841,350. This amount was able to support 29,725 students at \$2,686 per student.

However, Florida does not offer access grants to resident students who attend for-profit colleges and universities. HB 917 creates the Access to Better Learning and Education Grant Program. The grant program would be administered by the Department of Education and limited to Florida resident students seeking a baccalaureate degree from a for-profit college or university that: is accredited by the Commission on Colleges of the Southern Association of Colleges and Schools; grants baccalaureate degrees; is located in and chartered by the state; and has a secular purpose.

HB 917 requires that the grant program be funded according to a formula based on planned enrollment and the state cost of funding that enrollment at public institutions (the same formula that is used to calculate the Florida Resident Access Grant). The annual amount of the grant would be established in the General Appropriations Act, and the grant program would have no relation to a student's need for financial assistance.

At present, students attending three institutions would qualify for this new grant. Those institutions are South University in West Palm Beach, Keiser College, and Al Miami International University of Arts and Design. Based upon information provided by these institutions for current year student enrollments, there are 848 students enrolled in baccalaureate programs and 4,315 students enrolled in associate degree programs. The extent to which students seeking associate degrees may change their degree status from associate to baccalaureate if this bill becomes law is unknown.

C. SECTION DIRECTORY:

Section 1: Creates a new section of Florida statutes relating to the Access to Better Learning and Education Grant Program.

Section 2: Provides and effective date.

II. FISCAL ANALYSIS & ECONOMIC IMPACT STATEMENT

A. FISCAL IMPACT ON STATE GOVERNMENT:

1. Revenues:

None.

2. Expenditures:

The estimated number of baccalaureate degree seeking students at the three eligible institutions is 848. The annual amount of funding for the grant would be determined by the Legislature and established in the General Appropriations Grant. For example, if the Legislature chose to fund the Access to Better Learning and Education Grant at the current level of support for the Florida Resident Access Grant (\$2,686 per student), the cost to the state for program implementation in the current year would have been \$2,277,728.

B. FISCAL IMPACT ON LOCAL GOVERNMENTS:

1. Revenues:

None.

2. Expenditures:

None.

C. DIRECT ECONOMIC IMPACT ON PRIVATE SECTOR:

The grant would provide funding to students attending baccalaureate degree granting, for-profit colleges and universities, thereby reducing the total cost to the students to be provided from other sources.

D. FISCAL COMMENTS:

The fiscal impact of this bill is indeterminate. The annual amount of the grant would be determined by the Legislature and established in the General Appropriations Grant. For example, as stated above, if the Legislature chose to fund the Access to Better Learning and Education Grant at the current level of support for the Florida Resident Access Grant (\$2,686 per student), the cost to the state for program implementation in the current year would have been \$2,277,728.

In addition, the extent to which enrollment at these institutions may increase, or the extent to which additional institutions and their students may become eligible to participate in the program is unknown. Finally, there is the possibility that students may change their status from associate degree-seeking to baccalaureate degree-seeking and, therefore qualify for this program is also unknown.

III. COMMENTS

A. CONSTITUTIONAL ISSUES:

1. Applicability of Municipality/County Mandates Provision:

See other.

2. Other:

The bill does not appear to have any constitutional issues.

B. RULE-MAKING AUTHORITY:

None.

C. DRAFTING ISSUES OR OTHER COMMENTS:

None.

IV. AMENDMENTS/COMMITTEE SUBSTITUTE CHANGES

On April 3, 2003, the Subcommittee on Higher Education adopted a strike-all amendment to clarify that the program will only be implemented to the extent the Legislature chooses to fund it. The bill as amended was reported favorably by the subcommittee.