

# 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.)

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Prepared By: Education Appropriations Committee

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BILL: CS/SB 1256

SPONSOR: Education Committee and Senator Wise

SUBJECT: Student Financial Assistance

DATE: April 12, 2005

REVISED: \_\_\_\_\_

	ANALYST	STAFF DIRECTOR	REFERENCE	ACTION
1.	<u>Woodruff</u>	<u>O'Farrell</u>	<u>ED</u>	<u>Fav/CS</u>
2.	<u>Bryant</u>	<u>Newman</u>	<u>EA</u>	<u>Pre-meeting</u>
3.	_____	_____	_____	_____
4.	_____	_____	_____	_____
5.	_____	_____	_____	_____
6.	_____	_____	_____	_____

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## I. Summary:

The Committee Substitute creates the Florida Independent Collegiate Assistance (FICA) Grant Program. The FICA grant program is a new student tuition assistance program which is to be administered by the Department of Education. Eligibility criteria are provided for both student and institutional participation in program. In addition, the State Board of Education is given rulemaking authority to administer the program.

The Committee Substitute creates a new section of the Florida Statutes.

## II. Present Situation:

Florida has two need-based student financial assistance programs and two non-need-based tuition assistance grant programs which target students attending private in-state postsecondary institutions. The two need-based programs are the Private Student Assistance Grant and the Postsecondary Student Assistance Grant Programs. The two non-need-based programs are the Florida Resident Assistance Grant (FRAG) and the Access to Better Learning and Education (ABLE) Grant Program. In addition, students receiving the Florida Bright Futures Scholarship may choose to attend nonpublic institutions in Florida.

### **NEED-BASED FINANCIAL ASSISTANCE PROGRAMS AT PRIVATE INSTITUTIONS**

**Private Student Assistance Grants:** Private Student Assistance Grants are need-based awards provided to full-time students of a baccalaureate-degree-granting independent nonprofit Florida college or university accredited by the Commission on Colleges of the Southern Association of Colleges and Schools (SACS), and located in and chartered as a domestic corporation by the state. In the 2004-2005 Fiscal Year, \$11.6 million was appropriated for the program.

**Postsecondary Student Assistance Grants:** The Postsecondary Student Assistance Grant Program provides need-based financial assistance to full-time students accepted at a private postsecondary institution located in Florida; which is either a private nursing diploma school approved by the Florida Board of Nursing, or an institution licensed by the Commission for Independent Education. In the 2004-2005 Fiscal Year, \$7.96 million was appropriated for the program.

## **TUITION ASSISTANCE GRANT PROGRAMS AT PRIVATE INSTITUTIONS**

**Florida Resident Access Grants:** The Florida Resident Access Grant Program offers tuition assistance grants to resident students who attend private nonprofit colleges and universities. For Fiscal Year 2004-2005, the funding for the FRAG Program in the General Appropriations Act was \$79,841,350. Proviso language accompanying the appropriation states that this amount was to support 33,700 students at \$2,369.17 per student. For the 2004-05 academic year, the Department of Education has identified 28 institutions as eligible to accept FRAG recipients.

To participate in FRAG, a student must be: a Florida resident, a full-time undergraduate student registered at an eligible institution, not enrolled in a program of study leading to a degree in theology or divinity, and making satisfactory academic progress as defined by the institution.

To be an eligible institution, the college or university must be: located in and chartered by the state, accredited by the Commission on Colleges of the Southern Association of Colleges and Schools, grant baccalaureate degrees, not be a state university or state community college, and have a secular purpose, so long as the receipt of state aid by students at the institution would not have the primary effect of advancing or impeding religion or result in an excessive entanglement between the state and any religious sect.

**The Access to Better Learning and Education Grant Program:** The Access to Better Learning and Education Grant Program (ABLE) provides tuition assistance to undergraduate resident students enrolled in degree programs at eligible private for-profit and nonprofit Florida colleges or universities. For Fiscal Year 2004-2005, the funding for the ABLE Program in the General Appropriations Act was \$1,800,000. Proviso language accompanying the appropriation states that this amount was to support 1,200 students at \$1,500 per student. For the 2004-05 academic year, the Department of Education has identified 3 institutions as eligible to accept ABLE recipients.

To participate in ABLE, a student must be: a Florida resident, a full-time undergraduate student registered at an eligible institution in a program of study leading to a baccalaureate degree, not enrolled in a program of study leading to a degree in theology or divinity, and making satisfactory academic progress as defined by the institution.

To be an eligible institution, the college or university must be: a for-profit college or university, located in and chartered by the state, accredited by the Commission on Colleges of the Southern Association of Colleges and Schools, grant baccalaureate degrees, and have a secular purpose, or: is a nonprofit college or university chartered out of the state, has been located in Florida for 10 or more years, is accredited by one of four Regional Accrediting Associations of Colleges and

Schools identified in section 1009.891 (3), Florida Statutes, grants baccalaureate degrees, is not a state university or state community college, and has a secular purpose, so long as the receipt of state aid by students at the institution would not have the primary effect of advancing or impeding religion or result in an excessive entanglement between the state and any religious sect.

### **FLORIDA BRIGHT FUTURES SCHOLARSHIP PROGRAM AT PRIVATE INSTITUTIONS**

**Florida Bright Futures Scholarship Program:** Students receiving a Florida Bright Futures Scholarship may choose to attend in-state institutions which meet a variety of requirements. Among the commonalities of the requirements for eligible non-public institutions are the institution: has operated in the state for at least 3 years; meets standards required to operate an institution in Florida as determined by rules of the Commission for Independent Education; is accredited by an agency recognized by the United States Department of Education; and, for some institutions, demonstrate a sound financial condition. A requirement for eligible students to attend a secular institution is not included.

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

The Committee Substitute creates a new student tuition assistance program, the Florida Independent Collegiate Assistance (FICA) Grant Program. The FICA Program will be administered by the Department of Education. To participate in the program students must be:

- Florida residents.
- Enrolled full-time as undergraduate students.
- Enrolled in an eligible nonpublic institution of higher education.
- Seeking an associate's or higher degree.
- Making satisfactory academic progress
- Enrolled in an undergraduate degree program that leads to employment in one of the top 15 occupations listed on the Statewide Targeted Occupations List of the Agency for Workforce Innovation at the time of the student's initial enrollment.

Institutional eligibility criteria for participation in the FICA Grant Program include:

- Licensure by the Commission for Independent Education under chapter 1005, F.S.
- Accreditation by an accrediting agency that is recognized by the United States Secretary of Education.
- Established performance requirements for student achievement which include minimum objective quantitative standards.
- A prohibition against the institution's students participating in either the Access to Better Learning and Education Grant Program or the Florida Resident Access Grant Program.

According to Department of Education, there were 98 postsecondary institutions which met the eligibility criteria established in the original bill. The more restrictive language of the CS which targets training for certain occupations may have reduced that number but the actual impact on the number of eligible institutions is not known. Likewise, the amendments which were adopted to create the CS also may have reduced the number of potentially eligible students. However, the actual number of students that might be eligible to participate in the program is unknown.

The State Board of Education is authorized to adopt rules to administer the program.

The Committee Substitute's effective date is July 1, 2005.

**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:

The Committee Substitute should reduce the cost of tuition to students eligible to receive tuition assistance from a Florida Independent Collegiate Assistance Grant Program award. The savings to an individual student is indeterminate because no funding is provided in the Committee Substitute.

C. Government Sector Impact:

While the fiscal impact of the Committee Substitute is indeterminate, because of the number of potentially eligible students and institutions, it appears that the tuition assistance grant program could have a significant fiscal impact.

The Committee Substitute amended the student eligibility criteria for participation in the Florida Independent Collegiate Assistance Grant Program. The change is intended to reduce the number of students who may potentially be eligible to participate in the tuition assistance program. The amended criteria would require a student, at the time of initial enrollment, to be enrolled in a program that would lead to employment in one of the top 15 occupations listed on the Statewide Targeted Occupations List of the Agency for Workforce Innovation. According to the Department of Education the CS would reduce the number of eligible students but that count and the corresponding awards amount remain indeterminate due to the unavailability of the list of targeted occupations and corresponding eligible programs as well as the lack of information as to the number of students enrolled in these identified programs.

Although the number of potentially eligible students is unknown, if the CS has reduced the original estimate of eligible students (41,310) by 90 percent to 4,131 students, and the state provided \$1,000 for each student eligible to receive a tuition assistance grant, the cost to the state would be \$4,131,000.

Unless funding for the program is included in the 2005-2006 General Appropriations Act, or an amendment to add funding to the Committee Substitute is adopted, the CS will create an unfunded tuition assistance program in the Florida Statutes.

**VI. Technical Deficiencies:**

None.

**VII. Related Issues:**

None.

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This Senate staff analysis does not reflect the intent or official position of the bill's sponsor or the Florida Senate.

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## **VIII. Summary of Amendments:**

None.

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