

HOUSE OF REPRESENTATIVES STAFF ANALYSIS

BILL #: HB 943 Student Financial Assistance
SPONSOR(S): Patterson and others
TIED BILLS: **IDEN./SIM. BILLS:** SB 1256

| REFERENCE | ACTION | ANALYST | STAFF DIRECTOR |
|---------------------------------------|----------|----------|----------------|
| 1) Colleges & Universities Committee | 9 Y, 0 N | Hatfield | Tilton |
| 2) Education Appropriations Committee | _____ | _____ | _____ |
| 3) Education Council | _____ | _____ | _____ |
| 4) _____ | _____ | _____ | _____ |
| 5) _____ | _____ | _____ | _____ |

SUMMARY ANALYSIS

The bill creates the Florida Independent Collegiate Assistance Grant Program (FICA) to be administered by the Department of Education (DOE) for the purpose of providing tuition assistance grants to Florida residents who attend certain licensed, accredited, nonpublic postsecondary institutions and enroll full-time in undergraduate associate or higher degree programs leading to occupations listed on a Regional Targeted Occupations List of a Florida Workforce Board.

According to the DOE, there are an estimated 98 postsecondary institutions eligible to participate in FICA, and a projected maximum number of 41,310 students who are full-time residents in an associate or higher degree program. It is indeterminate at this time how many of these 41,310 students would enroll in programs leading to employment in targeted occupational areas to complete their eligibility qualifications for FICA.

According to the DOE, there is not currently any funding available for this program. See FISCAL COMMENTS for further details.

FULL ANALYSIS

I. SUBSTANTIVE ANALYSIS

A. HOUSE PRINCIPLES ANALYSIS:

Provide limited government—The bill creates an additional student tuition assistance grant program to be administered by the Department of Education.

B. EFFECT OF PROPOSED CHANGES:

Background

Current Student Tuition Assistance Grant Programs

The Department of Education (DOE) currently administers two student tuition assistance grant programs: the William L. Boyd, IV, Florida Resident Access Grant Program (FRAG) and the Access to Better Learning and Education Grant Program (ABLE). Both programs recognize that students who attend eligible postsecondary institutions significantly reduce the tax burden on the residents of the state.¹

FRAG eligible institutions are private, non-profit, located in and chartered by the state, accredited by the Southern Association of Colleges and Schools (SACS), grant baccalaureate degrees, and are secular in purpose.

ABLE first-year eligible institutions are private, for-profit, located in and chartered by the state, accredited by SACS, grant baccalaureate degrees, and are secular in purpose. Those institutions eligible for ABLE in its second year of funding are private, non-profit, located in Florida for 10 years, chartered out of the state, accredited by SACS, Middle State Association of Colleges and Schools, North Central Association of Colleges and Schools, or New England Association of Colleges and Schools, grant baccalaureate degrees, and are secular in purpose.

Both the ABLE and FRAG programs fund baccalaureate degree-seeking students for a program length of 9 semesters or 14 quarters.

According to the DOE, currently, there are 28 eligible FRAG institutions and 3 eligible ABLE institutions, with a possible additional 9 schools for the second year of ABLE funding.

Commission for Independent Education

The Commission for Independent Education (CIE) was created in s.1005.21, F.S. by the 2001 Legislature as a result of combining and transferring to a single board the powers and duties of the State Board of Independent Colleges and Universities and the State Board of Nonpublic Career Education. CIE has jurisdiction for independent postsecondary education institutions with the exception of those independent nonprofit colleges or universities eligible to participate in the Florida Resident Access Grant (FRAG) program and certain religious colleges.

For the independent postsecondary institutions under its jurisdiction, CIE:

- sets licensure standards.
- reviews applications for and issues licenses.
- monitors the consumer practices of these institutions.

¹ See ss. 1009.89 and 1009.891, F.S.

- serves as a central agency for collecting and distributing information regarding these institutions.

Statewide and Regional Targeted Occupations List

The statewide list of targeted occupations is determined by the Florida Workforce Estimating Conference (WEC). Section 216.136(a)2., F.S., requires the WEC to review data concerning the local and regional demands for short-term and long-term employment in High-Skills/High-Wage Program jobs, as well as other jobs, which data is generated through surveys conducted as part of the state's Internet-based job matching and labor market information system authorized under s. 445.011, F.S. The WEC develops the official targeted occupations list based on industry and occupational employment projections and wages prepared by the Florida Agency for Workforce Innovation, Labor Market Statistics office. The WEC meets semi-annually and makes recommendations to Workforce Florida, Inc. for use as a guide for establishing Regional Targeted Occupation Lists, which are approved by Workforce Florida, Inc.²

There are also 24 Regional Workforce Boards and each board has a Regional Targeted Occupations List, which is determined by the Workforce Florida, Inc.³ The DOE determines eligible programs and degrees that lead to employment in an occupation listed on one of the targeted occupations lists. A training programs list is produced for each of the 24 regions that ties the particular program and degree to each occupation.⁴ The training programs list identifies the program title and the certification required, both of which match the program and certificate/degree titles offered by institutions across the State.

The statewide and regional lists are updated annually; the 2005-2006 statewide targeted occupations list has recently been published.⁵ The 2005-2006 preliminary regional lists have been sent to the Regional Workforce Boards for local review and input prior to finalizing the regions list.⁶

Effects of the Bill

The bill creates s. 1009.895, F.S., the Florida Independent Collegiate Assistance Grant Program (FICA) to be administered by the Department of Education (DOE) according to rules adopted by the State Board of Education (SBE). The intent of the bill is to provide for Florida residents who are seeking higher education and training to make substantial contributions to the development of the state's economy by attending nonpublic postsecondary institutions. The program is not based upon the student's financial need or merit, but is a tuition assistance program.

The bill provides that the DOE may issue a tuition assistance grant under FICA to any student who meets all of the following requirements:

- Meets student residency requirements as provided in s. 1009.40(1)(a)2, F.S.
- Is enrolled as a full-time undergraduate student at an eligible institution of higher education and is seeking an associate degree or higher.
- Is making satisfactory academic progress as defined by the institution in which the student is enrolled.
- Enrolls in an undergraduate degree program that leads to employment in an occupation that is listed on a Regional Targeted Occupations List of a Florida Workforce Board at the time of enrollment.

² See <http://www.labormarketinfo.com/wec/index.htm>

³ See <http://www.workforceflorida.com/wages/wfi/partners/tol/index.htm> for each of the 24 Regional Targeted Occupations Lists

⁴ See <http://www.firn.edu/doe/workforce/>

⁵ See <http://www.labormarketinfo.com/wec/index.htm> and <http://www.workforceflorida.com/wages/wfi/partners/tol/index.htm>

⁶ Telephone conversation with Rebecca Rust, Agency for Workforce Innovation, March 18, 2005.

The DOE reports that currently the following degrees meet the requirements that lead toward targeted occupations: Occupational Associate Degree, Associate in Applied Arts, Associate in Applied Science, Associate of Science, Associate of Arts, or a Bachelor's Degree.⁷

According to the DOE, the student is not required to be enrolled in an institution in the same region where an occupation is listed. In addition, should an occupation be dropped from the list after a student's initial enrollment in the program, the DOE would grandfather in the student as long as the student is continuously enrolled.

The bill defines an "eligible institution of higher education" as an institution that:

- Is licensed by the CIE under chapter 1005,
- Is accredited by an accrediting agency that is recognized by the US Secretary of Education,
- Has established performance requirements for student achievement that include minimum objective quantitative standards, including completion rates and placement rates, and
- Is not eligible to participate in ABLE or FRAG.

The DOE reviewed all 850 CIE licensed institutions and 98 were found to meet all of the institutional eligibility criteria. According to the DOE, 74 of the estimated 98 potential eligible institutions for FICA already participate in state-funded programs,⁸ such as the Bright Futures Scholarship Program and the Florida Student Assistance Grant Program.

The DOE also reports that the number of potential eligible full-time Florida residents enrolled in associate or higher degree programs currently attending the 98 eligible schools is 41,310. Of these, 36,412 attend institutions already participating in state-funded programs. It is indeterminate at this time how many of these 41,310 students would enroll in programs leading to employment in targeted occupational areas to complete their eligibility qualifications for FICA.⁹

C. SECTION DIRECTORY:

Section 1: Creates s. 1009.895, F.S.; creating the Florida Independent Collegiate Assistance Grant Program; providing for program administration; authorizing tuition assistance grants to certain postsecondary education students enrolling in undergraduate degree programs for specified occupations; and providing institution eligibility requirements.

Section 2: Provides an effective date of July 1, 2005.

II. FISCAL ANALYSIS & ECONOMIC IMPACT STATEMENT

A. FISCAL IMPACT ON STATE GOVERNMENT:

1. Revenues:

None

2. Expenditures:

See FISCAL COMMENTS

B. FISCAL IMPACT ON LOCAL GOVERNMENTS:

1. Revenues:

⁷ Florida Department of Education, Bill Analysis, March 9, 2005, at 2.

⁸ *Id.* at 3.

⁹ *Id.*

None

2. Expenditures:

None

C. DIRECT ECONOMIC IMPACT ON PRIVATE SECTOR:

FICA would provide a more affordable education for eligible students and possibly increase enrollment at the eligible institutions.

D. FISCAL COMMENTS:

According to the DOE, there is not currently any funding available for the FICA program.

The bill does not provide a number of students at an intended award amount, or list an appropriation request; therefore, an estimate of expenditures is not yet available.

The DOE reports that the FRAG current year appropriation is \$79.8 million to fund 33,700 students with an annual award of \$2,369, and their average tuition and fees is \$16,000. The ABLE current year appropriation is \$1.8 million to fund 1,200 students with an annual award of \$1,500, and their average tuition and fees is \$10,500. The average cost for tuition and fees at FICA institutions range from \$8,500 to \$11,000 per year.¹⁰

III. COMMENTS

A. CONSTITUTIONAL ISSUES:

1. Applicability of Municipality/County Mandates Provision:

None

2. Other:

None

B. RULE-MAKING AUTHORITY:

The bill establishes rule-making authority for the SBE.

C. DRAFTING ISSUES OR OTHER COMMENTS:

None

IV. AMENDMENTS/COMMITTEE SUBSTITUTE & COMBINED BILL CHANGES

¹⁰ *Id.* at 2.