

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.)

Prepared By: Education Committee

BILL: CS/SB 1016

INTRODUCER: Education Committee and Senator Wise

SUBJECT: Independent Collegiate Assistance

DATE: March 28, 2006

REVISED: _____

	ANALYST	STAFF DIRECTOR	REFERENCE	ACTION
1.	<u>Brown</u>	<u>Matthews</u>	<u>ED</u>	<u>Fav/CS</u>
2.	_____	_____	<u>EA</u>	_____
3.	_____	_____	_____	_____
4.	_____	_____	_____	_____
5.	_____	_____	_____	_____
6.	_____	_____	_____	_____

I. Summary:

This bill creates the Florida Independent Collegiate Assistance Grant Program (FICA). The FICA program would be funded as provided through the General Appropriations Act (GAA), and administered by the Department of Education.

Students who are pursuing undergraduate degrees at eligible institutions in areas that are included in the top 15 jobs forecast on the Agency for Workforce Innovation's Florida Statewide Targeted Occupations list are authorized to receive FICA grants, if certain conditions are met.

In order to be eligible, the private institution of higher learning must:

- Be licensed by the Commission for Independent Education under chapter 1005, F.S.;
- Be accredited by an accrediting agency that is recognized by the U.S. Department of Education;
- Establish performance standards for student achievement, including completion and placement rates;
- Use a reliable assessment that the State Board of Education has recommended;
- Participate in the Florida Education and Training Placement Information Program; and
- Participate in the statewide course numbering system.

Institutions whose students are eligible to participate in the Access to Better Learning and Education Grant Program (ABLE) or the William L. Boyd, IV, Florida Resident Access Grant Program (FRAG) may not participate in FICA.

This bill requires the Office of Program Policy Analysis and Government Accountability (OPPAGA) to assess methods to pre-screen students regarding the likelihood of successful completion and job placement, and to provide an initial report to the Senate President and the House of Representatives Speaker by December 31, 2007.

This bill creates section 1009.893 of the Florida Statutes.

II. Present Situation:

Eligibility for Financial Aid

Generally, a student must meet certain minimum standards to be eligible for financial aid. These include:

- Achievement of academic requirements of and acceptance at a state university or community college, approved nursing diploma school, a Florida college or a private career institution accredited by an accrediting agency and recognized by the State Board of Education, a Florida institution with credits acceptable for transfer, or a career center; and
- Residency in-state for at least one year prior to the aid award, for purposes other than to obtain an education, to be decided under the same guidelines as that used to determine residency for tuition purposes.¹

Tuition Assistance Grant Programs Available to Students at Independent Colleges

The William L. Boyd, IV, Florida Resident Access Grant Program (FRAG), provides grants to students attending independent nonprofit colleges and universities. Students are eligible to receive FRAG grants subject to the following conditions:

- Residency in-state for at least one year prior to the aid award, for purposes other than to obtain an education;
- Enrollment as a full-time undergraduate student at an eligible college or university;
- Satisfactory academic progress, as defined by the college or university in which the student is enrolled; and
- Enrollment in a program of study that does not culminate in a theology or divinity degree.²

Additionally, the Access to Better Learning and Education Grant Program (ABLE) provides grants to independent for-profit and nonprofit colleges and universities that grant baccalaureate degrees; have a secular purpose; are not state community colleges or universities; and are accredited by specified entities. To receive an ABLE grant at a nonprofit school, the school must

¹ s. 1009.40, F.S.; s. 1009.21, F.S., requires that to qualify as a resident for tuition purposes, a person, or if that person is a dependent child, his or her parent(s) must have legal residence in-state for at least 12 months prior to qualification, and the admitted applicant must make a statement regarding length of residence in-state, and that such residence was for the purpose of a bona fide domicile rather than as a mere temporary residence.

² s. 1009.89, F.S.

be chartered out-of-state and be located in-state for at least 10 years. Acceptable certifying entities include:

- The Commission on Colleges of the Southern Association of Colleges and Schools;
- The Middle States Associations of Colleges and Schools,
- The North Central Association of Colleges and Schools; or
- The New England Association of Colleges and Schools.³

ABLE grants are available to students who meet the same student requirements as that for FRAG, with the additional requirement that the program of study must lead to a baccalaureate degree.⁴

Both FRAG and ABLE are funded through the General Appropriations Act. Students are generally not authorized to receive the awards for more than nine semesters or 14 quarters, and in no circumstances are the awards to be given after 10 semesters or 15 quarters.⁵

Commission for Independent Education

The Legislature established the Commission for Independent Education (CIE) in the Department of Education (Department) in 2001.⁶ The Department serves the CIE in an administrative capacity, while the CIE has independent authority in its role to review diplomas and degrees by those independent postsecondary educational institutions that are under its jurisdiction.⁷ The Commission additionally functions in matters relating to consumer protection, program improvement, and licensure for those institutions.⁸ Section 1005.22, F.S., requires the Commission to:

- Adopt rules, subject to State Board of Education approval, for the creation and operation of certain independent postsecondary educational institutions;
- Notify independent postsecondary educational institutions of laws and rules adopted that relate to the institution;
- Create and publicize procedures for receiving and responding to student and faculty complaints, and maintain records of those complaints;
- Annually provide to the Office of Student Financial Assistance of the Department of Education information and documentation of an institution's eligibility to participate in state student financial aid programs; and

³ s. 1009.891, F.S.

⁴ s. 1009.891(4)(b), F.S.

⁵ ss. 1009.89 and 1009.891, F.S.; s. 1009.40, F.S., authorizes an extension of aid to 10 semesters or 15 quarters in instances where the student needs more time to complete the college-level communication and computation skills testing program, or where the program is a five year undergraduate course.

⁶ s. 1, ch. 2001-170, L.O.F., merged the powers and duties of the State Board of Independent Colleges and Universities and the State Board of Nonpublic Career Education into the Commission for Independent Education with the exception of institutions eligible for FRAG.

⁷ s. 1005.21(1), F.S.

⁸ s. 1005.21(2), F.S.

- Provide to the Office of Student Financial Assistance the accrediting associations that are recognized by the U.S. Department of Education which meet minimum standards required to operate an institution at that level in-state.⁹

The commission is authorized to aid independent postsecondary educational institutions in establishing articulation agreements with public and other independent institutions.¹⁰

Agency for Workforce Innovation

The Workforce Innovation Act of 2000 created Workforce, Inc., which oversees and monitors the state's workforce policy.¹¹ The Agency for Workforce Innovation (AWI) is the administrative entity of Workforce, Inc. The AWI implements policy in the areas of workforce development, welfare transition, unemployment compensation, labor market information, early learning and school readiness. An important component of AWI's labor market information role is the compilation of lists of targeted, or in demand, occupations in-state.¹²

III. Effect of Proposed Changes:

This bill creates the Florida Independent Collegiate Assistance Grant Program (FICA), subject to legislative appropriation, and requires that it be administered by the Department of Education (Department).

This bill requires the Department to issue an access grant to full-time students who:

- Meet the same residency standards as those required for students to qualify for residency for tuition purposes;
- Are enrolled as associate or higher degree seeking, full-time undergraduate students in a Florida campus-based program at an eligible nonpublic institution of higher education;
- Are enrolled in undergraduate programs that are listed on the Agency for Workforce Innovation's (AWI) Florida Statewide Targeted Occupations List at the time of initial enrollment; and
- Are making satisfactory academic progress at the enrolled institution as determined by the institution.

The bill directs the State Board of Education to annually adopt the criteria and priorities for funding for the top 15 occupations listed, and to match job titles on AWI's list with Classification of Instructional Programs (CIP) codes for licensed training programs. The current top 15 jobs are: Registered Nurses; Bookkeeping, Accounting, and Auditing Clerks; Executive Secretaries and Administrative Assistants; Maintenance and Repair Workers, General; Truck Drivers, Heavy and Tractor-Trailer; General and Operations Managers; Accountants and Auditors; First-Line Supervisors of Office and Administrative Support Workers; Carpenters; Automotive Service Technicians and Mechanics; Licensed Practical and Licensed Vocational

⁹ s. 1005.22(1), F.S.

¹⁰ s. 1005.22(2), F.S.

¹¹ Chapter 2000-165, L.O.F.

¹² See 2005-2006 Florida Statewide Demand Occupations List, <http://www.workforceflorida.com/wages/wfi/partners/tol/05-06/TOL-STW%202005-06%20REV8-30.pdf>

Nurses; Business Operations Specialists; Police and Sheriff's Patrol Officers; and First-Line Supervisors of Construction and Extraction Workers. Not all of the top 15 jobs require an associate or higher degree. The bill requires a student to be seeking an associate or higher degree. Accordingly, for purposes of eligibility for FICA, a student may only be enrolled in a degree program leading to employment in the following seven career paths:

- Registered nurses;
- Bookkeeping, accounting, and auditing clerks;
- General and operational managers;
- Accountants and auditors;
- First-line supervisors of office and administrative support workers;
- Business operations specialists; and
- First-line supervisors of construction and extraction workers.

The bill requires the student to be enrolled in the degree program that leads to a top 15 occupation at the time for initial enrollment. However, additional clarification may be needed to indicate continued student eligibility if the initial occupation no longer remains in the top 15 list.

An eligible nonpublic institution of higher education is defined as:

- An institution that is licensed by the Commission for Independent Education;
- Is accredited by an accrediting agency that is recognized by the U.S. Secretary of Education as a reliable authority;
- Has established performance standards for student achievement that include minimum objective quantitative standards, including completion and placement rates as determined by its accrediting agency;
- An institution that uses a reliable assessment that has been recommended by the State Board of Education;
- An institution whose students are not eligible to participate in the Access to Better Learning and Education Grant Program and the William L. Boyd, IV, Florida Resident Access Grant Program; and
- An institution that participates in the statewide course numbering system as provided in statute.

This bill requires the OPPAGA to assess methods used to evaluate:

- A student's ability to successfully complete the applied for course of study;
- Completion rates;
- Job placement rates; and
- The method used by institutions to confirm accuracy of reported data.

OPPAGA is additionally required to submit an initial report by December 31, 2007 to the Senate President and the House of Representatives Speaker.

FICA member institutions that participate in common course numbering and will qualify under this bill include:

- Central Florida College;
- City College;
- College of Business & Technology;
- Florida Metropolitan University;
- Florida National College;
- Herzing College;
- Jones College;
- Keiser Career College;
- North Florida Institute;
- Southwest Florida College; and
- Webster College, Inc.

These schools, along with branches of those listed, constitute 37 schools whose students will now be eligible for FICA grants. This list may continue to grow as more institutions that participate in common course numbering become licensed by the CIE.

This bill requires the State Board of Education to adopt rules under ss. 120.536(1) and 120.54, F.S., of the Administrative Procedure Act to implement FICA.

Students enrolled in distance learning or online classes are not eligible for FICA grants. Parameters for time-length of grants by number of semesters/quarters are not provided in this bill, as they are for ABLE and FRAG grants, so that students could potentially generate excess hours.

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:

This bill should reduce the cost of tuition to students eligible to receive tuition assistance from a FICA award. This savings may be mitigated by institutional increases in tuition; the number of eligible students; and funding provided through the GAA.

C. Government Sector Impact:

The fiscal impact is indeterminate as the bill does not provide for an appropriation. Additionally, the Legislature may cap the number of students or funds or both.

Senate Bill 2096 provides \$3,024,201 in funding for FICA.¹³ It provides these funds for 2,616 students with a maximum award of \$1,155.69 per student.¹⁴ The Office of Student Financial Assistance may prorate the award if more than 2,616 students are eligible.¹⁵ Senate Bill 2096 proposes \$4,698,000 for ABLE grants to fund 4,065 students at \$1,155.69 with proration if more than 4,065 students are eligible.¹⁶ It proposes \$97,472,998 in funding for FRAG.¹⁷ Senate Bill 2096 provides these funds for 34,201 students at \$2,850 per student with proration if more than 34,201 students are eligible.¹⁸

By way of comparison, the 2005-2006 appropriation for FRAG is \$93,990,150, and each annual award amount is \$2,850.¹⁹ The 2005-2006 appropriation for ABLE is \$3,600,000 and each annual award amount is \$1,156.²⁰

VI. Technical Deficiencies:

None.

VII. Related Issues:

None.

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

¹³ Senate Bill 2096, line item 70A.

¹⁴ *Id.*

¹⁵ *Id.*

¹⁶ *Id.* at line item 70.

¹⁷ *Id.* at line item 75.

¹⁸ *Id.*

¹⁹ Line item 61, ch. 2005-70, L.O.F.

²⁰ Line item 56, ch. 2005-70, L.O.F.

VIII. Summary of Amendments:

None.

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