

# 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 Appropriations Committee

---

BILL: CS/CS/SB 1750

INTRODUCER: Education Appropriations Committee, Education Committee and Senator Lawson

SUBJECT: First Generation Matching Grant

DATE: April 18, 2006

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

|    | ANALYST         | STAFF DIRECTOR  | REFERENCE | ACTION        |
|----|-----------------|-----------------|-----------|---------------|
| 1. | <u>Carrouth</u> | <u>Matthews</u> | <u>ED</u> | <u>Fav/CS</u> |
| 2. | <u>Riti</u>     | <u>Newman</u>   | <u>EA</u> | <u>Fav/CS</u> |
| 3. | _____           | _____           | _____     | _____         |
| 4. | _____           | _____           | _____     | _____         |
| 5. | _____           | _____           | _____     | _____         |
| 6. | _____           | _____           | _____     | _____         |

---

## I. Summary:

This committee substitute creates the First Generation Matching Grant Program to provide state university matching grants to undergraduate students who demonstrate financial need and whose parents have not earned a baccalaureate degree or higher.

Funds appropriated by the Legislature would be allocated by the Office of Student Financial Assistance to match private contributions on a dollar-for-dollar basis. Each state university would receive a proportionate share of funding based on the number of full time equivalent (FTE) students. Funds would not be released to an institution until the total amount of a pledged donation is collected. Funds that are unmatched by December 1 would be reallocated to institutions that have remaining unmatched private contributions for the program based on FTE enrollment.

In order to be eligible, a student must:

- Be a resident for tuition purposes;
- Be a first generation college student;
- Be accepted at a state university;
- Be enrolled for a minimum of six credit hours per term as a degree-seeking undergraduate student;
- Have demonstrated financial need by completing the Free Application for Federal Student Aid; and
- Meet additional eligibility requirements as established by the university.

The amount of the grant award would be based on the student's need assessment after other awarded scholarship or grant aid, including, but not limited to, a Pell Grant or a Bright Futures

award, has been applied. An award may not exceed the institution's estimated annual cost of attendance for the student to attend the institution.

The committee substitute provides for a recurring appropriation of \$6.5 million from the General Revenue Fund to fund the First Generation Matching Grant Program.

The committee substitute also provides that public and private postsecondary institutions shall include adult norm-referenced testing into their cost of attendance. Norm-referenced testing helps eligible students qualify for accommodations for disabilities.

In order to include norm-referenced testing into cost of attendance, a student must:

- Be a legal resident of the state;
- Be enrolled in at least six semester hours, or the equivalent, per term in a degree, certificate, or diploma program; and
- Have documented learning disabilities under the Individuals with Disabilities Education Improvement Act of 2004 or the Americans with Disabilities Act of 1990.

This committee substitute creates the following sections of the Florida Statutes: 1009.701 and 1009.892.

## II. Present Situation:

Surveys show that, in the view of most Americans, it is very important for individuals to receive a higher education. Preparation for jobs and career is seen as the primary role for higher education. Many Americans, especially parents, are also concerned about the affordability of education. They feel that rising prices threaten to make higher education inaccessible to many people. According to the National Center for Higher Education Management Systems, 24.6% of family income is needed to pay for college in the state of Florida<sup>1</sup>.

In an attempt to make higher education more affordable for Floridians the state has established a number of merit-based, need-based, and tuition assistance programs to help defray the cost of higher education. The Office of Student Financial Assistance reported that a total of 22 state-funded scholarship and grant programs were administered in 2004-2005, which served over 270,000 students and funded over \$463 million of the cost of postsecondary education<sup>2</sup>.

Student financial assistance programs currently include:

- Florida Student Assistance Grants
- Florida Work Experience Program
- Rosewood Family Scholarship Program
- Jose Marti Scholarship Challenge Grant Fund
- Mary McLeod Bethune Scholarship Program
- Florida Education Fund
- Florida Prepaid College Foundation

---

<sup>1</sup> NCHEMS Information Center for State Higher Education Policymaking and Analysis. [www.higheredinfo.org](http://www.higheredinfo.org)

<sup>2</sup> Florida Department of Education, Office of Student Financial Assistance. 2004-2005 Annual Report to the Commissioner.

- Florida Bright Futures Scholarship Program
- William L. Boyd, IV, Florida Resident Access Grant
- Access to Better Learning and Education Grant
- Scholarships for Children of Deceased or Disabled Veterans
- Ethics in Business Scholarship Program
- Robert C. Byrd Honors Scholarship Program
- Florida Fund for Minority Teachers
- Critical Teacher Shortage Programs

### III. Effect of Proposed Changes:

#### **First Generation Matching Grant Program**

The committee substitute creates the First Generation Matching Grant Program to provide state university matching grants to traditionally underrepresented students, specifically those students who demonstrate financial need and whose parents have never graduated from college at the baccalaureate level or higher.

#### **Eligibility:**

In order to be eligible for a First Generation Matching Grant, a student must:

- Be a resident for tuition purposes;
- Be a first generation college student;
- Be accepted at a state university;
- Be enrolled for a minimum of six credit hours per term as a degree-seeking undergraduate student;
- Have demonstrated financial need by completing the Free Application for Federal Student Aid; and
- Meet additional eligibility requirements as established by the university.

The committee substitute defines the term “first generation college student” to mean a student whose parents, as defined in s. 1009.21, F.S.<sup>3</sup>, have not completed a college degree at the baccalaureate level or higher, or, in the case of any individual who regularly resided with and received support from only one parent, if that parent did not earn a college degree at the baccalaureate level or higher.

#### **Funding and Allocation of Appropriated Funds:**

The committee substitute provides an incentive for private donations for grants for eligible First Generation Matching Grant students by requiring the state to match the donation on a dollar-for-dollar basis.

Funds appropriated by the Legislature would be allocated by the Office of Student Financial Assistance to match private contributions on a dollar-for-dollar basis. Each institution would receive a proportionate share of funding based on the number of full time equivalent (FTE) students. Funds would not be released to an institution until the total amount of a pledged

---

<sup>3</sup> Section 1009.21(d), F.S., defines the term “parent” as the natural or adoptive parent or legal guardian of a dependant child.

donation is collected. Funds that are unmatched by December 1 would be reallocated to institutions that have remaining unmatched private contributions for the program based on FTE enrollment.

Payment of the state matching grant would be transmitted to the president of each participating institution or his or her representative in advance of the official drop-add deadline as defined by the institution.

**Application and Amount:**

The committee substitute requires each university to establish application procedures, determine eligibility as specified in the bill, and identify the amount of each award. The grant award would be based on the student's need assessment after other awarded scholarship or grant aid, including, but not limited to, a Pell Grant or a Bright Futures award, has been applied. An award may not exceed the institution's estimated annual cost of attendance for the student.

**Reporting Requirements:**

The committee substitute requires each participating institution to report students who have been awarded the grant to the Office of Student Financial Assistance by a date established by the office. Each institution must certify the amount of funds disbursed to each student and remit to the office any undisbursed funds by June 1 of each year.

The committee substitute requires each institution to report the eligibility requirements, aggregate demographics of grant recipients, retention and graduation rates, and a delineation of funds awarded to student recipients, annually by July 1, to the following:

- Executive Office of the Governor;
- President of the Senate;
- Speaker of the House of Representatives; and
- Board of Governors.

**Adult Norm-Referenced Testing**

The committee substitute also provides for adult norm-referenced testing to be included in a public or private postsecondary institution cost of attendance for eligible students that must go through the testing in order to qualify for accommodations for disabilities.

**Eligibility:**

In order to include norm-referenced testing into cost of attendance, a student must:

- Be a legal resident of the state;
- Be enrolled in at least six semester hours, or the equivalent, per term in a degree, certificate, or diploma program; and
- Have documented learning disabilities under the Individuals with Disabilities Education Improvement Act of 2004 or the Americans with Disabilities Act of 1990.

**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 First Generation Matching Grant would make higher education more affordable for traditionally underrepresented students and their families.

Private postsecondary institutions would be required to include adult norm-referenced testing in the cost of attendance for eligible students so that the students may qualify for accommodations with disabilities.

## C. Government Sector Impact:

The committee substitute includes a recurring appropriation of \$6.5 million from General Revenue for fiscal year 2006-2007 to fund the First Generation Matching Grant Program; this amount combined with private donations would yield a total of \$13 million. This amount is based on a 38,133 first time in college (FTIC) full-time student Fall university system enrollment and prior experience with this type of need-based aid at the University of Florida.

The committee substitute requires public postsecondary institutions to include adult norm-referenced testing in the cost of attendance for eligible students so that the students may qualify for accommodations with disabilities. According to the DOE, the cost to each student for such testing ranges from \$300 to \$1,600. Including the testing into a student's cost of attendance provides an opportunity for a student's financial aid to cover the cost of testing in some cases.

**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.

---

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

None.

---

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

---