

The Florida Senate
PROFESSIONAL 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: Higher Education Committee

BILL: SB 2698

INTRODUCER: Senators Lawson, Atwater, and Ring

SUBJECT: Community College and Career Center Student Financial Assistance

DATE: March 31, 2007 REVISED: _____

	ANALYST	STAFF DIRECTOR	REFERENCE	ACTION
1.	<u>Carrouth</u>	<u>Matthews</u>	<u>ED</u>	<u>Pre-meeting</u>
2.	_____	_____	<u>HI</u>	_____
3.	_____	_____	_____	_____
4.	_____	_____	_____	_____
5.	_____	_____	_____	_____
6.	_____	_____	_____	_____

I. Summary:

This bill creates the Florida Public Community College Career Center Working Student Assistance Program (Program) to provide financial support for working students whose employment income makes them ineligible to receive state or federal grants.

To qualify, students must enroll a minimum of six semester hours or 10 hours per week of adult vocational training per term. Additionally, students are required to complete the Free Application for Federal Student Aid (FAFSA) and meet other eligibility criteria as determined by the institution. The additional criteria must include, at a minimum, the extent to which family members may contribute financial support and the student's ability to repay loans. Community colleges and school districts, which operate career centers, would award funds annually to eligible students in an amount to be determined by the institution, but not to exceed an amount specified in the General Appropriations Act.

The Department of Education (DOE) is tasked with developing methods to distribute funds and to adopt rules necessary to administer the program.

This bill creates an undesignated section and amends section 1009.50 of the Florida Statutes.

II. Present Situation:

The Legislature appropriates funds annually for the Florida Student Assistance Grant Program (FSAG) to provide need-based student financial assistance to degree-seeking, resident undergraduate students who demonstrate substantial need and are enrolled in participating

institutions.¹ Student awards are determined by institution and range from \$200 to \$1,672 per year.² In order to qualify, students must fill out the Free Application for Federal Student Aid (FAFSA) to be eligible for state or federal financial aid. The FAFSA requires students to report family income regardless of whether the family is able to contribute to education expenses, forcing many students to take out loans. Working students, such as those provided for in the bill, may not be eligible for the FSAG due to earned income.

During the 2004-05 academic year, community college students in Florida were awarded \$39 million in Florida Student Assistance Grants and received \$276 million in federal student loans.³ Based on a 2006 study of the Florida Community College System, 58 percent of Florida's community college students are independent.⁴ Currently, an independent student with no dependents earning \$7.50 per hour with a yearly income of \$15,140 and expected family contribution of \$3,870 would not qualify for federal or state need-based aid.⁵

Currently, students enrolled in vocational education programs are not eligible to receive the Florida Student Assistance Grant (FSAG).⁶

III. Effect of Proposed Changes:

This bill creates a program to provide financial support for working students at community colleges and career centers who do not qualify for a federal Pell Grant or state need-based aid, and who otherwise face an unreasonable burden of student loans. However, the bill does not define the term "unreasonable burden," presumably leaving the community college or school district to establish eligibility criteria in this regard. Students must enroll a minimum of six semester hours or 10 hours per week of adult vocational training per term. Additionally, the bill allows institutions to develop other factors for considering an award. The amount of decentralization in the program, while providing flexibility to address the specific needs of their local community populations, allows for different award criteria and procedures, thereby creating the potential for significant disparity from one institution or program to the next. Moreover, the bill does not establish minimum or maximum grant awards which may lead to significant variance in awards.

Ultimately, the bill may benefit certain working students who otherwise would not qualify for need-based grants, possibly improving their rate of access to and completion of postsecondary programs. The bill does not clarify whether a student could receive both FSAG and the new program award.

Community colleges would consider Pell Grant entitlement for an award, but entitlement is not a condition prerequisite for receiving an award.

Under the bill, the Department of Education (DOE) is tasked with developing methods to distribute funds and to adopt rules necessary to administer the program. However, the bill does not provide any criteria for establishing the funding distribution methodology, such as

¹ <https://www.floridastudentfinancialaid.org/SSFAD/pdf/FSAG.06-07.pdf>

² http://www.fafsa.com/states_fl.htm

³ Department of Education, March 12, 2007.

⁴ *Id.*

⁵ *Id.*

⁶ *Id.*

enrollment per institution or eligible students per institution. Finally, the Department of Education is required to establish a maximum family contribution to a community college student, recognizing that students at community colleges are working and the expected contribution would not equal that of students at other institutions of higher learning. It is not clear whether this statement is a finding of fact or is a criterion that the DOE must use in determining the amount of family contribution for community college students for postsecondary grants.

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 bill may benefit certain working students who otherwise would not qualify for need-based grants, possibly improving their rate of access to and completion of postsecondary programs.

Florida businesses and the state economy could benefit from the bill by providing a more educated and skilled workforce.

C. Government Sector Impact:

According to the DOE's Community College Fall 2006 report, approximately 360,000 community college students took credit hours and approximately 54 percent of them would have financial need but are not eligible for a Pell Grant or the Florida Student Assistance Grant. Therefore, about 195,000 students may qualify for an award under the grant established in the bill. Each student's need would vary depending upon the student's cost of attendance, expected family contribution, and the number of hours enrolled. The number of eligible students enrolled in adult vocational career centers is unknown.

The Legislature would annually establish the cost of the program in the General Appropriations Act.

VI. Technical Deficiencies:

None.

VII. Related Issues:

None.

This Senate Professional 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 Professional Staff Analysis does not reflect the intent or official position of the bill's introducer or the Florida Senate.
