

**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: CS/SB 848

INTRODUCER: Higher Education Committee and Senator Lawson

SUBJECT: First Generation Matching Grant

DATE: April 20, 2007                      REVISED: \_\_\_\_\_

	ANALYST	STAFF DIRECTOR	REFERENCE	ACTION
1.	Harkey	Matthews	HE	Fav/CS
2.			HI	
3.				
4.				
5.				
6.				

**I. Summary:**

The bill revises the First Generation Matching Grant Program, which provides financial aid for certain undergraduate students at state universities. The bill:

- Clarifies that the existing program applies to state universities;
- Revises the basis for reserving proportionate allocations of appropriated funds;
- Changes the date to reallocate remaining unmatched funds beginning with the 2008-2009 fiscal year;
- Permits students to use an award for summer-term enrollment if funds are available;
- Requires that grants for summer-term enrollment may only be used at the institution awarding the grant;
- Provides a definition of “summer-term enrollment”; conforms the duties and reporting requirements of participating institutions with those of other state administered financial aid programs;
- Allows any unused state funds to be retained by an institution at the end of the fiscal year to provide grants for returning and new awardees;
- Eliminates the requirement that universities remit any undisbursed advance by June 1; and
- Changes the due date for the annual report.

The bill creates the First Generation Matching Grant Program for community colleges and the First Generation Matching Grant Program for private nonprofit colleges or universities eligible to participate in the William L. Boyd, IV, Florida Resident Access Grant Program (FRAG). Both programs are modeled after the First Generation Matching Grant Program for state universities.

Each program is to be implemented only to the extent specifically funded.

The bill amends section 1009.701, and creates sections 1009.702 and 1009.703 of the Florida Statutes.

## II. Present Situation:

The 2006 Legislature created the First Generation Matching Grant Program to provide state university matching grants to undergraduate students whose parents have not earned a baccalaureate degree or higher and who:

- Are residents for tuition purposes;
- Have been accepted at a state university;
- Are enrolled for a minimum of six credit hours per term as a degree-seeking undergraduate;
- Demonstrate financial need; and
- Meet eligibility requirements of the institution.

Funds appropriated by the Legislature are allocated to match private contributions on a dollar-for-dollar basis. The Office of Student Financial Assistance (OSFA) forwards award funding to participating institutions in advance of the official drop-add deadline as defined by the institution. The postsecondary institution ranks all eligible applicants on the basis of financial need, determines the award amount for each recipient, and disburses awards to eligible students each term.<sup>1</sup> Funds that remain unmatched as of December 1 must be reallocated to state universities that have remaining unmatched contributions. Each university must remit to OSFA any undisbursed advances by June 1.

Each institution participating in the program must submit an annual report no later than July 1 to the Governor, Senate President, Speaker of the House of Representatives, and the Board of Governors of the State University System. The report must include the following information about the awards made to recipients: the eligibility requirements, aggregate demographic information about the recipients, the retention and graduation rates of recipients, and a delineation of funds awarded.

### **The Dr. Philip Benjamin Matching Grant Program for Community Colleges**

Section 1011.85, F.S., creates the Dr. Philip Benjamin Matching Grant Program for Community Colleges to encourage private support in enhancing community colleges. The program is a single matching grants program under which community colleges may match private contributions for various purposes including scholarships for first-generation-in-college-students. The matching ratio for donations that are specifically designated to support scholarships is \$1 of state funds to \$1 of local private funds. The DOE reports that 2,763 community college students received first generation scholarships under this program in 2006-2007.

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<sup>1</sup> Florida Department of Education. Office of Student Financial Assistance. 2006-07 First Generation Matching Grant Program Fact Sheet. Readable at: <https://www.floridastudentfinancialaid.org/SSFAD/pdf/FGMG.06-07.pdf>

**The William L. Boyd, IV, Florida Resident Access Grants (FRAG)**

The William L. Boyd, IV, Florida Resident Access Grant (FRAG) Program provides tuition assistance to Florida undergraduate students attending an eligible private, nonprofit Florida college or university.<sup>2</sup> The Department of Education administers the program. A grant is available to any full-time degree-seeking undergraduate student registered at an independent nonprofit college or university:

- Which is located in and chartered by the state;
- Which is accredited by the Commission on Colleges of the Southern Association of Colleges and Schools;
- Which grants baccalaureate degrees;
- Which is not a state university or state community college; and
- Which 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.

A person is eligible to receive a William L. Boyd, IV, Florida resident access grant if he or she meets the general requirements, including residency, for student eligibility as provided in s. 1009.40, F.S., except as otherwise provided, and:

- Is enrolled as a full-time undergraduate student at an eligible college or university;
- Is not enrolled in a program of study leading to a degree in theology or divinity; and
- Is making satisfactory academic progress as defined by the college or university in which he or she is enrolled.

Institutions participating in FRAG for the 2006-07 academic year are:

- Barry University
- Beacon College
- Bethune-Cookman College
- Clearwater Christian College
- Eckerd College
- Edward Waters College
- Embry-Riddle Aeronautical University
- Florida College
- Florida Hospital College of Health Sciences
- Florida Institute of Technology
- Florida Memorial University
- Florida Southern College
- Flagler College
- International College
- Jacksonville University
- Lynn University
- Nova Southeastern University

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<sup>2</sup> s. 1009.89, F.S.

- Palm Beach Atlantic University
- Ringling School of Art and Design
- Rollins College
- Saint Leo University
- Southeastern University
- St. Thomas University
- Stetson University
- University of Miami
- University of Tampa
- Warner Southern University
- Webber International University

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

#### **The First Generation Matching Grant program for state universities**

The bill designates the First Generation Matching Grant program in s. 1009.701, F.S., as the First Generation Matching Grant program for state universities and creates two new first generation matching grant programs—one for community colleges and one for FRAG institutions. The bill requires the reserved allocation to be based on full-time equivalent resident undergraduate enrollment.

Beginning with the 2008-2009 fiscal year, the date by which unmatched state funds must be reallocated to state universities that have remaining unmatched private contributions is changed from December 1 to August 1. Thus, an institution would have to provide private matching funds during the month (July 1-August 1) between the beginning of the fiscal year and the date on which funds would be reallocated. The bill authorizes universities to award grants for summer-term enrollment if funds are available and specifies that such grants may be used only at the institution awarding the grant.

The bill requires each university to determine the eligibility status of each student as of the end of the regular registration period inclusive of the drop-add period. A university is not required to reevaluate a student's eligibility status after that date for the purpose of changing an eligibility determination that was previously made. Participating institutions must verify the continued eligibility of students who have received awards, provide for the disbursement of funds to students, and comply with the DOE's reporting requirements. Within 30 days after the end of the regular registration period for each academic term, the universities must certify the student's enrollment, continued eligibility, and the award amount.

The current requirement that, by June 1 of each year, each university must remit any undisbursed advances to OSFA is changed to permit a university to keep the balance of any funds that were disbursed for this program that remain at the university at the end of a fiscal year and to require that they be used only to provide grants for returning and new awardees.

The annual report that each participating institution must submit to the Governor, Legislative leaders and the Florida Board of Governors will be due no later than November 15, rather than July 1.

### **The First Generation Matching Grant Program for community colleges**

The bill creates the First Generation Matching Grant Program for community colleges to enable each public community college to provide donors with a matching grant incentive for contributions that will create grant-based student financial aid for undergraduate students who demonstrate financial need and whose parent or parents have not earned a baccalaureate degree or higher.

The bill requires appropriated funds for the program to be allocated by OSFA to match private contributions on a dollar-for-dollar basis. Matching funds must be generated through contributions pledged for the purpose of this program and not for any other state matching program. Pledged contributions are not eligible for matching prior to the actual collection of the total funds.

The bill requires OSFA to reserve a proportionate allocation of the total appropriated funds for each community college on the basis of full-time equivalent resident enrollment in advanced and professional programs. For the 2007-2008 fiscal year funds, which remain unmatched as of December 1, must be reallocated to community colleges that have remaining unmatched private contributions for the program on the basis of full-time equivalent resident enrollment in advanced and professional programs. Beginning with the 2008-2009 fiscal year, the date to reallocate remaining unmatched funds changes to August 1.

The bill requires that payment of the state matching grant is to 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.

Each participating community college must establish an application process, determine student eligibility for initial and renewal awards in conformance with the eligibility requirements each applicant must meet, identify the amount awarded to each recipient, and notify recipients of the amount of their award. The bill permits students to use an award for summer term enrollment if funds are available. Grants for summer term enrollment may be used only at the institution awarding the grant.

In order to be eligible to receive a grant from this program, the bill requires an applicant to:

- Be a resident for tuition purposes pursuant to s. 1009.21, F.S.;
- Be a first-generation college student;<sup>3</sup>
- Be accepted at a community college;
- Be enrolled for a minimum of six credit hours per term as a degree-seeking undergraduate student;

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<sup>3</sup> For the purposes of this program, a student is considered “first-generation” if neither of the student’s parents, as defined in s. 1009.21(1), F.S., earned a college degree at the baccalaureate level or higher.

- Have demonstrated financial need by completing the Free Application for Federal Student Aid; and
- Meet additional eligibility requirements as established by the institution.

The bill requires the award amount to be based on the student's need assessment after any scholarship or grant aid, including a Pell Grant or a Bright Futures award, has been applied. No award may exceed the institution's estimated annual cost of attendance for the student attending the institution. The bill requires the following duties and reporting requirements of each participating institution:

- Determining the eligibility status of each student to receive a disbursement;
- Verifying the continued eligibility of awarded students;
- Providing for the disbursement of funds to students; and
- Complying with the department's reporting requirements.

The bill allows any unused state funds to be retained by the institution at the end of the fiscal year to provide grants for returning and new awardees. The bill also requires an annual report by November 15 by each participating institution to be submitted to the Executive Office of the Governor, the President of the Senate, the Speaker of the House of Representative, and the State Board of Education. The report must include the eligibility requirements for recipients, the aggregate demographics of recipients, the retention and graduation rates of recipients, and a delineation of funds awarded to recipients in the prior academic year.

The bill requires that the program be implemented only to the extent specifically funded.

#### **The First Generation Matching Grant Program for colleges and universities eligible to participate in the William L. Boyd, IV, Florida Resident Access Grant Program**

The bill creates the First Generation Matching Grant Program for colleges and universities eligible to participate in FRAG. The program is created to enable each private nonprofit college or university eligible to participate in the FRAG program to provide donors with a matching grant incentive for contributions that will create grant-based student financial aid for undergraduate students who demonstrate financial need and whose parent or parents have not earned a baccalaureate degree or higher.

The bill requires appropriated funds for the program to be allocated by OSFA to match private contributions on a dollar-for-dollar basis. Matching funds must be generated through contributions pledged for the purpose of this program and not for any other state matching program. Pledged contributions are not eligible for matching prior to the actual collection of the total funds. The bill requires OSFA to reserve a proportionate allocation of the total appropriated funds for each qualified college or university on the basis of full-time equivalent resident undergraduate enrollment.

For the 2007-2008 fiscal year funds, which remain unmatched as of December 1, must be reallocated to participating colleges and universities that have remaining unmatched private contributions for the program on the basis of full-time equivalent resident undergraduate enrollment. Beginning with the 2008-2009 fiscal year, the date to reallocate remaining unmatched funds changes to August 1.

The bill requires that payment of the state matching grant is to 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. Each participating college or university must establish an application process, determine student eligibility for initial and renewal awards in conformance with the eligibility requirements, identify the amount awarded to each recipient, and notify recipients of the amount of their award. The bill permits students to use an award for summer term enrollment if funds are available. Grants for summer term enrollment may be used only at the institution awarding the grant.

In order to be eligible to receive a grant from this program, the bill requires an applicant to:

- Meet the general requirements for student eligibility for state financial aid, including residency pursuant to s. 1009.40, F.S.;
- Be a first-generation college student. For the purposes of this program, a student is considered “first-generation” if neither of the student’s parents, as defined in s. 1009.21(1), F.S., earned a college degree at the baccalaureate level or higher;
- Be accepted at a private nonprofit college or university that is eligible for FRAG;
- 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 institution.

The bill requires the award amount to be based on the student’s need assessment after any scholarship or grant aid has been applied, including a Pell Grant or a Bright Futures award. No award may exceed the institution’s estimated annual cost of attendance for the student attending the institution.

The bill requires the following duties and reporting requirements of each participating institution:

- Determining the eligibility status of each student to receive a disbursement;
- Verifying the continued eligibility of awarded students;
- Providing for the disbursement of funds to students; and
- Complying with the department’s reporting requirements.

The bill allows any unused state funds to be retained by the institution at the end of the fiscal year for providing grants for returning and new awardees. The bill also requires an annual report by November 15 by each participating institution to be submitted to the Executive Office of the Governor, the President of the Senate, the Speaker of the House of Representative, and the State Board of Education. The report must include the eligibility requirements for recipients, the aggregate demographics of recipients, the retention and graduation rates of recipients, and a delineation of funds awarded to recipients in the prior academic year.

The bill requires that the program be implemented only to the extent specifically funded.

The bill will take effect upon becoming a law.

**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:

If state and private matching funds were available, undergraduate residents students with need whose parents had not earned a baccalaureate degree or higher would be eligible for a grant at a state university, public community college or FRAG institution.

C. Government Sector Impact:

The 2006 Legislature appropriated \$6.5 million for the First Generation Matching Grant Program for FY 2006-2007, and the Senate budget for 2007-2008<sup>4</sup> appropriates that same amount for the program.

The Office of Student Financial Assistance in the DOE provided the following information concerning First Generation Matching Grant Program disbursements at state universities and totals for the state university system (SUS).

<b>First Generation Matching Grant Disbursements 2006-2007</b>				
<b>University</b>	<b>Estimated Total Disbursement of Private and State Dollars (50/50 Match) 2006-2007</b>	<b>Estimated Number of Grants to be Awarded by June 1, 2007</b>	<b>Average Award per Student as of 4/16/07</b>	<b>Range of Award Amounts as of 4/16/07 Low/High</b>
<b>FAMU</b>	\$796,974	1,714	\$465	\$125 - \$1,722
<b>FAU</b>	\$1,090,200	429	\$2,543	\$571 - \$3,000
<b>FGCU</b>	\$362,196	410	\$884	\$152 - \$1,000

<sup>4</sup> Senate Bill 2800, First Engrossed. Specific Appropriation 75.



<b>FIU</b>	\$1,058,470	1,617	\$655	\$175 - \$3,000
<b>FSU</b>	\$2,834,200	795	\$3,564	\$175 - \$5,166
<b>NCF</b>	\$60,000	45	\$1,333	\$175 - \$2,000
<b>UCF</b>	\$551,546	744	\$741	\$346 - \$800
<b>UF</b>	2,784,894	625	\$4,453	\$202 - \$8,394
<b>UNF</b>	\$757,210	394	\$1,923	\$250 - \$2,500
<b>USF</b>	\$2,376,334	710	\$3,347	\$451 - \$11,340
<b>UWF</b>	\$327,972	334	\$982	\$122 - \$1,000
<b>SUS Total</b>	\$12,999,996	7,817	\$1,899	\$122 - \$11,340

The DOE reports that the 2006 Legislature's \$5 million appropriation for first-generation-in-college grants under the Dr. Philip Benjamin Matching Grant program was matched with \$5 million in private contributions by the 28 community colleges and the Foundation for Florida Community Colleges. In 2006-2007, the total amount of awards was \$2,329,240 which provided grants for 2,753 students. The DOE estimates that renewal awards will be made to 1,679 students in 2007-2008, and the total amount of those awards will be \$1,126,982. The DOE estimates new awards will be made to 4,501 students in 2007-2008 in a total amount of \$3,585,412. Renewal awards to 2,863 students are estimated for 2008-2009, in a total amount of \$1,562,060. The DOE estimates the first-generation-in-college grants under the Dr. Philip Benjamin Matching Grant program will provide 11,796 awards in a total amount of \$8,603,694 during the years 2006-2007 through 2008-2009.

**VI. Technical Deficiencies:**

None.

**VII. Related Issues:**

None.



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

None.

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

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