

HOUSE OF REPRESENTATIVES STAFF ANALYSIS

BILL #: CS/HB 181 The Sunshine Scholarship Program
SPONSOR(S): Post-Secondary Education Subcommittee, Jones and others
TIED BILLS: None **IDEN./SIM. BILLS:** SB 646

REFERENCE	ACTION	ANALYST	STAFF DIRECTOR or BUDGET/POLICY CHIEF
1) Post-Secondary Education Subcommittee	12 Y, 0 N, As CS	McAlarney	Bishop
2) Higher Education Appropriations Subcommittee			
3) Education Committee			

SUMMARY ANALYSIS

The bill creates the Sunshine Scholarship Program (SSP). SSP is designed to assist eligible students attending a Florida College System (FCS) institution, a career center operated by a school district, or a charter technical career center with tuition and fees. A student's tuition will be funded at 100 percent of tuition and fees for Florida residents pursuing an associate degree or career certificate from an eligible postsecondary institution. The SSP does not cover additional user fees, textbooks, or other college-related expenses.

To be eligible for SSP, a student must:

- Be a state resident for tuition purposes.
- Meet the general requirements for student eligibility as provided in s. 1009.40, F.S.
- Complete the Free Application for Federal Student Aid (FAFSA) for each academic year in which the scholarship is sought.
- Have an annual household income equal to or less than \$50,000.
- Be accepted and enroll in an eligible postsecondary institution.
- Maintain continuous enrollment as a full-time student while receiving the scholarship. "Full-time student" is defined as a student enrolled in a minimum of 12 semester hours or the clock hour equivalent.
- Maintain a cumulative grade point average of 2.5 on a 4.0 scale.

Upon completion of his or her program of study, or disenrollment, the student must live and work in Florida for the same length of time they received SSP. The total SSP award, plus an annual interest rate equal to the federal student loan interest rate in effect when the student entered the program, must be repaid if the student fails to comply with requirements for residing and working in the state after completion of his or her program of study. However, the repayment requirements do not apply when a student enlists in the United States Armed Forces. If a student enrolls in a baccalaureate degree program or higher at a Florida postsecondary institution, the repayment requirements will not apply until the student graduates or disenrolls from the postsecondary institution.

The State Board of Education (SBE) is given rulemaking authority to administer the SSP which will subsequently be administered by the Florida Department of Education (DOE).

Funding for the scholarship program is subject to appropriation in the General Appropriations Act (see fiscal comment section).

The bill has an effective date of July 1, 2018.

FULL ANALYSIS

I. SUBSTANTIVE ANALYSIS

A. EFFECT OF PROPOSED CHANGES:

Present Situation

Currently, students attending a FCS must pay the college each semester for tuition, fees, textbooks, or other college-related expenses. The average cost for tuition at an FCS institution is \$80.63 per credit hour for an associate degree program and \$91.79 per credit hour for a baccalaureate degree program. When mandatory fees are included with tuition, the average cost is \$106.84 per credit hour for an associate degree program and \$121.57 per credit hour for a baccalaureate degree program. These figures are for tuition and mandatory fees only and do not include other college-related expenses such as room, board, textbooks, etc. that, when combined, add up to a total cost of attendance.

FCS students may receive financial aid from the federal or state government through programs such as: 1) Federal Pell Grants, 2) Florida Student Assistance Grants, and 3) Florida Bright Futures Scholarships.

Pell Grant¹

Federal Pell Grants are need-based grants which are awarded to undergraduate students who have not earned a bachelor's or a professional degree. These grants do not require repayment. The grant amount awarded to a student can change annually. The maximum grant award is \$5,920 for the 2017–18 award year (July 1, 2017 to June 30, 2018). The amount awarded is dependent upon the student's financial need, the tuition cost, and whether the student is full-time or part-time. A student is no longer eligible to receive a grant once a baccalaureate degree or first professional degree has been earned, or 12 semesters of eligibility has been used.

Florida Student Assistance Grant²

The Florida Student Assistance Grant (FSAG) Program is a need-based grant program available to degree-seeking, resident, undergraduate students who demonstrate substantial financial need and are enrolled in participating postsecondary institutions. The grant is available to students who attend Florida state universities, FCS institutions, or eligible private, non-profit, four-year colleges and universities located in Florida.

Additionally, the Florida Public Postsecondary Career Education Student Assistance Grant (FSAG-CE) is available to students who attend eligible and participating FCS institutions or career centers operated by district school boards.

¹ Federal Student Aid, An Office of the U.S. Department of Education, Types of Aid, Grants and Scholarships, Federal Pell Grants, <https://studentaid.ed.gov/sa/types/grants-scholarships/pell> (last visited Dec. 6, 2017).

² Florida Department of Education, Office of Student Financial Assistance, Florida Student Scholarship & Grant Programs, 2017-18, Fact Sheet, Florida Student Assistance Grant Program, <http://www.floridastudentfinancialaid.org/SSFAD/factsheets/FSAG.pdf> (last visited Dec. 6, 2017).

Florida Bright Futures Scholarship Program³

The Bright Futures Scholarship Program (Bright Futures) is a merit-based scholarship funded through the Florida lottery to provide scholarships to undergraduate students. Bright Futures consists of four tiers of scholarships including:

- Florida Academic Scholars Award (FAS);⁴
- Florida Medallion Scholars Award (FMS);⁵
- Gold Seal Vocational Scholars Award (GSV);⁶ and
- Gold Seal CAPE Scholars Award (GSC)⁷

Effect of Proposed Changes

The bill creates the Sunshine Scholarship Program (SSP). SSP is designed to assist eligible students attending a Florida College System (FCS) institution, a career center operated by a school district, or a charter technical career center with tuition and fees. A student's tuition will be funded at 100 percent of tuition and fees for Florida residents pursuing an associate degree or career certificate from an eligible postsecondary institution. The SSP does not cover additional user fees, textbooks, or other college-related expenses.

Financial aid received by an eligible student from the federal Pell grant, the Florida Student Assistance Grant and the Florida Bright Futures Scholarship Program will be applied first to the student's tuition and fees. The SSP will apply only after these sources of funding are exhausted.

To be eligible for SSP, a student must:

- Be a state resident for tuition purposes.
- Meet the general requirements for student eligibility as provided in s. 1009.40, F.S.
- Complete the Free Application for Federal Student Aid (FAFSA) for each academic year in which the scholarship is sought.
- Have an annual household income equal to or less than \$50,000.
- Be accepted and enroll in an eligible postsecondary institution.
- Maintain continuous enrollment as a full-time student while receiving the scholarship. "Full-time student" is defined as a student enrolled in a minimum of 12 semester hours or the clock hour equivalent.
- Maintain a cumulative grade point average of 2.5 on a 4.0 scale.

Upon completion of his or her program of study, or disenrollment, the student must live and work in Florida for the same length of time they received SSP. The total SSP award, plus an annual interest rate equal to the federal student loan interest rate in effect when the student entered the program, must be repaid if the student fails to comply with requirements for residing and working in the state after completion of his or her program of study. However, the repayment requirements do not apply when a student enlists in the United States Armed Forces. If a student enrolls in a baccalaureate degree

³ Florida Department of Education, Office of Student Financial Assistance, 2017-2018, Bright Futures Student Handbook, Chapter 1: Initial Eligibility Requirements, <http://www.floridastudentfinancialaid.org/ssfad/PDF/BFHandbookChapter1.pdf> (last visited Dec. 6, 2017).

⁴ Florida Department of Education, Office of Student Financial Assistance, 2017-2018, Bright Futures Student Handbook, Chapter 1: Initial Eligibility Requirements, Specific Requirements for the Scholarships, p. 3, <http://www.floridastudentfinancialaid.org/ssfad/PDF/BFHandbookChapter1.pdf> (last visited Dec. 6, 2017).

⁵ *Id.*

⁶ Florida Department of Education, Office of Student Financial Assistance, 2017-2018, Bright Futures Student Handbook, Chapter 1: Initial Eligibility Requirements, Specific Requirements for the Scholarships, p. 6, <http://www.floridastudentfinancialaid.org/ssfad/PDF/BFHandbookChapter1.pdf> (last visited Dec. 6, 2017).

⁷ Florida Department of Education, Office of Student Financial Assistance, 2017-2018, Bright Futures Student Handbook, Chapter 1: Initial Eligibility Requirements, Specific Requirements for the Scholarships, p. 7, <http://www.floridastudentfinancialaid.org/ssfad/PDF/BFHandbookChapter1.pdf> (last visited Dec. 6, 2017).

program or higher at a Florida postsecondary institution, the repayment requirements will not apply until the student graduates or disenrolls from the postsecondary institution.

The State Board of Education (SBE) is given rulemaking authority to administer the SSP which will subsequently be administered by the Florida Department of Education (DOE).

B. SECTION DIRECTORY:

Section 1. Creates section 1009.894, F.S., establishing the SSP assisting eligible students attending a Florida College System (FCS) institution, a career center operated by a school district, or a charter technical career center with tuition and fees. A student's tuition will be funded at 100 percent of tuition and fees for Florida residents pursuing an associate degree or career certificate from an eligible postsecondary institution. Financial aid received by an eligible student from the federal Pell grant, the Florida Student Assistance Grant and the Florida Bright Futures Scholarship Program will be applied first to the student's tuition and fees. The SSP will apply only after these sources of funding are exhausted.

Section 2. Provides an effective date of July 1, 2018.

II. FISCAL ANALYSIS & ECONOMIC IMPACT STATEMENT

A. FISCAL IMPACT ON STATE GOVERNMENT:

1. Revenues:

None.

2. Expenditures:

Funding for the scholarship is subject to appropriation in the General Appropriations Act.

The cost to fully fund this scholarship program is indeterminate. An estimated 282,000 full-time equivalent (FTE) students are enrolled in programs that lead to an associate's degree or career certificate at Florida College System Institutions. Approximately 21,302 FTE are estimated to be enrolled in certificate programs at career centers operated by school districts and charter technical career centers. It is unknown what portion of these students would qualify for the scholarship based on the credit hour, income threshold and grade point average requirements set forth in the bill. Additionally, any financial aid received from the federal Pell grant, the Florida Student Assistance Grant and Florida Bright Futures Scholarship Program shall be credited first to the tuition and fees. This would reduce the scholarship award for students who receive these types of tuition assistance. It is unknown how the policy would change enrollment behavior for current and future students.

B. FISCAL IMPACT ON LOCAL GOVERNMENTS:

1. Revenues:

None.

2. Expenditures:

None.

C. DIRECT ECONOMIC IMPACT ON PRIVATE SECTOR:

Based on 2017-18 Tuition and Fee Costs - Students' Savings:

For career centers operated by a school district and charter technical career centers, tuition, and fees are clock-hour based rather than credit-hour based. The 2017-2018 average tuition and fees for these institutions is \$2.76 per clock hour. Certificate program requirements range between 40 and 2,850 clock hours; however, the median program length is 750 hours.

For Florida College System institutions, the 2017-2018 average cost for tuition and fees is \$106.84 per credit hour for associate degree programs and \$82.96 per credit hour for certificate programs. Associates degree program hours range between 60 for an Associate in Arts or Associate in Science degree with some of the more technical Associate in Science degree programs requiring 72 credit hours or more. For certificate programs, the median program length (750 hours) converted to credit hours is 25.

D. FISCAL COMMENTS:

None.

III. COMMENTS

A. CONSTITUTIONAL ISSUES:

1. Applicability of Municipality/County Mandates Provision:

None.

2. Other:

None.

B. RULE-MAKING AUTHORITY:

Yes. The SBE shall adopt rules for the DOE to administer the program.

C. DRAFTING ISSUES OR OTHER COMMENTS:

None.

IV. AMENDMENTS/ COMMITTEE SUBSTITUTE CHANGES

On December 6, 2017, the Post-Secondary Education Subcommittee adopted a strike-all amendment and reported the bill favorably as a committee substitute. The strike-all amendment:

- Defines the term "eligible postsecondary institution" as a Florida College System institution, a career center operated by a school district, or a charter technical career center;
- Expands the costs covered from tuition only to tuition and fees;
- Requires that financial aid received from the federal Pell grant, the Florida Student Assistance Grant, and the Florida Bright Futures Scholarship Program be credited first to the student's tuition and fees;
- Reduces the annual household income to equal to or less than \$50,000;
- Requires a student to meet the general requirements for student eligibility as provided in s. 1009.40, F.S.;
- Requires a student to maintain continuous enrollment as a full-time student while receiving the scholarship;
- Defines the term "full-time student" as a student enrolled in a minimum of 12 semester hours or the clock hour equivalent; and

- Waives the repayment requirements when a student enlists in the United States Armed Forces and delays repayment while a student is enrolled in a baccalaureate degree program or higher at a Florida postsecondary institution. The repayment requirements apply when the student graduates or disenrolls from the postsecondary institution.

The bill analysis is drafted to reflect the committee substitute.