

## HOUSE OF REPRESENTATIVES STAFF ANALYSIS

**BILL #:** HB 55 Sunshine Scholarship Program

**SPONSOR(S):** Jones and others

**TIED BILLS:** None **IDEN./SIM. BILLS:** SB 132

REFERENCE	ACTION	ANALYST	STAFF DIRECTOR or BUDGET/POLICY CHIEF
1) Higher Education & Career Readiness Subcommittee	14 Y, 0 N	McAlarney	Fudge
2) Higher Education Appropriations Subcommittee			
3) Education Committee			

### SUMMARY ANALYSIS

The bill creates the Sunshine Scholarship Program (SSP). The 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 an SSP award, 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 a SSP award. 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 the 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 is given rulemaking authority to administer the SSP which will subsequently be administered by the Florida Department of Education.

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, 2020.

# FULL ANALYSIS

## I. SUBSTANTIVE ANALYSIS

### A. EFFECT OF PROPOSED CHANGES:

#### **Present Situation**

Currently, there are 28 FCS institutions educating over 733,000 students.<sup>1</sup> More than half of students enrolled in FCS institutions are low income and the first in their families to attend college.<sup>2</sup>

Students attending a FCS institution 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 \$80.68 per credit hour for an associate degree program and \$91.86 per credit hour for a baccalaureate degree program. When mandatory fees are included with tuition, the average cost is \$106.97 per credit hour for an associate degree program and \$121.68 per credit hour for a baccalaureate degree program.<sup>3</sup> In comparison, the average cost at an university is \$197.18 per credit hour for a baccalaureate degree program.<sup>4</sup> These figures are for tuition and mandatory fees only and do not include other college-related expenses such as room, board, textbooks that add up to a total cost of attendance.

FCS institution 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.<sup>5</sup>

#### **Pell Grant**

Federal Pell Grants are need-based grants which are awarded to undergraduate students who have not earned a bachelor's or a professional degree.<sup>6</sup> These grants, unlike a loan, do not have to be repaid. The grant amount awarded to a student can change annually.<sup>7</sup> 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.<sup>8</sup> The maximum grant award for the 2019-2020 award year (July 1, 2019 to June 20, 2020) is \$6,195.<sup>9</sup>

#### **Florida Student Assistance Grant**

The Florida Student Assistance Grant Program (FSAG) 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:<sup>10</sup>

- Florida state universities or FCS institutions;
- eligible private, non-profit, four-year colleges and universities located in Florida; and

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<sup>1</sup> The Florida College System, *Students*, <https://www.floridacollegesystem.com/students.aspx> (last visited November 7, 2019).

<sup>2</sup> The Florida Department of Education, Florida College System, *Affordability in the Florida College System*, at 2, available at <http://www.fldoe.org/core/fileparse.php/7724/urlt/FCS18-Affordability.pdf>.

<sup>3</sup> Email, Florida House of Representatives, Higher Education Appropriations Subcommittee (Nov. 12, 2019).

<sup>4</sup> State University System of Florida, *SUS Tuition & Fees*, *State University System of Florida, Tuition and Required Fees, 2019-20*, available at <https://www.flbog.edu/wp-content/uploads/2019-20-SUS-Tuition-and-Fees-Report.pdf>.

<sup>5</sup> Florida Department of Education, Financial Aid, Paying for College/Financial Aid, *Types of Aid Available*, <http://www.fldoe.org/schools/higher-ed/fl-college-system/academic-student-affairs/financial-aid.stml> (last visited November 7, 2019).

<sup>6</sup> 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 November 6, 2019).

<sup>7</sup> *Id.*

<sup>8</sup> *Id.*

<sup>9</sup> *Id.*

<sup>10</sup> Florida Department of Education, Office of Student Financial Assistance, *Florida Student Scholarship & Grant Programs, 2019-20*, Fact Sheet, *Florida Student Assistance Grant Program*, available at <http://www.floridastudentfinancialaid.org/SSFAD/factsheets/FSAG.pdf>.

- eligible degree-granting private colleges and universities not eligible under the Florida Private Student Assistance Grant.<sup>11</sup>

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.<sup>12</sup>

### **Florida Bright Futures Scholarship Program**

The Bright Futures Scholarship Program (Bright Futures) is a merit-based scholarship funded through the Florida Lottery to provide scholarships to undergraduate students.<sup>13</sup> Bright Futures consists of four tiers of scholarships including:<sup>14</sup>

- Florida Academic Scholars Award (FAS);<sup>15</sup>
- Florida Medallion Scholars Award (FMS);<sup>16</sup>
- Gold Seal Vocational Scholars Award (GSV);<sup>17</sup> and
- Gold Seal CAPE Scholars Award (GSC).<sup>18</sup>

### **Effect of Proposed Changes**

The bill creates the Sunshine Scholarship Program (SSP). The SSP is designed to assist eligible students attending a 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 an SSP award, 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 the award. The total 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

<sup>11</sup> *Id.*

<sup>12</sup> Florida Department of Education, Office of Student Financial Assistance, Florida Student Scholarship & Grant Programs, 2019-20, Fact Sheet, *Florida Public Postsecondary Career Education Student Assistance Grant Program*, available at <https://www.floridastudentfinancialaidsg.org/PDF/factsheets/FSAG-CE.pdf>.

<sup>13</sup> Florida Department of Education, Office of Student Financial Assistance, *Florida Student Scholarship and Grant Programs*, available at <http://www.floridastudentfinancialaid.org/ssfad/PDF/BFHandbookChapter1.pdf>.

<sup>14</sup> Florida Department of Education, Office of Student Financial Assistance, Florida Student Scholarship and Grant Programs, 2019-20 *Bright Futures Student Handbook*, Chapter 1: Initial Eligibility Requirements, at 3, available at <https://www.floridastudentfinancialaidsg.org/PDF/BFHandbookChapter1.pdf>.

<sup>15</sup> *Id.*

<sup>16</sup> *Id.*

<sup>17</sup> *Id.* at 6.

<sup>18</sup> *Id.* at 7.

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 is given rulemaking authority to administer the SSP which will subsequently be administered by the Florida Department of Education.

**B. SECTION DIRECTORY:**

**Section 1.** Creates section 1009.895, F.S., establishing the Sunshine Scholarship Program; assisting eligible students attending a Florida College System institution; requiring the Department of Education to administer the program; requiring certain financial aid to be credited to a student's tuition and fees before the award of a sunshine scholarship; requiring a student to repay the scholarship; providing for funding, and providing for rulemaking.

**Section 2.** Provides an effective date of July 1, 2020.

**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 is credited first to tuition and fees. This reduces 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.<sup>19</sup>

**B. FISCAL IMPACT ON LOCAL GOVERNMENTS:**

1. Revenues:

None.

2. Expenditures:

None.

**C. DIRECT ECONOMIC IMPACT ON PRIVATE SECTOR:**

**Based on 2019-20 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 average tuition and fees for these institutions

<sup>19</sup> Email, Florida House of Representatives, Higher Education Appropriations Subcommittee (Nov. 12, 2019).

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.<sup>20</sup>

For Florida College System institutions, the average cost for tuition and fees is \$106.97 per credit hour for associate degree programs and \$83.31 per credit hour for certificate programs. Associates degree program hours range between 60 for an Associate in Arts or Associate in Science degree. The more technical Associate in Science degree programs require 72 credit hours or more. For certificate programs, the median program length is 750 hours, which converted to credit hours is 25 credit hours.<sup>21</sup>

D. FISCAL COMMENTS:

None.

### III. COMMENTS

A. CONSTITUTIONAL ISSUES:

1. Applicability of Municipality/County Mandates Provision:

None.

2. Other:

None.

B. RULE-MAKING AUTHORITY:

The State Board of Education is required to adopt rules for the Florida Department of Education to administer the program.

C. DRAFTING ISSUES OR OTHER COMMENTS:

None.

### IV. AMENDMENTS/ COMMITTEE SUBSTITUTE CHANGES

None.

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<sup>20</sup> Email, Florida House of Representatives, Higher Education Appropriations Subcommittee (Nov. 12, 2019).

<sup>21</sup> *Id.*