

**The Florida Senate**  
**BILL ANALYSIS AND FISCAL IMPACT STATEMENT**

(This document is based on the provisions contained in the legislation as of the latest date listed below.)

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Prepared By: The Professional Staff of the Committee on Education

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BILL: SB 1284

INTRODUCER: Senator Gruters

SUBJECT: Florida Postsecondary Student Assistance Grant Program

DATE: January 31, 2022

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

	ANALYST	STAFF DIRECTOR	REFERENCE	ACTION
1.	Jahnke	Bouck	ED	<b>Pre-meeting</b>
2.			AED	
3.			AP	

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**I. Summary:**

SB 1284 expands award eligibility to full-time degree-seeking students accepted to a competency-based, nonprofit virtual postsecondary institution that is accredited by a member of the Council of Regional Accrediting Commissions and is created by the governors of several states.

The bill has no impact on state revenues or expenditures. The bill may have a fiscal impact on availability of funds for institutions eligible for grants. See section V.

The bill takes effect July 1, 2022.

**II. Present Situation:**

**Florida Student Assistance Grant Program**

The Florida Student Assistance Grant (FSAG) Program, created in 1972, is Florida’s largest need-based grant program, consisting of FSAG Public, FSAG Career Education, FSAG Private, and FSAG Postsecondary.<sup>1</sup> The FSAG Program provides state need-based assistance grants to students who meet general eligibility requirements,<sup>2</sup> demonstrate financial need, and meet enrollment requirements as specified by each program. The FSAG Program is administered by participating institutions in accordance with State Board of Education (SBE) rule.<sup>3</sup>

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<sup>1</sup> Florida Department of Education Office of Student Financial Assistance, *Annual Report to the Commissioner 2019-20* (2020), at 11, available at <https://www.floridastudentfinancialaidsg.org/pdf/annualreportcurrent.pdf>.

<sup>2</sup> Section 1009.40, F.S.

<sup>3</sup> Sections 1009.50(6), 1009.505(5), 1009.51(6), and 1009.52(7), F.S. See also Rule 6A-20.031, F.A.C. Postsecondary educational institution administrative responsibilities for state student aid and tuition assistance programs are outlined in Rule 6A-20.002, F.A.C.

The funds appropriated for the FSAG Program must be distributed to eligible institutions in accordance with a formula approved by the SBE. The formula must consider at least the prior year's distribution of funds, the number of eligible applicants who did not receive awards, the standardization of the EFC, and provisions for unused funds. The formula must account for changes in the number of eligible students across all student assistance grant programs.<sup>4</sup>

In 2020-2021, the FSAG programs disbursed approximately \$267 million to over 167,000 students.<sup>5</sup>

### **Florida Postsecondary Student Assistance Grant Program**

The Florida Postsecondary Student Assistance Grant Program (FSAG Postsecondary) is available to students who attend eligible independent institutions<sup>6</sup> that meet one of the following criteria:

- A private nursing diploma school which is approved by the Florida Board of Nursing, is located in Florida, and administers the Pell Grant.<sup>7</sup>
- An independent college or university located in Florida, which is licensed by the Commission for Independent Education (CIE), offers degrees, administers the Pell Grant and does not participate in the FSAG Private grant.<sup>8</sup>
- An aviation maintenance school that is located in this state, certified by the Federal Aviation Administration, and licensed by the CIE.<sup>9</sup>

A FSAG Postsecondary grant is only awarded to full-time degree seeking students (enrolled in a minimum of 12 credit hours per term, or the equivalent)<sup>10</sup> who meet general requirements for student eligibility,<sup>11</sup> and attend an eligible institution.<sup>12</sup> The student must have been accepted at the eligible institution.<sup>13</sup> A student applying for a FSAG Postsecondary grant must apply for the Pell Grant, and any federal aid provided is considered when assessing financial resources available to the student.<sup>14</sup>

The total FSAG Postsecondary grant a student receives must be for the amount of demonstrated unmet need for tuition and fees and may not exceed the maximum annual award amount specified in the General Appropriations Act (GAA).<sup>15</sup> For fiscal year (FY) 2021-2022, the GAA

<sup>4</sup> Sections 1009.50(4)(a), 1009.51(4)(a), and 1009.52(4)(a), F.S.

<sup>5</sup> Florida Department of Education, Office of Student Financial Assistance, *2020-21 End of Year Reports*, <https://www.floridastudentfinancialaidsg.org/SAPSPEOYR/SAPSPEOYR> (last visited January 26, 2022).

<sup>6</sup> Section 1009.52(2)(a) and (b), F.S.

<sup>7</sup> Section 1009.52(2)(a)1., F.S.; *see also* Florida Department of Education, Office of Student Financial Assistance, *2021-22 Institutional Eligibility Program Requirements for Participation in State Scholarship & Grant Programs*, at 2, available at [https://www.floridastudentfinancialaidsg.org/pdf/Institution\\_Eligibility\\_Requirements.pdf](https://www.floridastudentfinancialaidsg.org/pdf/Institution_Eligibility_Requirements.pdf).

<sup>8</sup> Section 1009.52(2)(a)2., F.S.

<sup>9</sup> Section 1009.52(2)(b), F.S.

<sup>10</sup> Florida Department of Education, Office of Student Financial Assistance, *Florida Student Assistance Grant Fact Sheet (2021-22)*, at 2, available at, <https://www.floridastudentfinancialaidsg.org/PDF/factsheets/FSAG.pdf>.

<sup>11</sup> Section 1009.40, F.S. *see also* 6A-20.033(1), F.A.C. General eligibility includes acceptance at an eligible postsecondary institution, residency for tuition purposes, and a certification by the student of eligibility to receive an award.

<sup>12</sup> Section 1009.52(2)(a) and (b), F.S.

<sup>13</sup> *Id.*

<sup>14</sup> Section 1009.52(2)(d), F.S.

<sup>15</sup> Section 1009.52(2), F.S.

established a maximum award amount of \$3,260 to any student from the FSAG Postsecondary.<sup>16</sup> A student is not eligible for a FSAG Postsecondary grant if demonstrated unmet need is less than \$200.<sup>17</sup> Priority of grant money may be given to students who are within one semester of completing a degree or certificate program and an institution is prohibited from awarding a grant to a student whose EFC exceeds one and one-half times the maximum Pell Grant-eligible family contribution.<sup>18</sup>

To maintain eligibility for an FSAG Postsecondary grant, a student must have earned a minimum institutional cumulative grade point average (GPA) of 2.0 on a 4.0 scale for 12 credit hours for each term the award was received.<sup>19</sup> A student is eligible to receive a FSAG Postsecondary grant for nine semesters or 14 quarters of full-time enrollment.<sup>20</sup> A student receiving a FSAG Postsecondary grant to attend an eligible aviation maintenance school is eligible for an award of up to 110 percent of the number of clock hours required to complete the program in which the student is enrolled.<sup>21</sup>

### ***Reporting and Distribution Requirements***

Each participating institution determines an applicant's eligibility and award amount,<sup>22</sup> and reports to the Department of Education (DOE) the students who are eligible for the FSAG Postsecondary for each academic term, including necessary demographic and eligibility date for such students.<sup>23</sup>

The funds appropriated for the FSAG Postsecondary must be distributed to eligible institutions in accordance with a formula approved by the State Board of Education (SBE).<sup>24</sup> The formula must consider at least the prior year's distribution of funds and the number of eligible applicants who did not receive awards.<sup>25</sup> The formula must account for changes in the number of eligible students across all student assistance grant programs.<sup>26</sup> Institutions must comply with disbursement and remittance requirements specified in law.<sup>27</sup>

Each institution that receives money through the FSAG Postsecondary must prepare a biennial report, which includes a financial audit of the institution's administration of the program and a complete account of moneys for the program, submitted to the DOE by March 1 every other year.<sup>28</sup> The DOE may conduct its own annual or biennial audit of an institution's administration of the program and its allocated funds in lieu of the required biennial report and financial audit

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<sup>16</sup> Specific Appropriations 6 and 72, s. 2, ch. 2021-36, L.O.F.

<sup>17</sup> Section 1009.52(2), F.S.

<sup>18</sup> Section 1009.52(2)(c), F.S. An institution may not impose additional criteria to determine a student's eligibility to receive a grant award.

<sup>19</sup> Section 1009.40(1)(b)1., F.S.

<sup>20</sup> Section 1009.52(2)(c), F.S.

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

<sup>22</sup> Florida Department of Education, Office of Student Financial Assistance, *Florida Student Assistance Grant Fact Sheet* (2021-22), at 4, available at, <https://www.floridastudentfinancialaidsg.org/PDF/factsheets/FSAG.pdf>.

<sup>23</sup> Section 1009.52(2)(f), F.S.

<sup>24</sup> Section 1009.52(4)(a), F.S.

<sup>25</sup> *Id.*

<sup>26</sup> *Id.*

<sup>27</sup> Section 1009.52(4)(d), F.S.

<sup>28</sup> Section 1009.52(4)(e), F.S.

report.<sup>29</sup> The DOE may suspend or revoke an institution's eligibility to receive future moneys for the program or request a refund of any moneys overpaid to the institution for the program if the department finds noncompliance.<sup>30</sup>

In 2020-2021, the FSAG Postsecondary grant disbursed \$5.8 million dollars to 4,990 students with an average student award amount of \$1,172.16.<sup>31</sup>

### ***Duties of Institutions Receiving State Funds for Tuition Assistance Programs***

In 2021, the Legislature established additional requirements for postsecondary educational institutions that receive state funds for state financial aid and tuition assistance programs.<sup>32</sup> The new requirements include, but are not limited to, the following:<sup>33</sup>

- Maintenance of complete, accurate, and auditable records documenting the institution's administration of state financial aid and tuition assistance funds.
- Verification of student eligibility with the DOE each academic term.
- Timely completion of reporting requirements implemented by the DOE and the Legislature.
- Retention of records for the later of 5 year or until the completion of an audit (including the resolution of any audit exceptions).

The DOE is required to adopt rules implementing this section and are permitted to adopt higher standards than those in statute.<sup>34</sup> Institutions that fail to comply with statute must be placed on probationary status and may be suspended or revoked if they fail to provide required audits, fail to resolve audit findings, or fail to timely provide required reports.<sup>35</sup>

### **Council of Regional Accrediting Commissions**

The Council of Regional Accrediting Commissions (C-RAC) represents the seven organizations responsible for the accreditation<sup>36</sup> of approximately 3,000 of the nation's colleges and universities:<sup>37</sup>

- Accrediting Commission for Community and Junior Colleges.
- Higher Learning Commission.
- Middle States Commission on Higher Education.
- New England Commission of Higher Education.
- Northwest Commission on Colleges and Universities.

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<sup>29</sup> *Id.*

<sup>30</sup> Section 1009.52(4)(e), F.S.

<sup>31</sup> Florida Department of Education, Office of Student Financial Assistance, *End-of-Year Report 2020-21 Florida Student Assistance Grant Postsecondary*, at 1, available at [https://www.floridastudentfinancialaidsg.org/PDF/PSI/FSAGPO\\_2020\\_2021.pdf](https://www.floridastudentfinancialaidsg.org/PDF/PSI/FSAGPO_2020_2021.pdf).

<sup>32</sup> Chapter 2021-232, L.O.F.

<sup>33</sup> Section 1009.46(1), F.S.

<sup>34</sup> Section 1009.46(2), F.S.

<sup>35</sup> Section 1009.46(3), F.S.

<sup>36</sup> Defined as "a process of external review used by the higher education community to assure quality and spur ongoing improvement." Council of Regional Accrediting Commissions, *Accreditation 101*, <https://www.c-rac.org/accreditation-101> (last visited January 27, 2022).

<sup>37</sup> Council of Regional Accrediting Commissions, *Who We Are*, <https://www.c-rac.org/copy-of-about-us> (last visited Jan. 11, 2022).

- Southern Association of Colleges and Schools Commission on Colleges (SACSCOC).
- Western Association of Schools and Colleges (WASC) Senior College and University Commission.

As of 2017, C-RAC members help assure quality at 2,866 Title IV institutions in 3,524 locations across the United States.<sup>38</sup>

SACSCOC accredits 74 Florida public and private colleges and universities,<sup>39</sup> including 12 universities that make up the State University System of Florida, 28 institutions in the Florida College System, and 34 private colleges and universities.

### III. Effect of Proposed Changes:

SB 1284 modifies s. 1009.52, F.S., by expanding award eligibility for the Florida Postsecondary Student Assistance Grant Program (FSAG Postsecondary) to full-time degree-seeking students accepted to a competency-based, nonprofit virtual postsecondary institution that is accredited by a member of the Council of Regional Accrediting Commissions and is created by the governors of several states.

#### Western Governors University

Western Governors University (WGU) is an institution that appears to meet several of the qualifications for participation in the grant program. WGU is a competency-based, private online university offering a bachelor's or master's degree. Created in 1995 by 19 United States governors, WGU is accredited by the Northwest Commission on Colleges and Universities, a regional accreditation body represented under the Council of Regional Accrediting Commissions. Students enrolled at WGU earn degrees through demonstration of competencies in required areas through assessments. As such, the degree programs allow students to move at their desired pace as well as accelerate their programs through prior experience.<sup>40</sup>

WGU serves students in all 50 states as an online university, but maintains an on-the-ground presence at its eight state affiliates: WGU Indiana, WGU Missouri, WGU Nevada, WGU North Carolina, WGU Ohio, WGU Tennessee, WGU Texas and WGU Washington.<sup>41</sup>

WGU students do not receive letter-grades or a GPA as part of their degree program.<sup>42</sup> Students progress through courses as they demonstrate mastery of the material, rather than advancing only at the end of the semester or term.<sup>43</sup>

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<sup>38</sup> Council of Regional Accrediting Commissions, *Quick Facts*, <https://www.c-rac.org/quick-facts> (last visited January 27, 2022).

<sup>39</sup> Southern Association of Colleges and Schools Commission on Colleges, *SACSCOC Accredited and Candidate List* (July 2021), available at <https://sacscoc.org/app/uploads/2019/11/Institutionswebmemlist.pdf>.

<sup>40</sup> Education Commission of the States, *Policy Snapshot: Competency-Based Education* (June 2017), available at <http://www.ecs.org/wp-content/uploads/PS-Competency-Based-Education.pdf>, at 4.

<sup>41</sup> Western Governors University, *About Us*, <https://www.wgu.edu/about.html> (last visited January 28, 2022).

<sup>42</sup> Western Governors University, *Commonly asked questions about WGU* (Nov. 17, 2020), <https://www.wgu.edu/blog/commonly-asked-questions-wgu2011.html> (last visited January 28, 2022).

<sup>43</sup> Western Governors University, *Competency-based education*, <https://www.wgu.edu/about/competency-based-education.html> (last visited January 28, 2022).

In 2019, 6,242 Florida students from Florida were enrolled in programs at WGU, with 1,574 graduating.<sup>44</sup>

Allowing full-time degree-seeking students who have been accepted at a competency-based nonprofit virtual postsecondary institution to receive an FSAG Postsecondary grant may allow additional students to receive the grant.

The bill takes effect July 1, 2022.

#### **IV. Constitutional Issues:**

A. Municipality/County Mandates Restrictions:

None.

B. Public Records/Open Meetings Issues:

None.

C. Trust Funds Restrictions:

None.

D. State Tax or Fee Increases:

None.

E. Other Constitutional Issues:

None.

#### **V. Fiscal Impact Statement:**

A. Tax/Fee Issues:

None.

B. Private Sector Impact:

The bill may provide a cost savings to eligible students enrolled in postsecondary education institutions now authorized to participate in the Florida Postsecondary Student Assistance Grant Program.

C. Government Sector Impact:

The bill does not have an impact on state revenues or expenditures. This bill expands eligibility for the Florida Postsecondary Student Assistance Grant Program which may

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<sup>44</sup> Western Governors University, *Available online degrees in Florida*, <https://www.wgu.edu/online-degree-florida.html> (last visited January 28, 2022).

increase in the number of eligible students. However, without an increase in state appropriations, the number of unfunded eligible students may increase.

**VI. Technical Deficiencies:**

None.

**VII. Related Issues:**

None.

**VIII. Statutes Affected:**

This bill substantially amends section 1009.52 of the Florida Statutes.

**IX. Additional Information:**

**A. Committee Substitute – Statement of Changes:**

(Summarizing differences between the Committee Substitute and the prior version of the bill.)

None.

**B. Amendments:**

None.