

HOUSE OF REPRESENTATIVES STAFF ANALYSIS

BILL #: CS/HB 823 Florida Postsecondary Student Assistance Grant Program
SPONSOR(S): Post-Secondary Education & Lifelong Learning Subcommittee, Tuck and others
TIED BILLS: None **IDEN./SIM. BILLS:** SB 1284

REFERENCE	ACTION	ANALYST	STAFF DIRECTOR or BUDGET/POLICY CHIEF
1) Post-Secondary Education & Lifelong Learning Subcommittee	17 Y, 0 N, As CS	Wolff	Kiner
2) Higher Education Appropriations Subcommittee	13 Y, 0 N	Peters	Smith
3) Education & Employment Committee			

SUMMARY ANALYSIS

The bill authorizes additional postsecondary institutions to participate in the Florida Postsecondary Student Assistance Grant Program (FSAG Postsecondary). Specifically, the bill adds institutions that are competency-based nonprofit virtual postsecondary institutions accredited by a member of the Council of Regional Accrediting Commissions and created by the governors of several states, and which employ a Florida chancellor responsible for state and local workforce coordination and financial aid reporting to the Department of Education.

The bill authorizes a full-time degree seeking student who is accepted at the competency-based nonprofit virtual postsecondary institution to be eligible to receive an FSAG Postsecondary grant.

The bill does not have a fiscal impact. See Fiscal Comments.

The bill provides an effective date of July 1, 2022.

FULL ANALYSIS

I. SUBSTANTIVE ANALYSIS

A. EFFECT OF PROPOSED CHANGES:

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.¹ The FSAG Program consists of four student financial aid programs:

- FSAG Public;²
- FSAG Public Postsecondary Career Education;³
- FSAG Private;⁴ and
- FSAG Postsecondary.⁵

The FSAG Program provides state student assistance grants to degree- and certificate-seeking undergraduate Florida residents who demonstrate substantial financial need, meet general eligibility requirements⁶ and qualifications specific to each program, and are enrolled in participating postsecondary institutions.⁷

A FSAG award, in combination with other financial aid, may not exceed a student's demonstrated financial need.⁸ Financial need is determined by the institutional cost of attendance, less the Expected Family Contribution (EFC)⁹ as determined by the Free Application for Federal Student Aid (FAFSA), less aid from other sources such as federal grants, state grants and institutional aid (not including loans).¹⁰ The program is administered by participating institutions in accordance with state board rule.¹¹

Florida Postsecondary Student Assistance Grant Program

The Florida Postsecondary Student Assistance Grant Program (FSAG Postsecondary) is available to students who attend the following eligible independent institutions¹²:

¹ Florida Department of Education, Office of Student Financial Assistance, *Annual Report to the Commissioner 2019-20*, at 11, available at <https://www.floridastudentfinancialaids.org/pdf/annualreportcurrent.pdf>; see also Florida Department of Education, Office of Student Financial Assistance, *Florida Student Assistance Grant Fact Sheet (2021-22)* available at, <https://www.floridastudentfinancialaids.org/PDF/factsheets/FSAG.pdf>.

² Section 1009.50, F.S.

³ Section 1009.505, F.S.

⁴ Section 1009.51, F.S.

⁵ Section 1009.52, F.S.

⁶ Section 1009.40, F.S.

⁷ Sections 1009.50, 1009.505, 1009.51, and 1009.52, F.S.

⁸ Florida Department of Education, Office of Student Financial Assistance, *Annual Report to the Commissioner 2019-20*, at 11, available at <https://www.floridastudentfinancialaids.org/pdf/annualreportcurrent.pdf>.

⁹ Expected Family Contribution (EFC) is calculated according to a formula established by law which considers a student's family size, number of family members who will attend college or career school during the year, the family's taxed and untaxed income, assets, and benefits, such as unemployment for Social Security. U.S. Department of Education, Federal Student Aid, *How Aid is Calculated*, <https://studentaid.gov/complete-aid-process/how-calculated> (last visited Jan. 11, 2022).

¹⁰ *Id.*

¹¹ Sections 1009.50(5), 1009.505(5), 1009.51(5), and 1009.52(6), F.S.; Postsecondary educational administrative responsibilities for state student aid and tuition assistance programs are outlined in rule 6A-20.002, F.A.C.

¹² Section 1009.52(2)(a) and (b), F.S.

- A private nursing diploma school which is approved by the Florida Board of Nursing, is located in Florida, and administers the Pell Grant;¹³
- 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;¹⁴ or
- An aviation maintenance school that is located in this state, certified by the Federal Aviation Administration, and licensed by the CIE.¹⁵

An FSAG Postsecondary grant is only awarded to full-time degree and aviation maintenance-certificate seeking students (enrolled in a minimum of 12 credit hours per term, or the equivalent)¹⁶ who meet general requirements for student eligibility.¹⁷ 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.¹⁸

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).¹⁹ For fiscal year (FY) 2021-2022, the GAA established a maximum award amount of \$3,260 to any student from the FSAG Postsecondary.²⁰ A student is not eligible for a FSAG Postsecondary grant if demonstrated unmet need is less than \$200.²¹ 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.²²

To maintain eligibility in the FSAG Postsecondary grant, a student must earn 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 is received.²³ A student is eligible to receive an FSAG Postsecondary grant for nine semesters or 14 quarters of full-time enrollment.²⁴ A student receiving an 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.²⁵

¹³ 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.floridastudentfinancialaids.org/pdf/Institution_Eligibility_Requirements.pdf.

¹⁴ Section 1009.52(2)(a)2., F.S.

¹⁵ Section 1009.52(2)(b), F.S.

¹⁶ Florida Department of Education, Office of Student Financial Assistance, *Florida Student Assistance Grant Fact Sheet (2021-22)*, at 2, available at, <https://www.floridastudentfinancialaids.org/PDF/factsheets/FSAG.pdf>.

¹⁷ Section 1009.40, F.S., *see also* 6A-20.033(1), F.A.C.

¹⁸ Section 1009.52(2)(d), F.S.

¹⁹ Section 1009.52(3), F.S.

²⁰ Specific Appropriations 6 and 72, s. 2, ch. 2021-36, L.O.F.

²¹ Section 1009.52(2), F.S.

²² Section 1009.52(2)(e), F.S. An institution may not impose additional criteria to determine a student's eligibility to receive a grant award.

²³ Section 1009.40(1)(b)1., F.S.

²⁴ Section 1009.52(2)(c), F.S.

²⁵ *Id.*

FSAG Postsecondary Reporting and Distribution Requirements

Each participating institution determines an applicant's eligibility and award amount,²⁶ 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.²⁷

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).²⁸ The formula must consider at least the prior year's distribution of funds and the number of eligible applicants who did not receive awards.²⁹ The formula must account for changes in the number of eligible students across all student assistance grant programs.³⁰ Institutions must comply with disbursement and remittance requirements specified in law.³¹

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.³² 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 report.³³ 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.³⁴

In 2020-2021, the FSAG Postsecondary grant disbursed \$5.8 million dollars to 4,990 students.³⁵ The average student award amount was \$1,172.16.³⁶

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.³⁷ The new requirements include:³⁸

- 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 years or until the completion of an audit (including the resolution of any audit exceptions).

The DOE is required to adopt rules implementing these requirements and are permitted to adopt higher standards.³⁹ Institutions that fail to comply 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.⁴⁰

²⁶ 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>.

²⁷ Section 1009.52(2)(f), F.S.

²⁸ Section 1009.52(4)(a), F.S.

²⁹ *Id.*

³⁰ *Id.*

³¹ *Id.* at (4)(d).

³² *Id.* at (4)(e).

³³ *Id.*

³⁴ *Id.*

³⁵ 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.

³⁶ *Id.*

³⁷ Chapter 2021-232, L.O.F.

³⁸ Section 1009.46(1), F.S.

³⁹ Section 1009.46(2), F.S.

⁴⁰ Section 1009.46(3), F.S.

Council of Regional Accrediting Commissions

The Council of Regional Accrediting Commissions (C-RAC) represents the seven organizations responsible for the accreditation⁴¹ of approximately 3,000 of the nation's colleges and universities:

- 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;
- Southern Association of Colleges and Schools Commission on Colleges (SACSCOC); and
- Western Association of Schools and Colleges (WASC) Senior College and University Commission.⁴²

As of 2017, C-RAC members help assure quality at 2,866 Title IV institutions in 3,524 locations across the United States.⁴³

Florida Members

SACSCOC accredits 74 Florida public and private colleges and universities,⁴⁴ 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.

Effect of Proposed Changes

The bill authorizes additional institutions to participate in the FSAG Postsecondary. Specifically, the bill adds institutions that are a competency-based nonprofit virtual postsecondary institution that is accredited by a member of the Council of Regional Accrediting Commissions, was created by the governors of several states, and which employs a Florida chancellor responsible for state and local workforce coordination and financial aid reporting.

The bill requires FSAG Postsecondary grants awarded by such eligible institutions to be made only to full-time degree seeking students accepted at the competency-based, nonprofit virtual institution.

Allowing students who have been accepted at a competency-based nonprofit virtual postsecondary institution to receive a FSAG Postsecondary grant may allow additional students to receive the grant. However, an institution meeting the expanded eligibility criteria to administer such grants may be required to translate student competency attainment and student clock hour program enrollment to meet student eligibility requirements for a renewal award under the FSAG Postsecondary program,

⁴¹ 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 Jan. 11, 2022). Accrediting commissions are private, nonprofit organizations comprised of college and university members, with commissions and visiting teams made up of volunteers. *Id.* The U.S. Department of Education lists four primary functions of accreditation:

1. Assess the quality of academic programs at institutions of higher education.
2. Create a culture of continuous improvement of academic quality at colleges and universities and stimulate a general raising of standards among educational institutions.
3. Involve faculty and staff comprehensively in institutional evaluation and planning.
4. Establish criteria for professional certification and licensure and for upgrading courses offering such preparation.

U.S. Department of Education, *Accreditation in the United States* (Feb. 4, 2021), available at https://www2.ed.gov/admins/finaid/accred/accreditation_pg2.html#U.S.

⁴² Council of Regional Accrediting Commissions, *Who We Are*, <https://www.c-rac.org/copy-of-about-us> (last visited Jan. 11, 2022).

⁴³ Council of Regional Accrediting Commissions, *Quick Facts*, <https://www.c-rac.org/quick-facts> (last visited Jan. 11, 2022).

⁴⁴ 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>.

including a minimum 2.0 cumulative grade point average (GPA) and completion of 12 credits per term.⁴⁵

B. SECTION DIRECTORY:

Section 1. Amends s. 1009.52, F.S.; revising the eligibility requirements for Florida postsecondary student assistance grants.

Section 2. Provides an effective date of July 1, 2022.

II. FISCAL ANALYSIS & ECONOMIC IMPACT STATEMENT

A. FISCAL IMPACT ON STATE GOVERNMENT:

1. Revenues:

None.

2. Expenditures:

None.

B. FISCAL IMPACT ON LOCAL GOVERNMENTS:

1. Revenues:

None.

2. Expenditures:

None.

C. DIRECT ECONOMIC IMPACT ON PRIVATE SECTOR:

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

D. FISCAL COMMENTS:

Expanding eligibility for the FSAG Grant Program may affect how funds are allocated across the several Florida student assistance grants,⁴⁶ including decreased availability of funds for institutions and students already eligible for grants.

III. COMMENTS

A. CONSTITUTIONAL ISSUES:

1. Applicability of Municipality/County Mandates Provision:

None. This bill does not appear to affect county or municipal governments.

2. Other:

None.

B. RULE-MAKING AUTHORITY:

⁴⁵ Florida Department of Education, Office of Student Financial Assistance, *Florida Student Assistance Grant Fact Sheet (2021-22)*, at 2, available at, <https://www.floridastudentfinancialaids.org/PDF/factsheets/FSAG.pdf>

⁴⁶ Section 1009.52(4)(a) and (b), F.S.

None.

C. DRAFTING ISSUES OR OTHER COMMENTS:

None.

IV. AMENDMENTS/ COMMITTEE SUBSTITUTE CHANGES

On January 18, 2022, the Post-Secondary Education & Lifelong Learning Subcommittee adopted one amendment and reported the bill favorably as a committee substitute. The amendment provides that the 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 referenced in the bill must have a Florida chancellor responsible for state and local workforce coordination and meet Florida's postsecondary education institution financial aid reporting requirements.

The bill analysis is drafted to the committee substitute adopted by the Post-Secondary Education & Lifelong Learning Subcommittee.