

## HOUSE OF REPRESENTATIVES STAFF ANALYSIS

**BILL #:** CS/HB 1247 William L. Boyd, IV, Effective Access to Student Education Grants

**SPONSOR(S):** Postsecondary Education & Workforce Subcommittee, Temple

**TIED BILLS:** **IDEN./SIM. BILLS:**

REFERENCE	ACTION	ANALYST	STAFF DIRECTOR or BUDGET/POLICY CHIEF
1) Postsecondary Education & Workforce Subcommittee	9 Y, 4 N, As CS	Kiner	Kiner

### SUMMARY ANALYSIS

The Effective Access to Student Education Grant Program (EASE) is a tuition assistance program serving Florida resident, full-time, undergraduate students at eligible, independent nonprofit colleges or universities. Currently, 34 institutions participate in the EASE program.

In Fiscal Year 2022-2023, the Legislature appropriated \$75.4 million to provide 37,705 qualified students with an average award amount of \$2,000.

To promote transparency and informed consumer choice, current law requires all institutions receiving EASE funding for their students to annually report to the Department of Education (DOE) institutional performance against the following five statutory metrics: access rate; affordability rate; graduation rate; retention rate; and postgraduate employment or continuing education rate. These metrics measure institutions by the percentage of Pell-eligible students they serve; the net cost per year after accounting for federal, state, and institutional aid; the percentage of students that graduate in six years; the percentage of students that return for a second year after their first; and the percentage of students that obtain employment or continue their education after graduation. Each eligible institution must also post its performance on the metrics prominently on its website.

To incentivize institutions to improve outcomes for grant recipient students, the bill proposes to tie institutional eligibility for participation in the EASE program to performance against the metrics. Under the bill, an institution must meet or exceed the minimum benchmark on any three out of the five metrics to be eligible for its students to receive funding. The base per student award amount will be determined by the General Appropriations Act. Students attending an eligible institution may be eligible to receive an additional, plus-up award of \$500 if, and only if, their institution meets or exceeds the bill's workforce graduation rate, which measures degree production in an in-demand field.

To enable the Legislature to incorporate a metric related to graduate employment in field of study, the bill revises the institutional and DOE reporting requirements to require collection of data on the percentage of grant recipient graduates who obtain employment in their field of study within 120 days after graduation. This data will likely be collected through a survey instrument.

The bill clarifies transparency requirements and adds a disclosure requirement. Each institution must provide each resident student with data on its performance on the metrics, the net cost to complete the student's degree, and expected earnings 1, 5, and 10 years after graduation based on the chosen major. The institution's president or chief administrative officer must certify the institution is in compliance with the reporting, disclosure, and transparency requirements in order for the institution to be eligible for EASE funds.

The fiscal impact is indeterminate. See Fiscal Comments.

The bill is effective July 1, 2023.

# FULL ANALYSIS

## I. SUBSTANTIVE ANALYSIS

### A. EFFECT OF PROPOSED CHANGES:

#### **Effective Access to Student Education (EASE) Tuition Assistance Program**

##### *Present Situation*

The Effective Access to Student Education Grant Program (EASE) is a tuition assistance program administered by the Department of Education (DOE)<sup>1</sup> with the following parameters:

- Student eligibility requirements:<sup>2</sup>
  - Must be enrolled as a full-time undergraduate student at an eligible college or university in a program of study leading to a baccalaureate degree.
  - Must not be enrolled in a program of study leading to a degree in theology or divinity.
  - Must be making satisfactory academic progress as defined by the State Board of Education.
  - Must not have completed more than 110 percent of the degree program enrolled in.
- Institutional eligibility requirements:<sup>3</sup>
  - Must be an independent nonprofit college or university.
  - Must be located in and chartered by the state of Florida.
  - Must be accredited by the Commission on Colleges of the Southern Association of Colleges and Schools.
  - Must grant baccalaureate degrees.
  - Must not be a state university or Florida College System institution; and
  - Must have 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 group.

Funding for EASE is appropriated in the General Appropriations Act (GAA).<sup>4</sup> Award amounts may be prorated based on the number of students eligible to receive the award. As specified in the Fiscal Year (FY) 2022-2023 GAA, the Legislature appropriated funds to support 37,705 qualified Florida residents with an award of \$2,000,<sup>5</sup> at 34 EASE-eligible institutions. The total appropriation for FY 2022-23 was \$75.4 million.

All institutions that receive EASE funding are required to submit an annual accountability report to the DOE with the most recently available information on Florida resident students and include, at a minimum, the following performance metrics, by institution:<sup>6</sup>

- Access rate based upon percentage of Pell-eligible students;
- Affordability rate based upon average student loan debt; federal, state, and institutional financial assistance; and average tuition and fees;
- Graduation rate;
- Retention rate; and
- Postgraduate employment or continuing education rate.

DOE must recommend minimum performance standards that EASE institutions must meet to remain eligible to receive grant funds.<sup>7</sup> By October 1 of each year, DOE must submit a report to the chair of the House Appropriations Committee, the chair of the Senate Appropriations Committee, and the

---

<sup>1</sup> S. 1009.89(2), F.S.

<sup>2</sup> S. 1009.89(4), F.S.

<sup>3</sup> S. 1009.89(3), F.S.

<sup>4</sup> S. 1009.89(5), F.S.

<sup>5</sup> See Specific Appropriation 58, ch. 2022-156, L.O.F.

<sup>6</sup> S. 1009.89(5)(c), F.S.

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

Governor’s Office of Policy and Budget on the performance of eligible institutions and the institutions that have not met the minimum performance standards recommended by the department.<sup>8</sup>

During the October 2022 reporting period, the DOE recommended the following performance standards:

Year	Fiscal Year	Percentage Change	Access Rate	Affordability Rate	Graduation Rate	Retention Rate	Postgraduate Employment/ Continuing Education Rate
5	2026-27	100%	53%	\$6,343	53%	68%	49%
4	2025-26	80%	42%	\$7,612	42%	54%	39%
3	2024-25	60%	32%	\$8,880	32%	41%	29%
2	2023-24	40%	21%	\$10,149	21%	27%	20%
1	2022-23	20%	11%	\$11,417	11%	14%	10%

Also by October 1 each year, each institution that is eligible for an EASE Grant must prominently post on its website its performance on the metrics, as reported to DOE.<sup>9</sup>

*Effect of Proposed Changes*

To incentivize institutions to improve outcomes for grant recipient students, the bill proposes to tie institutional eligibility for participation in the EASE program to performance against the metrics. Under the bill, an institution must meet or exceed the minimum benchmark on any three out of the five metrics to be eligible for its students to receive funding. To accomplish this, the bill establishes a tiered structure for award amounts. If an institution meets no more than 2 out of 5 benchmarks, they will be placed in Tier 3; if an institution meets or exceeds at least 3 out of 5 benchmarks, they will be placed in Tier 2; if an institution meets the requirements of a Tier 2 institution and also meets or exceeds a workforce graduation rate of 56 percent, it will be placed in Tier 1. The workforce graduation rate measures degree production in in-demand fields. Pursuant to the bill, in-demand fields are those that are included on Department of Economic Opportunity or Labor Market Estimating Conference statewide or regional demand lists. Such programs include programs in healthcare, education, and STEM.

The award amount for Tier 2 will be as specified in the GAA. The award amount for Tier 1 will be \$500 higher than the Tier 2 award. The award amount for Tier 3 will be \$0.

For fiscal year 2023-2024, the benchmarks and minimum standards for each benchmark are as follows<sup>10</sup>:

Metric	Benchmark (2023-24)
Access Rate	32%
Affordability Rate	\$7,263
Graduation Rate	45%
Retention Rate	65%
Postgraduate Employment/Continuing Ed Rate	64%

To ensure continuous improvement of the state’s independent colleges and universities, the bill requires the DOE continue to recommend minimum benchmarks that increase annually and strategies for improvement.

<sup>8</sup> S. 1009.89(5)(d), F.S.

<sup>9</sup> S. 1009.89(5)(c), F.S.

<sup>10</sup> *EASE Accountability Report 2022*, accessible here:

<https://www.myfloridahouse.gov/Sections/Documents/loaddoc.aspx?PublicationType=Committees&CommitteeId=3192&Session=2023&DocumentType=Meeting+Packets&FileName=hea+1-25-23.pdf>. See presentation pages 10-14 (PDF pages 13-16).

To enable the Legislature to incorporate a metric related to graduate employment in field of study, the bill revises the institutional and Department of Education reporting requirements to require collection of data on the percentage of grant recipient graduates who obtain employment in their field of study within 120 days after graduation. This data will likely be collected through a survey instrument.

The bill requires each institution to provide each resident student with data on its performance on the metrics, the net cost to complete the student’s degree, and expected earning 1, 5, and 10 years after graduation based on the chosen major. The institution’s president or chief administrative officer must certify the institution is in compliance with the reporting, disclosure, and transparency requirements in order for the institution to be eligible for EASE funds.

**B. SECTION DIRECTORY:**

**Section 1.** Amends s. 1009.89, F.S.; revising legislative findings; providing that tuition assistance through the program shall be based on specified performance metrics and tiers; revising eligibility criteria for institutions and persons to participate in the program; revising the requirements for a specified report institutions must annually submit; providing for annual minimum performance benchmarks and standards; providing requirements for such benchmarks and standards; requiring the legislature to annually adopt benchmarks and standards for specified purposes and evaluate institutions based on such benchmarks for tier placement; providing funding requirements for such institutions based on such tiers.

**Section 2.** Provides an effective date of July 1, 2023.

**II. FISCAL ANALYSIS & ECONOMIC IMPACT STATEMENT**

**A. FISCAL IMPACT ON STATE GOVERNMENT:**

1. Revenues:

None.

2. Expenditures:

See Fiscal Comments.

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

1. Revenues:

None.

2. Expenditures:

None.

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

See Fiscal Comments.

**D. FISCAL COMMENTS:**

The fiscal impact is indeterminate. The creation of a tiered award amount structure for the EASE program will have varying impacts on institutions and students based upon institutional relative performance.

Totals	Institutions
Tier 1 – Tier 2 + \$500	15
Tier 2 – As specified in GAA	12

The bill specifies the award amount for Tier 2 will be as specified in the GAA. The fiscal impact may be determined after publication of the FY 2023-2024 GAA.

**III. COMMENTS**

**A. CONSTITUTIONAL ISSUES:**

1. Applicability of Municipality/County Mandates Provision:

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

2. Other:

None.

**B. RULE-MAKING AUTHORITY:**

None.

**C. DRAFTING ISSUES OR OTHER COMMENTS:**

None.

**IV. AMENDMENTS/COMMITTEE SUBSTITUTE CHANGES**

On March 21, 2023, the Postsecondary Education & Workforce Subcommittee adopted a proposed committee substitute and subsequently reported the bill favorably as a committee substitute. The PCS differed from HB 1247 in the following ways:

- Clarified that the workforce graduation rate, which measures degree production in in-demand fields, is tied to statewide and regional demand lists prepared by the Labor Market Estimating Conference and Department of Economic Opportunity, rather than the Labor Market Estimating Conference and United States Department of Labor.
- Restored the requirement that institutions post their performance against the metrics prominently on their websites. Under current law, this performance data is also reported to DOE.

The bill analysis is drafted to the committee substitute adopted by the Postsecondary Education & Workforce Subcommittee.