

SENATE STAFF ANALYSIS AND ECONOMIC IMPACT STATEMENT

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

BILL: SB 1538

SPONSOR: Senator Miller

SUBJECT: Florida Public Student Assistance Grant Program

DATE: April 11, 2003

REVISED: _____

	ANALYST	STAFF DIRECTOR	REFERENCE	ACTION
1.	<u>Woodruff</u>	<u>O'Farrell</u>	<u>ED</u>	<u>Favorable</u>
2.	<u> </u>	<u> </u>	<u>AED</u>	<u> </u>
3.	<u> </u>	<u> </u>	<u>AP</u>	<u> </u>
4.	<u> </u>	<u> </u>	<u> </u>	<u> </u>
5.	<u> </u>	<u> </u>	<u> </u>	<u> </u>
6.	<u> </u>	<u> </u>	<u> </u>	<u> </u>

I. Summary:

The bill amends the Florida Public Student Assistance Grant (FSAG) Program. The program is the state's largest need based financial assistance program.

Amendments are made to the criteria for determining student need, the items that constitute the cost of education, and the number of credit hours for which a student may receive the award.

The bill appropriates \$30 million from the General Revenue Fund to implement the provisions of the act.

This bill substantially amends section 1009.50 of the Florida Statutes.

II. Present Situation:

Florida has three major need based financial aid programs. Each targets a different classification of institution and student. Statutory language for each of the three programs allows the Legislature to fix the maximum amount of an award in the General Appropriations Act. Applicants for each of the programs must also apply for the federal Pell Grant.

The Florida Public Student Assistance Grant (FSAG) Program provides need based aid to full-time and part-time students attending public community colleges and universities. In 2002-2003, the minimum award was for \$200. Proviso language in the General Appropriations Act capped the maximum amount of the award at \$1,365. The program was funded at \$60.1 million for the current year.

The Florida Private Student Assistance Grant (PSAG) Program provides need based aid to full-time students attending a baccalaureate-degree-granting independent non-profit Florida college or university. In 2002-2003, the minimum award was for \$200. Proviso language in the General Appropriations Act capped the maximum amount of the award at \$1,365. The program was funded at \$10.8 million for the current year.

The Florida Postsecondary Student Assistance Grant Program provides need based aid to full-time students attending an institution located in the state and that is: a private nursing diploma school approved by the Florida Board of Nursing; or a college or university licensed by the Commissioner for Independent Education, excluding those institutions whose students are eligible for PSAG awards. In 2002-2003, the minimum award was for \$200. Proviso language in the General Appropriations Act capped the maximum amount of the award at \$1,365. The program was funded at \$6.7 million for the current year.

To qualify for an FSAG award, a student must have unmet financial need of at least \$200.

Grants may not exceed the student's demonstrated unmet need for the cost of education and may not exceed an amount equal to the average prior year cost of tuition fees and other registration fees for 30 credit hours. A student is eligible to receive the award for 110 percent of the number of credit hours required to complete the program in which the student is enrolled.

III. Effect of Proposed Changes:

The bill makes changes in the cost of education calculation and in the maximum award amount calculation. First, the cost of assigned books and supplies is added to the existing list of eligible costs. Second, the number of credit hours on which the maximum award is calculated is increased from 30 to 40 hours. These changes should result in a greater number of students qualifying for financial assistance and also qualifying for larger awards.

The amount of unmet need that qualifies a student for financial assistance through the program is reduced from \$200 to \$100. This reduction should result in more students qualifying for financial assistance and also qualifying for more assistance.

The number of credit hours for which a student is eligible to receive the Florida public student assistance grant is increased from 110 percent of the credit hours required to complete the program in which the student is enrolled to 125 percent of the credit hours required to complete the program.

The bill appropriates \$30 million from the General Revenue Fund to implement the provisions of the act.

The Department of Education is working to identify the potential impact of the changes in the bill in terms of additional students who would qualify and the additional unmet need eligible for funding. Regardless of the impact, the Legislature may decide to continue to cap awards in the General Appropriations Act.

The effective date of the bill is July 1, 2003.

IV. Constitutional Issues:

A. Municipality/County Mandates Restrictions:

None.

B. Public Records/Open Meetings Issues:

None.

C. Trust Funds Restrictions:

None.

V. Economic Impact and Fiscal Note:

A. Tax/Fee Issues:

None.

B. Private Sector Impact:

If additional need based financial assistance funding is provided to students, this will reduce the additional funds the student will have to raise or borrow to attend a Florida college or university.

C. Government Sector Impact:

The bill appropriates \$30 million from the General Revenue Fund to implement the provisions of the act.

VI. Technical Deficiencies:

It would appear that to be consistent, the cost of assigned books and supplies should have been added to subsection 3 on page 2, line 27.

VII. Related Issues:

None.

VIII. Amendments:

None.