

HOUSE OF REPRESENTATIVES STAFF ANALYSIS

BILL #: CS/HB 287 First Generation Matching Grant Program
SPONSOR(S): Flores and others
TIED BILLS: **IDEN./SIM. BILLS:**

REFERENCE	ACTION	ANALYST	STAFF DIRECTOR
1) <u>Committee on Postsecondary Education</u>	<u>8 Y, 0 N</u>	<u>Thomas</u>	<u>Tilton</u>
2) <u>Schools & Learning Council</u>	<u>13 Y, 0 N, As CS</u>	<u>Thomas</u>	<u>Cobb</u>
3) <u>Policy & Budget Council</u>	<u>28 Y, 0 N</u>	<u>Voyles</u>	<u>Hansen</u>
4) _____	_____	_____	_____
5) _____	_____	_____	_____

SUMMARY ANALYSIS

CS/HB 287 makes several changes to the First Generation Matching Grant Program, which provides financial aid for certain undergraduate students at state universities. CS/HB 287 clarifies that the existing program applies to state universities; conforms language relating to eligibility requirements; revises the basis for reserving proportionate allocations of appropriated funds; changes the date to reallocate remaining unmatched funds beginning with the 2008-2009 fiscal year; permits students to use an award for summer-term enrollment if funds are available; requires that grants for summer-term enrollment may only be used at the institution awarding the grant; provides a definition of "summer-term enrollment"; conforms the duties and reporting requirements of participating institutions with those of other state administered financial aid programs; allows any unused state funds to be retained by an institution at the end of the fiscal year to provide grants for returning and new awardees; eliminates the requirement that universities remit any undisbursed advance by June 1; and changes the due date for the annual report.

CS/HB 287 creates the First Generation Matching Grant Program for community colleges and the First Generation Matching Grant Program for private nonprofit colleges or universities eligible to participate in the William L. Boyd, IV, Florida Resident Access Grant Program (FRAG). Both programs are modeled after the First Generation Matching Grant Program for state universities.

Each program is to be implemented only to the extent specifically funded.

CS/HB 287 takes effect upon becoming law.

The First Generation Matching Grant Program is funded in HB 5001, General Appropriations Act, Fiscal Year 2007-2008, at \$7.5 million for state universities, \$1.0 million for independent colleges and universities and \$6.0 million for community colleges.

FULL ANALYSIS

I. SUBSTANTIVE ANALYSIS

A. HOUSE PRINCIPLES ANALYSIS:

Empower families – The bill permits students to use an award during the summer term if funds are available.

Empower families – The bill also provides financial assistance to students who attend private nonprofit colleges or universities eligible to participate in the William L. Boyd, IV, Florida Resident Access Grant Program (FRAG) whose parents have not earned a baccalaureate degree or higher. This may benefit families who do not have the financial means to send a family member to college.

B. EFFECT OF PROPOSED CHANGES:

Background

The 2006 Legislature created the First Generation Matching Grant Program (program).¹ The program is for resident undergraduate students who attend state universities and demonstrate financial need and whose parents have not earned a baccalaureate degree. The program requires that applicants meet certain additional eligibility requirements to be eligible to receive a grant.

The funds appropriated for the program are allocated by the Office of Student Financial Assistance (OSFA) to match private contributions on a dollar-for-dollar basis. OSFA must reserve a proportionate allocation of the total appropriated funds for each state university on the basis of full-time equivalent enrollment. Funds that remain unmatched as of December 1 will be reallocated to state universities that have remaining unmatched private contributions for the program on the basis of full-time equivalent enrollment. The program was appropriated \$6,500,000 for the 2006-2007 fiscal year.

Each participating state university is required to establish an application process, determine student eligibility for initial and renewal awards in conformance with the eligibility requirements, identify the amount awarded to each recipient, and notify recipients of the amount of their award. The amount awarded to a recipient must be based on the student's need assessment after any scholarship or grant aid has been applied. An award may not exceed the institution's estimated annual cost of attendance for the student to attend the institution. The state university is also required to report to OSFA the eligible students to whom grant monies are disbursed each academic term including the amount of funds disbursed to each student.

State universities must remit any undisbursed advances by June 1 of each year. According to the Department of Education, state universities are required to remit to OSFA any undisbursed state advances by June 1. This requirement is consistent with all state-funded financial aid program administration.²

The following chart presents information provided by the Board of Governors (columns 1-4) and the Department of Education (columns 5-8) from the first year of the program. The Board of Governors provided information from each state university on the amount of private contributions and the state matching dollar amount. The Department of Education provided the end of year (EOY) projections for the number of students who will receive an award, average amount of awards, range of award amounts, and the disbursement amounts.

In 2006, some universities did not garner sufficient private funds to secure their full State match, but other universities secured sufficient private donations so that the State University System was able to

¹ Section 1009.701, F.S.

² Department of Education Analysis of House Bill 287.

match the entire \$6.5 million.³ Additionally, initial estimates have indicated that more than 20,000 other students enrolled in the State University System also met the State's minimum eligibility requirements

1	2	3	4	5	6	7	8
University	Private Dollars	State Dollars	Private Dollars + State Dollars	Projected EOY 2006-07 number of Students Awarded (DOE)	Average Award Amount per Student 2006-07 (DOE)	Range of Award Amount 2006-07 (DOE)	Projected EOY Disbursement 2006-07 (DOE)
UF	\$1,392,447	\$1,392,447	\$2,784,894	625	\$4,455	202-8394	\$2,784,894
FSU	\$1,417,100	\$1,417,100	\$2,834,200	815	\$3,478	175-4600	\$2,834,200
FAMU	\$398,487	\$398,487	\$796,974	3,174	\$251	51-500	\$796,974
USF	\$1,188,167	\$1,188,167	\$2,376,334	690	\$3,442	474-8570	\$2,376,334
FAU	\$545,100	\$545,100	\$1,090,200	430	\$2,533	571-3000	\$1,090,200
UWF	\$163,986	\$163,986	\$327,972	334	\$982	122-1000	\$327,972
UCF	\$275,773	\$275,773	\$551,546	740	\$745	400-800	\$551,546
FIU	\$529,234	\$529,234	\$1,058,468	1,620	\$653	179-1000	\$1,058,470
UNF	\$378,605	\$378,605	\$757,210	380	\$1,992	236.75-2500	\$757,210
FGCU	\$181,098	\$181,098	\$362,196	800	\$453	76-500	\$362,196
NCF	\$30,000	\$30,000	\$60,000	45	\$1,333	175-2000	\$60,000
SUS	\$6,499,997	\$6,499,997	\$12,999,994	9,654		51-8570	\$12,999,996

for these grants, but received no funding through this source.⁴

Dr. Philip Benjamin Matching Grant Program for Community Colleges

Community colleges are eligible to receive matching funds on a dollar-for-dollar basis from the Dr. Philip Benjamin Matching Grant Program for Community Colleges for donations that are specifically designated to support first-generation-in-college students.⁵

Florida Resident Access Grant (FRAG)

The William L. Boyd, IV, Florida Resident Access Grant (FRAG) Program provides tuition assistance to Florida undergraduate students attending an eligible private, non-profit Florida college or university. FRAG is a decentralized program, and each participating institution determines application procedures, deadlines, and student eligibility.

Independent Colleges and Universities of Florida (ICUF)

The Independent Colleges & Universities of Florida (ICUF) is a diverse association of 28 private, not-for-profit, educational institutions all based in Florida and accredited by the Southern Association of Colleges & Schools (SACS). ICUF serves more than 120,000 students at over 180 sites around Florida. Seven of the 28 ICUF institutions have identified approximately 7500 students who meet the qualification requirements for the First Generation Matching Grant Program.⁶ ICUF reports First-Generation in College (FGIC) students comprise nearly a fifth of the total undergraduate enrollment at those seven institutions.

Effect of proposed changes

First Generation Matching Grant Program for state universities

³ Board of Governors Analysis of House Bill 287.

⁴ Board of Governors Analysis of House Bill 287.

⁵ Section 1011.85, F.S.

⁶ Independent Colleges and Universities of Florida (ICUF) analysis of House Bill 881

CS/HB 287 makes several changes to the First Generation Matching Grant Program. It clarifies that the existing program is for state universities. CS/HB 287 conforms language relating to eligibility requirements for the First Generation Matching Grant Program to reference "baccalaureate degree or higher".

CS/HB 287 revises the basis for reserving proportionate allocations of appropriated funds from full-time equivalent enrollment (FTE) to full-time equivalent resident undergraduate enrollment. Although not specifically stated, current law has been interpreted to mean that the Office of Student Financial Assistance must reserve a proportionate allocation of the total appropriated funds for each state university on the basis of full-time equivalent resident undergraduate enrollment.⁷

CS/HB 287 changes the date to reallocate remaining unmatched funds to state universities that have remaining unmatched private contributions from December 1 to August 1 beginning with the 2008-2009 fiscal year.

CS/HB 287 permits students to use an award for "summer-term enrollment" if funds are available, requires grants for summer-term enrollment to be used at the institution awarding the grant, and provides a definition of "summer-term enrollment".

CS/HB 287 conforms the duties and reporting requirements of participating institutions with those of other state administered financial aid programs.

CS/HB 287 eliminates the requirement that universities remit any undisbursed advances by June 1 and allows any unused state funds to be retained by the institution at the end of the fiscal year to provide grants for returning and new awardees.

CS/HB 287 also changes the due date for the annual report from July 1 to November 15.

First Generation Matching Grant Program for community colleges

CS/HB 287 creates the First Generation Matching Grant Program for community colleges. The program is created to enable each community colleges to provide donors with a matching grant incentive for contributions that will create grant-based student financial aid for undergraduate students who demonstrate financial need and whose parents have not earned a baccalaureate degree or higher.

CS/HB 287 requires appropriated funds for the program to be allocated by the Office of Student Financial Assistance (OSFA) to match private contributions on a dollar-for-dollar basis. Matching funds must be generated through contributions pledged for the purpose of this program and not for any other state matching program. Pledged contributions are not eligible for matching prior to the actual collection of the total funds. OSFA must reserve a proportionate allocation of the total appropriated funds for each community college on the basis of full-time equivalent resident enrollment in advanced and professional programs. For the 2007-2008 fiscal year funds that remain unmatched as of December 1, must be reallocated to community colleges that have remaining unmatched private contributions for the program on the basis of full-time equivalent resident enrollment in advanced and professional programs. Beginning with the 2008-2009 fiscal year, the date to reallocate remaining unmatched funds changes to August 1.

CS/HB 287 requires that payment of the state matching grant is to be transmitted to the president of each participating institution or his or her representative in advance of the official drop-add deadline as defined by the institution.

Each participating community college must establish an application process, determine student eligibility for initial and renewal awards in conformance with the eligibility requirements each applicant

must meet, identify the amount awarded to each recipient, and notify recipients of the amount of their award.

CS/HB 287 permits students to use an award for summer term enrollment if funds are available. Grants for summer term enrollment may be used only at the institution awarding the grant. CS/HB 287 also defines "summer-term enrollment" for the purposes of the First Generation Matching Grant Program.

In order to be eligible to receive a grant from this program, the bill requires an applicant to:

- Be a resident for tuition purposes pursuant to s. 1009.21, F.S.
- Be a first-generation college student. For the purposes of this program, a student is considered "first-generation" if neither of the student's parents, as defined in s. 1009.21(1), F.S., earned a college degree at the baccalaureate level or higher.
- Be accepted at a community college.
- Be enrolled for a minimum of six credit hours per term as a degree-seeking undergraduate student.
- Have demonstrated financial need by completing the Free Application for Federal Student Aid.
- Meet additional eligibility requirements as established by the institution.

CS/HB 287 requires that the award amount be based on the student's need assessment after any scholarship or grant aid, including, but not limited to a Pell Grant or a Bright Futures award, has been applied. No award may exceed the institution's estimated annual cost of attendance for the student attending the institution.

CS/HB 287 requires the following duties and reporting requirements of each participating institution:

- determine the eligibility status of each student to receive a disbursement;
- verify the continued eligibility of awarded students;
- provide for the disbursement of funds to students; and
- comply with the department's reporting requirements.

CS/HB 287 allows any unused state funds to be retained by the institution at the end of the fiscal year to provide grants for returning and new awardees.

CS/HB 287 also requires an annual report no later than November 15 by each participating institution to be submitted to the Executive Office of the Governor, the President of the Senate, the Speaker of the House of Representative, and the State Board of Education. The report must include the eligibility requirements for recipients, the aggregate demographics of recipients, the retention and graduation rates of recipients, and a delineation of funds awarded to recipients in the prior academic year.

CS/HB 287 requires that the program be implemented only to the extent specifically funded.

First Generation Matching Grant Program for colleges and universities eligible to participate in the William L. Boyd, IV, Florida Resident Access Grant Program.

CS/HB 287 creates the First Generation Matching Grant Program for colleges and universities eligible to participate in the William L. Boyd, IV, Florida Resident Access Grant Program (FRAG). The program is created to enable each private nonprofit college or university eligible to participate in the FRAG program to provide donors with a matching grant incentive for contributions that will create grant-based student financial aid for undergraduate students who demonstrate financial need and whose parents have not earned a baccalaureate degree or higher.

CS/HB 287 requires appropriated funds for the program to be allocated by the Office of Student Financial Assistance (OSFA) to match private contributions on a dollar-for-dollar basis. Matching funds must be generated through contributions pledged for the purpose of this program and not for any other state matching program. Pledged contributions are not eligible for matching prior to the actual collection of the total funds. OSFA must reserve a proportionate allocation of the total appropriated

funds for each qualified college or university on the basis of full-time equivalent resident enrollment. For the 2007-2008 fiscal year funds that remain unmatched as of December 1, must be reallocated to participating colleges and universities that have remaining unmatched private contributions for the program on the basis of full-time equivalent resident enrollment. Beginning with the 2008-2009 fiscal year, the date to reallocate remaining unmatched funds changes to August 1.

CS/HB 287 requires that payment of the state matching grant is to be transmitted to the president of each participating institution or his or her representative in advance of the official drop-add deadline as defined by the institution.

Each participating college or university must establish an application process, determine student eligibility for initial and renewal awards in conformance with the eligibility requirements each applicant must meet, identify the amount awarded to each recipient, and notify recipients of the amount of their award.

CS/HB 287 permits students to use an award for summer term enrollment if funds are available. Grants for summer term enrollment may be used only at the institution awarding the grant. The bill also defines "summer-term enrollment" for the purposes of the First Generation Matching Grant Program.

In order to be eligible to receive a grant from this program, the bill requires an applicant to:

- Meet the general requirements for student eligibility for state financial aid, including residency pursuant to s. 1009.40, F.S.
- Be a first-generation college student. For the purposes of this program, a student is considered "first-generation" if neither of the student's parents, as defined in s. 1009.21(1), F.S., earned a college degree at the baccalaureate level or higher.
- Be accepted at a FRAG eligible private nonprofit college or university.
- Be enrolled for a minimum of six credit hours per term as a degree-seeking undergraduate student.
- Have demonstrated financial need by completing the Free Application for Federal Student Aid.
- Meet additional eligibility requirements as established by the institution.

CS/HB 287 requires that the award amount be based on the student's need assessment after any scholarship or grant aid, including, but not limited to a Pell Grant or a Bright Futures award, has been applied. No award may exceed the institution's estimated annual cost of attendance for the student attending the institution.

CS/HB 287 requires the following duties and reporting requirements of each participating institution:

- determine the eligibility status of each student to receive a disbursement;
- verify the continued eligibility of awarded students;
- provide for the disbursement of funds to students; and
- comply with the department's reporting requirements.

CS/HB 287 allows any unused state funds to be retained by the institution at the end of the fiscal year for providing grants for returning and new awardees.

CS/HB 287 also requires an annual report by each participating institution to be submitted to the Executive Office of the Governor, the President of the Senate, the Speaker of the House of Representative, and the State Board of Education that includes the eligibility requirements for recipients, the aggregate demographics of recipients, the retention and graduation rates of recipients, and a delineation of funds awarded to recipients in the prior academic year.

CS/HB 287 requires that the program be implemented only to the extent specifically funded.

C. SECTION DIRECTORY:

Section 1. Amends s. 1009, F.S., relating to the First Generation Matching Grant Program for state universities; clarifying provisions relating to eligibility for receipt of a grant; revising provisions relating to allocation and reallocation of funds; authorizing the award of grants for summer-term enrollment if funds are available; providing duties and reporting requirements of institutions participating in the program; providing for the use of balance of funds.

Section 2. Creates s. 1009.702, F.S., creating the First Generation Matching Grant Program for community colleges; providing for financial aid to eligible undergraduate students who demonstrate financial need and whose parents have not earned a baccalaureate or higher degree; providing for the appropriation, allocation, and distribution of funds; providing eligibility criteria.

Section 3. Creates s. 1009.703, F.S., creating the First Generation matching Grant Program for colleges and universities eligible to participate in the William L. Boyd, IV, Florida Resident Access Grant Program; providing for financial aid to eligible undergraduate students who demonstrate financial need and whose parents have not earned a baccalaureate or higher degree; providing for the appropriation, allocation, and distribution of funds; providing eligibility criteria.

Section 4. Provides an effective date of upon becoming law.

II. FISCAL ANALYSIS & ECONOMIC IMPACT STATEMENT

A. FISCAL IMPACT ON STATE GOVERNMENT:

1. Revenues:

See Fiscal Comments.

2. Expenditures:

See Fiscal Comments

B. FISCAL IMPACT ON LOCAL GOVERNMENTS:

1. Revenues:

None.

2. Expenditures:

None.

C. DIRECT ECONOMIC IMPACT ON PRIVATE SECTOR:

D. FISCAL COMMENTS:

According to the Department of Education, the State Student Financial Aid Database (SSFAD) would require additional programming to accommodate summer disbursements and potentially to accommodate current year funds being certified forward for any term that begins before July 1, yet ends after July 1.

HB 5001, the General Appropriation Act of 2007-08, includes the following appropriations for the First Generation Matching Grant programs:

- State Universities - \$7.5 million (Specific Appropriation (75));
- ICUF Institutions - \$1 million (Specific Appropriation 75); and
- Community Colleges - \$6 million (Specific Appropriations 12B and 132).

III. COMMENTS

A. CONSTITUTIONAL ISSUES:

1. Applicability of Municipality/County Mandates Provision:

This bill does not appear to require a city or county to expend funds or to take any action requiring the expenditure of funds.

The bill does not appear to reduce the authority that municipalities or counties have to raise revenues in the aggregate.

This bill does not appear to reduce the percentage of state tax shared with counties or municipalities.

3. Other:

None.

B. RULE-MAKING AUTHORITY:

None.

C. DRAFTING ISSUES OR OTHER COMMENTS:

D. STATEMENT OF THE SPONSOR

IV. AMENDMENTS/COUNCIL SUBSTITUTE CHANGES

On March 27, 2007, the Committee on Postsecondary Education adopted a strike-all amendment to HB 287.

The strike-all amendment retains these provisions from HB 287:

- The amendment retains provisions conforming language relating to eligibility requirements.
- The amendment retains provisions changing the date to reallocate remaining unmatched funds from December 1 to August 1 beginning with the 2008-2009 fiscal year.
- The amendment retains provisions changing the basis for reserving a proportionate allocation of appropriated funds from full-time equivalent enrollment (FTE) to full-time equivalent resident undergraduate enrollment.
- The amendment retains provisions permitting the use of an award for summer term enrollment, if funds are available.
- The amendment retains the provisions that eliminate the requirement that universities remit any undisbursed advances by June 1, and allows universities to retain any unused state funds at the end of the fiscal year for carrying out the purposes of the program.
- The amendment retains the provision that changes the annual report due date from July 1 to November 15.

The strike-all amendment differs from the original bill in the following ways:

- The amendment restores the current match provision.
- The amendment limits summer-term grants to students earning resident credit.
- The amendment provides a definition of "summer term enrollment".
- The amendment permits FRAG-eligible colleges or universities to participate in the First Generation Matching Grant Program if separate and earmarked funds are appropriated by the Legislature.

- The amendment conforms the duties and reporting requirements of participating institutions with those of other state administered financial aid programs.

On April 4, 2007, the Schools & Learning Council adopted a substitute amendment for amendment 1 to HB 287 and reported the bill favorably as a Council Substitute.

CS/HB 287 differs from HB 287 in the following ways:

- CS/HB 287 designates current statutory provisions relating to the First Generation Matching Grant program as applicable to state universities.
- CS/HB 287 retains the current one-to-one match provision.
- CS/HB 287 requires that grants provided for summer term enrollment must be used at the institution providing the grant and provides a definition of “summer-term enrollment”.
- CS/HB 287 conforms the duties and reporting requirements of participating institutions with those of other state administered financial aid programs.
- CS/HB 287 creates the First Generation Matching Grant Program for community colleges and the First Generation Matching Grant Program for private nonprofit colleges or universities eligible to participate in FRAG. Both programs are modeled after the First Generation Matching Grant Program for state universities.