

**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.)

Prepared By: The Professional Staff of the Higher Education Committee

BILL: CS/SB 2210

INTRODUCER: Higher Education Committee; and Higher Education Committee

SUBJECT: Student Financial Aid

DATE: March 12, 2008 REVISED: \_\_\_\_\_

	ANALYST	STAFF DIRECTOR	REFERENCE	ACTION
1.	Harkey	Matthews	HE	Fav/CS
2.			CM	
3.			HI	
4.				
5.				
6.				

**Please see Section VIII. for Additional Information:**

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|------------------------------|-------------------------------------|---|
| A. COMMITTEE SUBSTITUTE..... | <input checked="" type="checkbox"/> | Statement of Substantial Changes        |
| B. AMENDMENTS.....           | <input type="checkbox"/>            | Technical amendments were recommended   |
|                              | <input type="checkbox"/>            | Amendments were recommended             |
|                              | <input type="checkbox"/>            | Significant amendments were recommended |

**I. Summary:**

This bill revises the William L. Boyd, IV, Florida Residence Access (FRAG) Grants and the Access to Better Learning and Education (ABLE) grants in the following ways:

- The programs will be based on a student’s unmet financial need at the institution where he or she is enrolled;
- A student who receives one of the grants must maintain at least a 2.25 grade point average on a 4.0 scale and must earn 12 hours of academic credit for each semester that an award is received;
- An institution must remit to the DOE the amount of a grant that was expended for any student who did not maintain a 2.25 grade point average or earn 12 hours of academic credit during the term of the grant; and
- The duration of a grant is reduced from 9 semesters to 8.

This bill amends ss. 1009.89 and 1009.891, Florida Statutes.

## II. Present Situation:

### **State-supported Tuition Assistance to Students at Private Postsecondary Institutions**

A number of states provide tuition assistance in the form of grants to students who attend private postsecondary institutions in the state. Such tuition assistance increases access to baccalaureate-degree programs by helping students to meet the cost of private school tuition. To the extent that students who would have attended a state institution choose a private institution instead, the state realizes a cost savings by providing access to postsecondary education at a reduced cost. Such grants increase access to postsecondary education for students who prefer a private institution and for those seeking a degree in a special subject that may not be available at state institutions. According to the National Association of Independent College and University State Executives, of the 10 states<sup>1</sup> that provided \$252 million in non-need-based/non-merit-based assistance to private, four-year, not-for-profit colleges in 2006, the largest expenditure was for Florida's FRAG program, with an expenditure of \$89 million.<sup>2</sup>

### **Requirements for Students Who Receive Tuition Assistance**

Florida provides tuition assistance to students who attend private postsecondary institutions through two programs: The William L. Boyd, IV, Florida Residence Access Grants (FRAG)<sup>3</sup> and the Access to Better Learning and Education (ABLE)<sup>4</sup> grant program. These programs are for degree-seeking students enrolled at eligible private postsecondary institutions; however, a student is prohibited from pursuing a degree in theology or divinity under the grants. Students must meet the general eligibility requirements for receipt of state aid, meet residency requirements, and enroll for a minimum of 12 credit hours. ABLE grant recipients must be pursuing a bachelor's degree. The statute does not require students who receive a FRAG award to pursue a bachelor's degree; however, the student must be enrolled at an institution that grants bachelor's degrees.

Under s. 1009.40, F.S., students who receive state financial aid and tuition assistance must maintain a grade point average of 2.0 on a 4.0 scale to be eligible for a renewal award. If a program does not specify a higher grade-point average for renewal, as the Bright Futures Scholarships do, these minimum requirements apply.

### **Requirements for Postsecondary Institutions Participating in the FRAG and ABLE Programs**

FRAG awards are available to students at 28 independent, non-profit Florida colleges and universities which are chartered by the state, have a secular purpose, and are accredited by the Southern Association of Colleges and Schools (SACS). The ABLE program provides tuition assistance to full-time Florida resident students seeking a baccalaureate degree at two types of private institutions: 1) Florida for-profit institutions which are chartered by the state, have a secular purpose, and are accredited by SACS, and 2) nonprofit postsecondary institutions chartered out of the state yet located in the state for 10 years or more and accredited by a

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<sup>1</sup> The 10 states providing non-need-based, non-merit-based assistance to private, not-for-profit colleges are Alabama, Arkansas, Florida, Georgia, Maryland, Minnesota, North Carolina, Ohio, Oklahoma, and Virginia.

<sup>2</sup> "National Association of Independent Colleges and University State Executives. Report on State Assistance Programs Benefiting Independent Colleges and their Students, 2006 Session," 2007.

<sup>3</sup> s. 1009.89, F.S.

<sup>4</sup> s. 1009.891, F.S.

regional accrediting agency. The schools may not be a state university or community college and must have a secular purpose.

#### **FRAG and ABLE Awards**

In 2006-2007, 36,295 students received FRAG awards. The amount of the average award was \$2,602 and the maximum award was \$3,000. The total expenditure for FRAG was \$94,445,831 out of an appropriation of \$102,603,148.

In 2006-2007, 3,692 students received ABLE awards. The average award was \$926 and the maximum award was \$1,250. The total expenditure for ABLE was \$3,417,366 out of a total appropriation of \$5,238,750.

#### **Senate Interim Project 2008-139**

The Senate Higher Education Committee conducted an interim study to review the FRAG and ABLE programs and potential indicators of the performance of the participating institutions. The report concluded that while the Legislature previously had set benchmarks for the FRAG program, including graduation and retention rates of recipients, the Legislature has not set benchmarks for the ABLE program. The report recommended that if the Legislature chooses to establish measures of performance for the private postsecondary institutions that participate in the FRAG and ABLE programs, the Legislature should codify those measures and benchmarks to permit evaluation of the return on the state's investment and the effectiveness of the programs in meeting state expectations.

### **III. Effect of Proposed Changes:**

#### **Requiring Students to Show Unmet Financial Need**

The bill deletes provisions in current law which indicate that the FRAG and ABLE programs are not based on a student's financial need and, instead, requires students applying for FRAG and ABLE to file with the DOE information concerning financial need on a form approved by the department. The Free Application for Federal Student Aid (FAFSA) is the form most financial aid programs use for determination of a student's financial need. Although FRAG and ABLE recipients currently are not required to fill out the FAFSA for those programs, a majority of the recipients in 2007-2008 did so. Eighty-three percent of the FRAG students and 97 percent of the ABLE students submitted the FAFSA to DOE. Seventy-five percent of the FRAG students and 91 percent of the ABLE students exhibited unmet financial need.

#### **Increasing the Required Grade Point Average for a Renewal Grant**

In order to renew a FRAG or ABLE grant, a student would have to maintain at least a 2.25 grade point average on a 4.0 scale and earn 12 hours of academic credit for each semester that he or she received an award. Under s. 1009.40, F.S., the current requirements for renewal of state financial assistance are earning a minimum cumulative grade point average of 2.0 on a 4.0 scale and earning 12 credits per term for undergraduate full-time study.

**Requiring Institutions to Remit to DOE Funds that Were Expended for Grants to Students Who Did Not Meet Minimum Standards**

The bill requires an institution to remit to the DOE the amount of a grant that was expended for any student who did not maintain a 2.25 grade point average or earn 12 hours of academic credit during the term of the grant.

**Decreasing the Number of Semesters in Which a Student May Receive a Grant**

The number of semesters in which a student may receive a grant is reduced from 9 to 8. The law does not require the semesters to be consecutive.

**IV. Constitutional Issues:****A. Municipality/County Mandates Restrictions:**

None.

**B. Public Records/Open Meetings Issues:**

None.

**C. Trust Funds Restrictions:**

None.

**V. Fiscal Impact Statement:****A. Tax/Fee Issues:**

None.

**B. Private Sector Impact:**

Students who did not have unmet financial need at the private institution where they were enrolled would not be eligible for a FRAG or ABLÉ award.

Private institutions would have to remit to the DOE the amount expended for students who did not earn 12 hours of academic credit and maintain a cumulative grade point average of 2.25 on a 4.0 scale.

**C. Government Sector Impact:**

In 2006-2007, the Legislature appropriated \$102.6 million for the FRAG program and \$5.2 million for the ABLÉ program. Depending on the amount remitted by FRAG and ABLÉ institutions for students who fail to maintain minimum grade point requirements, there may be a cost savings to the state. According to DOE, on average, three percent fewer FRAG and ABLÉ students would renew if required to meet a 2.25 grade point average. The savings is indeterminate at this time.

**VI. Technical Deficiencies:**

None.

**VII. Related Issues:**

None.

**VIII. Additional Information:**

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

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

The committee substitute does not require a minimum retention rate for institutions participating in the FRAG and ABLE programs.

**B. Amendments:**

None.

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This Senate Bill Analysis does not reflect the intent or official position of the bill's introducer or the Florida Senate.

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