

**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.)

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Prepared By: The Professional Staff of the Committee on Education

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BILL: SPB 7112

INTRODUCER: For consideration by the Education Committee

SUBJECT: Postsecondary Education

DATE: March 24, 2014

REVISED: \_\_\_\_\_

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ANALYST	STAFF DIRECTOR	REFERENCE	ACTION
1. Graf	Klebacha		<b>Pre-meeting</b>

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**I. Summary:**

SPB 7112 modifies state student financial aid opportunities available to Florida's students by expanding the Rosewood Family Scholarship Program and creating a new Florida National Merit Scholar Incentive Program.

Specifically, the bill increases the number of scholarships under the Rosewood Family Scholarship Program and the maximum award amount per student. The bill also creates the Florida National Merit Scholar Incentive Program to reward Florida high school graduates who receive the National Merit Scholar recognition or the National Achievement Scholar recognition and enroll in an eligible public or private postsecondary educational institution in Florida.

The bill takes effect on July 1, 2014.

**II. Present Situation:**

**Rosewood Family Scholarship Program**

The Rosewood Family Scholarship Program was created in 1994 to provide annual scholarships of up to \$4,000 to "minority persons with preference given to the direct descendants of Rosewood families" affected by the incidents of January 1923.<sup>1</sup> In 2009, the Legislature amended the student eligibility criteria to limit the Rosewood Family Scholarship Program only to the direct descendants of the Rosewood families.<sup>2</sup> The program provides for a maximum of 25 scholarships per year and requires that the award amount not exceed an amount in excess of tuition and registration fees.<sup>3</sup> The scholarship program is administered by the Florida Department of Education in accordance with the State Board of Education rules.<sup>4</sup>

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<sup>1</sup> Chapter 94-359, L.O.F.; *see also* s. 1009.55, F.S.

<sup>2</sup> Section 19, ch. 2009-60, L.O.F.

<sup>3</sup> Section 1009.55(1)-(2)(a), F.S.

<sup>4</sup> Section 1009.55(2), F.S.

Students must meet the following requirements to become eligible to receive the scholarship award.<sup>5</sup>

- Meet the general requirements for student eligibility as provided in law,<sup>6</sup> except as provided under the Rosewood Family Scholarship Program.
- File an application for the scholarship within the established time limits.
- Enroll as certificate-seeking or degree-seeking students at a state university, Florida Colleges System (FCS) institution, or career center authorized by law.

Funding for the Rosewood Family Scholarship Program is provided in the General Appropriations Act.<sup>7</sup> In 2013, the Legislature appropriated \$60,000 for the Rosewood Family Scholarships.<sup>8</sup> If funds are insufficient to provide a full scholarship to each eligible applicant, DOE may prorate the available funds and make partial award to each applicant.<sup>9</sup> Additionally, DOE must rank eligible initial applicants based on need as determined by the department.<sup>10</sup> Award payments must be transmitted to the President of the state university or FCS institution, or his or her representative, or the director of the career center before the registration period each semester.<sup>11</sup>

### **National Merit Scholarship Program**

The National Merit Scholarship Program is an academic competition for recognition and scholarships that began in 1955. High school students enter the National Merit Program by taking the Preliminary SAT/National Merit Scholarship Qualifying Test (PSAT/NMSQT), which serves as an initial screen of approximately 1.5 million entrants each year and meeting the program participation requirements.<sup>12</sup>

To participate in the National Merit Scholarship Program, a student must:<sup>13</sup>

- Take the PSAT/NMSQT in the specified year of the high school program and no later than the third year in grades 9 through 12, regardless of grade classification or educational pattern;
- Be enrolled as a high school student, progressing normally toward graduation or completion of high school, and planning to enroll full time in college no later than the fall following completion of high school; and
- Be a citizen of the United States; or be a U.S. lawful permanent resident (or have applied for permanent residence, the application for which has not been denied) and intend to become a U.S. citizen at the earliest opportunity allowed by law.

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<sup>5</sup> Section 1009.55(3), F.S.

<sup>6</sup> Section 1009.40, F.S.

<sup>7</sup> Section 1009.55(4), F.S.

<sup>8</sup> Specific Appropriations 66, s. 2, ch. 2013-40, L.O.F.

<sup>9</sup> Section 1009.55(2)(b), F.S.

<sup>10</sup> Section 1009.55(2), F.S.

<sup>11</sup> Section 1009.55(2)(d), F.S.

<sup>12</sup> National Merit Scholarship Corporation, *National Merit Scholarship Program*, <http://www.nationalmerit.org/nmsp.php> (last visited March 23, 2014).

<sup>13</sup> National Merit Scholarship Corporation, *National Merit Scholarship Program*, <http://www.nationalmerit.org/nmsp.php> (last visited March 23, 2014).

“Of the 1.5 million entrants, some 50,000 with the highest PSAT/NMSQT Selection Index scores (critical thinking + mathematics + writing skills scores) qualify for recognition in the National Merit Scholarship Program.”<sup>14</sup> In February, approximately 15,000 Semifinalists are notified that they have advanced to Finalist standing. Winners are chosen from the Finalist group based on their abilities, skills, and accomplishments. From March through mid-June, National Merit Scholarship Corporation (NMSC) notifies approximately, 8,000 Finalists that they have been selected to receive a Merit Scholarship award. A variety of information is available for the selectors to evaluate: the Finalist’s academic record, information about the school’s curricula and grading system, two sets of test scores, the high school official’s written recommendation, information about the student’s activities and leadership, and the Finalist’s own essay.<sup>15</sup>

Merit Scholarship awards are of three types:<sup>16</sup>

- National Merit \$2,500 Scholarships
- Corporate-sponsored Merit Scholarship awards
- College-sponsored Merit Scholarship awards

### **National Achievement Scholarship Program**

“The National Achievement Scholarship Program is an academic competition established in 1964 to provide recognition for outstanding Black American high school students. Black students may enter both the National Achievement Program and the National Merit Program by taking the PSAT/NMSQT and meeting other published requirements for participation.”<sup>17</sup> The two annual programs are conducted concurrently but operated and funded separately.<sup>18</sup> Black American students can qualify for both the National Merit Program and the National Achievement Program, can receive only one monetary award from the NMSC.<sup>19</sup>

To participate in the National Achievement Scholarship Program, a student must:<sup>20</sup>

- Take the PSAT/NMSQT in the specified year of the high school program and no later than the third year in grades 9 through 12, regardless of grade classification or educational pattern;
- Request entry to the National Achievement Program by marking section 14 on the PSAT/NMSQT answer sheet, thereby identifying himself or herself as a Black American who wishes to be considered in this competition as well as in the National Merit Scholarship Program;

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<sup>14</sup> National Merit Scholarship Corporation, *National Merit Scholarship Program*, <http://www.nationalmerit.org/nmsp.php> (last visited March 23, 2014).

<sup>15</sup> National Merit Scholarship Corporation, *National Merit Scholarship Program*, <http://www.nationalmerit.org/nmsp.php> (last visited March 23, 2014).

<sup>16</sup> National Merit Scholarship Corporation, *National Merit Scholarship Program*, <http://www.nationalmerit.org/nmsp.php> (last visited March 23, 2014).

<sup>17</sup> National Merit Scholarship Corporation, *National Achievement Scholarship Program*, <http://www.nationalmerit.org/nasp.php> (last visited March 23, 2014).

<sup>18</sup> National Merit Scholarship Corporation, *National Achievement Scholarship Program*, <http://www.nationalmerit.org/nasp.php> (last visited March 23, 2014).

<sup>19</sup> National Merit Scholarship Corporation, *National Achievement Scholarship Program*, <http://www.nationalmerit.org/nasp.php> (last visited March 23, 2014).

<sup>20</sup> National Merit Scholarship Corporation, *National Achievement Scholarship Program*, <http://www.nationalmerit.org/nasp.php> (last visited March 23, 2014).

- Be enrolled as a high school student, progressing normally toward graduation or completion of high school, and planning to enroll full time in college no later than the fall following completion of high school; and
- Be a citizen of the United States; or be a U.S. lawful permanent resident (or have applied for permanent residence, the application for which has not been denied) and intend to become a U.S. citizen at the earliest opportunity allowed by law.

Of the more than 160,000 students who currently enter the National Achievement Program each year, over 4,700 are honored. About 1,600 high-scoring participants in each year's National Achievement Scholarship Program are designated Semifinalists. In January, approximately 1,300 Semifinalists are notified that they qualify as Finalists. All winners are selected from the group of Finalists based on their abilities, skills, and accomplishments. Program notifies about 800 Finalists that they have been selected to receive a National Achievement Scholarship.<sup>21</sup>

Achievement Scholarship awards are of two types:<sup>22</sup>

- National Achievement \$2,500 Scholarships
- Corporate-sponsored Achievement Scholarship awards

NMSC is a private, not-for-profit organization that operates without government assistance.<sup>23</sup> NMSC conducts the National Merit Scholarship Program and the National Achievement Scholarship Program annual competitions for recognition and college undergraduate scholarships.<sup>24</sup>

### III. Effect of Proposed Changes:

SPB 7112 modifies state student financial aid opportunities available to Florida's students by expanding the Rosewood Family Scholarship Program and creating a new Florida National Merit Scholar Incentive Program.

Specifically, the bill increases the number of scholarships under the Rosewood Family Scholarship Program and the maximum award amount per student. The bill also creates the Florida National Merit Scholar Incentive Program to reward Florida high school graduates who receive the National Merit Scholar recognition or the National Achievement Scholar recognition and enroll in an eligible public or private postsecondary educational institution in Florida.

#### **Rosewood Family Scholarship Program**

The bill increases the annual maximum number of Rosewood Family scholarships from 25 to 50 per year and the annual scholarship award amount cap per student from \$4,000 to \$6,100.

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<sup>21</sup> National Merit Scholarship Corporation, *National Achievement Scholarship Program*, <http://www.nationalmerit.org/nasp.php> (last visited March 23, 2014).

<sup>22</sup> National Merit Scholarship Corporation, *National Achievement Scholarship Program*, <http://www.nationalmerit.org/nasp.php> (last visited March 23, 2014).

<sup>23</sup> National Merit Scholarship Corporation, *2012-13 Annual Report*, available at [http://www.nationalmerit.org/annual\\_report.pdf](http://www.nationalmerit.org/annual_report.pdf), at 3 of 56.

<sup>24</sup> National Merit Scholarship Corporation, *About National Merit Scholarship Corporation*, <http://www.nationalmerit.org/about.php> (last visited March 23, 2014).

### **Florida National Merit Scholar Incentive Program**

The bill creates the Florida National Merit Scholar Incentive Program (Program) to reward Florida high school graduates who receive the National Merit Scholar recognition or the National Achievement Scholar designation and who, beginning with the 2014-2015 academic year, enroll in a degree program, certificate program or applied technology program at an eligible public or private postsecondary educational institution in Florida. This Program creates an additional student financial aid mechanism to recruit academic scholars to pursue higher education in Florida.

The bill requires the Florida Department of Education (DOE or department) to administer the incentive program in accordance with the rules and procedures established by the State Board of Education (SBE). The department must advertise the Program and notify students, teachers, parents, certified school counselors, and principals or relevant school administrators about the Program criteria and application procedures.

Consistent with the some of the eligibility requirements for the existing state financial aid programs (e.g., Florida Public Student Assistance Grant Program<sup>25</sup> and Florida Bright Futures Scholarship Program<sup>26</sup>), a student must meet the following criteria to become eligible for the Program award:

- Be a state resident pursuant to current law<sup>27</sup> and SBE rules.
- Earn a standard Florida high school diploma or its equivalent pursuant to current law,<sup>28</sup> unless the student:
  - Completes a home education program pursuant to current law,<sup>29</sup> or
  - Earns a high school diploma from a school outside Florida while living with a parent or guardian who is on military or public service assignment outside Florida.
- Be accepted by and enroll in a Florida public or private postsecondary educational institution that meets the eligibility requirements specified in law.<sup>30</sup>
- Be enrolled for at least six semester credit hours or the equivalent in quarter hours or clock hours.

The Program award to a student must be equal to the highest cost of attendance at a public university in this state, as reported by the Board of Governors of the State University System of Florida (BOG), minus the sum of the student's Florida Bright Futures Scholarship and National Merit Scholarship or National Achievement Scholarship.

To renew the Program award, a student must meet the renewal requirements for the Florida Bright Futures Scholarship Program<sup>31</sup> and the Florida Academic Scholars award.<sup>32</sup> For associate degree and baccalaureate degree programs, the bill limits the Program award to a maximum of

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<sup>25</sup> Section 1009.50, F.S.

<sup>26</sup> Section 1009.531, F.S.

<sup>27</sup> Section 1009.40, F.S.

<sup>28</sup> Sections 1003.428, 1003.4281, 1003.4282, or 1003.435, F.S.

<sup>29</sup> Section 1002.41, F.S.

<sup>30</sup> Section 1009.533, F.S.

<sup>31</sup> Section 1009.532(1)(a), F.S.

<sup>32</sup> Section 1009.534(3), F.S.

100 percent of the number of credit hours required to complete such programs. For career certificate programs, the bill limits the Program award to a maximum of 100 percent of the credit hours or clock hours required to complete up to 90 credit hours of such programs, which is consistent with the Florida Gold Seal Vocational Scholarship<sup>33</sup> requirement.

The bill requires a new function of DOE to annually issue the Program awards, consistent with the department's role in issuing other state financial aid award payments (e.g., Florida Bright Futures Scholarship Program<sup>34</sup> and the Rosewood Family Scholarship Program<sup>35</sup>). The department must transmit award payments to the President or director of the postsecondary educational institution, or his or her representative, before the registration period each semester. However, DOE may withhold award payments if the receiving institution fails to comply with the specified requirements regarding reporting and refunding payments. Specifically, the bill requires institutions to certify to the department:

- The eligibility status of each student to receive a disbursement within 30 days before the end of its regular registration period that includes the drop and add period.
- The amount of funds disbursed to each student and remit to the department any undisbursed advances within 60 days after the end of the regular registration period.

The postsecondary institutions are not required to reevaluate student eligibility for Program award after the end of the drop and add period. Additionally, the bill specifies that the Program awards must be prorated if the appropriated funds for the Program are not sufficient to provide the maximum allowable award to each eligible student. Contingent on the availability of funds, a student may use the Program award for a summer term. The bill prohibits the use of Program funds to pay for remedial coursework or developmental education, which is consistent with the same prohibition under the Florida Bright Futures Scholarship Program.<sup>36</sup>

Program funds appropriated by the Legislature may be deposited into the State Student Financial Assistance Trust Fund. Any balance in the trust fund at the end of any fiscal year which is allocated to the Program must remain in the Program and be available to carry out the Program purpose. The department must allocate funds to the appropriate institutions and collect and maintain Program data within the student financial assistance database as specified in law.<sup>37</sup> The data collection component of the Program is consistent with the other state financial aid programs. Florida law requires DOE to maintain a student financial assistance database to support all aspects of administration and delivery of state-funded student financial aid. The database includes financial assistance provided to Florida's students through the different state financial aid programs.

The bill requires SBE to adopt rules to administer the Program provisions.

The bill takes effect on July 1, 2014.

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<sup>33</sup> Section 1009.536(4)(b), F.S.

<sup>34</sup> Section 1009.53, F.S.

<sup>35</sup> Section 1009.55, F.S.

<sup>36</sup> Section 1009.53(10), F.S.

<sup>37</sup> Section 1009.94, F.S.

**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:

The bill will allow additional students to receive Rosewood Family scholarships. Students who qualify for the scholarship will also receive higher award amount.

Additionally, through the Florida National Merit Scholar Incentive Program, the bill provides incentives to Florida's best and brightest students to pursue higher education in this state. The scholarship program may help to retain talented students in Florida and grow Florida's economy.

## C. Government Sector Impact:

Funding for the Rosewood Family Scholarship Program and the Florida National Merit Scholar Incentive Program will be specified in the General Appropriations Act.

**VI. Technical Deficiencies:**

None.

**VII. Related Issues:**

None.

**VIII. Statutes Affected:**

This bill substantially amends the section 1009.55 of the Florida Statutes.  
This bill creates section 1009.893 of the Florida Statutes.

**IX. Additional Information:**

- A. **Committee Substitute – Statement of Changes:**  
(Summarizing differences between the Committee Substitute and the prior version of the bill.)

None.

- 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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