

**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 Committee on Fiscal Policy

---

BILL: PCS/SB 1140 (884566)

INTRODUCER: Fiscal Policy Committee (Recommended by Appropriations Subcommittee on Transportation, Tourism, and Economic Development) and Senator Montford

SUBJECT: Bright Futures Scholarship Program

DATE: April 1, 2015

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

	ANALYST	STAFF DIRECTOR	REFERENCE	ACTION
1.	<u>Bailey</u>	<u>Klebacha</u>	<u>HE</u>	<u>Favorable</u>
2.	<u>Sikes</u>	<u>Elwell</u>	<u>AED</u>	<u>Recommend: Fav/CS</u>
3.	<u>Pace</u>	<u>Hrdlicka</u>	<u>FP</u>	<u>Pre-meeting</u>

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

COMMITTEE SUBSTITUTE - Substantial Changes

---

**I. Summary:**

PCS/SB 1140 allows a student who is eligible for a Florida Bright Futures Scholarship award, but unable to accept the award immediately following high school graduation due to a full-time religious or service obligation lasting at least 18 months, to defer the 2-year initial award period and the 5-year renewal period until the student completes the religious or service obligation.

This bill has a minimal fiscal impact. The number of students who could potentially benefit from the award deferment authorized in the bill is not known.

**II. Present Situation:**

The Florida Bright Futures Scholarship Program (program) is a lottery-funded scholarship program to reward a Florida high school graduate who merits recognition for high academic achievement and who enrolls in a degree program, certificate program, or applied technology program at an eligible public or private postsecondary institution in Florida after graduating from

high school.<sup>1</sup> The Department of Education (DOE) administers the program in accordance with rules and procedures adopted by the State Board of Education.<sup>2</sup>

The program consists of three types of awards:

- Florida Academic Scholarship (FAS);<sup>3</sup>
- Florida Medallion Scholarship (FMS);<sup>4</sup> and
- Florida Gold Seal Vocational Scholarship (FGSV).<sup>5</sup>

To be eligible to receive a program award, a student must meet the general eligibility criteria for initial<sup>6</sup> and renewal awards.<sup>7</sup> The student must also satisfy specific eligibility criteria for each of the three award programs and complete a program of community service work.<sup>8</sup>

Currently, a student who graduates from high school having met the requirements of a Florida Bright Futures Scholarship award is eligible to accept:

- An initial award for a period of 2 years,<sup>9</sup> and
- A renewal award for 5 years after graduating from high school.<sup>10</sup>

A student who enlists in the United States Armed Forces immediately after high school graduation can defer the 2-year eligibility period for initial award and 5-year renewal period of the award until the student separates from active duty.<sup>11</sup> Also, for a student who receives the scholarship award but discontinues his or her education to enlist in the United States Armed Forces, the remainder of his or her 5-year renewal period commences upon the date of separation from active duty.<sup>12</sup>

### III. Effect of Proposed Changes:

The bill modifies the student eligibility requirements for initial award of the Florida Bright Futures Scholarship. The bill allows a student who is eligible for a Florida Bright Futures Scholarship award, but unable to accept the award immediately following high school graduation due to a full-time religious or service obligation lasting at least 18 months, to defer the 2-year

---

<sup>1</sup> Sections 1009.53(1), F.S. and 1009.531(2)(a-c), F.S., specify a student graduating from high school prior to the 2010-2011 academic year is eligible to accept an initial award for 3 years following high school graduation and to accept a renewal award for 7 years following high school graduation. Each student graduating in the 2010-2011 and 2011-2012 academic school years is eligible to accept an initial award for 3 years following high school graduation and to accept a renewal award for 5 years following high school graduation. In the 2012-2013 academic school year, and thereafter, a student graduating from high school is able to accept an initial award for 2 years following high school graduation and to accept a renewal award for 5 years following high school graduation.

<sup>2</sup> Section 1009.53(3), F.S.

<sup>3</sup> Section 1009.534, F.S.

<sup>4</sup> Section 1009.535, F.S.

<sup>5</sup> Section 1009.536, F.S.

<sup>6</sup> Section 1009.531, F.S.

<sup>7</sup> Section 1009.532, F.S.

<sup>8</sup> Sections 1009.534(1), 1009.535(1), and 1009.536(1)(e), F.S.

<sup>9</sup> Section 1009.531(2)(c), F.S.

<sup>10</sup> *Id.*

<sup>11</sup> *Id.*

<sup>12</sup> *Id.*

initial award period and the 5-year renewal period until the student completes the religious or service obligation.

For the student to be eligible for the deferment, the religious or service obligation sponsoring organization must meet the requirements for nonprofit status under s. 501(c)(3) of the Internal Revenue Code or be a federal government service organization, such as the Peace Corps and AmeriCorps programs. The sponsoring organization must document, in writing, and verify the student's religious obligation or service work on a standardized form prescribed by the Department of Education.

In effect, students that would otherwise forfeit a scholarship due to participation in a religious or service obligation may retain eligibility, similar to the flexibility currently granted to students who enlist in the Armed Forces.

The bill takes effect on July 1, 2015.

#### **IV. Constitutional Issues:**

##### **A. Municipality/County Mandates Restrictions:**

The mandates restrictions do not apply because the bill does not require counties and municipalities to spend funds, reduce counties' or municipalities' ability to raise revenues, or reduce the percentage of a state tax shared with counties and municipalities.

##### **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:**

Under the bill more students may remain eligible for the Florida Bright Futures Scholarship award due to the religious or service obligation deferment option. In the 2013-2014 fiscal year, the average Florida Bright Futures Scholarship award was \$1,973.<sup>13</sup>

---

<sup>13</sup> Florida Department of Education, *2013-14 Florida Bright Futures Scholarship Program End-of-Year Report*, available at [https://www.floridastudentfinancialaidsg.org/pdf/EOY\\_Reports/2013-14/BF\\_2013\\_2014.pdf](https://www.floridastudentfinancialaidsg.org/pdf/EOY_Reports/2013-14/BF_2013_2014.pdf) (last visited March 27, 2015).

The bill may encourage more students to participate in religious or service activities after high school graduation because they can remain eligible for a Bright Futures Scholarship award.

**C. Government Sector Impact:**

This bill has a minimal fiscal impact. Approximately 80 percent of students initially eligible for a Florida Bright Futures Scholarship award enroll in a Florida postsecondary institution and receiving funding.<sup>14</sup> The number of students who don't accept an award immediately after high school graduation who could potentially benefit from the award deferment authorized in the bill is not known, but should be nominal.

**VI. Technical Deficiencies:**

None.

**VII. Related Issues:**

The bill authorizes the DOE to prescribe a standardized form to be completed by the student's sponsoring organization.

**VIII. Statutes Affected:**

This bill substantially amends section 1009.531 of the Florida Statutes.

**IX. Additional Information:**

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

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

**Recommended CS by Appropriations Subcommittee on Education on March 19, 2015:**

The committee substitute:

- Clarifies that for a student to be eligible for an award deferment, the sponsoring organization for the full-time religious or service obligation must meet the requirements for nonprofit status under s. 501(c)(3) of the Internal Revenue Code or be a federal government service organization that includes, but is not limited to, the Peace Corps and AmeriCorps programs.
- Specifies that the religious or service obligation must be documented and verified on a standardized form prescribed by the Department of Education.

**B. Amendments:**

None.

---

<sup>14</sup> Staff analysis of Florida Department of Education, *Florida High School Graduates Eligible for and Receiving Bright Futures* (Sept. 2014), available at <http://www.floridastudentfinancialaid.org/SSFAD/PDF/BFstats/BFReportsB.pdf> (last visited March 27, 2015).

---

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

---