

**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 Appropriations Subcommittee on Education

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BILL: PCS/SB 520 (426584)

INTRODUCER: Appropriations Subcommittee on Education; Senators Lee and Gaetz

SUBJECT: Florida Bright Futures Scholarship Program

DATE: December 7, 2015

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

	ANALYST	STAFF DIRECTOR	REFERENCE	ACTION
1.	<u>Bailey</u>	<u>Klebacha</u>	<u>HE</u>	<b>Favorable</b>
2.	<u>Sikes</u>	<u>Elwell</u>	<u>AED</u>	<b>Recommend: FAV/CS</b>
3.	_____	_____	<u>FP</u>	_____

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**I. Summary:**

PCS/SB 520 modifies the permissible activities in which a student can participate to meet the service work requirements for Florida Bright Futures Scholarship Program awards, allows an eligible student to defer the award while participating in a full-time religious or service obligation, and repeals the higher SAT or ACT score requirement for home education students.

Specifically the bill:

- Modifies student community service requirements for Florida Bright Futures Scholarship Program awards by clarifying that community service work means volunteer service work;
- Expands the permissible activities in which the student can participate to meet the volunteer service work requirement to include civic or professional areas, and places parameters on such activities;
- 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; and
- Repeals the higher SAT or ACT score required for a student in a home education program whose parent cannot document college-preparatory curriculum to be eligible for the Florida Medallion Scholars (FMS) award.
- Establishes new initial eligibility requirements and allowable uses for the Florida Gold Seal Vocational Scholars (FGSV) award.

During the 2015A Special Session, the Legislature adopted provisions similar to the Bright Futures Scholarship Program volunteer service provisions of PCS/SB 520 in ch. 2015-222, L.O.F., the implementing bill for the 2015-2016 General Appropriations Act (GAA). These provisions will expire on July 1, 2016, unless the Legislature acts to codify the policy beyond the 2015-2016 fiscal year. PCS/SB 520 protects the volunteer service provisions from repeal by enacting modified provisions and providing an effective date of July 1, 2016.

The fiscal impact of the number of students who could potentially benefit from the award deferment authorized in the bill is not known, but is expected to be nominal. The fiscal impact of repealing the higher test score requirement for a home education program student to earn an FMS award is estimated to be between \$100,000 and \$300,000 in recurring expenditures to the Educational Enhancement Trust Fund (EETF) due to more home education students qualifying for the FMS award. The fiscal impact of the FGSV eligibility and award changes is expected to be minimal beginning in the 2019-2020 fiscal year.

The bill takes effect July 1, 2016.

## II. Present Situation:

### Florida Bright Futures Scholarship Program

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:<sup>3</sup>

- Florida Academic Scholars (FAS);<sup>4</sup>
- Florida Medallion Scholars (FMS);<sup>5</sup> and
- Florida Gold Seal Vocational Scholars (FGSV).<sup>6</sup>

### Service Work Requirements

To be eligible for a scholarship award, a student must complete service hours during high school and by high school graduation.<sup>7</sup> To fulfill the community service work requirements, students graduating in the 2011-2012 academic year, and thereafter, must complete community service work, identify a social problem of interest, develop a plan for personal involvement in addressing the problem, and reflect on such experience through papers or presentations.<sup>8</sup> The number of community service work hours required differ among the three programs. For FAS, students

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<sup>1</sup> Sections 1009.53(1) and 1009.531(2)(a)-(c), F.S., specify that 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 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 1009.53(2), F.S.

<sup>4</sup> Section 1009.534, F.S.

<sup>5</sup> Section 1009.535, F.S.

<sup>6</sup> Section 1009.536, F.S.

<sup>7</sup> Florida Department of Education, Office of Student Financial Assistance, *2015-2016 Bright Futures Student Handbook*, available at <http://www.floridastudentfinancialaid.org/SSFAD/PDF/BFHandbookChapter1.pdf>.

<sup>8</sup> Section 1009.534(1), F.S.

must perform a minimum of 100 hours of community service work, FMS students must perform a minimum of 75 hours of community service work,<sup>9</sup> and FGSV students must perform a minimum of 30 hours of community service work.<sup>10</sup> The community service work must be approved by the district school board, the administrators of a nonpublic school, or the DOE for home education program students.<sup>11</sup>

For the 2015-2016 fiscal year,<sup>12</sup> the GAA implementing bill expanded opportunities for a student to fulfill the community service work requirements by completing a program of volunteer service work.<sup>13</sup>

Specifically, the program of volunteer service work:

- Requires approval by the district school board, the administrators of a nonpublic school, or the DOE for home education program students;
- Requires the student to identify a social or civic issue or a professional area of interest;
- Requires the student to develop a plan for personal involvement in addressing the issue or learning about the professional area, as well as evaluating and reflecting on such experience through papers or presentations;
- Prohibits a student from receiving compensation or academic credit for the volunteer service work, except for credit earned through service-learning courses;<sup>14</sup>
- Requires the volunteer service hours to be documented in writing and signed by the student, the student's parent or guardian, and a representative of the organization where the student volunteered; and
- Authorizes volunteer service work to include, but not be limited to:
  - Internship with a business or government entity;
  - Work for a nonprofit community service organization; or
  - Activity on behalf of a candidate for public office.

The program of volunteer service work expires on July 1, 2016.

### **Student Eligibility Requirements**

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 two years;<sup>15</sup> and
- A renewal award for five years after graduating from high school.<sup>16</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

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<sup>9</sup> Section 1009.535(1), F.S.

<sup>10</sup> Section 1009.536(1)(e), F.S.

<sup>11</sup> *Supra* note 12.

<sup>12</sup> S. 11, chapter 2015-222, L.O.F.

<sup>13</sup> Section 11, ch. 2015-222, L.O.F. Implementing Specific Appropriation 4, s. 1, ch. 2015-232, L.O.F.

<sup>14</sup> Section 11, ch. 2015-222, L.O.F. Service-learning courses are adopted pursuant to s. 1003.497, F.S.

<sup>15</sup> Section 1009.531(2)(c), F.S.

<sup>16</sup> *Id.*

the award until the student separates from active duty.<sup>17</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>18</sup>

To be eligible to receive a program award, students must meet the general eligibility criteria<sup>19</sup> and specific academic and community service work requirements.<sup>20</sup> The FAS and FMS require certain SAT or ACT scores, depending on the academic year. For the 2013-2014 academic year and on, a student must earn a SAT score of 1290 or ACT score of 29 for the FAS, and a SAT score of 1170 or ACT score of 26 for the FMS. However, for the FMS, a student in a home education program whose parent cannot document a college-preparatory curriculum must earn a SAT score of 1220 or ACT score of 27 to be eligible.<sup>21</sup> The FGSV requires a student to earn a minimum of a 3.0 weighted cumulative grade point average (GPA) on all subjects required for a standard high school diploma, excluding elective courses; complete at least three sequential courses in a career education program and earn a minimum of a 3.5 unweighted GPA in those courses; and demonstrate postsecondary education readiness by earning a passing score on the Florida Postsecondary Education Readiness Test.<sup>22</sup>

### III. Effect of Proposed Changes:

PCS/SB 520 modifies the permissible activities in which a student can participate in to meet the service work requirements for Florida Bright Futures Scholarship Program awards, allows an eligible student to defer the award while participating in a full-time religious or service obligation, repeals the requirement of higher SAT or ACT scores for home education students, and establishes new FGSV initial eligibility requirements and allowable uses of the award.

#### Service Work Requirements

The bill protects the volunteer service provisions from repeal by enacting modified provisions and providing an effective date of July 1, 2016.

Specifically, the bill:

- Codifies the substance of the program of volunteer service work beyond the 2015-2016 fiscal year;<sup>23</sup>
- Clarifies that “community” service work means “volunteer” service work; and
- Modifies service requirements affecting student eligibility for the FAS, FMS, and FGSV awards.
- Establishes new FGSV initial eligibility requirements and the allowable uses of the award.

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<sup>17</sup> *Id.*

<sup>18</sup> *Id.*

<sup>19</sup> Section 1009.531, F.S.

<sup>20</sup> Sections 1009.534(1), 1009.535(1), and 1009.536(1)(e), F.S.

<sup>21</sup> Section 1009.531(6), F.S.

<sup>22</sup> Section 1009.536 (1), F.S.

<sup>23</sup> S. 11, ch. 2015-222, L.O.F. This section expires July 1, 2016.

### **Student Eligibility Requirements**

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 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 DOE.

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 United States Armed Forces.

### **General Eligibility Requirements**

Additionally, the bill repeals the higher SAT or ACT score required for a student in a home education program whose parent cannot document college-preparatory curriculum to be eligible for the FMS award. Under the proposed legislation, a home education program student would be required to meet the same test score requirements as other high school students.

The bill repeals obsolete requirements for certain SAT and ACT scores for the FAS and FMS awards for past academic years.

During the 2015A Special Session, the Legislature adopted provisions similar to the Bright Futures Scholarship Program volunteer service provisions of PCS/SB 520 in ch. 2015-222, L.O.F., the implementing bill for the 2015-2016 GAA. These provisions will expire on July 1, 2016, unless the Legislature acts to codify the policy beyond the 2015-2016 fiscal year.

### **Florida Gold Seal Vocational Scholarship**

The bill creates new initial eligibility requirements for students to qualify for the FGSV award. Beginning with 2016-2017 high school graduates, a student may earn a FGSV award through the current requirements, or by meeting the general eligibility and volunteer service work requirements and earning a minimum of five postsecondary credits through CAPE industry certifications which articulate for college credit. High school students graduating in the 2019-2020 academic year and thereafter will only be able to qualify for a FGSV award through the new initial eligibility requirements specified in the bill.

A student who earns a FGSV award by meeting the new requirements and who completes a technical degree education program as defined in s. 1004.02 (13), F.S., may also receive an award for:

- A maximum of 60 credit hours for a bachelor of science degree program in which there is a statewide associate in science to bachelor of science degree program articulation agreement; or
- A maximum of 60 credit hours for a bachelor of applied science degree program at a Florida College System institution.

The bill takes effect on July 1, 2016.

#### **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:**

Under the bill, more students may remain eligible for the Florida Bright Futures Scholarship Program award due to the religious or service obligation deferment option. The bill may encourage more students to participate in religious or service activities immediately after high school graduation because they can remain eligible for a Bright Futures Scholarship Program award.<sup>24</sup>

In addition, more students participating in a home education program may be eligible for the FMS award due to the repeal of the higher SAT or ACT score requirements.<sup>25</sup>

In the 2014-2015 fiscal year, the average FMS award was \$1,740.<sup>26</sup>

The bill allows students who earn a FGSV award by meeting the new requirements and who complete a technical degree education program as defined in s. 1004.02 (13), F.S., to

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<sup>24</sup> Florida Department of Education, *2016 Agency Legislative Bill Analysis for SB 520* (on file with the Committee on Higher Education).

<sup>25</sup> *Id.*

<sup>26</sup> *Id.*

receive additional funding for specific bachelor degree programs. In the 2014-2015 fiscal year, the average FGSV award was \$949.<sup>27</sup>

**C. Government Sector 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>28</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 is expected to be nominal.

The fiscal impact of repealing the higher test score requirement for a home education program student to earn an FMS award is estimated to be between \$100,000 and \$300,000 in recurring expenditures to the Educational Enhancement Trust Fund due to more home education students qualifying for the FMS award.<sup>29</sup>

For the 2013-2014 high school graduating class, there were 6,342 students who earned an initial FGSV award, of which only 882 (13.9 percent) actually received funding. For that same 2013-2014 high school graduating class, 3,146 students, approximately half of the initially eligible FGSV students, met the new requirement specified in the bill of earning a minimum of five postsecondary credits through CAPE industry certifications which articulate for college credit. However, it is unknown how many of these students would have received funding for a FGSV award or how many would meet the requirements and utilize the new funding eligibility for an additional 60 credit hours for specific bachelor degree programs. The fiscal impact of the FGSV eligibility and award changes is expected to be minimal beginning in the 2019-2020 fiscal year.

**VI. Technical Deficiencies:**

None.

**VII. Related Issues:**

None.

**VIII. Statutes Affected:**

This bill substantially amends the following sections of the Florida Statutes: 1009.531, 1009.532, 1009.534, 1009.535, and 1009.536.

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<sup>27</sup> Staff analysis of Florida Department of Education, *2014-15 Florida Bright Futures – Florida Gold Seal Vocational Scholarship End-of-Year Report* (Sept. 2014), available at [https://www.floridastudentfinancialaid.org/pdf/EOY\\_Reports/2014-15/BFGSV\\_2014\\_2015.pdf](https://www.floridastudentfinancialaid.org/pdf/EOY_Reports/2014-15/BFGSV_2014_2015.pdf)

<sup>28</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).

<sup>29</sup> Florida Department of Education, *2016 Agency Legislative Bill Analysis for SB 520* (on file with the Committee on Higher Education).

**IX. Additional Information:****A. Committee Substitute – Statement of Changes:**

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

**Recommended CS by Appropriations Subcommittee on Education on December 3, 2015:**

The committee substitute:

- Maintains provisions regarding deferring the 2-year initial eligibility period and 5-year renewal eligibility period due to a full-time religious or service obligation.
- Maintains changes to volunteer service work requirements.
- Establishes new initial eligibility requirements and allowable uses for the Florida Gold Seal Vocational Scholars (FGSV) award.

**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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