

**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: SB 132

INTRODUCER: Senator Braynon

SUBJECT: Sunshine Scholarship Program

DATE: January 17, 2020

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

	ANALYST	STAFF DIRECTOR	REFERENCE	ACTION
1.	Dew	Sikes	ED	<b>Pre-meeting</b>
2.			AED	
3.			AP	

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**I. Summary:**

SB 132 establishes the Sunshine Scholarship Program (scholarship), administered by the Department of Education, to provide funding for 100 percent of tuition and fees for Florida residents pursuing an associate degree or career certificate from a Florida College System (FCS) institution or a career center. The bill specifies that a student must repay the awarded amount if the student does not reside and work within the state for a specified period after program completion or disenrollment.

The bill takes effect July 1, 2020.

**II. Present Situation:**

**Postsecondary Tuition and Fees**

Florida law establishes the tuition rate for resident students<sup>1</sup> and authorizes specific student fees at Florida postsecondary institutions. The cost of tuition at Florida College System (FCS) institutions is set by law at \$71.98 per credit hour for resident students pursuing an associate degree program.<sup>2</sup> The standard cost of tuition per contact hour for programs leading to a career certificate or an applied technology diploma is \$2.33.<sup>3</sup>

By law, all students must be charged tuition and fees except students who are exempt from fees or students whose fees are waived.<sup>4</sup> School districts and FCS institutions may waive fees for

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<sup>1</sup> “Legal resident” means a person who has maintained his or her residence in this state for the preceding year, has purchased a home which is occupied by him or her as his or her residence, or has established a domicile in this state. Section 1009.21(d), F.S.

<sup>2</sup> Section 1009.23(3)(a), F.S.

<sup>3</sup> Section 1009.22(3)(c), F.S.

<sup>4</sup> Sections 1009.22(2) and 1009.23(2)(a), F.S.

students who are not otherwise exempt from fees, in accordance with certain conditions,<sup>5</sup> or defer tuition and fees for students receiving financial aid from a federal or state assistance program when the aid is delayed.<sup>6</sup>

The cost of tuition and fees for residents enrolled full-time for the 2018-2019 academic year was:

- Approximately \$3,200 for an associate degree at an FCS institution.
- Approximately \$2,500 for a career certificate at an FCS institution or a career center.<sup>7</sup>

### **Financial Aid**

State and federal student financial aid and tuition assistance programs are available to assist students in accessing and pursuing higher education in Florida. The Office of Student Financial Assistance (OSFA), within the Department of Education (DOE), administers state financial aid and scholarship programs. Student financial assistance available for use in Florida<sup>8</sup> includes a variety of grants, scholarships, and loans.<sup>9</sup>

In addition to meeting requirements specific to each financial aid program, in order to be eligible for state financial aid awards, students must:

- Achieve the academic requirements of acceptance and be accepted at an eligible institution;<sup>10</sup>
- Reside in this state, for purposes other than to obtain an education, for no less than 1 year preceding the award of aid or a tuition assistance grant program;<sup>11</sup> and
- Submit certification attesting to the accuracy, completeness, and correctness of information provided to demonstrate eligibility.<sup>12</sup>

Institutions are required to expend moneys designated as need-based financial aid with no preference given to students who also qualify for merit-based or other financial aid awards.<sup>13</sup>

### ***Pell Grant***

Federal Pell Grants are awarded to undergraduate students displaying exceptional financial need who have not earned a bachelor's, graduate, or professional degree.<sup>14</sup> The basis for determining the award amount depends on an applicant's:

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<sup>5</sup> Section 1009.26(1), F.S.

<sup>6</sup> Section 1009.27(1), F.S.

<sup>7</sup> Email, Florida Department of Education (Jan. 3, 2020). Career centers can only offer career certificate programs by contact hour, not credit hour. The average cost per contact hour for students enrolled at career centers in Florida as residents for 2018-2019, inclusive of optional fees authorized by law, was \$2.79. *Id.* Cost of average annual tuition at a career center may be determined by converting the standard cost of tuition and fees per contact hour at a career center (\$2.79) to cost per credit hour (\$82.77) and factoring with a comparable full-time credit load per year (30).

<sup>8</sup> See Florida Student Financial Aid, *Office of Student Financial Assistance*, <http://www.floridastudentfinancialaid.org/> (last visited Dec. 11, 2019).

<sup>9</sup> See ss. 1009.50-1009.894, F.S. and Rules 6A-20.001 - 20.111, F.A.C.

<sup>10</sup> Section 1009.40(1)(a)1., F.S.

<sup>11</sup> Section 1009.40(1)(a)2., F.S.

<sup>12</sup> Section 1009.40(1)(a)3., F.S.

<sup>13</sup> Section 1009.44, F.S.

<sup>14</sup> Federal Student Aid, *Federal Pell Grants*, <https://studentaid.gov/understand-aid/types/grants/pell> (last visited Dec. 23, 2019).

- Expected Family Contribution;<sup>15</sup>
- Cost of attendance determined by the relevant school for the specific program;
- Status as a full-time or part-time student; and
- Plans to attend school for a full academic year or less.<sup>16</sup>

Once a student has earned a baccalaureate degree or the student's first professional degree, or the 12 semesters of eligibility have expired, a student is no longer eligible to receive a Federal Pell Grant.<sup>17</sup>

The maximum Federal Pell Grant award is \$6,195 for the 2019-2020 academic year.<sup>18</sup>

### ***Florida Student Assistance Grant***

The Florida Student Assistance Grant (FSAG) Program, created in 1972, is Florida's largest need-based grant program for degree-seeking students.<sup>19</sup> There are four FSAG programs under which a student may receive need-based aid, depending on the type of postsecondary institution the student attends. The four FSAG programs are the:<sup>20</sup>

- Florida Public Student Assistance Grant (FSAG Public) for students attending a state university or FCS institution;
- Florida Public Postsecondary Career Education Student Assistance Grant (FSAGCE) for certificate-seeking students attending an eligible FCS institution or career center operated by district school boards.<sup>21</sup>
- Florida Private Student Assistance Grant (FSAG Private) for students attending an eligible private, non-profit, four-year college or university; and
- Florida Postsecondary Student Assistance Grant (FSAG Postsecondary) for students attending an eligible postsecondary institution licensed by the Commission for Independent Education or offering a nursing diploma as approved by the Florida Board of Nursing.<sup>22</sup>

The procedures for application, eligibility, award, renewal, disbursement, and reinstatement are similar across the FSAG Programs. Awards are made annually for the amount of demonstrated unmet need for the cost of education up to the maximum award established in the General Appropriations Act. The program is administered by participating institutions in accordance with State Board of Education (SBE) rule.<sup>23</sup>

<sup>15</sup> Expected Family Contribution is calculated using a student's: family size; family's taxed and untaxed income, assets, and benefits; and number of family members who will attend college or career school during the year. Federal Student Aid, *How Aid is Calculated*, <https://studentaid.gov/complete-aid-process/how-calculated#efc> (last visited Dec. 23, 2019).

<sup>16</sup> Federal Student Aid, *supra* note 15.

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

<sup>18</sup> *Id.* In certain situations, a student who is eligible can receive up to 150 percent of his or her scheduled Pell grant award for an award year.

<sup>19</sup> Florida Department of Education Office of Student Financial Assistance, *Annual Report to the Commissioner 2018-19* (2019), at 11, available at <https://www.floridastudentfinancialaidsg.org/pdf/annualreportcurrent.pdf>.

<sup>20</sup> Florida Student Financial Aid, *Florida Student Assistance Grant Program 2019-20 Fact Sheet*, <https://www.floridastudentfinancialaidsg.org/PDF/factsheets/FSAG.pdf>, at 1.

<sup>21</sup> See Florida Student Financial Aid, *Florida Public Postsecondary Career Education Student Assistance Grant Program 2019-20 Fact Sheet*, <https://www.floridastudentfinancialaidsg.org/PDF/factsheets/FSAG-CE.pdf>.

<sup>22</sup> Section 1009.52(2)(a)1.-2., F.S.

<sup>23</sup> See Rule 6A-20.031, F.A.C.

The average FSAG award amounts disbursed for 2018-2019 were:

- \$1,492.55 for FSAG Public to 157,003 students.<sup>24</sup>
- \$729.92 for FSAGCE to 4,308 students.<sup>25</sup>
- \$1,498.96 for FSAG Private to 16,345 students.<sup>26</sup>
- \$1,081.96 for FSAG Postsecondary to 6,284 students.<sup>27</sup>

A total of \$269,396,012 has been appropriated for the FSAG programs for the 2019-2020 fiscal year.<sup>28</sup> The current maximum annual award amount of \$2,610 has not changed since 2013.<sup>29</sup>

### ***Florida Bright Futures Scholarship***

The Florida Bright Futures Scholarship Program (program)<sup>30</sup> is a lottery-funded scholarship program to reward any Florida high school graduate who merits recognition of high academic achievement and enrolls in a degree, certificate, or applied technology program at an eligible Florida public or private postsecondary education institution.<sup>31</sup> The program is administered by the DOE according to SBE rule,<sup>32</sup> and funding for the program is allocated from the Education Enhancement Trust Fund.<sup>33</sup> Awards are issued annually,<sup>34</sup> and a student may receive only one type of award from the program.<sup>35</sup>

In order to be eligible for an initial program award, a student must:

- Be a Florida resident;<sup>36</sup>
- Earn a standard Florida high school diploma or high school equivalency diploma, except upon meeting a specified alternative;<sup>37</sup>
- Meet specified academic criteria;<sup>38</sup> and

<sup>24</sup> Florida Department of Education Office of Financial Assistance, *End-of-Year-Report 2018-19* (Sept. 3, 2019), at 4, available at [https://www.floridastudentfinancialaidsg.org/PDF/PSI/FSAGPU\\_2018\\_2019.pdf](https://www.floridastudentfinancialaidsg.org/PDF/PSI/FSAGPU_2018_2019.pdf).

<sup>25</sup> Florida Department of Education Office of Financial Assistance, *End-of-Year-Report 2018-19* (Sept. 3, 2019), at 5, available at [https://www.floridastudentfinancialaidsg.org/PDF/PSI/FSAGCE\\_2018\\_2019.pdf](https://www.floridastudentfinancialaidsg.org/PDF/PSI/FSAGCE_2018_2019.pdf).

<sup>26</sup> Florida Department of Education Office of Financial Assistance, *End-of-Year-Report 2018-19* (Sept. 3, 2019), at 4, available at [https://www.floridastudentfinancialaidsg.org/PDF/PSI/FSAGPR\\_2018\\_2019.pdf](https://www.floridastudentfinancialaidsg.org/PDF/PSI/FSAGPR_2018_2019.pdf).

<sup>27</sup> Florida Department of Education Office of Financial Assistance, *End-of-Year-Report 2018-19* (Sept. 3, 2019), at 6, available at [https://www.floridastudentfinancialaidsg.org/PDF/PSI/FSAGPO\\_2018\\_2019.pdf](https://www.floridastudentfinancialaidsg.org/PDF/PSI/FSAGPO_2018_2019.pdf).

<sup>28</sup> Florida Department of Education Office of Student Financial Assistance, *Annual Report to the Commissioner 2018-19* (2019), at 5, available at <https://www.floridastudentfinancialaidsg.org/pdf/annualreportcurrent.pdf>.

<sup>29</sup> *See Id.* at 12.

<sup>30</sup> Section 442, ch. 2002-387, L.O.F.

<sup>31</sup> Section 1009.53(1), F.S. Awards are also available for graduate study. Section 1009.5341, F.S.

<sup>32</sup> Section 1009.53(3), F.S.

<sup>33</sup> Section 1009.53(4), F.S.

<sup>34</sup> Section 1009.53(5), F.S.

<sup>35</sup> Section 1009.53(7), F.S.

<sup>36</sup> Section 1009.531(1)(a), F.S.

<sup>37</sup> Section 1009.531(1)(b), F.S.

<sup>38</sup> The Bright Futures Scholarship Program consists of four awards: the Florida Academic Scholarship, the Florida Medallion Scholarship, the Florida Gold Seal CAPE Scholarship, and the Florida Gold Seal Vocational Scholarship. Section 1009.53(2), F.S. A student is eligible for an award if he or she meets the general eligibility requirements for the program and relevant criteria outlined in s. 1009.534, 1009.535, or 1009.536, F.S.

- Be accepted by and enroll in an eligible Florida public or independent postsecondary education institution.<sup>39</sup>

For the 2018-2019 academic year, the average award amounts for the program were:

- \$6,534 for the Florida Academic Scholarship to 53,742 students.<sup>40</sup>
- \$3,946 for the Florida Medallion Scholarship to 48,589 students.<sup>41</sup>
- \$908 for the Florida Gold Seal CAPE Scholarship to 159 students.<sup>42</sup>
- \$870 for the Florida Gold Seal Vocational Scholarship to 895 students.<sup>43</sup>

A total of \$595,143,167 has been appropriated for Bright Future Scholarships for the 2019-2020 fiscal year.<sup>44</sup>

### III. Effect of Proposed Changes:

SB 132 establishes the Sunshine Scholarship Program (scholarship), administered by the Department of Education, to provide funding for 100 percent of tuition and fees for Florida residents pursuing an associate degree or career certificate from a Florida College System (FCS) institution or career center. The bill specifies that a student must repay the awarded amount if the student does not reside and work within the state for a specified period after program completion or disenrollment.

#### Eligibility

##### *Student Eligibility*

In order to be eligible to receive a scholarship, a student must:

- Be a resident for tuition purposes;<sup>45</sup>
- Meet the general requirements for student eligibility,<sup>46</sup> except as otherwise provided;

<sup>39</sup> Sections 1009.531(1)(c)-(f), F.S.

<sup>40</sup> Florida Department of Education Office of Student Financial Assistance, *End-of-Year Report* (Sept. 3, 2019), at 7, available at [https://www.floridastudentfinancialaidsg.org/PDF/PSI/BFFAS\\_2018\\_2019.pdf](https://www.floridastudentfinancialaidsg.org/PDF/PSI/BFFAS_2018_2019.pdf).

<sup>41</sup> Florida Department of Education Office of Student Financial Assistance, *End-of-Year Report* (Sept. 3, 2019), at 8, available at [https://www.floridastudentfinancialaidsg.org/PDF/PSI/BFFMS\\_2018\\_2019.pdf](https://www.floridastudentfinancialaidsg.org/PDF/PSI/BFFMS_2018_2019.pdf).

<sup>42</sup> Florida Department of Education Office of Student Financial Assistance, *End-of-Year Report* (Sept. 3, 2019), at 5, available at [https://www.floridastudentfinancialaidsg.org/PDF/PSI/BFGSC\\_2018\\_2019.pdf](https://www.floridastudentfinancialaidsg.org/PDF/PSI/BFGSC_2018_2019.pdf).

<sup>43</sup> Florida Department of Education Office of Student Financial Assistance, *End-of-Year Report* (Sept. 3, 2019), at 6, available at [https://www.floridastudentfinancialaidsg.org/PDF/PSI/BFGSV\\_2018\\_2019.pdf](https://www.floridastudentfinancialaidsg.org/PDF/PSI/BFGSV_2018_2019.pdf).

<sup>44</sup> Florida Department of Education Office of Student Financial Assistance, *Annual Report to the Commissioner 2018-19* (2019), at 5, available at <https://www.floridastudentfinancialaidsg.org/pdf/annualreportcurrent.pdf>.

<sup>45</sup> Section 1009.21(1)(d), F.S., defines “resident” to mean a person who has maintained his or her residence in this state for the preceding year, has purchased a home which is occupied by him or her as his or her residence, or has established a domicile in this state. Qualification as a resident for tuition purposes is outlined in s. 1009.21(2)(a), F.S., and involves a person or, if that person is a dependent child, his or her parent or parents, to have established legal residence in this state and maintained legal residence in this state for at least 12 consecutive months immediately prior to initial enrollment in an institution of higher education.

<sup>46</sup> Section 1009.40, F.S. provides general requirements for student eligibility consisting of achievement of academic requirements; residency in this state for no less than 1 year preceding the award of aid or a tuition assistance grant; and submission of certification attesting to a student’s eligibility to receive state financial aid awards or tuition assistance grants. Renewal of eligibility is conditional on a student earning a minimum cumulative GPA of 2.0 on a 4.0 scale and 12 credits per

- Have a total annual household income equal to or less than \$50,000;<sup>47</sup>
- Complete the Free Application for Federal Student Aid (FAFSA)<sup>48</sup> for each academic year in which the scholarship is sought;
- Be accepted by and enroll in an eligible postsecondary institution; and
- Maintain continuous enrollment as a full-time student while receiving the scholarship.<sup>49</sup>

The bill requires that, in order to remain eligible for the scholarship, a student must maintain the equivalent of a cumulative grade point average of 2.5 on a 4.0 scale while enrolled. The scholarship applies only to tuition and fees, with each recipient responsible for additional user fees, textbooks, and other college-related expenses.

Providing additional financial assistance to students from low-income families may provide greater opportunities for these students to pursue a postsecondary education.

### ***Institutional Eligibility***

The bill defines “eligible postsecondary institution” to mean a FCS institution, career center operated by a school district, or charter technical career center. Financial aid received from the Pell Grant, the Florida Public Student Assistance Grant Program, and the Florida Bright Futures Scholarship Program must be credited to the student’s tuition and fees before the award of a scholarship.

### ***Conditions of Repayment***

The bill requires scholarship recipients to repay the total scholarship amount awarded, plus an annual interest rate equal to the federal student loan interest rate in effect when the student entered the program, if the student does not reside and work within the state for the specified period.<sup>50</sup> Upon completion of his or her program of study, or disenrollment, the scholarship

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term, for undergraduate full-time study, by the end of the second semester or third quarter of each academic year. Section 1009.40(1)(b), F.S.

<sup>47</sup> “Household income” means the adjusted gross income of all members of a household. Section 196.075(1)(b), F.S. Section 62 of the United States Internal Revenue Code defines “adjusted gross income” to mean gross income minus trade and business deductions; certain trade and business deductions of employees; losses from sale or exchange of property; deductions attributable to rents and royalties; certain deductions of life tenants and income beneficiaries of property; pension, profit-sharing, and annuity plans of self-employed individuals; retirement savings; penalties forfeited because of premature withdrawal of funds from time savings accounts or deposits; alimony; reforestation expenses; certain required repayments of supplemental unemployment compensation benefits; jury duty pay remitted to employer; moving expenses; Archer MSAs; interest on education loans; higher education expenses; health savings accounts; costs involving discrimination suits; and attorney fees relating to awards to whistleblowers. 26 U.S.C. s. 62.

<sup>48</sup> Completing a FAFSA form assists in applying for federal state, and school financial aid. In order to qualify for federal student aid, a student or prospective student must meet criteria, including demonstrating the following: financial need; status as a U.S. citizen or an eligible noncitizen; enrollment or acceptance for enrollment as a regular student in an eligible degree or certificate program; and qualification to obtain a college or career school education. Federal Student Aid, *Basic Eligibility Criteria*, <https://studentaid.gov/understand-aid/eligibility/requirements> (last visited Dec. 23, 2019).

<sup>49</sup> The bill defines “full-time student” for the purposes of this section to mean a student enrolled in a minimum of 12 semester hours or the clock hour equivalent.

<sup>50</sup> According to section 1009.21(8), F.S., a person who has been properly classified as a resident for tuition purposes but who, while enrolled in an institution of higher education in this state, loses his or her resident tuition status, continues to enjoy the in-state tuition rate for a statutory grace period for 12 months or, if the 12-month grace period ends during a semester or academic term for which such former resident is enrolled, the grace period is to be extended to the end of that semester or academic term.

recipient must live and work in Florida for the same length of time the scholarship was received. The bill specifies that this requirement does not apply if a student enlists in the United States Armed Forces.

The implementation of the scholarship program is subject to legislative appropriation in the General Appropriations Act.

The bill takes effect July 1, 2020.

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

A. Municipality/County Mandates Restrictions:

None.

B. Public Records/Open Meetings Issues:

None.

C. Trust Funds Restrictions:

None.

D. State Tax or Fee Increases:

None.

E. Other Constitutional Issues:

None.

#### **V. Fiscal Impact Statement:**

A. Tax/Fee Issues:

None.

B. Private Sector Impact:

The establishment of the Sunshine Scholarship Program may provide eligible students with the opportunity to pursue a postsecondary education, or allow those already pursuing a postsecondary education to enroll in more courses.

C. Government Sector Impact:

The establishment of the Sunshine Scholarship Program is contingent on legislative appropriation. If funded, the Office of Student Financial Assistance (OSFA) may incur

expenses related to documenting, tracking, and funding student participation in the scholarship program.<sup>51</sup>

**VI. Technical Deficiencies:**

None.

**VII. Related Issues:**

None.

**VIII. Statutes Affected:**

This bill creates section 1009.895 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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<sup>51</sup> Florida Department of Education, *Agency Bill Analysis for SB 132 (2020)*.