

**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 1484

INTRODUCER: Senator Gruters

SUBJECT: Florida Private Student Assistance Grant Program

DATE: March 8, 2021

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

	ANALYST	STAFF DIRECTOR	REFERENCE	ACTION
1.	Westmark	Bouck	ED	<b>Favorable</b>
2.	_____	_____	AED	_____
3.	_____	_____	AP	_____

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**I. Summary:**

SB 1484 alters eligibility for students to receive a Florida private student assistance grant (grant). The bill specifies that recipients of a grant, as an alternative to the requirement to have been accepted at an appropriate independent nonprofit college or university, have the option of having been accepted at a competency-based nonprofit virtual postsecondary institution in order to receive a grant, provided the institution:

- Is accredited by a member of the Council of Regional Accrediting Commissions;
- Is created by the governors of several states;
- Has established and continually maintains a location of operation in this state; and
- Maintains a governing body or advisory board in this state.

The bill takes effect July 1, 2021.

**II. Present Situation:**

The Florida Student Assistance Grant (FSAG) Program is a need-based grant program available to degree-seeking, resident, undergraduate students who demonstrate substantial financial need and are enrolled in participating postsecondary institutions.<sup>1</sup>

**Florida Private Student Assistance Grant Program**

The Florida Private Student Assistance Grant Program (Program) is available to students who attend eligible private, non-profit, four-year colleges and universities.<sup>2</sup> The Program is

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<sup>1</sup> Office of Student Financial Assistance, *Florida Student Assistance Grant Program Fact Sheet* (2020-21), available at <https://www.floridastudentfinancialaidsg.org/PDF/factsheets/FSAG.pdf>, at 1.

<sup>2</sup> *Id.*

administered by participating institutions in accordance with rules of the State Board of Education (SBE).<sup>3</sup>

### ***Institutional Eligibility***

In order to be eligible to administer the Program, an institution must:<sup>4</sup>

- Be a baccalaureate-degree-granting, nonprofit independent college or university;
- Be accredited by the Commission on Colleges of the Southern Association of Colleges & Schools (SACS);
- Be located in and chartered as a domestic corporation by Florida;
- Administer the Pell Grant.<sup>5</sup>

### ***Student Eligibility***

Florida private student assistance grants (grants) may be made only to full-time degree-seeking students who meet general requirements for student eligibility,<sup>6</sup> attend eligible private, non-profit, four-year colleges and universities,<sup>7</sup> and are awarded for the amount of demonstrated unmet need for tuition and fees, not to exceed the maximum annual award amount specified in the General Appropriations Act (GAA).<sup>8</sup>

Eligibility for the renewal of financial aid awards such as the grant is evaluated at the end of the second semester or third quarter of each academic year. As a condition for renewal, a student must have earned:<sup>9</sup>

- A minimum cumulative grade point average of 2.0 on a 4.0 scale; and
- For undergraduate full-time study, 12 credits per term or the equivalent for the number of terms for which aid was received.

A student applying for a grant is required to apply for the Pell Grant.<sup>10</sup> Recipients of such grants must have been accepted at a baccalaureate-degree-granting independent nonprofit college or university accredited by SACS and located in and chartered as a domestic corporation by the

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<sup>3</sup> Section 1009.51(1), F.S.

<sup>4</sup> Office of Student Financial Assistance, *2020-21 Institutional Eligibility Program Requirements for Participation in State Scholarship & Grant Programs* (2021), available at

[https://www.floridastudentfinancialaidsg.org/pdf/Institution\\_Eligibility\\_Requirements.pdf](https://www.floridastudentfinancialaidsg.org/pdf/Institution_Eligibility_Requirements.pdf).

<sup>5</sup> Administering the Pell Grant involves Title IV eligibility and requires approved accreditation. *Id.*

<sup>6</sup> *See s.* 1009.40, F.S.

<sup>7</sup> Office of Student Financial Assistance, *Florida Student Assistance Grant Program Fact Sheet* (2020-21), available at <https://www.floridastudentfinancialaidsg.org/PDF/factsheets/FSAG.pdf>, at 1.

<sup>8</sup> Section 1009.51(2)(a), F.S. A demonstrated unmet need of less than \$200 renders the applicant ineligible for a Florida private student assistance grant. *Id.*

<sup>9</sup> Section 1009.40(1)(b)1., F.S. A student who fails to earn the minimum number of credits required for renewal shall lose his or her eligibility for renewal for a period equivalent to one academic year. However, the student may reapply during a subsequent application period and may be eligible for an award if he or she has earned a minimum cumulative grade point average of 2.0 on a 4.0 scale. Section 1009.40(1)(b)3., F.S.

<sup>10</sup> Section 1009.51(2)(b), F.S. Priority in the distribution of grant moneys may be given to students who are within one semester of completing a degree or certificate program. An institution may not make a grant from this program to a student whose expected family contribution exceeds one and one-half times the maximum Pell Grant-eligible family contribution. An institution may not impose additional criteria to determine a student's eligibility to receive a grant award. Section 1009.51(2)(c), F.S.

state.<sup>11</sup> If funds are available, a student who received an award in the fall or spring term may receive an award in the summer term.<sup>12</sup> A student receiving a grant is eligible to receive scholarship funding for nine semesters or fourteen quarters of full-time enrollment.<sup>13</sup>

### ***Reporting and Distribution Requirements***

Each participating institution determines applicant eligibility and award amount,<sup>14</sup> and is required to report to the Department of Education (DOE) the students eligible for the Program for each academic term, including necessary demographic and eligibility data for such students.<sup>15</sup> Only eligible institutions can disburse state aid through the Program.<sup>16</sup>

The funds appropriated for the Program must be distributed to eligible institutions in accordance with a formula approved by the SBE.<sup>17</sup> Institutions must comply with disbursement and remittance requirements specified in law.<sup>18</sup>

Each institution that receives moneys through the Program must prepare a biennial report submitted to DOE by March 1 every other year that includes a financial audit, conducted by an independent certified public accountant, of the institution's administration of the Program and a complete accounting of moneys allocated to the institution for the Program. DOE may conduct its own annual or biennial audit of an institution's administration of the Program and its allocated funds in lieu of the required biennial report and financial audit report.<sup>19</sup>

In 2019-2020, 16,139 students were disbursed almost \$25 million, an average of \$1,549 per student, at 35 eligible private colleges and universities.<sup>20</sup>

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<sup>11</sup> Section 1009.51(2)(a), F.S.

<sup>12</sup> Priority in the distribution of summer awards must be given to students who are within one semester of completing a degree or certificate program, and no student may receive an award for more than the equivalent of 9 semesters or 14 quarters of full-time enrollment, except as otherwise provided in s. 1009.40(3), F.S. Section 1009.51(2)(a), F.S.

<sup>13</sup> Office of Student Financial Assistance, *Florida Student Assistance Grant Program Fact Sheet* (2020-21), available at <https://www.floridastudentfinancialaidsg.org/PDF/factsheets/FSAG.pdf>, at 4.

<sup>14</sup> *Id.*

<sup>15</sup> Section 1009.51(2)(d), F.S. The eligibility status of each student to receive a disbursement must be determined by each institution as of the end of its regular registration period, inclusive of a drop-add period. Section 1009.51(4)(c), F.S.

<sup>16</sup> Office of Student Financial Assistance, *Florida Student Scholarship & Grant Programs*, <https://www.floridastudentfinancialaidsg.org/SAPHome/SAPHome?url=home> (last visited March 4, 2021).

<sup>17</sup> Section 1009.51(4)(a), F.S.

<sup>18</sup> Section 1009.51(4)(d), F.S.

<sup>19</sup> Section 1009.51(4)(e), F.S.

<sup>20</sup> Office of Student Financial Assistance, *End-of-Year Report 2019-20* (Sept. 1, 2020), available at [https://www.floridastudentfinancialaidsg.org/PDF/PSI/FSAGPR\\_2019\\_2020.pdf](https://www.floridastudentfinancialaidsg.org/PDF/PSI/FSAGPR_2019_2020.pdf), at 1.

## Council of Regional Accrediting Commissions

The Council of Regional Accrediting Commissions (C-RAC) represents the seven organizations responsible for the accreditation<sup>21</sup> of approximately 3,000 of the nation's colleges and universities:<sup>22</sup>

- Accrediting Commission for Community and Junior Colleges;
- Higher Learning Commission;
- Middle States Commission on Higher Education;
- New England Commission of Higher Education;
- Northwest Commission on Colleges and Universities;
- SACS; and
- WASC Senior College and University Commission.

As of 2017, C-RAC members help assure quality at 2,866 Title IV institutions in 3,524 locations across the United States.<sup>23</sup>

### Florida Members

SACS accredits 74 Florida public and private colleges and universities,<sup>24</sup> including 12 universities that make up the State University System of Florida, 28 institutions in the Florida College System, and 34 private colleges and universities.

## State Authorization Reciprocity Agreements

The State Authorization Reciprocity Agreements (SARA) provide a voluntary, regional approach to state oversight of postsecondary distance education. Membership is open to degree-granting postsecondary institutions from all sectors, including non-profit and for-profit public colleges and universities and independent institutions accredited by an agency recognized by the U.S. Secretary of Education. States that join SARA agree to follow uniform processes for approving their eligible institutions' participation and interact with other states' SARA institutions in a common way when those institutions carry out activities in SARA states other than their own.

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<sup>21</sup> Defined as “a process of external review used by the higher education community to assure quality and spur ongoing improvement.” Council of Regional Accrediting Commissions, *Accreditation 101*, <https://www.c-rac.org/accreditation-101> (last visited March 3, 2021). Accrediting commissions are private, nonprofit organizations comprised of college and university members, with commissions and visiting teams made up of volunteers. *Id.* The U.S. Department of Education lists four primary functions of accreditation:

1. Assess the quality of academic programs at institutions of higher education.
2. Create a culture of continuous improvement of academic quality at colleges and universities and stimulate a general raising of standards among educational institutions.
3. Involve faculty and staff comprehensively in institutional evaluation and planning.
4. Establish criteria for professional certification and licensure and for upgrading courses offering such preparation.

U.S. Department of Education, *Accreditation in the United States* (Feb. 4, 2021), available at [https://www2.ed.gov/admins/finaid/accred/accreditation\\_pg2.html#U.S.](https://www2.ed.gov/admins/finaid/accred/accreditation_pg2.html#U.S.)

<sup>22</sup> Council of Regional Accrediting Commissions, *Who We Are*, <https://www.c-rac.org/copy-of-about-us> (last visited March 3, 2021).

<sup>23</sup> Council of Regional Accrediting Commissions, *Quick Facts*, <https://www.c-rac.org/quick-facts> (last visited March 3, 2021).

<sup>24</sup> Southern Association of Colleges and Schools Commission on Colleges, *SACSCOC Accredited and Candidate List* (January 2021), available at <https://sacscoc.org/app/uploads/2019/11/Institutionswebmemlist.pdf>.

Participating institutions also agree to follow the Interregional Guidelines for the Evaluation of Distance Education Programs, otherwise known as online learning, for best practices in postsecondary distance education developed by leading practitioners of distance education and adopted by C-RAC.<sup>25</sup>

As of April 2020, 49 states, the District of Columbia, Puerto Rico and the U.S. Virgin Islands are members of SARA. Over 2,100 colleges and universities participate in SARA.<sup>26</sup> Of these, over 80 are based in Florida.<sup>27</sup>

### III. Effect of Proposed Changes:

SB 1484 alters eligibility for students to receive a Florida private student assistance grant (grant). The bill specifies that recipients of a grant, as an alternative to the requirement to have been accepted at a baccalaureate-degree-granting independent nonprofit college or university appropriately accredited, have the option of having been accepted at a competency-based<sup>28</sup> nonprofit virtual postsecondary institution in order to receive a grant, provided the institution:

- Is accredited by a member of the Council of Regional Accrediting Commissions;
- Is created by the governors of several states;
- Has established and continually maintains a location of operation in this state; and
- Maintains a governing body or advisory board in this state.

Allowing students who have been accepted at a competency-based nonprofit virtual postsecondary institution to receive a grant may allow additional students to receive the grant. However, an institution meeting the expanded eligibility criteria to administer such grants may be required to translate student competency attainment to meet student eligibility requirements for a renewal award under the Florida Private Student Assistance Grant Program (Program), including a minimum 2.0 cumulative grade point average (GPA) and completion of 12 credits per term.<sup>29</sup>

#### Western Governors University

An institution that appears to meet several of the qualifications for participation in the Program is Western Governors University (WGU).<sup>30</sup> WGU is a competency-based, private online university offering a bachelor's or master's degree. Created in 1995 by 19 United States governors, WGU is accredited by the Northwest Commission on Colleges and Universities, a regional accreditation body represented under the Council of Regional Accrediting Commissions.

Students enrolled at WGU earn degrees through demonstration of competencies in required areas

<sup>25</sup> NC-SARA, *About NC-SARA*, <https://www.nc-sara.org/about-nc-sara> (last visited March 5, 2021).

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

<sup>27</sup> NC-SARA, *NC-SARA Institution Directory*, <https://www.nc-sara.org/directory> (last visited March 5, 2021).

<sup>28</sup> Competency-based education measures progress by students demonstrating through valid, reliably assessed learning objectives that they have acquired knowledge and skills required to earn degrees or other credentials in a particular academic discipline or field of study, regardless of the amount of time spent. Competency-Based Education Network, *Frequently Asked Questions*, <https://www.cbenetwork.org/frequently-asked-questions/> (last visited March 3, 2021).

<sup>29</sup> See s. 1009.40(1)(b), F.S.

<sup>30</sup> WGU currently enrolls 7,044 active Florida students, and has 10,673 Florida graduates. Western Governors University, *WGU in Florida* (January, 2021).

through assessments. As such, the degree programs allow students to move at their desired pace as well as accelerate their programs through prior experience.<sup>31</sup>

WGU serves students in all 50 states as an online university but maintains an on-the-ground presence at its eight state affiliates: WGU Washington, WGU Nevada, WGU Texas, WGU Missouri, WGU Indiana, WGU Ohio, WGU Tennessee, and WGU North Carolina.<sup>32</sup>

WGU students do not get letter-grades or a GPA as part of their degree program.<sup>33</sup> Students progress through courses as they demonstrate mastery of the material, rather than advancing only at the end of the semester or term.<sup>34</sup>

The bill takes effect July 1, 2021.

#### **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.

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<sup>31</sup> Education Commission of the States, *Policy Snapshot: Competency-Based Education* (June 2017), available at <http://www.ecs.org/wp-content/uploads/PS-Competency-Based-Education.pdf>, at 4.

<sup>32</sup> Western Governors University, *Higher Education Veteran Tapped by WGU to Lead Regional Operations* (Dec. 10, 2020), available at <https://www.wgu.edu/newsroom/press-release/2020/12/higher-education-veteran-tapped-lead-regional-operations.html>. WGU does not have a physical base in Florida. Phone conversation, Western Governors University personnel (March 8, 2021).

<sup>33</sup> Western Governors University, *Commonly asked questions about WGU* (Nov. 17, 2020), available at <https://www.wgu.edu/blog/commonly-asked-questions-wgu2011.html>.

<sup>34</sup> Western Governors University, *Competency-based education*, <https://www.wgu.edu/about/competency-based-education.html> (last visited March 8, 2021).

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

None.

**B. Private Sector Impact:**

None.

**C. Government Sector Impact:**

Expanding eligibility for the Florida private student assistance grant may affect how funds are allocated across the several Florida student assistance grants,<sup>35</sup> including decreased availability of funds for institutions already eligible for grants.

**VI. Technical Deficiencies:**

None.

**VII. Related Issues:**

None.

**VIII. Statutes Affected:**

This bill substantially amends section 1009.51 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>35</sup> See s. 1009.51(4)(a), F.S.