

Education Estimating Conference on Student Financial Aid

EXECUTIVE SUMMARY

July 14, 2014

The Student Financial Aid (SFA) Estimating Conference met on July 14, 2014, to adopt estimates for FY 2014-15 through FY 2017-18 for the new Florida National Merit® Scholar Incentive Program.

Section 26 of Chapter 2014-56, L.O.F., creates section 1009.893, Florida Statutes, which establishes the Incentive Program to reward Florida high school graduates who receive recognition as a National Merit® Scholar or a National Achievement® Scholar. The award is equal to the cost of attendance (including tuition and fees, room and board, and other expenses) at a public postsecondary educational institution, minus the amount of the student's Bright Futures Scholarship and National Merit® Scholarship or National Achievement® Scholarship.

The Conference adopted a series of assumptions (detailed on the *Consensus Estimate*) in order to generate a forecast for the number of eligible students as well as the estimated appropriation that would be required to provide a full award to all eligible students. Adopted estimates are as follows:

CONSENSUS ESTIMATE - FLORIDA NATIONAL MERIT® SCHOLAR INCENTIVE PROGRAM JULY 14, 2014 CONFERENCE

	2014-15	2015-16	2016-17	2017-18
Initial Awards	183	222	244	266
Renewal Awards	0	174	376	589
Total Awards	183	396	620	855
Average Award Amount	\$15,687.54	\$17,079.61	\$17,794.67	\$18,298.13
Estimated Appropriation	\$2,870,820	\$6,763,528	\$11,032,699	\$15,644,903
<i>Incremental Increase to Appropriation</i>		<i>\$3,892,708</i>	<i>\$4,269,171</i>	<i>\$4,612,204</i>

Florida National Merit® Scholar Incentive Program (s. 1009.893, F.S.)
July 14, 2014 Consensus Estimate

National Merit Corporation & Florida			
	Merit Scholars	Achievement Scholars	Total Number of Scholars from Florida
National			
Semifinalists (2013 Official Student Guide, pg 3)	16,000	1,692	
Scholars (2013 Official Student Guide, pg 3)	8,000	789	
% of Semifinalists that are Scholars	50.0%	46.6%	
Florida			
Semifinalists (2012-13 Annual Report - number from Florida, pg 23)	826.0	65.9	
Scholars (Number is calculated based on the percentage of Scholars from the pool of Semifinalists.)	413.0	30.7	443.7
http://www.nationalmerit.org/annual_report.pdf			
http://www.nationalmerit.org/student_guide.pdf			

	2014-15	2015-16	2016-17	2017-18
ASSUMPTIONS:				
Average number of credits disbursed to FAS students ¹	27.3	27.3	27.3	27.3
Bright Futures FAS award amount	\$ 103.00	\$ 103.00	\$ 103.00	\$ 103.00
Percent tuition will increase ²		1.2%	1.7%	1.9%
Percent room and board will increase ³		1.2%	1.7%	1.9%
Percent other COA costs will increase ³		1.2%	1.7%	1.9%
Percent of Scholars enrolling in a Florida PSI ⁴	41%	50%	55%	60%
Average National Corp. Award - Initial Students ⁵	\$ 2,500	\$ 2,500	\$ 2,500	\$ 2,500
Average National Corp. Award - Renewal Students ⁵		\$ -	\$ -	\$ -
Renewal rate for Initial recipients ⁶		95%	95%	95%
Percent of RENEWALS continuing to receive a National Corp. Scholarship ⁷		0%	0%	0%

1. Based on the March Estimating Conference average hours for Bright Futures Florida Academic Scholar initial students.
2. Any increases to tuition will vary based upon legislative and university decisions. The state university with the highest cost may also vary each year. The Consumer Price Index from the July 2014 National Economic Estimating Conference is used as a proxy.
3. Increases are based on the Consumer Price Index from the July 2014 National Economic Estimating Conference.
4. The number of Florida Scholars attending a Florida postsecondary institution is expected to increase significantly (21.5%) during FY 2015-16, with more moderate increases thereafter.
5. Although some students may receive more or less of an award amount due to being a Corporate or College Sponsor award, the calculations are based on the amount provided to the National Merit® Scholars.
6. Although the renewal rate for initial FAS students is 90%, initial students for this program are assumed to renew at a higher rate.
7. Although some students will have renewable National Merit® scholarships, a concentration will only receive the one-time \$2,500 award.

Florida National Merit® Scholar Incentive Program (s. 1009.893, F.S.)
July 14, 2014 Consensus Estimate

	2014-15	2015-16	2016-17	2017-18
INITIALS				
Appropriation	\$ 2,870,820	\$ 3,547,811	\$ 3,987,719	\$ 4,456,712
SUS Average COA (2014-15 provided by the BOG)	\$ 21,041	\$ 21,293	\$ 21,655	\$ 22,066
Average Tuition & Fees	\$ 6,032	\$ 6,104	\$ 6,208	\$ 6,326
Average Room & Board	\$ 9,943	\$ 10,062	\$ 10,233	\$ 10,428
Average Other Costs	\$ 5,066	\$ 5,127	\$ 5,214	\$ 5,313
Average National Corp. Award - Initial Students	\$ 2,500	\$ 2,500	\$ 2,500	\$ 2,500
Average Bright Futures Award	\$ 2,812	\$ 2,812	\$ 2,812	\$ 2,812
Average Initial Award	\$ 15,729	\$ 15,981	\$ 16,343	\$ 16,755
Estimated Number of Fully Funded Students (calculated)	183	222	244	266
RENEWALS				
Appropriation		\$ 3,215,717	\$ 7,044,979	\$ 11,188,191
SUS Average COA		\$ 21,293	\$ 21,549	\$ 21,807
Average Tuition & Fees		\$ 6,104	\$ 6,177	\$ 6,251
Average Room & Board		\$ 10,062	\$ 10,183	\$ 10,305
Average Other Costs		\$ 5,127	\$ 5,188	\$ 5,251
Average National Corp. Award - Renewal Students		\$ -	\$ -	\$ -
Average Bright Futures Award		\$ 2,812	\$ 2,812	\$ 2,812
Average Renewal Award		\$ 18,481	\$ 18,737	\$ 18,995
Estimated Number of Fully Funded Students (calculated)		174	376	589
TOTAL				
Estimated Number of Fully Funded Students (calculated)	183	396	620	855
Appropriation	\$ 2,870,820	\$ 6,763,528	\$ 11,032,699	\$ 15,644,903
Incremental Increase to Appropriation		\$ 3,892,708	\$ 4,269,171	\$ 4,612,204
Average Award	\$ 15,687.54	\$ 17,079.61	\$ 17,794.67	\$ 18,298.13

NOTE: Proration is allowed if the appropriation is not sufficient to fund all eligible students.

In 2012-13, 2,387 of the 7,846 (30.4%) Scholars received a \$2,500 one-time National Merit® award.

EDUCATION ESTIMATING CONFERENCE ON STUDENT FINANCIAL AID

AGENDA July 14, 2014

1. **Welcome and Introductions**

2. **Student Financial Aid Programs**

Florida National Merit® Scholar Incentive Program (s. 1009.893, F.S.)

ACTION: Consider staff recommendation and adopt consensus estimate.
--

3. **Other Conference Issues If Necessary**

4. **Adjourn**

Florida National Merit® Scholar Incentive Program (s. 1009.893, F.S.)

1. Section 26 of Chapter 2014-56, L.O.F., creates the “Florida National Merit® Scholar Incentive Program.”
2. The scholarship rewards Florida high school graduates who receive recognition as a National Merit® Scholar or a National Achievement® Scholar.
3. To be eligible for an initial award, a student must meet the following criteria:
 - a. Initially enroll in the 2014-15 academic year or later in a baccalaureate degree program at an eligible Florida public or private postsecondary educational institution.
 - b. Be a Florida resident.
 - c. Earn a standard Florida high school diploma or its equivalent; complete a home education program; or earn a high school diploma from a non-Florida school while living with a parent on military or public service assignment outside of Florida.
 - d. Be accepted by and enroll in a regionally accredited public or private postsecondary educational institution in Florida.
 - e. Enroll full-time (minimum 12 credit hours per term) in a baccalaureate degree program during the fall academic term following high school graduation.
4. To be eligible for a renewal award, a student must meet the following criteria:
 - a. Earn all credits for which enrolled.
 - b. Maintain a 3.0 or higher grade point average.
5. The award:
 - a. Is equal to the public institutional cost of attendance minus the sum of the student’s Bright Futures Scholarship and National Merit® Scholarship or National Achievement® Scholarship.
 - b. May be prorated if the funds appropriated are not adequate to provide the maximum allowable award.
 - c. May not be used for remedial coursework or developmental education.
6. Chapter 2014-51, L.O.F. (General Appropriations Act) appropriates \$2.9 million in Specific Appropriation 70C to fund the program in FY 2014-15. Based on the FY 2014-15 average cost of attendance at a state university, the appropriation will provide approximately 182 scholarships.

Florida National Merit® Scholar Incentive Program (s. 1009.893, F.S.)
July 14, 2014 EDR Estimate

National Merit Corporation & Florida			
	Merit Scholars	Achievement Scholars	Total Number of Scholars from Florida
National			
Semifinalists (2013 Official Student Guide, pg 3)	16,000	1,692	
Scholars (2013 Official Student Guide, pg 3)	8,000	789	
% of Semifinalists that are Scholars	50.0%	46.6%	
Florida			
Semifinalists (2012-13 Annual Report - number from Florida, pg 23)	826.0	65.9	
Scholars (Number is calculated based on the percentage of Scholars from the pool of Semifinalists.)	413.0	30.7	443.7
http://www.nationalmerit.org/annual_report.pdf			
http://www.nationalmerit.org/student_guide.pdf			

	2014-15	2015-16	2016-17	2017-18
ASSUMPTIONS:				
Average number of credits disbursed to FAS students ¹	26.5	26.5	26.5	26.5
Bright Futures FAS award amount	\$ 103.00	\$ 103.00	\$ 103.00	\$ 103.00
Percent tuition will increase ²		6.0%	6.0%	6.0%
Percent room and board will increase ³		2.1%	2.1%	2.1%
Percent other COA costs will increase ³		2.1%	2.1%	2.1%
Percent of Scholars enrolling in a Florida PSI ⁴	41%	49%	59%	71%
Average National Corp. Award - Initial Students ⁵	\$ 2,500	\$ 2,500	\$ 2,500	\$ 2,500
Average National Corp. Award - Renewal Students ⁵		\$ -	\$ -	\$ -
Renewal rate for Initial recipients ⁶		95%	95%	95%
Percent of RENEWALS continuing to receive a National Corp. Scholarship ⁷		0%	0%	0%

1. While the March EC average hours for FAS initial students was 27.3, it is assumed students earning this scholarship will take fewer hours due to having taken more acceleration credits prior to enrolling in a postsecondary institution.
2. The 2014 Legislature limited increases to 6% for state universities having the "preeminent" distinction.
3. Increases are based on the inflation rate for May 2014, released June 17, based on the CPI (<http://www.usinflationcalculator.com/inflation/consumer-price-index-release-schedule>).
4. The number of Florida Scholars attending a Florida postsecondary institution is based on a 20% increase each year.
5. Although some students may receive more or less of an award amount due to being a Corporate or College Sponsor award, the calculations are based on the amount provided to the National Merit® Scholars.
6. Although the renewal rate for initial FAS students is 90%, initial students are assumed to renew at a higher rate.
7. Although some students will have renewable National Merit® scholarships, a concentration will only be receiving the one-time \$2,500 award.

Florida National Merit® Scholar Incentive Program (s. 1009.893, F.S.)
July 14, 2014 EDR Estimate

	2014-15	2015-16	2016-17	2017-18
INITIALS				
Appropriation	\$ 2,870,820	\$ 3,592,510	\$ 4,495,452	\$ 5,625,212
SUS Average COA (2014-15 provided by the BOG)	\$ 21,041	\$ 21,718	\$ 22,423	\$ 23,158
Average Tuition & Fees	\$ 6,032	\$ 6,394	\$ 6,777	\$ 7,184
Average Room & Board	\$ 9,943	\$ 10,152	\$ 10,365	\$ 10,582
Average Other Costs	\$ 5,066	\$ 5,172	\$ 5,281	\$ 5,392
Average National Corp. Award - Initial Students	\$ 2,500	\$ 2,500	\$ 2,500	\$ 2,500
Average Bright Futures Award	\$ 2,730	\$ 2,730	\$ 2,730	\$ 2,730
Average Initial Award	\$ 15,811	\$ 16,488	\$ 17,194	\$ 17,929
Estimated Number of Fully Funded Students (calculated)	182	218	261	314
RENEWALS				
Appropriation		\$ 3,275,301	\$ 7,303,506	\$ 12,271,614
SUS Average COA (as provided by the BOG)		\$ 21,718	\$ 22,423	\$ 23,158
Average Tuition & Fees		\$ 6,394	\$ 6,777	\$ 7,184
Average Room & Board		\$ 10,152	\$ 10,365	\$ 10,582
Average Other Costs		\$ 5,172	\$ 5,281	\$ 5,392
Average National Corp. Award - Renewal Students		\$ -	\$ -	\$ -
Average Bright Futures Award		\$ 2,730	\$ 2,730	\$ 2,730
Average Renewal Award		\$ 18,988	\$ 19,694	\$ 20,429
Estimated Number of Fully Funded Students (calculated)		172	371	601
TOTAL				
Estimated Number of Fully Funded Students (calculated)	182	390	632	914
Appropriation	\$ 2,870,820	\$ 6,867,811	\$ 11,798,958	\$ 17,896,826
Average Renewal Award	\$ 15,811	\$ 17,593	\$ 18,660	\$ 19,571

NOTE: Proration is allowed if appropriation is not sufficient to fund all eligible students.

In 2012-13, 2,387 of the 7,846 (30.4%) Scholars received a \$2,500 one-time National Merit® award.