

STUDENT FINANCIAL AID IMPACT CONFERENCE

Issue: Bright Futures Scholarship Program Eligibility Requirements

Bill Number(s): CS/SB 520

Entire Bill

Partial Bill:

Sponsor(s): Senators Lee and Gaetz

Month/Year Impact Begins: July 1, 2016

Date of Analysis: February 2, 2016

Section 1: Narrative

a. Current Law:

Initial Acceptance Period

Students who are eligible for a Bright Futures award are allowed to accept an initial award for two years following high school graduation and a renewal award for five years following high school graduation. If the student enlists in the U.S. armed forces immediately after high school, the two-year initial acceptance period and the five-year renewal period begin upon the student's date of separation from active duty.

Community Service Work Requirement

In order to be eligible for a Bright Futures Scholarship, a student must complete a program of community service work, as approved by the district school board, the administrators of a nonpublic school, or the Department of Education (DOE) for home education program students. Students must also identify a social problem that interests them, develop a plan for their personal involvement in addressing the problem, and through papers or presentations evaluate and reflect upon their experience. Current law does not specifically authorize or prohibit a school district, nonpublic school administration, or the DOE from allowing students to complete the community service work requirement by interning for a business or government agency, working for a nonprofit community service organization, or volunteering for a political campaign.

Florida Medallion Scholars Award - Home Education

Currently, students completing a home education program whose parent cannot document a college-preparatory curriculum are eligible to earn a Florida Medallion Scholarship but must earn an SAT score of 1220 or an ACT score of 27. For non-home education students, the minimum test score to earn an award is an 1170 SAT or 26 ACT.

Gold Seal CAPE-Vocational Scholars Award

Under the current Gold Seal Vocational Scholars eligibility criteria, students must complete the secondary school portion of a sequential program of study requiring at least three secondary school career credits; earn a passing score on the Florida College Entry Level Placement Test, earn a 3.0 GPA on all subjects required for a standard high school diploma; earn a 3.5 GPA for secondary career courses that comprise the career program; and complete 30 hours of volunteer service work. The student may receive a Gold Seal Vocational award for 100 percent of the required number of credit hours or equivalent clock hours as long as the hours do not exceed 60 for an applied technology diploma program; 72 for a technical degree education program; or 72 for a career certificate program.

b. Proposed Change:

Initial Acceptance Period

The bill allows students who have a full-time religious or service obligation lasting at least 18 months immediately after high school to defer the two-year initial award acceptance period and the five-year renewal eligibility period until the completion of the religious or service obligation.

Community Service Work Requirement

The bill codifies in statute the provision from the FY 2015-16 budget implementing bill (CH. 2015-222, L.O.F.), allowing a student to satisfy the community service work requirement by volunteering for a business or government internship, working for a nonprofit community service organization, or volunteering on behalf of a candidate for public office. The student must identify a social or civic issue or a professional area that interests him or her, develop a plan for his or her personal involvement in addressing the issue or learning about the area, and, through papers or other presentations, evaluate and reflect upon his or her experience. The student cannot receive remuneration or academic credit for the service hours except for credit earned through approved service-learning courses. The service hours must be documented in writing, and the document must be signed by the student, the student's parent or guardian, and a representative of the organization for which the student performed the volunteer service work.

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Florida Medallion Scholars Award - Home Education

The bill eliminates the requirement for the higher test score for students in home education programs whose parents cannot document a college-preparatory curriculum. Such students will be eligible to earn a Florida Medallion Scholarship with an 1170 SAT or 26 ACT.

Gold Seal CAPE-Vocational Scholars Award

The bill creates the Florida Gold Seal CAPE-Vocational Scholars award. The award is available to high school students graduating in the 2016-17 academic year and thereafter. In order to qualify, the student must earn a minimum of 5 postsecondary credit hours through CAPE industry certifications approved pursuant to s. 1998.44, F.S., which articulate for college credit, and must complete at least 30 hours of volunteer service work. The award may be used for the same types of programs and credit/clock hour limits as the existing Gold Seal Vocational scholarship. In addition, students who complete a technical degree education program may also receive an award for a maximum of 60 credit hours for a bachelor of science degree program for which there is a statewide associate in science (A.S.) program to bachelor of science (B.S.) degree program articulation agreement; or a maximum of 60 credit hours for a bachelor of applied science (B.A.S.) degree program at a Florida College System institution.

Section 2: Description of Data and Sources

1. Bright Futures Scholarship Program end-of-year data for 2012-13, 2013-14, and 2014-15
2. 2013-14 High School Graduates Earning 1 or More Industry Certifications by Total Number of Articulated Credits, provided by Department of Education, Division of Accountability, Research and Management
3. Bright Futures Scholarship Program consensus estimate adopted December 15, 2015, available at <http://edr.state.fl.us/Content/conferences/financialaid/index.cfm>.
4. Conversations with DOE/Office of Student Financial Assistance Staff

Section 3: Methodology (Include Assumptions and Attach Details)

Initial Acceptance Period

There are no data on how many students have used a military deferment, nor are there any data on how many high school graduates would be involved in a full-time religious or service obligation immediately after high school. Over the past three fiscal years (2012-13, 2013-14, and 2014-15), there have only been two students, both in FY 2012-13, who received an initial award more than two years after they graduated from high school. Thus, the fiscal impact of this change is insignificant beginning in FY 2016-17. For students who have graduated in the past two years, Bright Futures expenditures would be delayed for any students who utilize the new two-year deferment. This delay could be offset by students who graduated in FY 2012-13 or 2013-14 who may apply for reinstatement based on the allowable religious or service deferment.

Community Service Work Requirement

According to DOE staff, the majority of school districts already allow for the community service work requirement to be met using the types of volunteering authorized in the bill. For this analysis, it is assumed that most students trying to earn a Bright Futures Scholarship would meet the community service work requirement regardless of whether this bill was passed. There may be a very small number of students who would complete the community service work requirement because of the types of volunteer work specified in the bill, who otherwise would not have met the requirement. However, that number is assumed to be insignificant at most. Thus, the fiscal impact on Bright Futures expenditures is 0 to positive insignificant beginning in the 2017-18 fiscal year.

Florida Medallion Scholars Award - Home Education

DOE provided data indicating that in FY 2014-15 there were 27 home education students who would have met the lower test score requirement provided in the bill of a minimum 1170 SAT/26 ACT, but did not earn an award under the existing requirement of 1220 SAT/27 ACT. In FY 2015-16, there were 32 such students. Based on this data, plus a 10% annual growth rate, it is assumed that 35 students would qualify for an award under the new test score requirement in FY 2016-17. For each additional year of the forecast, a 10% annual growth rate is also assumed. The total number of students is apportioned across four and two year institutions based on the percentages used for the December 2015 consensus estimate. Likewise, the same assumptions from the December 2015 consensus estimate are used for the number of credit hours, award amounts per credit hour, and cohort survival rates.

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Gold Seal CAPE-Vocational Scholars Award

According to data provided by DOE, there were 3,155 high school graduates in FY 2013-14 who had earned five or more postsecondary articulated credits through CAPE industry certifications. For the Consensus Estimate, this number is increased each year by the forecasted growth rate in high school graduates through FY 2015-16, and increased by the high school graduates growth rate plus 1.5% to account for increased interest/utilization of CAPE courses each year thereafter. It is assumed that 10% of the total estimated graduates meeting the eligibility criteria would accept a Gold Seal CAPE-Vocational award. An annual renewal rate of 75% is used for the first renewal of each cohort, and a 50% renewal rate is used for the second and third renewals. It is assumed that 35% of students entering the junior year (second renewal) would do so at a State University System B.S. program, and 65% at a Florida College System B.A.S. program. The same assumptions from the December 2015 consensus estimate are used for the number of credit hours and award amounts per credit hour.

Section 4: Consensus Estimate Fiscal Impact (Adopted 2/2/2016)

Initial Acceptance Period – Positive Insignificant Beginning FY 2016-17

	Adopted Impact	
	Cash	Recurring
2016-17	*	*
2017-18	*	*
2018-19	*	*
2019-20	*	*
2020-21	*	*

Community Service Work Requirement – 0 to Positive Insignificant Beginning FY 2017-18

	Adopted Impact	
	Cash	Recurring
2016-17	N/A	N/A
2017-18	0/*	0/*
2018-19	0/*	0/*
2019-20	0/*	0/*
2020-21	0/*	0/*

Florida Medallion Scholars Award - Home Education

	Adopted Impact	
	Cash	Recurring
2016-17	\$0.07 M	\$0.07 M
2017-18	\$0.13 M	\$0.13 M
2018-19	\$0.19 M	\$0.19 M
2019-20	\$0.25 M	\$0.25 M
2020-21	\$0.29 M	\$0.29 M

Gold Seal CAPE-Vocational Scholars Award

	Adopted Impact	
	Cash	Recurring
2016-17	N/A	N/A
2017-18	\$0.32 M	\$0.32 M
2018-19	\$0.57 M	\$0.57 M
2019-20	\$0.68 M	\$0.68 M
2020-21	\$0.74 M	\$0.74 M

List of affected Trust Funds:

Educational Enhancement Trust Fund Expenditures

Florida Bright Futures Scholarship Program
 Impact of SB 520 - Florida Medallion Scholars Award for Home Education Students

CONSENSUS ESTIMATE

DIVISION BY AWARD		2015-16 GAA \$ / Hour	Renewals Estimate	Initials + Prior Year Cohort Estimate	February 2, 2016 Impact Conference									
					FY 2015-16		FY 2016-17		FY 2017-18		FY 2018-19		FY 2019-20	
			Hours	Hours	# Awards	COST \$	# Awards	COST \$	# Awards	COST \$	# Awards	COST \$	# Awards	COST \$
1	Universities	77	23.6	25.9	-	-	29	57,791	57	113,589	88	170,912	118	226,421
2	Medallion Scholar				-	-	29	57,791	57	113,589	88	170,912	118	226,421
3	Total				-	\$ -	29	\$ 57,791	57	\$ 113,589	88	\$ 170,912	118	\$ 226,421
4	Colleges LOWER	63	19.5	23.0	-	-	6	8,677	11	15,908	14	19,813	16	22,488
5	Medallion Scholar				-	-	6	8,677	11	15,908	14	19,813	16	22,488
6	Total				-	\$ -	6	\$ 8,677	11	\$ 15,908	14	\$ 19,813	16	\$ 22,488
7	Colleges UPPER	53	18.4	20.8	-	-	-	-	-	-	-	-	-	-
8	Medallion Scholar				-	-	-	-	-	-	-	-	-	-
9	Total				-	\$ -	-	\$ -	-	\$ -	-	\$ -	-	\$ -
10	TOTAL COSTS													
11	GRAND Total				-	\$ -	35	\$ 66,468	68	\$ 129,497	102	\$ 190,725	134	\$ 248,909

Cost in Millions

\$ 0.07

\$ 0.13

\$ 0.19

\$ 0.25

\$ 0.29

Florida Bright Futures Scholarship Program
Impact of SB 520 - Gold Seal CAPE-Vocational Scholar Award

CONSENSUS ESTIMATE

DIVISION BY AWARD		2015-16 GAA \$ / Hour	Renewals Estimate Hours	Initials + Prior Year Cohort Estimate Hours	February 2, 2016 Impact Conference											
					FY 2015-16		FY 2016-17		FY 2017-18		FY 2018-19		FY 2019-20		FY 2020-21	
					# Awards	COST \$	# Awards	COST \$	# Awards	COST \$	# Awards	COST \$	# Awards	COST \$	# Awards	COST \$
1	Universities															
2	Gold Seal CAPE Vocational Scholar	48	15.6	28.0	-	-	-	-	-	-	-	-	46	34,547	70	52,572
3	Total				-	\$ -	-	\$ -	-	\$ -	-	\$ -	46	34,547	70	52,572
4	Colleges LOWER															
5	Gold Seal CAPE Vocational Scholar	48	17.2	19.4	-	-	-	-	346	321,481	615	571,419	632	587,214	643	597,434
6	Total				-	\$ -	-	\$ -	346	321,481	615	571,419	632	587,214	643	597,434
7	Colleges UPPER															
8	Gold Seal CAPE Vocational Scholar	48	14.7	14.7	-	-	-	-	-	-	-	-	85	59,781	129	90,726
9	Total				-	\$ -	-	\$ -	-	-	-	\$ -	85	59,781	129	90,726
10	TOTAL COSTS															
11	GRAND Total				-	\$ -	-	\$ -	346	\$ 321,481	615	571,419	763	681,542	842	740,732

Cost in Millions

\$ 0.32

\$ 0.57

\$ 0.68

\$ 0.74