

STORAGE NAME: h1375.cu.doc
DATE: April 3, 2001

**HOUSE OF REPRESENTATIVES
COMMITTEE ON
COLLEGES AND UNIVERSITIES
ANALYSIS**

BILL #: HB 1375
RELATING TO: Student Financial Assistance
SPONSOR(S): Representative(s) Fiorentino
TIED BILL(S): None

ORIGINATING COMMITTEE(S)/COUNCIL(S)/COMMITTEE(S) OF REFERENCE:

- (1) COLLEGES AND UNIVERSITIES
 - (2) EDUCATION APPROPRIATIONS
 - (3) COUNCIL FOR LIFELONG LEARNING
 - (4)
 - (5)
-

I. SUMMARY:

The current Florida Teacher Scholarship and Forgivable Loan Program consists of two major components: the "Chappie" James Most Promising Teacher Scholarship and the Florida Critical Teacher Shortage Forgivable Loan Program. The scholarship is available to high school seniors for the first two years of undergraduate study, and the forgivable loan is available to juniors, seniors, and graduate students for the last 2 years of undergraduate study and graduate school.

The bill creates section 240.4061, F.S., creating the "Chappie" James Teach Florida Scholarship to be administered by the Department of Education. The bill requires participants of the "Chappie" James Teach Florida Program to use the scholarship loans for enrollment in a state-approved teacher education program at a state university, a community college, or an independent postsecondary institution defined by s. 240.605, F.S. The bill establishes eligibility requirements, renewal requirements, and terms for repayment of loans.

The bill changes the name of the Florida Teacher Scholarship and Forgivable Loan Program to the Florida Critical Teacher Shortage and Forgivable Loan Program. The bill deletes all provisions related to the "Chappie" James Most Promising Teacher Scholarship award, which provides assistance for lower division undergraduate students. The bill retains the forgivable loan portion of the program for upper-division undergraduate and graduate students who pursue a program identified as a critical teacher shortage area, pursuant to s. 231.62, F.S. The bill authorizes expenditures for participants of the "Chappie" James Most Promising Teacher Scholarship Loan Program prior to July 1, 1993.

The bill authorizes the State Board of Education to adopt rules regarding payment schedules and applicable interest rates, pursuant to sections 240.451 and 240.465, F.S., and to adopt rules pursuant to sections 120.536(1) and 120.54, F.S., to implement the provisions of this bill.

The Department of Education estimates increased operational costs to be \$232,244 per year and new program costs to be \$15,000,000 for 2001-2002 and \$25,200,000 for fiscal year 2002-2003.

The bill directs the Legislature to annually appropriate funds for at least 5,000 students to participate.

The bill takes effect July 1, 2001.

II. SUBSTANTIVE ANALYSIS:

A. DOES THE BILL SUPPORT THE FOLLOWING PRINCIPLES:

- | | | | |
|-----------------------------------|---|-----------------------------|---|
| 1. <u>Less Government</u> | Yes <input type="checkbox"/> | No <input type="checkbox"/> | N/A <input checked="" type="checkbox"/> |
| 2. <u>Lower Taxes</u> | Yes <input type="checkbox"/> | No <input type="checkbox"/> | N/A <input checked="" type="checkbox"/> |
| 3. <u>Individual Freedom</u> | Yes <input type="checkbox"/> | No <input type="checkbox"/> | N/A <input checked="" type="checkbox"/> |
| 4. <u>Personal Responsibility</u> | Yes <input checked="" type="checkbox"/> | No <input type="checkbox"/> | N/A <input type="checkbox"/> |
| 5. <u>Family Empowerment</u> | Yes <input type="checkbox"/> | No <input type="checkbox"/> | N/A <input checked="" type="checkbox"/> |

For any principle that received a “no” above, please explain:

B. PRESENT SITUATION:

Section 240.4063(1), F.S., creates the Florida Teacher Scholarship and Forgivable Loan Program. The program consists of two major components: the “Chappie” James Most Promising Teacher Scholarship [s. 240.4063(2), F.S.] and the Florida Critical Teacher Shortage Forgivable Loan Program [s. 240.4063(3), F.S.]. The primary purpose of the program is to attract capable and promising students into the teaching profession, in particularly to areas currently or projected to be critical shortage areas. The program also attempts to attract liberal arts students and graduates into teaching by offering forgivable loans for juniors, seniors, and graduate students who declare intent to teach in a Florida publicly funded school. The State Board of Education has adopted rules, and the Department of Education (DOE) annually identifies critical teacher shortage areas and administers the program.

“Chappie” James Most Promising Teacher Scholarship

The “Chappie” James Most Promising Teacher Scholarship is awarded to a top graduating senior from each public secondary school in the state and additional awards are offered annually to graduating seniors from nonpublic secondary schools that are listed with the DOE, meet accreditation standards, and comply with regulations of the Office of Civil Rights. The number of awards given to nonpublic students is proportional to the number of awards available to public secondary students.

The amount of the scholarship is statutorily set at \$1,500 and may be renewed for 1 year if the student earns a 2.5 cumulative grade point average (GPA), 12 credit hours per term, and meets eligibility requirements for renewal of the award. A student may use the scholarship award at a state university, a community college, or an independent institution as defined in s. 240.605, F.S.

The eligibility requirements for the “Chappie” James Most Promising Teacher Scholarship are as follows:

- Meet the general eligibility requirements in s. 240.404, F.S.
- Be nominated by the student’s Florida high school principal.
- Hold a 3.0 unweighted high school cumulative GPA.
- Rank in the top 25% of the student’s high school graduating class.
- Have an SAT or ACT score (no minimum required).
- Provide written intent in the application to teach in Florida.

- Be an active member of a high school future teacher association if one exists in the student's school.
- Plan to enroll in a degree program at an approved postsecondary institution.

The Department of Education expects to provide this award to just under 400 students for the 2000-2001 academic year. No statistics were available on how many students receiving the scholarship eventually complete a degree and teach in Florida. However, DOE reports that the forgivable loan program is available to them for the second two years and almost none of the scholarship recipients on the forgivable loan go on into critical teacher shortage areas.

Florida Critical Teacher Shortage Forgivable Loan Program

The Florida Critical Teacher Shortage Forgivable Loan Program makes available forgivable loans to eligible undergraduate and graduate students entering programs of study that lead to a degree in a teaching program in a critical teacher shortage area. Undergraduate loans are for a maximum of \$4,000 per year for 2 years, except when a program requires 3 years of instruction to obtain initial certification. For graduate students, the maximum loan amount is \$8,000 per year for a maximum of 2 years.

In order to be eligible a student must be:

- Meet the general eligibility requirements in s. 240.404, F.S.
- Be enrolled in a state approved teacher preparation program leading to certification in a critical teacher shortage area.
- Provide written intent in the application to teach in a publicly funded school in Florida.
- Have scored in the top 40% on the SAT or ACT (undergraduate only).
- Not previously earned a bachelor's degree (undergraduate only).
- Have earned a cumulative undergraduate GPA of 2.5 (undergraduate only).
- Hold a bachelor's degree from an accredited institution (graduate only).
- Have a cumulative undergraduate GPA of 3.0 or a 1000 on the GRE (graduate only).
- Not hold a bachelor's degree in a critical teacher shortage area (graduate only).

Repayment of Loans

Section 240.4063(3)(e), F.S., provides that the State Board of Education adopt by rule repayment schedules and applicable interest rates. A loan must be repaid within 10 years of completion of the program of study. Any funds paid will be deposited into the State Student Financial Assistance Trust Fund.

Critical Teacher Shortage Areas

The following subject fields were recommended to the State Board of Education for adoption as the critical teaching areas for 2001-2002:

- middle and high school level mathematics,
- middle and high school level science,
- exceptional student education programs (ESE) serving students with disabilities including emotionally handicapped (EH), mentally handicapped (MH), physically handicapped, speech and language impaired (speech), hearing impaired, visually impaired, specific learning disabled (SLD), and varying exceptionalities (VE);
- English for speakers of other languages (ESOL);
- foreign languages;
- technology education; and,
- for the Tuition Reimbursement Program, endorsement areas in profoundly handicapped, orientation/mobility, prekindergarten handicapped, and gifted.

DOE reports an estimated 2,815 graduates from state-approved Florida teacher education programs *in the above critical areas* in 2001-2002. In 2003-2004, it is projected that there will be 6,343 vacancies *in those critical areas*.

Demand For Teachers in Florida

Based on data available in mid-2000, the Office of Economic and Demographic Research forecasted the demand and supply of teachers in Florida through the year 2010. It is estimated that Florida school districts will need to hire approximately 162,000 teachers between 2000-01 and 2009-10. Seventy-two percent of the new teachers will replace teachers who will leave teaching prior to retirement for reasons such as pregnancy or career changes. An additional 21% of the new teachers will replace retiring teachers and the remaining 7% will be hired to cope with projected student enrollment growth over this period. Among the 162,000 new teachers who will be needed during the next decade, approximately 39,000 of the demand will be for exceptional and special education teachers. Almost 20,000 teachers will be needed for math, science, foreign language, and computer science.

Supply of Teachers in Florida

According to the DOE, the pool of possible Florida teachers includes recent graduates of teacher education programs, both in-state and out-of-state; recent graduates of other programs who plan to enter teaching either by satisfying the course requirements after graduation or via the alternative certification route; certified or certifiable college graduates who are not currently teaching, including those actively seeking positions and those who are at home, have returned to school, or are employed in other fields; teachers in other states or in the private sector who are willing to relocate or transfer; former teachers who have left the profession for one reason or another and might be induced to return; and mature adults without teaching credentials--including returning women and early retirees--who might respond to the challenge of returning to school to prepare for a career change.

The Office of Economic and Demographic Research projects that Florida will supply approximately 60% of the teachers it will need through graduates of in-state colleges and universities (public and private). During most of the 1990s, for example, in-state colleges and universities (public and private) supplied approximately 64% of Florida's new teachers with the remainder coming from other states and nations. Florida will need to find another 2,000 to 3,000 teachers annually to meet projected demand.

The Department of Education reports 5,499 students graduated from the 30 approved teacher education preparation programs in 1999-2000.

Approved Teacher Education Programs in Florida

There are 30 approved teacher education programs in Florida – 20 private colleges and universities and the 10 universities in the State University System. There are no state-approved teacher education programs at community colleges. The total capacity within these programs is not known.

With 8 of 10 SUS institutions reporting, there is available capacity for 1,550 additional undergraduate education majors and 1,533 additional Master's level education majors at these state universities. Data was not yet available for Florida A&M University and Florida Atlantic University.

According to DOE, the University of South Florida and the University of Central Florida have the largest enrollments among the state universities; Barry University, Nova-Southeastern University, and the University of Miami have the largest enrollment among the private institutions.

C. EFFECT OF PROPOSED CHANGES:

The bill creates section 240.4061, F.S., creating the “Chappie” James Teach Florida Scholarship to be administered by the Department of Education.

Intent

The bill establishes the intent of the Legislature to attract capable and promising high school students to the teaching profession through the provision of scholarship loans, and to provide an academically and culturally enriched program that extends beyond the regular college program.

The Program:

The bill:

- Requires participants of the “Chappie” James Teach Florida Program to use the scholarship loans for enrollment in a state-approved teacher education program at a state university, a community college, or an independent postsecondary institution defined by s. 240.605, F.S.
- Provides an annual award equal to the average cost of full-time tuition and fees at a state university per year, plus an educational allowance for those participants who attend a state-approved teacher education program at a state university or an independent postsecondary institution.
- Provides an annual award equal to the average cost of full-time tuition and fees at a community college per year, plus an educational allowance for those participants who attend a state-approved teacher education program at a community college.
- Provides that part-time awards are pro-rated.
- Requires DOE to conduct various summer institutes for rising sophomores, juniors, and seniors.
- Provides that a student may participate in the program for up to 110 percent of the number of college credit hours required for completion of the teacher education program.

Eligibility Requirements

The bill establishes eligibility requirements. To receive a “Chappie” James Teach Florida scholarship loan, the student must:

- meet the general eligibility requirements for financial aid, pursuant to s. 240.404, F.S., except as otherwise provided for in the bill;
- be accepted to, or enrolled in, a state-approved teacher education program;
- enroll for at least 6 semester hours per term;
- have earned a minimum cumulative grade point average of 3.0 in high school courses that are identified by the State Board of Community Colleges and adopted by the Board of Regents as being college preparatory academic courses if applying as a high school student;
- have an SAT score of at least 970, or an equivalent ACT score;
- have earned a grade point average of 2.75 on all postsecondary work attempted;
- agree to complete ½ year of teaching service in a publicly funded Florida school for each semester for which the forgivable loan was received.

The bill defines “publicly funded school” as a school that receives at least 75% of its operating costs from governmental agencies, including schools that operate educational programs under contracts with a public school district or DOE.

Award Renewal Requirements:

The bill provides for renewal awards if the recipient has earned the equivalent of a grade point average of 2.75 for all postsecondary work attempted and has completed at least 6 or 12 credit hours per term, whichever is appropriate for the level of award received. A student may have eligibility reinstated only once if the student is able to restore his/her grade point average. The bill does not prescribe how long a student has to restore his/ her grade point average for reinstatement.

Repayment of Loan:

A scholarship loan recipient will receive credit towards the fulfillment of the teaching requirement for teaching service rendered at any time during the repayment period. Teaching credit will only be applicable to the current balance of the principal and accrued interest. If an award recipient fails to repay the loan through teaching service, he/she will be responsible for repaying the amount of the forgivable loan plus accrued interest. If monetary repayment is made, no reimbursement of that payment is allowed.

Repayment must be completed no later than 10 years after the last semester of participation in the program. Funds repaid are to be deposited into the Education Enhancement Trust Fund. Repayment of funds may be waived if the recipient dies or becomes permanently disabled.

Funding

The bill directs the Legislature to annually appropriate an amount sufficient to carry out the provisions of this bill, which must include funding for the participation of at least 5,000 students annually.

Rule Authorization:

The State Board of Education is authorized to adopt rules regarding payment schedules and applicable interest rates, pursuant to sections 240.451 and 240.465, F.S., and to adopt rules pursuant to sections 120.536(1) and 120.54, F.S., to implement the provisions of this bill.

Florida Critical Teacher Shortage Forgivable Loan Program

The bill changes the name of the Florida Teacher Scholarship and Forgivable Loan Program to the Florida Critical Teacher Shortage and Forgivable Loan Program. The bill deletes all provisions related to the "Chappie" James Most Promising Teacher Scholarship award, which provides scholarship assistance for lower division undergraduate students. The bill retains the forgivable loan portion of the program for upper-division undergraduate and graduate students who pursue a program identified as a critical teacher shortage area, pursuant to s. 231.62, F.S. The bill authorizes expenditures for participants of the "Chappie" James Most Promising Teacher Scholarship Loan Program prior to July 1, 1993.

D. SECTION-BY-SECTION ANALYSIS:

This section need be completed only in the discretion of the Committee.

III. FISCAL ANALYSIS & ECONOMIC IMPACT STATEMENT:

A. FISCAL IMPACT ON STATE GOVERNMENT:

1. Revenues:

None

2. Expenditures:

According to the Department of Education, there would be a non-recurring expenditure to modify the State Student Financial Aid Database and to hire additional personnel for first year start up activities.

DOE anticipates the following recurring expenditures: the State Student Financial Aid Database requiring continued program maintenance, additional staff for program administration and loan servicing, procurement of services to collect outstanding loans from participants, and publication of information. These increased operational costs are estimated at \$232,244 per year.

DOE reports that the current "Chappie" James Most Promising Teacher Scholarship Program recipients would need one year to complete the old scholarship funding commitment. For 2001-2002, it is expected that 225 of the current "Chappie" James participants will be eligible for their second year. This will require \$337,500. The phase out will make available \$262,500 for the 2001-2002 year and the entire \$600,000 balance in years thereafter. The chart below depicts the anticipated costs as determined by DOE:

Program Name	2000-2001 Expenditures	2001-2002 Expenditures	2002-2003 Expenditures
"Chappie" James Most Promising Teacher Scholarship Program	\$600,000	\$337,500	\$0
Critical Teacher shortage Loan Program	\$1,257,000	\$1,257,000	\$1,257,000
Florida Teacher Scholarship and Forgivable Loan Program TOTAL	\$1,857,000	\$1,594,500	\$1,257,000
Phase Out Funds Available form current FTS&FL Programs	\$0	\$262,500	\$600,000
"Chappie" James Teach Florida Program – Additional Funds Requested	\$0	\$14,737,500	\$24,600,000
Total New Program Expenditures	\$0	\$15,000,000	\$25,200,000

B. FISCAL IMPACT ON LOCAL GOVERNMENTS:

1. Revenues:

None

2. Expenditures:

None

C. DIRECT ECONOMIC IMPACT ON PRIVATE SECTOR:

The private sector would directly benefit from this bill. Approximately 400 scholarships are awarded annually. Currently, there are 30 institutions eligible to participate in the "Chappie" James Teach Florida Scholarship Loan Program, 20 of the eligible institutions are private.

D. FISCAL COMMENTS:

DOE provided the following calculations for the derivation of new program costs:

2001-2002	Student Count	Projected Disbursement	Average Award
Initial Recipients	5,000	\$15,000,000	\$3,000
2002-2003	Stud Count	Projected Disbursement	Average Award + 5%*
Initial Recipients	5,000	\$15,750,000	\$3,150
2001-2002 Renewal Recipients @ 60%	3,000	\$9,450,000	\$3,150
Total	8,000	\$25,200,000	
2003-2004	Student Count	Projected Disbursement	Average Award + 5%
Initial Recipients	5,000	\$16,537,500	\$3,308
2002-2003 Renewal Recipients @ 60%	3,000	\$9,922,500	\$3,308
2001-2002 Renewal Recipients @ 80%	2,400	\$7,938,000	\$3,308
Total	10,400	\$34,398,000	
2004-2005	Student Count	Projected Disbursement	Average Award + 5%
Initial Recipients	5,000	\$17,364,375	\$3,473
2003-2004 Renewal Recipients @ 60%	3,000	\$10,418,625	\$3,473
2002-2003 Renewal Recipients @ 80%	2,400	\$8,334,900	\$3,473
2001-2002 Renewal Recipients @ 80%	1,920	\$6,667,920	\$3,473
Total	12,320	\$42,785,820	

*Flat award based on assumption that tuition and fees will increase 5% per year.

2001-2002	Student Count	Projected Disbursement	Average 4-year Expenditures per Graduating Student
Overall Cost of 2001-2002 Initial Recipients through Graduation	1,920	\$39,055,920	\$20,342

IV. CONSEQUENCES OF ARTICLE VII, SECTION 18 OF THE FLORIDA CONSTITUTION:

A. APPLICABILITY OF THE MANDATES PROVISION:

This bill does not require counties or municipalities to spend funds or take an action requiring the expenditure of funds.

B. REDUCTION OF REVENUE RAISING AUTHORITY:

This bill does not reduce the authority that municipalities or counties have to raise revenues in the aggregate.

C. REDUCTION OF STATE TAX SHARED WITH COUNTIES AND MUNICIPALITIES:

This bill does not reduce the percentage of a state tax shared with counties or municipalities.

V. COMMENTS:

A. CONSTITUTIONAL ISSUES:

None

B. RULE-MAKING AUTHORITY:

The State Board of Education is authorized to adopt rules regarding payment schedules and applicable interest rates, pursuant to sections 240.451 and 240.465, F.S., and to adopt rules pursuant to sections 120.536(1) and 120.54, F.S., to implement the provisions of this bill.

C. OTHER COMMENTS:

The Department of Education has some concerns with the bill and suggests the following amendments:

- Provide for participant enrollment in Associate of Arts degree programs at community colleges that will transfer into a state-approved teacher education program at an eligible college or university.
- Strike reference to requirement for students enrolled at a community college to be enrolled in a state-approved teacher education program.
- Use “declare intent” rather than “agree to”.
- Clarify repayment through teacher service within 7 years of completion of a state approved teacher education program.

- Provide consistent use a “scholarship loan” rather than using interchangeably with “forgivable loan”.
- Clarify renewal eligibility requirements to be based on either full-time or part-time hours earned.
- Clarify annual award to provide summer funding if funds are available.
- Clarify use of restoration.
- Provide for repaid funds to be deposited into the State Student Financial Assistance Trust Fund.
- In s. 240.4065, F.S., provide for disbursement of funds from the State Student Financial Aid Trust Fund for the proposed “Chappie” James Teach Florida Scholarship Loan Program and the renamed Florida Critical Teacher Shortage Forgivable Loan Program.
- In s. 240.4065, F.S., strike provision for “Chappie” James Most Promising Teacher Scholarship Program participants prior to July 1, 1993.

VI. AMENDMENTS OR COMMITTEE SUBSTITUTE CHANGES:

N/A

VII. SIGNATURES:

COMMITTEE ON COLLEGES AND UNIVERSITIES:

Prepared by:

Staff Director:

Maria L. Eckard

Betty H. Tilton, Ph.D.