

SENATE STAFF ANALYSIS AND ECONOMIC IMPACT STATEMENT

(This document is based on the provisions contained in the legislation as of the latest date listed below.)

Prepared By: Higher Education Committee

BILL: SB 228

INTRODUCER: Senator Lynn

SUBJECT: Bright Futures Scholarships

DATE: March 12, 2007

REVISED: _____

	ANALYST	STAFF DIRECTOR	REFERENCE	ACTION
1.	<u>Harkey</u>	<u>Matthews</u>	<u>HE</u>	Favorable
2.	_____	_____	<u>HI</u>	_____
3.	_____	_____	_____	_____
4.	_____	_____	_____	_____
5.	_____	_____	_____	_____
6.	_____	_____	_____	_____

I. Summary:

This bill authorizes Bright Futures Scholarship funding to eligible students for summer enrollment. The bill also authorizes the Department of Education to reserve funds for students who wish to enroll during the summer term to raise their grade point average for award renewal.

This bill amends sections 1009.53 and 1009.532, of the Florida Statutes.

II. Present Situation:

The Bright Futures Scholarship Program

The Florida Bright Futures Scholarship Program is a lottery-funded program that rewards Florida high school graduates whose academic achievement merits the award. The Bright Futures Scholarship Program consists of the Florida Academic Scholars Award, the Florida Medallion Scholars Award, and the Florida Gold Seal Vocational Scholars Award. Each award has its own academic eligibility requirements, award amounts, and funding length.

The Bright Futures Scholarship program funding typically has been provided for the fall and spring academic terms. Section 1009.53(9), F.S., authorizes a student to use Bright Futures funds for summer term enrollment only if funds are available. In order for funds to be available they would have to be appropriated by the Legislature. There have been only two summer terms in the history of the Bright Futures Scholarship program (2000 and 2001) when funding was available. Bright Futures Scholarship recipients attending the summer term currently pay tuition and fees with their own funds.

III. Effect of Proposed Changes:

The bill authorizes Bright Futures funding to eligible students for summer enrollment. The authorization for the Department of Education to reserve funds for students who wish to attend during the summer term to raise their grade point average for award renewal will no longer be contingent upon funds being available.

If the bill passed and funds were not appropriated for summer enrollment, it is possible that the appropriated funds would not be sufficient to provide the maximum allowable award to each eligible applicant. In such a case, under s. 1009.53(4)(a), F.S., the awards in all three components of the program must be prorated using the same percentage reduction.

IV. Constitutional Issues:**A. Municipality/County Mandates Restrictions:**

None.

B. Public Records/Open Meetings Issues:

None.

C. Trust Funds Restrictions:

None.

V. Economic Impact and Fiscal Note:**A. Tax/Fee Issues:**

None.

B. Private Sector Impact:

Bright Futures Scholarship recipients who currently pay for summer enrollment from their own funds would be spared that expense if their Bright Futures award could be applied to their summer enrollment. Bright Futures Scholarship recipients who otherwise would not enroll in the summer for lack of funding would have the potential to accelerate the completion their degree programs through scholarship-supported summer enrollment.

Independent Colleges and Universities of Florida (ICUF) institutions might need to increase staff for administering the receipt, distribution, and reporting of summer funds. Due to potential enrollment increase, ICUF institutions could face a greater demand for faculty, instructors, or graduate teaching assistants, as well as use and maintenance of the physical plant during the summer. The additional revenue to the institutions from the increased enrollment in the summer should offset these costs.

C. Government Sector Impact:

The projected cost is based upon prior year actual attendance data at public community colleges and state universities for participating Bright Futures students. On average, 53 percent of the students enroll for an average of 6.4 hours in the summer term. Seventy-five percent of the enrolled hours are at a 4-year institution and 25 percent are at a 2-year institution. Based on the cost of tuition and approved fees, the projected cost to fund Bright Futures students during the summer term 2007 is \$44.2 million. If there were no increase in tuition and fees, the summer 2008 projected cost would be \$48.1 million.

The projected cost for any increase in tuition and fees is \$3.6 million per percentage increase. This amount is comprised of \$3.1 million for state universities and \$.5 million for community colleges.¹

The following chart shows summer attendance by Bright Futures Scholarship recipients, the actual costs for the two summers when the scholarship was available, and the projected costs for the summers of 2007 and 2008.

Florida Bright Futures Summer Funding Estimates²

Year	Total Annual Student Count	Summer Student Count	Percent of Students Attending in the Summer	Average Hours Enrolled	Costs
1999-2000	65,106	23,000	35%		\$11,000,000
2000-2001	82,466	33,650	41%		\$16,000,000
Projected					
2006-2007	146,627	77,712	53%	6.40	\$44,283,956
2007-2008	159,301	84,430	53%	6.40	\$48,111,723

The DOE Office of Student Financial Assistance (OSFA) would have to provide additional policies and procedures for postsecondary institutions regarding disbursing and reporting summer funds. These procedures would include clarification of eligibility for students who are degree-seeking or in transient status.

The State Student Financial Aid Database (SSFAD) would require additional programming to accommodate summer disbursements and potentially to accommodate current year funds being certified forward for any term that begins before July 1, and ends after July 1.

¹ The Florida Legislature. Office of Economic and Demographic Research.

² Florida Department of Education.

The SSFAD would require additional programming to accommodate summer funding of “ineligible students” during a summer term if they enroll to improve their hours and grade point average in order to be reevaluated for the subsequent academic year.

Universities and community colleges would face a potential staff increase or continuation needed for administering the receipt, distribution, and reporting of summer funds for the institution’s home students as well as transient students (those who enroll in another institution for the summer with the authorization to do so from the institution where they are enrolled for a degree). The institutions also could incur a cost for increased use and maintenance of the physical plant during the summer. The additional revenue to the institutions from the increased enrollment in the summer should offset these costs.

VI. Technical Deficiencies:

None.

VII. Related Issues:

None.

This Senate staff analysis does not reflect the intent or official position of the bill’s introducer or the Florida Senate.

VIII. Summary of Amendments:

None.

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