

## HOUSE OF REPRESENTATIVES STAFF ANALYSIS

**BILL #:** PCS for CS/HB 1247 William L. Boyd, IV, Effective Access to Student Education Grants

**SPONSOR(S):** Education & Employment Committee

**TIED BILLS:** **IDEN./SIM. BILLS:**

REFERENCE	ACTION	ANALYST	STAFF DIRECTOR or BUDGET/POLICY CHIEF
Orig. Comm.: Education & Employment Committee		Kiner	Hassell

### SUMMARY ANALYSIS

The Effective Access to Student Education Grant Program (EASE) is a tuition assistance program serving Florida resident, full-time, undergraduate students at eligible, independent nonprofit colleges or universities. Currently, 34 institutions participate in the EASE program. In Fiscal Year 2022-2023, the Legislature appropriated \$75.4 million to provide 37,705 qualified students with an average award amount of \$2,000.

For fiscal year 2023-2024, eligible institutions will receive EASE funding as provided in the General Appropriations Act.

Beginning fiscal year 2024-2025 and thereafter, the bill incentivizes institutions to improve outcomes for Florida resident students by tying institutional eligibility for participation in the EASE program to performance against the statutory metrics related to access, affordability, graduation rate, retention rate, and employment. Beginning with the 2024-2025 General Appropriations Act and thereafter, an institution must meet or exceed the minimum benchmark on any three out of the five metrics to be eligible for its students to receive funding. The base per student award amount will be determined by the House proposed General Appropriations Act; however, students attending an eligible institution may be eligible to receive an additional, plus-up award of \$500 if, and only if, their institution meets or exceeds a specified workforce graduation rate, which measures degree production in an in-demand field.

To enable the Legislature to incorporate a metric related to graduate employment in field of study, the bill revises the institutional and DOE reporting requirements to require collection of data on the percentage of grant recipient graduates who obtain employment in their field of study within 120 days after graduation. This data will likely be collected through a survey instrument. Beginning with the 2024-2025 General Appropriations Act and thereafter, the bill requires the Legislature to consider an institution's graduate employment rate in students' field of study when determining institutional eligibility.

The bill also clarifies transparency requirements and adds a disclosure requirement. Each institution must annually provide each resident student with a written disclosure that includes the institution's performance on the metrics, the net cost to complete the student's degree, and expected earnings 1, 5, and 10 years after graduation based on the chosen major. The institution's president or chief administrative officer must certify the institution is in compliance with the reporting, disclosure, and transparency requirements in order for the institution to be eligible for EASE funds.

The bill creates an additional eligibility process for certain non-profit and for-profit colleges and universities to receive EASE funds for grants to any full-time, resident, degree-seeking undergraduate student attending an institution that meets specified requirements.

Effective January 1, 2024, the bill repeals the current law exemption provided to EASE-eligible institutions that exempts them from having to obtain licensure from the Commission for Independent Education.

The House proposed General Appropriations Act provides \$109.7 million for the EASE program.

The bill is effective July, 1, 2023, except for Section 1, which is effective January 1, 2024.

**This document does not reflect the intent or official position of the bill sponsor or House of Representatives .**

**STORAGE NAME:** pcs1247.EEC

**DATE:** 4/7/2023

# FULL ANALYSIS

## I. SUBSTANTIVE ANALYSIS

### A. EFFECT OF PROPOSED CHANGES:

#### Present Situation

##### Effective Access to Student Education (EASE) Tuition Assistance Program

The EASE (formerly known as the Florida Resident Access Grant, or FRAG) grant program is administered by the Department of Education (DOE)<sup>1</sup> and provides funds towards the cost of tuition and fees for students who, among other things, meet general tuition assistance requirements in Florida law.<sup>2</sup> Additionally, a student must be enrolled as a full-time undergraduate student at an eligible college or university in a program of study leading to a baccalaureate degree and make satisfactory academic progress as defined by the State Board of Education.<sup>3</sup> An EASE recipient may not have completed more than 110 percent of the degree program in which they are enrolled.<sup>4</sup> A student's receipt of an EASE grant is limited to 9 semesters or 14 quarters, except under specified conditions.<sup>5</sup>

An EASE grant recipient must attend an independent nonprofit college or university that grants baccalaureate degrees and is located in and chartered by the state of Florida.<sup>6</sup> The institution must be accredited by the Commission on Colleges of the Southern Association of Colleges and Schools.<sup>7</sup>

An eligible student is prohibited from enrolling in a program of study leading to a degree in theology or divinity.<sup>8</sup> And, an institution receiving EASE funds must have a secular purpose so long as the receipt of state aid by students at the institution would not have the primary effect of advancing or impeding religion or result in an excessive entanglement between the state and any religious group.<sup>9</sup>

A state university or Florida College System institution may not receive EASE funds for its students.

All institutions that receive EASE funding are required to submit an annual accountability report to DOE with the most recently available information on Florida resident students and include, at a minimum, the following performance metrics, by institution:<sup>10</sup>

- Access rate based upon percentage of Pell-eligible students.
- Affordability rate based upon average student loan debt; federal, state, and institutional financial assistance; and average tuition and fees.
- Graduation rate.
- Retention rate.
- Postgraduate employment or continuing education rate.

DOE must recommend minimum performance standards that EASE institutions must meet to remain eligible to receive grant funds.<sup>11</sup> By October 1 of each year, DOE must submit a report, by institution, to the chair of the House Appropriations Committee, the chair of the Senate Committee on Appropriations,

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<sup>1</sup> S. 1009.89(2), F.S.

<sup>2</sup> See s. 1009.40, F.S. Recipients of an EASE grant must establish Florida residency for no less than 1 year preceding the award of a tuition assistance grant.

<sup>3</sup> S. 1009.89(4), F.S.

<sup>4</sup> *Id.*

<sup>5</sup> S. 1009.89(5)(a), F.S. See s. 1009.40(3), F.S., authorizing undergraduate students participating in developmental education and students enrolled in a 5-year undergraduate degree program to receive financial aid for a maximum of 10 semesters or 15 quarters.

<sup>6</sup> S. 1009.89(3), F.S.

<sup>7</sup> *Id.*

<sup>8</sup> S. 1009.89(4)(b)2., F.S.

<sup>9</sup> S. 1009.89(3), F.S.

<sup>10</sup> S. 1009.89(5)(c), F.S.

<sup>11</sup> *Id.*

and the Governor’s Office of Policy and Budget on the performance of eligible institutions and the institutions that have not met the minimum performance standards recommended by the department.<sup>12</sup>

During the October 2022 reporting period, the DOE recommended the following performance standards:

Year	Fiscal Year	Percentage Change	Access Rate	Affordability Rate	Graduation Rate	Retention Rate	Postgraduate Employment/ Continuing Education Rate
5	2026-27	100%	53%	\$6,343	53%	68%	49%
4	2025-26	80%	42%	\$7,612	42%	54%	39%
3	2024-25	60%	32%	\$8,880	32%	41%	29%
2	2023-24	40%	21%	\$10,149	21%	27%	20%
1	2022-23	20%	11%	\$11,417	11%	14%	10%

Also, by October 1 each year, each institution that is eligible for an EASE grant must prominently post on its website its performance on the metrics, as reported to DOE.<sup>13</sup>

Funding for the EASE grant program is appropriated in the General Appropriations Act (GAA).<sup>14</sup> Award amounts may be prorated based on the number of students eligible to receive the award. As specified in the Fiscal Year 2022-2023 GAA, the Legislature appropriated funds to support 37,705 qualified Florida residents with an award of \$2,000,<sup>15</sup> at 34 EASE-eligible institutions. The total appropriation for FY 2022-2023 was \$75.4 million.

#### Access to Better Learning and Education (ABLE) Tuition Assistance Program

The ABLE grant program was administered by DOE and provided funds towards the cost of tuition and fees for students who, among other things, met general tuition assistance requirements in Florida law.<sup>16</sup> During the 2021 regular session, the Legislature repealed the statutory framework and eliminated funding for the program.<sup>17</sup>

Student eligibility requirements for ABLE were similar to current EASE requirements in that a student had to be enrolled as a full-time undergraduate student at an eligible college or university in a program of study, other than theology or divinity, leading to a baccalaureate degree.<sup>18</sup> A student’s receipt of an ABLE grant was limited to 9 semesters or 14 quarters, except under specified conditions.<sup>19</sup> However, the ABLE grant program did not limit payment of tuition and fees only up to 110 percent of degree completion.

Unlike the EASE program which is limited to *independent nonprofit colleges and universities*, the ABLE program also authorized student grant recipients to attend *for-profit institutions* as well. A for-profit

<sup>12</sup> S. 1009.89(5)(d), F.S.

<sup>13</sup> S. 1009.89(5)(c), F.S.

<sup>14</sup> S. 1009.89(5), F.S.

<sup>15</sup> See Specific Appropriation 58, ch. 2022-156, L.O.F.

<sup>16</sup> S. 1009.891(4), F.S. (2020). See s. 1009.40, F.S. (2020). Recipients of an ABLE grant must establish Florida residency for no less than 1 year preceding the award of a tuition assistance grant.

<sup>17</sup> Section 5, ch. 2021-46, L.O.F.

<sup>18</sup> S. 1009.891(4)(a), F.S. (2020). A student’s “satisfactory academic progress” was defined by the institution in which they were enrolled, not the State Board of Education, as is required in the EASE grant program.

<sup>19</sup> S. 1009.891(5)(a), F.S. (2020) See s. 1009.40(3), F.S. (2020), authorizing undergraduate students participating in developmental education and students enrolled in a 5-year undergraduate degree program to receive financial aid for a maximum of 10 semesters or 15 quarters.

institution receiving ABLE funds was required to be located in and chartered by the state of Florida and be accredited by the Commission on Colleges of the Southern Association of Colleges and Schools.<sup>20</sup>

The ABLE grant program requirements for *nonprofit colleges or universities* that received funds were distinct from EASE requirements in that these institutions had to be chartered out of the state but located in Florida for 10 years or more.<sup>21</sup> Because these institutions were chartered out of state, in addition to accreditation by the Commission on Colleges of the Southern Association of Colleges and Schools, they could also be accredited by: Middle States Association of Colleges and Schools; North Central Association of Colleges and Schools; or, New England Association of Colleges and Schools.<sup>22</sup>

All institutions, for-profit and nonprofit, that received ABLE funds were required to grant baccalaureate degrees and have a secular purpose, so long as the receipt of state aid by students at the institution would not have the primary effect of advancing or impeding religion or result in an excessive entanglement between the state and any religious group.<sup>23</sup> State universities and Florida College System institutions were prohibited from receiving ABLE funds for attending students.<sup>24</sup>

Funding for the ABLE grant program was appropriated in the GAA.<sup>25</sup> As specified in the FY 2020-2021 GAA, the last year for which ABLE funds were available, the Legislature provided funds to support 1,769 eligible students with an average award of \$2,841.<sup>26</sup> The total appropriation for FY 2020-2021 was \$5 million.

### Commission for Independent Education

All postsecondary institutions under the jurisdiction or purview of the commission must obtain licensure from the commission in order to operate in the state of Florida.<sup>27</sup> The commission is responsible for developing minimum standards by which to evaluate institutions for licensure. These standards must include, at least, the institution's name, financial stability, purpose, administrative organization, admissions and recruitment, educational programs and curricula, retention, completion, career placement, faculty, learning resources, student personnel services, physical plant and facilities, publications and disclosure statements about the status of the institution with respect to professional certification and licensure.<sup>28</sup>

Approved-applicant status may be extended to all institutions that have submitted a complete application for provisional licensure and paid all attendant fees. Institutions granted approved-applicant status may not advertise, offer programs of study, collect tuition or fees, or engage in any other activities not specifically approved by the commission.<sup>29</sup>

When the commission determines that an applicant for initial licensure is in substantial compliance with the licensure standards, provisional licensure is granted for a period not to exceed one year. A provisional license issued for initial licensure may be extended for up to one year. A licensed institution that has undergone a substantive change, as defined by rule, must be granted a provisional license for a set period of time, after which the institution may apply for a different status. A provisional license may include commission-mandated conditions, and all conditions must be met before the institution can be granted a different licensure status.<sup>30</sup>

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<sup>20</sup>S. 1009.891(3), F.S. (2020).

<sup>21</sup> *Id.*

<sup>22</sup> *Id.*

<sup>23</sup> *Id.*

<sup>24</sup> *Id.*

<sup>25</sup> S. 1009.891(7), F.S. (2020).

<sup>26</sup> See Specific Appropriation 64, ch. 2020-111, L.O.F.

<sup>27</sup> Sections 1005.31(1)(a) and 1005.06(1), F.S.

<sup>28</sup> Section 1005.31(2), F.S.

<sup>29</sup> Section 1005.31(4), F.S.

<sup>30</sup> Section 1005.31(5), F.S.

The commission must ensure, through an investigative process, that applicants for licensure meet the specified standards and may issue a licensure delay if this investigative process is not completed within the statutory limits of the Administrative Procedures Act.<sup>31</sup>

An annual license must be granted to an institution holding a provisional license, or seeking a renewal of an annual license, upon demonstrating full compliance with licensure standards. An annual license may be extended for up to 1 year if the institution meets all requirements for an extension.<sup>32</sup>

An institution may not conduct a program unless specific authority is granted in its license. A license granted by the commission is not transferable to another institution or to another agent, and an institution's license does not transfer when the institution's ownership changes.<sup>33</sup> A licensed institution must notify the commission prior to a change of ownership or control.

An independent postsecondary educational institution or any person acting on behalf of such an institution may not publish any advertisement soliciting students or offering a credential before the institution is duly licensed by the commission or while the institution is under an injunction against operating, soliciting students, or offering an educational credential.<sup>34</sup>

Independent postsecondary educational institutions may apply for a license by means of accreditation from the commission if the institution:

- has operated legally in the state for at least 5 consecutive years;
- holds institutional accreditation by an accrediting agency evaluated and approved by the commission as having standards substantially equivalent to the commission's licensure standards;
- has no unresolved complaints or actions in the past 12 months;
- meets minimum requirements for financial responsibility as determined by the commission; and
- is a Florida corporation.<sup>35</sup>

An institution that is granted a license by means of accreditation is required to apply for and receive another level of licensure before the institution may offer courses or programs that exceed the scope of level of its accreditation.<sup>36</sup> In addition, institutions granted a license by means of accreditation must comply with the standards of fair consumer practices as established in rule by the commission.<sup>37</sup>

A license by means of accreditation may be denied, placed on probation, or revoked for repeated failure to comply with the requirements in law. Revocation or denial of a license by means of accreditation requires that the institution must immediately obtain an annual license.<sup>38</sup>

Current law provides an exemption from commission licensure for any institution that is under the jurisdiction of the Department of Education, eligible to participate in the William L. Boyd, IV, Effective Access to Student Education Grant Program and that is a nonprofit independent college or university located and chartered in this state and accredited by the Commission on Colleges of the Southern Association of Colleges and Schools to grant baccalaureate degrees.<sup>39</sup> This exemption encompasses all currently EASE-eligible institutions.

## Effect of Proposed Changes

For fiscal year 2023-2024, eligible institutions will receive EASE funding as provided in the General Appropriations Act.

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<sup>31</sup> Section 1005.31(6), F.S.

<sup>32</sup> Section 1005.31(7).

<sup>33</sup> Section 1005.31(8)-(9), F.S.

<sup>34</sup> Section 1005.31(10), F.S.

<sup>35</sup> Section 1005.32(1)(a)-(e), F.S.

<sup>36</sup> Section 1005.32(4), F.S.

<sup>37</sup> Section 1005.32(5), F.S.

<sup>38</sup> Section 1005.32(7), F.S.

<sup>39</sup> Section 1005.06(1)(c), F.S.

Beginning fiscal year 2024-2025 and thereafter, the bill incentivizes institutions to improve outcomes for Florida resident students by tying institutional eligibility for participation in the EASE program to performance against the metrics. An institution must meet or exceed the minimum benchmark on any three out of the five metrics to be eligible for its students to receive funding. To accomplish this, the bill establishes a tiered structure for award amounts. If an institution meets no more than 2 out of 5 benchmarks, they will be placed in Tier 3; if an institution meets or exceeds at least 3 out of 5 benchmarks, they will be placed in Tier 2; if an institution meets the requirements of a Tier 2 institution and also meets or exceeds a workforce graduation rate of 56 percent, it will be placed in Tier 1. The workforce graduation rate measures degree production in in-demand fields. Pursuant to the bill, in-demand fields are those that are included on Department of Economic Opportunity or Labor Market Estimating Conference statewide or regional demand lists. Such programs include, but are not limited to, programs in healthcare, education, and STEM. The award amount for Tier 2 will be as specified in the GAA. The award amount for Tier 1 will be \$500 higher than the Tier 2 award. The award amount for Tier 3 will be \$0.

To further facilitate informed consumer choice for students and parents, the bill requires institutions to collect information related to the institution's graduate employment in field of study within 120 days after graduation. The data on graduate employment in field of study will likely be collected through a survey instrument.

The bill requires each institution to provide each resident student with a written disclosure that includes the institution's performance on the metrics, the net cost to complete the student's degree, and expected earning 1, 5, and 10 years after graduation based on the chosen major. The institution's president or chief administrative officer must certify the institution is in compliance with the reporting, disclosure, and transparency requirements in order for the institution to be eligible for EASE funds.

The bill creates an additional eligibility process for certain non-profit and for-profit colleges and universities to receive EASE funds for grants to any full-time, resident, degree-seeking undergraduate student who is registered at an institution that meets the requirements outlined below. The bill requires institutions to comply with all requirements for EASE institutional eligibility except with respect to for-profit/non-profit status and accreditation. Additionally:

- To be eligible, an independent non-profit college or university must:
  - Be licensed by the Commission for Independent Education or have applied to the Commission for Independent Education for licensure by September 1, 2023.
  - Have been eligible for the Access to Better Learning and Education Grant Program as of January 1, 2021.
  - Have been located in the state for more than 20 years.
  - Offer at least one nursing program at its campus, including practical nursing programs, registered nursing programs, or advanced practice registered nursing programs.
  - Be accredited by the Higher Learning Commission.
  - Have a secular purpose. The receipt of state aid by students at the college or university may not have the primary effect of advancing or impeding religion, or result in an excessive entanglement between the state and any religious sect.
  - Notify the department in writing of its decision to apply for the grant no later than September 1, 2023.
- To be eligible, an independent for-profit college or university must:
  - Be licensed by the Commission for Independent Education or have applied to the Commission for Independent Education for licensure by September 1, 2023.
  - Have a level 6 accreditation from the Southern Association of Colleges and Schools Commission on Colleges.
  - Be located in and chartered by the state of Florida.
  - Have a secular purpose. The receipt of state aid by students at the college or university may not have the primary effect of advancing or impeding religion, or result in an excessive entanglement between the state and any religious sect.
  - Been licensed by DOE on or before October 1, 2021.

- Notify DOE in writing of its decision to apply for the grant no later than September 1, 2023.

Effective January 1, 2024, the bill repeals the current law exemption provided to EASE-eligible institutions that exempts them from having to obtain licensure from the Commission for Independent Education.

**B. SECTION DIRECTORY:**

**Section 1.** Effective January 1, 2024, amends s. 1005.06, F.S.; repealing an exemption to licensure by the Commission for Independent Education for institutions eligible to participate in the William L. Boyd, IV, Effective Access to Student Education grant program.

**Section 2.** Amends s. 1009.89, F.S.; revising legislative findings; revising eligibility criteria for institutions and persons to participate in the program; revising the requirements for a specified report institutions must annually submit.

**Section 3.** Provides multiple effective dates.

**II. FISCAL ANALYSIS & ECONOMIC IMPACT STATEMENT**

**A. FISCAL IMPACT ON STATE GOVERNMENT:**

1. Revenues:

None.

2. Expenditures:

See Fiscal Comments.

**B. FISCAL IMPACT ON LOCAL GOVERNMENTS:**

1. Revenues:

None.

2. Expenditures:

None.

**C. DIRECT ECONOMIC IMPACT ON PRIVATE SECTOR:**

Effective January 1, 2024, EASE eligible institutions will be required to be licensed by the Commission for Independent Education. There is an indeterminate fiscal impact related to attaining licensure through the Commission for Independent Education (CIE). Licensure fees vary by an institution's resident enrollment and accreditation status, among other things. Fiscal impact will vary by institution, but may range from \$1,500 to \$8,500.

**D. FISCAL COMMENTS:**

The House proposed General Appropriations Act provides \$109.7 million for the EASE program.

**III. COMMENTS**

**A. CONSTITUTIONAL ISSUES:**

1. Applicability of Municipality/County Mandates Provision:

None. The bill does not appear to affect county or municipal governments.

2. Other:

None.

B. RULE-MAKING AUTHORITY:

None.

C. DRAFTING ISSUES OR OTHER COMMENTS:

None.

**IV. AMENDMENTS/COMMITTEE SUBSTITUTE CHANGES**

Not applicable.