



Education Appropriations Subcommittee

Meeting Packet

**March 4, 2015
8:00 a.m. – 11:00 a.m.
Morris Hall**



The Florida House of Representatives
APPROPRIATION COMMITTEE

Education Appropriations Subcommittee

Steve Crisafulli
Speaker

Erik Fresen
Chair

MEETING AGENDA

Morris Hall
March 4, 2015

- I.** Meeting Called To Order
- II.** Opening Remarks by Chair
- III.** Presentations:
 - Postsecondary Education Student Financial Assistance Workshop
 - National Overview of New Base Aid
 - State Financial Aid
 - Board of Governors
- IV.** Closing Remarks
- V.** Meeting Adjourned



DESIGNING AN EFFECTIVE STATE NEED-BASED GRANT PROGRAM

Dr. Sandy Baum

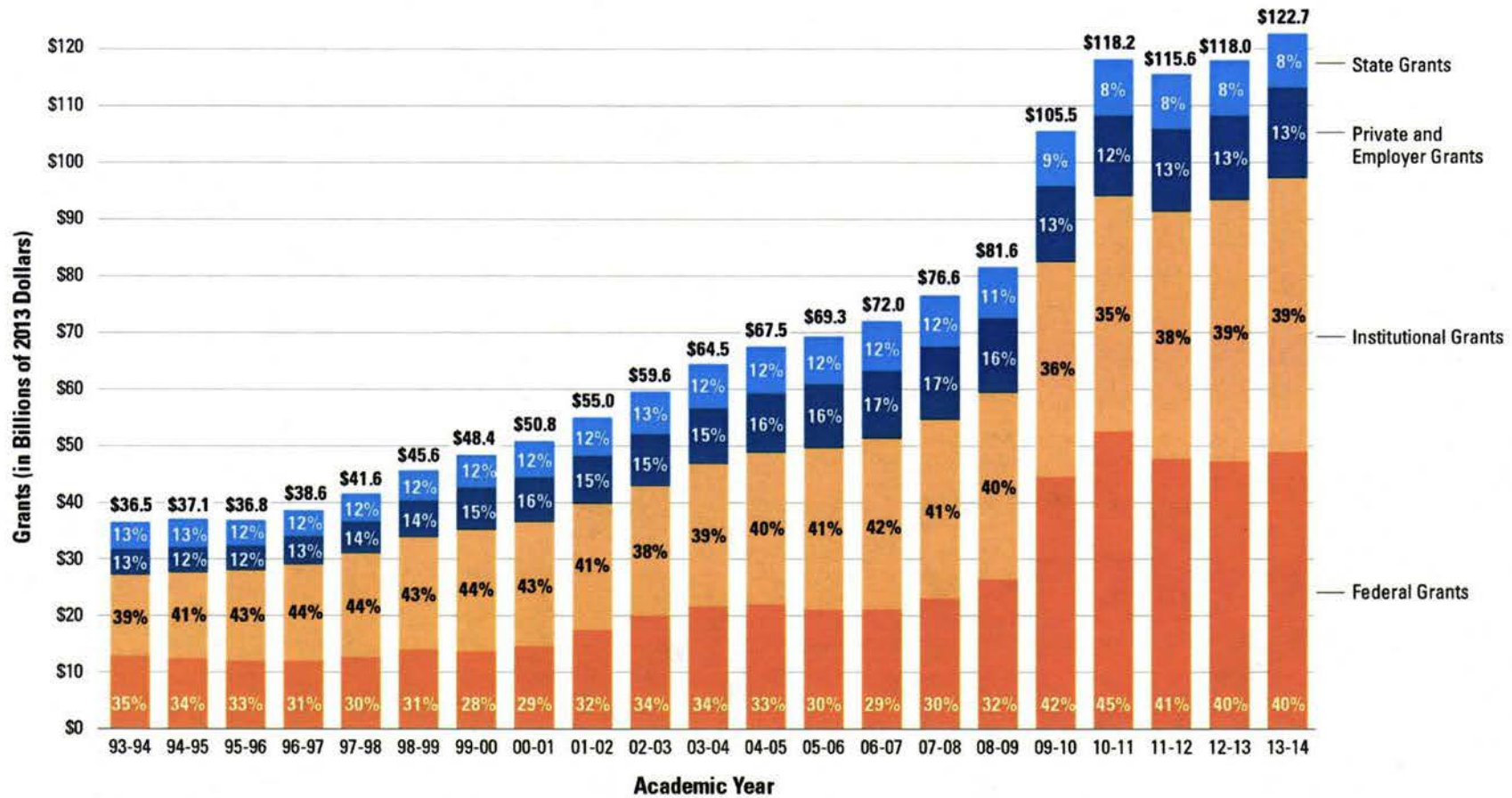
Research Professor of Education Policy, George Washington University
Senior Fellow, The Urban Institute

Florida State Legislature Education Appropriations Subcommittee
March 2015

Focus of my comments

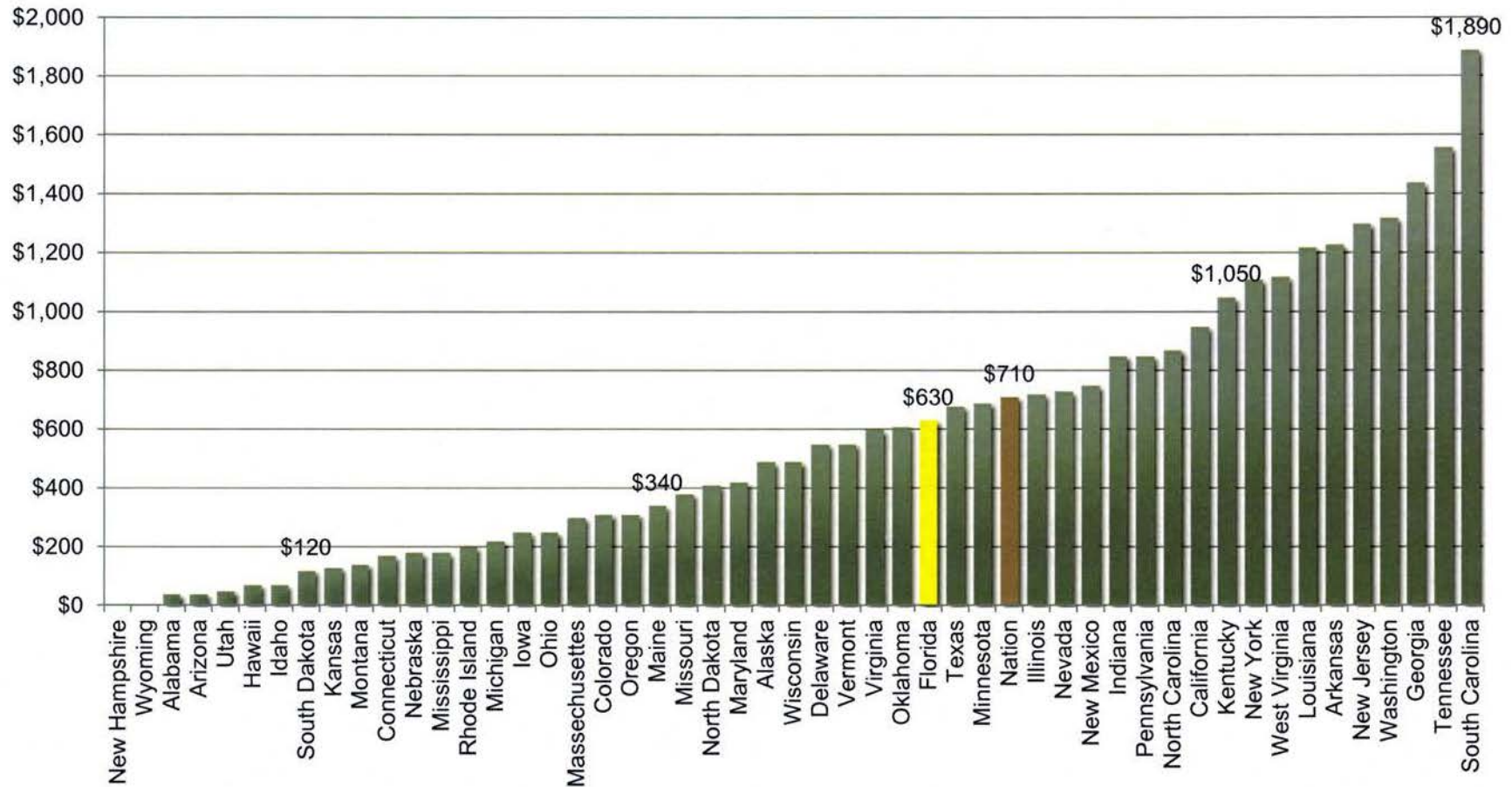
- State grant aid in context: appropriations, tuition, and other sources of grant aid
- Variation in grant aid across states
- Key goals and characteristics of state grant programs
- Improving effectiveness

Total Grant Aid in 2013 Dollars by Type of Grant, 1993-94 to 2013-14

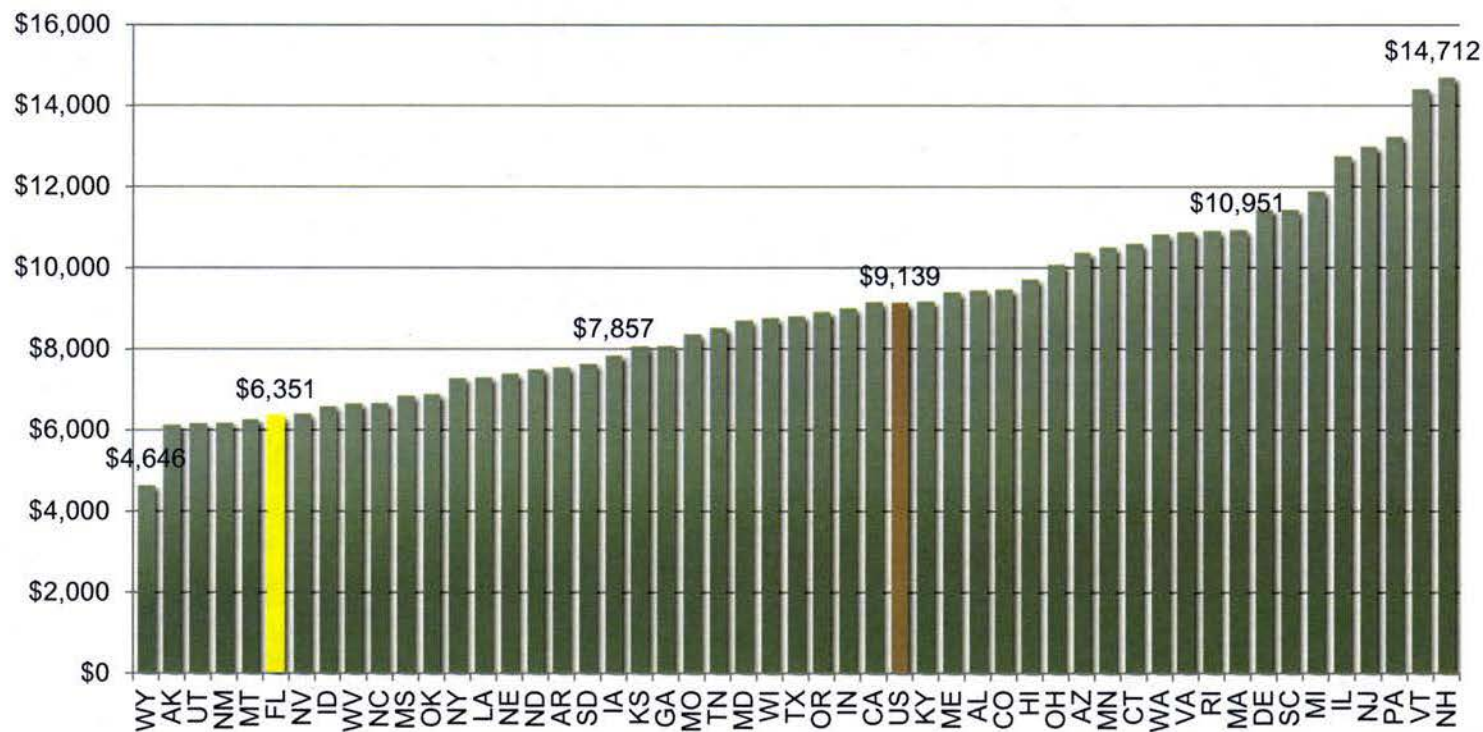


SOURCE: The College Board, *Trends in Student Aid 2014*, Figure 4

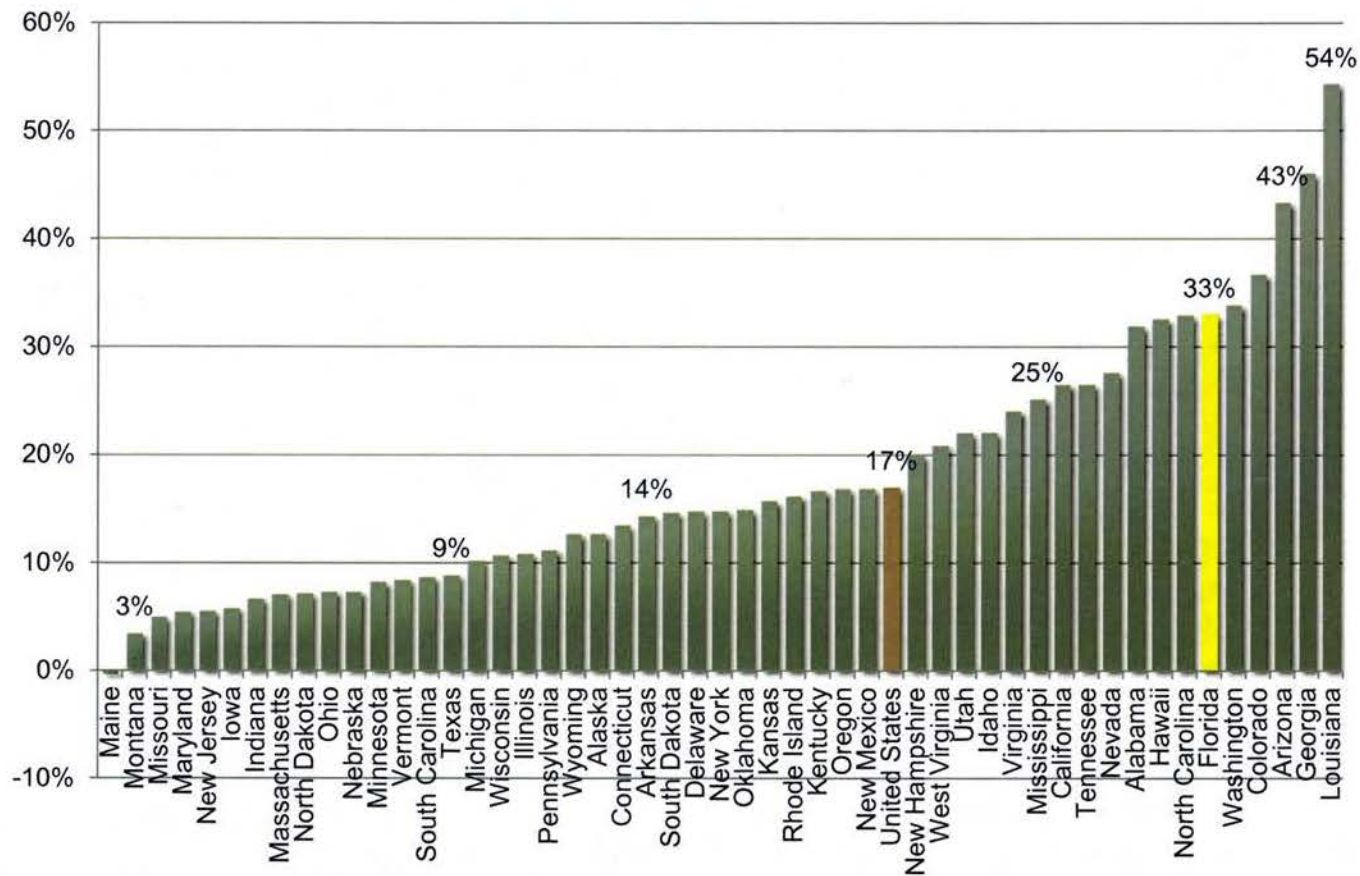
State Grant Aid per Full-Time Equivalent (FTE) Undergraduate Student by State, 2012-13



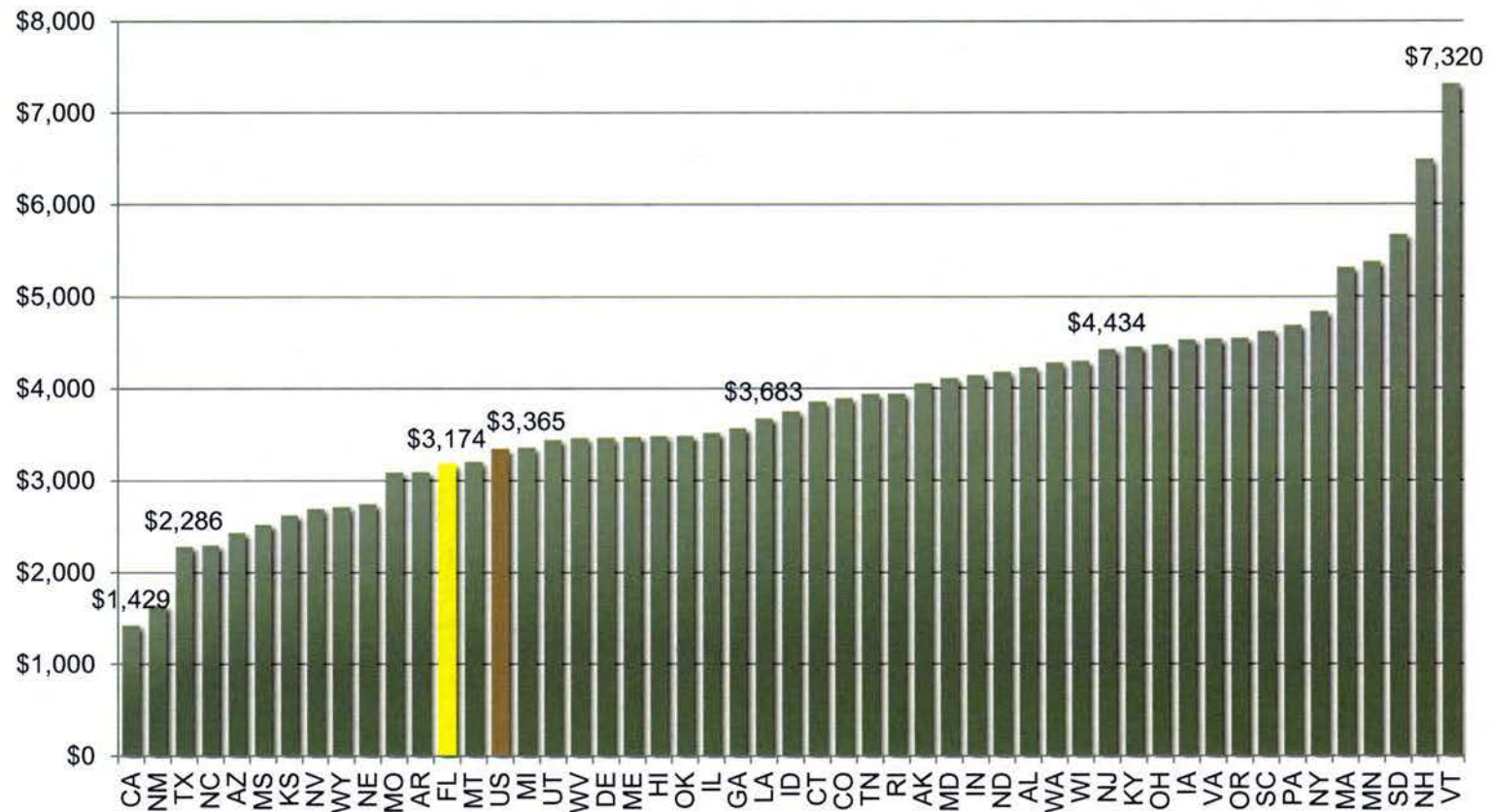
Average 2014-15 In-State Tuition and Fees at Public Four-Year Institutions by State



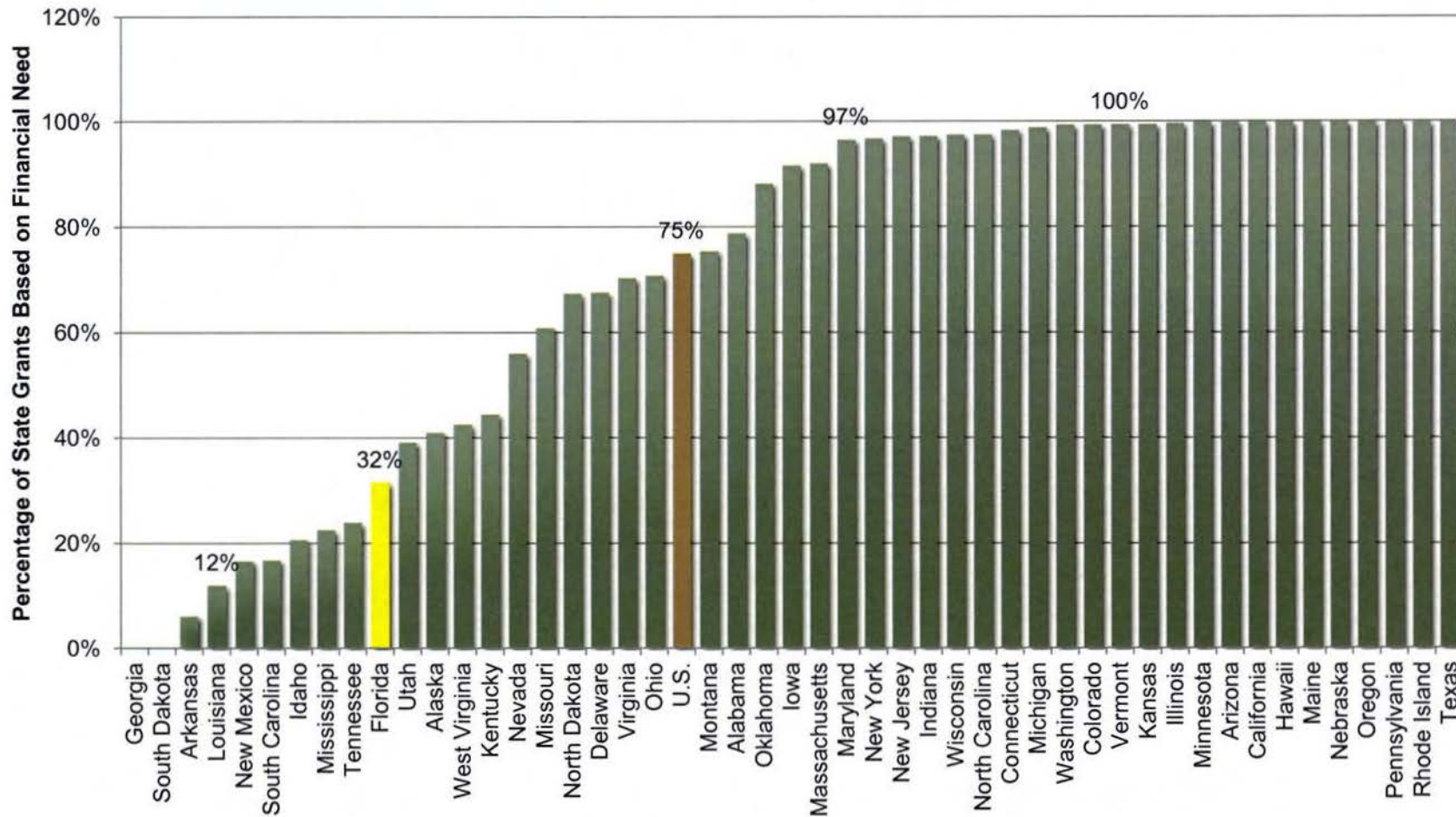
Five-Year Percentage Change in Inflation-Adjusted Tuition and Fees, Public Four-Year Institutions, 2009-10 to 2014-15



Average 2014-15 In-State Tuition and Fees at Public Two-Year Institutions by State



Need-Based State Grant Aid as a Percentage of Total Undergraduate State Grant Aid by State, 2012-13



Goals

- Increasing educational opportunity and attainment
- More students enroll in college and earn degrees or certificates
- Families and students face less financial strain paying for college

Criteria for effective aid

- Simplicity, predictability, and transparency
- Targeting students whose behavior and outcomes will change
- Supporting both access and academic progress / success

Goal: simple and predictable

Issues:

- Multiple state grant programs
- Decentralized determination of individual awards
(About half the states allow institutions to determine awards.)
- Timing

Goal: Targeting aid to minimize unmet need

- Significant unmet need among middle-income and particularly low-income students
- More small grants or fewer large grants?
- States with more grant aid extend the funding higher up the income scale.

Supplementing Pell

- Pell (2015-16) = \$5,775 – EFC; Florida tuition = \$6,400
- Average FSAG grant (\$1,100) + Pell covers tuition and fees (but not living expenses).
- Pell brings lower income students up to same level (But \$0 EFC up to \$24,000—even though not same ability to pay).
- Higher EFCs have *more* ability to pay even after considering Pell Grant – less unmet need.
- Adding FSAG to Pell raises recipients *above* some *not receiving either*.
- Consider distribution of state appropriations and merit aid

Supporting success

- Defining full-time:
 - Students enrolled for 15 credit hours pay more but don't receive extra federal or state grant aid
- Immediate rewards for things students can control
 - Credits completed vs. GPA
 - Time to degree
- Academic progress in college vs. pre-college achievement

A broader view

- Appropriations that lower tuition for all provide significant subsidies all along the income scale.
- Living expenses require immediate outlays—but it is forgone earnings, not food and housing, that are real costs.
- Biggest student debt problems are among non-completers.



State Financial Aid

House Education Appropriations Subcommittee

March 4, 2015

Office of Student Financial Assistance (OSFA)



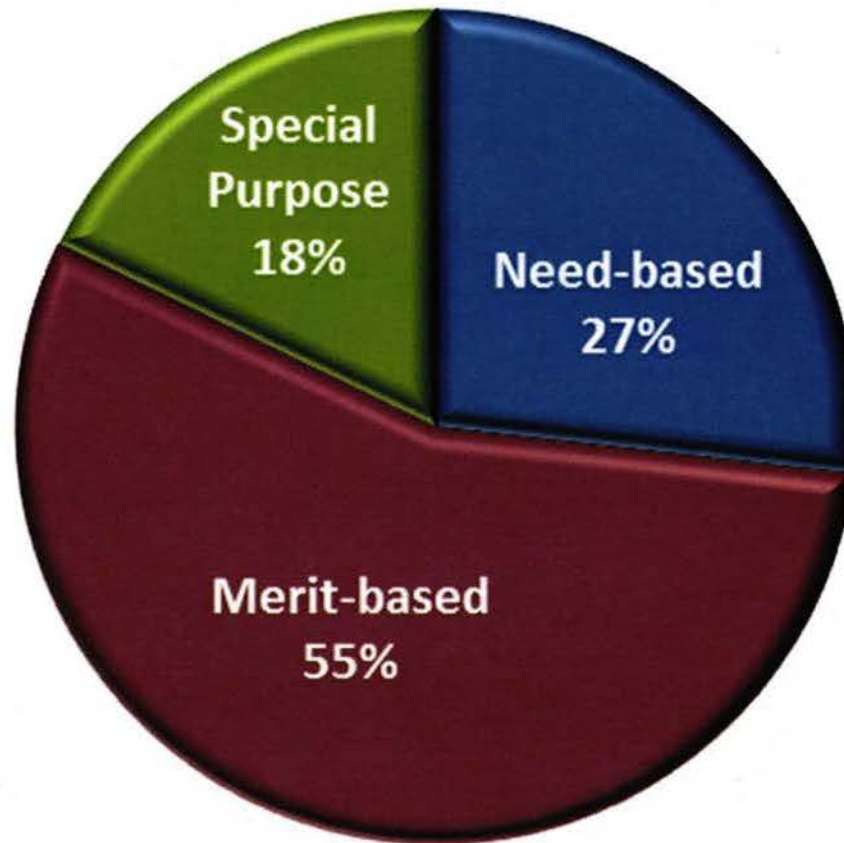
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State Financial Aid Programs

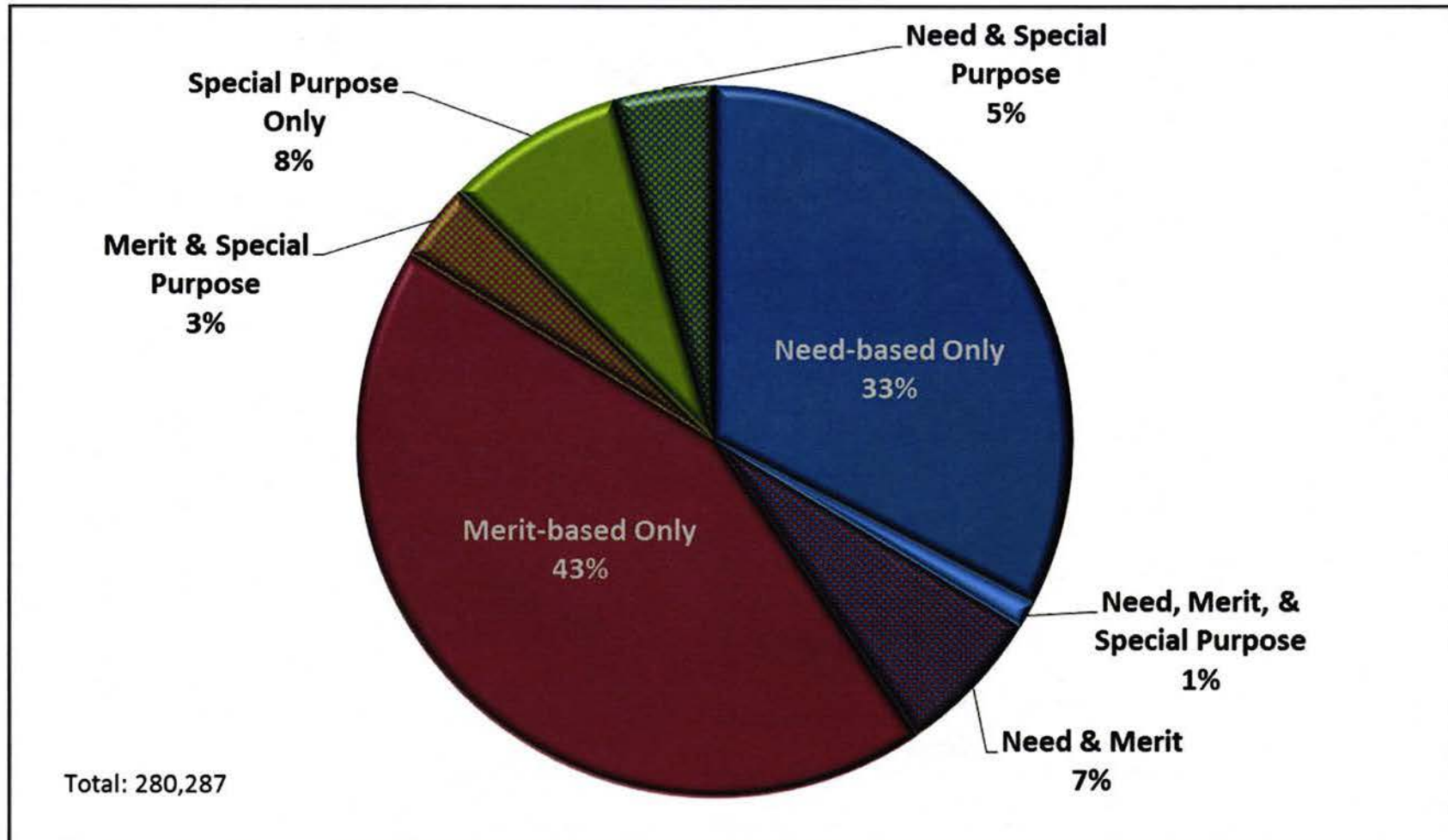
Merit-based	Need-based	Special Purpose
Bright Futures	Florida Student Assistance Grants (FSAG)	Florida Resident Access Grant (FRAG)
Florida National Merit Incentive Scholarship (aka Florida Incentive Scholarship)	Florida Work Experience Program (FWEP)	Access to Better Learning and Education Grant (ABLE)
	José Martí Scholarship	Scholarships for Children & Spouses of Deceased or Disabled Veterans (CSDDV)
	Rosewood Family Scholarship	Florida Fund for Minority Teachers (FFMT)
	Mary McLeod Bethune Scholarship	Nursing Student Loan Forgiveness Program
	First Generation Matching Grant	

2013-14 Program Expenditures



Total: \$547,438,441

2013-14 Student Participation



State Need-based Programs

(as defined by FAFSA submission requirement)

Need-based Programs	2014-15 Appropriations	2014-15 Award Amount	2013-14 Students Awarded
Florida Student Assistance Grant	\$148,346,977	\$200 min. - \$2,610 max.	119,992
Florida Work Experience Program	\$1,569,922	Determined by Need	748
José Martí Scholarship	\$100,000	\$2,000	55
Rosewood Family Scholarship	\$256,747	Tuition and Fees up to \$6,100	25
Mary McLeod Bethune Scholarship	\$321,000	\$3,000	136
First Generation Matching Grant	\$5,308,663	Determined by Need up to COA	9,468

Source: 2013-14 Annual Report to the Commissioner

Florida Student Assistance Grants (FSAG) Sectors

- **Public**
 - State University or Florida College System institution
- **Private**
 - Baccalaureate degree-granting independent nonprofit college or university accredited by Southern Association of College Schools (SACS).
- **Postsecondary**
 - Other qualifying private institutions licensed by CIE
- **Career Education**
 - Florida College System institution or career center offered by a district school board

FSAG 2013-14 Sector Awards

FSAG Sector (Institution Count)	Students Funded	Expenditures	Average Award
Public (39)	89,533	\$103,733,229	\$1,159
Private (35)	15,807	\$16,671,156	\$1,055
Postsecondary (114)	10,788	\$11,557,823	\$1,071
Career Education (75)	3,864	\$2,225,099	\$576

Source: 2013-14 End of Year Reports

FSAG: Initial Eligibility

- File the FAFSA
- Expected Family Contribution (EFC) is less than or equal to the maximum EFC set by OSFA
- \$200 remaining need after all other aid (not loans)

Institutions determine:

- Student met general eligibility for state aid
- Awards - within statutory range - \$200 to \$2,610

Definition of Need

Need = COA – EFC – Other Aid

- COA (Cost of Attendance) – varies per institution and per student
- EFC (Expected Family Contribution) – derived from student data in the Free Application for Federal Student Aid (FAFSA)
- Other Aid – federal, state, institutional, waivers, and other non-merit programs

Estimated Family Contribution (EFC)

Year	PELL	FSAG Public	FSAG Private	FSAG Postsecondary
2007-08	\$4,110	\$4,110	\$6,080	\$5,542
2008-09	\$4,041	\$4,110	\$6,080	\$5,542
2009-10	\$4,617	\$4,617	\$6,080	\$5,542
2010-11	\$5,273	\$5,273	\$6,080	\$5,542
2011-12	\$5,273	\$5,273	\$6,080	\$5,542
2012-13	\$4,995	\$5,273	\$6,080	\$5,542
2013-14	\$5,081	\$5,273	\$6,080	\$5,542
2014-15	\$5,157	\$5,273	\$6,080	\$5,542

Source: Office of Student Financial Assistance, Memoranda

FSAG: Renewal Requirements

- General eligibility requirements for state aid
- Minimum 2.0 GPA
- Earn the required hours each term:
 - FSAG – Public and FSAG – Career Education
 - 12 credit hours for each term for full-time enrollment;
 - 9 credit hours for three-quarter-time enrollment; or
 - 6 credit hours for half-time enrollment.
 - FSAG – Private and FSAG – Postsecondary
 - 12 credit hours for each term the award was received.

A student who does not meet the annual minimum number of credit hours required for renewal may not receive funding the following academic year.

FSAG: Probationary Process

- If a student does not meet the minimum institutional cumulative GPA, a probationary award may be granted for two semesters or three quarters.
- To be eligible for renewal the following year after probation, the student must have earned the required credits and an institutional cumulative GPA of 2.0 on a 4.0 scale.

FSAG: Otherwise Eligible (OE)

- Otherwise Eligibles (OE) are students who meet all criteria to receive an FSAG award, but were not awarded
- Institutions report OE students on the Disbursement Eligibility Report with a disbursement code of “C99”
- OE student counts are used in the formula to allocate funds for the upcoming year at the institutional level

FSAG: Otherwise Eligible (OE)

State Aid Program	2013-14 Unduplicated Count of Students
Otherwise Eligible Students	91,595
Received other State Aid	24,357 (26.6%)
Bright Futures	18,792
Florida Resident Access Grant (FRAG)	4,169
First Generation Matching Grant (FGMG)	2,579
Florida Workforce Experience Program (FWEP)	113
Scholarships for Children and Spouses of Deceased or Disabled Veterans (CSDDV)	107

Florida Work Experience Program (FWEP)

- Created in 1993, to assist students who demonstrate financial need by assigning jobs to earn their grants
 - Work is available on campus, K-12 schools, off-campus with a 30% match from private wages
- Award varies by student up to need
 - (COA – EFC – Other Aid = Need)
- Lessens loan dependency
- 64 of 143 eligible institutions participate

Florida Work Experience Program (FWEP)

- Institutional Requirements
 - State university or Florida College; or
 - Nonprofit Florida postsecondary education institution that is eligible to participate in either of the FSAG programs; or
 - Educator Preparation Institute

Questions?



OSFA Contact Information

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Office of Student Financial Assistance

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State University System of Florida

Affordability Study

House Education Appropriations Sub-Committee

Marshall M. Criser III
Chancellor
State University System of Florida

March 4, 2015
www.flbog.edu



Purpose & Guiding Questions for Affordability Study

Purpose

Explore whether Florida's State Universities are affordable for all undergraduate students who are qualified and motivated to attend, taking into consideration the three main components of affordability (tuition, state appropriations, financial aid).

Guiding Questions

1. What is the cost of an undergraduate education at an SUS institution?
2. How does that compare to other states? Other sectors?
3. Is the cost of attending an SUS institution affordable by:
 - a. family income group.
 - b. EFC group.
4. If not, what can we do to enhance affordability?

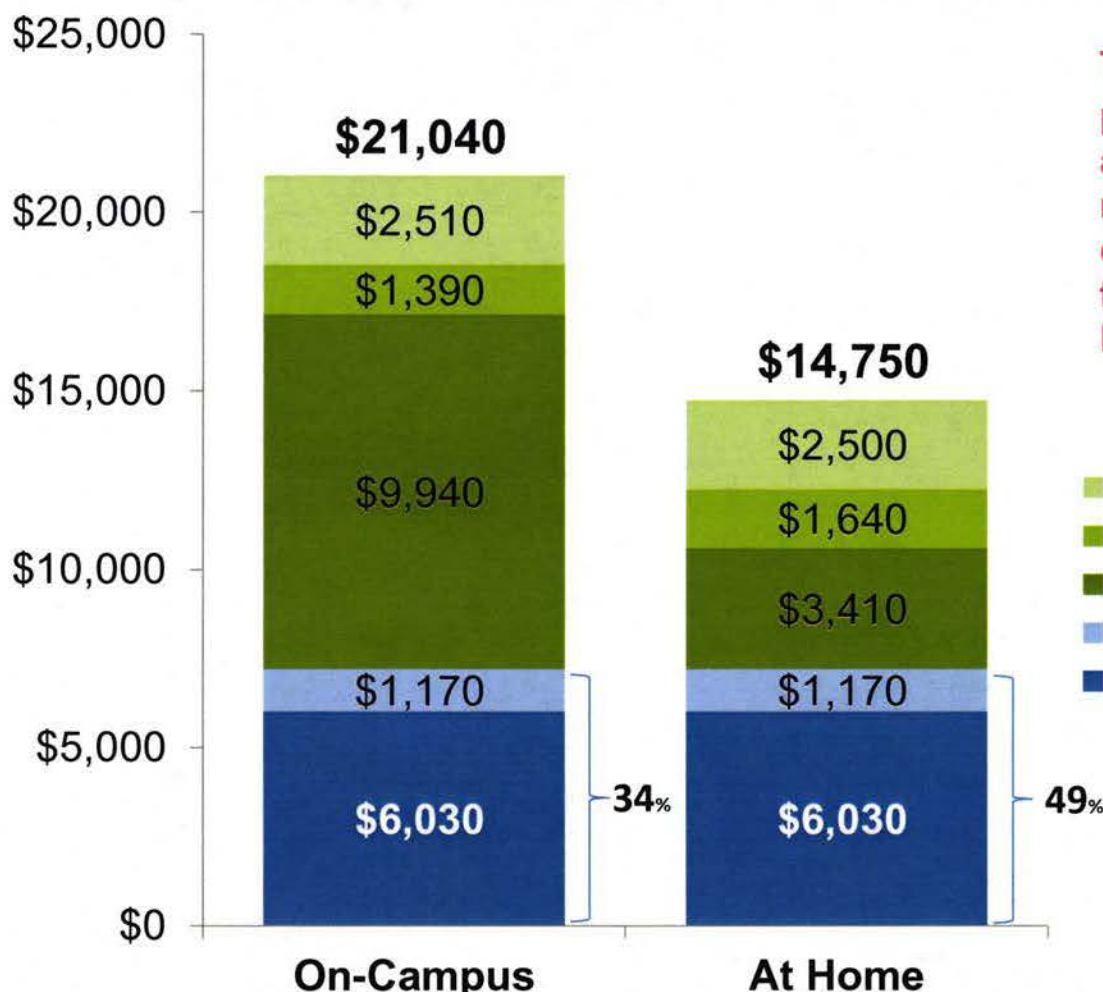


What is the cost of an undergraduate education at an SUS institution?



System Average Cost of Attendance

For Full-Time, Undergraduate Florida Residents in the Fall and Spring of 2014-15



The Cost of Attendance data published by universities is a general estimate of costs, not the actual cost, because it does not include either financial aid or the Expected Family Contribution.

- Other Expenses
- Transportation
- Room & Board
- Books & Supplies
- Tuition & Fees

Source: Board of Governors, 2014 University Tuition and Fees Survey.

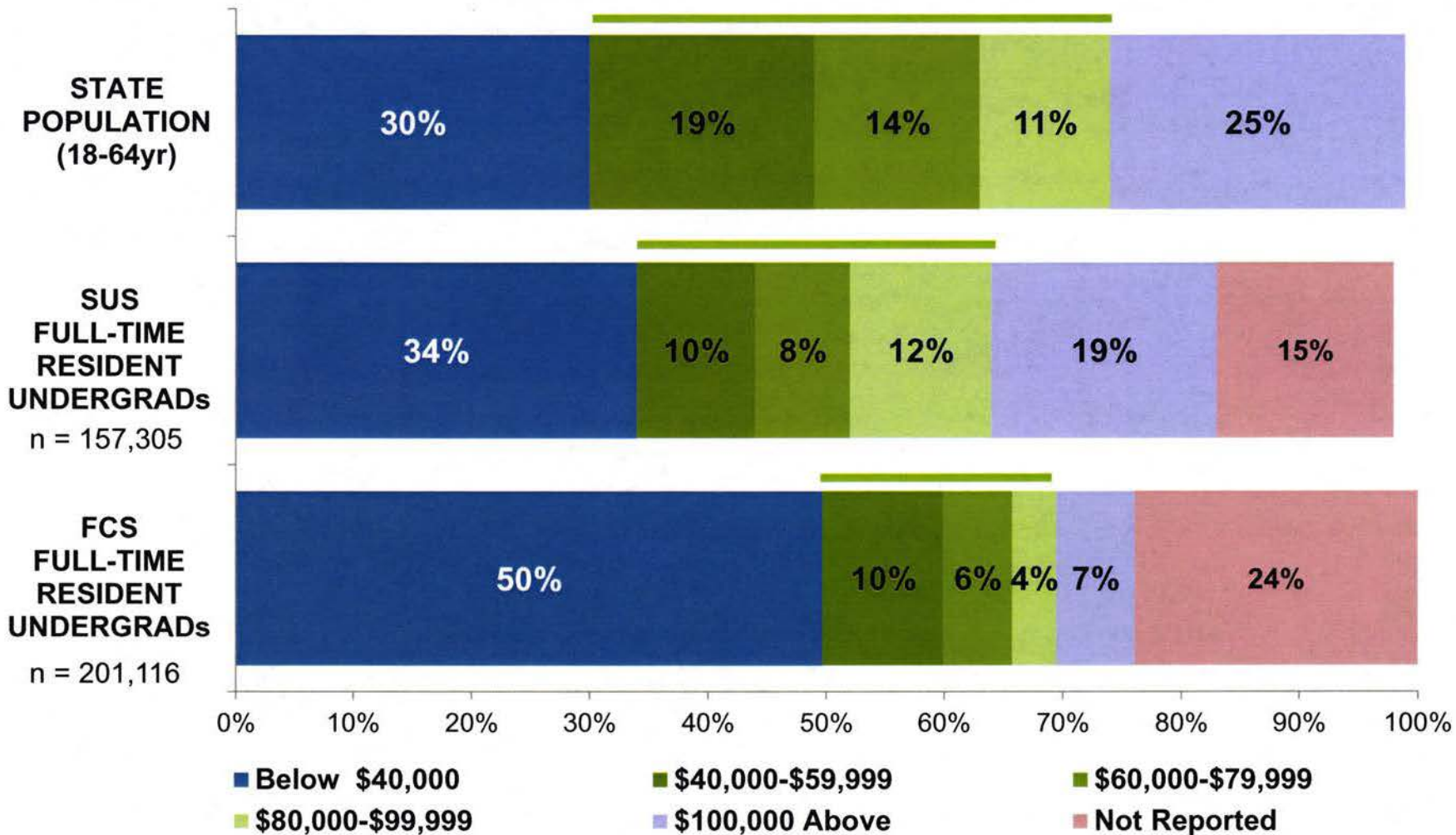


How affordable is an undergraduate education within the SUS ?



Population by Family Income

for State of Florida, State University System and Florida College System



Source:: Board staff analysis of US Census (2014 Current Population Survey) data and State University Database (SUDS). Totals may not equal 100% due to rounding.



Applying for Need-Based Financial Aid

Free Application for Federal Student Aid (FAFSA)

- Marital status
- Dependency status
- Household Info

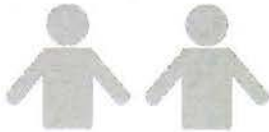







Expected Family Contribution (EFC)

- The **Expected Family Contribution (EFC)** is a measure of your family's financial strength and is calculated according to a formula established by U.S. Congress.
- A family's taxed and untaxed income, assets, and benefits (such as unemployment or Social Security) are all considered in the formula. Also considered are family size and the number of family members who will attend college during the year.
- **A student's EFC is the same regardless of an institution's Cost of Attendance.**
- **Student Financial Aid is based on EFC not Family Income.**



Translating Family Income Into Expected Family Contribution (EFC)

FAMILY ADJUSTED GROSS INCOME	NUMBER OF PARENTS			
				
	CHILDREN IN COLLEGE		CHILDREN IN COLLEGE	
				
\$20,000	\$0	\$0	\$0	\$0
\$30,000	\$550	\$80	\$1,340	\$570
\$40,000	\$2,350	\$980	\$3,030	\$1,430
\$50,000	\$4,140	\$1,880	\$4,950	\$2,370
\$60,000	\$6,410	\$2,940	\$7,500	\$3,610
\$70,000	\$9,500	\$4,390	\$10,720	\$5,270
\$80,000	\$13,070	\$6,170	\$13,820	\$6,830

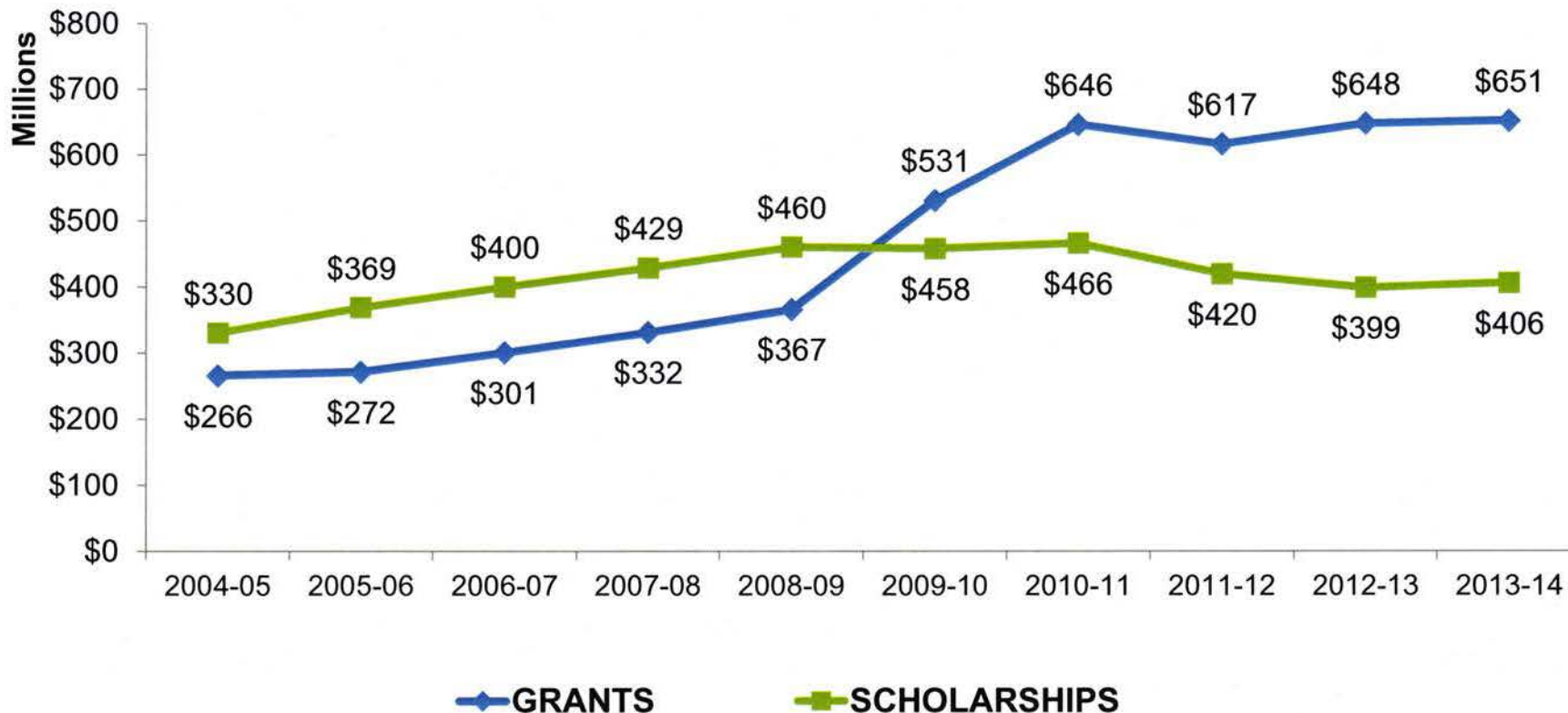
- EFC is not the amount of money your family will have to pay for college, nor is it the amount of federal student aid you will receive.

Sources: Board of Governors staff analysis of the US Dept. of Education's FAFSA4caster available at: <https://fafsa.ed.gov/FAFSA/app/f4cForm?execution=e1s1>.



Financial Aid Trends

for Undergraduates within the State University System

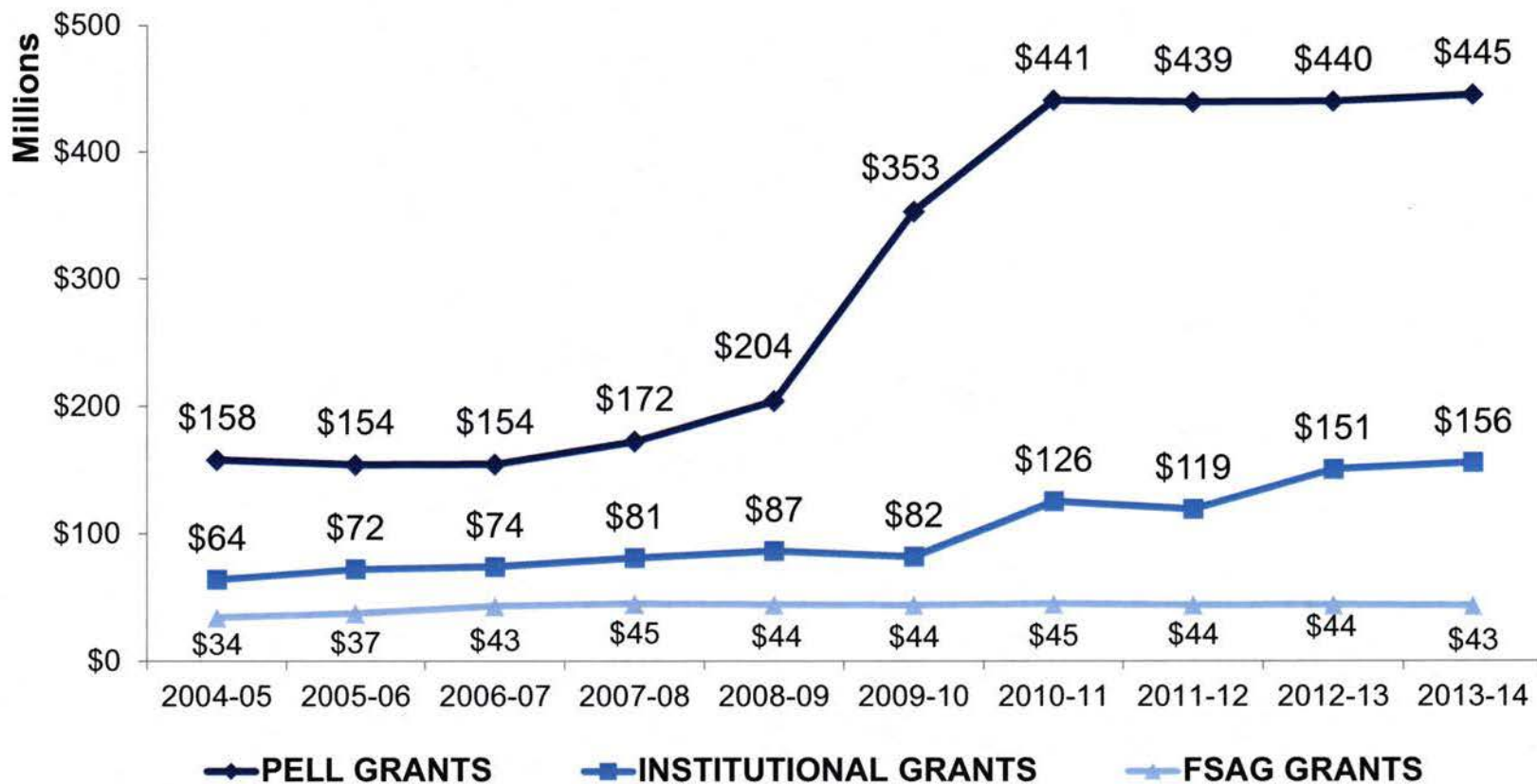


Source: Board staff analysis of State University Database (SUDS) Financial Aid data – not adjusted for inflation. Notes: Grants are typically need-based (i.e., Pell Grant and Florida Student Assistance Grant); scholarships are typically merit-based (i.e., Bright Futures Scholarships).



Grant Aid Trends

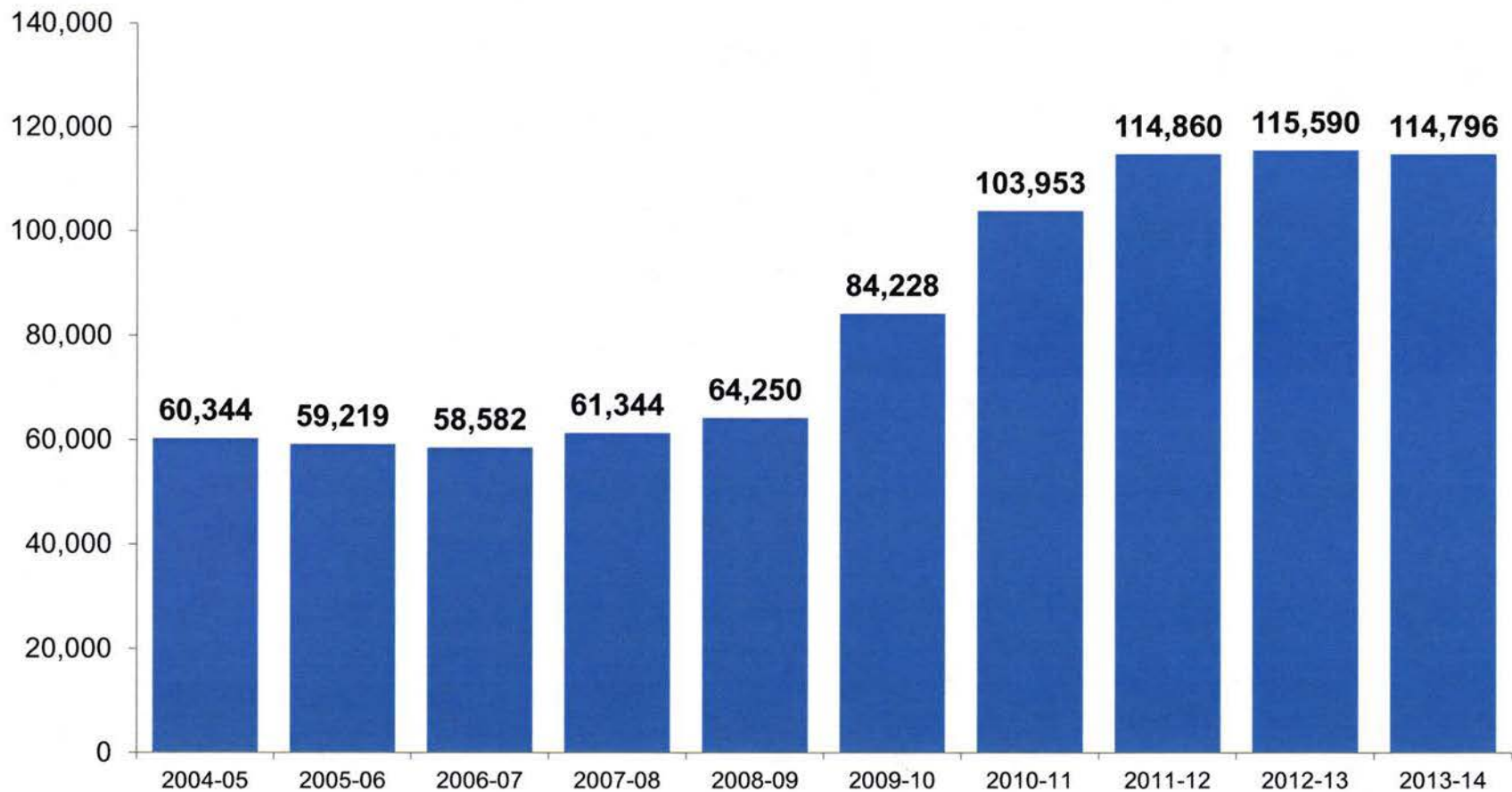
for Undergraduates within the State University System



Source: Board staff analysis of State University Database (SUDS) Financial Aid data – not adjusted for inflation. Notes: Grants are typically need-based (i.e., Pell Grant and Florida Student Assistance Grant); scholarships are typically merit-based (i.e., Bright Futures Scholarships).

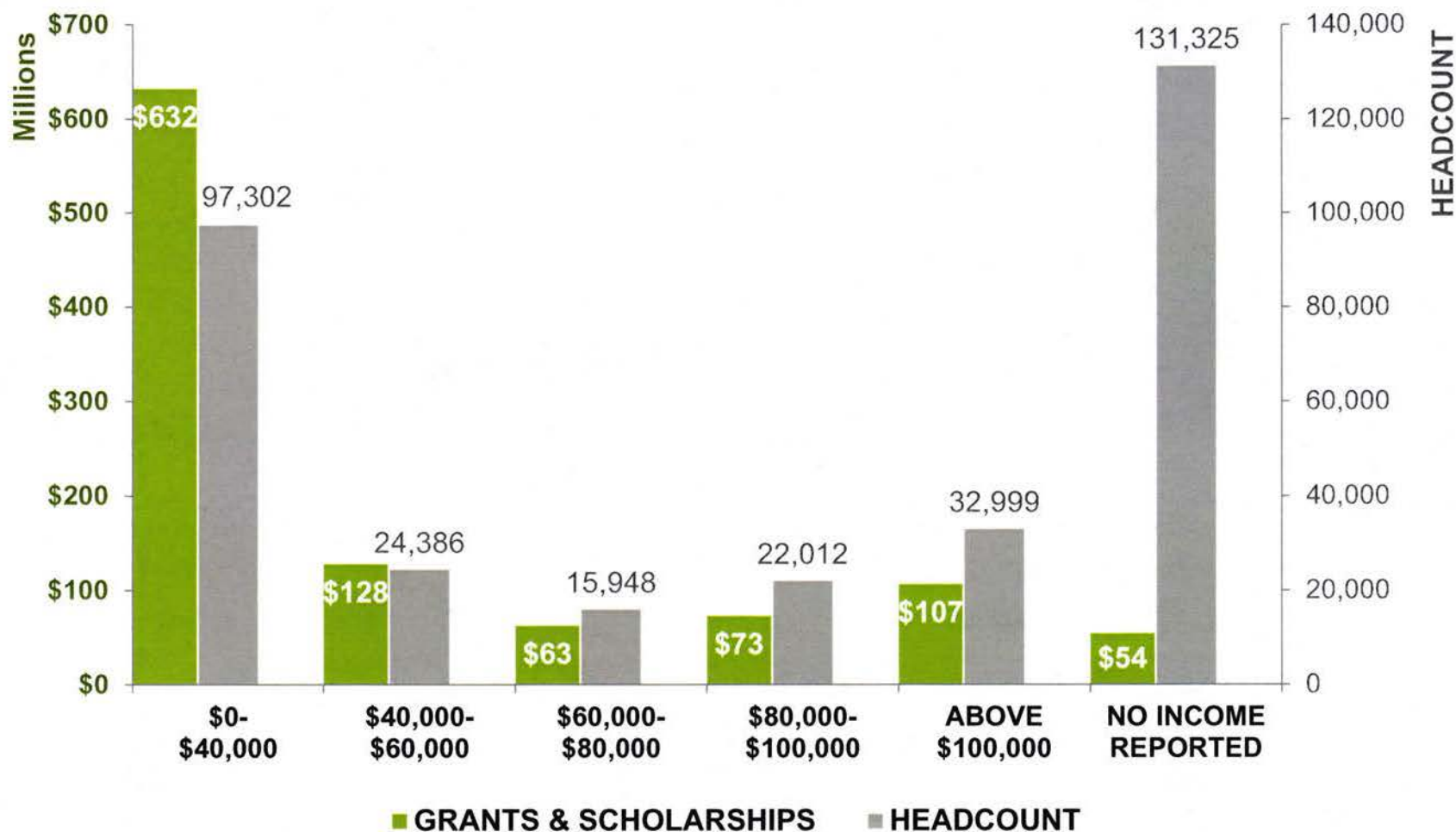


Headcount Trend for Pell Recipients in the State University System





Grants and Scholarships Awarded in 2013-14 to Undergraduates by Family Income Group



Source: Board staff analysis of State University Database (SUDS) Financial Aid data.



Summary of Per Student Gift Aid and Loans by EFC for Full-time, Resident Undergraduates (Fall & Spring 2013-14)

	EFC GROUPS	HEAD COUNT	AVERAGE GIFT AID				AVERAGE LOANS
			GRANTS	SCHOLAR SHIPS	WAIVERS	TOTAL	
FSAG PELL	ZERO	32,426	\$7,260	\$1,620	\$80	\$8,950	\$4,240
	1 - 999	13,216	\$6,620	\$1,850	\$60	\$8,530	\$3,280
	1,000 - 1,999	6,723	\$5,510	\$2,000	\$60	\$7,580	\$3,850
	2,000 - 2,999	5,806	\$4,520	\$2,000	\$70	\$6,590	\$4,180
	3,000 - 3,999	4,880	\$3,520	\$2,130	\$70	\$5,730	\$4,220
	4,000 - 4,999	3,762	\$2,680	\$2,130	\$80	\$4,890	\$4,480
	5,000 - 5,081	308	\$2,130	\$2,090	\$70	\$4,290	\$4,720
	5,082 - 5,273	867	\$1,750	\$2,350	\$100	\$4,200	\$4,620
	5,274 - 5,999	2,913	\$1,330	\$2,250	\$70	\$3,660	\$4,940
	6,000 - 6,999	3,447	\$1,240	\$2,370	\$100	\$3,710	\$4,780
	7,000 - 7,999	2,974	\$1,040	\$2,390	\$90	\$3,520	\$4,770
	8,000 - 8,999	2,680	\$840	\$2,380	\$110	\$3,330	\$4,730
	9,000 - 9,999	2,270	\$430	\$2,600	\$120	\$3,150	\$4,680
	10,000+	50,804	\$130	\$2,810	\$150	\$3,080	\$2,970
	No FAFSA	24,229	\$70	\$910	\$130	\$1,110	\$90
	TOTAL	157,305	\$2,790	\$2,050	\$110	\$4,940	\$3,150

Source: Board staff analysis State University Database (SUDS) . Note: The red line represents the EFC threshold for Pell Grants in 2013-14. The blue line represents the EFC threshold for Florida Student Assistance Grants (FSAG) in 2013-14. Please note that the 2015-16 EFC threshold for Pell grants has been increased to 5,198.



Headcounts by Net Tuition and EFC for Full-time, Resident Undergraduates (Fall & Spring 2013-14)

EFC GROUPS	NET TUITION CATEGORIES						TOTAL
	GIFT AID EXCEEDS TUITION			TUITION EXCEEDS GIFT AID			
	\$5,000+	\$4,999 to \$2,500	\$2,499 to \$0	\$1 to \$2,499	\$2,500 to \$4,999	\$5,000+	
ZERO	8,549	7,988	11,432	3,302	756	399	32,426
1 - 999	2,602	3,371	5,006	1,943	227	67	13,216
1,000 - 1,999	927	1,438	2,341	1,723	244	50	6,723
2,000 - 2,999	553	954	1,673	1,897	656	73	5,806
3,000 - 3,999	332	569	1,296	1,475	1,119	89	4,880
4,000 - 4,999	201	267	892	1,159	1,052	191	3,762
5,000 - 5,081	16	14	53	90	101	34	308
5,082 - 5,273	32	64	129	251	284	107	867
5,274 - 5,999	75	111	346	884	1,132	365	2,913
6,000 - 6,999	98	135	394	1,092	1,275	453	3,447
7,000 - 7,999	74	111	294	896	1,161	438	2,974
8,000 - 8,999	69	76	224	753	1,120	438	2,680
9,000 - 9,999	57	60	192	436	1,119	406	2,270
10,000+	938	1,058	3,262	8,632	30,851	6,063	50,804
No FAFSA	239	138	406	1,035	7,702	14,709	24,229
TOTAL	14,762	16,354	27,940	25,568	48,799	23,882	157,305
% OF TOTAL	9%	10%	18%	16%	31%	15%	100%

PELL
FSAG

Source: Board staff analysis State University Database (SUDS) . Note: The red line represents the EFC threshold for Pell Grants in 2013-14. The blue line represents the EFC threshold for Florida Student Assistance Grants (FSAG) in 2013-14. Please note that the 2015-16 EFC threshold for Pell grants has been increased to 5,198.



FSAG-Eligible Headcounts by Net Tuition and EFC for Full-time, Resident Undergraduates (Fall & Spring 2013-14)

EFC GROUPS BELOW FSAG	NET TUITION CATEGORIES						TOTAL HEAD COUNT
	GIFT AID EXCEEDS TUITION			TUITION EXCEEDS GIFT AID			
	\$5,000+	\$4,999 to \$2,500	\$2,499 to \$0	\$1 to \$2,499	\$2,500 to \$4,999	\$5,000+	
ZERO	8,549	7,988	11,432	3,302	756	399	32,426
1 - 999	2,602	3,371	5,006	1,943	227	67	13,216
1,000 - 1,999	927	1,438	2,341	1,723	244	50	6,723
2,000 - 2,999	553	954	1,673	1,897	656	73	5,806
3,000 - 3,999	332	569	1,296	1,475	1,119	89	4,880
4,000 - 4,999	201	267	892	1,159	1,052	191	3,762
5,000 - 5,081	16	14	53	90	101	34	308
5,082 - 5,273	32	64	129	251	284	107	867
SUBTOTAL	13,212	14,665	22,822	11,840	4,439	1,010	67,988
% OF SUBTOTAL	19%	22%	34%	17%	7%	1%	100%

75%

25%

PELL
FSAG

Source: Board staff analysis State University Database (SUDS) . Note: The red line represents the EFC threshold for Pell Grants in 2013-14. The blue line represents the EFC threshold for Florida Student Assistance Grants (FSAG) in 2013-14. Please note that the 2015-16 EFC threshold for Pell grants has been increased to 5,198.



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