



## Bright Futures Scholarship for the Summer Term

January 20, 2015

At the November 5, 2014, Board of Governors meeting, the Council for Academic Vice Presidents (CAVP) submitted a system-wide Legislative Budget Request (LBR) to the Board's Academic and Student Affairs Committee for consideration and possible approval. The CAVP request was for \$32 million to fund Bright Futures scholarships for the 2016 Summer Term. Florida Statutes (Subsection 1009.53(9)) state that "A student may use an award for summer term enrollment if funds are available."

The Board delayed discussion of the CAVP Summer Bright Futures LBR so that Board staff could collect estimates of the number of students affected, potential costs, and possible challenges in implementation.

In November, Board staff distributed a seven-question survey to all 12 public universities. (The survey is included as Appendix A of this document.) The first two questions requested estimates of Summer Bright Futures enrollments at each institution, based upon trend data, as well as estimates of the total number of credit hours that students would take. Unfortunately, the responses did not employ a consistent methodology so tabulations across all 12 institutions were not possible for Questions 1 and 2. Some of the information, nevertheless informs other questions on the survey. Board staff conducted its own analysis to provide estimates for the questions concerning headcount, credit hours, and costs.

### **ENROLLMENT**

Table 1 on the following page provides Spring and Summer 2014 headcounts and credit hour data for Bright Futures Scholars for the entire State University System. Using actual data from Spring and Summer Terms 2014 we see that slightly more than half (51%) of the Spring Term students with Bright Futures awards also enrolled Summer Term. But their course loads were not as heavy. Bright Futures students took only about a quarter (24%) of the credit hours during Summer Term that they took during the previous Spring Term. Students may have taken fewer credit hours in the Summer Term for financial reasons, funding more of the credit hours themselves because there were no Bright Futures Summer awards. Other likely reasons for the lower number of credit hours taken during the Summer term include the fact that students have greater opportunities for employment during the summer, they may return home, and the courses they want may not be offered in the summer.

**Table 1: Estimated Headcount, Credit Hours and Costs to Implement Summer Bright Futures Scholarship Awards**  
(Based upon Spring & Summer 2014 Data)

UNIV	ACTUAL HEADCOUNT <sup>1</sup>			ACTUAL CREDIT HOURS <sup>1</sup>			ESTIMATED CREDIT HOURS			ACADEMIC SCHOLARS <sup>2</sup>		MEDALLION SCHOLARS <sup>2</sup>		ESTIMATED DOLLARS		
	SPR	SUM	%	SPR	SUM	%	LOW 25%	MEDIUM 35%	HIGH 45%	%	\$/SCH	%	\$/SCH	LOW	MED	HIGH
FAMU	1,026	385	38%	15,155	2,517	17%	3,800	5,300	6,800	9%	\$103	91%	\$77	\$301,000	\$420,000	\$539,000
FAU	5,777	3,022	52%	73,405	17,452	24%	18,400	25,700	33,000	11%	\$103	89%	\$77	\$1,470,000	\$2,054,000	\$2,637,000
FGCU	4,050	1,876	46%	52,799	10,234	19%	13,200	18,500	23,800	10%	\$103	90%	\$77	\$1,050,000	\$1,472,000	\$1,894,000
FIU	8,534	4,693	55%	114,233	29,149	26%	28,600	40,000	51,400	13%	\$103	87%	\$77	\$2,296,000	\$3,212,000	\$4,127,000
FSU	19,470	8,596	44%	257,047	55,414	22%	64,300	90,000	115,700	32%	\$103	68%	\$77	\$5,488,000	\$7,682,000	\$9,875,000
NCF	522	4	1%	8,352	18	0%	2,100	2,900	3,800	72%	\$103	28%	\$77	\$201,000	\$277,000	\$364,000
UCF	20,868	10,907	52%	268,188	67,011	25%	67,000	93,900	120,700	25%	\$103	75%	\$77	\$5,590,000	\$7,835,000	\$10,071,000
UF	23,765	12,065	51%	324,401	75,902	23%	81,100	113,500	146,000	62%	\$103	38%	\$77	\$7,557,000	\$10,576,000	\$13,604,000
UNF	4,792	2,493	52%	61,130	14,519	24%	15,300	21,400	27,500	18%	\$103	82%	\$77	\$1,248,000	\$1,746,000	\$2,244,000
USF	13,739	7,977	58%	187,828	50,772	27%	47,000	65,700	84,500	23%	\$103	77%	\$77	\$3,897,000	\$5,447,000	\$7,006,000
UWF	2,461	1,241	50%	31,743	7,362	23%	7,900	11,100	14,300	20%	\$103	80%	\$77	\$648,000	\$911,000	\$1,174,000
<b>SUS</b>	<b>105,004</b>	<b>53,259</b>	<b>51%</b>	<b>1,394,281</b>	<b>330,349</b>	<b>24%</b>	<b>348,700</b>	<b>488,000</b>	<b>627,500</b>	<b>32%</b>	<b>\$103</b>	<b>68%</b>	<b>\$77</b>	<b>\$29,746,000</b>	<b>\$41,632,000</b>	<b>\$53,535,000</b>

SOURCE: Board of Governors staff. Notes: (1) Actual data is based on Bright Futures Academic Scholars and Medallion Scholars who enrolled in Spring 2014 and then subsequently enrolled in Summer 2014; (2) Academic and Medallion Scholar percentages are based on Spring 2014 enrollments, and \$ per FTE are based on 2014-15 award amounts.

Table 1 provides low, medium and high estimates of how many credit hours students would take during Summer Term, if Bright Futures awards were available, as well as cost estimates for each category. A conservative “status quo” scenario assumes that there would be no change in the number of credit hours Bright Futures awardees would take in the Summer, providing a “low estimate” of 348,700 credit hours (25% of the number of credit hours they took the preceding Spring term).

It is likely, however, that the availability of Bright Futures funds for Summer Term would encourage students to take more credit hours. An increase in credit-hour activity of 10% (a medium estimate) would result in 488,000 credit hours taken during Summer Term. An increase of 20% in credit-hour activity (a high estimate) would result in 627,500 credit hours.

### **COST**

To calculate costs associated with these low, medium and high estimates of credit hours, several factors must be considered. First, there are several types of Bright Futures Scholarship Awards, with different criteria and different award amounts. The Florida Academic Scholars Award demands the highest level of academic excellence. Beginning in 2013-14, Florida Academic Scholars must have a minimum SAT score of 1290 or an ACT score of 29 and 100 hours of community service. Awards are currently funded at \$103 per credit hour. The Florida Medallion Scholars Award is the next level of award, with a minimum required 1170 on the SAT or 26 on the ACT and the completion of 75 community service hours. Florida Medallion Scholars receive awards of \$77 per credit hour.

Using the data in Table 1 to estimate costs to fund Summer Bright Futures, Board staff preserved the current 32% to 68% ratio of Florida Academic Scholar awards (\$103 per credit hour rate) to the Florida Medallion Scholar awards (\$77 per credit hour). Applying the credit hours generated for low (348,700), medium (488,000) and high (627,500) levels also shown in Table 1, Board staff calculated that it would cost \$29.7 million, \$41.6 million, and \$53.5 million, respectively, to fund Summer Bright Futures.

The Legislative Budget Request that the Board received from the Council for Academic Vice Presidents (CAVP) was for \$32 million, which is the amount that the Office of Economic and Demographic Research projected would not be needed in 2015-16 as a result of the increase in student eligibility requirements for Bright Futures. The request for \$32 million is somewhat more than the estimated \$29.7 million “status quo” estimate to fund the same amount of credit hours that Bright Futures students took this past Summer 2014, but less than the \$41.6 to \$53.5 million if students took heavier course loads.

## **PROJECTED IMPACT**

When asked what considerations universities would like the Board to consider regarding the provision of Bright Futures funding for Summer Term, most universities noted that Summer Bright Futures would:

- 1) allow students to graduate faster and reduce time-to-degree;
- 2) reduce student debt by entering the job market and earning a living wage sooner;
- 3) allow universities to develop the Summer Term as a "full service" semester; and
- 4) allow universities to develop 3-year programs with Summer Term as a full term.

One of the survey questions asked universities to quantify the effect that Summer Bright Futures would have on time-to-degree. Among the ten respondents, six universities estimated a positive impact upon time-to-degree completion, typically about one term sooner. The University of Florida respondent noted that, initially, there would only be a modest impact but that it would become greater "in 4 to 5 years, as freshmen have more years to accumulate summer semester credit hours and graduate earlier." Florida Polytechnic, which just began enrolling students, and New College, which piloted its first Summer Term this past year, did not have enough data to estimate an effect.

Universities were also asked to estimate how many students would be likely to graduate in the Summer Term, rather than the Fall. The total from the six universities that were able to provide estimates was almost 3,500 students. These students would not only graduate sooner, but also would arguably be entering the job market sooner, earning better salaries, and reducing the need for additional financial assistance for the Fall Term.

Overall, the responses from the universities indicate support for Summer Bright Futures Scholarships. The benefits to students include faster time-to-degree, quicker entry into the job market, and the likelihood of reduced debt. The benefit to the State includes a better educated workforce as students earn baccalaureate degrees more quickly; more room in the baccalaureate degree pipeline as time-to-degree is shortened; and more efficient use of campus facilities throughout the entire year. It is also clear from university responses that, if there are limits on funds available to fund Summer Bright Futures, then restricted funding is better than not funding Summer Term at all.

## Appendix A: Summer Bright Futures – Legislative Budget Request

### Survey of State University System Institutions, November 2014

- 1) If Bright Futures funding were available during Summer Term, how many students (both number and percentage) at your institution who receive Bright Futures funding during Spring term would also be projected to enroll Summer Term?

(If possible, please use trend data over the past 5 years to calculate the percentage. If you are using a different method, please describe the method.)

- 2) Using the percentage of students from Question 1, please provide low, medium and high estimates of the total number of credit hours that your Bright Futures eligible students may take in the summer. Also, please describe how you calculated each estimate (e.g. 50% of the students will take 6 to 8 credit hours, 20% will take 3 to 5 credit hours, and 30% will take 9 to 12 credit hours).

<b>Estimates of the Range of Potential Summer Bright Futures</b>	
<b>Semester Credit Hour Activity</b>	
<i>Estimate</i>	<i># of Semester Credit Hours</i>
Low/minimum level	
Mid-level	
High/maximum level	

- 3) If there are more applicants for Bright Futures Summer funding at your institution than funds will cover, how should the decision be made regarding who gets Summer Bright Futures dollars?

(Please include all decision points in how the award process should occur.)

- 4) If Summer Bright Futures funding were available, can you quantify the effect that this would have on time-to-degree at your institution?
- 5) How many Bright Futures students at your institution would be able to finish up their bachelor's degrees in the Summer Semester, rather than wait until the end of Fall Semester?
- 6) Please list any other considerations regarding Bright Futures Summer funding that you would like the Board to consider.
- 7) Please list any challenges regarding Bright Futures Summer funding that you would like the Board to consider.