



Legislature Increases FRAG Awards; Residency Determination Rules Improved

at a glance

The 2006 Legislature increased funding for the Florida Resident Access Grant (FRAG) to \$3,000, which reduces tuition differences between private and public colleges and universities and makes it more affordable for state residents to attend private institutions. The State Board of Education and the Board of Governors also have revised state rules to clarify student residency requirements for these grants.

In 2004, the Legislature adopted performance standards for three of the four programs it funds within the Private Colleges and Universities Program. Although the Department of Education's inspector general conducted a review of selected K-20 measures, the department has not yet specifically validated data for the Private Colleges and Universities performance measures. The inspector general plans to evaluate this data in the next two to three years.

In spring 2006, the Department of Education assigned responsibility for reviewing academic contracts with the private colleges and universities to the Office of Articulation. This office is establishing procedures for reviewing existing contracts and determining whether they should be renewed, expanded, or terminated.

Scope

In accordance with state law, this progress report informs the Legislature of actions taken in response to recommendations included in OPPAGA's justification review on private colleges and universities published in December 2003.^{1, 2}

Background

The Private Colleges and Universities Program provides financial assistance to Florida private colleges and universities through tuition vouchers, grants, and contracts in order to help meet the postsecondary education needs of Florida citizens. The program is made up of four subprograms.

Florida Resident Access Grant. In 1979, to counter the declining percentage of students enrolled at private institutions, the Legislature created the Tuition Voucher Program, which in 1994 was renamed the Florida Resident Access Grant Program.³ The program provides tuition equalization grants to reduce the difference between public and private tuition, make private institutions more affordable to Florida

¹ [Section 11.51\(6\), F.S.](#)

² *Justification Review: Private Colleges and Universities Program*, Department of Education, [Report No. 03-70](#), December 2003.

³ [Section 1009.89, F.S.](#)

residents, support a strong dual system of education, and reduce the tax burden on Florida citizens.⁴ Eligible private institutions must be nonprofit, accredited by the Southern Association of Colleges and Schools, located and chartered in the state, and grant secular baccalaureate degrees.

University of Miami health programs. Since 1951, the Legislature has appropriated funds to the University of Miami to subsidize the tuition of Florida residents attending the state's first accredited medical school.⁵ The state also provides grants to subsidize various health services, education, and research projects at the University of Miami.

Historically black colleges. Since 1985, the state has issued grants for various activities at three private historically black colleges: Bethune-Cookman in Daytona Beach, Edward Waters College in Jacksonville, and Florida Memorial College in Miami. These grants support educational initiatives, library resource upgrades, building restoration programs, campus security projects, new program start-up costs, and activities to promote recruitment, retention, and graduation of students attending these institutions.⁶

Academic program contracts. Since 1975, the Department of Education has contracted with private colleges and universities to provide education to Florida residents at reduced tuition rates in certain high-demand or unique degree programs including engineering, health, and teacher education.⁷

Current Status

The 2006 Florida Legislature increased the Florida Resident Access Grant Program appropriation to \$102.6 million, raising the per-student award from \$2,850 to \$3,000 per year. The FRAG awards make attending private colleges and universities more affordable to students, and the percentage of FRAG recipients has remained constant at approximately 10% of the student population since our prior report.⁸ However, there is no ready way to determine how many students would have attended a public institution if they did not receive a FRAG award.

Residency criteria for grants has been improved. As we recommended, in February 2005 the State Board of Education approved a change to Rule 6A-10.044, *Florida Administrative Code*, Residency for Tuition Purposes, and the Board of Governors adopted the same changes in April 2005. The revised rule clarifies residency requirements for students receiving in-state tuition, and now applies to all institutions that participate in state student financial aid programs, including private institutions whose students receive the Florida Resident Access Grant.

To further improve this process, the State Board of Education should clarify other rules and policies related to residency determination that do not yet clearly state that residency determination for state aid is to be made in accordance with Rule 6A-10.044, *Florida Administrative Code*.⁹ For instance, the rule is not referenced in Rule 6A-20.007, *Florida Administrative Code*, concerning Florida Resident Access Grants. The *State Programs*

⁴ Currently, 28 private colleges and universities are eligible to receive Florida Resident Access Grants. These institutions serve diverse student populations and offer a wide variety of undergraduate programs. They include liberal arts colleges; universities emphasizing technology, aerospace, and health programs; three historically black institutions; an art school; and colleges with strong religious orientations. An additional school (Beacon College) became eligible to receive the FRAG in 2003-04.

⁵ [Section 1011.52](#), *F.S.*

⁶ [Section 1006.59](#), *F.S.*

⁷ [Section 1001.02\(2\)\(p\)](#), *F.S.*

⁸ This calculation is based on the number of FRAG recipients as reported by the Office of Student Financial Assistance divided by the total fall full-time undergraduate enrollment headcount as reported in the Community College System and State University System fact books.

⁹ These rules include 6A-20.0021, Program Compliance Audits of State Student Financial Aid and the Florida Resident Access Grant; 6A-20.003, Florida Residency as a Requirement for the Receipt of State Student Aid; 6A-20.007, William L. Boyd, IV, Florida Resident Access Grants; and 6A-20.0371, Right to Appeal Eligibility Determination.

Policy and Procedural Guide produced by the Office of Student Financial Assistance also does not include or make clear the application of the residency determination criteria outlined in Rule 6A-10.044, *Florida Administrative Code*. To eliminate any potential confusion, the State Board of Education and Office of Student Financial Assistance should make these rules and guidelines clear and consistent. Department officials are aware of the need to update these rules and state they are in the process of updating references and aligning residency determination requirements.

The Legislature has established performance measures and standards for some program activities but the DOE inspector general has not yet audited the validity and reliability of the performance data. Beginning in 2004, the Legislature adopted performance standards for 4 of the 11 approved performance measures for the Private Colleges and Universities Program (see Exhibit 1). These four standards apply to the Florida Resident Access Grant, the academic program contracts, and the historically black colleges.

However, private colleges and universities have not yet reported student level enrollment information to enable standards to be set for the remaining approved performance measures. Department staff also report difficulty in compiling licensure pass rates from licensing agencies. The department should continue to work with private college and university administrators to establish reporting protocols and mechanisms in order to fulfill all the performance reporting requirements established by the Legislature.

The Department of Education’s inspector general has not yet audited the validity and reliability of the performance data for the private colleges program. The inspector general completed audits of the performance data for the vocational rehabilitation and the blind services program measures in Fiscal Year 2004-05 and audited selected K-20 performance measure data. Inspector general staff report that the office plans to evaluate the validity and reliability of the private college and university performance measure data in the next two to three years.

**Exhibit 1
The Legislature Adopted Standards for Four Performance Measures**

Performance Measure	2006-07 Standard
Graduation rate of first time in college Florida Resident Access Grant recipients using a six-year rate	50%
Number of degrees granted for Florida Resident Access Grant recipients and contract program recipients	9,987
Retention rate of award recipients (delineated by academic contract, Florida Resident Access Grant and historically black colleges)	53%
Graduation rate of award recipients (delineated by academic contract, Florida Resident Access Grant and historically black colleges)	50%
Of those graduates remaining in Florida, the percentage employed at \$22,000 or more one year following graduation (delineated by academic contract, Florida Resident Access Grant and historically black colleges)	TBD
Of those graduates remaining in Florida, the percentage employed at \$22,000 or more five years following graduation (delineated by academic contract, Florida Resident Access Grant and historically black colleges)	TBD
Licensure/certification rates of award recipients (where applicable) (delineated by academic contract, Florida Resident Access Grant and historically black colleges)	TBD
Number/percentage of baccalaureate degree recipients who are employed in an occupation identified as high wage/high skill on the Workforce Estimating Conference list (this measure would be for each academic contract and for the Florida Resident Access Grant)	TBD
Number of prior year’s graduates (delineated by academic contract, Florida Resident Access Grant and historically black colleges)	TBD
Number of prior year’s graduates remaining in Florida (academic contracts)	TBD
Number of FTIC students, disaggregated by in-state and out-of-state (historically black colleges)	TBD

Source: Performance Measures and Standards Approved by the Legislature for Fiscal Year 2006-2007.

We continue to recommend that the inspector general evaluate the validity and reliability of all of the private college and university performance data as soon as possible to provide the Legislature needed assurance that it can rely on this information in its policy and budget decisions.

Additional measures should be adopted. The performance measures and standards approved by the Legislature for Fiscal Year 2006-07 do not address one of the program's major components—financial support to the University of Miami medical school, which was appropriated \$7 million for Fiscal Year 2006-07. Because substantial state resources are appropriated to the medical school each year, we continue to recommend that the Legislature adopt the following measures for this activity:

- number of medical doctor degrees awarded,
- pass rates on step 2 of the United States Medical Licensing Exam for first-time takers,¹⁰ and
- number and percentage of first year medical school students disaggregated by in-state and out-of-state and by ethnicity and gender.

Establishing these measures would give the Legislature additional information to consider in making its future appropriations decisions for the program.

¹⁰ Step 2 exams assess whether medical school students or graduates can apply medical knowledge, skills and understanding of clinical science essential for provision of patient care under supervision.

In spring 2006, the Department of Education assigned responsibility for reviewing the academic program contracts to the Office of Articulation. Academic program contracts enable residents to participate at reduced tuition rates in selected academic programs at private colleges and universities. These contracts are intended to provide Florida residents access to educational programs and facilities that meet needs unfilled by the public postsecondary education system. In order to identify unmet state needs, it is important for the state to demonstrate the state need for the program or facility can be met at a lower cost or more effectively through contracting.

The Office of Articulation reports that it is in the process of establishing policies and procedures to evaluate existing academic program contracts in order to recommend retaining or eliminating existing contracts or creating additional contracts. To ensure that these contracts appropriately benefit the state, we recommend that the State Board of Education and the Board of Governors work with the Workforce Estimating Conference to identify academic program needs that are not met by the state's postsecondary institutions. Staff should then make recommendations for future contracts in needed academic programs.

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