

A Statewide Network Promoting
College Readiness, Access and
Success

POLICY RESEARCH BRIEF

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The Value of First Generation Matching Grants in Florida's Financial Aid Program

by Paul Dosal

When Governor Jeb Bush launched the Access and Diversity Initiative, he stressed the importance of opening "the doors of our higher education facilities to many students who previously were unable to pursue a college education due to financial barriers."¹ To increase accessibility, Governor Bush and state legislators, led by Representatives Anitere Flores, Trey Traviesa, and Senator Al Lawson, championed a number of initiatives, including a First Generation Matching Grant program for Florida residents who are the first in their families to attend college. In 2006, lawmakers allocated \$6.5 million for the program, which required a dollar-for-dollar match with private donations to state universities. The program, modeled after an initiative launched by the University of Florida, was also a strategy to increase diversity in the State University System (SUS), since first generation college students have historically been disproportionately minorities from limited socioeconomic backgrounds.

In the 2007 legislative session, Representatives Flores, Traviesa, and Curtis Richardson co-sponsored HB 287 to continue the First Generation Matching Grant (FGMG) program for the 2007-08 year. Senator Lawson sponsored similar legislation in the Senate (SB 848). The data show that the program provided financial support, assuring new opportunities for students who would otherwise not be able to afford access to higher education for the 2006-07 year. Given that 20,000 first-generation students already enrolled in the SUS also met the eligibility requirements but received no funding from the FGMG, ENLACE FLORIDA strongly supports the continuation and expansion of the FGMG initiative.

PROVISIONS OF THE FIRST GENERATION MATCHING GRANT PROGRAM

The First Generation Matching Grant Program passed in 2006 established minimum eligibility requirements for students. To receive a grant, students had to:

- "Meet Florida's residency requirements for receipt of state student financial aid by maintaining Florida residency for purposes other than education for a minimum of 12 consecutive months prior to the first day of class of the academic term for which funds are requested. A student's residency status is determined by the postsecondary institution. An applicant who has questions regarding residency status should contact the financial aid office of the institution he/she plans to attend.
- Not owe a repayment under any state or federal grant or scholarship program unless satisfactory arrangements to repay have been made.
- Not be in default on any federal Title IV or state student loan program unless satisfactory arrangements to repay have been made.
- Not have previously received a baccalaureate degree.
- Be a first generation college student. A student is considered "first generation" if neither of the student's parents earned a college degree at the baccalaureate level or higher. A student would also be eligible if he/she regularly resided with and received support from only one parent who did not earn a baccalaureate degree.
- Be accepted at a state university.
- Enroll for a minimum of 6 credit hours per term as a degree-seeking undergraduate student.
- Meet additional eligibility requirements as established by the postsecondary institution."²



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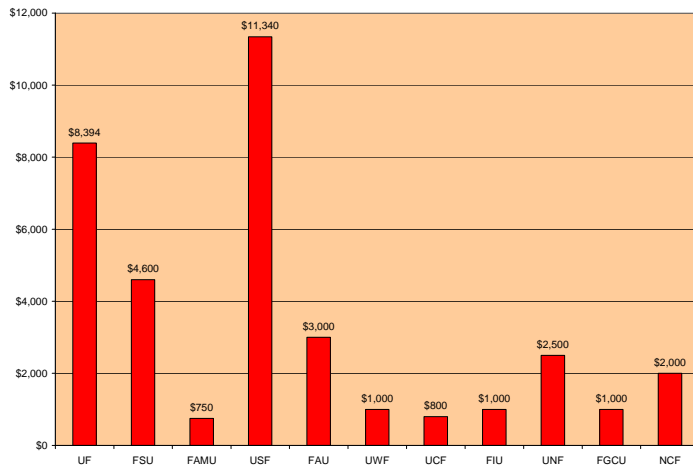
ENLACE FLORIDA is a W.K. Kellogg Foundation initiative managed by the National Council for Community and Education Partnerships.

¹"Governor Bush Announces Access and Diversity Initiative," Press Release, January 11, 2006; http://www.flbog.org/news/2006/2006_01_11.pdf

²<https://www.floridastudentfinancialaid.org/SSFAD/pdf/FGMG.06-07.pdf>

Many of the state's institutions of higher education established additional criteria for inclusion in the FGGM program. Consequently, each institution distributed the funds differently, reflecting unique institutional perspectives and objectives as well as the distinct needs of their students. The University of West Florida (UWF) did not set a maximum award amount, for example, while the University of South Florida (USF) established a maximum defined as 50% of unmet need (including loans). As a result of the different criteria applied to the FGGM, the maximum amount awarded at each institution varied from \$750 at FAMU to a high of \$11,340 at USF, as illustrated in the following graph.³

Figure 1: Maximum Amount of FGGM Awarded at Each University, 2006-2007



The University of Florida was the only institution that limited eligibility to first-time in college students (see Table 1), thereby electing to enhance recruitment and access. The other institutions offered grants to students at all levels, providing a means of supporting student success.

Table 1: First Generation Scholars ESTIMATES AS OF APRIL 17, 2007

Percentage of University Total at Each Level					
	Freshmen	Sophomores	Juniors	Seniors	
UF	100%	0%	0%	0%	
FSU	31%	31%	22%	15%	
FAMU	31%	19%	22%	27%	
USF	10%	15%	25%	50%	
FAU	42%	5%	41%	13%	
UWF	23%	10%	37%	31%	
UCF	16%	13%	32%	38%	
FIU	26%	12%	32%	30%	
UNF	43%	8%	47%	3%	
FGCU	26%	14%	28%	33%	
NCF	38%	16%	18%	29%	
SUS	31%	14%	28%	27%	100%

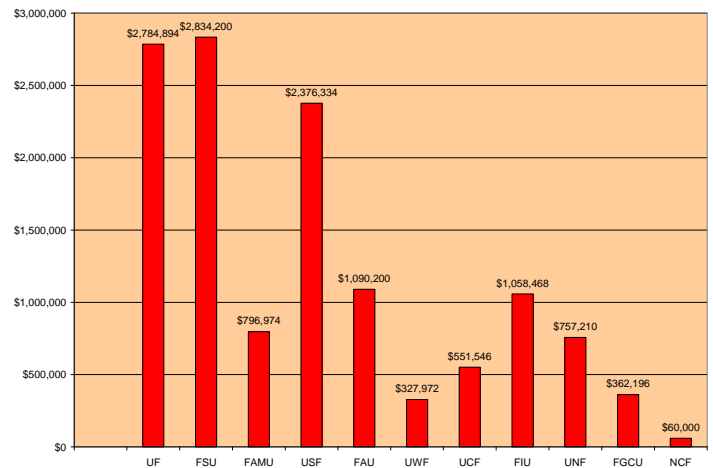
Several universities used expected family contribution (EFC) to assess financial need. Florida Atlantic University stipulated that the EFC of each recipient had to be less than \$7,001; the University of West Florida limited disbursements to students who had a "zero" expected family contribution. The University of Florida did not use EFC to evaluate eligibility, but it required that the parents' total income had to be less than \$40,000. Similarly, the University of North Florida required that the adjusted gross income of dependent students had to be \$60,000 or less (or \$10,000 for independent students). Several universities did not take EFC or family income into consideration at all, using only the minimum criteria established by the state.

In short, each university adapted the FGGM program to suit its particular objectives, and such institutional flexibility is a virtue of this program. The University of Florida opted to use it as part of a package to provide access to incoming students with clearly demonstrated financial need. The University of South Florida, by using the level of indebtedness to identify and prioritize needy students, used the FGGM program to promote success for students already enrolled.

DISBURSEMENT OF 2006-2007 FGGM FUNDS

Each university was required by the state to provide a dollar-for-dollar match for monies distributed under the FGGM program. Given that the legislation passed in the summer of 2006, each university had to move quickly to raise private money to match the state grant. Unfortunately, some universities did not attract enough private funds to obtain their full match, but other universities attracted sufficient private contribution so that the SUS matched the full \$6.5 million allocated by the state legislature. As shown in Figure 2, Florida State University led all institutions with \$2,834,200 in private and state dollars for the FGGM program. The total amount of private and state money raised for the FGGM was \$12,999,994.

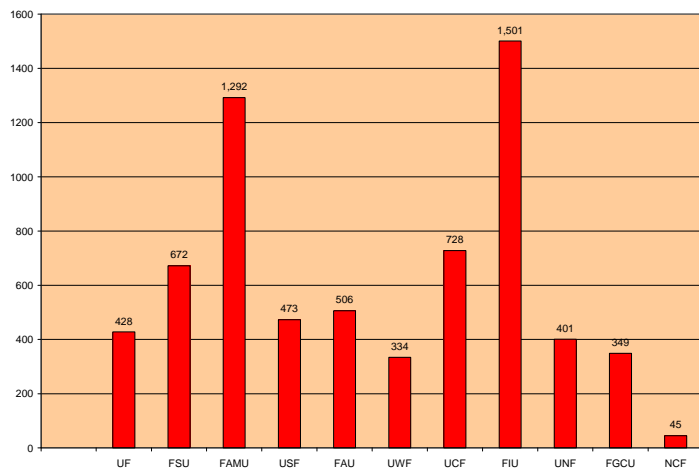
Figure 2: First Generation Matching Grant Program Private + State Dollars, by Institution



Thus, in the first year of operation, the FGGM program distributed nearly \$13 million to 6,729 students across the state. The number of students receiving FGGM grants as of February 15, 2007 varied from a low of 45 at New College to a high of 1,501 at Florida International University, as illustrated in Figure 3.

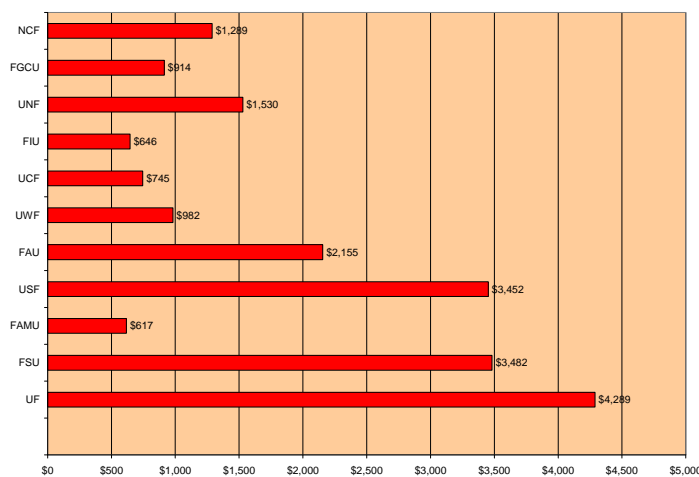
³ "Institutionally Established Eligibility Criteria for First Generation Grants," Florida Board of Governors.

Figure 3: Number of Students Receiving FGGM, as of 2/15/07, by Institution



Because each institution applied a different set of criteria to determine eligibility for the FGGM, the amount allocated varied. The mean average award as of February 15, 2007 ranged from a low of \$617 at FAMU, to a high of \$4,289 at UF.

Figure 4: Mean Average FGGM Award, as of 2/15/07, by Institution



Partial data on the race and ethnicity of the FGGM recipients confirm that minorities are disproportionately represented among first generation college students. Of the 445 recipients of the University of Florida’s first-generation-in-college program (Florida Opportunity Scholars), 182 (40.8%) were African American (see Table 2).⁴ Further research is required on the demographics of the students who received FGGM at each of the 11 state institutions to determine the extent to which the program contributed to racial and ethnic diversification.

Table 2: Race and Ethnicity of Florida Opportunity Scholars at the University of Florida (as of 9/25/06)

	Number	Percentage
African American	182	40.8%
Hispanic	104	23.4%
White	93	20.9%
Asian American	49	11.0%
Other/Unknown	17	3.8%
Total	445	99.9%

In its first year of operation, the FGGM program provided financial assistance to 6,729 students, many of whom demonstrated financial need. Unfortunately, another 20,000 SUS met the eligibility requirements but received no funding from this source.⁵ The data clearly show that there is financial need among qualified college students, suggesting that at a minimum, the First Generation Matching Grant Program should be fully funded for the 2007-2008 year.

2007 LEGISLATION

In the 2007 legislative session, the House and Senate initially considered bills that would have made minor changes in the FGGM program. Legislative champions of the program initially hoped to double funding, recognizing that the 2006 appropriation provided tangible benefits to needed college students. “It’s one of the most feel-good things we do up here,” Representative Anitere Flores explained. “This is a group that specifically doesn’t have a parent to turn to.”⁶

To promote college access for first-generation students, Representatives Flores, Curtis Richardson, Trey Traviesa co-sponsored House Bill 287. The bill would have increased funding to \$10 million, while Senate Bill 848, sponsored by Senator Al Lawson, provided \$13 million for the program. Both bills would have changed the matching requirement to a \$3 (state funds) to \$1 (private contributions) basis. As of April 26, 2007, the House and Senate—facing a tight budget—have settled on funding the FGGM at the 2006 level of \$6.5 million, with the same \$1 to \$1 matching requirement.

MERIT- vs. NEED-BASED FINANCIAL AID

The FGGM program, like the Florida Student Assistance Grant (FSAG) Program, channels financial assistance to Florida’s college students based on economic need. The majority of financial aid in Florida is distributed, of course, through the Bright Futures Scholarship, a lottery-funded program created by the state legislature in 1997. It is a merit-based program that rewards high school students for academic achievement (as measured by test scores and grade point averages) by providing up to 100% of college tuition and fees, plus \$300 per semester for college-related expenses. The program has grown dramatically. In 1997-98, the first year of the scholarship, 23,700 students received a Bright Futures Scholarship; during the 2005-06 award year, over 140,000 Florida students a Bright Futures Scholarship. The costs of this popular scholarship program have increased, from \$131.5 million in 1999-2000 to \$202 million for 2002-03.⁷ The total budget allocation for the Florida Bright Futures Program as of

⁴Student Affairs Update, University of Florida, Division of Student Affairs, November 2006, www.ufsa.ufl.edu/ovp

⁵House of Representatives Staff Analysis, HB 287, First Generation matching Grant Program, March 27, 2007.

⁶“First-Generation College Students May Get More Aid,” *Miami Herald*, April 14, 2007.

⁷Bright Futures Fact Sheet, <http://firm.edu/doe/bfutures/bfacts.htm>

April 26, 2007 is \$398,430,336.⁸

2010.¹²

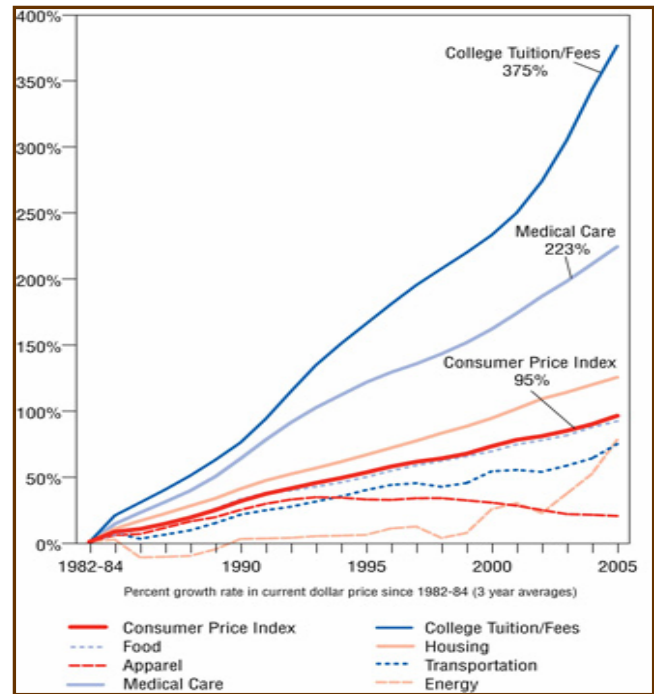
If historical trends continue, we should expect a majority of Bright Futures Scholarship recipients to be overwhelmingly white. The Harvard Civil Rights project pointed out the racial and ethnic disparities in the program in a critical report issued in 2001. The data showed that 76.8% of all recipients were white students, though they represented only 61.1% of all high school graduates in the state. In contrast, 10% of recipients were Hispanic and 7.5% were African American, though they constituted 14.2% and 21.7% of all high school graduates. In 2003-04, Hispanic students received 13% and African American students received 7% of all Bright Futures Scholarships.⁸

The First Generation Matching Grant Program has the potential to channel more financial assistance to limited income racial and ethnic minorities, but in comparison to the state's popular merit-based program, it represents only 1.6% of the money allocated to Bright Futures. Florida still lags far behind other states in the proportion of need-based funding provided to college students. The National Center for Public Policy and Higher Education gave Florida a grade of "F" in the category of affordability in its last annual report, *Measuring Up 2006: The State Report Card on Higher Education*. According to this non-profit institute, only 14% of Florida's assistance to college students was need-based aid. New York, New Jersey, Illinois, and Pennsylvania distribute well over 80% of their financial assistance in need-based programs. The report concluded that Florida's "investment in need-based financial aid is very low when compared with top-performing states."⁹

Florida was one of many states criticized by The National Center for Public Policy and Higher Education on the issue of college affordability. Indeed, 43 states received an "F" grade in 2006. The problem faced by universities across the country is that increases in family income have not kept pace with the sharp increases in the price of college. From 1982 to 2005, the median family income increased by 127%; college tuition and fees, however, increased 375% during the same period, as illustrated in Figure 5.¹⁰ The result is that for too many limited-income families in the state, the costs of higher education in Florida are beyond their reach. For a Florida family with an average income of about \$43,000, the percent of income required to pay net college costs equals 49% of family income.¹¹

The Pell Grant program, the foundation of federal need-based financial aid, has been reduced to the point that it now funds under a third of present college costs. Twenty-five years ago, the Pell Grants funded 84% of college costs. At the same time, state funding has shifted toward merit-based funding. The result, according to Dr. Eduardo J. Padrón, president of Miami Dade College, is that "middle-and upper-income students receive an inordinate percentage of financial aid dollars compared to low-income and minority students. Students from the richest 25 percent of households are seven times more likely to attain a college degree than students from the poorest families." Dr. Padrón warns that over 2 million qualified students in the United States will be unable to afford a college education by the year

Figure 5: Increase in the Price of College as Compared to other Sectors of the Economy, 1982-2005



Source: Patrick M. Callan, "College Affordability: Colleges, States Increase Financial Burdens on Students and Families," *Measuring Up: The National Report Card on Higher Education*, 2006, <http://measuringup.highereducation.org/commentary/collegeaffordability.cfm>

POLICY IMPLICATIONS

In the context of rising college costs and limited need-based financial aid in the state, the First Generation Matching Grant Program constitutes a welcome movement in the direction of providing a higher percentage of need-based aid to Florida's college students. ENLACE FLORIDA strongly endorses the FGMG program and encourages legislators and Governor Crist to fund the program at the highest possible level in 2007.

As we move ENLACE FLORIDA forward in partnership with many friends and allies in the state legislature, Department of Education, and Board of Governors, it will be necessary to engage in a thorough, rigorous, and honest assessment of all the state's financial aid programs, including the role of SUS and the private sector in contributing need-based financial assistance. While there is certainly merit in rewarding high school academic achievement by providing financial assistance, it is also true that first-generation, limited-income students merit financial assistance. Their academic achievement can only be enhanced by freeing them of work obligations so that they

⁸ Donald E. Heller and Christopher J. Rasmussen, "Merit Scholarships and College Access: Evidence from Florida and Michigan," Harvard Civil Rights Project, www.civilrightsproject.harvard.edu/research/meritaid/4MIFLHellerch2.pdf; Florida Department of Education, "Florida Bright Futures Scholarship Program," Presentation to the House Colleges & Universities Committee, January 11, 2005, http://www.fldoe.org/gr/pdf/presentations/01-11-05_Bright_Futures.pdf

⁹ The National Center for Public Policy and Higher Education, *Measuring Up 2006: The State Report Card on Higher Education*, http://www.highereducation.org/catreports/evaluating_state_performance.shtml

¹⁰ Patrick M. Callan, "College Affordability: Colleges, States Increase Financial Burdens on Students and Families," *Measuring Up: The National Report Card on Higher Education*, 2006, <http://measuringup.highereducation.org/commentary/collegeaffordability.cfm>

¹¹ The National Center for Public Policy and Higher Education, *Measuring Up 2006: The State Report Card on Higher Education*, http://www.highereducation.org/catreports/evaluating_state_performance.shtml

¹² Eduardo J. Padrón, "The Next American Century," *Hispanic Magazine*, November 2006, http://www.hispaniconline.com/magazine/2006/November/up_front_02.htm

can devote a larger percentage of their time to academic pursuits.

ENLACE FLORIDA therefore encourages a statewide dialogue on financial aid in general, with the FGMG as an important component of the overall package. The Pappas Consulting Group, contracted by the Board of Governors to provide a blueprint for Florida's higher education future, recommended the formation of a Blue Ribbon Commission to redesign the Bright Futures Scholarship program. Moreover, the consultants urged Florida to increase need-based financial aid: "While Florida outperforms the national averages on affordability as measured by percentage of family income to pay tuition/fees (the most relevant measure), Florida, as a state with relatively high levels of poverty, will need to continue to improve the availability of need-based aid (perhaps through a new tuition strategy)."¹³

Governor Jeb Bush's Access and Diversity Commission also emphasized the importance of increasing need-based financial aid. Specifically, the commission recommended that the SUS develop a financial aid commitment program "that guarantees financial assistance for economically disadvantaged students if they meet certain requirements, including making appropriate academic progress in a rigorous college preparation curriculum."¹⁴

State policy with regard to the appropriate balance between merit- and need-based aid is guided by Section 240.437(2), Florida Statutes. Accordingly, the objective of the state's financial aid program is "to supplement a basic national program which will provide equal access to postsecondary education to citizens of this state who have the ability and motivation to benefit from a postsecondary education." To that end, Florida statutes require that "state student financial aid be provided primarily on the basis of financial need."¹⁵

Recognizing that the FGMG program is but one component of a relatively modest commitment to need-based student financial aid, there are still ways in which the program can become even more effective. First, the data suggest that there is sufficient demand for it to be funded at a higher level. Second, if state universities were provided with a stable, recurring budget for FGMG, they could use it as a tool to recruit first-generation, limited-income students and guarantee them support for longer than one year. As the data come forth, we should take a close look at the demographic profile of the FGMG recipients to determine its impact on the racial and ethnic diversity of students. The available data suggests that identifying first-generation students is a viable and effective way to channel financial assistance to limited income students from underrepresented groups.

The time may soon come when the state of Florida will have to move more aggressively to increase need-based assistance to the level that the FGMG becomes, perhaps, the equivalent of the Bright Futures Scholarship Program. Qualified high school students who have achieved academic distinction without the benefit of a parent mentor who has been through the college experience, need—indeed MERIT—financial assistance. A well-funded, recurring First-Generation matching Grant program would promote college readiness, access, and success for all students. A proper balance of merit-based and need-based programs would guarantee all students that they could afford a higher education in the state of Florida.

For further information on the First Generation Matching Grant Program, go to:

<https://www.floridastudentfinancialaid.org/SSFAD/pdf/FGMG.06-07.pdf>

For Further Reading on Financial Aid:

Baum, Sandy. "The Gap in College Opportunities for Low- and Moderate-Income Students: Multiple Approaches to a Persistent Problem," *TC Record*, May 5, 2006; <http://www.tcrecord.org/>.

Lewis, A. C. "No College for Poor". *The Education Digest* v. 72 no. 3 (November 2006) p. 73.

Marin, Patricia and Edgar K. Lee, "Appearance and Reality in the Sunshine State: The Talented 20 Program in Florida," The Civil Rights Project, Harvard University, 2003.

Thacker, Paul D. "Merit Aid on the Defensive (Publicly)", *Inside Higher Ed*, Feb. 13, 2007. <http://insidehighered.com/news/2007/02/13/meritaid>.

Vedder, Richard. *Going Broke by Degree: Why College Costs Too Much*. Washington DC: AEI Publications, 2004.

Western Interstate Commission for Higher Education, "Sharpening the Dialogue: Engaging Policymakers in the Alignment of appropriations, Tuition, and Financial Aid Policy," December 2006; www.wiche.edu

To learn more about readiness, access, and success:

College Board AP Central,

<http://apcentral.collegeboard.com/apc/Controller.ipf>

The Education Trust, <http://www2.edtrust.org/edtrust>

Excelencia in Education , <http://www.edexcelencia.org/default.asp>

Florida Department of Education, Office of Equity and Access, <http://www.firn.edu/doe/eeop/>

W.K. Kellogg Foundation, ENLACE (Engaging Latino Communities for Education), <http://www.wkkf.org/>

National Association of Latino Education Officials, Educational Fund, <http://www.naleo.org/>

National Center for Education Accountability, <http://www.just4kids.org/en/>

National Council for Community and Education Partnerships, <http://www.edpartnerships.org/>

Southern Regional Education Board, <http://www.sreb.org/>

The Tomás Rivera Policy Institute, <http://www.trpi.org/>

¹³ Pappas Consulting Group, "Proposing a Blueprint for Higher Education in Florida: Outlining the Way to a Long-Term master Plan for Higher Education in Florida," submitted to the Board of Governors on January 24, 2007, p. 46; http://www.flbog.org/BOG/meetings/2007_01_25/StructureReport.pdf

¹⁴ "Access and Diversity in Florida Higher Education," Report of the Governor's Access and Diversity Commission and the Board of governors Student Affairs Committee," June 30, 2006.

¹⁵ Florida Statutes, Section 240.437(2)(a).



Florida Atlantic University

Florida International University

University of Central Florida

University of South Florida

ENLACE FLORIDA! MISSION: to promote college **readiness, access, and success** for Latinos and other underrepresented students in the state.

ENLACE (ENgaging LATino Communities for Education), derived from the Spanish *enlazar*, builds partnerships among universities, community colleges, K-12 schools, community-based organizations, students, and parents.

ENLACE FLORIDA! was formed in 2006 by USF, FAU, FIU, and UCF, funded by a \$1.4 million grant from the W.K. Kellogg Foundation and managed by the National Council for Community and Education Partnerships (NCCEP):

- USF, UCF, FAU, and FIU account for over 75% of Latino enrollment in the State University System;
- 5 community colleges in south and central Florida account for 80% of Latino community college enrollment;
- School districts in south & central Florida account for 90% of Latino membership in the K-12 system.

ENLACE FLORIDA! is composed of four clusters led by a member university, in partnership with community colleges, school districts, community organizations, students, and parents.

ENLACE FLORIDA! is closely aligned with the Governor's *Access and Diversity Initiative* which is intended "to improve higher education access and success for students from previously under-served populations."

RATIONALE:

- Florida's Hispanic population is projected to increase from 2.6 million in 2000 to 6.3 million in 2030;
- Florida' African American population is projected to increase from 2.3 million in 2000 to 4.2 million in 2030;
- By 2030, Latinos and African-Americans will constitute 42% of Florida's population;
- In the 25 year period from 1977 to 2003, Hispanic public K-12 enrollment increased over 462% and African-American enrollment increased 77%;
- By 2014, blacks and Hispanics will account for 50% of Florida's high school graduates.

READINESS/ACCESS FOR UNDERREPRESENTED GROUPS

ENLACE FLORIDA! is working closely with the Florida Department of Education and the Board of Governors to:

- Identify barriers to access and diversity within the K-20 System
- Identify best practices to determine where efficiencies can be gained
- Analyze patterns and trends regarding access and diversity as measured by student enrollment, progression, and graduation data
- Convene statewide conferences to review progress in the area of access and diversity
- Develop highly focused recommendations for systemic action

About the author:

Paul J. Dosal received his Ph.D. in History from Tulane University in 1987. A professor of Latin American history at the University of South Florida, he specializes in the history of Cuba, Central America, and Latinos in the United States. He has published four books and dozens of articles and reviews in scholarly journals. Prior to his appointment as Executive Director of ENLACE FLORIDA, he worked on diversity issues as the Faculty Coordinator for the College of Arts and Sciences. Born and raised in Tampa, he is a 4th generation descendant of Cuban cigar workers who settled Ybor City in the late 19th Century.

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