

## HOUSE OF REPRESENTATIVES STAFF ANALYSIS

**BILL #:** CS/HB 565 Excess Credit Hour Surcharges

**SPONSOR(S):** Education Committee and Mariano

**TIED BILLS:** None **IDEN./SIM. BILLS:** CS/SB 844

REFERENCE	ACTION	ANALYST	STAFF DIRECTOR or BUDGET/POLICY CHIEF
1) Post-Secondary Education Subcommittee	11 Y, 0 N	McAlarney	Bishop
2) Higher Education Appropriations Subcommittee	11 Y, 0 N	Crowley	Lloyd
3) Education Committee	18 Y, 0 N, As CS	McAlarney	Hassell

### SUMMARY ANALYSIS

Currently, a state university student must pay an excess credit hour surcharge for each credit hour in excess of 110 percent of the number of credit hours required to complete the baccalaureate program in which the student is enrolled.

The bill requires a state university to refund the assessed excess credit hour surcharge, for up to 12 credit hours, to any first-time-in-college student who completes a baccalaureate degree program within 4 years after initial enrollment in a state university.

Accordingly, a student enrolled in a 120 credit hour baccalaureate degree program could take up to 144 credit hours, 12 credit hours more than allowed by current law. The student would be assessed the excess credit hour surcharge for the additional 12 credit hours but would receive a refund for the surcharge if he or she graduates in 4 years after initial enrollment.

The bill may result in a cost savings, in the form of refunds, for first-time-in-college students who generate excess credit hours but who graduate with a baccalaureate degree within 4 years of initial enrollment.

The bill takes effect July 1, 2018.

## FULL ANALYSIS

### I. SUBSTANTIVE ANALYSIS

#### A. EFFECT OF PROPOSED CHANGES:

##### Present Situation

Currently, state university students must pay an excess credit hour surcharge for credit hours exceeding baccalaureate degree program completion requirements.<sup>1</sup> The Legislature's intent is to encourage each undergraduate student who enrolls in a state university to complete the student's respective baccalaureate degree program in the most efficient way possible while providing for access to additional college coursework. Therefore, a policy was enacted that provides incentives for efficient baccalaureate degree completion.<sup>2</sup>

Specifically, the excess credit hour surcharge is effective for students who enter a state university for the first time and maintain continuous enrollment as follows:<sup>3</sup>

- For the 2009-2010 and 2010-2011 academic years, an excess credit hour surcharge equal to 50 percent of the tuition rate for each credit hour in excess of 120 percent.<sup>4</sup>
- For the 2011-2012 academic year, an excess credit hour surcharge equal to 100 percent of the tuition rate for each credit hour in excess of 115 percent.<sup>5</sup>
- For the 2012-2013 academic year and thereafter, an excess credit hour surcharge equal to 100 percent of the tuition rate for each credit hour in excess of 110 percent.<sup>6</sup>

All credit hours taken at the state university from which the student is enrolled are included when calculating the number of hours taken by a student, including:<sup>7</sup>

- Failed courses.<sup>8</sup>
- Courses that are dropped after the university's advertised last day of the drop and add period.<sup>9</sup>
- Courses from which a student withdraws, except as provided in subsection (4).<sup>10</sup>
- Repeated courses, except repeated courses for which the student has paid the full cost of instruction as provided in s. 1009.285, F.S.<sup>11</sup>

In addition, all credit hours earned at another institution and accepted for transfer by the state university and applied toward the student's baccalaureate degree program are included in the calculation.<sup>12</sup>

Credit hours earned under the following circumstances are not calculated as hours required to earn a baccalaureate degree:<sup>13</sup>

- College credits earned through an articulated accelerated mechanism identified in s. 1007.27, F.S.<sup>14</sup>

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<sup>1</sup> Section 1009.286, F.S.

<sup>2</sup> Section 1009.286(1), F.S.

<sup>3</sup> Section 1009.286(2), F.S.

<sup>4</sup> Section 1009.286(2)(a), F.S.

<sup>5</sup> Section 1009.286(2)(b), F.S.

<sup>6</sup> Section 1009.286(2)(c), F.S.

<sup>7</sup> Section 1009.286(3)(a), F.S.

<sup>8</sup> Section 1009.286(3)(a)1., F.S.

<sup>9</sup> Section 1009.286(3)(a)2., F.S.

<sup>10</sup> Section 1009.286(3)(a)3., F.S.

<sup>11</sup> Section 1009.286(3)(a)4., F.S.

<sup>12</sup> Section 1009.286(3)(b), F.S.

<sup>13</sup> Section 1009.286(4), F.S.

<sup>14</sup> Section 1009.286(a), F.S.

- Credit hours earned through internship programs.<sup>15</sup>
- Credit hours required for certification, recertification, or certificate programs.<sup>16</sup>
- Credit hours in courses from which a student must withdraw due to reasons of medical or personal hardship.<sup>17</sup>
- Credit hours taken by active-duty military personnel.<sup>18</sup>
- Credit hours required to achieve a dual major taken while pursuing a baccalaureate degree.<sup>19</sup>
- Remedial and English as a Second Language credit hours.<sup>20</sup>
- Credit hours earned in military science courses that are part of the Reserve Officers' Training Corps (ROTC) program.<sup>21</sup>

Each state university and Florida College System institution must implement a process for notifying students regarding the excess credit hour surcharge and the notice must be provided upon a student's initial enrollment in the institution. Additionally, the notice must be provided a second time by a state university when a student has earned the credit hours required to complete the baccalaureate degree program in which the student is enrolled. The notice must include a recommendation that each student who intends to earn credit hours at the institution in excess of the credit hours required for the baccalaureate degree program in which the student is enrolled meet with his or her academic advisor.<sup>22</sup>

### **Effect of Proposed Changes**

The bill requires a state university to refund the assessed excess credit hour surcharge, for up to 12 credit hours, to any first-time-in-college student who completes a baccalaureate degree program within 4 years after initial enrollment in a state university.

Accordingly, a student enrolled in a 120 credit hour baccalaureate degree program could take up to 144 credit hours, 12 credit hours more than allowed by current law. The student would be assessed the excess credit hour surcharge for the additional 12 credit hours but would receive a refund for the surcharge if he or she graduates in 4 years after initial enrollment.

### **B. SECTION DIRECTORY:**

**Section 1.** Amends s. 1009.286, F.S., requiring a state university to refund the assessed excess credit hour surcharge, for up to 12 credit hours, to any first-time-in-college student who completes a baccalaureate degree program within 4 years after initial enrollment in a state university.

**Section 2.** Provides an effective date of July 1, 2018.

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<sup>15</sup> Section 1009.286(b), F.S.

<sup>16</sup> Section 1009.286(c), F.S.

<sup>17</sup> Section 1009.286(d), F.S.

<sup>18</sup> Section 1009.286(e), F.S.

<sup>19</sup> Section 1009.286(f), F.S.

<sup>20</sup> Section 1009.286(g), F.S.

<sup>21</sup> Section 1009.286(h), F.S.

<sup>22</sup> Section 1009.286(5), F.S.

## II. FISCAL ANALYSIS & ECONOMIC IMPACT STATEMENT

### A. FISCAL IMPACT ON STATE GOVERNMENT:

1. Revenues:

See fiscal comments.

2. Expenditures:

None.

### B. FISCAL IMPACT ON LOCAL GOVERNMENTS:

1. Revenues:

None.

2. Expenditures:

None.

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

The bill may result in a cost savings, in the form of refunds, for first-time-in-college students who generate excess credit hours but who graduate with a baccalaureate degree within 4 years of initial enrollment.

### D. FISCAL COMMENTS:

Based on data from the BOG for the 2015-16 graduating class, state universities may be required to refund approximately \$2.4 million annually to students who were assessed the excess credit hour surcharge but graduated in 4 years.<sup>23</sup> The estimate is based on 1,450 identified first-time-in-college students who generated 12,000 excess hours but graduated in 4 years.

### A. CONSTITUTIONAL ISSUES:

1. Applicability of Municipality/County Mandates Provision:

None.

2. Other:

None.

### B. RULE-MAKING AUTHORITY:

None.

### C. DRAFTING ISSUES OR OTHER COMMENTS:

None.

## IV. AMENDMENTS/ COMMITTEE SUBSTITUTE CHANGES

On February 21, 2018, the Education Committee adopted a strike-all amendment and reported the bill favorably as a committee substitute. The strike-all amendment requires a state university to refund the

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<sup>23</sup> Board of Governors, *2018 Agency Bill Analysis for SB 844* (Dec. 15, 2017) at 4.

assessed excess credit hour surcharge, for up to 12 credit hours, to any first-time-in-college student who completes a baccalaureate degree program within 4 years after initial enrollment in a state university.

Accordingly, a student enrolled in a 120 credit hour baccalaureate degree program could take up to 144 credit hours, 12 credit hours more than allowed by current law. The student would be assessed the excess hour surcharge for the additional 12 credit hours but would receive a refund for the surcharge if he or she graduates in 4 years after initial enrollment.

The strike-all amendment removed the provision specifying that the assessment of the excess credit hour surcharge for each credit hour in excess of 120 percent of the credit hours required to complete the baccalaureate degree for students enrolled in a degree program designated by the BOG as an area of strategic emphasis in science, technology, engineering, mathematics, or health discipline.

The analysis is drafted to the committee substitute as passed by the Education Committee.