

**The Florida Senate**  
**BILL ANALYSIS AND FISCAL IMPACT STATEMENT**

(This document is based on the provisions contained in the legislation as of the latest date listed below.)

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Prepared By: The Professional Staff of the Appropriations Subcommittee on Higher Education

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BILL: CS/SB 844

INTRODUCER: Education Committee and Senator Bean

SUBJECT: Excess Credit Hour Surcharges

DATE: February 13, 2018      REVISED: \_\_\_\_\_

	ANALYST	STAFF DIRECTOR	REFERENCE	ACTION
1.	<u>Bouck</u>	<u>Graf</u>	<u>ED</u>	<u>Fav/CS</u>
2.	<u>Sikes</u>	<u>Elwell</u>	<u>AHE</u>	<u>Pre-meeting</u>
3.	_____	_____	<u>AP</u>	_____

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**Please see Section IX. for Additional Information:**

COMMITTEE SUBSTITUTE - Substantial Changes

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**I. Summary:**

CS/SB 844 requires a state university to refund the assessed excess 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.

According to the Board of Governors and based on data related to the 2015-16 graduating class, universities may be required to refund approximately \$2.4 million annually to students who earn excess credit hours and graduate within 4 years of initial enrollment.

The bill takes effect July 1, 2018.

**II. Present Situation:**

The Legislature established the excess credit hour surcharge in 2009<sup>1</sup> 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.<sup>2</sup> State universities must require a student to pay an excess hour surcharge for each credit hour in excess of the allowed number of credit hours required to complete the baccalaureate degree program in which the student is enrolled.<sup>3</sup>

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<sup>1</sup> Section 11, ch. 2009-60, L.O.F.

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

<sup>3</sup> *Id.* at (2).

The excess hour surcharge applies to students who enter a state university for the first time and maintain continuous enrollment. The surcharge was phased in over four years between the 2009-2010 and 2012-2013 academic years. For students who enter a state university for the first time in 2012-2013 academic year and thereafter and maintain continuous enrollment, an excess hour surcharge equal to 100 percent of the tuition rate for each credit hour in excess of 110 percent applies.<sup>4</sup>

Under current law, a student enrolled in a 120 credit hour baccalaureate degree program may take up to 132 credit hours (or 110 percent) before being assessed the excess hour surcharge for each credit hour in excess of the 120 credit hour degree requirement. Similarly, a student enrolled in a 130 credit hour baccalaureate degree program may take up to 143 credit hours (or 110 percent) before being assessed the excess hour surcharge for each credit hour in excess of the 130 credit hour degree requirement.

All credit hours for courses taken at the state university from which the student is seeking a baccalaureate degree are included when calculating the number of hours taken by a student, including:<sup>5</sup>

- Failed courses.
- Courses that are dropped after the advertised last day of the drop and add period.
- Courses from which a student withdraws, except for withdrawals due to medical or personal hardship.<sup>6</sup>
- Repeated courses, except repeated courses for which the student has paid the full cost of instruction.<sup>7</sup>

In addition, all credit hours earned at another institution and accepted for transfer by the state university, which are applied toward the student's baccalaureate degree program are included when calculating the number of credit hours taken by the student.<sup>8</sup>

Credit hours earned under the following circumstances are not calculated as hours required to earn a baccalaureate degree and are not counted towards the extra hour surcharge:<sup>9</sup>

- College credits earned through an articulated accelerated mechanism identified in law.<sup>10</sup>
- Credit hours earned through internship programs.
- Credit hours required for certification, recertification, or certificate programs.
- Credit hours in courses from which a student must withdraw due to reasons of medical or personal hardship.
- Credit hours taken by active-duty military personnel.
- Credit hours required to achieve a dual major taken while pursuing a baccalaureate degree.
- Remedial and English as a Second Language credit hours.

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<sup>4</sup> *Id.*

<sup>5</sup> Section 1009.286(3)(a), F.S.

<sup>6</sup> *Id.* at (4).

<sup>7</sup> Section 1009.285, F.S.

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

<sup>9</sup> *Id.* at (4).

<sup>10</sup> Section 1007.27, F.S. Articulated acceleration mechanisms include, but are not limited to, dual enrollment and early admission, advanced placement, credit by examination, the International Baccalaureate Program, and the Advanced International Certificate of Education Program. *Id.*

- Credit hours earned in military science courses that are part of the Reserve Officers' Training Corps (ROTC) program.

The Board of Governors reports that 14,284 first-time-in-college students in the 2015-2016 graduating class graduated within 48 months.<sup>11</sup> Ten percent (or 1,450) of these students earned excess credit hours - totaling 12,000 excess credit hours.<sup>12</sup> On average, these students earned 8 credit hours for which they were assessed the excess hour surcharge.

### III. Effect of Proposed Changes:

The bill amends s. 1009.286, F.S., to require a state university to refund the assessed excess 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 bill takes effect July 1, 2018.

### IV. Constitutional Issues:

#### A. Municipality/County Mandates Restrictions:

None.

#### B. Public Records/Open Meetings Issues:

None.

#### C. Trust Funds Restrictions:

None.

### V. Fiscal Impact Statement:

#### A. Tax/Fee Issues:

None.

#### B. Private Sector Impact:

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

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<sup>11</sup> Board of Governors, *2018 Agency Bill Analysis for SB 844* (Dec. 15, 2017), at 3.

<sup>12</sup> *Id.*

**C. Government Sector Impact:**

Based on data from the Board of Governors 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 hour surcharge but graduated in 4 years.<sup>13</sup> This estimate is based on 1,450 identified first-time-in-college students who generated 12,000 excess credit hours but graduated in 4 years.<sup>14</sup>

**VI. Technical Deficiencies:**

None.

**VII. Related Issues:**

None.

**VIII. Statutes Affected:**

This bill substantially amends section 1009.286 of the Florida Statutes.

**IX. Additional Information:****A. Committee Substitute – Statement of Changes:**

(Summarizing differences between the Committee Substitute and the prior version of the bill.)

**CS by Education on February 6, 2018:**

The committee substitute:

- Modifies the bill provision regarding the application of the excess hour surcharge for first-time-in-college students who graduate with a baccalaureate degree in 4 years. Specifically, the committee substitute requires a state university to refund the assessed excess 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.
- Removes from the bill the provision specifying the assessment of the excess 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 Board of Governors as an area of strategic emphasis in a science, technology, engineering, mathematics, or health discipline.

**B. Amendments:**

None.

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This Senate Bill Analysis does not reflect the intent or official position of the bill's introducer or the Florida Senate.

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<sup>13</sup> Board of Governors, *2018 Agency Bill Analysis for SB 844* (Dec. 15, 2017), at 4.

<sup>14</sup> *Id.*