

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.)

Prepared By: The Professional Staff of the Committee on Education

BILL: SB 844

INTRODUCER: Senator Bean

SUBJECT: Excess Credit Hour Surcharges

DATE: February 5, 2018

REVISED: _____

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

I. Summary:

SB 844 modifies the application of the excess hour surcharge for certain students. The bill specifies that:

- The excess hour surcharge does not apply to a first-time-in-college student who completes the requirements of his or her respective baccalaureate degree program within four years.
- 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, the excess hour surcharge is assessed for each credit hour in excess of 120 percent of the number of credit hours required to complete the baccalaureate degree.

The bill takes effect July 1, 2018.

II. Present Situation:

The Legislature established the excess credit hour surcharge in 2009¹ 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.² State universities must require a student to pay an excess hour surcharge for each credit hour in excess of the number of credit hours required to complete the baccalaureate degree program in which the student is enrolled.³

The excess hour surcharge is effective for students who enter a state university for the first time and maintain continuous enrollment as follows:⁴

¹ Section 11, ch. 2009-60, L.O.F.

² Section 1009.286(1), F.S.

³ *Id.* at (2).

⁴ *Id.*

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

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:⁵

- Failed courses.
- Courses that are dropped after the university's advertised last day of the drop and add period.
- Courses from which a student withdraws, except those specified in law.⁶
- Repeated courses, except repeated courses for which the student has paid the full cost of instruction as provided in law.⁷

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 when calculating the number of hours taken by the student.⁸

Credit hours earned under the following circumstances are not calculated as hours required to earn a baccalaureate degree:⁹

- College credits earned through an articulated accelerated mechanism identified in law.¹⁰
- 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.
- Credit hours earned in military science courses that are part of the Reserve Officers' Training Corps (ROTC) program.

III. Effect of Proposed Changes:

SB 844 modifies the application of the excess hour surcharge for certain students. The bill specifies that:

⁵ Section 1009.286(3)(a), F.S.

⁶ *Id.* at (4).

⁷ Section 1009.285, F.S.

⁸ Section 1009.286(3)(b), F.S.

⁹ *Id.* at (4).

¹⁰ 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.*

- The excess hour surcharge does not apply to a first-time-in-college student who completes the requirements of his or her respective baccalaureate degree program within four years.
- 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, the excess hour surcharge is assessed for each credit hour in excess of 120 percent of the number of credit hours required to complete the baccalaureate degree.

The bill may encourage more students to graduate within four years. The Board of Governors reports that 14,284 first-time-in-college students in the 2015-2016 graduating class graduated within 48 months.¹¹ Ten percent (or 1,450) of those students earned excess credit hours, which totaled 12,000 excess credit hours.¹²

The bill also modifies the excess hour surcharge for students enrolled in a degree program designated by the Board of Governors as an area of strategic emphasis¹³ in a STEM or health discipline. Accordingly, a student enrolled in such programs will be assessed an excess credit hour surcharge of equal to 100 percent of the tuition rate for each credit hour in excess of 120 percent. Currently, a student is assessed an excess hour surcharge for each credit hour in excess of 110 percent.

As an example, under the bill, a student enrolled in a specified 120-credit hour baccalaureate degree program would be assessed the surcharge after 144 credit hours, rather than after 132 credit hours under current law. Accordingly, the bill allows students to take 24 credits beyond the requirements of a baccalaureate degree program before the assessment of the excess hour surcharge, which represents 12 (or 10 percent) more credits than allowed under current law.¹⁴

The Board of Governors reports that 19,711 students in the 2015-2016 graduating class who earned a baccalaureate degree in a STEM or health discipline.¹⁵ One-third (or 6,550) of such students generated excess credit hours based on the 110 percent threshold, which totaled 118,500 excess credit hours.¹⁶ If the threshold is increased to 120 percent, then 3,200 students would generate excess credit hours, totaling 99,500 credit hours, which would represent a 19,000 credit hour decrease from the excess credit hour surcharge calculation.¹⁷

The bill takes effect July 1, 2018.

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

¹² *Id.*

¹³ Programs of Strategic Emphasis exist as one of several tools for aligning the degree production goals of the State University System with the economic and workforce needs of Florida. *Methodology for Updating Programs of Strategic Emphasis, Methodology for Updating Programs of Strategic Emphasis In the State University System of Florida, Board of Governors 2012 – 2025 Strategic Plan* (Nov. 2013), available at http://www.flbog.edu/pressroom/strategic_emphasis/doc/2013_09_26-PSE-Methodology-and-list-FINAL.pdf, (last visited Feb. 5, 2018) at 1. Currently, there are 227 programs identified as Programs of Strategic Emphasis, of which 158 are in the STEM and health disciplines. Board of Governors, *Programs of Strategic Emphasis, Effective Fall 2014 (by CIP)*, available at http://www.flbog.edu/pressroom/strategic_emphasis/doc/AreasOfStrategicEmphasisFall2014.xlsx (last visited Feb. 5, 2018)

¹⁴ Board of Governors, *2018 Agency Bill Analysis for SB 844* (Dec. 15, 2017), at 3.

¹⁵ *Id.*

¹⁶ *Id.*

¹⁷ *Id.*

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:

SB 844 may result in cost savings for students who generate excess credit hours, but who graduate with a baccalaureate degree within 4 years of initial enrollment. Additionally, the bill may result in cost savings for students enrolled in a specified science, technology, engineering, mathematics, or health baccalaureate degree programs who may take 10 percent more credit hours without being assessed the excess hours surcharge, compared to other students who are assessed the surcharge at 110 percent of the credit hours required for a baccalaureate degree program.

C. Government Sector Impact:

According to the Board of Governors, based on data from the 2015-16 graduating class, state universities would generate approximately \$6.2 million less in tuition revenues. Specifically:

- The provisions in the bill relating to first-time-in-college students who generated excess hours but graduate in four years, would result in an estimated \$2.4 million less in tuition revenue.¹⁸ This estimate is based on 1,450 identified students who generated 12,000 excess credit hours, but graduated in 4 years.¹⁹
- The exemption for students who complete between 110 and 120 percent of the credit hours in excess of the credits required for degree programs identified as an area of strategic emphasis would result in an estimated \$3.8 million less in tuition.²⁰ The modification would eliminate 19,000 credits from the surcharge for students in specified degree programs.²¹

¹⁸ Board of Governors, *2018 Agency Bill Analysis for SB 844* (Dec. 15, 2017), at 4.

¹⁹ *Id.*

²⁰ *Id.*

²¹ *Id.*

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.)

None.

B. Amendments:

None.