

HOUSE OF REPRESENTATIVES STAFF ANALYSIS

BILL #: HB 565 Excess Credit Hour Surcharges

SPONSOR(S): Mariano

TIED BILLS: None. **IDEN./SIM. BILLS:** 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			

SUMMARY ANALYSIS

Currently, a state university student must pay an excess 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 exempts from the surcharge first-time-in-college students who complete the requirements for their baccalaureate degree program within 4 years. In addition, the bill modifies the excess hour surcharge 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. Specifically, for such students an excess hour surcharge equal to 100 percent of the tuition rate will be assessed for each credit hour attempted in excess of 120 percent of the credit hours required to complete the baccalaureate degree. The excess hours surcharge for all other students will continue to be assessed when the student exceeds 110 percent of the degree program.

The bill will result in a loss of revenue for institutions from students who take excess credit hours beyond the requirements for a baccalaureate degree program.

The effective date is July 1, 2018

FULL ANALYSIS

I. SUBSTANTIVE ANALYSIS

A. EFFECT OF PROPOSED CHANGES:

Present Situation

Currently, state university students must pay an excess hour surcharge for credit hours exceeding baccalaureate degree program completion requirements.¹ 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.²

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

- 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.⁴
- 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.⁵
- 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.⁶

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:⁷

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

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.¹²

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

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

¹ 1009.286, F.S.

² 1009.286 (1), F.S.

³ 1009.286 (2), F.S.

⁴ 1009.286 (2) (a), F.S.

⁵ 1009.286 (2) (b), F.S.

⁶ 1009.286 (2) (c), F.S.

⁷ 1009.286 (3) (a), F.S.

⁸ 1009.286 (3) (a) 1., F.S.

⁹ 1009.286 (3) (a), 2., F.S.

¹⁰ 1009.286 (3) (a), 3., F.S.

¹¹ 1009.286 (3) (a), 4., F.S.

¹² 1009.286 (3) (b), F.S.

¹³ 1009.286 (4), F.S.

¹⁴ 1009.286 (a), F.S.

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

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.²²

Effect of Proposed Changes

The bill exempts from the surcharge first-time-in-college students who complete the requirements for their baccalaureate degree program within 4 years. In addition, the bill modifies the excess hour surcharge 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.²³ Specifically, for such students an excess hour surcharge equal to 100 percent of the tuition rate will be charged for each credit hour attempted in excess of 120 percent (rather than 110 percent) of the credit hours required to complete the baccalaureate degree.

B. SECTION DIRECTORY:

Section 1. Amends s. 1009.286, F.S., exempting first-in-time college students completing their baccalaureate degree within 4 years from paying excess hour surcharges, and applying the surcharge for each credit hour in excess of 120 percent rather than 110 percent 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.

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

II. FISCAL ANALYSIS & ECONOMIC IMPACT STATEMENT

¹⁵ 1009.286 (b), F.S.

¹⁶ 1009.286 (c), F.S.

¹⁷ 1009.286 (d), F.S.

¹⁸ 1009.286 (e), F.S.

¹⁹ 1009.286 (f), F.S.

²⁰ 1009.286 (g), F.S.

²¹ 1009.286 (h), F.S.

²² 1009.286 (5), F.S.

²³ State University System of Florida, Board of Governors, Programs of Strategic Emphasis, http://www.flbog.edu/pressroom/strategic_emphasis/ (last visited Nov. 29, 2017)

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:

This bill would result in a positive economic impact for first-time college students who complete their baccalaureate degree requirements within 4 years. Also, the bill would result in a positive impact for students pursuing baccalaureate degree programs of strategic emphasis in a science, technology, engineering, mathematics, or health discipline who attempt between 110 and 120 percent of credit hour requirements.

D. FISCAL COMMENTS:

The bill could result in minimal revenue losses for universities from students who take excess credit hours beyond the requirements for a baccalaureate degree program. Analysis by the Board of Governors using data from FY 2015-2016 estimated losses would amount to about \$6.2 million, about 0.3 percent of total tuition revenues.

III. COMMENTS

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

None.