

## HOUSE OF REPRESENTATIVES STAFF ANALYSIS

**BILL #:** CS/HB 257 Excess Credit Hour Surcharges

**SPONSOR(S):** Higher Education & Career Readiness Subcommittee, Mariano and others

**TIED BILLS:** None **IDEN./SIM. BILLS:** SB 680

REFERENCE	ACTION	ANALYST	STAFF DIRECTOR or BUDGET/POLICY CHIEF
1) Higher Education & Career Readiness Subcommittee	13 Y, 0 N, As CS	Hoeft	Bishop
2) Higher Education Appropriations Subcommittee	10 Y, 0 N	Crowley	Lloyd
3) Education Committee	17 Y, 0 N	Sleap	Hassell

### SUMMARY ANALYSIS

Currently, a state university student must pay an excess credit hour surcharge for each credit hour completed in excess of the number of credit hours required to complete the baccalaureate program in which the student is enrolled. For students who entered a state university for the first time beginning with the 2012-2013 academic year, the excess hour surcharge is equal to 100 percent of the tuition rate for each credit hour in excess of 110 percent of the number of credit hours required to complete the baccalaureate program in which a student is enrolled. The only exception is that a state university must refund the 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 his or her initial enrollment in a state university.

The bill requires the excess credit hour surcharge threshold to be adjusted for any student who changes a degree program if the number of credit hours required to complete the new degree program exceeds that of the original degree program. The excess credit hour surcharge threshold may not be adjusted if the number of credit hours required to complete the new degree program is less than that of the original degree program.

The bill increases the excess credit hour surcharge threshold from 110 percent to 120 percent of the number of credit hours required to complete the baccalaureate program in which a student is enrolled, effective for the 2019 summer term and thereafter.

The bill could result in a loss of revenue for institutions from students who take excess credit hours beyond the requirements for a baccalaureate degree program. However, students who exceed 110 percent of the credit hours required for a degree may experience a cost saving as long as they do not enroll in credit hours above the 120 percent threshold.

The bill would have minimal fiscal impact.

The bill takes effect upon becoming a law.

## 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.<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 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 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 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 hour surcharge equal to 100 percent of the tuition rate for each credit hour in excess of 110 percent. Notwithstanding the requirements of this subsection, a state university shall refund the excess hour surcharge assessed pursuant to this paragraph for up to 12 credit hours to any first-time-in-college student who completes a baccalaureate degree program within 4 years after his or her initial enrollment in a state university.<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>

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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.

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>
- 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 the excess credit hour surcharge threshold to be adjusted for any student who changes a degree program if the number of credit hours required to complete the new degree program exceeds that of the original degree program. The excess credit hour surcharge threshold may not be adjusted if the number of credit hours required to complete the new degree program is less than that of the original degree program.

The bill increases the excess credit hour surcharge threshold from 110 percent to 120 percent of the number of credit hours required to complete the baccalaureate program in which the student is enrolled, effective for the 2019 summer term and thereafter.

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

<sup>14</sup> Section 1009.286(4)(a), F.S.

<sup>15</sup> Section 1009.286(4)(b), F.S.

<sup>16</sup> Section 1009.286(4)(c), F.S.

<sup>17</sup> Section 1009.286(4)(d), F.S.

<sup>18</sup> Section 1009.286(4)(e), F.S.

<sup>19</sup> Section 1009.286(4)(f), F.S.

<sup>20</sup> Section 1009.286(4)(g), F.S.

<sup>21</sup> Section 1009.286(4)(h), F.S.

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

**B. SECTION DIRECTORY:**

**Section 1.** Amends s. 1009.286, F.S., requiring each state university to calculate an excess hour threshold for each student; requiring such threshold to be adjusted under certain circumstances; prohibiting such threshold from being adjusted under certain circumstances; revising the threshold for assessing the excess credit hour surcharge.

**Section 2.** Provides an effective date upon the bill becoming a law.

**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:**

None.

**D. FISCAL COMMENTS:**

The bill could result in a loss of revenue for institutions from students who currently take in excess of 110 percent of required credit hours beyond the requirements for a baccalaureate degree program. However, students who exceed 110 percent of the credit hours required for a degree will experience a cost savings.

**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**

On February 13, 2019, the Higher Education & Career Readiness Subcommittee adopted an amendment and reported the bill favorably as a committee substitute. The amendment requires the excess credit hour surcharge threshold to be adjusted for any student who changes a degree program if the number of credit hours required to complete the new degree program exceeds that of the original degree program. The excess credit hour surcharge threshold may not be adjusted if the number of credit hours required to complete the new degree program is less than that of the original degree program.

The bill analysis is drafted to the committee substitute.