

**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 Education

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BILL: SB 680

INTRODUCER: Senator Perry

SUBJECT: Excess Credit Hour Surcharges

DATE: April 3, 2019

REVISED: \_\_\_\_\_

	ANALYST	STAFF DIRECTOR	REFERENCE	ACTION
1.	<u>Brick</u>	<u>Sikes</u>	<u>ED</u>	<b>Favorable</b>
2.	<u>Underhill</u>	<u>Elwell</u>	<u>AED</u>	<b>Recommend: Favorable</b>
3.	_____	_____	<u>AP</u>	_____

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**I. Summary:**

SB 680 increases the credit hours a student entering a state university in the summer term of 2019 or thereafter may earn before being required to pay an excess credit hour surcharge. In addition, the bill prohibits each state university from reducing the excess credit hour threshold of a student who transfers to a degree program that requires less credit hours to complete than the student's original degree program.

The bill may result in a loss of revenue for state universities from students who take excess credit hours beyond 110 percent of the requirements for a baccalaureate degree program. Students who exceed 110 percent of the credit hours required for a degree may experience a cost savings.

The bill takes effect upon becoming a law.

**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 while providing for access to additional college coursework.<sup>2</sup>

Current law requires a student to pay an excess hour surcharge for each credit hour earned in excess of specified limits.<sup>3</sup> The excess hour surcharge is effective for students who enter a state university for the first time and maintain continuous enrollment as follows:<sup>4</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).

<sup>4</sup> *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.

For example, 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. 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.

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 credit hours taken by a student, including:<sup>5</sup>

- 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.<sup>6</sup>
- Repeated courses, except repeated courses for which the student has paid the full cost of instruction as provided in law.<sup>7</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 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 included in determining excess credit hours:<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.
- Credit hours earned in military science courses that are part of the Reserve Officers' Training Corps (ROTC) program.

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<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.*

A state university must refund the excess hour surcharge assessed 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>11</sup>

According to the Board of Governors, 14,821 students exceeded the excess credit hour limits in the 2017-2018 academic year, accruing \$13,343,975 in total surcharge fees.<sup>12</sup> 12,568 students were subject to an excess hour surcharge for each credit hour in excess of 110 percent.<sup>13</sup> 7,225 of these students earned greater than 110 percent but less than 120 percent of the credit hours required to complete their degree program.<sup>14</sup>

### **III. Effect of Proposed Changes:**

The bill raises the excess credit hour threshold to 120 percent of the credit hours required to complete the degree program for students who enter a state university for the first time in the summer of 2019 and thereafter and maintain continuous enrollment.

The bill requires each state university to calculate an excess hour threshold for each student based on the number of credit hours required to complete the baccalaureate degree program in which the student is enrolled. For a student who changes degree programs, the bill prohibits the adjustment of the excess hour threshold unless the required credit hours for the new program exceeds the original degree program.

The bill may decrease the number of students subject to the excess credit hour surcharge.

### **IV. Constitutional Issues:**

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

None.

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

None.

#### **C. Trust Funds Restrictions:**

None.

#### **D. State Tax or Fee Increases:**

None.

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<sup>11</sup> Section 1009.286(2)(c), F.S.

<sup>12</sup> Email, State University System of Florida, Florida Board of Governors (Mar. 4, 2019).

<sup>13</sup> *Id.*

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

E. Other Constitutional Issues:

None.

**V. Fiscal Impact Statement:**

A. Tax/Fee Issues:

None.

B. Private Sector Impact:

Students enrolled in the 2019 summer term and thereafter who exceed 110 percent of the credit hours required for a degree and students who change degree programs may experience cost savings.

C. Government Sector Impact:

State universities may experience a loss of revenue from the reduction in excess credit hour surcharges collected from students who take excess credit hours beyond 110 percent of the requirements for a baccalaureate degree program.

**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.