

HOUSE OF REPRESENTATIVES STAFF ANALYSIS

BILL #: PCB SPCP 09-02 Excess Credit Hours
SPONSOR(S): State Universities & Private Colleges Policy Committee
TIED BILLS: **IDEN./SIM. BILLS:**

	REFERENCE	ACTION	ANALYST	STAFF DIRECTOR
Orig. Comm.:	State Universities & Private Colleges Policy Committee		Thomas	Tilton
1)				
2)				
3)				
4)				
5)				

SUMMARY ANALYSIS

PCB SPCP 09-02 requires students enrolled in a baccalaureate degree program at a state university to pay an excess hour surcharge equal to 50 percent of the tuition rate for each credit hour in excess of 120 percent of the number of credit hours required to complete the baccalaureate degree program in which the student is enrolled. This provision applies to students entering a state university or community college for the first time in the 2009-2010 academic year and thereafter.

The PCB requires state universities and community colleges to implement a process for notifying students of the excess hour surcharge upon initial enrollment and upon the student's having earned the credit hours required to complete the 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 beyond those required for the baccalaureate degree program in which the student is enrolled meet with the student's academic advisor.

The PCB specifies the hours to be included and not included in the excess hour calculations.

The fiscal impact of the bill is indeterminate at this time. See FISCAL COMMENTS for additional information.

The effective date of this act is July 1, 2009.

HOUSE PRINCIPLES

Members are encouraged to evaluate proposed legislation in light of the following guiding principles of the House of Representatives

- Balance the state budget.
- Create a legal and regulatory environment that fosters economic growth and job creation.
- Lower the tax burden on families and businesses.
- Reverse or restrain the growth of government.
- Promote public safety.
- Promote educational accountability, excellence, and choice.
- Foster respect for the family and for innocent human life.
- Protect Florida's natural beauty.

FULL ANALYSIS

I. SUBSTANTIVE ANALYSIS

A. EFFECT OF PROPOSED CHANGES:

Background

In 2004, OPPAGA issued a report in response to a legislative request to identify financial incentives the Legislature could implement to decrease state higher education funding costs.¹ OPPAGA studied polices to encourage students to earn degrees with fewer excess credit hours. The report suggested three ways to reduce state costs:

- Charge the full cost for credit hours in excess of 115 percent of graduation requirements.
- Provide tuition rebates to students who graduate with minimal excess hours.
- Offer "locked-in" tuition, which requires students who do not graduate within four years to pay higher tuition rates.

Seventy-eight percent of all students graduating from the SUS in 2002-2003 accumulated excess hours. These students attempted 719,660 credit hours in excess of graduation requirements. The 719,660 excess hours attempted by students graduating in 2002-2003 cost the state \$62 million. However, 20 percent of all students accounted for 57 percent of all credit hours over the minimum graduation requirements. OPPAGA identified several factors that contribute to students accumulating excess hours:

- Some students change their major frequently.
- Some students take courses that are not required for graduation.
- Some students may withdraw from or fail courses and may retake such classes.

In 2006, the Office of Program Policy and Government Accountability (OPPAGA) released a report on the cost of excess hours taken by students.² According to the report:

- Most students attending the state's public universities graduate with credit hours in excess of graduation requirements, which increases state higher education costs.

¹ *Stronger Financial Incentives Could Encourage Students to Graduate with Fewer Excess Hours*, Office of Program Analysis and Government Accountability, Report No. 04-44, June 2004

² *Excess Hours Cost State \$62 Million Annually; University Actions May Help Address Problems*, Office of Program Analysis and Government Accountability, Report No. 06-58, August 2006.

- The 780,769 excess hours of students graduating with bachelor's degrees in FY 2004-05 cost the state \$62 million.
- Florida public postsecondary institutions have taken steps to reduce time to graduation and excess hours. Because these strategies have been implemented relatively recently, it is too early to draw conclusions on their effectiveness.
- The percentage of graduates with hours in excess of 115 percent of graduation requirements varies by university.
- Similar to the findings for the 115 percent threshold, the percentage of graduates with hours in excess of 120 percent of the graduation requirement also varies considerably by institution.

During a workshop presentation before the State Universities & Private Colleges Policy Committee on March 18, 2009, OPPAGA provided updated information on excess hours. OPPAGA found that the 2006-2007 university graduates attempted 861,000 credits in excess of graduation requirements. This cost the state \$76 million, a 23% increase since 2002-03.³

Effect of Proposed Changes

PCB 09-02 requires students enrolled in a state university to pay an excess hour surcharge equal to 50 percent of the tuition rate for each credit hour in excess of 120 percent of the number of credit hours required to complete the baccalaureate degree program in which the student is enrolled. This provision applies to students entering a state university or community college for the first time in the 2009-2010 academic year and thereafter. The following hours are to be included in the excess hour calculation:

- All credit hours for courses taken at the state university from which the student is seeking a degree, including courses that are dropped after the university's advertised last day of drop and add; failed courses; courses from which a student withdraws, except as provided for in the next paragraph; and repeated courses for which the student did not pay a repeat course surcharge.
- All credit hours earned at another institution and accepted for transfer by the state university toward the student's undergraduate degree.

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

- College credits earned through an articulated accelerated mechanism.
- 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 reason of medical or personal hardship.
- Credit hours taken by active-duty military personnel.
- Credit hours required to achieve a dual major undertaken while pursuing a degree.
- Remedial and English as a Second Language credit hours.
- Credit hours earned in military science courses (R.O.T.C.).

The PCB requires state universities and community colleges to implement a process for notifying students of the excess hour surcharge upon initial enrollment and upon the student's having earned the credit hours required to complete the 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 beyond those required for the baccalaureate degree program in which the student is enrolled meet with the student's academic advisor.

B. SECTION DIRECTORY:

Section 1. Creates an unnumbered section; providing requirements for additional payment by state university students for certain credit hours exceeding degree program

³ State

requirements; providing criteria for calculating credit hours; authorizing an exemption.

Section 2. Provides an effective date of July 1, 2009.

II. FISCAL ANALYSIS & ECONOMIC IMPACT STATEMENT

A. FISCAL IMPACT ON STATE GOVERNMENT:

1. Revenues:

See FISCAL COMMENTS.

2. Expenditures:

B. FISCAL IMPACT ON LOCAL GOVERNMENTS:

1. Revenues:

2. Expenditures:

C. DIRECT ECONOMIC IMPACT ON PRIVATE SECTOR:

Students who take in excess of 120 percent of the number of credit hours required to complete the baccalaureate degree program in which the student is enrolled would incur additional charges.

D. FISCAL COMMENTS:

OPPAGA Report 06-58 found that the 780,769 excess hours taken by the 37,424 students who received of bachelor degrees from state universities during Fiscal Year 2004-2005 cost the state \$62 million.

OPPAGA found that the 2006-2007 university graduates attempted 861,000 credits in excess of graduation requirements. This cost the state \$76 million, a 23% increase since 2002-03.⁴

III. COMMENTS

A. CONSTITUTIONAL ISSUES:

1. Applicability of Municipality/County Mandates Provision:

This PCB does not appear to require a city or county to expend funds or to take any action requiring the expenditure of funds.

The PCB does not appear to reduce the authority that municipalities or counties have to raise revenues in the aggregate.

This PCB does not appear to reduce the percentage of state tax shared with counties or municipalities.

⁴ State

2. Other:

B. RULE-MAKING AUTHORITY:

C. DRAFTING ISSUES OR OTHER COMMENTS:

IV. AMENDMENTS/COUNCIL OR COMMITTEE SUBSTITUTE CHANGES