



Higher Education Appropriations Subcommittee

Tuesday February 13, 2018
9:30 a.m. - 11:30 a.m.
Webster Hall (212 Knott)

MEETING PACKET



The Florida House of Representatives
Appropriations Committee
Higher Education Appropriations Subcommittee

Richard Corcoran
Speaker

Larry Ahern
Chair

AGENDA

Tuesday, February 13, 2018
9:30 a.m. – 11:30 a.m.
Webster Hall (212 KNOTT)

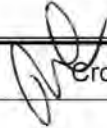

- I. **Call to Order/Roll Call**
- II. **Opening Remarks**
- III. **Consideration of the following bill:**
 - HB 375 Postsecondary Revenue Bonds and Debt by Alexander
 - HB 565 Excess Credit Hour Surcharges by Mariano
- IV. **Closing Remarks/Adjournment**

HOUSE OF REPRESENTATIVES STAFF ANALYSIS

BILL #: HB 375 Postsecondary Revenue Bonds and Debt

SPONSOR(S): Alexander

TIED BILLS: IDEN./SIM. **BILLS:**

REFERENCE	ACTION	ANALYST	STAFF DIRECTOR or BUDGET/POLICY CHIEF
1) Higher Education Appropriations Subcommittee		 Crowley	Lloyd 
2) Ways & Means Committee			
3) Appropriations Committee			

SUMMARY ANALYSIS

HB 375 modifies restrictions on state university debt payments to authorize the use of federal grant and contract funds due to a state university to pay debt service on revenue bonds only as required through the United States Department of Education Historically Black College and University Capital Financing Program (HBCU Program).

The HBCU Program provides HBCUs with low-cost capital to finance infrastructure improvements, facilitating the repair, renovation, and construction of classrooms, libraries, laboratories, dormitories, instructional equipment, and research instrumentation. In order to participate in the HBCU Program, the institution must permit the use of revenue from federal grants and contracts via administrative offset if the pledged revenues are insufficient to pay debt service.

Current state law allows the Board of Governors to authorize construction of new capital projects, provided that no state funds or direct federal research grant funds are used to pay debt service, and that the use of federal grant revenues is limited to indirect and overhead expenses.

By modifying these restrictions to permit the use of federal grant and contract funds to cover debt payments, HB 375 would allow Florida Agricultural and Mechanical University to participate in the federal HBCU Program, thereby providing new opportunities for the institution to fund needed capital improvements.

There is no fiscal impact to the State of Florida since no state funds may be used for this revenue bond exemption.

The bill is effective July 1, 2018.

FULL ANALYSIS

I. SUBSTANTIVE ANALYSIS

A. EFFECT OF PROPOSED CHANGES:

Present Situation:

Historically Black College and University Capital Financing Program

The Higher Education Act of 1965, as amended, defines a historically black college and university (HBCU) as "... any historically black college or university that was established prior to 1964, whose principal mission was, and is, the education of Black Americans, and that is accredited by a nationally recognized accrediting agency or association determined by the Secretary [of Education] to be a reliable authority as to the quality of training offered or is, according to such an agency or association, making reasonable progress toward accreditation...."¹

The Historically Black College and University Capital Financing Program (HBCU Program), administered by the United States Department of Education (USDOE), provides low-cost capital to finance improvements to the infrastructure of the nation's HBCUs.² Specifically, the HBCU Program provides HBCUs with access to capital financing or refinancing for the repair, renovation, and construction of classrooms, libraries, laboratories, dormitories, instructional equipment, and research instrumentation.³

This assistance comes through the issuance of federal guarantees on the full payment of principal and interest on qualified bonds, the proceeds of which are used for loans.⁴ Nationally, to date, public HBCUs have received about \$530 million in loan proceeds and private HBCUs have received about \$1.27 billion in loan proceeds.⁵

The HBCU Program specifies, as a part of the loan agreement, the procedures for repayment of the loan, and procedures in the event of delinquency or default on the loan.⁶ Federal law requires that, for delinquent debt or a default on debt to the United States, the debts or payments may be collected by administrative offset.⁷ Accordingly, in order to borrow funds from the USDOE under the HBCU Program, the participating HBCU must permit the use of revenue from grants and contracts via administrative offset if the pledged revenues are insufficient to pay debt service.⁸ Under the federal requirement regarding collection by administrative offset, in the event of default on the loan, the USDOE may hold other federal funds, including grants and contracts owed to the HBCU, and apply those

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U.S. Department of Education, *Historically Black College and University Capital Financing Program, Eligibility*, <https://www2.ed.gov/programs/hbcucapfinance/eligibility.html> (last visited Feb. 5, 2018). The Florida HBCUs are Florida Agricultural and Mechanical University (public), Bethune-Cookman University (private), Edward Waters College (private), and Florida Memorial University (private). National Center for Education Statistics, *College Navigator*, <https://nces.ed.gov/COLLEGENAVIGATOR/?s=FL&sp=4> (last visited Feb. 5, 2018).

² U.S. Department of Education, *Historically Black College and University Capital Financing Program, Purpose*, <https://www2.ed.gov/programs/hbcucapfinance/index.html> (last visited Feb. 5, 2018).

³ *Id.*

⁴ *Id.*

⁵ U.S. Department of Education, *Historically Black College and University Capital Financing Program, Awards*, <https://www2.ed.gov/programs/hbcucapfinance/awards.html> (last visited Feb. 5, 2018). Since September 2009, Florida Memorial University has received two HBCU Capital Financing program loans totaling \$44,060,000. Since July 1997, Bethune-Cookman College has received two HBCU Capital Financing program loans totaling \$20,295,000. *Id.*

⁶ U.S. Department of Education, *Legislation, Regulations, and Guidance*, <https://www2.ed.gov/programs/hbcucapfinance/legislation.html> (last visited Feb. 5, 2018).

⁷ 31 C.F.R. 901.3. "Administrative offset" means withholding funds payable by the United States (including funds payable by the United States on behalf of a State government) to, or held by the United States for, a person to satisfy a claim. 31 U.S.C., s. 3701.

⁸ Telephone interview, Board of Governors (Feb. 2, 2018).

federal funds to debt service for the HBCU Program loan.⁹

State University Revenue Bonds and Debt

The Board of Governors, each state university, and any state university direct-support organization must comply with the provisions of law in order to issue or enter into agreements for the issuance of revenue bonds or debt.¹⁰ The law authorizes the Board of Governors to request the issuance of revenue bonds¹¹ to finance or refinance capital outlay projects¹² permitted by law.¹³

Revenue bonds may not be secured by or be payable from, directly or indirectly, the following sources:¹⁴

- Revenues from grants and contracts, except for money received for overhead and indirect costs and other moneys not required for the payment of direct costs;
- Tuition;
- The financial aid fee;
- Sales and services of educational departments; and
- Any other operating revenues of a state university.

The issuance of debt must be approved by the Board of Governors, and must be:¹⁵

- For a purpose consistent with the mission of the state university.
- Structured in a manner appropriate for the prudent financial management of the state university.
- Secured by revenues adequate to provide for all payments relating to the debt.
- Analyzed by the Division of Bond Finance,¹⁶ and issues raised by such analysis must be appropriately considered by the Board of Governors.
- Consistent with the requirements of any policies or criteria adopted by the Board of Governors for the approval of debt.¹⁷

Effect of Proposed Changes:

HB 375 modifies restrictions on the payment of debt by a state university to authorize grant and contract funds due to a state university from the federal government to be used to pay debt service on revenue bonds only as required through the Historically Black College and University Capital Financing Program (HBCU Program).

⁹ Telephone interview, Board of Governors (Feb. 2, 2018).

¹⁰ Section 1010.62(8), F.S.

¹¹ Revenue bonds may be issued by the state or its agencies without a vote of the electors to finance or refinance the cost of state fixed capital outlay projects authorized by law, and purposes incidental thereto, and shall be payable solely from funds derived directly from sources other than state tax revenues. Art. VII, s. 11(d), Fla. Const.

¹² A capital outlay project is any project to acquire, construct, improve, or change the functional use of land, buildings, and other facilities, including furniture and equipment necessary to operate a new or improved building or facility. Section 1010.62(1)(b), F.S.

¹³ Section 1010.62(2)(a), F.S.

¹⁴ *Id.*

¹⁵ *Id.* At (3)(b).

¹⁶ The duties of the Division of Bond Finance within the State Board of Administration include the issuance of bonds for or on behalf of State agencies and providing technical assistance on new financing programs.

¹⁷ The Board of Governors *Debt Management Guidelines* confirm that the state universities and their direct-support organizations must engage in sound debt management practices and, to that end, the Board of Governors has formalized guiding principles for the issuance of debt by the state universities and their DSOs, Board of Governors, *Debt Management Guidelines* (June 17, 2016), available at http://www.flbog.edu/documents_regulations/guidelines/REVISED%20FAC%207%202%20Debt%20Management%20Guidelines%202016%20-%20DRAFT.pdf, at 1.

The bill authorizes Florida Agricultural and Mechanical University (FAMU), which is the only public historically black college and university (HBCU) in the state, to participate in the HBCU Program by permitting FAMU to, in the event of default on a debt, pledge revenue from federal grants and contracts for the repayment of revenue bonds. The authorization under the bill to pledge federal grants and contracts for the repayment of debt aligns with the federal requirements regarding collection by administrative offset.

The bill does not change the prohibition on the use of state funds to pay debt service on revenue bonds. Additionally, the bill does not change the requirement for the Board of Governors to approve the issuance of debt and for analysis by the Division of Bond Finance.

The bill may provide FAMU access to competitive financing through the HBCU Program, which may result in interest rate savings for FAMU.¹⁸ The benefits may be extended to refinancing existing revenue bonds and for loans under the HBCU Program for future capital outlay projects.¹⁹

According to the Board of Governors (board), the board may be required to revise the Debt Management Guidelines to include revenue from contracts and grants as authorized revenue to secure debt under the HBCU Program.²⁰

The bill takes effect July 1, 2018.

B. SECTION DIRECTORY:

Section 1. Amends s. 1010.62, F.S, providing a specific exemption for Florida A&M University to utilize the United States Department of Education HBCU Capital Financing Program

Section 2. Provides and effective date of July1, 2018.

II. FISCAL ANALYSIS & ECONOMIC IMPACT STATEMENT

A. FISCAL IMPACT ON STATE GOVERNMENT:

1. Revenues:

None.

2. Expenditures:

None.

B. FISCAL IMPACT ON LOCAL GOVERNMENTS:

1. Revenues:

None.

2. Expenditures:

None.

C. DIRECT ECONOMIC IMPACT ON PRIVATE SECTOR:

None.

¹⁸ Board of Governors, *2018 Agency Analysis for HB 375*, at 1.

¹⁹ Telephone interview, Board of Governors (Feb. 2, 2018).

²⁰ Board of Governors, *2018 Agency Analysis for HB 375*, at 2.

D. FISCAL COMMENTS:

This exemption provides Florida A&M University with the ability to utilize a federal revenue bond program. Which may assist them in renovating campus facilities.

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:

While the exemption language, beginning on line 46, limits the revenue source to contracts and grants, the specification that debt service is to be paid from federal sources could be clarified.

IV. AMENDMENTS/ COMMITTEE SUBSTITUTE CHANGES

1 A bill to be entitled
 2 An act relating to postsecondary revenue bonds and
 3 debt; amending s. 1010.62, F.S.; authorizing a revenue
 4 bond to be secured by or payable from revenues from
 5 grants and contracts for state universities if
 6 required by a specified federal program; providing an
 7 effective date.

8
 9 Be It Enacted by the Legislature of the State of Florida:

10
 11 Section 1. Paragraph (a) of subsection (2) of section
 12 1010.62, Florida Statutes, is amended to read:

13 1010.62 Revenue bonds and debt.—

14 (2)(a) The Board of Governors may request the issuance of
 15 revenue bonds pursuant to the State Bond Act and s. 11(d), Art.
 16 VII of the State Constitution to finance or refinance capital
 17 outlay projects permitted by law. Revenue bonds may be secured
 18 by or payable only from those revenues authorized for such
 19 purpose, including the Capital Improvement Trust Fund fee, the
 20 building fee, the health fee, the transportation access fee,
 21 hospital revenues, or those revenues derived from or received in
 22 relation to sales and services of auxiliary enterprises or
 23 component units of the university, including, but not limited
 24 to, housing, transportation, health care, research or research-
 25 related activities, food service, retail sales, athletic

26 | activities, or other similar services, other revenues
 27 | attributable to the projects to be financed or refinanced, any
 28 | other revenue approved by the Legislature for facilities
 29 | construction or for securing revenue bonds issued pursuant to s.
 30 | 11(d), Art. VII of the State Constitution, or any other revenues
 31 | permitted by law. Revenues from the activity and service fee and
 32 | the athletic fee may be used to pay and secure revenue bonds
 33 | except that the annual debt service shall not exceed an amount
 34 | equal to 5 percent of the fees collected during the most recent
 35 | 12 consecutive months for which collection information is
 36 | available prior to the sale of the bonds. The assets of a
 37 | university foundation and the earnings thereon may also be used
 38 | to pay and secure revenue bonds of the university or its direct-
 39 | support organizations. Revenues from royalties and licensing
 40 | fees may also be used to pay and secure revenue bonds so long as
 41 | the facilities being financed are functionally related to the
 42 | university operation or direct-support organization reporting
 43 | such royalties and licensing fees. Revenue bonds may not be
 44 | secured by or be payable from, directly or indirectly, tuition,
 45 | the financial aid fee, sales and services of educational
 46 | departments, revenues from grants and contracts, except as may
 47 | be required through the United States Department of Education's
 48 | Historically Black College and University Capital Financing
 49 | Program or for money received for overhead and indirect costs
 50 | and other moneys not required for the payment of direct costs,

51 | or any other operating revenues of a state university. Revenues
52 | from one auxiliary enterprise may not be used to secure revenue
53 | bonds of another unless the Board of Governors, after review and
54 | analysis, determines that the facilities being financed are
55 | functionally related to the auxiliary enterprise revenues being
56 | used to secure such revenue bonds.

57 | Section 2. This act shall take effect July 1, 2018.

Amendment No. 1

COMMITTEE/SUBCOMMITTEE ACTION

ADOPTED	___	(Y/N)
ADOPTED AS AMENDED	___	(Y/N)
ADOPTED W/O OBJECTION	___	(Y/N)
FAILED TO ADOPT	___	(Y/N)
WITHDRAWN	___	(Y/N)
OTHER	_____	

1 Committee/Subcommittee hearing bill: Higher Education
 2 Appropriations Subcommittee
 3 Representative Alexander offered the following:

Amendment (with title amendment)

6 Remove everything after the enacting clause and insert:
 7 Section 1. Paragraph (a) of subsection (2) of section
 8 1010.62, Florida Statutes, is amended to read:

9 1010.62 Revenue bonds and debt.-

10 (2) (a) The Board of Governors may request the issuance of
 11 revenue bonds pursuant to the State Bond Act and s. 11(d), Art.
 12 VII of the State Constitution to finance or refinance capital
 13 outlay projects permitted by law. Revenue bonds may be secured
 14 by or payable only from those revenues authorized for such
 15 purpose, including the Capital Improvement Trust Fund fee, the
 16 building fee, the health fee, the transportation access fee,

Amendment No. 1

17 hospital revenues, or those revenues derived from or received in
18 relation to sales and services of auxiliary enterprises or
19 component units of the university, including, but not limited
20 to, housing, transportation, health care, research or research-
21 related activities, food service, retail sales, athletic
22 activities, or other similar services, other revenues
23 attributable to the projects to be financed or refinanced, any
24 other revenue approved by the Legislature for facilities
25 construction or for securing revenue bonds issued pursuant to s.
26 11(d), Art. VII of the State Constitution, or any other revenues
27 permitted by law. Revenues from the activity and service fee and
28 the athletic fee may be used to pay and secure revenue bonds
29 except that the annual debt service shall not exceed an amount
30 equal to 5 percent of the fees collected during the most recent
31 12 consecutive months for which collection information is
32 available prior to the sale of the bonds. The assets of a
33 university foundation and the earnings thereon may also be used
34 to pay and secure revenue bonds of the university or its direct-
35 support organizations. Revenues from royalties and licensing
36 fees may also be used to pay and secure revenue bonds so long as
37 the facilities being financed are functionally related to the
38 university operation or direct-support organization reporting
39 such royalties and licensing fees. Revenue bonds may not be
40 secured by or be payable from, directly or indirectly, tuition,
41 the financial aid fee, sales and services of educational

Amendment No. 1

42 departments, revenues from grants and contracts, except for
 43 money received for overhead and indirect costs and other moneys
 44 not required for the payment of direct costs, or any other
 45 operating revenues of a state university. However, moneys due to
 46 the state university from the Federal Government for the payment
 47 of grants and contracts may be used to pay debt service on
 48 revenue bonds only as required through the United States
 49 Department of Education's Historically Black College and
 50 University Capital Financing Program. Revenues from one
 51 auxiliary enterprise may not be used to secure revenue bonds of
 52 another unless the Board of Governors, after review and
 53 analysis, determines that the facilities being financed are
 54 functionally related to the auxiliary enterprise revenues being
 55 used to secure such revenue bonds.

56 Section 2. This act shall take effect July 1, 2018.

57
 58 -----
 59 **T I T L E A M E N D M E N T**

60 Remove everything before the enacting clause and insert:

61 A bill to be entitled

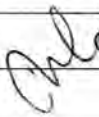
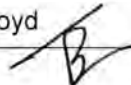
62 An act relating to postsecondary revenue bonds and
 63 debt; amending s. 1010.62, F.S.; authorizing state
 64 universities to use specified moneys to pay debt
 65 service on revenue bonds if required by a specified
 66 federal program; providing an effective date.

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		 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.

1 A bill to be entitled
 2 An act relating to excess credit hour surcharges;
 3 amending s. 1009.286, F.S.; providing an exception to
 4 the excess credit hour surcharge requirement for
 5 certain students; providing a separate excess hour
 6 surcharge threshold for students enrolled in certain
 7 degree programs designated as an area of strategic
 8 emphasis by the Board of Governors; providing an
 9 effective date.

10
 11 Be It Enacted by the Legislature of the State of Florida:

12
 13 Section 1. Subsection (2) of section 1009.286, Florida
 14 Statutes, is amended to read:

15 1009.286 Additional student payment for hours exceeding
 16 baccalaureate degree program completion requirements at state
 17 universities.—

18 (2) State universities shall require a student to pay an
 19 excess hour surcharge for each credit hour in excess of the
 20 number of credit hours required to complete the baccalaureate
 21 degree program in which the student is enrolled. The excess hour
 22 surcharge does not apply to a first-time-in-college student who
 23 completes the requirements of his or her respective
 24 baccalaureate degree program within 4 years. The excess hour
 25 surcharge shall become effective for students who enter a state

26 university for the first time and maintain continuous enrollment
 27 as follows:

28 (a) For the 2009-2010 and 2010-2011 academic years, an
 29 excess hour surcharge equal to 50 percent of the tuition rate
 30 for each credit hour in excess of 120 percent.

31 (b) For the 2011-2012 academic year, an excess hour
 32 surcharge equal to 100 percent of the tuition rate for each
 33 credit hour in excess of 115 percent.

34 (c) For the 2012-2013 academic year and thereafter, an
 35 excess hour surcharge equal to 100 percent of the tuition rate
 36 for each credit hour in excess of 110 percent. However, for
 37 students enrolled in a degree program designated by the Board of
 38 Governors as an area of strategic emphasis in a science,
 39 technology, engineering, mathematics, or health discipline there
 40 is an excess hour surcharge equal to 100 percent of the tuition
 41 rate for each credit hour in excess of 120 percent.

42 Section 2. This act shall take effect July 1, 2018.