

Department of Legislative Services
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FISCAL AND POLICY NOTE
First Reader

House Bill 719
Appropriations

(Delegate Hornberger, *et al.*)

Higher Education - Transfer Students - Courses Counting Toward Chosen Degree

This bill requires the Maryland Higher Education Commission (MHEC), in collaboration with the public institutions of higher education, to develop and implement a statewide transfer agreement as specified. Under the agreement, a public four-year institution of higher education that accepts a transfer student from a community college must identify any course completed for the student's chosen degree at the community college that does not count toward the student's equivalent degree at the public four-year institution. For any course that does not transfer, the public four-year institution must offer the student a substitute course that will count toward the transfer student's chosen degree at no cost to the student. **The bill takes effect July 1, 2020.**

Fiscal Summary

State Effect: Public four-year institutions revenues may decrease, by an estimated \$336 per credit hour, for credits that do not transfer; however, any such revenue loss may be at least partially offset by higher level courses taken by students that remain enrolled. Overall, the revenue loss cannot be reliably estimated, as explained below. Expenditures for public four-year institutions of higher education are not materially affected. MHEC can develop and implement the agreement using existing resources.

Local Effect: Local community colleges can collaborate with MHEC using existing resources. Revenues are not affected.

Small Business Effect: None.

Analysis

Current Law: Transfers between institutions of higher education in Maryland are covered by the [Maryland Student Transfer Policy](#), which governs the transfer of credits and other requirements. The policy is intended to help a student progress from a community college to a public four-year institution without loss of time or duplication of courses.

Maryland community college students who have completed an associate's degree or students who have completed 56 semester hours of credit with a cumulative GPA of 2.0 or higher on a scale of 4.0 may not be denied direct transfer to a Maryland public four-year institution, unless the number of students seeking admission exceeds the number that can be accommodated.

Courses taken at a Maryland community college as part of a recommended transfer program are ordinarily applicable to related programs at a Maryland public institution granting the baccalaureate degree.

The general education program a student takes at one public college or university transfers without further review to another public institution without the need for a course-to-course match. That is, courses that are designated as general education by a sending institution transfer as general education even if the receiving institution does not offer that specific course or has not designated that course as general education.

Courses designated as meeting the general education requirements at any Maryland public college must be applicable to the general education requirements at any other Maryland public college or university.

Credit earned in or transferred from an associate degree-granting institution are limited to approximately one-half the baccalaureate degree program requirement, capped at 70 credits, and to the first two years of the undergraduate educational experience.

Credits Hours for Degrees

MHEC must establish minimum requirements for issuing certificates, diplomas, and degrees by institutions of postsecondary education. The standard number of credits for a baccalaureate degree from a public four-year higher education institution is 120 credit hours. The standard number of credits required for an associate's degree from a public community college is 60 credit hours. There are specified exceptions to these standards.

Background: As shown in **Exhibit 1**, in fall 2018 almost 10,000 students transferred from a community college to a public four-year institution. Based on headcount enrollment, those students represented approximately 7% of undergraduate enrollment at public

four-year institutions. Unfortunately, it is a well-established fact that students who begin post-secondary education at a community college are less likely to earn a bachelor's degree than otherwise similar undergraduates who begin at a four-year institution. One reason is loss of credits during the transfer process.

Exhibit 1
Number of Community College Students Transferring to
Public Four-year Institutions
Fall 2018

<u>Institution</u>	<u>Transfer Students</u>
University System of Maryland Institutions	
University of Maryland, College Park Campus	2,100
University of Maryland, Baltimore Campus	207
Bowie State University	320
Towson University	2,357
University of Maryland Eastern Shore	131
Frostburg State University	465
Coppin State University	149
University of Baltimore	315
Salisbury University	794
University of Maryland University College ¹	1,627
University of Maryland Baltimore County	1,153
Other Public Four-year Institutions	
Morgan State University	264
St. Mary's College of Maryland	113
Total	9,995

¹ University of Maryland University College is now known as University of Maryland Global Campus.

Note: Figures reflect undergraduate students who were enrolled in Maryland community colleges in fall 2017 and subsequently enrolled in a Maryland four-year public institution in fall 2018.

Source: Maryland Higher Education Commission

A 2014 research study examining the community college path to a bachelor's degree in *Educational Evaluation and Policy Analysis* found that 14% of transfer students in the study had less than 10% of their community college credits transfer to their four-year institution. Approximately 28% of students lost between 10% and 89% of their credits, and 58% of students were able to transfer over 90% of their college credits. According to the study, those students who lose credits have significantly lowered chances of earning a bachelor's degree. Students who have all or almost all their credits transferred have a greater chance (2.5 times more) of earning a bachelor's degree than students with less than half their credits transferred. Students who have between one-half and 89% of their credits accepted by their four-year institution have a 74% higher chance of earning a bachelor's degree. This is after controls were added to the study, such as the student's pretransfer GPA.

University of Maryland College Park Campus

The University of Maryland College Park Campus (UMCP) advises that all students, whether transfer or native, are required to retake previously taken courses that do not meet UMCP's gateway requirement. That is, UMCP does not accept credit for transfer courses that UMCP faculty do not view as academically equivalent or as appropriate preparation for higher level courses that the student would later enroll in.

For example, a student who earns a score of 3 on AP Biology would typically receive credit for this course at a community college but would not receive credit at UMCP (as UMCP requires a score of 4 or higher for credit), obliging a freshman with a score below 4 to take the course at UMCP. Thus, UMCP also does not allow a community college transfer student who received credit for receiving a 3 on AP Biology to transfer that credit to UMCP.

Other examples of credits that may not transfer are coursework that the community college has accepted from other institutions prior to the student entering the community college; learning credit accepted by the community college (*e.g.*, Advanced Placement (AP); International Baccalaureate (IB); College Level Examination Program (CLEP)); community college coursework UMCP does not currently accept (*e.g.*, vocational); CLEP, AP, and IB scores lower than the UMCP threshold; experiential courses; credit for military coursework; Maryland Fire and Rescue Institute courses; credit by exam for outside institutions; and courses in which students did not earn an applicable grade (*e.g.*, earning a "D" in a gateway course).

Tuition and Fees

Tuition and fees for community colleges and public four-year institutions of higher education are shown in **Appendix – Maryland Tuition and Fees**.

State Revenues: Public four-year institution revenues may decrease, by an estimated \$336 per credit hour, for credits that do not transfer; however, any such revenue loss may be partially offset by higher level courses taken by students that remain enrolled. This estimate is based on the simple average full-time in-state tuition and fees for public four-year institutions in fall 2020 being approximately \$10,100 for the academic year and an assumption of 30 credit hours per year. It is unknown how many credit hours a transfer student will take at no cost under the bill.

Based on information not specific to Maryland, community college students lose an average of 15 credits (or five three-credit courses) when they transfer to a four-year institution. It is unknown how many of those credits will qualify for a substitute course under the bill. However, if an average of 9 credits per transfer student qualify, revenues could decrease by an estimated \$3,024 per transfer student, which equates to \$30.2 million annually. To the extent that community colleges and public four-year institutions develop closer transfer agreements due to the bill, the revenue loss may be significantly less. Further, it is likely that transfer students who receive this assistance are motivated to enroll or remain enrolled in the public four-year institution longer; thus, any initial revenue loss may be at least partly offset over the longer term.

Additional Comments: UMCP advises that, as it generally charges students a flat rate for the semester, it is unclear how the bill will be implemented. UMCP also advises that it is unclear how to treat a community college student who changes degrees or disciplines between the community college and the four-year institution.

Additional Information

Prior Introductions: None.

Designated Cross File: None.

Information Source(s): Maryland Higher Education Commission; Baltimore City Community College; University System of Maryland; Morgan State University; *Educational Evaluation and Policy Analysis*; Department of Legislative Services

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Appendix – Maryland Tuition and Fees

Tuition Residency Requirements

For institutions within the University System of Maryland (USM), the Board of Regents sets tuition policies, including the determination of which students are eligible for resident (*i.e.*, in-state) tuition. The basic policy, [USM Board of Regents Policy on Student Classification for Admission and Tuition Purposes \(VIII-2.70\)](#), requires students to be identified as permanent residents of Maryland to qualify for resident tuition, meaning they have lived continuously in the State for at least 12 months immediately prior to attendance at a USM institution. An individual who is residing in Maryland primarily for the purpose of attending an educational institution is not considered a permanent resident. The Board of Regents of Morgan State University and the Board of Trustees of St. Mary's College of Maryland set tuition policies for those institutions. The policies for the institutions are very similar to the USM policies. Both institutions require one year of residency in Maryland to qualify for in-state tuition rates.

The [USM Board of Regents Policy on Undergraduate Admissions \(III-4.00\)](#) limits out-of-state undergraduate enrollment to no more than 30% of each institution's total undergraduate enrollment, excluding the University of Maryland Global Campus and students enrolled exclusively in distance education programs.

Typically, there is a three-month residency requirement for community colleges.

Public Four-year Tuition and Fees Proposed for Fall 2020

Proposed fall 2020 in-state and out-of-state tuition and fee rates for full-time undergraduates at public four-year institutions are shown in **Exhibit 1**. Using the simple average, in-state tuition and fees for fall 2020 are approximately \$10,000. The difference between in-state and out-of-state for fall 2020 tuition ranges from more than \$26,000 for the traditional nursing program at the University of Maryland, Baltimore Campus (\$29,376) and the University of Maryland, College Park Campus (\$26,635) to almost \$6,000 at the University of Maryland Global Campus. The difference between the rates at each campus, using the simple average, is almost \$14,300.

Exhibit 1
In-state and Out-of-state Undergraduate Tuition at Public Four-year Institutions
Proposed Fall 2020 Rates

<u>Institution</u>	<u>In-state</u>	<u>Out-of-state</u>	<u>Difference</u>
University System of Maryland Institutions			
University of Maryland, College Park Campus	\$10,946	\$37,581	\$26,635
University of Maryland, Baltimore Campus ¹	11,385	40,761	29,376
Bowie State University	8,658	19,399	10,741
Towson University ²	10,458	25,510	15,052
University of Maryland Eastern Shore ³	8,729	19,347	10,618
Frostburg State University ²	9,600	24,086	14,486
Coppin State University	6,809	13,334	6,525
University of Baltimore	9,356	21,964	12,608
Salisbury University ²	10,268	20,970	10,702
University of Maryland Global Campus ^{4,5}	9,450	15,420	5,970
University of Maryland Baltimore County	12,300	28,490	16,190
Other Public Four-year Institutions			
Morgan State University	8,118	18,798	10,680
St. Mary's College of Maryland	15,132	31,209	16,077

¹Reflects tuition and fees for the traditional nursing program. Other undergraduate programs at the University of Maryland, Baltimore Campus have different tuition and fees.

²Towson University, Salisbury University, and the University of Maryland Global Campus have separate, lower out-of-state rates for students enrolled at the University System of Maryland at Hagerstown.

³The University of Maryland Eastern Shore has a separate, lower regional rate for non-Maryland students residing in Delaware and the Eastern Shore of Virginia.

⁴Towson University, Salisbury University, and the University of Maryland Global Campus have separate, lower out-of-state rates for students enrolled at the University System of Maryland at Hagerstown.

⁵Based on 30 credit hours.

Note: Rates are pending final approval.

Source: Morgan State University; St. Mary's College of Maryland; University System of Maryland; Department of Legislative Services

Community College Tuition and Fees Fall 2019

Fall 2019 in-county, out-of-county, and out-of-state tuition rates for community colleges are shown in **Exhibit 2**. The exhibit shows that in-county tuition and fees average approximately \$4,600. As a State institution, Baltimore City Community College has one in-state rate. Generally out-of-state rates at community colleges are two to three times the in-county rates.

Exhibit 2
In-county, Out-of-county, and Out-of-state Tuition and Fees at Community Colleges
Based on 30 Credit Hours Per Year
Fall 2019

<u>College</u>	<u>In-county</u>	<u>Out-of-county</u>	<u>Out-of-state</u>
Allegany	\$4,800	\$8,250	\$10,170
Anne Arundel	4,280	7,730	12,650
Baltimore City	3,364	3,364	7,444
Baltimore County	4,986	8,376	12,036
Carroll	5,100	7,838	10,447
Cecil	4,650	7,950	9,480
Chesapeake	4,850	6,920	9,230
College of Southern MD	4,913	8,588	11,025
Frederick	4,579	9,019	11,929
Garrett	4,520	8,930	10,670
Hagerstown	4,290	6,405	8,235
Harford	4,783	7,580	10,377
Howard	4,991	7,811	9,311
Montgomery	5,322	10,254	14,034
Prince George's	4,700	7,550	10,610
Wor-Wic	4,170	7,800	9,630

Source: Maryland Association of Community Colleges
