

Office of Operations Review and Audit



Program Review

UW System Excess Credit Policy

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EXECUTIVE SUMMARY

Among the strategies the UW System has adopted to help reduce the amount of time it takes a student to earn a degree is the “Excess Credit Policy” (RPD 4-15), which the Board of Regents adopted in December 2002. The policy requires UW institutions to: (1) review the requirements for programs requiring more than 130 credits; (2) identify and counsel students accumulating credits in a manner that could result in their earning more than 165 credits or 30 credits more than required by their degree program; (3) charge resident students a surcharge for credits taken beyond the limits; and (4) allow for exceptions.

Policy Implementation

The UW System Office of Operations Review and Audit found that UW institutions have implemented the provisions of the excess credit policy, relying upon existing processes and practices to implement the policy. Specifically, institutions use academic program reviews to review credit requirements; Degree Audit Reviews and data retrievals from student information systems to identify students accumulating excessive credits; and academic advisors and other existing means of communication, such as student orientation and course catalogs, to inform students about the policy.

UW institutions have also implemented appeal processes for students who seek waivers of the excess credit surcharge. Available data from nine UW institutions indicate that the majority of students who have appealed a surcharge under the policy have been successful in their appeals.

Application of the Surcharge

The excess credit policy describes a surcharge equal to 100 percent of the regular resident tuition on credits beyond the credit thresholds. A review of surcharge methodologies shows some variation in how the surcharge is determined. The report recommends UW System Administration revise F44, “Tuition and Fee Policies for Credit Instruction,” to make clear the surcharge is to be applied to all credits earned in the semester following the one in which the credit limit is exceeded and to clarify the calculation method.

While revenue generation was not the intent of the policy, data indicate that total revenue generated by the surcharge between fiscal years 2004 and 2008 was \$382,000. The total is understated by at least \$29,000 due to reporting errors, and the report recommends UW institutions ensure proper coding of surcharge revenue.

Extent of Use of the Policy

The available data suggest that the number of students who exceeded the policy’s credit limits represent approximately one-half of one percent of total resident undergraduate enrollment. Despite its limited application, the policy remains available as a tool for ensuring students complete their degree requirements efficiently. The policy is similar to policies in use at several other universities.

INTRODUCTION

The UW System Office of Operations Review and Audit reviewed UW institutions' implementation of Regent Policy Document (RPD) 4-15, "Excess Credit Policy," which was adopted in December 2002. This review was included in the UW System Office of Operations Review and Audit review plan for 2008.

To conduct the review, Office of Operations Review and Audit staff surveyed or interviewed staff at all UW institutions regarding implementation of RPD 4-15; reviewed minutes from the December 2002 and June 2003 Board of Regents meetings, at which the policy was discussed; reviewed the Excess Credits Policy Implementation Working Group report; and collected information on other higher education institution policies regarding credit thresholds.

BACKGROUND

The UW System has undertaken various initiatives to address student retention and graduation rates and improve credits-to-degree and time-to-degree measures. The UW System's most recent Accountability Report noted that "2006-07 UW graduates took an average of 134 credits between the time they were new freshmen and the completion of their bachelor's degrees. By reducing credits to degree from 145 in 1993-94 to 134, the UW System has surpassed the target of 140 set by the UW Board of Regents."

To help ensure the number of credits remains at or below the target, the Board adopted a policy aimed at students who take an excessive number of credit hours to complete their degree requirements. The basis for identifying students with excess credits is that these students reduce course availability for other students and incur taxpayer-supported costs for a longer-than-necessary time.

At its December 2002 meeting, the Board of Regents adopted Resolution 8625, establishing an Excess Credit Policy for the UW System. The policy provides that:

- UW institutions "will review the requirements for programs that currently require more than 130 credits;"
- each institution "will develop a process to identify and counsel students who are accumulating credits in a manner that could result in their amassing more than 165 credits (or 30 credits more than required by their degree programs, whichever is greater) by the time they fulfill all of the degree requirements;"
- "resident undergraduate students who have accumulated 165 credits (or 30 credits more than required by their degree programs, whichever is greater) will be charged a surcharge, equal to 100 percent of the regular resident tuition, on credits beyond that level;" and
- implementation rules should give UW institutions flexibility "to provide exceptions where appropriate to ensure students are able to complete their degree requirements."

DISCUSSION AND RECOMMENDATIONS

Two factors prompted the Board of Regents to address the issue of students accumulating an excessive number of credits. First, the Board's goals of maintaining affordability and access to UW institutions are served by encouraging students to obtain a degree in a time-efficient manner. When students graduate sooner and with fewer credits, this frees up resources and allows UW institutions to serve more students. Second, then-Governor McCallum vetoed a 2001-03 budget repair bill provision that would have required all students accumulating more than 165 credits toward their first undergraduate degree to pay the full cost of instruction. In place of the legislation, the Board of Regents enacted a policy that would achieve the same objectives.

In conducting this evaluation, we reviewed: implementation guidelines for RPD 4-15, the requirement that institutions review programs requiring more than 130 credits, the identification and counseling of students with excess credits, institutions' appeal processes, the application of the surcharge, and the extent of use of the policy.

IMPLEMENTATION GUIDELINES FOR RPD 4-15

An Excess Credits Policy Implementation Working Group was formed to develop procedures to assist the UW institutions with the efficient implementation of the policy. The working group issued a final report in May 2003 that established guidelines for institutions to use in implementing the excess credit surcharge, concluding that individual institutions were in the best position to determine how to implement the other components of the policy. The working group established the following surcharge guidelines:

- *Students covered:* The policy covers all resident undergraduate students pursuing their first bachelors degree, including students pursuing a double degree or double major. Minnesota reciprocity students are not covered by the policy until such time that Minnesota adopts a similar policy.
- *Credits covered:* The policy applies to all UW System-earned credits and Wisconsin Technical College System transfer credits accepted toward a degree. Credits transferred from other institutions, as well as other types of credit or coursework for which credit may be awarded, such as advanced placement, are not included in the credit limit.
- *Implementation guidelines:* The policy was to be administered at the institutional level, beginning with the fall 2004 semester. The surcharge would be applied to students in the semester following the one in which they reached the earned credit limit. Institutions may make exceptions to the surcharge requirement through an appeal process in cases of extenuating circumstances beyond a student's control.

The working group did not provide guidance for the other policy components, such as reviewing degree program credit requirements or establishing an appropriate appeal process. Despite the

absence of specific UW System guidelines in these areas, we found many similarities in how the institutions have implemented the policy.

REVIEW OF PROGRAMS REQUIRING MORE THAN 130 CREDITS

RPD 4-15 directs institutions to review the requirements for all programs that require more than 130 credits. According to Board of Regents minutes, the review of program credit requirements was intended to allow institutions to: (1) reduce credit requirements where appropriate; and (2) assist in determining when to apply the excess credit surcharge to students seeking a degree that requires more than 130 credits.

Although the policy does not specify whether the review of programs was to be a one-time or an ongoing review, institutions do routinely review requirements for programs requiring more than 130 credits. For example:

- UW-Oshkosh, River Falls, and Stout reported that they review academic programs and their credit requirements annually;
- UW-Superior indicated it conducts a review that coincides with each new two-year program catalog; and
- UW-Green Bay reported conducting a review of program credit requirements when new programs are proposed or when an existing program proposes increasing its credit requirements.

Although our review indicates that the routine reviews occur, data were not available to allow a determination as to whether the individual institutional program credit reviews have resulted in reductions to specific programs' degree credit requirements.

In addition to institutions' program credit review efforts, UW System Administration Academic Affairs staff consider total required credits as one component in their review of new program proposals, encouraging campuses to develop curricula for new degrees that limit requirements to less than 130 credits whenever possible.

IDENTIFICATION AND COUNSELING OF STUDENTS WITH EXCESS CREDITS

RPD 4-15 requires the institutions to identify and counsel students who are earning credits in a manner that could result in their accumulating more than 165 credits, or 30 credits more than required by their degree programs, whichever is greater, by the time they fulfill their degree requirements. Minutes from the Board of Regents discussion about the role of counseling indicate that Board members expected institutions to assist students prior to their reaching the credit limits. The final report of the Excess Credits Policy Implementation Group stated that individual institutions are in the best position to determine how to monitor and advise students

accumulating excessive credits. We reviewed how institutions identify students at risk of exceeding credit limits and institutions' counseling efforts.

Student Identification

All institutions reported that they have a process for identifying students who have exceeded, or may be at risk of exceeding, the credit limits specified by RPD 4-15. The process typically involves a semester report that identifies students who have reached a predetermined number of earned credits, ranging from 130 to 145, depending on the institution. The students are further sorted to eliminate any that may have non-applicable credits as defined by policy, such as transfer credits that have increased their total credits. The institutions then send letters notifying the students to contact their academic advisors to review their academic progress.

Our review found that most institutions use their Degree Audit Reviews (DAR) as the primary way of identifying students at risk of accumulating an excessive level of credits. The DAR is a computerized system institutions use to compare a student's academic record with the requirements of their degree program and to assist the student and their faculty advisor in determining which degree requirements remain to be completed. Other identification methods include data retrievals from student information systems to identify students with excessive credits.

Counseling Efforts

The excess credit policy calls for counseling efforts for students approaching 165 credits or 30 credits more than required by their degree programs. Our review found that institutions rely on established means of communication and advising protocols and have not created new counseling programs in response to RPD 4-15. For example:

- UW-Eau Claire provides information to new students about the excess credit policy as part of their freshman orientation;
- UW-Milwaukee and UW-Superior provide information regarding the excess credit policy in their course catalog; and
- UW-Eau Claire trains faculty advisors on the specifics of the excess credit policy.

Once a student is identified as at risk of exceeding credit limits, UW institutions notify the student by e-mail, letter, or both, recommending the student contact his or her academic advisor to discuss a graduation plan. Institutions also often provide information regarding the student's right to appeal any applied excess credit surcharge and the surcharge appeal process. Some institutions require a written graduation plan be completed and signed by both the student and advisor.

These efforts suggest two areas in which institutions may wish to review their current practices. Specifically:

- Some institutions notify students of their high-credit status only in the semester in which they will exceed the limits. While this complies with the policy, greater effort to identify and counsel students earlier may allow students to make better course choices.
- Institutions that currently do not require a graduation plan to be developed and signed may want to consider this approach as a way of promoting the prompt completion of degree requirements.

APPEAL PROCESS

The excess credit policy allows institutions to implement rules that provide exceptions to charging students the excess credit surcharge, where appropriate, to ensure students are able to complete their degree requirements. The Excess Credits Policy Implementation Workgroup guidelines state that an appeal process should be established to grant waivers in cases of extenuating circumstances beyond a student's control.

The Board of Regents, during discussions about the policy in 2002, expressed concern that the policy would prevent some students from completing their degree or cause them to be charged due to circumstances resulting from no fault of their own, such as poor advice or life events. As a result, the originally-proposed policy was changed to allow exceptions to the surcharge, as determined by individual institutions.

We found that all UW institutions have created an appeal process through which students can challenge an excess credit surcharge. Institutions have established various administrative models to handle appeals. Examples include:

- at UW-Green Bay, the student's academic advisor, chair of the academic department, and dean all review the appeal;
- UW-Superior uses an appeals committee comprised of the registrar, director of financial aid, and the bursar;
- UW-Whitewater has established an appeal review committee comprised of the Associate Vice Chancellor for Academic Affairs, registrar, and the associate registrar.

In general, institutions require a student to submit: (1) a completed appeal form; (2) a written statement that cites the student's plan for graduation; and (3) information on any extenuating circumstances that the student believes should be taken into account during the appeal process. The available data indicate that most students who appeal a surcharge are successful. The nine institutions that were able to provide both the number of successful and unsuccessful appeals show that students have had an overall appeal success rate of 90 percent, or 781 out of 868 cases. The lowest appeal-success rates were at UW-La Crosse, Madison, and Stout, all at 86 percent; the highest was at UW-Green Bay, at 100 percent. Two institutions have yet to have a student file an appeal, and two institutions' data are not comparable to the data collected from the other institutions.

Anecdotal evidence shows that institutions grant excess credit surcharge waivers for similar reasons. Examples of students' reasons in appeals that were granted include:

- the student was entering their final semester prior to graduating with a degree;
- the student had made one major or program change and had taken courses that apply toward the new degree requirements since the change; or
- the student had received poor academic advice.

UW institutions handle appeals on a case-by-case basis and do not appear to use set criteria that define what is considered appropriate or what constitutes circumstances beyond a student's control. As might be expected, it appears that appeals are more often denied because of circumstances within a student's control. Examples of rejected appeals include instances in which a student: has no immediate plan to graduate, has enrolled in a dual degree program, has sought licensure or certification along with a baccalaureate degree, has changed their choice of program, or has not demonstrated an ability to satisfactorily complete requisite course or program requirements.

APPLICATION OF THE SURCHARGE

RPD 4-15 indicates that the excess credit surcharge is to be applied to excess credits at a rate "equal to 100 percent of the regular resident tuition, on credits beyond that level." We reviewed both the application of the surcharge and the amount of revenue the surcharge has generated.

Surcharge Methodology

The excess credit surcharge depends on two variables: when the surcharge is applied, and the regular tuition calculation for an individual student. We examined these two variables.

The Excess Credits Policy Implementation Workgroup indicated that the surcharge is to be applied in the semester following the one in which the credit limit is exceeded. In reviewing the calculation methodology for approximately half of the UW institutions, we found that institutions are applying the surcharge in the proper semester.

As for the calculation of the surcharge, several calculation methods are possible. If a resident student takes fewer than 12 credits in the semester that an excess credit surcharge applies, their regular tuition would double. However, if a student takes more than 12 credits, the credit plateau established by RPD 32-4, "Tuition Structure: 12-18 Credit Plateau," may affect how an institution calculates the surcharge. As shown in the Appendix, the surcharge could be calculated by: (1) doubling the tuition amount for all credits taken in the semester following the one in which the credit limit is exceeded; (2) doubling tuition for all credits up to 12, and charging regular tuition for those credits above 12; or (3) doubling the "plateau rate" which, in effect, doubles tuition for all credits up to 12, but does not add a charge for more than 12 credits.

In reviewing methodologies at five UW institutions, we found that four were using the third of these methods, and one was using the second method.

In 2006 UW System Financial Administration and institution staff discussed the possible methodologies for calculating the surcharge and concluded that the third method was most appropriate. However UW System financial and administrative policies have not been updated to reflect the calculation methodology to be used in determining an excess credit surcharge. Therefore, *we recommend that UW System Administration revise F44, "Tuition and Fee Policies for Credit Instruction," to specify the proper semester in which to apply the surcharge and the appropriate calculation method.*

Surcharge Revenue

Data on the amount of revenue generated by the surcharge supports initial conclusions, as expressed by the Board of Regents, that the policy would not generate significant revenue. We found that surcharge revenues collected have increased from more than \$54,000 in fiscal year 2004-05 to more than \$119,000 in 2007-08. In total, \$382,634 in revenue has been reported to UW System Financial Administration since the beginning of the surcharge policy. UW-Milwaukee and UW-Whitewater accounted for more than 86 percent of all surcharge revenues. Institutions are authorized to keep the surcharge revenues, and allowable uses are not prescribed by UW System Administration.

Based on UW System financial data, six institutions reported collecting funds, while seven reported no surcharge revenues. However, our review found that some institutions may not be properly coding revenues collected through the policy and, therefore, total revenues associated with the surcharge are likely understated. For example, although UW System Financial Administration data show no reported revenues for UW-Madison, Eau Claire, or Stout:

- UW-Madison indicated it has collected more than \$29,000 through the surcharge since the policy was implemented;
- UW-Eau Claire appeals data suggest that at least six students were charged the surcharge; and
- UW-Stout reported denying more than 35 surcharge appeals since 2004.

In order to accurately reflect the overall revenue activity associated with the policy, *we recommend that UW institutions review their current accounting practices to ensure they are properly coding revenues associated with the excess credit surcharge.*

EXTENT OF USE OF THE POLICY

In reviewing the implementation of the policy, we reviewed the extent to which the policy has actually been used since its adoption, as well as the extent to which other universities have similar policies.

Limited Use of the Policy

We reviewed the number of times students exceeded the policy credit limits since the policy's implementation. Table 2 summarizes the number of times students exceeded the credit limits since the adoption of the policy in 2004. The table is not a headcount, because students may exceed the limits in more than one semester.

Table 2
Number of Times Students Exceeded RPD 4-15 Credit Limits, by Academic Year

UW Institution	2004-05	2005-06	2006-07	2007-08
Eau Claire*	23	15	15	17
Green Bay	13	11	21	7
La Crosse	35	22	23	20
Madison	62	15	48	57
Milwaukee	124	54	103	126
Oshkosh**	97	85	82	84
Parkside	0	0	0	0
Platteville**	15	20	18	19
River Falls	16	6	11	19
Stevens Point	34	31	44	46
Stout	51	69	69	81
Superior	11	10	7	5
Whitewater	40	31	41	49
Totals	521	369	482	530

*UW-Eau Claire data for 2004-05 and 2005-06 only show the number of times surcharge appeals were successful and are a subset of the total number of times credit limits were exceeded.

**UW-Oshkosh and UW-Platteville included students who exceeded the limits in the semester they graduated.

While the data in Table 2 do not reveal any particular trends, there has been an increase of approximately two percent in the number of times students exceeded the credit limits when academic year 2004-05 is compared with 2007-08. UW-Milwaukee had the largest number, totaling 407 over the four years. UW-Parkside had no students exceed the limits, while UW-Superior had the next lowest number of times, at 33 for the four-year period. Even if this were a headcount, the number of students who exceeded the policy credit limits would represent approximately one-half of one percent of total resident undergraduate enrollment.

Overall, the data show that a small percentage of students exceed the credit limits, raising a question about whether continuation of the policy is beneficial. A benefit of eliminating the policy would be savings of an indeterminate amount of administrative costs. The primary benefit of continuing the policy is its availability as a tool for encouraging credit-to-degree efficiency and maintaining student access. The policy also recognizes UW System's responsibility as a steward of taxpayer tuition support.

UW institution staff expressed some concerns regarding the excess credit policy, including a concern that the cost of administering the policy may exceed revenues collected due to the policy. They also suggested that the policy is in conflict with the recently initiated Adult Student Initiative program, which encourages former students to return to complete their degrees. Since some returning adult students may have earned significant credits in their prior tenure at a UW institution, they may eventually be subject to the excess credit surcharge. While it would be reasonable to expect some conflicts between the excess credit policy and the Adult Student Initiative program, the policy as currently written provides institutions with sufficient flexibility through the appeal process to address any conflict between the excess credit policy and returning adult students.

Other Higher Education Institutions' Excess Credit Policies

We reviewed whether other universities have adopted policies similar to the UW System's excess credit policy. The most common form of excess credit policy we found involved semester maximum course loads where an additional fee may be charged, or permission required, in order to exceed the limit. Other policies limit the allowable number of transferrable credits. However, we did find several examples of excess credit policies that mirror the UW System's:

- The University of Washington's policy requires students to achieve an undergraduate degree within 30 credits beyond the minimum required for the degree. A hold is placed on a student's registration unless they receive approval from their department or college after filing a graduation plan.
- Utah State Board of Regents' policy mandates that students who take credit hours in excess of 135 percent of the credits required for graduation be charged at the full cost of instruction unless the institution determines that the student should be exempt from the surcharge.
- Texas statutes, since 1999, allow higher education institutions to charge a resident undergraduate student a higher rate of tuition, not to exceed the rate charged to nonresident students, if the student previously attempted at least 30 credits in excess of the semester credit hours required for the student's degree program.

The Texas example has a significant difference in that attempted, not earned, credits are used to determine when a student has accumulated an excessive number of credits.

In general, however, these examples have a number of similarities with UW System's excess credit policy. Similarities include: the use of 30 credits beyond degree requirements as a limit, a charge of the amount of full tuition to resident students as a penalty, and an allowance for exemptions from the policy. Another similarity is the use of a graduation plan for those students demonstrating a lack of academic progress.

CONCLUSION

The UW System has initiated several strategies to reduce time and credits to degree, including an excess credit policy that allows for a surcharge of the full cost of tuition for a resident student who has accumulated excessive credits in pursuit of his or her first bachelor's degree. The policy is intended to increase access for new students, as well as reduce taxpayer costs.

Our review found that all UW institutions have implemented the policy and have procedures for the identification and advising of students at risk of incurring a surcharge. The number of students exceeding the credit limits is small, but has increased slightly since policy implementation in fall 2004. The total number of students accumulating a large number of earned credits is approximately one-half of one percent of total enrollment. The review recommends that:

- *UW System Administration revise F44, "Tuition and Fee Policies for Credit Instruction," to specify the proper semester in which to apply the surcharge and the appropriate calculation method; and*
- *UW institutions review their current accounting practices to ensure they are properly coding revenues associated with the excess credit surcharge.*

Appendix

Excess Credit Surcharge Calculation Illustration

The following illustrations of surcharge-calculation methodologies use the example of a student enrolled for 15 credits in the semester that an excess surcharge applies. The UW-Oshkosh fall 2008 per-credit tuition of \$251.56 is used for the illustrations.

Method 1	Method 2	Method 3
<p>Regular tuition is doubled for all credits, without regard to the 12-to-18-credit plateau.</p> <p>Calculation:</p> <p>15 credits x \$251.56 = \$3,773.40 + 15 credits x \$251.56 = \$3,773.40</p> <p>Total Fees = \$7,546.80</p>	<p>Regular tuition is doubled for all credits up to 12, but not for the three credits in the 12-to-18-credit plateau.</p> <p>Calculation:</p> <p>12 credits x \$251.56 = \$3,018.72 + 15 credits x \$251.56 = \$3,773.40</p> <p>Total Fees = \$6,792.12</p>	<p>The 12-to-18-credit plateau rate is doubled, with no additional charge for more than 12 credits.</p> <p>Calculation:</p> <p>12 credits x \$251.56 = \$3,018.72 + 12 credits x \$251.56 = \$3,018.72</p> <p>Total Fees = \$6,037.44</p>