A Proposal for Degree Funding

Summary

Over the past several years the legislature, Board of Regents, and universities have worked on a variety of programs to improve the efficiency and accountability of university education. These efforts have as their goal the improvement of a student-centered undergraduate program in our universities.

A critical analysis for improving these programs measured the total number of credit hours required for a degree compared to the total number of credit hours taken for the degree. The most recent measurement shows that on average students in Florida’s public universities take about 24 credit hours beyond those required for the final degree. Students need some number of extra hours to explore various degree paths, but approximately half the extra hours are excess. Better management of the student’s progress towards a degree could eliminate these excess hours.

In an ideal world students could take as many extra hours as desired. However, the state of Florida cannot afford to pay for unlimited extra hours as the number of students needing access to the state’s public universities continues to grow.

A reasonable balance between the students’ need for educational exploration and the state’s need for greater access for all its citizens to higher education gives the student extra hours up to 10% of those required for their degree at state expense. The cost of excess hours beyond the 10% will become the responsibility of students and universities. This funding model gives both the universities and the students an incentive to reduce excess hours while also recognizing that students need some extra hours to fully meet the needs of their degree programs.

Degree Funding Program

Degree Funding applies to students entering a public university beginning in 1996-97 and does not affect currently enrolled students. The first students to graduate under Degree Funding will be community college and other transfers entering in 1996-97 and graduating in 1997-98. Most students entering an SUS university as freshmen in 1996-97 will begin graduating in 1999-2000.

The first chart shows the estimated number of Degree Funding graduates beginning in 1996-97 and continuing through 2001-02. As the program continues, more and more students will pursue their degrees under the Degree Funding program and more and more of the universities’ graduates will be Degree Funded graduates.

Students may take as long as needed to complete their degrees, attending full or part-time as their obligations and opportunities require. During the time students are enrolled at a university, the state will fund the university for a total of 66 credit hours for each community college AA student entering the university for a 120 hour degree program.

For each FTIC (First-Time-in-College) student entering the university, the state will fund the university during the time the student is enrolled for the hours required in the student’s degree program plus 10% (so a student in a 120 hour program will be funded for 132 hours). If a community college student or other transfer enters
with any other number of credit hours applicable towards a degree the state will pay for the remaining hours of the degree program plus 10%.

For other transfer students the university would be funded for the required hours after transfer hours are posted plus 10%. So, for example, a student who enters the university as a transfer with 50 hours towards a 120 hour degree can receive up to 70 hours plus 10% or another 7 extra hours for a total of 77 hours of state funded credit.

This program does not change the way universities in the SUS currently prepare their enrollment plans or change how the state funds these enrollment plans. If a Degree Funding student graduates in fewer hours than paid by the state, the enrollment plan is unaffected, and there is no penalty for under-enrollment from this cause.

Operation of Degree Funding

The hours in the enrollment plan taken in excess of degree requirements will be determined each year by examination of the accountability reports for each university that report hours taken above the degree requirements for each graduating class. This table shows the hours taken beyond those required by the Spring 1995 baccalaureate degree recipients at each university. In the future, the universities will report the extra and excess hours of Degree Funded students separately from current students.

Because the state does not pay for the excess hours beyond 10% for students in the Degree Funding program, as the number of these students increases, the number of excess hours paid for by the state decreases as shown in these charts.

Students in the Degree Funding program will be billed at the standard tuition and fee rate for Degree Funded hours, and the university receives full formula funding for these hours. Degree Funded hours include those required for the degree plus 10% extra hours. For the excess hours taken beyond Degree Funding hours the state pays nothing. The university and students split the cost of excess hours beyond Degree Funding hours, motivating both the university and the student to reduce these hours to zero. For these excess hours the student pays the standard tuition and fee rate. In addition, the student pays for the direct cost of instruction on a sliding scale that increases the student’s cost as the number of excess hours increases.

For the first three excess hours beyond Degree Funded hours, the student pays 25% of the direct cost of instruction (about $15 per credit hour) and the university pays 75% of the cost (about $45 per credit hour). For the second three hours, the student pays half and the university pays half ($30 per credit hour). With the third three hours of excess credit, the student pays 75% of the cost ($45 per credit hour) and the university pays 25% ($15). After nine excess hours, the student pays 100% of the direct cost of instruction or about $60 per credit hour for all additional excess hours.

The university also must pay for all the other costs of instruction other than the direct costs for these excess hours, an amount of about $86 per credit hour.

Excess Hours Paid by the State with Degree Funding Program

![Chart showing excess hours and state funding](chart.png)
As more and more students participate in the Degree Funding program, the number of excess credit hours paid for by the state declines as current students graduate and new students enter under the Degree Funding program entitled to only 10% extra credit hours and no excess credit hours at state expense. The university keeps track of the hours students attempt as it is done now, by posting hours attempted to the transcript. Degree program hours include all hours attempted, following the model of the state pre-paid tuition plan.

Students can use AP, IB, CLEP hours for degree requirements but these hours do not affect Degree Funding hours. Military Science and other hours not paid for by the state also do not affect Degree Funding hours. When students change majors, the number of Degree Funding hours changes only if the new major requires more hours than the previous major. All hours attempted count in a student’s degree funding hours, regardless of the major under which they were attempted.

Universities will handle the billing for excess hours beyond Degree Funding hours locally in the same manner that they now bill differentially for in-state and out-of-state students and for undergraduate and graduate courses.

Increased Access

By reducing excess hours universities make possible an increase in access to public higher education, a goal of the SUS Master Plan and a high priority for the state. A full-time-equivalent (FTE) student equals 40 credit hours. The number of individual student admissions made possible by this program depends on course on how many hours each individual student takes each semester. Whatever individual students decide, the new headcount of individual students will be at least as large as the FTE shown in the chart because most students in public universities do not take 40 credit hours per year.

Student Considerations

Most students in the state’s public universities graduate with no more than one change in their majors. The improvements in articulation with community colleges, the reduction of general education requirements, and other recent curricular reforms ensure that the allowance for 10% extra hours will accommodate changes in major and exploration of alternatives for our students. Also, the credit hour analysis indicates that changing major once adds very few extra credit hours (about two) to most students’ degree programs.

Another advantage of this Degree Funding proposal is that it supports full or part-time students in exactly the same way because the number of credit hours each student takes each semester has no impact on the funding for each university nor does it change the students’ entitlement to state support for their degree program plus 10%. In this Degree Funding proposal, the important number is the total number of credit hours attempted prior to graduation as posted in the transcript. The number of years over which the student takes these hours does not affect funding.
Finally, as in every program that deals with students of all ages and academic abilities, with curricula of all types and requirements, we will surely have exceptions and special needs that we must accommodate within this program. For example, some students will accumulate excess credit hours because of inadequate preparation in their high schools or other economic or personal difficulties, and individual universities will support special financial aid programs to provide low cost or no-cost excess credit hours to students who have special needs.

**Effect of Degree Funding on each University**

Degree Funding will have the same effect on each of the universities in the SUS. Excess hours paid by the state will decline as the number of degree funding graduates increases.

The larger universities have more students and more credit hours and so they also have more university will convert its student body to Degree Funding. Ultimately, all the students in the SUS will be Degree Funded.

Because the number of Degree Funding graduates increases each year at each university, and the number of excess hours paid by the state declines, there will be increased access to each university in the SUS.

Degree Funding graduates and excess hours. Ultimately all students in the SUS will be Degree Funding students but the universities will differ in the rate at which their student body will be converted to Degree Funding due to differences in composition in the student body. The higher the proportion of community college transfers the higher will be the number of Degree Funding graduates in the early years of the program, because community college students graduate in fewer years than FTICs. The higher the number of part-time students and the lower the graduation rate, the lower the number of Degree Funding graduates in the early years of the program. All three of these factors affect only the rate at which a