

EXECUTIVE SUMMARY

ACTION ITEM: **Tuition surcharge for undergraduate students who exceed the statutory credit hour threshold**

ISSUE: The Board is requested to approve a tuition surcharge for undergraduate students who have earned credit hours in excess of the credit hour threshold, pursuant to A.R.S § 15-1626.

BACKGROUND:

In 2005, the Arizona Legislature enacted a package of statutory changes involving students that are viewed by many legislators as accumulating too many unnecessary course credits and, therefore, moving inefficiently toward the completion of a baccalaureate degree. This legislation established credit hour thresholds for undergraduate students who attend a public university in Arizona. These credit hour thresholds are defined in A.R.S § 15-1626 in the following terms:

- 155 hours for a student who attends in FY 2006-07
- 150 hours for a student who attends in FY 2007-08
- 145 hours for a student who attends **after** FY 2007-08.

Statutory amendments were enacted during the 2006 legislative session to provide for a number of exemptions from the credit hour thresholds. These statutory exemptions are defined in the following manner:

1. Degree programs that require credit hours above the credit hour threshold;
2. Credits earned in the pursuit of up to two baccalaureate degrees;
3. Credits earned in the pursuit of up to two state regulated licensures or certificates;
4. Credits earned in the pursuit of a teaching certification;
5. Credits transferred from a private institution of higher education;
6. Credits transferred from an institution of higher education in another state;
7. Credits earned at another institution of higher education but that are not accepted as transfer credits at the university where the student is currently enrolled; and
8. Credits earned by students who enroll at a public university in Arizona more than 24 months after the end of the student's previous enrollment at a public university in Arizona.

In the Fall 2005 21st Day Enrollment Count, 212 students exceeded the credit hour threshold at the 155 level. For the Fall 2006 21st Day Enrollment Count, 281 now exceed the 150 credit hour threshold. The table below provides the breakdown by university.

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Students Exceeding the 150 Credit Hour Threshold in the Fall 2006 21st Day Enrollment Counts

	ASU	NAU	UA	System
Headcount exceeding 150 credit hours	1,427	194	797	2,418
Headcount exceeding 150 after exemptions	192	17	72	281

If these 281 students are similar to the 212 students from the previous year, a majority of them will have graduated by the 2007-2008 academic year. Specifically, of the reported 212 students who exceeded the credit hour threshold at the 155 level, 122 (58%) had graduated prior to the current academic year.

TUITION SURCHARGE PROPOSALS

In response to the statutory requirements cited above, the university presidents have proposed a surcharge of 20 percent of the resident undergraduate tuition (rounded to the nearest dollar) that the Board approves for the 2007-2008 academic year. That surcharge amount would apply to both resident and nonresident undergraduate students. The proposals specify that the surcharge would be based on a per-credit-hour charge for 1-6 credit hours. For students taking 7 or more credit hours, the surcharge would be 20 percent of the full-time tuition amount.

All resident and nonresident students who have accumulated more than 150 credit hours, after application of the statutory exemptions, will be required to pay the surcharge starting in the Fall of 2007.

RECOMMENDATION:

It is recommended that the Board approve the tuition surcharge proposal as described in this executive summary.