SUBJECT:	Increasing limit on excess semester credit hours for associate's degree
COMMITTEE:	Higher Education — favorable, without amendment
VOTE:	7 ayes — Branch, Alonzo, Cohen, D. Howard, McCall, Patrick, Rose
	0 nays
	2 absent — Castro, Berman
WITNESSES:	For — Ali Esmaeili, Kimberly McKay, South Texas College; Daniel Martinez; Carolina Saenz; (<i>Registered, but did not testify</i> : Rey Garcia, Texas Association of Community Colleges; Richard Moore, Texas Community College Teachers Association)
	Against — None
BACKGROUND:	Education Code, sec. 61.0595 limits state funding for higher education institutions for certain excess undergraduate credit hours. Undergraduate students are limited to the minimum number of semester credit hours required for graduation with a bachelor's degree in their particular degree plan, plus 45 semester credit hours if they first enrolled between 1999 and 2006. For students first enrolled in 2006 and beyond, the limit is 30 semester credit hours beyond the minimum required to complete the specific degree plan. If a student exceeds these limits in the number of semester credit hours attempted, the institution is not reimbursed through the formula funding system.
	Public colleges and universities are authorized to charge a resident undergraduate student tuition at a higher rate than it otherwise charges for a course if the student has earned course credits that exceed the number of semester credit hours required for completion of the degree plan by 30 hours. The higher tuition charge may not be greater than the nonresident undergraduate tuition rate.
DIGEST:	HB 1737 would exempt the semester credit hours earned by a student before receiving an associate's degree from being counted in determining whether the student had previously earned a number of credit hours that

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sufficiently exceeded those required such that they would be subject to the limitation on funding under Education Code, sec. 61.0595. The bill would take immediate effect if finally passed by a two-thirds record vote of the membership of each house. Otherwise, it would take effect September 1, 2009. The provisions of the bill would begin with the 2011-12 academic year. **SUPPORTERS** Current law allows college students to earn credit for an additional 30 SAY: semester credit hours past their 120-hour or more baccalaureate degree requirements before being charged out-of-state tuition. The intent was to encourage students to graduate in a timely manner and limit state support for excessive credit hours. However, some community college students are unfairly penalized because some of their hours are not transferrable and yet they count against the "30-hour rule." HB 1737 would address this inequity. The 30-hour rule does not address the fact that some community college students obtain an associate's degree and then subsequently transfer to a four-year institution to obtain a bachelor's degree. In the process of earning the second, higher degree, students sometimes earn credit hours that exceed the 30-hour rule and therefore are penalized and charged the higher tuition rate for those excess hours. That means that if a student repeats a class, changes majors, or drops a course and those actions exceed the limit, the student faces higher tuition. This is a barrier to the attainment of a bachelor's degree. High school students participating in dual enrollment courses, where they earn college credit hours while still in high school, also are affected by this restriction. Students who earn a bachelor's degree and then return to a university to obtain a second degree are not caught in the 30-hour rule limit. It does not make sense that a student who has earned an associate's degree and subsequently seeks a higher degree is penalized. The bill would allow community college students who earned an associate's degree additional credit hours so they could pursue a baccalaureate degree at a four-year university without being charged out-of-state tuition. **OPPONENTS** This bill would alter the funding of excess undergraduate credit hours so SAY: that any hours taken for an awarded associate's degree would not count toward the excess hours accumulation limit. Because academic associate's degrees often are a step toward pursuing a bachelor's degree, the bill

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would treat undergraduate students who received an associate's degree differently than other students with regard to excess hours. A better approach would be to continue to improve curriculum alignment between junior colleges and four-year universities by developing statewide transfer programs that aligned community college courses and/or associate's degrees with four-year degree programs and provided clear course articulation between them.

Current law limits students to a certain number of attempted credit hours above the minimum required for a bachelor's degree and treats all undergraduate students equally, regardless of their initial enrollment at a college or a university. The intent was to encourage deliberate, responsible academic planning for all undergraduate students, regardless of their institutional type — community college or university. The goal is to get students to complete the courses they register for and that the state supports and to choose the courses that apply toward their intended major.

The bill would allow students who began their higher education at a community college, completed an associate's degree and then transferred to a university or health-related institution to complete a bachelor's degree, to register for semester credit hours far in excess of the current limitation, without penalty. Most or all of their lower-division course work would be exempt from the excess hours limitation. This could lead to those students being funded for higher numbers of semester credit hours throughout their undergraduate careers.

Even broader than this, under certain circumstances, a student who earned a minimal number of hours from a community college, then transferred to a university, and then elected to participate in the reverse transfer process to obtain an associate's degree later in their undergraduate career would end up having most of their undergraduate coursework excluded from being counted toward the excess hours limit.

The bill would create an imbalance — with two-year students having a significant advantage over their four-year peers. Community college students would be allowed to enroll in more semester credit hours than their university-enrolled student peers before they had to be concerned with limitations based on excess hours. It would render the existing limit on excess hours ineffective for students who attend community colleges and complete associate's degrees.

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Also, the bill should increase the excess limit for students enrolled in dualcredit courses by an additional 30 semester credit hours so they do not run the risk of having to pay higher tuition because some of their courses do not transfer to a four-year university.

NOTES: The companion bill, SB 1343 by Hinojosa, passed the Senate by 31-0 on May 4 and has been referred to the House Higher Education Committee.