

Department of Legislative Services
Maryland General Assembly
2020 Session

FISCAL AND POLICY NOTE
First Reader

House Bill 814
Appropriations

(Washington County Delegation)

Higher Education - Transfer of Credits

This bill requires that any credits earned for a 100-level or 200-level course at a community college in the State be transferable to any public four-year higher education institution in the State. A public four-year higher education institution in the State may not deny the transfer of these credits for any reason. **The bill takes effect July 1, 2020.**

Fiscal Summary

State Effect: To the extent community college 100-level and 200-level courses that are transferred to public four-year institutions fulfill graduation requirements, higher education revenues at public four-year institutions decrease by an estimated \$336 per credit hour. Any such revenue loss may be at least partially offset by higher level courses taken by students that remain enrolled. Nevertheless, as explained below, the number of courses that a transfer student takes at the public four-year institution of higher education is likely not significantly impacted; thus, revenues are likely not significantly affected. Baltimore City Community College revenues and expenditures are not materially affected.

Local Effect: Local community college revenues and expenditures are not materially affected.

Small Business Effect: None.

Analysis

Current Law: The Maryland Higher Education Commission (MHEC) must establish procedures for transfer of students between public segments of postsecondary education. MHEC must recommend cooperative programs among segments of postsecondary

education to assure appropriate flexibility in the higher education system. In conjunction with the governing boards of institutions, MHEC must establish standards for articulation agreements.

MHEC, in collaboration with the public institutions of higher education, was required to develop and implement, by July 1, 2016, a statewide transfer agreement whereby at least 60 credits of general education, elective, and major courses that a student earns at any community college in the State toward an associate of arts or associate of science degree must be transferable to any public four-year higher education institution in the State for credit toward a bachelor's degree.

In addition, MHEC, in collaboration with the public institution of higher education, was required to develop and implement, by July 1, 2016, a statewide reverse transfer agreement whereby at least 30 credits that a student earns at any public four-year institution in the State toward a bachelor's degree are transferable to any community college in the State for credit toward an associate's degree.

MHEC and each public institution of higher education must develop and implement incentives for students to obtain an associate's degree before enrolling in a public four-year institution of higher education.

MHEC may recommend procedures and guidelines for consideration by the governing boards of institutions of postsecondary education on improvement and coordination of student financial assistance programs and other subjects of general interest and concern to the higher education community in the State.

Maryland Student Transfer Policy

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.

Credits 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.

Credit 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.

Student Transfer Advisory Committee

The Student Transfer Advisory Committee (STAC) was codified in statute by Chapter 327 of 2012 for a 10-year period; thus, it terminates June 30, 2022. Previously, a permanent STAC had been required in regulations but had not been meeting for several years. STAC is expected to review and analyze (1) matriculation and student support services, including admission and advising practices and (2) any other student transfer-related issues referred to it by MHEC. STAC is supposed to report by December 1 in odd-numbered years.

Background: In general, 100-level and 200-level courses are lower-level undergraduate courses. These are the credit-bearing courses generally offered at community colleges and for freshmen and sophomores at four-year institutions.

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 postsecondary education at a community college are less likely to earn a bachelor's degree than 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
HB 814/ Page 4

institution. Approximately 28% of students lost between 10% and 89% of their credits, and 58% of students were able to transfer more than 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 outcome is after controls were added to the study, such as the student's pretransfer GPA.

Articulation System for Maryland Colleges and Universities

The University System of Maryland (USM) maintains a computerized information system called the Articulation System for Maryland Colleges and Universities ([ARTSYS](#)) that facilitates the transfer of students from Maryland community colleges to USM institutions and other participating institutions. ARTSYS provides course-to-course equivalency, recommended transfer programs, transcript evaluation, and various search features including course identification number, general education classification, course title, and major. ARTSYS provides important information to students regarding transfer to four-year institutions in Maryland. ARTSYS can be used to find community college courses that have been deemed equivalent to those courses at the four-year institutions.

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 in which the student would later enroll.

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).

University of Maryland, Baltimore Campus

The University of Maryland, Baltimore Campus reports that, due to the technical nature of its nursing, dental hygiene, and medical and research technology programs, it needs to have flexibility to choose which courses to accept from a transfer student.

Towson University

Towson University advises the bill directly affects how the university evaluates transfer credit and prerequisite course requirements for certain majors.

St. Mary’s College of Maryland

St. Mary’s College of Maryland advises that, if it were required to transfer 100-level and 200-level courses from a community college, many of those credits would transfer as generic credits that might not fulfill graduation requirements.

State Revenues: Higher education revenues at public four-year institutions decrease, but the *net* effect is not anticipated to be significant as the total number of courses a transfer student takes is not expected to be materially affected. As explained in greater depth below, to the extent community college transfer students are able to take fewer 100-level and 200-level courses at public four-year institutions (due to those courses transferring from community colleges), public four-year revenues decrease by an estimated \$336 per credit hour. However, this revenue loss is at least partially offset by higher level courses taken by students that remain enrolled and the need to take certain courses to fulfill requirements for majors and/or a degree to be granted by the institution.

This estimate assumes that, under the bill, public four-year institutions of higher education transfer many of the 100-level and 200-level courses from a community college as generic credit hours. Courses without an exact equivalent generally transfer as generic credit hours that may or may not fulfill *specific* graduation requirements. Most majors require particular 100-level and 200-level courses (or a selection of specified 100-level and 200-level courses) in the area of study, and often in supporting areas, for graduation. Such “gateway” courses are required to build a student’s foundational knowledge that will be used in the 300-level and 400-level courses in the major. Certain majors and institutions may also require students to complete a specific number of credit hours at the degree-granting institution. For example:

- A biology major may be required to complete specific 100-level and 200-level biology courses such as principles of biology and cell biology as well as specific math and chemistry courses.
- Technical majors tend to have more specific major requirements and may even limit students to specific technical electives.
- The general biology degree at UMCP requires 15 to 16 credit hours of specific basic biology courses at the 100-level and 200-level; 32 credit hours of specific supporting courses at the 100-level and 200-level; 27 credit hours of general education courses in a specific distribution; and 27 credits of biology at the 300-level and 400-level, including two laboratory courses.

Generic credit hours can be used to fulfill general elective courses and total credit hour requirements. They may also be used to calculate class standing for registration and housing preference purposes.

Thus, while 100-level and 200-level courses transfer under the bill, the total number of credit hours that a community college transfer student needs to complete at the public four-year institution may not be significantly impacted due to the student still needing to complete all the graduation requirements of the four-year institution, including those for their major. To the extent the transferred courses also meet graduation requirements, transfer students need to take fewer courses at the public four-year institutions and higher education revenues decrease by an estimated \$336 per credit hour. 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.

Data on the number of 100-level and 200-level credit hours from community colleges that do not currently transfer to public four-year institutions is not readily available, let alone the extent to which those courses would meet graduation requirements. Therefore, the magnitude of the fiscal impact cannot be reliably estimated. Even so, based on information not specific to Maryland, community college students lose an average of 15 credit hours (or five three-credit hour courses) when they transfer to a four-year institution. *For illustrative purposes only*, if 9 of the credit hours that transfer were to also qualify toward graduation, revenues would decrease by an estimated \$3,024 per transfer student, which equates to \$30.2 million annually. As transfer students whose credit hours transfer are more likely to be motivated to remain enrolled in the public four-year institution longer, any initial revenue loss may be at least partly offset over the longer term.

Additional Information

Prior Introductions: None.

Designated Cross File: None.

Information Source(s): Maryland Higher Education Commission; University System of Maryland; Morgan State University; St. Mary's College of Maryland; *Educational Evaluation and Policy Analysis*; Department of Legislative Services

Fiscal Note History: First Reader - March 9, 2020
an/rhh

Analysis by: Caroline L. Boice

Direct Inquiries to:
(410) 946-5510
(301) 970-5510