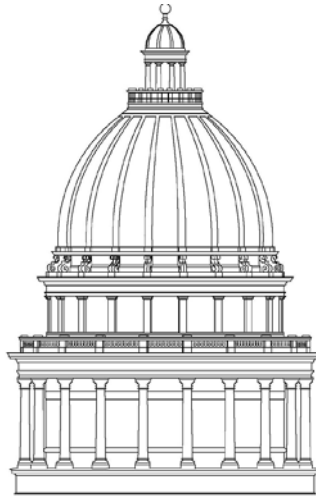


REPORT TO THE  
**UTAH LEGISLATURE**

Number 2011-15



**A Performance Audit of  
Higher Education Graduation  
Rates and Excess Hours**

November 2011

Office of the  
LEGISLATIVE AUDITOR GENERAL  
State of Utah





STATE OF UTAH

# Office of the Legislative Auditor General

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AUDITOR GENERAL

November 2011

TO: THE UTAH STATE LEGISLATURE

Transmitted herewith is our report, **A Performance Audit of Higher Education Graduation Rates and Excess Hours** (Report #2011-15). A digest is found on the blue pages located at the front of the report. The objectives and scope of the audit are explained in the Introduction.

We will be happy to meet with appropriate legislative committees, individual legislators, and other state officials to discuss any item contained in the report in order to facilitate the implementation of the recommendations.

Sincerely,

John M. Schaff, CIA  
Auditor General

JMS/lm



# Digest of A Performance Audit of Higher Education Graduation Rates and Excess Hours

Encouraging college graduation as a way to increase economic benefits to the state and to students is a concern in Utah and around the nation. The Utah State Board of Regents (SBR) identified college graduation as a strategic priority in 2005, and in 2010 a national movement, known as *Complete College America*, was formed to encourage state policies to improve graduation rates. The SBR estimates that a five percent increase in Utah's bachelor's degree population could increase tax revenue about \$24.5 million a year. Also, graduation rates at Utah's institutions of higher education are an important consideration if Utah is going to produce the number of people with bachelor's degrees necessary to meet 2018 job needs. Although the University of Utah (U of U) has the highest graduation rate in the state, that rate is comparatively low and needs to improve. Comparisons also suggest that improvement is desirable for both Southern Utah University (SUU) and Weber State University (WSU). Further, SBR's policy to discourage students from taking excess credit hours (hours in excess of graduation needs) by assessing an excess credit hour surcharge appears ineffective; little has been collected. Excess credit hours contribute to the time it takes to graduate. The longer the enrollment span, the less likely graduation is.

**The U of U's Graduation Rate Is Comparatively Low.** The U of U did not excel in any of the four graduation rate comparisons made. The U of U's 58 percent graduation rate is third from the bottom when compared with 21 comparable, research-intensive institutions. The U of U's comparative standing does not improve in the other three comparisons made, including a PAC 12 comparison.

**College Readiness of Enrolled U of U Students Is Comparatively Low in Certain Areas.** The U of U enrolls students with lower ACT scores than comparable institutions. Further, the U of U enrolls a relatively large percentage of students who are not ready to succeed. In mathematics and science in particular, many enrolled students appear to be ill-prepared.

**College Readiness Affects Graduation Rates.** Institution graduation rates and student graduation probability are significantly affected by student college readiness. First, ACT scores are highly predictive of an institution's overall graduation rate. Second, ACT scores coupled with high school grade point averages (HSGPA) are good indicators of student graduation probability.

## Chapter I: Introduction

## Chapter II: The University of Utah's Graduation Rate Should Be Improved

**Chapter III:  
Other Graduation  
Rates Compare  
Favorably but  
Improvements Are  
Possible**

**SUU's Graduation Rate Could Improve.** Some small, competitive, master's institutions have higher graduation rates than does SUU, whose 43 percent graduation rate is below 50 percent. The college readiness of many SUU freshmen appears low. Many SUU freshmen do not have HSGPAs and ACT scores that are indicative of likely graduation.

**WSU's Graduation Rate Could Improve.** Two nonselective institutions have higher graduation rates than does WSU, whose 43 percent graduation rate is below 50 percent. If WSU wants to increase its graduation rate, it may need to follow UVU's example and require evidence of college readiness from applicants.

**USU's Graduation Rate Compares Favorably.** Of the five public, noncompetitive institutions with high research activity, USU has the highest graduation rate in the group—55 percent. In fact, USU's graduation rate is higher than the rate at many institutions whose admissions process is more competitive.

**Chapter IV:  
Current Excess Hour  
Surcharge Policy  
Appears Ineffective**

**Reduction of Excess Credit Hours Could Be Pursued More Aggressively.** The underlying purpose of an excess credit hour policy is not necessarily to collect additional revenue from students, but to encourage students to graduate sooner with fewer excess credit hours by attaching a consequence to excess credit hours. Excess credit hours are hours in excess of those needed to obtain a bachelor's degree. Compared to five other states, Utah's excess credit hour policy has a lenient excess hour threshold. In addition, the enforcement of the policy appears lax. Sometimes the policy is interpreted so broadly it does not apply, while other times the policy simply is not enforced.

**Firmer Policy and More Rigorous Enforcement Should Increase Surcharge Revenue.** If the SBR adopted a firmer, more specific policy and enforced it, surcharge revenue should increase substantially. We developed some surcharge estimates using other states' excess credit hour policies. Depending on the firmness of the policy adopted, we estimate surcharge revenue could range from \$840,000 to \$13.5 million. As noted, the ultimate goal of these policies is not necessarily to bring in revenue, but to affect student behavior; specifically, their intent is to strongly encourage students to get their degree as quickly as possible with as few excess hours as possible. The policy should be firm, but not burdensome. With consistent policy enforcement, students could start to graduate sooner with fewer excess hours. Fewer students amassing unnecessary excess credit hours should reduce strain on the taxpayers' capital.

# REPORT TO THE UTAH LEGISLATURE

Report No. 2011-15

## **A Performance Audit of Higher Education Graduation Rates and Excess Hours**

November 2011

Audit Performed By:

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# Chapter I

## Introduction

Encouraging college completion as a way to increase economic benefits to the state and to students is a concern in Utah and around the nation. The Utah State Board of Regents (SBR) identified college graduation as a strategic priority in 2005, and in 2010 a national movement, known as *Complete College America*, was formed to encourage state policies to improve graduation rates. The SBR estimates that a five percent increase in Utah's bachelor's degree population could increase tax revenue about \$24.5 million a year. Further, graduation rates at Utah's institutions of higher education are an important consideration if Utah is going to produce the number of people with bachelor's degrees necessary to meet 2018 job needs. Although the University of Utah has the highest graduation in the state, it is comparatively low and needs to improve. Comparisons also suggest that graduation rate improvement is desirable for both Southern Utah University and Weber State University; Utah State University graduation rates compare more favorably.

Further, in 1997, the SBR adopted a policy to discourage students from taking credit hours in excess of those needed to graduate by assessing a surcharge on excess hours. This policy appears ineffective; little surcharge money has been collected. Excess credit hours contribute to the time it takes to graduate. *Complete College America*, a national nonprofit organization whose goal is to increase the number of American's with college degrees, maintains that the longer the enrollment time span, the less likely the student is to graduate.

Recently, there has been heightened interest in increasing the number of people who hold postsecondary credentials (such as associate's degrees and bachelor's degrees). In fact, a recent Georgetown University Center report by Anthony Carnevale, Nicole Smith, and Jeff Strohl suggested that by 2018, 66 percent of the jobs in Utah will require postsecondary training. Consequently, the Utah Board of Regents has set this goal:

- To have 66 percent of all Utahns age 25 to 64 with a postsecondary certificate or degree by the year 2020

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**By 2018, 66% of the jobs in Utah will require postsecondary training.**

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**To meet future job demands, Utah's higher education graduation rates must increase.**

To help accomplish this goal, student higher education graduation rates must be increased.

In 2010, the National Governors' Association (NGA) created a "Complete to Compete" initiative. This year the NGA awarded Utah, as one of only six states, a \$30,000 grant to better define metrics for measuring college graduation and connecting graduation to state funding.

**Higher Education Graduation Rates**

This report reviews graduation rates of students pursuing bachelor's degrees in Utah. The graduation rates discussed throughout this report are six-year graduation rates of the 2003 entering freshman class. Six-year rather than four-year graduation rates are used because these are the rates commonly reported. In addressing this issue, our intent was to review graduation rates of all public higher education institutions in Utah that offered bachelor's degrees—University of Utah (U of U), Utah State University (USU), Southern Utah University SUU), Weber State University (WSU), Utah Valley University (UVU), and Dixie State College (Dixie). However, UVU's and Dixie's first freshman, bachelor-declaring class was 2005 and 2006, respectively. Since six-year graduation rates are unavailable for either of these two graduating classes, neither institution is included in this report.

Figure 1.1 displays the publically reported six-year graduation rates for Utah's universities along with the size of the 2003 freshman class entering as full-time students in the fall.

**The U of U has the highest graduation rate of the four Utah institutions reviewed.**

**Figure 1.1 Size of Entering Freshman Class and Reported Six-Year Graduation Rates.** The U of U has the highest graduation rate of the four Utah institutions reviewed.

Institution	Size of Fall 2003 Full-Time Freshman Class	Six-Year Graduation Rate
U of U	2,200	58 %
USU	2,350	55
WSU	980	43
SUU	580	43

The six-year rates displayed in Figure 1.1 include adjustments allowed institutions by the National Center for Educational Statistics. Institutions are allowed to adjust their graduation rates to account for students who enter the institution, leave for a specified period of time, and then return (for example, missionaries and military personnel). In other words, institutions are allowed to adjust their calculations so that missionaries and military personnel do not artificially lower the graduation rate.

An adjustment not made to graduation rates involves transfer students. Currently, students who transfer from an institution are counted by that institution as non-graduating students. Transfer rates are assumed to have a minimal impact on graduation rate comparisons as long as the institutions compared have similarly competitive admissions standards. It is assumed that similarly competitive institutions have similar transfer rates.

### **Student Excess Credit Hours**

In addition to graduation rates, this report also considers one strategy for reducing graduation time—that of charging students more for taking hours in excess of those needed to graduate. The *Complete College America* movement, of which Utah is a part, believes that significantly increasing college graduation is possible only when states and institutions get serious about the problem of graduation time. *Complete College America*, a national nonprofit organization whose goal is to increase the number of American's with college degrees, maintains that the longer it takes students to graduate, the less likely they are to graduate. To reduce graduation time, *Complete College America*, outlines a number of strategies. For example:

- Set a strong student expectation that graduation is the goal
  - Require formal, on-time completion plans that are updated annually
  - Require all students to declare a major by the end of their freshman year
- Reduce unnecessary course takings and the number of credits required to earn a degree

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***Complete College America* believes that significantly increasing college graduation is possible only when institutions get serious about the problem of time taken to graduate.**

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- Charge students more for taking excess coursework of more than 12 additional credit hours beyond those of the credit cap
- Enact credit caps of 120 credit hours for a bachelor's degree (exceptions allowed to maintain accreditation)

Utah's higher education institutions have not necessarily adopted all of the strategies outlined by *Complete College America*. However, in 1997 the State Board of Regents adopted a policy concerning surcharges for excess hour course work. While this report focuses on the strategy of reducing unnecessary course taking by charging students more for taking excess coursework, this strategy is a piece of a larger strategy.

## **Audit Scope and Objectives**

This audit was requested by the co-chairs of the Higher Education Appropriations Subcommittee who had concerns with graduation rates and excess hours carried by students. First, the graduation rates of Utah's higher education institutions appear low. Students who enter college and do not graduate are believed to waste a significant amount of the taxpayer's capital. Second, some students in higher education amass many excess hours over those necessary for graduation. Students who amass excess hours are also believed to put a strain on the taxpayer's capital. Consequently, the scope and objectives of the audit include the following:

- Determine how higher education graduation rates in Utah compare with comparable institutions' graduation rates nationwide.
- If Utah's graduation rates appear low, determine potential steps to increase graduation rates.
- Determine the number of students who have earned hours in excess of those necessary for graduation as well as the number of excess hours earned.

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**We were asked to review Utah's higher education graduation rates and excess hours carried by students.**

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- Identify the potential revenue the state might receive if students earning excess hours were required to pay the full cost of those excess hours.

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# Chapter II

## The University of Utah's Graduation Rate Should Be Improved

When compared with similar universities' graduation rates nationwide, the University of Utah's (U of U's) graduation rate is low and should be improved. It appears the college readiness of enrolled U of U students is comparatively low in certain areas. College readiness is important because it affects both institutional graduation rates and student graduation probability. To improve both, the U of U should take steps to encourage increased college readiness of enrolled students by increasing admissions standards.

### The U of U's Graduation Rate Is Comparatively Low

Utah's premier research institution, the U of U, did not excel in any of the four graduation rate comparisons made. The U of U's graduation rate was compared against graduation rates of the following:

- Very competitive public universities heavily involved in research
- Public universities heavily involved in research
- Institutions identified as peer universities
- Pacific Athletic Conference's (PAC) universities

In all comparisons, the U of U was in the bottom half of the comparison group and, in most cases, relatively close to the bottom.

To enable the first two comparisons, we selected public universities that have the same Carnegie classification as the U of U. The Carnegie system classifies universities and colleges by their size, their highest degree awarded, and their research intensity. The U of U is classified, under the Carnegie system, as an institution heavily involved in research.

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**The U of U did not excel in any of the four graduation rate comparisons made.**

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**We compared the U of U against other universities having the same Carnegie classification which considers size, highest degree awarded, and research intensity.**

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**We compared the U of U against other universities having the same Barron's rating for admissions selectivity.**

Within institutions heavily involved in research, we categorized each institution by the selectivity of the admissions process as identified by Barron's 2011 *Profiles of American Colleges*. Barron's rankings are commonly used for comparative purposes. Generally, the more selective an institution is, the higher the graduation rate is. Barron's uses the following six rankings listed in order of admissions selectivity:

- Most Competitive
- Highly Competitive
- Very Competitive
- Competitive
- Less Competitive
- Noncompetitive

Barron's ranks the selectivity of the U of U's admission process as very competitive. Institutions in this category generally admit students whose averages are no less than a B minus and who rank in the top 35 to 50 percent of their graduating class. These institutions generally report median ACT scores from 24 to 26 and accept between one-half and three-quarters of all applicants.

### **U of U Does Not Compare Well to Other Public, Very Competitive, Research-Intensive Universities**

Of the 22 very competitive comparison universities, the U of U's graduation rate is in the 20<sup>th</sup> position, third from the bottom. Figure 2.1 displays the comparison results.

**Figure 2.1 Comparison of Six-Year Graduation Rates among Public, Very Competitive, Research-Intensive Institutions.** The U of U has a comparatively low graduation rate.

Six-Year Rate (2003 Class)		Six-Year Rate (Continued)	
Institution	Grad Rate	Institution	Grad Rate
Pennsylvania State U	85 %	U of Colorado	67
U of California- San Diego	84	U of Massachusetts	66
U of Washington	81	SUNY at Albany	65
Michigan State University	77	Colorado State University	64
U of Delaware	75	Kansas State University	63
U of California- Santa Cruz	73	New York U at Buffalo	63
Florida State University	71	U of Tennessee	61
Purdue University	70	Louisiana State University	59
U of Iowa	69	<b>University of Utah</b>	<b>58</b>
U of South Carolina	69	U of Illinois	54
U of Missouri	68	U of Hawaii	48

In our opinion, this is the most relevant of the four comparisons made because it matches both the type of institution and the admissions selectivity of the institution.

U of U officials believe that the U of U’s low graduation rate is, in part, a result of students leaving school to serve two-year missions.

Countering this possibility are the following:

- The U of U adjusts its graduation rate to account for the impact of missionaries and administrators believe they do a good job in making that adjustment.
- The U of U’s eight-year graduation rate, which gives returning missionaries six years to graduate, while higher, does not move the U of U into the top half of these very competitive universities.
- Brigham Young University (BYU), a private Utah university also affected by students leaving to serve missions, has a six-year graduation rate of 77 percent, 19 percent higher than the U of U’s.

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**It is unlikely that the U of U’s low graduation rate is a result of students leaving school to serve two-year missions.**

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**The U of U may have comparatively more students working their way through school, which could contribute to a low graduation rate.**

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**We believe the comparison among the very competitive, public, research-intensive universities is the most relevant, but the other comparisons also have merit.**

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Consequently, we do not believe that students serving missions explains the U of U's comparatively low graduation rate.

The U of U's Vice President of Academic Affairs believes the U of U has comparatively more students working their way through school which would also contribute to low graduation rates. A rough analysis that we conducted offers limited support for this belief. However, we did not have time to conduct a more in-depth analysis of this issue.

### **U of U Standing Does Not Improve In Other Comparisons Made**

The U of U graduation rate is also near the bottom in the following three comparisons:

- Public research-intensive universities
- U of U-identified peer universities
- PAC universities

While we believe the comparison among the very competitive, public, research-intensive universities is the most relevant, these comparisons also have merit and add additional support that the U of U's graduation rate is low.

**The U of U's Graduation Rate Ranks in the Bottom Half of All Public Research-Intensive Institutions.** The U of U's 58 percent graduation rate ranks 52<sup>nd</sup> among the 63 public, research-intensive institutions compared. Wayne State University in Michigan has the lowest graduation rate (32 percent) while the University of Virginia has the highest (93 percent). Seven universities whose admissions selectivity is ranked competitive, a ranking less selective than the U of U's very competitive, have graduation rates that exceed the U of U's. The rankings of all 63 institutions are shown in Appendix A.

**The U of U's Graduation Rate Ranks Near the Bottom of the Peer Institutions.** These peer institutions were chosen by U of U staff as those most comparable to the U of U. Of the 11 peer institutions, the U of U's graduation rate ranks 8<sup>th</sup>. The highest graduation rate is the University of Virginia's 93 percent; the lowest graduation rate is the University of New Mexico's 43 percent. As with the public, research-intensive institutions, these institutions vary in

admissions selectivity. Rankings of all 11 institutions are shown in Appendix B.

**The U of U's Graduation Rate Ranks Near the Bottom of the PAC 12 Institutions.** Of the 12 institutions in the PAC, the U of U's graduation rate ranks 10<sup>th</sup>. When admissions selectivity constraints are considered, the U of U ranks last among the four very competitive institutions. Arizona State University has the lowest graduation rate (56 percent) while Stanford University has the highest (95 percent). This comparison again includes institutions which vary in their admissions selectivity; further, two institutions are private rather than public. The rankings of all 12 institutions are shown in Appendix C.

### **College Readiness of Enrolled U of U Students Is Comparatively Low in Certain Areas**

The U of U's acceptance standards are lower than comparable institutions. In addition, the U of U enrolls a relatively large percentage of students who are not prepared to succeed. In mathematics and science in particular, many enrolled students appear to be ill-prepared.

### **U of U Has Lower Acceptance Standards than Other Comparable Institutions**

The U of U enrolls students with lower American College Testing (ACT) scores than other public, very competitive, research-intensive institutions. In 2010, the U of U's enrolled students' mathematics, English, and composite ACT scores were ranked close to the bottom when compared to scores of 17 public, very competitive, research-intensive institutions.

Our analysis compared the ACT scores of the 17 institutions' enrolled freshmen, specifically those in the bottom 25 percent of all enrolled scores. For example, the U of U's bottom 25 percent mathematics score for the 2010 freshman class was 20. This score means that 25 percent of the U of U's enrolled students had an ACT mathematics score of 20 or less. We chose to focus our review on the bottom 25 percent for the following reasons:

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**For 2010, the U of U's ACT mathematics, English, and composite scores of enrolled students were ranked close to the bottom in comparison with similar institutions.**

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- Institutions can exercise some control as to how low an ACT score they are willing to accept.
- Enrolled students whose scores are in the bottom 25 percentile seemed to us more at risk of not graduating than students in the 50<sup>th</sup> and 75<sup>th</sup> percentiles.

We compared 2010 ACT scores in this analysis for the following reasons:

- 2010 ACT data was more available for the very competitive, research-intensive institutions
- 2010 ACT data allows us to see how the U of U currently compares

Also, the bottom 25 percent scores of the U of U's 2003 and 2010 entering classes are similar.

Of the 17 public, very competitive, research-intensive institutions, the U of U's bottom 25 percent ACT scores rank as follows:

- The U of U's mathematics score of 20 ties for last place with the University of Hawaii.
- The U of U's English score of 21 ties for second to last place with Colorado State University, University of Illinois, and the University of California at Santa Cruz.
- The U of U's composite score of 21 ties for last place with the University of Hawaii and the University of Illinois.

For comparative purposes, the highest bottom 25 percent ACT scores in this group of freshmen at the 17 institutions are the following:

- Mathematics score of 25 reported by University of California at San Diego and Pennsylvania State University
- English score of 25 reported by Pennsylvania State University

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**The University of California at San Diego and Pennsylvania State University have the highest bottom 25 percent ACT scores in the comparison group.**

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- Composite score of 25 reported by Pennsylvania State University

Admissions scores are highly predictive of an institution’s graduation rate.

**Many U of U Freshmen Are Not Prepared to Succeed**

A large percentage of U of U freshmen do not have college entry scores that are predictive of success. When ACT entry scores of U of U freshmen are compared to scores that ACT identifies as predictive of success, large percentages of students do not appear college ready, particularly in mathematics and science.

The ACT has identified scores that are predictive of first-year college success. The ACT defines college success as having a 50 percent chance of B work or a 75 to 80 percent chance of C or better work in students’ freshman year. Figure 2.2 compares these predictive scores with the scores of freshman entering in 2003.

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**A large percentage of U of U freshmen do not have college entry scores that are predictive of success.**

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**Figure 2.2 Percentage of 2003 U of U Freshmen with Scores Lower than Those Predicting Success.** A large percentage of entering freshman do not have science and mathematics scores that are predictive of success.

Subject	Predictive Score	Percentage with Less Than Predictive Score
Science	24	55%
Mathematics	22	40
Reading	21	27
English	18	12
Composite	21 *	25

*\*This score is the average of the four subject scores and was not reported by ACT as predictive of success. We included it for informational purposes.*

To provide some comparative data, we reviewed the percentage of students enrolled with less than ACT’s predictive score in mathematics for all very competitive research-intensive institutions for whom 2003 data is available. Of the 12 institutions, 8 (67 percent) had 25 percent or less of its enrolled students with less than the predictive score. In contrast, 40 percent of the U of U’s enrolled students had scores less than the predictive score. Seven of the eight institutions had a graduation rate higher than the U of U’s (58 percent) ranging

between 64 and 77 percent. Comparative information for science was not available. If the U of U wants to excel in science, technology, engineering, and mathematics (STEM) fields, then the science and mathematics percentages shown in Figure 2.2 are concerning.

### **College Readiness Affects Graduation Rates**

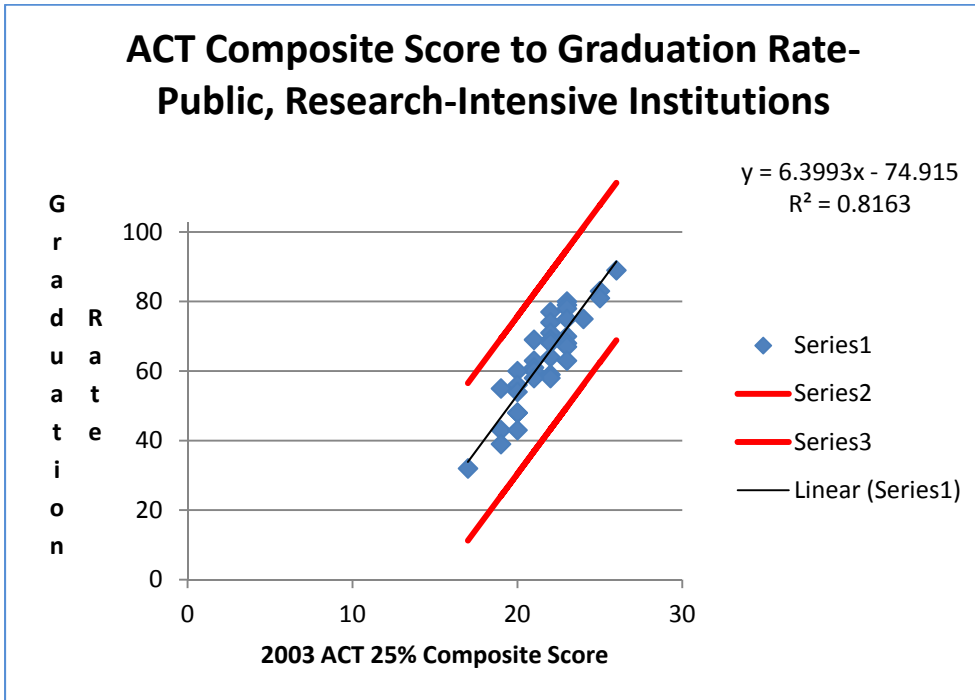
Institution graduation rates and student graduation likelihood are significantly affected by student college readiness. First, ACT composite scores are highly predictive of an institution's overall graduation rate. Second, ACT composite scores coupled with high school grade point averages (HSGPA) are good indicators of student graduation probability.

### **Entrance Exam Scores Are Highly Predictive of Institutions' Graduation Rates**

In general, the higher the scores marking the bottom 25 percent of enrolled freshmen, the higher the graduation rate. We analyzed data from 37 public, research-intensive institutions, including the U of U. These 37 schools represented all public, research-intensive institutions reporting ACT scores for their 2003 freshman class. Specifically, we analyzed how predictive the bottom 25 percent composite, mathematics, and English scores were of institutions' graduation rates. All three scores were predictive. Figure 2.3 shows the relationship between the bottom 25 percent ACT composite score and graduation rate.



**Figure 2.3 Predictive Relationship Between ACT Composite Score and Institution Graduation Rate.** In general, the higher the composite score, the higher the graduation rate.



As shown in Figure 2.3, the bottom 25 percent composite score is highly predictive of an institution’s graduation rate. The higher the 25 percent composite score, the higher the graduation rate; the lower the 25 percent composite score, the lower the graduation rate. For example, the bottom-most diamond is Wayne State University. This institution had an ACT composite score of 17 and a graduation rate of 32 percent. The following are other notes about the figure:

- Each of the blue diamonds represents an institution. Not all 37 institutions can be clearly seen because the data points overlap.
- The red lines represent the 95 percent confidence interval. We are 95 percent confident that the prediction line runs through these bounds.
- This model accounts for a large percentage of the variance among institutions’ graduation rates.

Although not completely comparable (BYU is not a research-intensive institution), we found that BYU’s performance is consistent with the

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**The higher the ACT composite score, the higher the graduation rate; the lower the composite score, the lower the graduation rate.**

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**The 2003 ACT mathematics and English scores were also highly predictive of graduation rates.**

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information presented in Figure 2.3. BYU's 2003 freshman class had a bottom 25 percent composite score of 24 and a graduation rate of 77 percent.

The 2003 mathematics and English scores were also highly predictive of graduation rates and a similar predictive ability of these entrance scores was observed in the 2001 freshman class. SAT scores were also predictive; however, this analysis focused on ACT scores since the ACT test is the one most commonly used in Utah institutions.

### **Entrance Exam Scores and High School Grade Point Averages Are Indicative of Student Graduation Probability**

The likelihood of student graduation, either from the U of U or from another institution in the event of a transfer, can be assessed by student entrance exam scores and high school grade point averages (HSGPAs). The HSGPA is seen as a measure of student effort while the ACT composite score is seen as a measure of what the student learned. We found that the greater the effort students make and the more they learn, the higher the likelihood of graduation.

The analysis that led to the conclusion above included 1,980 enrolled U of U 2003 freshmen for whom ACT composite scores and HSGPAs were available. We then applied the U of U's 2011 admissions index formula to each student's composite score and HSGPA. The result was an admissions score for each of the 1,980 enrolled students. We then combined individual scores into 18 score groups and computed the percentage of students in the group who graduated (including transfers). Figure 2.4 displays these scores, the percent of students in each score group who graduated, and the average HSGPAs and ACT composite scores of each group.

**Figure 2.4 Percent of Students Graduating at Various Admission Index Scores.** In general, as HSGPAs and ACT scores increase, graduation rates increase.

U of U Admission Index Score*	Percent Graduating	Average HSGPA	Average ACT
32-50	32 %	2.49	18
51-55	35	2.62	20
56-60	27	2.70	21
61-65	36	2.82	21
66-70	40	2.98	21
71-75	56	3.09	21
76-80	51	3.20	21
81-85	49	3.32	21
86-90	57	3.43	22
91-95	52	3.52	23
96-100	64	3.62	23
101-105	68	3.73	24
106-110	70	3.79	25
111-115	70	3.87	26
116-120	78	3.92	28
121-125	77	3.96	30
126-130	85	3.97	32
131-136	92	3.99	34

\*Due to weighting factors in the admissions index formula, it is not necessarily possible to multiply the HSGPA and the average ACT and achieve a score within the stated range.

As shown above, graduation rates generally increase as HSGPAs and ACT composite scores rise.

### **College Readiness of Students Should Be Increased**

If the U of U wants to increase graduation rates, then it must enroll more students who are more college ready. To accomplish this, the U of U could increase its admissions threshold. However, if this action alone is taken, then the U of U's graduation rate would increase, but the number of bachelor's degrees awarded would likely decrease because fewer students would be admitted. Therefore, the U of U would also need to increase the college readiness of its entire applicant pool so that more applicants achieve the higher admissions threshold. This might be accomplished by increasing the high school course and GPA requirements. By raising its admissions threshold and requiring applicants to be more college ready, the U of U's graduation

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**Graduation rates generally increase as student high school GPAs and ACT scores rise.**

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rate should improve without compromising the number of bachelor's degrees awarded.

### **U of U Should Increase the Admissions Threshold**

Based on the information presented in Figure 2.4, we believe the U of U should analyze the graduation probabilities associated with current admissions index scores and increase its admissions threshold. Looking at the 2003 freshmen data, 12 percent of those accepted had less than a 40 percent likelihood of graduating. We do not believe that the U of U intentionally chose to admit students who were unlikely to graduate. However, we also believe that it is not right to accept students and their tuition money when the students are unlikely to graduate or receive the monetary benefits of a bachelor's degree. Further, taxpayer money helps support the instructional costs of students. That money is more effectively used when supporting students who are likely to graduate.

### **U of U Should Increase Admission Requirements**

In addition to raising the admissions threshold, we also believe high school course and GPA requirements should be increased in an effort to increase the college readiness of the overall applicant pool. The U of U's high school course and GPA requirements may be set too low. The U of U, with a 58 percent graduation rate, requires coursework, which includes three years of mathematics and three years of science (one of which must be a laboratory science), be completed with a C average.

In comparison, the University of Delaware, a public, very competitive, research-intensive university with a 75 percent graduation rate, requires that high school applicants have at least a B+ average in 20 high school courses, which include four years of mathematics and four years of science three of which must be laboratory sciences.

In a local comparison, BYU's suggested high school coursework is also more rigorous, including four years of mathematics and two to three years of laboratory science in which a B+ average is encouraged. BYU states the following justification for its course recommendations: "Research shows that students who follow these recommendations consistently earn higher ACT and SAT scores." In other words,

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**Twelve percent of 2003 U of U freshmen had less than a 40 percent chance of graduating.**

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**It is possible the U of U has low high school course and GPA requirements for potential students.**

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students who follow these recommendations are more likely to be college ready.

It will not be an easy task if the U of U chooses to increase graduation rates. First, increasing the admissions threshold and admissions requirements would mean that some students who previously would have been accepted would no longer meet entrance requirements. On the other hand, an increase in the admissions threshold and admission requirements would mean that taxpayer money supporting student instructional costs would be more effectively used because enrolled applicants would be more likely to graduate. Further, applicants not meeting the new requirements would not be placed in a situation in which they would be likely to fail. Instead, those applicants might be encouraged to attend an institution like Salt Lake Community College to increase their college readiness.

Second, the U of U needs to increase graduation rates in such a way that the number of bachelor's degrees awarded would not be negatively affected. This will be difficult because the state's goal of an increase in bachelor's degrees and the U of U's goal of increasing its graduation rate are not fully compatible.

U of U officials reported that they have already implemented a new admission profile that will better predict student success. They are currently considering potential increases to admissions requirements.

To summarize, Utah's premier research institution, the U of U, has a graduation rate that is comparatively low. Many students that the U of U enrolls are not college ready and student college readiness significantly affects an institution's graduation rate and student graduation probabilities. In our opinion, the U of U should take steps to increase the college readiness of enrolled students.

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**It will not be an easy task if the U of U chooses to increase graduation rates.**

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## **Recommendations**

1. We recommend that the U of U increase the high school course and HSGPA requirements for admission.
2. We recommend that the U of U increase the selectivity of its admissions index by elevating the admissions threshold.

## **Chapter III**

### **Other Graduation Rates Compare Favorably but Improvements Are Possible**

Both Southern Utah University (SUU) and Weber State University (WSU) compare favorably to similar institutions. However, these comparisons, coupled with the fact that both institutions have graduation rates lower than 50 percent, open up the possibility of graduation rate improvements. The graduation rate of Utah State University (USU) compares favorably, given its admissions selectivity.

For comparison purposes, SUU was categorized in 2003 by the Carnegie system as a small master's institution. According to Barron's, SUU's admissions selectivity is classified as competitive. Competitive institutions generally have median ACT test scores between 21 and 23 and typically accept between 75 and 85 percent of their applicants. Recently, SUU's Carnegie designation was changed to a large master's institution.

WSU is categorized by the Carnegie system as a medium-sized master's institution. WSU's admissions selectivity is rated in Barron's as noncompetitive. Noncompetitive institutions generally require only evidence of graduation from an accredited high school for admittance.

USU is categorized by the Carnegie system as an institution with high research activity. In 2003, USU's admissions selectivity was rated by Barron's as noncompetitive. (Institutions that accept 98 percent of their applicants are generally placed in this noncompetitive category regardless of other admission factors.) USU's admission selectivity has been upgraded recently to less competitive. Less competitive institutions typically accept 85 percent or more of their applicants and have median ACT scores below 21.

#### **SUU's Graduation Rate Could Improve**

Overall, SUU's graduation rate compares favorably with other small, competitive master's colleges and universities. However, some

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**SUU and WSU could improve their graduation rates, based on comparisons with other institutions, while USU compares favorably, given its admissions selectivity.**

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**SUU has a 43 percent graduation rate.**

of these similar institutions have a higher graduation rate than SUU, whose graduation rate is below 50 percent. Therefore, graduation rate improvements may be possible. As with the U of U, the college readiness of many SUU freshmen appears low. If SUU wants to improve its graduation rate, it needs to enroll students who are more college ready.

When compared with 13 other competitive, small master’s colleges and universities, SUU’s 43 percent graduation rate ranks 5<sup>th</sup> out of 13. Keene State College and Evergreen State College, each with a 58 percent graduation rate, have the highest graduation rate in this group. The full comparison is shown in Figure 3.1.

**Figure 3.1 Comparison of Six-Year Graduation Rates for Small, Competitive Master’s Colleges and Universities.** SUU’s graduation rate, although under 50 percent, is in the top half of the comparison group.

Six-Year Rate (2003 Class)		Six-Year Rate (Continued)	
Institution	Grad Rate		Grad Rate
Keene State College	58%	Southwest Minnesota State University	39
The Evergreen State College	58	Francis Marion University	39
Bemidji State University	46	University of Maryland Eastern Shore	32
Castleton State College	44	Fort Valley State University	31
<b>Southern Utah University</b>	<b>43</b>	Southwestern Oklahoma State	31
Minnesota State University-Moorhead	43	Eastern New Mexico University	29
Mansfield University of Pennsylvania	42	Johnson State College	29

If the Barron’s admissions selectivity ranking is set aside, SUU’s graduation rate ranks 9<sup>th</sup> of 29 small, public, master’s institutions. When compared to its peers, as identified by SUU staff, SUU’s graduation rate ranks 8<sup>th</sup> of 11. To review the information in these two comparisons, see Appendix D and Appendix E, respectively.

Although SUU’s comparative rank among the competitive, small master’s institutions is favorable, it appears possible that SUU could improve its graduation rate. As was the case with the U of U freshmen, the college readiness of many SUU freshmen appears low.



Many SUU freshmen do not have high school grade point averages (HSGPAs) and college entry scores that are indicative of likely graduation.

We conducted the same analysis with the members of SUU’s 2003 freshman class as we did with the U of U’s 2003 freshman class (reported in Chapter II). We applied SUU’s 2011 admissions index formula to the 617 SUU 2003 freshmen whose applications included HSGPA and ACT composite scores. The results of this analysis are shown in Figure 3.2.

**Figure 3.2 Percent of SUU Students Graduating at Various Admissions Index Scores.** In general, as HSGPAs and ACT scores increase, graduation rates increase.

SUU Admission Score*	Percent Graduating	Average HSGPA	Average ACT
62-79	16 %	2.27	16
80-84	27	2.59	17
85-89	21	2.83	17
90-94	41	2.95	19
95-99	40	3.25	19
100-104	60	3.41	20
105-109	67	3.55	21
110-114	68	3.73	22
115-119	72	3.79	25
120-124	85	3.83	27
125-129	69	3.94	28
130-134	100	3.98	31

\*Due to weighting factors in the admissions index formula and a decimal manipulation, it is not possible to multiply the HSGPA and the average ACT and achieve a score within the admissions score range.

As shown above, graduation rates generally increase as HSGPAs and ACT composite scores rise.

In the 2003 freshman class, 37 percent of enrolled students had a 41 percent or lower chance of graduating. If SUU wants to increase graduation rates, then it must enroll more students who are more college ready. SUU might accomplish this by increasing the selectivity of its admissions index and/or increasing high-school course and GPA requirements. SUU administration reported that the admissions threshold was raised from 85 to 90 for 2011. Information in Figure 3.2 supports that decision.

**Thirty-seven percent of the 2003 freshman class at SUU had a 41 percent or lower chance of graduating.**

A relatively small applicant pool might restrict how selective SUU can become.

As with the U of U, it will not be an easy task if SUU chooses to increase graduation rates. SUU will face obstacles that the U of U will face. In addition however, SUU may also face an obstacle in its relatively small applicant pool. A small applicant pool might restrict how selective SUU can become. On the other hand, an increase in admission threshold would mean that taxpayer money supporting student instruction costs would be more effectively used. Further, applicants not meeting the new threshold would not be placed in a situation in which they would be likely to fail.

### WSU’s Graduation Rate Could Improve

Overall, WSU’s graduation rate compares favorably with other nonselective, public, medium-sized institutions. However, two nonselective institutions have a higher graduation rate than WSU, opening up the possibility that WSU’s graduation rate could improve. Currently, WSU does not require college entrance exams (the ACT and SAT) for admission consideration. If WSU wants to increase its graduation rate, it may need to require some evidence of college readiness, a change UVU recently made.

WSU has a 43 percent graduation rate.

Of the 8 nonselective, public, medium-sized master’s institutions, WSU’s 43 percent graduation rate ranks 3<sup>rd</sup>. The University of Wisconsin at Platteville has the highest graduation rate, 56 percent, while Southern University in Louisiana has the lowest, 8 percent. This comparison is shown in Figure 3.4.

**Figure 3.4 Comparison of Noncompetitive, Medium-Sized Master’s Colleges and Universities.** WSU’s rate, although under 50 percent, is in the top half of the comparison group.

Six-Year Rate (2003 Class)		Six-Year Rate (Continued)	
Institution	Grad Rate		Grad Rate
U of Wisconsin-Platteville	56%	Angelo State University	31
Wayne State College	50	Grambling State University	29
<b>Weber State University</b>	<b>43</b>	Cameron University	20
Washburn University	41	Southern University	8

When simply comparing public, medium-sized master’s institutions, WSU’s graduation rate ranks 29<sup>th</sup> of 65. To review this

comparison, see Appendix F. When compared with its 10 peer institutions, identified by WSU staff in February, 2011, WSU's graduation rate ranks 7<sup>th</sup> of 11. WSU administration later informed us that their peer group had changed. In this new comparison, WSU's graduation rate ranks 4<sup>th</sup> of 11. In both of these comparisons, most of these identified peers are large rather than medium-sized master's institutions with several levels of admissions selectivity. To review both these comparisons, see Appendix G.

Although WSU compares favorably, we believe WSU could possibly improve its graduation rate. Currently, WSU does not require college entrance exams (ACT and SAT) for admission consideration. The University of Wisconsin at Plattsville, the nonselective institution with the highest graduation rate, does require them. The bottom 25 percent ACT scores for 2003 entering freshmen at Plattsville were the following:

- English score of 18
- Mathematics score of 20
- Composite score of 20

In September, 2011, Utah Valley University (UVU), another Utah university that has an open or noncompetitive admissions policy decided to require evidence of college readiness from its applicants in the form of college admissions test scores and HSGPAs. Students identified as not ready for college are admitted into a structured enrollment program. This program requires that students meet with an advisor regularly and sequentially and satisfactorily complete identified remedial course work. If WSU wants to increase its graduation rate, it may need to do the same.

## **USU's Graduation Rate Compares Favorably**

Of the five public, noncompetitive institutions with high research activity, USU has the highest graduation rate in the group—55 percent. In fact, USU's graduation rate is higher than many institutions whose admissions process is more competitive.

When comparing graduation rates among public institutions with high research activity, USU's graduation rate ranks 33<sup>rd</sup> out of 68. The

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**The University of Wisconsin at Plattsville, an institution comparable to WSU, requires college entrance exams for admission consideration; WSU does not.**

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**USU's graduation rate is higher than many institutions whose admissions process is more competitive.**

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College of William and Mary has a graduation rate of 91 percent, the highest graduation rate of the group while the University of New Orleans has a graduation rate of 24 percent, the lowest graduation rate of the group. USU's graduation rate puts its ranking in the top half of these institutions. To review these comparisons, see Appendix H.

Finally, when compared to its peers, USU's graduation rate ranks 7<sup>th</sup> of 12. The University of California at Davis has the highest graduation rate—80 percent; the University of Alaska at Fairbanks has the lowest graduation rate—35 percent. To review these peer comparisons, see Appendix I.

With USU's graduation rate leading its nonselective comparison group and its graduation rate ranking in the top half among all public institutions with high research activity, we believe USU's graduation rate compares favorably.

On the other hand, we believe that SUU and WSU could improve their graduation rates. This belief is based on the fact that both institutions' graduation rates are below 50 percent and comparisons with similar institutions indicate that graduation rates over 50 percent are possible.

## **Recommendations**

1. We recommend that SUU consider increasing high school course and GPA requirements and/or elevating the admissions index threshold.
2. We recommend that WSU consider requiring college entrance scores and HSGPAs for admission.

## Chapter IV

# Current Excess Hour Surcharge Policy Appears Ineffective

The State Board of Regents' (SBR) excess credit hour surcharge policy, enacted in 1997 and revised in 2003, has resulted in little fee money collected, and presumably, has had little impact on student excess credit hour behavior. Excess credit hours are those over the number necessary for a bachelor's degree. The underlying purpose of an excess credit hour policy is not necessarily to collect additional revenue from students, but to encourage students to graduate sooner with fewer excess credit hours by attaching a consequence to excess credit hours. It appears that Utah's higher education system could pursue excess hours more aggressively. Currently, Utah's policy is comparatively lenient and enforcement is relatively lax. A firmer policy coupled with more rigorous enforcement could result in annual surcharge revenues between \$840,000 and \$13.5 million, depending on the firmness of the policy. We believe SBR's policy must be firm enough to get students' attention, but not so burdensome that students abandon their pursuit of a degree if they get into an excess hour situation. With consistent policy enforcement, students could start to graduate sooner with fewer excess hours. Fewer students amassing unnecessary excess credit hours should reduce strain on the taxpayers' capital.

Higher education instruction in Utah is funded primarily by tuition, which generally covers between 53 and 67 percent of instruction costs, and state tax funds, which cover the remainder. The fact that student instruction is partially supported by state tax funds, coupled with the heightened interest in increasing the number of people who hold bachelor's degrees, has led some states to adopt policies that encourage students to graduate more quickly. Excess credit hour surcharge policies are one such type of policy.

Under an excess credit hour surcharge policy, all credit hours identified as excess are charged at a rate higher than the in-state tuition rate. Typically, excess credit hour policies have the following five components:

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**Excess credit hour policies are one type of policy designed to encourage students to graduate more quickly.**

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- The excess hour threshold—the point above which hours may be considered excess
- The inclusions—the types of hours that are included as potential excess hours
- The exclusions—the types of hours that are specifically excluded from classification as potential excess hours
- The charge—the method of determining the excess hour surcharge
- The grounds for waiver—the circumstances under which the excess credit hour surcharge can be waived

### **Reduction of Excess Credit Hours Could Be Pursued More Aggressively**

Compared to five other states, Utah’s excess credit hour policy is lenient in terms of the excess hour threshold and the grounds for a waiver. In addition, the enforcement of the policy appears lax. Sometimes the policy is interpreted so broadly it does not apply, other times the policy simply is not enforced.

Utah’s excess credit hour policy specifically exempts concurrent hours, advanced placement hours, and credit hours by examination from excess hour calculations. After making these specific exemptions, the policy goes on to state the following:

Credit hours in excess of 135 percent shall be charged the full cost of instruction unless the institution determines they should be exempt because the credits are necessary for program completion and the excess credits result from:

- A substantial number of credit hours from a transferring institution that could not be applied to a program of study
- Reasonable enhancement of the student’s major by the addition of a minor or other program emphasis
- Re-entry by a student having a large number of credits or completed degrees, but where employment requirements obligate a return to college.

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**The State Board of Regents’ policy defines excess hours as those over 135 percent of hours necessary for a bachelor’s degree.**

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## Utah’s Policy Is Comparatively Lenient

Utah’s excess hour threshold is comparatively high and the grounds for waiver are broader in comparison to five other states. Further, Utah’s credit hour policy lacks specificity when compared to the policies of other states.

Among the six states, Utah’s excess credit hour threshold is the highest, as shown in Figure 4.1.

**Figure 4.1 Comparison of Excess Credit Hour Thresholds.** Utah’s threshold is the highest of the six states.

State	Percent Threshold	Hour Threshold *
North Carolina	>110 %	~16 hours
Florida	>115	~18
Arizona	>120	~25
Virginia	>125	~30
Texas	~>125	30
Utah	>135	~42

*\*The number of hours varies depending on the number of hours necessary for a bachelor’s degree. The number of credit hours typically necessary for a bachelor’s degree ranges from 120 to 128.*

As shown, Utah allows its students to accumulate more hours before an excess hour surcharge becomes a possibility. In fact, Utah allows three semesters of excess credit hour work. The other states’ allowances are between one and two semesters. By maintaining a higher excess credit hour threshold, Utah’s higher education institutions may be encouraging students to stay in school longer.

In addition to having a high surcharge threshold, Utah also allows the surcharge to be waived by the addition of minor credit hours. In this regard, Utah is unique among the states compared. None of the five allow the waiver or exclusion of minor credit hours from the excess hour calculation. In fact, two of the states—North Carolina and Florida—do not even waive or exclude credit hours resulting from changes of major.

In addition to being lenient, Utah’s policy also lacks specificity. A few exclusions are specifically listed, for example, concurrent enrollment hours and advanced placement hours. However, other policy exclusions include general descriptions such as “substantial number” and “reasonable enhancement” which allow broad interpretation. In contrast, other states’ excess credit hour surcharge

**Utah allows the surcharge to be waived by the addition of minor credit hours; the five comparative states do not.**

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**Double majors, dual degrees and second bachelor's degrees are common exclusions in the comparison states.**

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**Exclusions do not mean that students taking double majors, getting a dual degree or a second bachelor's degree are exempt from the possibility of excess hour surcharges.**

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**If a U of U student has outstanding required courses for their major, then the student will not be considered for an excess hour surcharge, regardless of the total number of hours the student has.**

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policies cite more specific exclusions, such as double majors and second bachelor's degrees.

In fact, double majors, dual degrees, and second bachelor's degrees are all common exclusions. Three of the five comparison states allow at least two of the three exclusions. Texas excludes only second bachelor's degrees while Arizona appears to exclude only dual degrees.

However, exclusions in other states do not mean that students taking double majors, or getting a dual degree or second bachelor's degree are exempt from the possibility of excess hour surcharges. Instead, it means that the extra hours necessary for these additions will be considered when calculating the excess hour threshold. For example, the additional hours necessary for a double major would not be considered excess hours. Instead, the minimum number of hours necessary to complete the second major would be calculated and then added to the minimum number of hours necessary to complete a bachelor's degree. The excess hour threshold would then be applied to this recalculated total. Any hours in excess of the new threshold would be assessed a surcharge.

### **Policy Enforcement Appears Lax**

The current policy appears to be broadly interpreted by some Utah institutions, with the result that few students have been identified as having excess hours. Other Utah institutions have simply stopped implementing the policy.

The U of U is one institution that has a broad interpretation of the excess credit hour policy. At the beginning of every fall semester, a report is generated that identifies all undergraduate students who have over 164 credit hours. This list is sent to academic advising for further review. As part of this review, a degree audit report (DAR) is generated for every student. If the DAR shows that the student still has outstanding required courses for their current declared major, then the student will not be reviewed further for excess hours. These students will not be considered for possible excess credit hour charges regardless of the number of credit hours already completed.

In fall 2010, 163 out of 8,182 seniors were identified as having hours in excess of 164; in fall 2009, 159 out of 7,827 seniors were



identified. We reviewed the records of five students identified in fall 2010 as having hours in excess of 190, a number that should be adequate for a student to complete a double major. None of these students had declared a double major. Three of the students had significantly changed their major (for example, changing from modern dance to political science to theatre) and two of these three students had minors. One student had hours from a previous bachelor's degree plus 16 transfer hours. Four of the five students graduated in 2011. None of these conditions would have exempted these students from excess hour consideration and, most likely, from excess hour charges, in the other states we reviewed. To date, the U of U has never collected any excess credit hour surcharges.

SUU's interpretation also appears to be somewhat broad, although SUU believes the policy itself contains very broad exceptions. Like the U of U, SUU also generates a list of students who have earned more than 160 credit hours. The records are manually reviewed to answer the following questions:

- Is this a student's second bachelor's degree? If a student has come back for a second bachelor's degree, then SUU believes the student is exempt from any excess credit hour surcharge.
- Did the student substantially change their program of study by changing their major, adding a minor, or changing their catalog year thereby changing their course requirements? If so, then SUU believes the student is exempt from any excess credit hour surcharge.
- Is this student a transfer student, transferring more than 30 credits of which more than 50 percent were electives? If so, then SUU believes the student is exempt from any excess credit hour surcharge.

SUU has never identified a student who did not meet one of these exceptions and has never assessed the surcharge.

On the other hand, WSU, Dixie College and UVU do not enforce the policy. Prior to 2005, WSU made an attempt to enforce the policy, but in 2005, WSU began using a software program called Banner. WSU officials ultimately concluded that they did not know

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**SUU believes that students who have returned for a second bachelor's degree are exempt from any excess credit hour surcharge.**

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**Because of software issues, WSU and Dixie do not enforce the policy at all.**

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how to program Banner to identify students with excess hours and, consequently, the school has not enforced the excess credit hour policy since 2005. Dixie administrators related a similar story and, as a result, have never assessed the tuition surcharge, although administrators believe that few students would have fallen under the excess credit hour requirement. UVU also appears to have made a non-enforcement decision in 2000. It is unclear whether this decision is still in place, but, to date, UVU has never assessed or collected any excess credit hour surcharge.

### **Firmer Policy and More Rigorous Enforcement Should Increase Surcharge Revenue**

If the SBR adopted a firmer, more specific policy and enforced it, surcharge revenue should increase substantially. We developed three surcharge estimates using other states' excess credit hour policies. Depending on the firmness of the policy adopted, we estimate surcharge revenue could range from \$840,000 to \$13.5 million.

Using the five other states' excess credit hour policies as a guide, we developed the following three revenue scenarios:

- The first scenario is based on North Carolina's policies. North Carolina has an excess credit hour threshold of approximately 110 percent. Double majors and second bachelor's degrees are exclusions and are treated according to the methodology found in the exclusions discussion following Figure 4.1. All attempted classes (for example, classes that the student failed) and all accepted transfer hours are counted toward excess credit hours. However, hours taken during summer semester are not subject to excess credit hour surcharges. Likewise, hours earned during the first four years of study are not subject to excess credit hour surcharges. We like the fact that North Carolina's policy encourages students to graduate in four years and to attend in the summer. However, all credit hours earned after four years of study that are excess credit hours will be assessed the surcharge. North Carolina assesses a 50 percent tuition surcharge. This surcharge is not applied to fees. We estimate Utah's System of Higher Education could collect \$840,000 annually under North Carolina's policy.

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**We developed three excess surcharge revenue scenarios with other states' policies as guides; estimated revenue ranges from \$840,000 to \$13.5 million.**

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- The second scenario, a mid-range scenario, is based on moderate elements of the five policies reviewed. An excess credit hour threshold of 120 percent was used. Transfer hours from private and out-of-state colleges and universities were excluded from the excess hour calculation. A surcharge rate developed by the SBR covering the full cost of instruction was applied. We estimate \$6.4 million could be collected annually under this scenario.
- The third scenario is based on Florida’s policies. Florida applies a 115 percent credit hour threshold. All accepted transfer credits are included in the excess credit hour calculation. Double majors and second bachelor’s degrees are exclusions and are treated according to the methodology found in the exclusions discussion following Figure 4.1. Florida applies a 100 percent tuition surcharge to excess credit hours. We estimate \$13.5 million could be collected annually under Florida’s policy.

Figure 4.2 summarizes estimated revenue in each scenario. All figures are rough estimates. We were constrained, in some cases, by the limitations of our data. For example, we could not exclude concurrent enrollment hours because the data was not available.

**Figure 4.2 Excess Credit Hour Surcharge Estimated Revenue.**  
Revenue amounts vary significantly under different scenarios.

Scenario	First	Second	Third
Revenue*	\$840	\$6,400	\$13,500

*\*In thousands of dollars*

As shown, policies with increasing levels of firmness bring in increasing amounts of revenue. However, as previously noted in this chapter, the ultimate goal of these policies is not necessarily to bring in revenue, but to affect student behavior; specifically, the goal is to strongly encourage students to complete their bachelor’s degrees as quickly as possible with as few excess credit hours as possible. Fewer students amassing fewer excess credit hours should reduce strain on the taxpayers’ capital. So, the policy must be firm enough to get students’ attention, but not so burdensome that students abandon their pursuit of a degree if they get into an excess hour situation. Also,

**The policy must be firm enough to get students’ attention, but not so burdensome that students abandon their degree pursuit if they get into an excess hour situation.**

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**USU is the only Utah institution that has collected excess credit hour surcharges—\$6,800 in school year 2010.**

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the policy must be enforced so students understand that there are consequences for accruing excess hours.

USU is the only Utah higher education institution that has collected excess credit hour surcharges. During the 2010 school year, USU collected a little over \$6,800 from three students who were assessed and paid the non-resident tuition rate. USU's registration officer indicated that surcharge fees are waived for 98 percent of the students identified as having excess hours. In contrast, Arizona collected \$106,000, North Carolina collected \$2.5 million, and Texas collected \$36 million in the 2010 school year (Texas' number is overstated because it also includes a repeat-course fee.) Neither Florida nor Virginia has collected any fees yet; the first freshman classes subject to the fee have not had time to amass excess credit hours.

While the purpose of an excess credit hour policy is to encourage students to graduate sooner with fewer excess credit hours, to our knowledge, the actual impact on student behavior has not been tested. USU provided some data which indicated that students who are alerted to their potential excess-hour situation tend to graduate quickly. In our opinion, if the SBR chooses to implement and enforce an excess credit hour policy, the effect of the policy on student behavior should be analyzed. If the policy does not affect student behavior or affects student behavior negatively (for example, students drop out without completing their degrees), then the policy should be reanalyzed.

The SBR notes that excess credit hour policy enforcement will have an associated cost. It is true that Dixie, UVU, and WSU will incur additional cost because none of these institutions currently enforce the policy. However, the U of U, USU, and SUU, because they take enforcement steps, already incur this cost.

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**SBR must ensure that excess hour components are standardized and accessible.**

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Finally, if the SBR is going to effectively administer a new excess credit hour policy, SBR administrators must ensure that excess hour components are standardized. For example, transfer hours must be posted consistently. Currently, USU posts all transfer work including D, F, and W (withdrawal) grades. Other institutions may not post W and F grades. If institutions are inconsistent in the treatment of transfer hours, then students will be treated differently at different institutions. Further, the SBR must ensure that all data affecting excess

hour calculations are accessible. For example, concurrent hours are generally excluded from excess hour calculations, but Utah's higher education institutions cannot easily identify concurrent hours. If concurrent hours are to be excluded, they must be easily identifiable.

In summary, we believe that the SBR's current excess credit hour policy has been ineffective. In order to collect fee revenue and affect student behavior, the SBR needs to adopt a policy that is firmer and more specific than the current policy. Once adopted, this policy needs to be enforced by higher education institutions.

## **Recommendations**

1. We recommend that the State Board of Regents strengthen the excess credit hour policy by reducing the threshold for the surcharge.
2. We recommend that the State Board of Regents determine what credit hour exceptions will be allowed and specifically list them in the policy.
3. We recommend that the State Board of Regents ensure that all components necessary to the excess hour calculation are accessible and standardized.
4. We recommend that the State Board of Regents specify the methodology to be used when double majors, dual degrees, and second bachelor's degrees are a consideration in excess credit hour calculations.
5. We recommend that the State Board of Regents ensure that the new policy is enforced by all higher education institutions.
6. We recommend that the State Board of Regents analyze the effect of their revised excess credit hour policy on student behavior and make appropriate modifications.

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## **Appendices**

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## Appendix A

**Comparison of Graduation Rates among Sixty-Three Public, Research-Intensive Institutions.** The U of U's 58% graduation rate ranks 52<sup>nd</sup> among the 63 institutions.

Institution	Admissions Selectivity	6 Year Graduation Rate	Institution	Admissions Selectivity	6 Year Graduation Rate
U of Virginia	Most	93 %	U of Iowa	Very	69
U of California-Berkeley	Most	90	U of South Carolina	Very	69
U of California-Los Angeles	Most	89	Washington State U	Competitive	69
U of Michigan	Highly	89	U of Minnesota	Highly	68
U of North Carolina	Most	85	U of Missouri	Very	68
Pennsylvania State U	Very	85	U of Colorado at Boulder	Very	67
U of California-San Diego	Very	84	Stony Brook U	Highly	67
U of Illinois	Highly	83	U of Massachusetts Amherst	Very	66
U of California-Irvine	Highly	82	U of California-Riverside	Competitive	65
U of Florida	Highly	82	SUNY at Albany	Very	65
U of Maryland	Highly	82	Colorado State U	Very	64
The U of Texas	Highly	81	Kansas State U	Very	63
U of Washington	Very	81	U of Nebraska	Competitive	63
U of Wisconsin	Highly	81	U at Buffalo	Very	63
U of California-Davis	Highly	80	U of Kansas	Competitive	61
U of California-Santa Barbara	Highly	80	The U of Tennessee	Very	61
Texas A & M University	Highly	80	U of Kentucky	Competitive	60
Virginia Polytechnic Institute	Highly	80	Oregon State U	Competitive	60
Georgia Tech	Highly	79	Louisiana State U	Very	59
U of Georgia	Highly	79	<b>University of Utah</b>	<b>Very</b>	<b>58</b>
U of Connecticut	Highly	78	U of Arizona	Competitive	58
U of Pittsburgh	Highly	78	Arizona State U	Competitive	56
Michigan State U	Very	77	U of Cincinnati	Competitive	55
Rutgers U-New Brunswick	Highly	77	U of Illinois at Chicago	Very	54
U of Delaware	Very	75	U of South Florida	Competitive	48
Ohio State U-Main Campus	Highly	75	U of Hawaii	Very	48
Indiana U-Bloomington	Highly	74	Montana State U	Less	48
U of California-Santa Cruz	Very	73	U of Colorado Denver	Competitive	43
North Carolina State U	Highly	73	U of New Mexico	Competitive	43
Florida State U	Very	71	U of Alabama	Competitive	39
Purdue U	Very	70	Wayne State U	Competitive	32
Iowa State U	Competitive	69			

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## Appendix B

**Comparison of U of U Graduation Rate to Those of Peer Institutions** The U of U's 58% graduation rate ranks 8<sup>th</sup> among the 11 institutions.

Institution	Admissions Selectivity	6 Year Graduation Rate	Institution	Admissions Selectivity	6 Year Graduation Rate
University of Virginia	Most	93 %	University of Iowa	Very	69
University of North Carolina	Most	85	<b>University of Utah</b>	<b>Very</b>	<b>58</b>
University of California at San Diego	Very	84	University of Cincinnati	Competitive	55
University of California at Irvine	Highly	82	University of Illinois at Chicago	Very	54
University of Washington	Very	81	University of New Mexico	Competitive	43
University of Pittsburg	Highly	78			

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## Appendix C

**Comparison of Graduation Rates among PAC-12 Institutions.** The U of U's 58% graduation rate ranks 10<sup>th</sup> among the 12 institutions.

Institution	Admissions Selectivity	6 Year Grad Rate	Institution	Admission Selectivity	6-Year Grad Rate
Stanford University	Most	95 %	Washington State University	Competitive	69
University of California-Berkeley	Most	90	University of Colorado Boulder	Very	67
U of California-Los Angeles (UCLA)	Most	89	Oregon State University	Competitive	60
University of Southern California	Most	88	<b>University of Utah</b>	<b>Very</b>	<b>58</b>
University of Washington	Very	81	University of Arizona	Competitive	58
University of Oregon	Very	70	Arizona State University	Competitive	56

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## Appendix D

**Graduation Rates of Twenty-Nine Institutions with Small Masters Programs.** SUU's 43% graduation rate ranks 9<sup>th</sup> among the 29 institutions.

Institution	Admissions Selectivity	6 Year Grad Rate	Institution	Admissions Selectivity	6 Year Grad Rate
Ramapo College of New Jersey	Highly	75 %	Delaware State University	Less	34
The Richard Stockton College of NJ	Very	66	Minot State University	Less	34
SUNY College at Oneonta	Very	64	University of Maryland Eastern Shore	Competitive	32
Keene State College	Competitive	58	Fayetteville State University	Less	32
The Evergreen State College	Competitive	58	University of Alaska Southeast	Less	31
Lock Haven University	Less	53	Fort Valley State University	Competitive	31
Bemidji State University	Competitive	46	Southwestern Oklahoma State	Competitive	31
Castleton State College	Competitive	44	Savannah State University	Less	29
<b>Southern Utah University</b>	<b>Competitive</b>	<b>43</b>	Eastern New Mexico University	Competitive	29
Minnesota State University-Moorhead	Competitive	43	Johnson State College	Competitive	29
Mansfield University of Pennsylvania	Competitive	42	University of Arkansas at Monticello	Noncompetitive	25
Mississippi University for Women	Less	41	Lincoln University	Noncompetitive	25
Southwest Minnesota State University	Competitive	39	Indiana University-Northwest	Less	23
Francis Marion University	Competitive	39	University of the District of Columbia	Less	12
Mississippi Valley State University	Less	35			

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## Appendix E

**Comparison of SUU Graduation Rates to Those of Peer Institutions.** SUU's 43% graduation rate ranks 8<sup>th</sup> among the 11 institutions.

Institution	Admissions Selectivity	6-year Graduation Rate	Institution	Admissions Selectivity	6-year Graduation Rate
SUNY at Geneseo	Most	78 %	Georgia College and State U	Competitive	48
Truman State University	Highly	71	<b>Southern Utah University</b>	<b>Competitive</b>	<b>43</b>
Christopher Newport U	Very	58	Columbus State University	Competitive	33
Sonoma State University	Competitive	53	Austin Peay State University	Competitive	31
Eastern Connecticut State U	Competitive	51	Southern Oregon University	Competitive	31
Western Carolina University	Competitive	49			

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## Appendix F

**Comparison of Graduation Rates among Sixty-Five Medium-Sized Master's Institutions.** Weber's 43% graduation rate ranks 29<sup>th</sup> among the 65 institutions.

Institution	Admissions Selectivity	6 Year Graduation Rate	Institution	Admissions Selectivity	6 Year Graduation Rate
SUNY at Geneseo	Most	78 %	U of Wisconsin-Superior	Very	41
University of Mary Washington	Very	75	Arkansas Tech University	Competitive	40
Truman State University	Highly	71	Alcorn State University	Competitive	38
U of Wisconsin-Eau Claire	Very	65	Lincoln U of Pennsylvania	Competitive	37
College of Charleston	Very	64	Texas A & M International	Not Rated	37
Rutgers University-Camden	Very	62	U of West Alabama	Competitive	35
U of Wisconsin-Stevens Point	Competitive	61	Henderson State University	Very	35
U of Nebraska-Kearney	Competitive	59	Georgia SW State University	Competitive	35
Westfield State College	Competitive	58	Nicholls State University	Competitive	35
Longwood University	Competitive	58	U of Southern Indiana	Less	34
U of Wisconsin-Plattsville	Non	56	U of North Carolina-Pembroke	Less	34
U of Wisconsin-River Falls	Less	55	U of Texas- Permian Basin	Not Rated	32
U of Minnesota-Duluth	Competitive	52	Eastern Oregon University	Competitive	31
NW Missouri State University	Competitive	52	Austin Peay State University	Competitive	31
E Connecticut State University	Competitive	51	Angelo State University	Non	31
Winona State University	Competitive	51	Southern Polytechnic State	Very	30
California State- Stanislaus	Competitive	50	SE Oklahoma State University	Competitive	30
Wayne State College	Non	50	Midwestern State University	Competitive	30
SUNY Technology-Utica/Rome	Not Rated	50	Grambling State University	Non	29
U of Tennessee-Martin	Competitive	49	Purdue University- Calumet	Less	28
California State-San Marcos	Competitive	47	Montana St University-Billings	Less	26
Ferris State University	Competitive	46	Cheyney University of Penn	Less	24
New Mexico Mining/Tech	Highly	46	Indiana University-Fort Wayne	Less	23
U of Montevallo	Competitive	45	Augusta State University	Competitive	21
Delta State University	Competitive	45	Louisiana State- Shreveport	Less	20
N Georgia College/State U	Competitive	44	Cameron University	Non	20
Worcester State College	Competitive	44	U of Texas- Brownsville	Not Rated	17
Virginia State University	Competitive	44	Coppin State University	Competitive	14
<b>Weber State University</b>	<b>Non</b>	<b>43</b>	Metropolitan State University	Not Rated	14
U of Michigan-Flint	Competitive	43	W New Mexico University	Less	12
Humboldt State University	Competitive	42	Texas Southern University	Competitive	11
Albany State University	Competitive	42	Southern University	Non	8
Washburn University	Non	41			

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## Appendix G

### Original Peer Group Provided in February, 2011

**Comparison of WSU Graduation Rate to Those of Peer Institutions.** WSU's 43% graduation rate ranks 7<sup>th</sup> among the 11 institutions.

Institution	Admissions Selectivity	6-year Graduation Rate	Institution	Admissions Selectivity	6-year Graduation Rate
Western Washington U	Very	69 %	<b>Weber State University</b>	<b>Non</b>	<b>43</b>
University of Northern Iowa	Competitive	67	California St U- Dominguez Hills	Less	35
U of Wisconsin- Whitewater	Competitive	56	Youngstown St University	Non	34
Clarion U of Pennsylvania	Competitive	53	Boise State University	Less	26
Western Carolina University	Competitive	49	Indiana University-Ft Wayne	Less	23
University of North Florida	Very	49			

### Updated Peer Group Provided in October, 2011

**Comparison of WSU Graduation Rate to Those of Peer Institutions.** WSU's 43% graduation rate ranks 4<sup>th</sup> among the 11 institutions.

Institution	Admissions Selectivity	6-year Graduation Rate	Institution	Admissions Selectivity	6-year Graduation Rate
Clarion U of Pennsylvania.	Competitive	53 %	Youngstown State U	Non	34
U of North Florida	Very	49	Northern Kentucky U	Non	32
Ferris State University	Competitive	46	U of Alaska at Anchorage	Non	34
<b>Weber State University</b>	<b>Non</b>	<b>43</b>	Boise State University	Less	26
Eastern Kentucky	Competitive	37	Utah Valley University	Unranked	N/A
NW State U of Louisiana.	Competitive	36			

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## Appendix H

**Comparison of Graduation Rates among Sixty-Eight Public, High-Research Institutions. USU's 55% graduation rate ranks 33<sup>rd</sup> among the 68 institutions.**

Institution	Admission Selectivity	6-Year Graduation Rate	Institution	Admission Selectivity	6 Year Graduation Rate
College of William and Mary	Most	91 %	Western Michigan University	Competitive	54
Miami University	Very	83	U of North Dakota	Very	54
SUNY at Binghamton	Highly	80	South Dakota State University	Competitive	54
Clemson University	Highly	77	U of North Carolina	Competitive	52
U of New Hampshire	Very	75	North Dakota State University	Competitive	52
U of Vermont	Very	73	Old Dominion University	Competitive	51
U of Oregon	Very	70	Georgia State University	Very	50
Ohio University	Competitive	69	Virginia Commonwealth U	Competitive	50
Auburn University	Very	67	Kent State University	Competitive	49
Colorado School of Mines	Highly	67	U of Alabama- Huntsville	Very	48
Temple University	Very	67	Northern Illinois University	Competitive	48
U of Alabama	Competitive	66	U of Louisville	Very	48
San Diego State University	Very	66	Jackson State University	Competitive	47
Michigan Tech University	Very	66	U of North Texas	Competitive	47
Rutgers University	Very	65	Florida International University	Very	46
SUNY Envir Sci and Forestry	Highly	64	U of Nevada-Reno	Non	46
George Mason University	Very	64	U of Southern Mississippi	Competitive	45
U of Central Florida	Competitive	63	New Mexico State University	Less	45
Missouri U Science/Tech	Very	63	Southern Illinois University	Competitive	44
U of Oklahoma	Very	63	U of Montana	Competitive	44
U of Texas-Dallas	Highly	63	U of Wisconsin-Milwaukee	Competitive	43
Mississippi State University	Competitive	61	U of Louisiana- Lafayette	Competitive	42
U of Mississippi	Competitive	60	U of Missouri- Kansas City	Very	41
Oklahoma State University	Very	60	U of Missouri- St Louis	Very	41
U of Rhode Island	Competitive	60	U of Houston	Competitive	41
Texas Tech University	Competitive	60	Florida Atlantic University	Competitive	38
U of Arkansas	Very	59	North Carolina A & T	Less	37
U of Maryland- Baltimore	Very	59	U of Memphis	Competitive	37
Bowling Green State University	Competitive	59	U of Texas- Arlington	Less	36
U of Maine	Competitive	58	U of Alaska-Fairbanks	Competitive	35
West Virginia University	Competitive	58	Indiana University-Indianapolis	Competitive	34
U of Idaho	Competitive	56	U of Akron	Non	33
<b>Utah State University</b>	<b>Non</b>	<b>55</b>	U of Texas- El Paso	Non	32
New Jersey Inst Technology	Very	55	U of New Orleans	Very	24
U of Wyoming	Competitive	55			

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## Appendix I

**Comparison of USU Graduation Rate to Those of Peer Institutions.** USU's 55% graduation rate ranks 7<sup>th</sup> among the 12 institutions.

Institution	Admissions Selectivity	6 Year Graduation Rate	Institution	Admissions Selectivity	6 Year Graduation Rate
U of California-Davis	Highly	80 %	<b>Utah State University</b>	<b>Non</b>	<b>55</b>
Washington State U	Competitive	69	U of Wyoming	Competitive	55
Colorado State U	Very	64	Montana State U	Less	48
Oregon State U	Competitive	60	U of Nevada-Reno	Non	46
U of Arizona	Competitive	58	New Mexico State University	Less	45
U of Idaho	Competitive	56	U of Alaska-Fairbanks	Competitive	35

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## **Agency Response**

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November 17, 2011

Mr. John Schaff  
Legislative Auditor General  
W315 Utah State Capitol Complex  
Salt Lake City, UT 84114-5315

Dear Mr. Schaff:

On behalf of the Utah System of Higher Education (USHE), we wish to thank you for the opportunity to respond to the audit of Higher Education Graduation Rates and Excess Hours. Your staff was both professional and courteous as they carried out the audit. We acknowledge the issues asked of your office and appreciate the chance to discuss and weigh in on issues affecting higher education today.

This audit focused primarily on two key areas: graduation rates and Regents' policy on excess credit hours. Both issues deal with college completion, but one focuses on admissions criteria and graduation rates as compared to peers and the other with charging for excess credit hours as a way to motivate students to complete college. The USHE agrees that there are areas for improvement in completion rates as noted in our response to the recommendations. In fact, the State Board of Regents has prioritized retention and completion among the highest priorities in its strategic plan and the USHE institutions have been focused on these priorities for the last year. It is worth noting that changing graduation rates requires a multi-faceted approach, with one factor being admissions criteria. Several of the USHE institutions have included strengthening of admissions criteria in their plans for achieving increased graduation rates.

This response will focus on the following areas:

- The State Board of Regents (SBR) promotes student success including completion
- The SBR excess credit hour policy does lack consistent application across institutions; however, the USHE has other strategies implemented that more efficiently and effectively guide a student to graduation.

### **The USHE Promotes Student Success and Graduation**

College completion is a complex issue with a myriad of factors coming into play. The audit addresses college readiness, but even that has many facets. Studies have found that, for Utah students, major factors in students leaving college prior to graduation is marrying young and having children as well as the affordability of education. Also, individual initiative, both in preparing for college in high school and

persistence in college, is also a factor that can be hard to quantify. Clearly, individual initiative plays a role in a student's achievement.

There are several areas that the USHE is working on to achieve improved graduation rates. Some of these areas are discussed below:

*Admission Standards-* Action has been taken recently to increase admission standards at the University of Utah, Utah Valley University and Southern Utah University. However, if the auditors' recommendations were adhered to immediately, thousands of Utah students might be denied a higher education. A more gradual approach makes sense coupled with efforts to encourage more rigorous preparation in high school and even college savings to help with affordability. Further, as admissions standards become tighter at some institutions, there is also the importance and need to provide student accessibility to higher education which will require state support to increase capacity at open admission institutions. For instance, this year at least two of the open access institutions turned away thousands of students as a result of three years of budget cuts that limited their ability to hire adjunct faculty (often the most cost-effective instructors) to teach course sections. Part of the Governor's goal of having more Utahns obtain a higher education degree or certificate also means that opportunities need to exist to help students attain the education.

*College Readiness-* Four, long-term efforts have been launched the past several years which are worth highlighting:

- 1) First, in 2008, the USHE recommended, and the Utah Legislature enacted, the Regents' Scholarship program which encourages Utah high school students to prepare for college academically and financially by taking a core course of study, and saving for college. These requirements must be completed in grades 9-12 and students apply during their senior year in high school. The number of students qualifying for this award has increased each year (in 2012 by nearly 40%).
- 2) Second, the Commissioner's Office, on behalf of the Board of Regents and USHE, obtained a \$1.5 million federal College Access Challenge grant in 2011 and 2012 to help students and families learn about and prepare for higher education and to provide outreach and resources for secondary education students, families, and educators. This is a multifaceted grant with many strategies and activities. On September 16, 2011, the USHE sponsored a conference titled "Tools for Building a College-Going Culture" for secondary school administrators and counselors. This is the third year for this conference and approximately 430 administrators, counselors, presenters, and college access, admissions and recruitment staff were in attendance. Our participants came from across the USHE, BYU, and Westminster College and 27 of our 41 Utah School districts.

- 3) Third, the Utah Scholars Initiative (USI) was launched in the 2006-2007 school year with a \$300,000 federal grant. The program targets 8th graders to increase awareness early on of what it takes to be ready and successful in college. The Regents' Scholarship is currently the financial incentive linked to this program. Since inception, the program has grown and last year reached approximately 20,566 students. The number of students reached is expected to expand this year as we have greatly increased our volunteer base with new business, community and higher education partners.
- 4) Fourth, working with the State Board of Education, college and career readiness standards were adopted for the first time in 2011. These standards outline the type of preparation high school students need to be prepared for college as well as the workforce. USHE has long been concerned that currently, only 27% of Utah high school students who took the ACT college entrance exam for college admissions in 2011, met all four academic benchmarks for college preparation (the same benchmarks used by the Legislative Auditor). Continuing collaboration with the Utah State Office of Education through the K-16 Alliance will assist in making high school students' course-taking patterns and performance in those courses more consistent with being college-ready.

*Board of Regents' Program Review Limits Required Courses-* Regents' Policy 401 outlines procedures for academic program approval and provides maximum credit caps on the number of credits required for academic programs. When a new program of study is approved by the State Board of Regents, extensive work has already been completed, monitoring the number of courses and course content for the program. Great effort is taken to require only what is necessary for a student to complete a particular degree and be found competent in the area of study.

#### **Other Controls Exist to Prevent Excess Credit Hours**

The Regents' excess credit hour policy does lack consistent application across institutions and as recommended by the Legislative Auditors needs to be revisited. However, when one looks at the purpose of charging higher tuition for excess credit hours, it is to encourage students to graduate. This policy describes one method of possibly encouraging students to graduate. As noted in the audit, there is a fine line between making a policy too stringent and not meeting the primary goal of student completion. Nevertheless, the auditors have addressed some good points as it pertains to this policy.

It should be noted that there are costs associated with implementing the policy as written especially with the recent, significant budget cuts. The policy requires staff-intensive processes with low yields in terms of desired effect. The auditors' example of Utah State University's implementation of the excess credit policy is a case in point. Staff time to track down the 46 students (out of roughly 6,000 undergraduate seniors) and verify that the student had actually taken "excess hours," resulted in three students actually paying for excess hours. The auditors point out that alerting the 43 students who took action so as not to incur an excess credit charge is definitely worthwhile, but future efforts in this regard

will have to take into account the “value” of the effort, given the cost. Full implementation of the excess credit hours policy will also require additional counseling and advising. As enrollment growth has occurred across the system, additional funding for counseling and advising has not been provided to meet student demand and needs. The USHE understands and agrees with the auditors that more can be done, but additional resources are needed.

Besides the excess credit hours policy, it is important for the Legislature and the public to know that the USHE has other strategies implemented that also help guide a student to graduation. Some of these are explained as follows:

*Tuition Rates-* Though Utah is ranked 47<sup>th</sup> lowest for average tuition rates in the nation, to a student it still represents a significant cost and the portion of the cost paid by students continues to increase (on average from 37% in 2007-08 to 48% in 2010-11). There will always be a few students that may seem to linger to finish school; however, the vast majority of students do not fall into this area. In the audit, it was found that 46 students at USU met the excess credit hours threshold as outlined in Regents Policy out of 20,572 FTE students. At the U of U, there were found 163 of 28,000 FTE students as of Fall 2010 that also met the excess credit hour threshold. In both cases, these students with excess credit were much less than one percent—truly exceptions to the rule.

*Student Financial Aid Limits-* Federal financial grants and loans have maximum limitations which prevent students from unnecessarily continuing to receive aid. As part of each institution’s satisfactory academic progress policy, a student by law has until they complete 125% of a degrees published length of completion and after that the student must appeal. The maximum federal aid that a student can receive is 150 percent of the credit hours needed to receive a first bachelor’s degree.

Also, the student is not eligible for Pell grant money after receiving the first bachelor’s degree. This federal rule helps the USHE institutions in moving students through to graduation and completion.

*Student Desire to Complete-* Probably one of the most powerful factors in limiting excess credits are the students’ desires to complete a degree. Most students are not anxious to do more than is necessary to earn a degree, with the additional time and (for many) increasing loan balances that result from lingering to learn. The vast majority of students WANT to earn the degree or certificate in a very timely fashion.

## **Summary**

As noted in the response, the audit outlines possible areas for improvement. Some of the recommendations are already in the process of being implemented. Further, college completion is an important goal that the USHE, the governor, and the legislature all want and we will do our part to work together on this task.



Attached is the USHE response to the recommendations in the audit. We look forward to responding to questions and suggestions as this audit report is presented to various legislative committees.

Sincerely,

A handwritten signature in black ink, appearing to read "William A. Sederburg". The signature is fluid and cursive, with a long horizontal stroke at the end.

William A. Sederburg  
Commissioner of Higher Education

Attachment

## **Response to the Recommendations of the Legislative Audit of Higher Education Graduation Rates and Excess Hours**

The Utah System of Higher Education (USHE) appreciates the opportunity to respond to the recommendations of the Audit of Graduation Rates and Excess Hours. In response, the University of Utah has addressed the first two recommendations listed in Chapter 2 of the report and we agree with and support their response on these items. The system's responses to the other recommendations found in Chapters 3 and 4 of the report are shown below.

### **Chapter 3**

**Recommendation 1-** We recommend that SUU consider increasing high school course and GPA requirements and or elevating the admissions index threshold.

Response: We concur. SUU has raised their admission index threshold. Their minimum admission index is now 90, which is the same as USU. SUU also plans on moving the index to 95 within the next couple of years. This is a reasonable timeline to allow students wishing to attend SUU to adjust high school course-taking behaviors and performance in order to qualify to attend.

**Recommendation 2-** We recommend that WSU consider requiring college entrance scores and HSGPAs

Response: We concur. WSU will consider the auditors' recommendation. At present WSU requires entrance exam scores. If the minimum cut-off score is not met, then a student is classified as a developmental student. Any entering, developmental student has a maximum of two semesters to begin taking the required developmental coursework.

### **Chapter 4**

**Recommendation 1-** We recommend that the State Board of Regents consider strengthening the excess credit hour policy by reducing the threshold for the surcharge.

Response: We concur. Many factors need to be and are being considered to improve graduation rates and student completion. The excess credit hours policy is one of the tools to do so. We appreciate the work that the auditors conducted in this area and will carefully consider the costs and benefits of the excess credit hour policy and other effective strategies for limiting student time to degree.

**Recommendation 2-** We recommend that the State Board of Regents determine what credit hour exceptions will be allowed and specifically list them in the policy.

Response: We concur. As the USHE reviews the excess credit hour policy, we will look at ways to better define credit hour exceptions.

**Recommendation 3-** We recommend that the State Board of Regents ensure that all components necessary to the excess hour calculation are accessible and standardized.

Response: We concur. The USHE strives for the consistent application of Regents' policies and reports.

**Recommendation 4-** We recommend that the State Board of Regents specify the methodology to be used when double majors, dual degrees and second bachelor's degrees are a consideration in excess credit hour calculations.

Response: As the USHE reviews the current excess credit hours policy, these items will be taken into consideration.

**Recommendation 5-** We recommend that the State Board of Regents ensure that the new policy is enforced by all higher education institutions.

Response: We concur. As discussed in the prior responses to the recommendations, the excess credit hours policy will be reviewed. Upon review, the USHE will work with the institutions to implement this policy.

**Recommendation 6-** We recommend that the State Board of Regents analyze the effect of their excess credit hour policy on student behavior and make appropriate modifications.

Response: We concur. The USHE feels that this is the most key recommendation of the chapter, due to the importance of balancing completion with preventing obstacles to student completion. We will work with the USHE institutions in reviewing current policy.



November 17, 2011

Mr. John Schaff  
Legislative Auditor General  
W315, Utah State Capital Complex  
Salt Lake City, UT 84114-531

Dear Mr. Schaff:

On behalf of the University of Utah, I want to thank you for your review of the state's higher education graduation rates and excess hours, issues with profound implications for Utah's economic future.

All institutions of higher education in Utah share a mission to invest scarce state education dollars in programs that will enhance student success. The University of Utah is focused on improving graduation rates and reducing excess hours through a Strategic Enrollment Plan designed to help us recruit and retain students best prepared to succeed in our programs.

As the state's flagship campus, we will continue to review and refine our enrollment policies to ensure that we are doing our part to make the state's 2020 goal a reality.

Please note that our responses to the audit report's recommendations accompany this letter.

Sincerely,

  
A Lorris Betz

ALB/lm

cc: David W. Pershing, Sr. Vice President for Academic Affairs

## **Response to the Legislative Audit of Higher Education Graduation Rates and Excess Hours**

The University of Utah appreciates the opportunity to respond to the audit of higher education graduation rates and excess hours:

### **Chapter 2**

**Recommendation 1:** *We recommend that the U of U increase the high school course and HSGPA requirements for admission.*

**Recommendation 2:** *We recommend that the U of U increase the selectivity of its admissions index by elevating the admissions threshold.*

The University of Utah agrees with the auditor's recommendations that the University increase its admission standards as a means to improve graduation rates. In fact, we have been progressively doing just that over the past decade.

However, we believe that increasing admission standards is only part of the solution. Six-year graduation rates at the University tend to be lower because a large fraction of our students are working 30 or more hours per week (unusual for a major research university), because more women drop out to have families in Utah and because we have traditionally had modest admission standards to accommodate the educational needs of the State. The University of Utah is supporting the Governor's task force on Women in Higher Education which will be working to increase graduation rates for women. Also, the University will continue to take a deliberate approach to raising admission standards to ensure that we are fulfilling our responsibilities as Utah's flagship university.

We are addressing the issue of graduation rates as part of a comprehensive Strategic Enrollment Plan, which includes the following initiatives:

- Establish clear goals for the number and types of students needed to fulfill the institutional mission.
- Determine the institution's capacity to serve students by degree program and types of students (traditional, non-traditional, graduate, etc.).
- Designate an individual to coordinate a campus-wide planning team for recruitment and retention of students.
- Conduct a systematic analysis of students being enrolled to determine the characteristics of those who are not persisting. Formulate strategies and differential competencies for recruitment and retention based on data and competition analysis.
- Develop action plan with tactics and an operational calendar.
- Orchestrate the change process.
- Implement, measure, improve.

In 2010 the University of Utah partnered with the American Association of Collegiate Registrars and Admissions Officers, a non-profit corporation (AACRAO), to develop a new Admission Profile designed to

better predict student success, which is currently being used in our admission of students for the Summer Semester of 2012. In July of this year we recruited Mary Parker as Associate Vice President of Enrollment Management to accelerate our execution of our Strategic Enrollment Plan. Mary joined us from Louisiana State University, where she served as chief enrollment officer and executive director of undergraduate admissions and student aid.

Student success and college readiness are a priority for the University's senior leadership. College readiness starts in secondary education and therefore should be reviewed along with the admission standards of each institution. National data developed by American College Testing (ACT) shows that in the State of Utah only 27% of ACT-tested high school graduates are college ready in all four standards developed by ACT. For students to be successful in higher education and have a lasting impact on the economy in the State, we must work together to increase this number.

As the State's flagship institution we believe it is our mission to help serve the students of Utah. Understanding the importance and direct correlation of a rigorous college-ready curriculum to student success in higher education is vital to increasing our graduation rates. The University of Utah would welcome the opportunity to work with all agencies in increasing the rigor of course work in secondary education. At the same time we will develop new enrollment strategies to enhance student success on our campus.

### **Summary**

The University of Utah is committed to improving our graduation rates and reducing excess hours. We have taken steps to achieve our goals with a Strategic Enrollment Plan that includes a new admission profile and measures to enhance retention during the middle college years. We want to recruit and admit students who can be successful at our institution.

We are eager to work with members of the Legislature to ensure that the University of Utah continues to maximize its contribution to the future of our state. Thank you.