

BILL ANALYSIS

S.B. 30
By: Zaffirini
Higher Education
Committee Report (Unamended)

BACKGROUND AND PURPOSE

As in most other states, students in Texas public institutions of higher education are taking longer to complete their baccalaureate degree programs. This increases the cost of education, both to students and to the state, and negatively impacts graduation rates.

Extended time-to-degree is not a new phenomenon, and some students have always spread their studies out over longer than normal periods of time. The normal period of time for a baccalaureate degree is considered to be four years. Although some students complete their degrees in as few as three years, many students are taking longer than four years to complete their degrees. The National Center for Educational Statistics reports that the percentage of students who received baccalaureate degrees in four years decreased from 45.4 percent in 1977 to 31.1 percent in 1990.

In Texas, approximately 23 percent of full-time students earn a baccalaureate degree within four years of entering Texas higher education, 23 percent (46 percent in total) within five years and an additional 6.6 percent (52.6 percent in total) within six years, according to the most recent data from the Texas Higher Education Coordinating Board.

A coordinating board analysis of the number of semester credit hours for full-time students who entered Texas higher education in 1998 indicates that students who earned a baccalaureate degree within four years attempted a median of 130 semester credit hours. Students who earned a baccalaureate degree within five years attempted a median of 147 semester credit hours. Students who earned a baccalaureate degree within six years attempted a median of 166 semester credit hours.

Full-time students who took five or six years to graduate attempted a total of 311,202 more hours than full-time students who took only four years to graduate. If these trends continue, the cost to the state, based on an average of general revenue per full-time undergraduate student of \$2,837 for calendar year 2004, will total \$29.4 million over the fifth and sixth years together. Based on average tuition fees for fall 2004 of \$2,214 per 15 undergraduate hours, the total cost to parents/students would be approximately \$45.9 million.

S.B. 30 requires the Texas Higher Education Coordinating Board to create a pilot project under which institutions of higher education offer students contracts that establish agreements between the institution and the student to promote timely graduation.

RULEMAKING AUTHORITY

It is the committee's opinion that rulemaking authority is expressly granted the Texas Higher Education Coordinating Board in SECTION 1 of this bill.

ANALYSIS

SECTION 1. Amends Subchapter C, Chapter 61, Education Code, by adding Section 61.070, as follows:

Sec. 61.070. PILOT PROJECT TO AWARD INCENTIVES TO STUDENTS CONTRACTING TO GRADUATE IN A TIMELY MANNER. (a) Requires the Texas Higher Education Coordinating Board (board) to establish a pilot project under which each institution of higher education (institution) participating in the project awards

incentives to students who contract to graduate from the institution in a timely manner and fulfill all other terms of the contract. Requires the board to select institutions to participate in the pilot project from among institutions that apply to participate in the manner described by board rule. Authorizes an institution to apply to participate on behalf of a specific degree program, department, college or school of the institution.

(b) Requires the governing board of an institution participating in the pilot project, on written request of an undergraduate student, to enter into a contract with the student to award the student an incentive authorized under board rule provided that the student graduates in a timely manner and meets other requirements established by the institution under the contract. Provides that a student is not required to enter into the contract.

(c) Prohibits a student from requesting to enter into such a contract after the end of the student's first academic year at the institution. Requires each institution participating in the pilot project that offers an undergraduate degree program to notify each undergraduate student of the provisions of this section not later than the sixth week of the student's first semester or term.

(d) Requires the contract to contain certain provisions relating to credit hours earned, academic standing, and timely choosing a major, which a student entering into the contract is required to meet. Authorizes the contract to require a student entering into the contract to enroll in any specified courses or types of courses prescribed by the contract at the times required by the contract.

(e) Authorizes the institution offering the contract or the board to provide for any other reasonable additional provision to be included in a contract under this section.

(f) Provides that a student who has entered into and satisfies the requirements of a contract under this section and who submits an application that is approved as described by Subsection (i) is entitled to an incentive under this section.

(g) Requires the contract, if a contract under this section includes a provision requiring a student entering into the contract to enroll in certain specified courses or types of courses at certain times, to require the institution to select one of certain specified actions if a course required by the student's degree program is unavailable to the student at the appropriate time as specified by the institution in the contract.

(h) Authorizes an institution, if a course required by the student's degree program is unavailable, to choose to permanently waive the student's required enrollment in that course or allow the student at the time to satisfy the course requirement by substituting another course or independent study only if the institution determines that such a selection will not negatively affect the quality of the student's degree program or result in the institution's noncompliance with applicable accreditation standards.

(i) Requires a student who enters a contract under this section to apply for an incentive under Subsection (f) in the manner provided by the governing board of the institution awarding the incentive. Requires the governing board to require an applicant for an incentive to submit satisfactory evidence of entitlement to the incentive.

(j) Prohibits an institution to contract under this section with a student who transfers to the institution from another institution. Provides that the student's transfer voids a contract with the prior institution.

(k) Provides that this section does not apply to a student seeking a certificate at a public junior college.

(l) Requires the board, in consultation with institutions of higher education, to adopt rules consistent with this section as necessary to implement this section, including rules establishing the manner in which an institution must apply to participate in the pilot project, rules concerning the types of incentives that an institution may award under this section, and rules allowing an otherwise qualified student to receive an incentive if the student is unable to satisfy a requirement solely as a result of hardship or other good cause. Requires the board, in adopting rules concerning the types of incentives that may be awarded, to authorize incentives such as free membership in an institution's alumni association or free tickets to one or more athletic events.

(m) Requires the board, not later than December 31, 2007, and not later than December 31 of each year after 2007, to submit a report to the legislature on the level of participation in the pilot project under this section and on the effectiveness of project contracts in encouraging students to graduate from institutions of higher education in a timely manner.

(n) Prohibits a student from entering into a contract under this section after the end of the 2009-2010 academic year. Provides that this section expires August 31, 2014.

SECTION 2. Effective date:

EFFECTIVE DATE

This Act takes effect immediately if it receives a vote of two-thirds of all the members elected to each house, as provided by Section 39, Article III, Texas Constitution. If this Act does not receive the vote necessary for immediate effect, this Act takes effect September 1, 2005.