

BILL ANALYSIS

Senate Research Center
79R1985 JRJ-D

S.B. 33
By: Zaffirini
S/C on Higher Education
3/2/2005
As Filed

AUTHOR'S/SPONSOR'S STATEMENT OF INTENT

As is the case in 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.

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

An 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. In contrast, students who earned a baccalaureate degree within five years attempted a median of 147 semester credit hours, and students who earned a baccalaureate degree within six years attempted a median of 166 semester credit hours.

Based on these trends, the cost of excess credit hours by full-time students taking five or six years to complete a degree is estimated at \$29.4 million per year to the state and a total cost of \$45.9 million to parents/students.

S.B. 33 creates an incentive for timely graduating by providing a stipend to be used for graduate studies.

RULEMAKING AUTHORITY

Rulemaking authority is expressly granted to the Texas Higher Education Coordinating Board in SECTION 1 (Section 56.466(b), Education Code) and SECTION 2 (Section 56.466(b), Education Code) of this bill.

SECTION BY SECTION ANALYSIS

SECTION 1. Amends Subchapter Q, Chapter 56, Education Code, by adding Section 56.466, as follows:

Sec. 56.466. GRADUATE STIPEND. (a) Provides that a student who previously qualified for forgiveness of a Texas B-On-time loan under Section 56.462 and who enrolls in a graduate or professional degree program at an institution of higher education is eligible to receive a stipend of \$2,500 in the student's first academic year in the program to be used toward expenses associated with the program.

(b) Requires the stipends to be paid from money appropriated for that purpose. Requires the Texas Higher Education Coordinating Board (board) to determine the amount of available money and to allocate that amount to eligible institutions in proportion to the number of full-time equivalent graduate students enrolled at each institution if in any academic year the amount of money available for stipends is insufficient to provide a stipend to each eligible student in the amount specified by this section. Requires each institution to use the money allocated to award stipends under this section to eligible students enrolled at the institution selected according to financial need.

(c) Requires the board to adopt rules for the administration of this section, including rules that prescribe and provide for certain procedures.

SECTION 2. Provides that Section 56.466, Education Code, as added by this Act, applies beginning with the 2005-2006 academic year. Requires the board to adopt rules for the administration of this section of the Education Code.

SECTION 3. Effective date: upon passage or September 1, 2005.