

## **BILL ANALYSIS**

S.B. 34  
By: Zaffirini  
Higher Education  
Committee Report (Unamended)

### **BACKGROUND AND PURPOSE**

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.

As proposed, S.B. 34 adds the requirement that a student be graduated timely as defined by the B-On-Time loan forgiveness provisions in order to receive the tuition rebate.

### **RULEMAKING AUTHORITY**

It is the committee's opinion that rulemaking authority is expressly granted to the Texas Higher Education Coordinating Board in SECTION 1 and SECTION 2 of this bill.

### **ANALYSIS**

SECTION 1. Amends Sections 54.0065(a), (c), and (i), Education Code, as follows:

(a) Limits eligibility for rebate of a portion of the undergraduate tuition to certain students graduating within a certain time period, as applicable, to qualify for forgiveness of a Texas B-On-time loan.

(c) Provides that transcripts provided by certain transfer students will be used to verify the period during which the student has been enrolled in a general academic teaching institution.

(i) Includes among the rules that the Texas Higher Education Coordinating Board (coordinating board) is required to adopt for administration of this section, a rule to allow an otherwise eligible student to receive a rebate under this section if the student is not awarded a baccalaureate degree within the period required by Subsection (a)(1) solely as a result of a hardship or other good cause. The performance of active duty military service by a student shall be recognized as "good cause" for purposes of this section.

SECTION 2. (a) Makes application of this act prospective.

(b) Requires the coordinating board to adopt the rule required by Section 54.0065(i), Education Code, as amended by this Act, as soon as practicable after this Act takes effect. Authorizes the coordinating board to adopt the initial rule in the manner provided by law for emergency rules.

SECTION 3. 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.