

AN ACT

relating to a pilot project to award incentives to students contracting to graduate in a timely manner from public institutions of higher education.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

SECTION 1. Subchapter C, Chapter 61, Education Code, is amended by adding Section 61.070 to read as follows:

Sec. 61.070. PILOT PROJECT TO AWARD INCENTIVES TO STUDENTS CONTRACTING TO GRADUATE IN A TIMELY MANNER. (a) The board shall establish a pilot project under which each institution of higher education 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. The board shall select institutions of higher education to participate in the pilot project from among institutions that apply to participate in the manner prescribed by board rule. An institution of higher education may apply to participate on behalf of a specific degree program, department, college, or school of the institution.

(b) On written request of an undergraduate student, the governing board of an institution of higher education participating in the pilot project shall enter into a contract with the student to award the student an incentive authorized under board rule if the student satisfies the requirement of timely graduation and other requirements established by the institution under the contract. A

1 student is not required to enter into a contract under this section.

2 (c) A student may not request an institution of higher  
3 education to enter into a contract under this section after the end  
4 of the student's first academic year at the institution. Each  
5 institution participating in the pilot project that offers an  
6 undergraduate degree program shall notify each entering  
7 undergraduate student of the provisions of this section not later  
8 than the sixth week of the student's first semester or term.

9 (d) Each contract under this section:

10 (1) must require a student entering into the contract  
11 to:

12 (A) earn at least 30 required or elective credit  
13 hours each academic year;

14 (B) maintain good academic standing as  
15 prescribed in the contract;

16 (C) in consultation with the student's academic  
17 advisor, select a degree program not later than the end of the  
18 student's first academic year at the institution, in the case of a  
19 student enrolled in a general academic teaching institution; and

20 (D) earn, as prescribed by the institution in the  
21 contract, additional credit hours during one or more regular  
22 semesters or summer sessions if the student's degree program  
23 requires more than 120 credit hours for a bachelor's degree or more  
24 than 60 credit hours for an associate degree; and

25 (2) may require a student entering into the contract  
26 to enroll in any specified courses or types of courses prescribed by  
27 the degree program selected as specified in Subdivision (1)(C).

1       (e) In addition to the provisions required or authorized  
2 under Subsection (d), the institution of higher education offering  
3 a contract under this section or the board may provide for any other  
4 reasonable provision to be included in a contract under this  
5 section.

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

10       (g) If a contract under this section includes the provision  
11 described by Subsection (d)(2), the contract must require the  
12 institution of higher education to select one of the following  
13 actions to take if a course required for the student's degree  
14 program is unavailable to the student in the sequence required by  
15 the degree program selected as specified in Subsection (d)(1)(C):

16               (1) permanently waive the student's required  
17 enrollment in that course;

18               (2) allow the student at that time to satisfy the  
19 course requirement by selecting for the student and substituting:

20                       (A) a different course that the student is  
21 eligible to take and that is available to the student; or

22                       (B) an independent study assignment; or

23               (3) provide for the payment of the student's  
24 designated tuition and required fees for the course at the  
25 institution.

26       (h) An institution of higher education required to select an  
27 option under Subsection (g) may select an option under Subsection

1 (g)(1) or (2) only if the institution determines that such a  
2 selection will not negatively affect the quality of the student's  
3 degree program or result in the institution's noncompliance with  
4 applicable accreditation standards.

5 (i) A student who enters into a contract under this section  
6 must apply for an incentive under Subsection (f) in the manner  
7 provided by the governing board of the institution of higher  
8 education awarding the incentive. The governing board shall  
9 require an applicant for an incentive to submit satisfactory  
10 evidence that the applicant is entitled to the incentive.

11 (j) An institution of higher education may not contract  
12 under this section with a student who transfers to the institution  
13 from another public or private institution of higher education. A  
14 student's transfer from one institution of higher education to  
15 another voids a contract entered into by the student under this  
16 section with the prior institution.

17 (k) This section does not apply to a student seeking a  
18 certificate at a public junior college.

19 (l) In consultation with institutions of higher education,  
20 the board shall adopt rules consistent with this section as  
21 necessary to implement this section, including rules establishing  
22 the manner in which an institution of higher education must apply to  
23 participate in the pilot project, rules concerning the types of  
24 incentives that an institution may award under this section, and  
25 rules allowing an otherwise qualified student to receive an  
26 incentive under this section if the student is unable to satisfy a  
27 requirement for the incentive solely as a result of a hardship or

1 other good cause. In adopting rules concerning the types of  
2 incentives that may be awarded, the board shall authorize  
3 incentives such as free membership in an institution's alumni  
4 organization or free tickets to one or more athletic events.

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

11 (n) A student may not enter into a contract under this  
12 section after the end of the 2009-2010 academic year. This section  
13 expires August 31, 2014.

14 SECTION 2. This Act takes effect immediately if it receives  
15 a vote of two-thirds of all the members elected to each house, as  
16 provided by Section 39, Article III, Texas Constitution. If this  
17 Act does not receive the vote necessary for immediate effect, this  
18 Act takes effect September 1, 2005.

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President of the Senate

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Speaker of the House

I hereby certify that S.B. No. 30 passed the Senate on April 21, 2005, by the following vote: Yeas 30, Nays 0; and that the Senate concurred in House amendment on May 27, 2005, by the following vote: Yeas 29, Nays 0.

\_\_\_\_\_  
Secretary of the Senate

I hereby certify that S.B. No. 30 passed the House, with amendment, on May 25, 2005, by the following vote: Yeas 144, Nays 0, two present not voting.

\_\_\_\_\_  
Chief Clerk of the House

Approved:

\_\_\_\_\_  
Date

\_\_\_\_\_  
Governor