

SUBJECT: Eliminating certain formula funding and dropped course restrictions

COMMITTEE: Higher Education — committee substitute recommended

VOTE: 6 ayes — Lozano, Raney, Alonzo, Alvarado, Button, Morrison

0 nays

3 absent — Clardy, Howard, Turner

SENATE VOTE: On final passage, (May 4) — 28-3 (Burton, Creighton, Schwertner)

WITNESSES: *On House companion bill, HB 654:*

For — (*Registered, but did not testify*: Yannis Banks, Texas NAACP, Texas; Annie Spilman, National Federation of Independent Business/Texas; Miranda Goodsheller, Texas Association of Business; Stephanie Simpson, Texas Association of Manufacturers; Justin Yancy, Texas Business Leadership Council; Michael White, Texas Construction Association; Mike Meroney, Texas Workforce Coalition, BASF Corp., and Huntsman Corporation)

Against — None

On — (*Registered, but did not testify*: Julie Eklund, Texas Higher Education Coordinating Board)

BACKGROUND: Under Education Code, sec. 51.907, an institution of higher education may not allow a student to drop more than six courses, but the institution may adopt a policy that further limits the number of courses a student may drop.

Under sec. 54.014 an institution of higher education may charge a higher rate of tuition to a student who takes 30 or more credits beyond the number required to complete a degree program.

DIGEST: CSSB 1782 would require Texas Higher Education Coordinating Board to

adopt rules to require institutions of higher education to allow students who were re-enrolling at an institution after a break of at least 24 months, and who had completed at least 50 semester hours prior to that break, to drop one additional course beyond the current limit in state law or a smaller limit set by an institution's policy. An institution of higher education could not charge a higher tuition rate for courses taken by a re-enrolling student who had met these requirements.

The coordinating board also would be required to include in its recommendations for formula funding appropriations funding for the first 15 additional semester credit hours earned by a student reenrolling under the conditions set by the bill.

The bill would take immediate effect if finally passed by a two-thirds vote of the membership of each house. Otherwise, it would take effect September 1, 2017, and would apply to the 2017 fall semester and to funding recommendations for fiscal 2020-21.

**SUPPORTERS  
SAY:**

CSSB 1782 would encourage college students who had dropped a number of courses or exceeded the number of courses required for their degree plans to return to school and finish their degrees without facing increased costs for school as a result of the state's restrictions on formula funding.

The bill would assist students who had to drop out of school for a number of unforeseen reasons, including family obligations, financial burdens, or competing work responsibilities. By changing formula funding restrictions, CSSB 1782 would help these returning students to more easily finish their programs of study, which would support the coordinating board's goal of ensuring that at least 60 percent of Texans ages 25-34 have a certificate or degree by 2030.

**OPPONENTS  
SAY:**

Current restrictions are in place to encourage students to complete their degrees in a timely manner. The bill would limit a student's responsibility for completing degree programs on time and create an exception that benefitted certain students over others.

NOTES:

CSSB 1782 differs from the Senate-passed version in that the Senate-passed version would have allowed a student to reenroll after a break of 24 months or more at the same institution or another institution of higher education. SB 1782 as passed by the Senate also would have applied beginning in the 2018 fall semester.

A companion bill, HB 654 by Clardy, was approved by the House on May 9 on the Local, Consent, and Resolutions calendar.