

## **BILL ANALYSIS**

Senate Research Center  
79R856 JRJ-D

S.B. 32  
By: Zaffirini  
S/C on Higher Education  
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As Filed

### **AUTHOR'S/SPONSOR'S STATEMENT OF INTENT**

Students enrolled in Texas public institutions of higher education, like their counterparts in other states, 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 students out over longer-than-normal periods of time, usually considered to be four years for a baccalaureate degree. Although some students complete their undergraduate studies in as few as three years, many students are taking longer 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 system 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 a 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, 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.

Current law does not encourage students to take more hours per semester or to enroll in summer school; the flat rate tuition pilot project statute expired in September. Also, four-year institutions currently have the authority through tuition deregulation to offer flexible tuition rates. This legislation will encourage students to take more hours per semester and enroll in summer school, thus decreasing their time-to-degree.

As proposed, S.B. 32 clarifies institutions' authority to offer flat-rate and special summer tuition.

### **RULEMAKING AUTHORITY**

This bill does not expressly grant additional rulemaking authority to any state officer, institution, or agency.

### **SECTION BY SECTION ANALYSIS**

SECTION 1. Amends Subchapter B, Chapter 54, Education Code, by adding Section 54.0514, as follows:

Sec. 54.0514. SPECIAL SUMMER TUITION RATES. Authorizes the governing board of an institution of higher education to charge a resident undergraduate student enrolled for a summer term or session at the institution tuition, other than tuition charged under Section 54.0513 (Designated Tuition), in an amount that is less than the amount of tuition otherwise, but not less than one-half of that amount.

SECTION 2. Amends Section 54.072, Education Code, as follows:

Sec. 54.072. New heading. FLAT RATE TUITION.

(b) Authorizes the governing board of an institution of higher education, rather than regents of The University of Texas System, to charge the same amount of tuition to all undergraduate students enrolled in a college or degree program at the institution, rather than included in the pilot project program. Deletes existing text regarding the pilot project.

(c) Prohibits the board, rather than board of regents, from requiring a full-time student who pays tuition, to pay more tuition than the average amount of tuition that a student would pay for enrolling in the institution, rather than university, for 14 semester credit hours for the same semester term. Deletes existing text relating to the pilot project.

(d) Deletes existing text relating to the evaluation of the pilot project and a timeline for the results of the evaluation.

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