

SENATE AMENDMENTS

2nd Printing

By: Branch, Guillen, Lozano

H.B. No. 3025

A BILL TO BE ENTITLED

1 AN ACT

2 relating to measures to facilitate the transfer of students within
3 the public higher education system and the timely graduation of
4 students from public institutions of higher education.

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

6 SECTION 1. Subchapter C, Chapter 61, Education Code, is
7 amended by adding Section 61.05135 to read as follows:

8 Sec. 61.05135. STATEWIDE TRANSFER COMPACTS. (a) In this

9 section:

1 institutions.

2 (c) A career school or college may apply to the board to
3 participate in a statewide transfer compact developed under this
4 section. On application by a career school or college, the board
5 shall review the school's or college's curriculum for the purpose of
6 determining whether the school or college is qualified to
7 participate in the compact. The board may determine that the career
8 school or college is qualified to participate in the compact only if
9 the board finds that the school or college:

10 (1) is authorized to grant degrees in this state;

11 (2) has adopted and implemented a core curriculum
12 described by Section 61.822, applying the same assumptions and
13 defining characteristics applicable to institutions of higher
14 education; and

15 (3) has appropriately identified for each of its core
16 curriculum courses the equivalent course number under the common
17 course numbering system approved by the board under Section 61.832.

18 (d) An institution of higher education or qualified
19 degree-granting career school or college shall comply with any
20 applicable compact under Subsection (b) entered into by the
21 institution, school, or college and the board.

22 (e) A general academic teaching institution designated as a
23 research institution under the board's higher education
24 accountability system that elects not to participate in an
25 applicable transfer compact developed under this section shall:

26 (1) publish on the institution's website for use by
27 prospective undergraduate students a detailed description,

1 developed by the institution's faculty, of the learning objectives,
2 content, and prior knowledge requirements for at least 12 courses
3 for which credit is frequently transferred to the institution from
4 lower-division institutions of higher education; and

5 (2) establish honors articulation agreements with at
6 least two public junior colleges designed to strengthen the
7 lower-division course offerings of those public junior colleges and
8 to improve the persistence and success rates of students who
9 transfer to the institution from public junior colleges.

10 SECTION 2. Section 61.0515(a), Education Code, is amended
11 to read as follows:

12 (a) To earn a baccalaureate degree, a student may not be
13 required by a general academic teaching institution to complete
14 more than the minimum number of semester credit hours required for
15 the degree by the institution's board-recognized accrediting
16 agency [Southern Association of Colleges and Schools or its
17 successor] unless academic accreditation or professional licensure
18 requirements require the [the institution determines that there is
19 a compelling academic reason for requiring] completion of
20 additional semester credit hours for the degree.

21 SECTION 3. Subchapter C, Chapter 61, Education Code, is
22 amended by adding Section 61.05151 to read as follows:

23 Sec. 61.05151. SEMESTER CREDIT HOURS REQUIRED FOR ASSOCIATE
24 DEGREE. (a) To earn an associate degree, a student may not be
25 required by an institution of higher education to complete more
26 than the minimum number of semester credit hours required for the
27 degree by the institution's board-recognized accrediting agency

1 unless academic accreditation or professional licensure
2 requirements require the completion of additional semester credit
3 hours for the degree.

4 (b) The board may review one or more of an institution's
5 associate degree programs to ensure compliance with this section.

6 (c) Subsection (a) does not apply to an associate degree
7 awarded by an institution to a student enrolled in the institution
8 before the 2013 fall semester.

9 SECTION 4. Section 61.052, Education Code, is amended by
10 amending Subsections (a) and (b) and adding Subsection (b-1) to
11 read as follows:

12 (a) Each governing board shall submit to the board once each
13 year on dates designated by the board a comprehensive list by
14 department, division, and school of all courses, together with a
15 description of content, scope, and prerequisites of all these
16 courses, that will be offered by each institution under the
17 supervision of that governing board during the following academic
18 year. The list for each institution must also specifically
19 identify any course included in the common course numbering system
20 under Section 61.832 that has been added to or removed from the
21 institution's list for the current academic year, and the board
22 shall distribute that information as necessary to accomplish the
23 purposes of Section 61.832.

24 (b) After the comprehensive list of courses is submitted by
25 a governing board under Subsection (a) [of this section], the
26 governing board shall submit on dates designated by the board any
27 changes in the comprehensive list of courses to be offered,

1 including any changes relating to offering a course included in the
2 common course numbering system.

3 (b-1) Each governing board must certify at the time of
4 submission under Subsection (a) that the institution does not:

5 (1) prohibit the acceptance of transfer credit based
6 solely on the accreditation of the sending institution; or
7 (2) include language in any materials published by the
8 institution, whether in printed or electronic form, suggesting that
9 such a prohibition exists.

10 SECTION 5. Section 61.822, Education Code, is amended by
11 amending Subsection (a) and adding Subsection (f) to read as
12 follows:

13 (a) The board, with the assistance of advisory committees
14 composed of representatives of institutions of higher education,
15 shall develop a recommended core curriculum of at least 42 semester
16 credit hours, including a statement of the content, component
17 areas, and objectives of the core curriculum. At least a majority
18 of the members of any advisory committee named under this section
19 shall be administrators or faculty members of an institution of
20 higher education. An institution shall consult with the faculty of
21 the institution before nominating or recommending a person to the
22 board as the institution's representative on an advisory committee.

23 (f) In an effort to facilitate the transfer of major-related
24 coursework beyond the general education core curriculum, the board,
25 with the assistance of the advisory committees described by
26 Subsection (a), shall:

27 (1) develop a course-specific core curriculum for each

1 broad academic discipline within the general core curriculum; and
2 (2) identify those degree programs offered at
3 institutions of higher education to which the course-specific core
4 curriculum, if successfully completed by a student at another
5 institution of higher education or at a qualified degree-granting
6 career school or college, as defined by Section 61.05135, is fully
7 transferrable.

8 SECTION 6. Section 61.832, Education Code, is amended by
9 adding Subsection (e) to read as follows:

10 (e) A student who transfers from one institution of higher
11 education to another shall receive academic credit from the
12 receiving institution for each course that the student has
13 successfully completed that serves as an equivalent course under
14 the common course numbering system at the institution from which
15 the student transfers.

16 SECTION 7. Subchapter Z, Chapter 51, Education Code, is
17 amended by adding Section 51.9685 to read as follows:

18 Sec. 51.9685. REQUIRED FILING OF DEGREE PLAN. (a) In this
19 section:

20 (1) "Degree plan" means a statement of the course of
21 study requirements that an undergraduate student at an institution
22 of higher education must complete in order to be awarded an
23 associate or bachelor's degree from the institution, established
24 through collaboration between the student and an academic advisor
25 for the student's degree program and approved by the academic
26 advisor.

27 (2) "Institution of higher education" has the meaning

1 assigned by Section 61.003.

2 (b) Except as otherwise provided by Subsection (c), each
3 student enrolled in an associate or bachelor's degree program at an
4 institution of higher education shall file a degree plan with the
5 institution not later than the semester or term immediately
6 following the semester or term in which the student earned a
7 cumulative total of 45 or more semester credit hours for coursework
8 successfully completed by the student, including transfer courses,
9 international baccalaureate courses, dual credit courses, and any
10 other course for which the institution the student attends has
11 awarded the student college course credit, including by
12 examination.

13 (c) A student to whom this section applies who begins the
14 student's first semester or term at an institution of higher
15 education with 45 or more semester credit hours of course credit for
16 courses described by Subsection (b) shall file a degree plan with
17 the institution during the student's first semester at the
18 institution.

19 (d) A student to whom this section applies may not register
20 for any course offered by the institution of higher education for a
21 semester or term succeeding the semester or term in which the
22 student is required to file a degree plan under this section unless
23 the student has filed a degree plan with the institution.

24 (e) After filing a degree plan with an institution of higher
25 education as required by this section, a student to whom this
26 section applies may not change the student's degree plan or enroll
27 in a course that is not included in the student's degree plan unless

1 the student has consulted with the student's academic advisor and
2 satisfied any applicable prerequisite or other requirement imposed
3 by the institution regarding that degree plan change or course
4 enrollment, as applicable.

5 (f) The Texas Higher Education Coordinating Board, in
6 consultation with institutions of higher education, may adopt rules
7 as necessary for the administration of this section.

8 SECTION 8. The change in law made by this Act to Section
9 61.0515(a), Education Code, applies beginning with undergraduate
10 students who initially enroll in a general academic teaching
11 institution for the 2013 fall semester.

12 SECTION 9. The changes in law made by this Act to Section
13 61.052, Education Code, apply to the comprehensive lists of courses
14 offered by public institutions of higher education beginning with
15 lists required to be submitted for the 2012-2013 academic year.

16 SECTION 10. Not later than May 31, 2012, the Texas Higher
17 Education Coordinating Board shall develop core curricula for broad
18 academic disciplines included within the general core curriculum
19 that conform to the requirements of Section 61.822, Education Code,
20 as amended by this Act.

21 SECTION 11. Section 61.832(e), Education Code, as added by
22 this Act, applies beginning with the 2011 fall semester.

23 SECTION 12. Section 51.9685, Education Code, as added by
24 this Act, applies beginning with undergraduate students who
25 initially enroll in a general academic teaching institution for the
26 2011 fall semester.

27 SECTION 13. This Act takes effect immediately if it

H.B. No. 3025

1 receives a vote of two-thirds of all the members elected to each
2 house, as provided by Section 39, Article III, Texas Constitution.
3 If this Act does not receive the vote necessary for immediate
4 effect, this Act takes effect September 1, 2011.

ADOPTED

MAY 25 2011

Actay Senn
Secretary of the Senate

By: Branch / Zaffirini

H.B. No. 3025

Substitute the following for H.B. No. 3025:

By: Zaffirini

C.S. H.B. No. 3025

A BILL TO BE ENTITLED

1 AN ACT

2 relating to the filing of a degree plan by undergraduate
3 students at public institutions of higher education.

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

5 SECTION 1. Subchapter Z, Chapter 51, Education Code, is
6 amended by adding Section 51.9685 to read as follows:

7 Sec. 51.9685. REQUIRED FILING OF DEGREE PLAN. (a) In this
8 section:

9 (1) "Degree plan" means a statement of the course of
10 study requirements that an undergraduate student at an
11 institution of higher education must complete in order to be
12 awarded an associate or bachelor's degree from the institution.

13 (2) "Institution of higher education" has the meaning
14 assigned by Section 61.003.

15 (b) Except as otherwise provided by Subsection (c), each
16 student enrolled in an associate or bachelor's degree program at
17 an institution of higher education shall file a degree plan with
18 the institution not later than the end of the second regular
19 semester or term immediately following the semester or term in
20 which the student earned a cumulative total of 45 or more
21 semester credit hours for coursework successfully completed by
22 the student, including transfer courses, international
23 baccalaureate courses, dual credit courses, and any other course
24 for which the institution the student attends has awarded the

1 student college course credit, including course credit awarded
2 by examination.

3 (c) A student to whom this section applies who begins the
4 student's first semester or term at an institution of higher
5 education with 45 or more semester credit hours of course credit
6 for courses described by Subsection (b) shall file a degree plan
7 with the institution not later than the end of the student's
8 second regular semester or term at the institution.

9 (d) An institution of higher education shall provide to
10 students to whom this section applies information regarding the
11 degree plan filing requirement under this section and options
12 for consulting with an academic advisor for that purpose, which
13 may include consultation through electronic communication.

14 (e) At each registration for a semester or term, a student
15 who is required to have filed a degree plan under this section
16 before that semester or term shall verify to the institution
17 that:

18 (1) the student has filed a degree plan with the
19 institution; and

20 (2) the courses for which the student is registering
21 are consistent with that degree plan.

22 (f) If a student to whom this section applies does not
23 timely file a degree plan, the institution of higher education
24 in which the student is enrolled shall notify the student that
25 the degree plan is required by law and require the student to
26 consult with an academic advisor for that purpose in accordance
27 with the consulting options under Subsection (d) during the

1 semester or term in which the student receives the notice. The
2 student may not obtain an official transcript from the
3 institution until the student has filed a degree plan with the
4 institution.

5 (g) The Texas Higher Education Coordinating Board, in
6 consultation with institutions of higher education, may adopt
7 rules as necessary for the administration of this section.

8 SECTION 2. Section 51.9685, Education Code, as added by
9 this Act, applies beginning with undergraduate students who
10 initially enroll in a public institution of higher education for
11 the 2012 fall semester.

12 SECTION 3. This Act takes effect immediately if it
13 receives a vote of two-thirds of all the members elected to each
14 house, as provided by Section 39, Article III, Texas
15 Constitution. If this Act does not receive the vote necessary
16 for immediate effect, this Act takes effect September 1, 2011.

ADOPTED

MAY 25 2011

FLOOR AMENDMENT NO. 1

Satay Dow BY: *Walt Potts*
Secretary of the Senate

1 Amend H.B. No. 3025 (Senate Committee Printing) by
2 adding the following appropriately numbered SECTIONS to the bill
3 and renumbering subsequent SECTIONS of the bill appropriately:

4 SECTION _____. Section 54.203, Education Code, is amended by
5 adding Subsection (a-3) to read as follows:

6 (a-3) Notwithstanding Subsection (a) (4), a person who
7 meets the requirements of Subsection (a) (4), other than the
8 requirement that the person must have served on active military
9 duty for more than the stated number of days, is entitled to the
10 exemption provided by Subsection (a) (4) regardless of the length
11 of the member's active military duty if the person was a member
12 of the Texas National Guard or the Texas Air National Guard who
13 was assigned to a theater of combat operation with the armed
14 forces of the United States.

15 SECTION _____. Section 54.203(a-3), Education Code, as added
16 by this Act, applies beginning with tuition and fees at a public
17 institution of higher education for the 2011 fall semester.
18 Tuition and fees for a term or semester before the 2011 fall
19 semester are covered by the law in effect immediately before the
20 effective date of this Act, and the former law is continued in
21 effect for that purpose.

ADOPTED

MAY 25 2011

FLOOR AMENDMENT NO. 3025
Secretary of the Senate

BY:



1 Amend H.B. No. 3025 by adding the following appropriately
2 numbered SECTIONS to the bill and renumbering the remaining
3 SECTIONS of the bill accordingly:

4 SECTION _____. Subchapter S, Chapter 61, Education Code, is
5 amended by adding Section 61.833 to read as follows:

6 Sec. 61.833. CREDIT TRANSFER FOR ASSOCIATE DEGREE. (a) In
7 this section, "lower-division institution of higher education"
8 means a public junior college, public state college, or public
9 technical institute.

10 (b) This section applies to a student enrolled in a general
11 academic teaching institution who:

12 (1) transferred to the institution from or previously
13 attended a lower-division institution of higher education;
14 (2) earned at least 30 credit hours for course work
15 successfully completed at the lower-division institution of higher
16 education; and

17 (3) has earned a cumulative total of at least 90 credit
18 hours for course work successfully completed.

19 (c) As soon as practicable after a student who is enrolled
20 in a general academic teaching institution has met the criteria
21 established by Subsection (b)(3), the institution by e-mail or
22 other reasonable method shall request authorization from the
23 student for the institution to release the student's transcript to
24 the lower-division institution of higher education that the student
25 previously attended for the purpose of determining whether the
26 student has earned the credits required for an associate degree
27 awarded by the lower-division institution of higher education. On
28 receipt of a student's authorization under this subsection, the
29 general academic teaching institution shall release the student's

1 transcript to the lower-division institution of higher education.
2 (d) After receiving a student transcript from a general
3 academic teaching institution under Subsection (c), a
4 lower-division institution of higher education shall review the
5 transcript and, if the lower-division institution of higher
6 education determines the student has earned the credits required to
7 receive an associate degree awarded by the lower-division
8 institution of higher education, may award the student the degree.

9 SECTION _____. The change in law made by this Act by adding
10 Section 61.833, Education Code, applies to a student who not
11 earlier than the 2011 fall semester transfers to or otherwise
12 initially enrolls in a general academic teaching institution after
13 attending a lower-division institution of higher education.

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 82ND LEGISLATIVE REGULAR SESSION

May 26, 2011

TO: Honorable Joe Straus, Speaker of the House, House of Representatives

FROM: John S O'Brien, Director, Legislative Budget Board

IN RE: HB3025 by Branch (Relating to the filing of a degree plan by undergraduate students at public institutions of higher education.), **As Passed 2nd House**

No significant fiscal implication to the State is anticipated.

Under provisions of the bill, students would be required to file a degree plan with an institution of higher education not later than the end of the second regular semester or term, in which the student earned a cumulative total of 45 or more semester credit hours, including transfer courses, international baccalaureate courses, and dual credit courses.

The bill would require institutions to provide information regarding the degree plan filing requirement and options for consulting with an academic advisor for that purpose, which may include electronic communication. For a student, to whom this section applies, that does not timely file a degree plan, the bill would require the institution to notify the student that the degree plan is required by law and require the student to consult with an advisor during the semester when the notice was received. The student may not obtain an official transcript until the student has filed a degree plan with the institution. This section would apply to undergraduate students who initially enroll in 2012 fall semester.

The bill would amend Section 54.203 of the Education Code, by extending tuition and fee exemptions to members of the Texas National Guard and Texas Air National Guard who served on active duty in a theater of combat operations along with the United States armed forces without regard to the length of time served in that theater.

This bill also amends Section 61.833 of the Education Code that would require institutions to alert transfer students when they have successfully completed a total of at least 90 credit hours to earn their associate degree. Lower-division institutions, after receiving a student transcript from a general academic institution would be required to review the transcript for determining whether the student earned the credit required to receive an associate degree.

This analysis assumes that the provisions of this bill could be implemented using current resources. Institutions could forego tuition and fee revenue as a result of the additional Texas National Guard and Texas Air National Guard students granted tuition fee exemptions of \$1.1 million in fiscal year 2012 and \$1.1 million in fiscal year 2013 with slight increases in future years. These tuition losses are not considered significant.

Local Government Impact

No fiscal implication to units of local government is anticipated.

Source Agencies: 781 Higher Education Coordinating Board, 710 Texas A&M University System Administrative and General Offices, 720 The University of Texas System Administration, 758 Texas State University System, 769 University of North Texas System Administration, 783 University of Houston System Administration, 768 Texas

Tech University System Administration

LBB Staff: JOB, KK, JI, SDE, GO, RT

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 82ND LEGISLATIVE REGULAR SESSION

May 23, 2011

TO: Honorable Judith Zaffirini, Chair, Senate Committee on Higher Education

FROM: John S O'Brien, Director, Legislative Budget Board

IN RE: HB3025 by Branch (relating to the filing of a degree plan by undergraduate students at public institutions of higher education.), **Committee Report 2nd House, Substituted**

No significant fiscal implication to the State is anticipated.

Under provisions of the bill, students would be required to file a degree plan with an institution of higher education not later than the end of the second regular semester or term, in which the student earned a cumulative total of 45 or more semester credit hours, including transfer courses, international baccalaureate courses, and dual credit courses. The degree plan is a statement of the course or study requirements that an undergraduate student at a general academic teaching institution must complete in order to graduate from the institution.

The bill would require institutions to provide information regarding the degree plan filing requirement and options for consulting with an academic advisor for that purpose, which may include electronic communication.

For a student, to whom this section applies, that does not timely file a degree plan, the bill would require the institution to notify the student that the degree plan is required by law and require the student to consult with an academic advisor during the semester or term when the notice was received. The student may not obtain an official transcript until the student has filed a degree plan with the institution.

This section would apply to undergraduate students who initially enroll in general academic teaching institutions for the 2012 fall semester.

This analysis assumes that the provisions of this bill could be implemented using current resources.

Local Government Impact

No fiscal implication to units of local government is anticipated.

Source Agencies: 781 Higher Education Coordinating Board, 710 Texas A&M University System Administrative and General Offices, 720 The University of Texas System Administration, 758 Texas State University System, 769 University of North Texas System Administration, 783 University of Houston System Administration, 768 Texas Tech University System Administration

LBB Staff: JOB, KK, JI, SDE, GO, RT

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 82ND LEGISLATIVE REGULAR SESSION

May 17, 2011

TO: Honorable Judith Zaffirini, Chair, Senate Committee on Higher Education

FROM: John S O'Brien, Director, Legislative Budget Board

IN RE: HB3025 by Branch (Relating to measures to facilitate the transfer of students within the public higher education system and the timely graduation of students from public institutions of higher education.), **As Engrossed**

No significant fiscal implication to the State is anticipated.

Under provisions of the bill, the Texas Higher Education Coordinating Board (THECB), in collaboration with institutions of higher education or qualified degree-granting career schools or colleges, would be required to develop transfer compacts that identify learning objectives for coursework in major degree fields that are acceptable across institutions. A general academic teaching institution designated as a research institution that elects not to participate in an applicable transfer compact would be required to publish a detailed description of atleast 12 courses for which credit is frequently transferred to the institutions and establish honors articulation agreements with atleast two public junior colleges.

The bill includes a provision whereby a student may not be required by an institution of higher education to complete more than the minimum number of semester credit hours required by the institution's board-recognized accrediting agency or professional licensure requirements. This section would not apply to a student enrolled prior to the 2013 fall semester.

This bill would require each governing board to certify that the institution does not prohibit, or suggest in any published materials, that the acceptance of transfer credit based solely on the accreditation of the sending institution when submitting its annual required list of courses removed or added for the current academic year to the THECB.

The bill would also require students to file a degree plan beginning at an institution with 45 or more semester credit hours. The degree plan is a statement of the course or study requirements that an undergraduate student at a general academic teaching institution must complete in order to graduate from the institution. This section would apply to undergraduate students who initially enroll in general academic teaching institutions for the 2011 fall semester.

Provisions of this bill would be absorbed within current resources.

Local Government Impact

No fiscal implication to units of local government is anticipated.

Source Agencies: 781 Higher Education Coordinating Board, 710 Texas A&M University System Administrative and General Offices, 720 The University of Texas System Administration, 758 Texas State University System, 769 University of North Texas System Administration, 783 University of Houston System Administration, 768 Texas Tech University System Administration

LBB Staff: JOB, SDE, KK, GO, RT

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 82ND LEGISLATIVE REGULAR SESSION

April 25, 2011

TO: Honorable Dan Branch, Chair, House Committee on Higher Education

FROM: John S O'Brien, Director, Legislative Budget Board

IN RE: HB3025 by Branch (relating to measures to facilitate the transfer of students within the public higher education system and the timely graduation of students from public institutions of higher education.), **Committee Report 1st House, Substituted**

No significant fiscal implication to the State is anticipated.

Under provisions of the bill, the Texas Higher Education Coordinating Board (THECB), in collaboration with institutions of higher education or qualified degree-granting career schools or colleges, would be required to develop transfer compacts that identify learning objectives for coursework in major degree fields that are acceptable across institutions. A general academic teaching institution designated as a research institution that elects not to participate in an applicable transfer compact would be required to publish a detailed description of atleast 12 courses for which credit is frequently transferred to the institutions and establish honors articulation agreements with atleast two public junior colleges.

The bill includes a provision whereby a student may not be required by an institution of higher education to complete more than the minimum number of semester credit hours required by the institution's board-recognized accrediting agency or professional licensure requirements. This section would not apply to a student enrolled prior to the 2013 fall semester.

This bill would require each governing board to certify that the institution does not prohibit, or suggest in any published materials, that the acceptance of transfer credit based solely on the accreditation of the sending institution when submitting its annual required list of courses removed or added for the current academic year to the THECB.

The bill would also require students to file a degree plan beginning at an institution with 30 or more semester credit hours. The degree plan is a statement of the course or study requirements that an undergraduate student at a general academic teaching institution must complete in order to graduate from the institution. This section would apply to undergraduate students who initially enroll in general academic teaching institutions for the 2013 fall semester.

Provisions of this bill would be absorbed within current resources.

Local Government Impact

No fiscal implication to units of local government is anticipated.

Source Agencies: 710 Texas A&M University System Administrative and General Offices, 720 The University of Texas System Administration, 758 Texas State University System, 769 University of North Texas System Administration, 783 University of Houston System Administration, 768 Texas Tech University System Administration, 781 Higher Education Coordinating Board

LBB Staff: JOB, KK, GO, SDE, RT

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 82ND LEGISLATIVE REGULAR SESSION

March 23, 2011

TO: Honorable Dan Branch, Chair, House Committee on Higher Education

FROM: John S O'Brien, Director, Legislative Budget Board

IN RE: HB3025 by Branch (Relating to measures to facilitate the transfer of students within the public higher education system and the timely graduation of students from public institutions of higher education.), **As Introduced**

No significant fiscal implication to the State is anticipated.

Under provisions of the bill, a general academic teaching institution may develop a fixed tuition rate program for qualified students who agree to transfer to the institution after successfully earning an associate degree at a lower-division institution of higher education. The bill specifies that in such a program, the general academic teaching institution (GATI) must do the following: (1) guarantee admission to the sponsoring GATI and acceptance to the student's degree program of choice to an otherwise eligible participating lower-division institution student; and (2) guarantee to charge the participating student, upon transfer to the GATI, a fixed tuition rate equal to the rate that would have been charged the student his/her freshman year, had the student been enrolled in the GATI as a freshman.

Based on responses from institutions of higher education it appears the program would not be implemented but included below is an estimate based on information provided by the Higher Education Coordinating Board of what the maximum impact would be if fully implemented. Most likely the

In fiscal year 2010, 7,141 associate degree recipients transferred into general academic teaching institutions. Between fiscal year 2010 and fiscal year 2011, the average designated tuition rate for 30 semester credit hours rose 6.92% -- from \$3,195 to \$3,416. The Higher Education Coordinating Board assumed this rate of increase would remain a constant. Therefore, between fiscal year 2012 and fiscal year 2016, the rate for 30 hours would rise from \$3,652 to \$4,773. The impact per full-time student equivalent (person taking 30 hours per year) for the fix tuition rate is a savings of the designated tuition amount in the year of enrollment less the tuition amount in his/her freshman year. They also assumed the transfer students would have been entering freshmen two years prior – in other words, students entering as associate degree transfers in fall 2011 entered as freshmen in fall 2009, etc. They also assumed the average undergraduate would be taking 80% of a full-time load, so the 7,141 headcount of associate degree transfer students would equal 6,713 full-time student equivalents (FTSEs), dropping to 4,681 in their second years and for the 60% who attend a fifth year before graduating, 4,764 students in the third year.

To calculate the amount of designated tuition saved by the students (and lost to the institutions) they multiplied the expected number of FTSEs per year per cohort times the differential in their projected year designated tuition amount less what they would have paid in their freshman year. In fiscal year 2012, 5,713 FTSEs will enter and save \$457 in designated tuition – generating a total savings for the students of \$2,612,962. The savings would increase in 2013 to \$6,118,494 as a new cohort is added and so on for the out years. Since the program is optional most likely the impact will be much less than this.

The Higher Education Coordinating Board, in collaboration with institutions of higher education, would be required to develop transfer compacts as well as develop a core curriculum of at least 36

semester credit hours. Each institution of higher education would be required to adopt a core curriculum of not less than 36 semester credit hours.

The bill also includes a provision whereby a student is required to file a degree plan. The degree plan is a statement of the course or study requirements that an undergraduate student at a general academic teaching institution must complete in order to graduate from the institution, established through collaboration between the student and an academic advisor for the student's degree program and approved by the academic advisor. The bill includes a deadline on when the degree plan must be filed and ramifications of not filing the plan. This section would apply to undergraduate students who initially enroll in general academic teaching institutions for the 2011 fall semester. Several institutions indicated there would be costs associated with implementing the degree plan requirement including additional staff and tracking software. These costs would be absorbed within current resources.

Local Government Impact

No fiscal implication to units of local government is anticipated.

Source Agencies: 710 Texas A&M University System Administrative and General Offices, 720 The University of Texas System Administration, 768 Texas Tech University System Administration, 781 Higher Education Coordinating Board, 783 University of Houston System Administration

LBB Staff: JOB, KK, RT, GO