

Stricken language would be deleted from and underlined language would be added to the law as it existed prior to this session of the General Assembly.

Act 1592 of the Regular Session

1 State of Arkansas
2 86th General Assembly
3 Regular Session, 2007
4

As Engrossed: H3/13/07 H3/14/07

A Bill

HOUSE BILL 2325

5 By: Representative Pickett
6 By: *Senator Bryles*
7
8

For An Act To Be Entitled

10 AN ACT TO IMPROVE RETENTION AND GRADUATION RATES
11 AT PUBLIC COLLEGES AND UNIVERSITIES BY PROVIDING
12 A MECHANISM TO DISTRIBUTE INCENTIVE FUNDING FOR
13 IMPROVED STUDENT OUTCOMES; TO ESTABLISH THE
14 PRODUCTIVITY ENHANCEMENT FOR UNDERGRADUATE HIGHER
15 EDUCATION ACT; AND FOR OTHER PURPOSES.
16

Subtitle

17 TO IMPROVE RETENTION AND GRADUATION
18 RATES AT PUBLIC COLLEGES AND
19 UNIVERSITIES BY PROVIDING A MECHANISM TO
20 DISTRIBUTE INCENTIVE FUNDING FOR
21 IMPROVED STUDENT OUTCOMES.
22
23
24

25 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF ARKANSAS:
26

27 SECTION 1. Arkansas Code Title 6, Chapter 61, is amended to add an
28 additional subchapter to read as follows:

29 6-61-1301. Title.

30 This subchapter shall be known and may be cited as the "Productivity
31 Enhancement for Undergraduate Higher Education Act".
32

33 6-61-1302. Findings.

34 The General Assembly finds that:

35 (1) Higher education productivity is a state, national, and



1 international issue that impacts the ability of Arkansans to compete on the
2 state, national, and global level;

3 (2) Public institutions of higher education have a heightened
4 duty for the efficient use and accountability for the expenditure of tax
5 dollars;

6 (3) Incentive funding is often successful to encourage public
7 institutions to improve efficiency, accountability, and outcomes;

8 (4) As applied to public institutions of higher education,
9 incentive funding that encourages public institutions of higher education to
10 maximize the efficiency of tax dollars and tuition receipts to improve
11 outcomes for the students and the institution should improve the productivity
12 of the public institutions; and

13 (5) A statewide coordinated plan that uses incentive funding to
14 improve retention and graduation rates at public institutions of higher
15 education is necessary to enhance productivity and empower Arkansans to
16 compete in the global economy.

17
18 6-61-1303. Definitions.

19 As used in this subchapter:

20 (1) "Completion rate for technical certificates" means the ratio
21 of the number of first-time, full-time students who complete a technical
22 certificate program in no more than five (5) consecutive semesters at the
23 institution compared to the total number of first-time, full-time students
24 who were enrolled at the institution in a technical certificate program five
25 (5) semesters earlier, expressed as a percentage value;

26 (2) "Certificate-seeking student" means a student who is:

27 (A) Enrolled in courses for credit; and

28 (B) Recognized by the institution as seeking a formal
29 award in a vocational program or an occupational program.

30 (3) "Degree-seeking student" means a student who is:

31 (A) Enrolled in courses for credit; and

32 (B) Recognized by the institution as seeking a degree;

33 (4) "Full-time student" means an individual who:

34 (A) Is a student at a public institution of higher
35 education;

36 (B) Is enrolled in a course of study leading to an

1 associate's or bachelor's degree or completion of a technical certificate;
2 and

3 (C) Is enrolled in at least twelve (12) semester hours or
4 some other reasonable academic equivalent as defined by the Department of
5 Higher Education;

6 (5) "Graduation rate for the university" means the ratio of the
7 number of first-time, full-time degree-seeking students who complete a
8 baccalaureate degree at the institution in no more than six (6) years
9 compared to the total number of first-time, full-time degree-seeking students
10 who began at the university as first-time, full-time degree-seeking students
11 six (6) years earlier, expressed as a percentage value;

12 (6) "Graduation rate for the two-year college" means the ratio
13 of the number of first-time, full-time degree-seeking students who complete
14 an associate degree in no more than three (3) years at the institution
15 compared to the total number of first-time, full-time degree-seeking students
16 who began at the two-year college as first-time, full-time degree-seeking
17 students three (3) years earlier, expressed as a percentage value;

18 (7)(A) "Institution" means a public institution of higher
19 education.

20 (B) Institutions include universities and two-year
21 colleges;

22 (8) "Institutional baseline" means the institution's average
23 rate for the previous three (3) years in a category established under this
24 subchapter that is eligible for incentive funding, expressed as a percentage
25 value;

26 (9) "Retention rate for the university" means the ratio of the
27 number of first-time, full-time, degree-seeking students who continue from
28 their freshman year at the institution to their second year at the
29 institution compared to the total number of first-time, full-time, degree-
30 seeking students who began at the institution as freshman during the previous
31 year, expressed as a percentage value; and

32 (10) "Retention rate for the two-year college" means the ratio
33 of the number of first-time, full-time degree-seeking or certificate-seeking
34 students who remain at the institution for the following semester compared to
35 the total number of full-time degree-seeking or certificate-seeking students
36 at the institution during the previous semester, expressed as a percentage

1 value.

2
3 6-61-1304. Creation – Purpose.

4 (a) There is created the Productivity Enhancement for Undergraduate
5 Higher Education Program to be administered by the Arkansas Higher Education
6 Coordinating Board.

7 (b) The purpose of this program is to improve undergraduate education
8 at public institutions of higher education by improving:

9 (1) The retention rates of first-year to second-year students;
10 and

11 (2) The graduation rates.

12
13 6-61-1305. Base funding not impacted.

14 Nothing in this subchapter shall impact the base funding of an
15 institution.

16
17 6-61-1306. Retention rate improvement incentives for two-year
18 colleges.

19 A two-year college is eligible for incentive funding under this section
20 if the retention rate for the two-year college is three percent (3%) more
21 than the institutional baseline.

22
23 6-61-1307. Associate degree graduation rate improvement incentives for
24 two-year colleges.

25 A two-year college is eligible for incentive funding under this section
26 if the graduation rate for the two-year college is three percent (3%) or more
27 than the institutional baseline.

28
29 6-61-1308. Technical certificate completion rate improvement
30 incentives for two-year colleges.

31 A two-year college is eligible for incentive funding under this section
32 if the completion rate for technical certificates is three percent (3%) or
33 more than the institutional baseline.

34
35 6-61-1309. Retention rate improvement incentives for universities.

36 A university is eligible for incentive funding under this section if

1 the retention rate for the university is three percent (3%) more than the
2 institutional baseline.

3
4 6-61-1310. Graduation rate improvement incentives for universities.
5 A university is eligible for incentive funding under this section if
6 the graduation rate for the university is three percent (3%) more than the
7 institutional baseline.

8
9 6-61-1311. Duties of the Higher Education Coordinating Board.

10 The Higher Education Coordinating Board shall:

11 (1) Develop, implement, and administer the Productivity
12 Enhancement for Undergraduate Higher Education Program as provided under this
13 subchapter;

14 (2) Allocate any and all incentive funding that is appropriated
15 for the Productivity Enhancement for Undergraduate Higher Education Program
16 among each institution that qualifies in each category under this subchapter;

17 (3) Promulgate rules for the administration of this subchapter;
18 and

19 (4) Report on the status of the Productivity Enhancement for
20 Undergraduate Higher Education Program, including recommendations for any
21 changes to the program, to the Legislative Council, the House Interim
22 Committee on Education, and the Senate Interim Committee on Education no
23 later than December 1 of each even-numbered year, beginning on December 1,
24 2008.

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26 6-61-1312. Implementation Date.

27 This program shall be implemented on July 1, 2009.

28
29 /s/ Pickett

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31 APPROVED: 4/9/2007