

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.

1 State of Arkansas  
2 85th General Assembly  
3 Regular Session, 2005

# A Bill

SENATE BILL 288

4  
5 By: Senator Bryles  
6 By: Representative Pace

## For An Act To Be Entitled

10 AN ACT TO IMPROVE RETENTION AND GRADUATION RATES  
11 AT PUBLIC COLLEGES AND UNIVERSITIES; AND FOR  
12 OTHER PURPOSES.

## Subtitle

15 AN ACT TO IMPROVE RETENTION AND  
16 GRADUATION RATES AT PUBLIC COLLEGES AND  
17 UNIVERSITIES.

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19  
20 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF ARKANSAS:

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22 SECTION 1. (a) The General Assembly finds that:

23 (1) One of Arkansas' most formidable challenges in the next  
24 decade is to increase the number of its citizens who have obtained a college  
25 degree or technical certificate;

26 (2) College graduation rates are an important indicator of a  
27 state's ability to compete in the new economy;

28 (3) The graduation rates of Arkansas college students must be  
29 improved; and

30 (4) Institutions that are successfully graduating students  
31 should be recognized for their efforts and achievements.

32 (b) Appropriation and funding for the 2007-2009 biennium for  
33 institutions that improve graduation rates shall be linked to the percentage  
34 of students who complete an associate's degree in no more than three (3)  
35 years or a baccalaureate degree in no more than six (6) years or a technical  
36 certificate in no more than five (5) semesters.



1           (c) The annual graduation rate will be determined for the academic  
 2 year.

3           (d)(1)(A) An institution shall be eligible for incentive funding  
 4 if:

5   (i) It's graduation rate shows improvement  
 6 over the previous year; or

7   (ii) It meets or exceeds the anticipated  
 8 graduation rate as determined by a regression model using student variables  
 9 including but not limited to:

10   (a) Entrance exam scores;

11   (b) High school grade-point-average;

12   (c) Rank in high school class;

13   (d) Diversity of student population;

14   (e) On- or off-campus residence of  
 15 students;

16   (f) State resident and non-resident  
 17 student status;

18   (g) Academic major; or

19   (h) Institutional variables such as:  
 20 student-to-faculty ratio, tuition, cost of attendance, financial aid, percent  
 21 of freshmen receiving financial aid , financial aid as a percent of cost of  
 22 attendance and financial aid as a percent of the institution's budget,  
 23 percent of part-time faculty, percent of faculty with terminal degrees,  
 24 percent of budget spent on instruction, and percent of freshmen living in  
 25 residence halls where appropriate.

26   (B) Although a statistical regression model will  
 27 determine the variables that optimize the model's ability to accurately  
 28 predict graduation rates, the Arkansas Higher Education Coordinating Board  
 29 will have final approval of the variables and the model.

30           (2)(A) The two-year and university funding models shall be  
 31 amended to include multipliers for the Student Semester Credit Hour portions  
 32 of the model for institutions that demonstrate improvement over the previous  
 33 year's graduation rate or whose graduation rate exceeds the anticipated  
 34 graduation rate.

35   (B) The multiplier shall be 1.00 for institutions that do  
 36 not improve their graduation rate and do not meet the anticipated graduation

1 rate.

2 (C) The multipliers for institutions that exhibit either  
3 improvement in graduation rates or meet and exceed their anticipated  
4 graduation rate, or both will vary from 1.00 to 1.05 depending upon the  
5 degree of their improvement or success.

6 (e)(1) An institution's base funding shall not be impacted.

7 (2)(A) However, the distribution of incentive funds shall  
8 include factors of an institution's success in graduating students.

9 (B) Incentive pool funds shall be allocated among the  
10 qualifying institutions on the basis of the relative degree of improvement in  
11 their graduation rate or success in meeting or exceeding the anticipated  
12 graduation rate, or both.

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14 SECTION 2. (a) The General Assembly finds that:

15 (1) Students enroll to complete a course with no intention of  
16 completing a degree;

17 (2) The institution has expended time and money on those  
18 students and should be funded in some way for the expense incurred in terms  
19 of time and funds;

20 (3) Funding for enrollment growth of colleges and universities  
21 shall be linked to the percentage of students who successfully complete each  
22 course for every semester; and

23 (4) These successes would be overlooked when only measuring  
24 graduation rates.

25 (b)(1) The course completion rate for each semester shall be  
26 aggregated into a percentage of students completing courses for the academic  
27 year.

28 (2)(A) The institution's base funding shall not be impacted.

29 (B) However, enrollment growth shall be funded based on  
30 the percentage of students completing courses in the most recent academic  
31 year.

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