

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 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*
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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.
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25 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF ARKANSAS:
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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".
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33 6-61-1302. Findings.

34 The General Assembly finds that:

35 (1) Higher education productivity is a state, national, and
36 international issue that impacts the ability of Arkansans to compete on the



1 state, national, and global level;

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

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

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

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

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17 6-61-1303. Definitions.

18 As used in this subchapter:

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

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

26 (A) Enrolled in courses for credit; and

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

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

30 (A) Enrolled in courses for credit; and

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

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

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

35 (B) Is enrolled in a course of study leading to an
36 associate's or bachelor's degree or completion of a technical certificate;

1 and

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

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

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

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

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

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

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

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

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6-61-1304. Creation – Purpose.

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

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

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

and

(2) The graduation rates.

6-61-1305. Base funding not impacted.

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

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

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

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

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

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

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

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

A university is eligible for incentive funding under this section if the retention rate for the university is three percent (3%) more than the

1 institutional baseline.

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

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

9 The Higher Education Coordinating Board shall:

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

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

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

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

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25 6-61-1312. Implementation Date.

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

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28 */s/ Pickett*