

## Chapter 13. Financial Planning

### Subchapter F. Formula Funding and Tuition Charged for Excess Credit Hours of Undergraduate Students

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**§13.100 Purpose** This subchapter provides financial incentives for institutions to facilitate the progress of students through their academic programs and incentives for students to complete their degree programs expeditiously. Rules contained in this subchapter clarify the enabling legislation, define responsibilities of institutions and the Board in implementing the statute, and ensure that students are adequately informed.

**Source Note:** *The provisions of this §13.100 adopted to be effective November 22, 2005, 30 TexReg 7730*

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**§13.101 Authority** Texas Education Code, §54.068, provides that institutions may charge a higher rate of tuition to students with repeated or excess hours. Texas Education Code, §61.0595, limits formula funding for excess hours. SB 1, General Appropriations Act, 79th Legislature, Regular Session, III-251, §49, limits formula funding for a course for which a student would generate formula funding for the third time. Texas Education Code, §51.3062(l) limits the number of remedial or developmental education semester credit hours for which formula funding may be received.

**Source Note:** *The provisions of this §13.101 adopted to be effective November 22, 2005, 30 TexReg 7730*

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**§13.102 Definitions** The following words and terms, when used in this subchapter, shall have the following meanings, unless the context clearly indicates otherwise:

- (1) Degree Plan--academic program of courses and their related hours culminating in a degree or certificate, including minors, double majors, and completion of any other special program in which the student is also enrolled, such as a program with a study abroad component.
- (2) Dual Credit Hours--hours for which a student received simultaneous academic credit for the course from both an institution and a high school under §§4.81 - 4.85 of this title (relating to Dual Credit Partnerships Between Secondary Schools and Texas Public Colleges).
- (3) Excess Hours--effective with students initially enrolling in the fall 1999 semester and subsequent terms, hours, including dual credit hours, attempted by a resident undergraduate student that exceed more than 45 hours of the number of hours required for completion of the degree plan in which the student is enrolled. Effective with students initially enrolling in the fall 2006 semester and subsequent terms, hours, including dual credit hours, attempted by a resident undergraduate student that exceed more than 30 hours of the number of hours required for completion of the degree program in which the student is enrolled. For purposes of excess hours, resident undergraduate student includes a nonresident student who is permitted to pay resident tuition.
- (4) Hours--quarter credit hours or semester credit hours.
- (5) Remedial and Developmental Courses--courses designed to correct academic deficiencies and bring students' skills to an appropriate level for entry into college. The term includes English as a Second Language (ESL) courses in which a student is placed as a result of failing the reading or writing portion of a test required by §4.56 of this title (relating to Assessment Instruments).
- (6) Repeated Hours for Attempted Course--hours for a course that is the same or substantially similar to a course that the student previously attempted for two or more times at the same institution. Previously attempted courses from which the student withdraws before the official census date shall not count as an attempted course.

(7) Repeated Hours for Completed Course--hours for a course in which a student enrolls for two or more times that is the same as or substantially similar to a course that the student previously completed and received a grade of A, B, C, D, F, or Pass/Fail at the same institution.

(8) Student--for the purposes of this subchapter, a student who has not been awarded a bachelor's degree or the equivalent.

(9) Workforce Education Courses--courses offered by two-year institutions for the primary purpose of preparing students to enter the workforce rather than academic transfer. The term includes both technical courses and continuing education courses.

**Source Note:** *The provisions of this §13.102 adopted to be effective November 22, 2005, 30 TexReg 7730*

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### **§13.103 Affected Students**

(a) Institutions shall not submit excess hours to the Board for the purposes of formula funding, unless those hours are exempt under the provisions of §13.104 of this title (relating to Excessive Hour Exemptions).

(b) For the purposes of determining the number of hours required for a degree plan, institutions shall utilize the degree plan designated by the student as of the official census day of the term.

(1) If a student at a four-year institution is not enrolled in a degree program, institutions shall consider the student to be enrolled in a degree program requiring a minimum of 120 hours.

(2) If a student is enrolled on a temporary basis in a university or health-related institution and is also enrolled in a private or independent institution of higher education or an out-of-state institution of higher education, institutions shall consider the student to be enrolled in a degree program requiring a minimum of 120 hours.

(c) Institutions shall not consider any hours for which a student has enrolled as part of a master's or professional degree program without first completing a bachelor's degree in the calculation of the number of hours required for a bachelor's degree or the equivalent until the student has completed a minimum of 120 hours required for the bachelor's degree or equivalent.

**Source Note:** *The provisions of this §13.103 adopted to be effective November 22, 2005, 30 TexReg 7730*

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**§13.104 Limitation on Formula Funding** The following types of hours are exempt and are not subject to the limitation on formula funding set out in §13.103 of this title (relating to Limitation on Formula Funding for Excess Hours):

(1) hours earned by the student before receiving a bachelor's degree that has been previously awarded to the student;

(2) hours earned through examination or similar method without registering for a course;

(3) hours from remedial and developmental courses, workforce education courses, or other courses that would not generate academic credit that could be applied to a degree at the institution if the course work is within the 27-hour limit at two-year colleges and the 18-hour limit at general academic institutions;

(4) hours earned by the student at a private institution or an out-of-state institution; and

(5) hours not eligible for formula funding.

**Source Note:** *The provisions of this §13.104 adopted to be effective November 22, 2005, 30 TexReg 7730*

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**§13.105 Tuition Charged to Affected Students** Institutions shall not submit for formula funding any hours for a course that is the same or substantially similar to a course that the student previously attempted for two or more times at the same institution.

**Source Note:** *The provisions of this §13.105 adopted to be effective November 22, 2005, 30 TexReg 7730*

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**§13.106 Responsibilities of Institutions** The following types of hours are exempt and are not subject to the limitation on formula funding set out in §13.105 of this title (relating to Limitation on Formula Funding for Repeated Hours for Attempted Course).

(1) hours for remedial and development courses, if the course work is within the 27-hour limit at two-year colleges and the 18-hour limit at general academic institutions;

(2) hours for special topics and seminar courses;

(3) hours for courses that involve different or more advanced content each time they are taken, including but not limited to, individual music lessons, Workforce Education Courses, Manual Special Topics courses (when the topic changes), theater practicum, music performance, ensembles, certain physical education and kinesiology courses, and studio art;

(4) hours for independent study courses; and

(5) hours for continuing education courses that must be repeated to retain professional certification.

**Source Note:** *The provisions of this §13.106 adopted to be effective November 22, 2005, 30 TexReg 7730*

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**§13.107 Limitation on Formula Funding for Remedial and Developmental Courses** Institutions shall not submit for formula funding any hours for remedial and development courses for which a student has exceeded 18 hours of remedial and developmental courses in a general academic teaching institution, or 27 hours of remedial and developmental courses in a public community college, public technical college, or public state college.

**Source Note:** *The provisions of this §13.107 adopted to be effective November 22, 2005, 30 TexReg 7730*

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### **§13.108 Tuition Rate for Students**

(a) An institution may charge a higher tuition rate, not to exceed the rate charged to nonresident undergraduate students, to a student whose hours can no longer be submitted for formula funding under §13.103 of this title (relating to Limitation on Formula Funding for Excess Hours), unless those hours are exempted under §13.104 of this title (relating to Exemptions for Excess Hours).

(b) Unless the hours are exempted under §13.106 of this title (relating to Exemptions for Repeated Hours for Attempted Courses), an institution may charge a higher tuition rate, not to exceed the rate charged to nonresident undergraduate students, to a student who enrolls for the second time in a completed course, even though those hours may be submitted for formula funding, or to a student whose hours may no longer be submitted for formula funding under §13.105 of this title (relating to Limitation on Formula Funding for Repeated Hours for Attempted Course).

(c) If an institution charges a higher tuition rate under this section, it shall adopt a policy under which a student is exempted from the payment of that higher tuition rate, if the payment of the higher tuition rate would result in an economic hardship for the student.

(d) A student shall be exempted from payment of higher tuition if the student enrolls in repeated hours for a completed course for the purpose of receiving a grade that will satisfy a degree requirement.

**§13.109 Additional Responsibilities of Institutions**

(a) Institutions shall report to the Board all information required to comply with the provisions of this subchapter. Based upon this information, the Coordinating Board shall maintain a database containing information regarding the number of hours a student has accumulated.

(b) Each institution shall publish information in the catalog about the limitations on hours set out in this subchapter and the tuition rate that will be charged to affected students. Until this material is included in its catalog, the institution shall inform each new undergraduate student enrolling at the institution in writing of the limitations on formula funding and the tuition rate that will be charged to affected students.

(c) Institutions shall track the progress of students and shall identify and assist those students who are approaching the limitations on formula funding.

(d) Community and technical colleges and the Lamar State Colleges shall inform each student of the individual's progress toward the limitations on formula funding and shall disclose the institution's tuition policy for students who exceed the limitations when the student has accumulated 70 or more hours.

(e) Universities and health-related institutions shall inform each student of the individual's progress toward the limitations on formula funding and shall disclose the institution's tuition policy for students who exceed the limitations when the student has accumulated 120 or more hours toward the limit.