

By: Morrison

H.B. No. 3828

A BILL TO BE ENTITLED

AN ACT

relating to performance incentive funding for institutions of higher education.

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

SECTION 1. Chapter 61, Education Code, is amended by adding Subchapter EE to read as follows:

SUBCHAPTER EE. PERFORMANCE INCENTIVE FUNDING

Sec. 61.9801. PERFORMANCE INCENTIVE FUNDING FOR CERTAIN GENERAL ACADEMIC TEACHING INSTITUTIONS. (a) This section applies only to general academic teaching institutions other than public state colleges.

(b) In this section:

(1) "Advanced degree" means a graduate or professional degree for which a baccalaureate degree is usually required as a prerequisite to admission into the degree program.

(2) "At-risk student" means a student of an institution to which this section applies:

(A) whose score on the Scholastic Assessment Test or the American College Test is less than the national mean score of students' scores on that test;

(B) who has been awarded a grant under the federal Pell Grant program;

(C) who was 20 years of age or older but younger than 60 years of age on the date the student initially enrolled in

1 the institution;

2 (D) who initially enrolled in the institution for
3 less than 12 semester credit hours during a fall or spring semester;

4 (E) who did not receive a high school diploma but
5 received a high school equivalency certificate;

6 (F) who may not be claimed by any other person as
7 a dependent for federal income tax purposes but may claim at least
8 one other person as a dependent for federal income tax purposes; or

9 (G) who is a single parent.

10 (3) "Critical field" means a field of study designated
11 as a critical field under Subsection (c).

12 (4) "Major field test":

13 (A) means an examination or other assessment that
14 is:

15 (i) designed to measure the basic knowledge
16 and understanding achieved by a student in a major field of study;
17 and

18 (ii) approved by the board for purposes of
19 this section; and

20 (B) includes any examination required for the
21 issuance of a professional or occupational license directly related
22 to the student's field of study.

23 (c) Except as otherwise provided under Subdivision (2), the
24 fields of engineering, computer science, mathematics, physical
25 science, allied health, nursing, and teaching certification in the
26 field of science or mathematics are critical fields. Beginning
27 September 1, 2010, the board, based on the board's determination of

1 those fields of study in which the support and development of
2 postsecondary education programs at the bachelor's degree or
3 advanced degree level are most critically necessary for serving the
4 needs of this state, by rule may:

5 (1) designate as a critical field a field of study that
6 is not currently designated by this subsection or by the board as a
7 critical field; or

8 (2) remove a field of study from the list of fields
9 currently designated by this subsection or by the board as critical
10 fields.

11 (d) For purposes of this section, a student's assessment
12 score percentage on a major field test is computed by dividing a
13 student's score on the test by:

14 (1) the national average of students' scores on that
15 test; or

16 (2) the statewide average of students' scores on that
17 test if the test is not administered nationally.

18 (e) For each state fiscal year, the board shall distribute
19 any performance incentive funds appropriated by the legislature for
20 the purposes of this section, and any other funds made available for
21 the purposes of this section, to institutions to which this section
22 applies in proportion to the number of points assigned to each
23 institution under the tables prescribed by Subsections (g) and (h).

24 (f) A number of points is assigned in accordance with
25 Subsections (g) and (h) only on the basis of a degree awarded or a
26 performance on a major field test taken during the state fiscal year
27 preceding the year for which the distribution of funds under this

1 section is made. Points may not be assigned for any degree awarded
 2 to an international student.

3 (g) A number of points is assigned for a bachelor's degree
 4 awarded to a student by an institution to which this section applies
 5 based on the student's performance on a major field assessment and
 6 determined according to the following table:

7 <u>ASSESSMENT</u>	8 <u>NON-CRITICAL</u>	9 <u>NON-CRITICAL</u>	10 <u>CRITICAL</u>	11 <u>CRITICAL</u>
12 <u>SCORE</u>	13 <u>FIELD/NOT</u>	14 <u>FIELD/</u>	15 <u>FIELD/NOT</u>	16 <u>FIELD/</u>
17 <u>PERCENTAGE</u>	18 <u>AT-RISK</u>	19 <u>AT-RISK</u>	20 <u>AT-RISK</u>	21 <u>AT-RISK</u>
22 <u>Below 70%</u>	23 <u>0</u>	24 <u>0</u>	25 <u>0</u>	26 <u>0</u>
27 <u>70%-79%</u>	28 <u>1.0</u>	29 <u>2.0</u>	30 <u>2.0</u>	31 <u>3.0</u>
32 <u>80%-89%</u>	33 <u>1.1</u>	34 <u>2.1</u>	35 <u>2.1</u>	36 <u>3.1</u>
37 <u>90%-99%</u>	38 <u>1.2</u>	39 <u>2.2</u>	40 <u>2.2</u>	41 <u>3.2</u>
42 <u>100%-109%</u>	43 <u>1.3</u>	44 <u>2.3</u>	45 <u>2.3</u>	46 <u>3.3</u>
47 <u>110%-119%</u>	48 <u>1.4</u>	49 <u>2.4</u>	50 <u>2.4</u>	51 <u>3.4</u>
52 <u>120%-129%</u>	53 <u>1.5</u>	54 <u>2.5</u>	55 <u>2.5</u>	56 <u>3.5</u>
57 <u>Above 129%</u>	58 <u>1.6</u>	59 <u>2.6</u>	60 <u>2.6</u>	61 <u>3.6</u>

18 (h) A number of points is assigned for an advanced degree
 19 awarded to a student by an institution to which this section applies
 20 based on the type of advanced degree awarded and determined
 21 according to the following table:

22 <u>TYPE OF DEGREE AWARDED</u>	23 <u>POINTS</u>
24 <u>Master's</u>	25 <u>1.0</u>
26 <u>Doctoral</u>	27 <u>1.0</u>
28 <u>Professional</u>	29 <u>1.0</u>

30 Sec. 61.9802. PERFORMANCE INCENTIVE FUNDING FOR COMMUNITY
 31 COLLEGES, PUBLIC TECHNICAL INSTITUTES, AND PUBLIC STATE COLLEGES.

1 (a) This section applies only to the following institutions of
2 higher education:

3 (1) community colleges;

4 (2) public state technical institutes; and

5 (3) public state colleges.

6 (b) In this section:

7 (1) "At-risk student" means a student of an
8 institution to which this section applies:

9 (A) who graduated from high school with a
10 cumulative grade point average of less than 2.5 on the grading scale
11 established by the board by rule under Section 51.807;

12 (B) who has been awarded a grant under the
13 federal Pell Grant program;

14 (C) who was 20 years of age or older but younger
15 than 60 years of age on the date the student enrolled in the
16 institution for the first time;

17 (D) who initially enrolled in the institution for
18 less than 12 semester credit hours during a fall or spring semester;

19 (E) who did not receive a high school diploma but
20 received a high school equivalency certificate;

21 (F) who may not be claimed by any other person as
22 a dependent for federal income tax purposes but may claim at least
23 one other person as a dependent for federal income tax purposes; or

24 (G) who is a single parent.

25 (2) "Critical field" means a field of study designated
26 as a critical field under Subsection (c).

27 (3) "General education test" means a test designated

1 as a general education test under Subsection (d).

2 (c) Except as otherwise provided under Subdivision (2), the
3 fields of engineering, technology, computer science, mathematics,
4 physical science, allied health, and nursing are critical fields.
5 Beginning September 1, 2010, the board, based on the board's
6 determination of those fields of study in which the support and
7 development of postsecondary education programs at the
8 lower-division level are most critically necessary for serving the
9 needs of this state, by rule may:

10 (1) designate as a critical field a field of study that
11 is not currently designated by this subsection or by the board as a
12 critical field; or

13 (2) remove a field of study from the list of fields
14 currently designated by this subsection or by the board as critical
15 fields.

16 (d) Except as otherwise provided under Subdivision (2), the
17 Measure of Academic Proficiency and Progress developed by the
18 Education Testing Network Service, the California Critical
19 Thinking and Skills Test, the College Basic Academic Subjects
20 Examination developed by the Assessment Resource Center of the
21 University of Missouri-Columbia, the Collegiate Assessment of
22 Academic Proficiency, WorkKeys, and an examination required for the
23 issuance of a professional or occupational license are general
24 education tests. The board, based on the board's determination of
25 those tests that adequately reflect a lower-division student's
26 general education knowledge and skills, by rule may:

27 (1) designate as a general education test a test or

1 other assessment instrument that is not currently designated by
2 this subsection or by the board as a general education test; or

3 (2) after September 1, 2010, remove a test or other
4 assessment instrument from the list of tests and assessment
5 instruments currently designated by this subsection or by the board
6 as general education tests.

7 (e) For purposes of this section, a student's assessment
8 score percentage on a general education test is computed by
9 dividing a student's score on the test by:

10 (1) the national average of students' scores on that
11 test; or

12 (2) the statewide average of students' scores on that
13 test if the test is not administered nationally.

14 (f) For each state fiscal year, the board shall distribute
15 any performance incentive funds appropriated by the legislature for
16 the purposes of this section, and any other funds made available for
17 the purposes of this section, to institutions to which this section
18 applies in proportion to the number of points assigned to each
19 institution under the tables prescribed by Subsections (h) and (i).

20 (g) A number of points is assigned in accordance with
21 Subsections (h) and (i) only on the basis of a degree or certificate
22 awarded, a performance on a general education test taken, or a
23 student transfer made during the state fiscal year preceding the
24 year for which the distribution of funds under this section is made.
25 Points may not be assigned for any degree or certificate awarded:

26 (1) in a program on a topic or at a level that the board
27 determines does not merit funding under this section; or

(2) to an international student.

(h) A number of points is assigned for an associate's degree or certificate awarded to a student by an institution to which this section applies based on the student's performance on a general education test and determined according to the following tables:

TABLE 1

<u>ASSESSMENT</u>	<u>CERTIFICATE</u>	<u>CERTIFICATE</u>	<u>CERTIFICATE</u>	<u>CERTIFICATE</u>
<u>SCORE</u>	<u>PROGRAM/</u>	<u>PROGRAM/</u>	<u>PROGRAM/</u>	<u>PROGRAM/</u>
<u>PERCENTAGE</u>	<u>NON-CRITICAL</u>	<u>NON-CRITICAL</u>	<u>CRITICAL</u>	<u>CRITICAL</u>
	<u>FIELD/NOT</u>	<u>FIELD/</u>	<u>FIELD/NOT</u>	<u>FIELD/</u>
	<u>AT-RISK</u>	<u>AT-RISK</u>	<u>AT-RISK</u>	<u>AT-RISK</u>
<u>Below 70%</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<u>70%-79%</u>	<u>1.0</u>	<u>2.0</u>	<u>2.0</u>	<u>3.0</u>
<u>80%-89%</u>	<u>1.1</u>	<u>2.1</u>	<u>2.1</u>	<u>3.1</u>
<u>90%-99%</u>	<u>1.2</u>	<u>2.2</u>	<u>2.2</u>	<u>3.2</u>
<u>100%-109%</u>	<u>1.3</u>	<u>2.3</u>	<u>2.3</u>	<u>3.3</u>
<u>110%-119%</u>	<u>1.4</u>	<u>2.4</u>	<u>2.4</u>	<u>3.4</u>
<u>120%-129%</u>	<u>1.5</u>	<u>2.5</u>	<u>2.5</u>	<u>3.5</u>
<u>Above 129%</u>	<u>1.6</u>	<u>2.6</u>	<u>2.6</u>	<u>3.6</u>
<u>ASSESSMENT</u>	<u>ASSOCIATE'S</u>	<u>ASSOCIATE'S</u>	<u>ASSOCIATE'S</u>	<u>ASSOCIATE'S</u>
<u>SCORE</u>	<u>DEGREE/</u>	<u>DEGREE/</u>	<u>DEGREE/</u>	<u>DEGREE/</u>
<u>PERCENTAGE</u>	<u>NON-CRITICAL</u>	<u>NON-CRITICAL</u>	<u>CRITICAL</u>	<u>CRITICAL</u>
	<u>FIELD/NOT</u>	<u>FIELD/</u>	<u>FIELD/NOT</u>	<u>FIELD/</u>
	<u>AT-RISK</u>	<u>AT-RISK</u>	<u>AT-RISK</u>	<u>AT-RISK</u>
<u>Below 70%</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<u>70%-79%</u>	<u>2.0</u>	<u>4.0</u>	<u>4.0</u>	<u>6.0</u>
<u>80%-89%</u>	<u>2.1</u>	<u>4.1</u>	<u>4.1</u>	<u>6.1</u>

1	<u>90%-99%</u>	<u>2.2</u>	<u>4.2</u>	<u>4.2</u>	<u>6.2</u>
2	<u>100%-109%</u>	<u>2.3</u>	<u>4.3</u>	<u>4.3</u>	<u>6.3</u>
3	<u>110%-119%</u>	<u>2.4</u>	<u>4.4</u>	<u>4.4</u>	<u>6.4</u>
4	<u>120%-129%</u>	<u>2.5</u>	<u>4.5</u>	<u>4.5</u>	<u>6.5</u>
5	<u>Above 129%</u>	<u>2.6</u>	<u>4.6</u>	<u>4.6</u>	<u>6.6</u>

6 (i) A number of points is assigned to an institution to
7 which this section applies for each student of the institution who,
8 in the preceding state fiscal year, completed at least 30 semester
9 credit hours at the institution with a grade point average of at
10 least 2.5 on the grading scale established by the board under
11 Section 51.807 before transferring to a general academic teaching
12 institution other than a public state college and determined
13 according to the following table:

	<u>POINTS PER TRANSFER STUDENT</u>
14	
15	<u>Not At-Risk</u>
16	<u>At-Risk</u>

17 Sec. 61.9803. PERFORMANCE INCENTIVE FUNDING FOR MEDICAL AND
18 DENTAL UNITS. (a) This section applies only to medical and dental
19 units.

20 (b) In this section, "licensing examination" means an
21 examination required for the issuance of a professional or
22 occupational license, except that in regard to an examination
23 required for a medical license, the term applies only to the first
24 two sittings by a student for any examination administered or
25 accepted for that purpose under Subtitle B, Title 3, Occupations
26 Code.

27 (c) For purposes of this section, a student's licensing

1 examination percentage is computed by dividing a student's score on
2 the examination by:

3 (1) the national average of students' scores on that
4 examination; or

5 (2) the statewide average of students' scores on that
6 examination if the examination is not administered nationally.

7 (d) For each state fiscal year, the board shall distribute
8 any performance incentive funds appropriated by the legislature for
9 the purposes of this section, and any other funds made available for
10 the purposes of this section, to institutions to which this section
11 applies in proportion to the number of points assigned to each
12 institution under the tables prescribed by Subsections (f) and (g).

13 (e) A number of points is assigned in accordance with
14 Subsections (f) and (g) only on the basis of a degree awarded, a
15 first-year residency completed, or a performance on a licensing
16 examination taken during the state fiscal year preceding the year
17 for which the distribution of funds under this section is made.
18 Points may not be assigned for any degree awarded to an
19 international student.

20 (f) A number of points is assigned for a bachelor's degree
21 in an allied health field or nursing or a professional degree
22 awarded to a student by an institution to which this section applies
23 based on the student's performance on a licensing examination and
24 determined according to the following table:

<u>LICENSING</u>	<u>ALLIED HEALTH OR</u>	<u>PROFESSIONAL</u>
<u>EXAMINATION</u>	<u>NURSING BACHELOR'S</u>	<u>DEGREE</u>
<u>PERCENTAGE</u>	<u>DEGREE</u>	
<u>Below 70%</u>	<u>0</u>	<u>0</u>
<u>70%-79%</u>	<u>1.0</u>	<u>1.0</u>
<u>80%-89%</u>	<u>1.1</u>	<u>1.1</u>
<u>90%-99%</u>	<u>1.2</u>	<u>1.2</u>
<u>100%-109%</u>	<u>1.3</u>	<u>1.3</u>
<u>110%-119%</u>	<u>1.4</u>	<u>1.4</u>
<u>120%-129%</u>	<u>1.5</u>	<u>1.5</u>
<u>Above 129%</u>	<u>1.6</u>	<u>1.6</u>

(g) A number of points is assigned for a degree awarded to a student by an institution to which this section applies, other than a bachelor's degree in an allied health field or nursing, based on the type of degree awarded and determined according to the following table:

<u>TYPE OF DEGREE</u>	<u>POINTS PER DEGREE</u>
<u>Bachelor's, other than Allied Health or Nursing</u>	<u>1.0</u>
<u>Master's</u>	<u>1.0</u>
<u>Doctoral</u>	<u>1.0</u>
<u>First-Year Completed Residency</u>	<u>1.0</u>

Sec. 61.9804. RULES. The board shall adopt rules for the administration of this subchapter.

Sec. 61.9805. REPORT BY INSTITUTIONS TO BOARD. Not later than September 1 of each year, each institution of higher education shall compile and submit to the board, in accordance with rules

1 adopted by the board, a report that includes the following data
2 regarding each student who was awarded a degree or certificate by
3 the institution, completed a first-year residency with the
4 institution, or transferred from the institution to a general
5 academic teaching institution other than a public state college,
6 during the preceding state fiscal year:

7 (1) the student's scores on the Scholastic Assessment
8 Test and American College Test;

9 (2) the number of semester credit hours completed by
10 the student at the institution;

11 (3) the student's grade point average on all
12 coursework completed at the institution using the grading scale
13 established by the board by rule under Section 51.807;

14 (4) whether the student received a grant under the
15 federal Pell Grant program;

16 (5) the age of the student on the date the student
17 initially enrolled in the institution;

18 (6) whether the student initially enrolled in the
19 institution for less than 12 semester credit hours during a fall or
20 spring semester;

21 (7) whether the student is an international student;

22 (8) whether any degree awarded to the student by the
23 institution is in a field designated as a critical field under
24 Section 61.9801 or Section 61.9802;

25 (9) the student's score on any major field test, as
26 defined by Section 61.9801, or general education test, as defined
27 by Section 61.9802, taken by the student;

1 (10) the national average of students' scores on each
2 test described by Subdivision (9) or the statewide average of
3 students' scores on that test if the test is not administered
4 nationally; and

5 (11) any other information required by the board.

6 Sec. 61.9806. PASSING SCORE ON MAJOR FIELD TEST OR GENERAL
7 EDUCATION TEST NOT REQUIRED FOR GRADUATION. This subchapter does
8 not require any student to receive a passing score on a major field
9 test, as defined by Section 61.9801, or a general education test, as
10 defined by Section 61.9802, as a prerequisite to graduating from an
11 institution of higher education.

12 Sec. 61.9807. PAYMENT BY INSTITUTION OF COST OF MAJOR FIELD
13 TEST OR GENERAL EDUCATION TEST. An institution of higher education
14 that administers a major field test as defined by Section 61.9801,
15 or a general education test as defined by Section 61.9802, to a
16 student for purposes of this subchapter shall pay for the cost of
17 the test, unless the test is an examination required for the
18 issuance of a professional or occupational license.

19 Sec. 61.9808. REPORT OF GRE, GMAT, LSAT, OR MCAT SCORE TO
20 INSTITUTIONS BY ADMINISTERING ENTITY. (a) An entity that
21 administers to a person in this state a Graduate Record Examination
22 (GRE), the Graduate Management Admissions Test (GMAT), the Law
23 School Admissions Test (LSAT), or the Medical College Admission
24 Test (MCAT) shall report the person's score on the examination to:

25 (1) any institution of higher education in which the
26 person is enrolled on the date the person registered for the
27 examination; and

1 (2) any institution of higher education from which the
2 person has been awarded a degree or certificate.

3 (b) For purposes of this section, a person who registers for
4 an examination described by Subsection (a) in this state shall
5 report to the entity administering the examination at the time of
6 the person's registration the name of any institution of higher
7 education:

8 (1) in which the person is enrolled on the date of the
9 person's registration; or

10 (2) from which the person has been awarded a degree or
11 certificate.

12 (c) The board shall prescribe procedures and take other
13 actions the board considers appropriate to promote compliance with
14 this section.

15 Sec. 61.9809. REPORT OF GRE, GMAT, LSAT, OR MCAT SCORES ON
16 TRANSCRIPTS BY INSTITUTIONS. An institution of higher education
17 that receives an examination score for a student or graduate of the
18 institution on an examination under Section 61.9808 shall include
19 the student's score on the student's transcript.

20 Sec. 61.9810. REPORT TO BOARD AND LEGISLATURE BY EDUCATION
21 RESEARCH CENTER REGARDING EVALUATION OF POINT ASSIGNMENTS. Each
22 state fiscal biennium, the board shall provide for the evaluation
23 by an education research center established under Section 1.005 of
24 the points assigned under Sections 61.9801, 61.9802, and 61.9803.
25 Not later than November 1 of each even-numbered year, the education
26 research center shall submit to the board and the legislature a
27 written report regarding the center's evaluation under this

1 section, including any recommendations for changes to the points
2 assigned under those sections.

3 SECTION 2. Section 61.0591, Education Code, is repealed.

4 SECTION 3. The Texas Higher Education Coordinating Board
5 shall adopt rules relating to the administration of Subchapter EE,
6 Chapter 61, Education Code, as added by this Act, as soon as
7 practicable after the effective date of this Act.

8 SECTION 4. Sections 61.9808 and 61.9809, Education Code, as
9 added by this Act, apply only to an examination score of a person
10 who registers for the examination on or after the effective date of
11 this Act. An examination score of a person who registers for the
12 examination before the effective date of this Act is covered by the
13 law in effect immediately before that date, and the former law is
14 continued in effect for that purpose.

15 SECTION 5. This Act takes effect September 1, 2008.