

By: Morrison

H.B. No. 3790

A BILL TO BE ENTITLED

AN ACT

relating to performance incentive funding for public institutions of higher education and to recognition of certain student achievement on degree completion.

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

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

SUBCHAPTER FF. 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 (SAT) or the American College Test (ACT) 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 on the date

1 the student initially enrolled in 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 (c) Except as otherwise provided under Subdivision (2), the
13 fields of engineering, computer science, mathematics, physical
14 science, allied health, nursing, and teaching certification in the
15 field of science or mathematics are critical fields. Beginning
16 September 1, 2011, the board, based on the board's determination of
17 those fields of study in which the support and development of
18 postsecondary education programs at the bachelor's degree or
19 advanced degree level are most critically necessary for serving the
20 needs of this state, by rule may:

21 (1) designate as a critical field a field of study that
22 is not currently designated by this subsection or by the board as a
23 critical field; or

24 (2) remove a field of study from the list of fields
25 currently designated by this subsection or by the board as critical
26 fields.

27 (d) For each state fiscal year, the board shall distribute

1 any performance incentive funds appropriated by the legislature for
2 the purposes of this section, and any other funds made available for
3 the purposes of this section, to institutions to which this section
4 applies as follows:

5 (1) 50 percent in proportion to the increase, if any,
6 in the average number of degrees awarded annually by each
7 institution in the two most recent fiscal years from the average
8 number of degrees awarded annually by that institution in the two
9 fiscal years immediately preceding those fiscal years, using the
10 weights assigned to each degree under the table prescribed by
11 Subsection (e); and

12 (2) the remaining 50 percent in proportion to the
13 average number of degrees awarded annually by each institution in
14 the three most recent fiscal years, using the weights assigned to
15 each degree under the table prescribed by Subsection (e).

16 (e) A number of points is assigned for each degree awarded
17 by an eligible institution, other than a degree awarded to an
18 international student, according to the following table:

	<u>POINTS</u>
19 <u>Noncritical Field/Not At-Risk Student</u>	<u>1.0</u>
20 <u>Noncritical Field/At-Risk Student</u>	<u>2.0</u>
21 <u>Critical Field/Not At-Risk Student</u>	<u>2.0</u>
22 <u>Critical Field/At-Risk Student</u>	<u>3.0</u>

23 Sec. 61.9802. PERFORMANCE INCENTIVE FUNDING FOR PUBLIC
24 JUNIOR COLLEGES, PUBLIC TECHNICAL INSTITUTES, AND PUBLIC STATE
25 COLLEGES. (a) This section applies only to the following
26 institutions of higher education:
27

- 1 (1) public junior colleges;
- 2 (2) public technical institutes; and
- 3 (3) public state colleges.

4 (b) In this section:

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

7 (A) who graduated from high school with a
8 cumulative grade point average of less than 2.5 on a four-point
9 scale or the equivalent;

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

12 (C) who was 20 years of age or older on the date
13 the student enrolled in the institution for the first time;

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

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

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

21 (G) who is a single parent.

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

24 (c) Except as otherwise provided under Subdivision (2), the
25 fields of engineering technology, computer science, mathematics,
26 physical science, allied health, and nursing are critical fields.
27 Beginning September 1, 2011, the board, based on the board's

1 determination of those fields of study in which the support and
2 development of postsecondary education programs at the
3 lower-division 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 each state fiscal year, the board shall distribute
12 any performance incentive funds appropriated by the legislature for
13 the purposes of this section, and any other funds made available for
14 the purposes of this section, to institutions to which this section
15 applies as follows:

16 (1) 50 percent in proportion to the increase, if any,
17 in the average number of student transfers described by Subsection
18 (g) from each institution that occur each year plus the average
19 number of degrees and certificates awarded annually by the
20 institution in the two most recent fiscal years from the average
21 number of student transfers described by Subsection (g) from the
22 institution that occur each year plus the average number of degrees
23 and certificates awarded annually by the institution in the two
24 fiscal years immediately preceding those fiscal years, using the
25 weights assigned to each student transfer or degree or certificate
26 under the table prescribed by Subsection (h); and

27 (2) the remaining 50 percent in proportion to the

1 average number of student transfers described by Subsection (g)
2 from each institution that occur each year plus the average number
3 of degrees and certificates awarded annually by the institution in
4 the three most recent fiscal years, using the weights assigned to
5 each student transfer or degree or certificate under the table
6 prescribed by Subsection (h).

7 (e) Points may not be assigned under Subsection (h) for any
8 degree or certificate awarded:

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

11 (2) to an international student.

12 (f) Points may not be assigned under Subsection (h) for both
13 a student's certificate or degree and the student's transfer.
14 Points must be assigned for the student only in the category under
15 Subsection (h) in which the highest number of points will be
16 assigned for the student.

17 (g) Points may be assigned for a student transfer under
18 Subsection (h) only for a student of the institution who completed
19 at least 30 but not more than 70 semester credit hours at the
20 institution with a grade point average of at least 2.5 on a
21 four-point scale or the equivalent before transferring to a general
22 academic teaching institution other than a public state college.

23 (h) A number of points is assigned for each degree awarded
24 or student transfer by an eligible institution according to the
25 following table:

	<u>POINTS</u>
1	
2	<u>1.0</u>
3	
4	<u>1.5</u>
5	
6	<u>1.5</u>
7	
8	<u>2.0</u>
9	
10	<u>1.5</u>
11	
12	<u>2.0</u>
13	
14	<u>2.0</u>
15	
16	<u>2.5</u>
17	
18	<u>2.0</u>
19	
20	<u>2.5</u>
21	
22	<u>2.5</u>
23	
24	<u>3.0</u>
25	
26	<u>2.0</u>
27	<u>Sec. 61.9803. PERFORMANCE INCENTIVE FUNDING FOR MEDICAL AND</u>

1 DENTAL UNITS. (a) This section applies only to medical and dental
2 units.

3 (b) For each state fiscal year, the board shall distribute
4 any performance incentive funds appropriated by the legislature for
5 the purposes of this section, and any other funds made available for
6 the purposes of this section, to institutions to which this section
7 applies as follows:

8 (1) 50 percent in proportion to the increase, if any,
9 in the average number of degrees and certificates awarded by, and
10 medical residencies completed at, each institution annually in the
11 two most recent fiscal years from the average number of degrees and
12 certificates awarded by, and medical residencies completed at, that
13 institution annually in the two fiscal years immediately preceding
14 those fiscal years, using the weights assigned to each degree,
15 certificate, or medical residency completion under the table
16 prescribed by Subsection (c); and

17 (2) the remaining 50 percent in proportion to the
18 average number of degrees and certificates awarded by, and medical
19 residencies completed at, each institution annually in the three
20 most recent fiscal years, using the weights assigned to each
21 degree, certificate, or medical residency completion under the
22 table prescribed by Subsection (c).

23 (c) A number of points is assigned for each degree or
24 certificate awarded by, or medical residency completed at, an
25 eligible institution, other than a degree or certificate awarded to
26 or a medical residency completed by an international student,
27 according to the following table:

<u>1 TYPE OF DEGREE OR CERTIFICATE</u>	<u>POINTS</u>
<u>2 Certificate requiring 30-60 Semester Credit Hours</u>	<u>0.5</u>
<u>3 Bachelor's or Master's</u>	<u>1.0</u>
<u>4 Doctoral following a Master's</u>	<u>1.0</u>
<u>5 Doctoral following a Bachelor's</u>	<u>2.0</u>
<u>6 Medical or Dental</u>	<u>2.0</u>
<u>7 Completed Medical Residency</u>	<u>2.0</u>

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

10 Sec. 61.9805. REPORT BY INSTITUTIONS TO BOARD. Not later
11 than September 1 of each year, each institution of higher education
12 shall compile and submit to the board, in accordance with rules
13 adopted by the board, a report that includes the following data
14 regarding each student who was awarded a degree or certificate by
15 the institution, completed a medical residency with the
16 institution, or transferred from the institution to a general
17 academic teaching institution other than a public state college,
18 during the preceding state fiscal year:

19 (1) the student's scores on the Scholastic Assessment
20 Test (SAT) and American College Test (ACT);

21 (2) for a student who transferred from the institution
22 without completing a degree or certificate, the number of semester
23 credit hours completed by the student at the institution;

24 (3) the student's grade point average on all course
25 work completed at the institution;

26 (4) whether the student received a grant under the
27 federal Pell Grant program;

1 (5) the age of the student on the date the student
2 initially enrolled in the institution;

3 (6) whether the student initially enrolled in the
4 institution for less than 12 semester credit hours during a fall or
5 spring semester;

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

7 (8) whether any degree or certificate awarded to the
8 student by the institution is in a field designated as a critical
9 field under Section 61.9801 or Section 61.9802; and

10 (9) any other information required by the board.

11 Sec. 61.9806. REPORT TO BOARD AND LEGISLATURE BY EDUCATION
12 RESEARCH CENTER REGARDING EVALUATION OF POINT ASSIGNMENTS. Each
13 state fiscal biennium, the board shall provide for the evaluation
14 by an education research center established under Section 1.005 of
15 the points assigned under Sections 61.9801, 61.9802, and 61.9803.
16 Not later than June 1 of each even-numbered year, the education
17 research center shall submit to the board and the legislature a
18 written report regarding the center's evaluation under this
19 section, including any recommendations for changes to the points
20 assigned under those sections.

21 Sec. 61.9807. FEASIBILITY STUDY REGARDING DISTRIBUTION OF
22 INCENTIVE FUNDS BASED ON STUDENT ACHIEVEMENT DATA; REPORT. (a) The
23 board shall conduct a study to determine the feasibility of using
24 student achievement data as criteria for the distribution of
25 incentive funds to institutions of higher education. The board's
26 study may include an evaluation of:

27 (1) the types of student achievement data available;

1 (2) differences in degree programs and student
2 achievement data across degree programs;

3 (3) differences in student achievement data across
4 types of institutions of higher education;

5 (4) standards for measuring student achievement; and

6 (5) any other factors the board considers appropriate.

7 (b) Not later than December 1, 2010, the board shall submit
8 to the governor, lieutenant governor, speaker of the house of
9 representatives, and the presiding officer of each legislative
10 standing committee with primary jurisdiction over higher education
11 a written report regarding the board's findings under the study.

12 (c) This section expires September 1, 2011.

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

14 SECTION 3. The Texas Higher Education Coordinating Board
15 shall adopt rules relating to the administration of Subchapter FF,
16 Chapter 61, Education Code, as added by this Act, as soon as
17 practicable after the effective date of this Act.

18 SECTION 4. The Texas Higher Education Coordinating Board
19 shall conduct a study of whether bilingual education is a critical
20 field for the purposes of Subchapter FF, Chapter 61, Education
21 Code, as added by this Act.

22 SECTION 5. This Act takes effect September 1, 2009.