

By: Branch

H.B. No. 9

A BILL TO BE ENTITLED

AN ACT

relating to student success-based funding for public institutions of higher education.

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

SECTION 1. Sections 61.059(a) and (c), Education Code, are amended to read as follows:

(a) To finance a system of higher education and to secure an equitable distribution of state funds deemed to be available for higher education, the board shall perform the functions described in this section. Funding policies shall:

(1) allocate resources efficiently and provide incentives for programs of superior quality and for institutional diversity;

(2) provide incentives for supporting the five-year master plan developed and revised under Section 61.051; ~~and~~

(3) discourage unnecessary duplication of course offerings between institutions and unnecessary construction on any campus; and

(4) emphasize an alignment with education goals established by the board.

(c) Formulas for basic funding shall:

(1) reflect the role and mission of each institution;

(2) [~~shall~~] emphasize funding elements that directly support faculty;

1 (3) [~~, and shall~~] reflect both fixed and variable
2 elements of cost; and

3 (4) incorporate, as the board considers appropriate,
4 goals identified in the board's long-range statewide plan developed
5 under Section 61.051.

6 SECTION 2. Subchapter C, Chapter 61, Education Code, is
7 amended by adding Section 61.0593 to read as follows:

8 Sec. 61.0593. STUDENT SUCCESS-BASED FUNDING
9 RECOMMENDATIONS. (a) The legislature finds that it is in the
10 state's highest public interest to evaluate student achievement at
11 institutions of higher education and to develop higher education
12 funding policy based on that evaluation. Funding policies that
13 promote postsecondary educational success based on objective
14 indicators of relative performance, such as degree completion
15 rates, are critical to maintaining the state's competitiveness in
16 the national and global economy and supporting the general welfare
17 of this state. Therefore, the purpose of this section is to ensure
18 that institutions of higher education produce student outcomes that
19 are directly aligned with the state's education goals and economic
20 development needs.

21 (b) In this section:

22 (1) "At-risk student" means an undergraduate student
23 of an institution of higher education:

24 (A) who has been awarded a grant under the
25 federal Pell Grant program; or

26 (B) who, on the date the student initially
27 enrolled in the institution:

- 1 (i) was 20 years of age or older;
2 (ii) had a score on the Scholastic
3 Assessment Test (SAT) or the American College Test (ACT) that was
4 less than the national mean score for students taking that test;
5 (iii) was enrolled as a part-time student;
6 or
7 (iv) had not received a high school diploma
8 but had received a high school equivalency certificate within the
9 last six years.

10 (2) "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, 2012, 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 level are
19 most critically necessary for serving the needs of this state, by
20 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) In devising its base funding formulas and making its

1 recommendations to the legislature relating to institutional
2 appropriations of base funds under Section 61.059, the board, in
3 the manner and to the extent the board considers appropriate, shall
4 incorporate the consideration of undergraduate student success
5 measures achieved during the preceding state fiscal biennium by
6 each of the institutions of higher education to which base funds
7 will be appropriated.

8 (e) For a general academic teaching institution other than a
9 public state college, the success measures considered by the board
10 under Subsection (d) must include:

11 (1) the total number of bachelor's degrees awarded by
12 the institution;

13 (2) the total number of bachelor's degrees in critical
14 fields awarded by the institution;

15 (3) the total number of bachelor's degrees awarded by
16 the institution to at-risk students; and

17 (4) as determined by the board, the expected
18 graduation rate of students of the institution who initially
19 enrolled in the institution in the fall semester immediately
20 following their graduation from a public high school in this state.

21 (f) For a public junior college, public state college, or
22 public technical institute, the success measures considered by the
23 board under Subsection (d) must include:

24 (1) the following academic progress measures achieved
25 by students at the institution:

26 (A) successful completion of:

27 (i) developmental education in

1 mathematics;

2 (ii) developmental education in English;

3 (iii) the first college-level mathematics

4 course with a grade of "C" or higher;

5 (iv) the first college-level English course

6 with a grade of "C" or higher; and

7 (v) the first 30 semester credit hours at

8 the institution; and

9 (B) transfer to a four-year college or university

10 after successful completion of at least 15 semester credit hours at

11 the institution; and

12 (2) the total number of the following awarded by the

13 institution:

14 (A) associate's degrees;

15 (B) bachelor's degrees under Section 130.0012;

16 and

17 (C) certificates identified by the board for

18 purposes of this section as effective measures of student success.

19 (g) The board shall include in its findings and

20 recommendations to the legislature under Section 61.059:

21 (1) an evaluation of the effectiveness of the student

22 success measures described by this section in achieving the purpose

23 of this section during the preceeding state fiscal biennium; and

24 (2) any related recommendations the board considers

25 appropriate.

26 (h) The board shall adopt rules for the administration of

27 this section, including rules requiring each institution of higher

1 education to submit to the board any student data or other
2 information the board considers necessary for the board to carry
3 out its duties under this section.

4 SECTION 3. This Act takes effect September 1, 2011.