

# SENATE AMENDMENTS

2<sup>nd</sup> Printing

By: Branch, Pitts, Taylor of Galveston,  
Patrick, Villarreal, et al.

H.B. No. 9

A BILL TO BE ENTITLED

AN ACT

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

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

SECTION 1. This Act shall be known as the Higher Education  
Outcomes-Based Funding Act.

SECTION 2. 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;

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

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

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

8           SECTION 3. Subchapter C, Chapter 61, Education Code, is  
9 amended by adding Section 61.0593 to read as follows:

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

23           (b) In this section:

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

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

1                   (B) who, on the date the student initially  
2 enrolled in the institution:

3                   (i) was 20 years of age or older;

4                   (ii) had a score on the Scholastic  
5 Assessment Test (SAT) or the American College Test (ACT) that was  
6 less than the national mean score for students taking that test;

7                   (iii) was enrolled as a part-time student;

8 or

9                   (iv) had not received a high school diploma  
10 but had received a high school equivalency certificate within the  
11 last six years.

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

14                   (c) Except as otherwise provided under Subdivision (2), the  
15 fields of engineering, computer science, mathematics, physical  
16 science, allied health, nursing, and teaching certification in the  
17 field of science or mathematics are critical fields. Beginning  
18 September 1, 2012, the board, based on the board's determination of  
19 those fields of study in which the support and development of  
20 postsecondary education programs at the bachelor's degree level are  
21 most critically necessary for serving the needs of this state, by  
22 rule may:

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

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

1 fields.

2 (d) This subsection applies only to a general academic  
3 teaching institution other than a public state college. In  
4 devising its base funding formulas and making its recommendations  
5 to the legislature relating to institutional appropriations of base  
6 funds under Section 61.059 for institutions to which this  
7 subsection applies, the board, in the manner and to the extent the  
8 board considers appropriate and in consultation with those  
9 institutions, shall incorporate the consideration of undergraduate  
10 student success measures achieved during the preceding state fiscal  
11 biennium by each of the institutions. The success measures  
12 considered by the board under this subsection must include:

13 (1) the total number of bachelor's degrees awarded by  
14 the institution;

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

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

19 (4) as determined by the board, the six-year  
20 graduation rate of students of the institution who initially  
21 enrolled in the institution in the fall semester immediately  
22 following their graduation from a public high school in this state  
23 as compared to the six-year graduation rate predicted for those  
24 students based on the composition of the institution's student  
25 body.

26 (e) This subsection applies only to public junior colleges,  
27 public state colleges, and public technical institutes. In

1 devising its funding formulas and making its recommendations to the  
2 legislature relating to institutional appropriations of incentive  
3 funds for institutions to which this subsection applies, the board,  
4 in the manner and to the extent the board considers appropriate and  
5 in consultation with those institutions, shall incorporate the  
6 consideration of the undergraduate student success measures  
7 achieved during the preceding state fiscal biennium by each of the  
8 institutions. The success measures considered by the board under  
9 this subsection must include:

10 (1) the following academic progress measures achieved  
11 by students at the institution:

12 (A) successful completion of:

13 (i) developmental education in  
14 mathematics;

15 (ii) developmental education in English;

16 (iii) the first college-level mathematics  
17 course with a grade of "C" or higher;

18 (iv) the first college-level English course  
19 with a grade of "C" or higher; and

20 (v) the first 30 semester credit hours at  
21 the institution; and

22 (B) transfer to a four-year college or university  
23 after successful completion of at least 15 semester credit hours at  
24 the institution; and

25 (2) the total number of the following awarded by the  
26 institution:

27 (A) associate's degrees;

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

2 and

3                   (C) certificates identified by the board for  
4 purposes of this section as effective measures of student success.

5           (f) The board shall include in its findings and  
6 recommendations to the legislature under Section 61.059:

7                   (1) an evaluation of the effectiveness of the student  
8 success measures described by this section in achieving the purpose  
9 of this section during the preceeding state fiscal biennium; and

10                   (2) any related recommendations the board considers  
11 appropriate.

12           (g) The board shall adopt rules for the administration of  
13 this section, including rules requiring each institution of higher  
14 education to submit to the board any student data or other  
15 information the board considers necessary for the board to carry  
16 out its duties under this section.

17           SECTION 4. Subchapter C, Chapter 61, Education Code, is  
18 amended by adding Section 61.0905 to read as follows:

19           Sec. 61.0905. REPORTS TO JOINT OVERSIGHT COMMITTEE. (a)  
20 Not later than each September 15, the board shall submit to the  
21 Joint Oversight Committee on Higher Education Governance,  
22 Excellence, and Transparency a written report reviewing,  
23 comparing, and highlighting national and global best practices on:

24                   (1) improving student outcomes, including student  
25 retention, graduations, and graduation rates; and

26                   (2) higher education governance, administration, and  
27 transparency.

1        (b) This section expires August 31, 2013.

2        SECTION 5. This Act takes effect September 1, 2011.

# ADOPTED

MAY 24 2011

*Atty. Gen.*  
Secretary of the Senate

By: Branch/Zaffirini

H.B. No. 9

Substitute the following for H.B. No. 9:

By: Zaffirini

C.S.H.B. No. 9

## A BILL TO BE ENTITLED

1

### AN ACT

2 relating to student success-based funding for and reporting  
3 regarding public institutions of higher education.

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

5 SECTION 1. This Act shall be known as the Higher  
6 Education Outcomes-Based Funding Act.

7 SECTION 2. Section 61.059, Education Code, is amended by  
8 amending Subsections (a) and (c) and adding Subsection (b-1)  
9 to read as follows:

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

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

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

19 (3) discourage unnecessary duplication of course



1 offerings between institutions and unnecessary construction on  
2 any campus; and

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

5 (b-1) A committee under Subsection (b) must be composed  
6 of representatives of a cross-section of institutions  
7 representing each of the institutional groupings under the  
8 board's accountability system. The commissioner of higher  
9 education shall solicit recommendations for the committee's  
10 membership from the chancellor of each university system and  
11 from the president of each institution of higher education  
12 that is not a component of a university system. The  
13 chancellor of a university system shall recommend to the  
14 commissioner at least one institutional representative for  
15 each institutional grouping to which a component of the  
16 university system is assigned. The president of an  
17 institution of higher education that is not a component of a  
18 university system shall recommend to the commissioner at least  
19 one institutional representative for the institutional  
20 grouping to which the institution is assigned.

21 (c) Formulas for funding shall:

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

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

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

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

31 SECTION 3. Subchapter C, Chapter 61, Education Code, is

1 amended by adding Section 61.0593 to read as follows:

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

16 (b) In this section:

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

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

21 (B) who, on the date the student initially  
22 enrolled in the institution:

23 (i) was 20 years of age or older;

24 (ii) had a score on the Scholastic  
25 Assessment Test (SAT) or the American College Test (ACT) that  
26 was less than the national mean score for students taking that  
27 test;

28 (iii) was enrolled as a part-time  
29 student; or

30 (iv) had not received a high school  
31 diploma but had received a high school equivalency certificate

1 within the last six years.

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

4 (c) Except as otherwise provided under Subdivision (2),  
5 the fields of engineering, computer science, mathematics,  
6 physical science, allied health, nursing, and teaching  
7 certification in the field of science or mathematics are  
8 critical fields. Beginning September 1, 2012, the board,  
9 based on the board's determination of those fields of study in  
10 which the support and development of postsecondary education  
11 programs at the bachelor's degree level are most critically  
12 necessary for serving the needs of this state, by rule may:

13 (1) designate as a critical field a field of study  
14 that is not currently designated by this subsection or by the  
15 board as a critical field; or

16 (2) remove a field of study from the list of fields  
17 currently designated by this subsection or by the board as  
18 critical fields.

19 (d) This subsection applies only to a general academic  
20 teaching institution other than a public state college. In  
21 devising its funding formulas and making its recommendations  
22 to the legislature relating to institutional appropriations of  
23 funds under Section 61.059 and Subchapter D, Chapter 62, for  
24 institutions to which this subsection applies, the board, in  
25 the manner and to the extent the board considers appropriate  
26 and in consultation with those institutions, shall incorporate  
27 the consideration of undergraduate student success measures  
28 achieved during the preceding state fiscal biennium by each of  
29 the institutions. The success measures considered by the board  
30 under this subsection may include:

31 (1) the total number of bachelor's degrees awarded

1 by the institution;

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

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

6 (4) as determined by the board, the six-year  
7 graduation rate of undergraduate students of the institution  
8 who initially enrolled in the institution in the fall semester  
9 immediately following their graduation from a public high  
10 school in this state as compared to the six-year graduation  
11 rate predicted for those students based on the composition of  
12 the institution's student body.

13 (e) Notwithstanding Subsection (d):

14 (1) not more than 10 percent of the total amount of  
15 general revenue appropriations of base funds for undergraduate  
16 education recommended by the board for all institutions to  
17 which Subsection (d) applies for a state fiscal biennium may  
18 be based on student success measures; and

19 (2) the board's recommendation for base funding for  
20 undergraduate education based on student success measures does  
21 not reduce or otherwise affect funding recommendations for  
22 graduate education.

23 (f) This subsection applies only to public junior  
24 colleges, public state colleges, and public technical  
25 institutes. In devising its funding formulas and making its  
26 recommendations to the legislature relating to institutional  
27 appropriations of incentive funds for institutions to which  
28 this subsection applies, the board, in the manner and to the  
29 extent the board considers appropriate and in consultation  
30 with those institutions, shall incorporate the consideration  
31 of the undergraduate student success measures achieved during

1 the preceding state fiscal biennium by each of the  
2 institutions. The success measures considered by the board  
3 under this subsection may include:

4 (1) the following academic progress measures  
5 achieved by students at the institution:

6 (A) successful completion of:

7 (i) developmental education in  
8 mathematics;

9 (ii) developmental education in English;

10 (iii) the first college-level mathematics  
11 course with a grade of "C" or higher;

12 (iv) the first college-level English  
13 course with a grade of "C" or higher; and

14 (v) the first 30 semester credit hours at  
15 the institution; and

16 (B) transfer to a four-year college or  
17 university after successful completion of at least 15 semester  
18 credit hours at the institution; and

19 (2) the total number of the following awarded by  
20 the institution:

21 (A) associate's degrees;

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

23 and

24 (C) certificates identified by the board for  
25 purposes of this section as effective measures of student  
26 success.

27 (g) Biennially, the board, in consultation with  
28 institutions to which Subsections (d) and (f) apply, shall  
29 review the student success measures considered by the board  
30 under those subsections.

31 (h) The board shall include in its findings and

1 recommendations to the legislature under Section 61.059:

2 (1) an evaluation of the effectiveness of the  
3 student success measures described by this section in  
4 achieving the purpose of this section during the preceding  
5 state fiscal biennium; and

6 (2) any related recommendations the board considers  
7 appropriate.

8 (i) The board shall adopt rules for the administration  
9 of this section, including rules requiring each institution of  
10 higher education to submit to the board any student data or  
11 other information the board considers necessary for the board  
12 to carry out its duties under this section.

13 SECTION 4. Subchapter C, Chapter 61, Education Code, is  
14 amended by adding Section 61.0905 to read as follows:

15 Sec. 61.0905. REPORTS TO JOINT OVERSIGHT COMMITTEE. (a)  
16 Not later than September 30, 2011, and subsequently not later  
17 than July 1, 2012, the board shall submit to the Joint  
18 Oversight Committee on Higher Education Governance,  
19 Excellence, and Transparency a written report reviewing,  
20 comparing, and highlighting national and global best practices  
21 on:

22 (1) improving student outcomes, including student  
23 retention, graduations, and graduation rates; and

24 (2) higher education governance, administration,  
25 and transparency.

26 (b) This section expires August 31, 2013.

27 SECTION 5. This Act takes effect immediately if it  
28 receives a vote of two-thirds of all the members elected to  
29 each house, as provided by Section 39, Article III, Texas  
30 Constitution. If this Act does not receive the vote necessary  
31 for immediate effect, this Act takes effect September 1, 2011.

**ADOPTED**

MAY 24 2011

BY: *Andy Shaw*  
Secretary of the Senate

*Andy Shaw*

FLOOR AMENDMENT NO. 1

1 Amend C.S.H.B. No. 9 (Senate Committee Printing) in SECTION  
2 3 of the bill, in added Section 61.0593(d), Education Code, by  
3 striking page 2, lines 41 through 52, and substituting the  
4 following:

5 (d) This subsection applies only to a general academic  
6 teaching institution other than a public state college. In  
7 devising its funding formulas and making its recommendations to  
8 the legislature relating to institutional appropriations of  
9 funds under Section 61.059 for institutions to which this  
10 subsection applies, the board, in the manner and to the extent  
11 the board considers appropriate and in consultation with those  
12 institutions, shall incorporate the consideration of  
13 undergraduate student success measures achieved during the  
14 preceding state fiscal biennium by each of the institutions. At  
15 the time the board makes those recommendations, the board shall  
16 also make recommendations for incorporating the success  
17 measures, to the extent the board considers appropriate in  
18 consultation with those institutions, into the distribution of  
19 any incentive funds available for those institutions, including  
20 performance incentive funds under Subchapter D, Chapter 62. The  
21 board's recommendations must provide alternative approaches for  
22 applying the success measures and must compare the effects on  
23 funding of applying the success measures within the formula for  
24 base funding to applying the success measures as a separate  
25 formula. The success measures considered by the board under  
26 this subsection may include:

**LEGISLATIVE BUDGET BOARD**  
**Austin, Texas**

**FISCAL NOTE, 82ND LEGISLATIVE REGULAR SESSION**

**May 25, 2011**

**TO:** Honorable Joe Straus, Speaker of the House, House of Representatives

**FROM:** John S O'Brien, Director, Legislative Budget Board

**IN RE: HB9** by Branch (Relating to student success-based funding for and reporting regarding public institutions of higher education.), **As Passed 2nd House**

<b>No fiscal implication to the State is anticipated.</b>
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Under provisions of the bill, the Higher Education Coordinating Board would incorporate the consideration of certain student success measures in its formula recommendations to the legislature. For general academic teaching institutions, other than a public state college, the success measures must include the number of bachelor degrees awarded, number of bachelor degrees in critical fields awarded, number of bachelor degrees awarded to at-risk students, and as determined by the Board, the six-year graduation rate of students of the institution who initially enrolled in the institution in the fall semester immediately following their graduation from a public high school in the state as compared to the six-year graduation rate predicted for those students based on the composition of the institution's student body. For public state colleges, the success measures must include various metrics regarding the number of completions of entry level mathematics and english courses, number of undergraduates completing at least 30 semester credit hours, total number of associate and bachelor degrees awarded, and total number of certificates awarded for various certification programs that the Higher Education Coordinating Board may consider pertinent to student success. Under provisions of the bill, the impact of the success measures would be not more than 10 percent of the total amount of general revenue appropriations of base funds for undergraduate education recommended by the Board. The bill would also require the Board's recommendation for base funding for undergraduate education based on student success measures would not reduce or otherwise affect funding recommendations for graduate education. If the proposals as outlined in the bill, were implemented by the legislature, the distribution of formula funding among general academic institutions and community colleges could be impacted.

The Board would also make recommendations concerning incorporating the success measures into the distribution of incentive funds. The Board would also be required to compare the impact of the success measures on the formula for base funding to applying the measures to a separate formula.

The bill would require the Higher Education Coordinating Board to submit to the Joint Oversight Committee on Higher Education Governance, Excellence, and Transparency a written report reviewing, comparing, and highlighting national and global best practices on: (1) improving student outcomes, including student retention, graduations, and graduation rates; and (2) higher education governance, administration, and transparency no later than September 20, 2011 and subsequently no later than July 1, 2012. This provision would be absorbed within existing resources.

**Local Government Impact**

No fiscal implication to units of local government is anticipated.

**Source Agencies:** 781 Higher Education Coordinating Board, 710 Texas A&M University System Administrative and General Offices, 720 The University of Texas System Administration, 758 Texas State University System, 768 Texas Tech University System



Administration, 783 University of Houston System Administration

**LBB Staff:** JOB, KK, RT, GO

**LEGISLATIVE BUDGET BOARD**  
**Austin, Texas**

**FISCAL NOTE, 82ND LEGISLATIVE REGULAR SESSION**

**May 20, 2011**

**TO:** Honorable Judith Zaffirini, Chair, Senate Committee on Higher Education

**FROM:** John S O'Brien, Director, Legislative Budget Board

**IN RE: HB9** by Branch (relating to student success-based funding for and reporting regarding public institutions of higher education.), **Committee Report 2nd House, Substituted**

<b>No fiscal implication to the State is anticipated.</b>
---

Under provisions of the bill, the Higher Education Coordinating Board would incorporate the consideration of certain student success measures in its formula recommendations to the legislature. For general academic teaching institutions, other than a public state college, the success measures must include the number of bachelor degrees awarded, number of bachelor degrees in critical fields awarded, number of bachelor degrees awarded to at-risk students, and as determined by the Board, the six-year graduation rate of students of the institution who initially enrolled in the institution in the fall semester immediately following their graduation from a public high school in the state as compared to the six-year graduation rate predicted for those students based on the composition of the institution's student body. For public state colleges, the success measures must include various metrics regarding the number of completions of entry level mathematics and english courses, number of undergraduates completing at least 30 semester credit hours, total number of associate and bachelor degrees awarded, and total number of certificates awarded for various certification programs that the Higher Education Coordinating Board may consider pertinent to student success. Under provisions of the bill, the impact of the success measures would be not more than 10 percent of the total amount of general revenue appropriations of base funds for undergraduate education recommended by the Board. The bill would also require the Board's recommendation for base funding for undergraduate education based on student success measures would not reduce or otherwise affect funding recommendations for graduate education. If the proposals as outlined in the bill, were implemented by the legislature, the distribution of formula funding among general academic institutions and community colleges could be impacted.

The bill would require the Higher Education Coordinating Board to submit to the Joint Oversight Committee on Higher Education Governance, Excellence, and Transparency a written report reviewing, comparing, and highlighting national and global best practices on: (1) improving student outcomes, including student retention, graduations, and graduation rates; and (2) higher education governance, administration, and transparency no later than September 20, 2011 and subsequently no later than July 1, 2012. This provision would be absorbed within existing resources.

**Local Government Impact**

No fiscal implication to units of local government is anticipated.

**Source Agencies:** 781 Higher Education Coordinating Board, 710 Texas A&M University System Administrative and General Offices, 720 The University of Texas System Administration, 758 Texas State University System, 768 Texas Tech University System Administration, 783 University of Houston System Administration

**LBB Staff:** JOB, KK, RT, GO

**LEGISLATIVE BUDGET BOARD**

**Austin, Texas**

**FISCAL NOTE, 82ND LEGISLATIVE REGULAR SESSION**

**May 17, 2011**

**TO:** Honorable Judith Zaffirini, Chair, Senate Committee on Higher Education

**FROM:** John S O'Brien, Director, Legislative Budget Board

**IN RE: HB9** by Branch (Relating to student success-based funding for and reporting regarding public institutions of higher education.), **As Engrossed**

**No fiscal implication to the State is anticipated.**

Under provisions of the bill, the Higher Education Coordinating Board would incorporate the consideration of certain student success measures in its formula recommendations to the legislature. For general academic teaching institutions, other than a public state college, the success measures must include the number of bachelor degrees awarded, number of bachelor degrees in critical fields awarded, number of bachelor degrees awarded to at-risk students, and as determined by the Board, the six-year graduation rate of students of the institution who initially enrolled in the institution in the fall semester immediately following their graduation from a public high school in the state as compared to the six-year graduation rate predicted for those students based on the composition of the institution's student body. For public state colleges, the success measures must include various metrics regarding the number of completions of entry level mathematics and english courses, number of undergraduates completing at least 30 semester credit hours, total number of associate and bachelor degrees awarded, and total number of certificates awarded for various certification programs that the Higher Education Coordinating Board may consider pertinent to student success. If the proposals as outlined in the bill, were implemented by the legislature, the distribution of formula funding among general academic institutions and community colleges could be impacted.

The bill would require the Higher Education Coordinating Board to submit to the Joint Oversight Committee on Higher Education Governance, Excellence, and Transparency a written report reviewing, comparing, and highlighting national and global best practices on: (1) improving student outcomes, including student retention, graduations, and graduation rates; and (2) higher education governance, administration, and transparency. This provision would be absorbed within existing resources.

**Local Government Impact**

No fiscal implication to units of local government is anticipated.

**Source Agencies:** 781 Higher Education Coordinating Board, 710 Texas A&M University System Administrative and General Offices, 720 The University of Texas System Administration, 758 Texas State University System, 768 Texas Tech University System Administration, 783 University of Houston System Administration

**LBB Staff:** JOB, KK, RT, GO

**LEGISLATIVE BUDGET BOARD**

**Austin, Texas**

**FISCAL NOTE, 82ND LEGISLATIVE REGULAR SESSION**

**March 10, 2011**

**TO:** Honorable Dan Branch, Chair, House Committee on Higher Education

**FROM:** John S O'Brien, Director, Legislative Budget Board

**IN RE: HB9** by Branch (relating to student success-based funding for public institutions of higher education.), **Committee Report 1st House, Substituted**

**No fiscal implication to the State is anticipated.**

Under provisions of the bill, the Higher Education Coordinating Board would incorporate the consideration of certain student success measures in its formula recommendations to the legislature. For general academic teaching institutions, other than a public state college, the success measures must include the number of bachelor degrees awarded, number of bachelor degrees in critical fields awarded, number of bachelor degrees awarded to at-risk students, and as determined by the Board, the six-year graduation rate of students of the institution who initially enrolled in the institution in the fall semester immediately following their graduation from a public high school in the state as compared to the six-year graduation rate predicted for those students based on the composition of the institution's student body. For public state colleges, the success measures must include various metrics regarding the number of completions of entry level mathematics and english courses, number of undergraduates completing at least 30 semester credit hours, total number of associate and bachelor degrees awarded, and total number of certificates awarded for various certification programs that the Higher Education Coordinating Board may consider pertinent to student success. If the proposals as outlined in the bill, were implemented by the legislature, the distribution of formula funding among general academic institutions and community colleges could be impacted.

**Local Government Impact**

No fiscal implication to units of local government is anticipated.

**Source Agencies:** 710 Texas A&M University System Administrative and General Offices, 720 The University of Texas System Administration, 758 Texas State University System, 768 Texas Tech University System Administration, 781 Higher Education Coordinating Board, 783 University of Houston System Administration

**LBB Staff:** JOB, KK, RT, GO

**LEGISLATIVE BUDGET BOARD**

**Austin, Texas**

**FISCAL NOTE, 82ND LEGISLATIVE REGULAR SESSION**

**March 1, 2011**

**TO:** Honorable Dan Branch, Chair, House Committee on Higher Education

**FROM:** John S O'Brien, Director, Legislative Budget Board

**IN RE: HB9** by Branch (Relating to student success-based funding for public institutions of higher education.), **As Introduced**

**No fiscal implication to the State is anticipated.**

Under provisions of the bill, the Higher Education Coordinating Board would incorporate the consideration of certain student success measures in its formula recommendations to the legislature. For general academic teaching institutions, other than a public state college, the success measures must include the number of bachelor degrees awarded, number of bachelor degrees in critical fields awarded, number of bachelor degrees awarded to at-risk students, and graduation rates for students who enrolled immediately following their high school graduation from a public high school in this state. For public state colleges, the success measures must include various metrics regarding the number of completions of entry level mathematics and english courses, number of undergraduates completing at least 30 semester credit hours, total number of associate and bachelor degrees awarded, and total number of certificates awarded for various certification programs that the Higher Education Coordinating Board may consider pertinent to student success. If the proposals as outlined in the bill, were implemented by the legislature, the distribution of formula funding among general academic institutions and community colleges could be impacted.

**Local Government Impact**

No fiscal implication to units of local government is anticipated.

**Source Agencies:** 710 Texas A&M University System Administrative and General Offices, 720 The University of Texas System Administration, 758 Texas State University System, 768 Texas Tech University System Administration, 781 Higher Education Coordinating Board, 783 University of Houston System Administration

**LBB Staff:** JOB, KK, RT, GO