

BILL ANALYSIS

H.B. 2689
By: Howard
Appropriations
Committee Report (Unamended)

BACKGROUND AND PURPOSE

According to interested parties, there are concerns from institutions of higher education and others about the different funding formulas for higher education, specifically why some programs qualify for health-related formulas while other institutions with the same programs are funded under the general academic rubric. H.B. 2689 seeks to address these concerns and ensure that the reasons for these different funding streams are explained by a trusted third party by requiring the Legislative Budget Board to study and report on the state funding formulas, including their historical reasons, benefits, and disadvantages.

RULEMAKING AUTHORITY

It is the committee's opinion that this bill does not expressly grant any additional rulemaking authority to a state officer, department, agency, or institution.

ANALYSIS

H.B. 2689 amends the Education Code to require the Legislative Budget Board (LBB) to study and evaluate the practice of using a funding formula for health-related institutions that is different from the funding formula used for general academic teaching institutions. The bill requires the LBB, in the study, to consider the historical reasons for and the benefits and disadvantages of using different formulas, the benefits and disadvantages of using varying weights, models, scales, and rates for the two formulas, and the effects of current formula funding on economies of scale at affected institutions. The bill requires the report resulting from the study to include any recommendation of the LBB for legislative or administrative action and requires a recommendation to include an explanation of the basis for the recommendation. The bill requires the LBB, not later than December 1, 2014, to submit a copy of the report to the Texas Higher Education Coordinating Board and to the governor, lieutenant governor, and speaker of the house of representatives. The bill's provisions expire January 31, 2015.

EFFECTIVE DATE

On passage, or, if the bill does not receive the necessary vote, September 1, 2013.