

By: Giddings, Johnson of Harris

H.B. No. 1241

Substitute the following for H.B. No. 1241:

By: Lozano

C.S.H.B. No. 1241

A BILL TO BE ENTITLED

AN ACT

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

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

SECTION 1. Section 61.0593(a), Education Code, is amended to read as follows:

(a) The legislature finds that it is in the state's highest public interest to evaluate student achievement at institutions of higher education and to develop higher education funding policy based on that evaluation. Funding policies that promote postsecondary educational success based on objective indicators of relative performance, such as the number of degrees awarded [~~degree completion rates~~], are critical to maintaining the state's competitiveness in the national and global economy and supporting the general welfare of this state. Therefore, the purpose of this section is to ensure that institutions of higher education produce student outcomes that are directly aligned with the state's education goals and economic development needs.

SECTION 2. Section 61.0593(b)(1), Education Code, is amended to read as follows:

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

(A) who has previously received [~~been awarded~~] a grant under the federal Pell Grant program or met the Expected

1 Family Contribution (EFC) criterion for a grant under that program;

2 or

3 (B) whose [~~who, on the date the student initially~~
4 ~~enrolled in the institution.~~

5 [~~(i) was 20 years of age or older,~~

6 [~~(ii) had a~~] score on the SAT [~~Scholastic~~
7 ~~Assessment Test (SAT)] or the ACT, excluding the optional essay~~

8 test, is [~~American College Test (ACT) that was]~~ less than the

9 national mean of students' scores on the applicable [~~score for~~

10 ~~students taking that] test[~~,~~~~

11 [~~(iii) was enrolled as a part-time student,~~

12 ~~or~~

13 [~~(iv) had not received a high school~~

14 ~~diploma but had received a high school equivalency certificate~~

15 ~~within the last six years].~~

16 SECTION 3. Section [61.0593](#), Education Code, is amended by
17 amending Subsection (d) and adding Subsections (d-1), (d-2), and
18 (d-3) to read as follows:

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 to the
22 legislature relating to institutional appropriations of funds
23 under Section [61.059](#) for institutions to which this subsection
24 applies, the board, in the manner and to the extent the board
25 considers appropriate and in consultation with those institutions,
26 shall prescribe a formula for allocating funds to the institutions
27 in proportion to the number of weighted points earned by each of the

1 institutions according to the following success measures
2 ~~[incorporate the consideration of undergraduate student success~~
3 ~~measures achieved during the preceding state fiscal biennium by~~
4 ~~each of the institutions. At the time the board makes those~~
5 ~~recommendations, the board shall also make recommendations for~~
6 ~~incorporating the success measures, to the extent the board~~
7 ~~considers appropriate in consultation with those institutions,~~
8 ~~into the distribution of any incentive funds available for those~~
9 ~~institutions, including performance incentive funds under~~
10 ~~Subchapter D, Chapter 62. The board's recommendations must provide~~
11 ~~alternative approaches for applying the success measures and must~~
12 ~~compare the effects on funding of applying the success measures~~
13 ~~within the formula for base funding to applying the success~~
14 ~~measures as a separate formula. The success measures considered by~~
15 ~~the board under this subsection may include]:~~

16 (1) the total number of bachelor's degrees awarded by
17 the institution to not at-risk students; and

18 (2) ~~[the total number of bachelor's degrees in~~
19 ~~critical fields awarded by the institution,~~

20 ~~[(3)] the total number of bachelor's degrees awarded~~
21 ~~by the institution to at-risk students[, and~~

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

1 ~~student body]~~.

2 (d-1) In the formula prescribed under Subsection (d), the
3 board shall:

4 (1) compute points for each success measure using the
5 average number of degrees awarded for the three most recent
6 academic years for which the information is available; and

7 (2) assign the following weights to each degree
8 awarded by an institution to which that subsection applies:

9 (A) 1.0, for a not at-risk student; and

10 (B) 2.0, for an at-risk student.

11 (d-2) The board's recommendations under Subsection (d) must
12 provide and compare the alternative approaches of applying the
13 success measures described by that subsection within the formula
14 for base funding and applying the success measures described by
15 that subsection outside the formula for base funding.

16 (d-3) At the time the board makes its recommendations under
17 Subsection (d) for institutions to which that subsection applies,
18 the board shall also make recommendations for incorporating the
19 success measures described by that subsection, to the extent the
20 board considers appropriate in consultation with those
21 institutions, into the distribution of any incentive funds
22 available for those institutions, including performance incentive
23 funds under Subchapter D, Chapter 62.

24 SECTION 4. Sections 61.0593(b)(2), (c), and (e), Education
25 Code, are repealed.

26 SECTION 5. The Texas Higher Education Coordinating Board
27 shall adopt rules for the administration of Section 61.0593,

1 Education Code, as amended by this Act, not later than May 1, 2018.

2 SECTION 6. This Act takes effect immediately if it receives
3 a vote of two-thirds of all the members elected to each house, as
4 provided by Section 39, Article III, Texas Constitution. If this
5 Act does not receive the vote necessary for immediate effect, this
6 Act takes effect September 1, 2017.