

By: Giddings

H.B. No. 1241

A BILL TO BE ENTITLED

AN ACT

relating to outcomes-based funding for general academic teaching institutions.

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

SECTION 1. Subchapter D, Chapter 62, Education Code, is amended to read as follows:

SUBCHAPTER D. OUTCOMES-BASED FUNDING FOR GENERAL ACADEMIC TEACHING INSTITUTIONS [~~PERFORMANCE INCENTIVE FUNDING~~]

Sec. 62.071. DEFINITIONS. In this subchapter:

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

(A) whose score on the SAT [~~Scholastic Assessment Test (SAT)~~] or ACT [~~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 the student initially enrolled in the institution;

(D) who is enrolled as a part-time student; or

(E) who did not receive a high school diploma but received a high school equivalency certificate [~~within the last six years~~].

(2) [~~"Critical field" means:~~

[~~(A) the field of engineering, computer science,~~

~~mathematics, physical science, allied health, nursing, or teacher certification in a field of science or mathematics; and~~

~~[(B) any other field of study identified as a critical field by the coordinating board in "Closing the Gaps," the state's master plan for higher education.]~~

~~[(3) "Eligible institution" means a general academic teaching institution other than a public state college.]~~

~~[(4)]~~ "General academic teaching institution" has ~~[and "public state college" have]~~ the meaning ~~[meanings]~~ assigned by Section 61.003.

Sec. 62.072. BIENNIAL DISTRIBUTION OF FUNDS BASED ON DEGREES AWARDED. (a) Except as provided by Subsection (b) or Section 62.073, for each state fiscal biennium, the coordinating board shall distribute from any funds appropriated to the coordinating board by the legislature for the purposes of this subchapter, and any other funds made available for the purposes of this subchapter, to each general academic teaching institution an amount based on the average number of bachelor's degrees in the categories described by this subsection awarded by the institution annually in the three most recent academic years for which that information is available, as determined on the January 1 preceding the biennium. The amount distributed to each institution in a biennium is:

(1) \$500 for each bachelor's degree awarded to a student who is not an at-risk student; and

(2) \$1,000 for each bachelor's degree awarded to an at-risk student.

(b) If the total amount of funds required to be distributed to general academic teaching institutions under Subsection (a) for a state fiscal biennium is more than the total amount of funds available for distribution under this subchapter for that biennium, the amount allocated under Subsection (a) to each institution shall be reduced proportionately so that the total amount to be distributed to all institutions equals the total amount of available funds. ~~[FUNDING. (a) For each state fiscal year, the coordinating board shall distribute any performance incentive funds appropriated by the legislature for purposes of this subchapter, and any other funds made available for the purposes of this subchapter, to eligible institutions as follows:~~

~~[(1) 50 percent to be distributed among eligible institutions in proportion to the increase, if any, in the average number of degrees awarded annually by each institution in the two most recent fiscal years from the average number of degrees awarded annually by that institution in the two fiscal years immediately preceding those fiscal years, using the weights assigned to each degree under the table prescribed by Subsection (b); and~~

~~[(2) the remaining 50 percent to be distributed among eligible institutions in proportion to the average number of degrees awarded annually by each institution in the three most recent fiscal years, using the weights assigned to each degree under the table prescribed by Subsection (b).~~

~~[(b) A number of points is assigned for each degree awarded by an eligible institution according to the following table:~~

[POINTS]

1	<del>[Noncritical Field/Not At-Risk Student</del>	<del>1.0</del>
2	<del>[Noncritical Field/At-Risk Student</del>	<del>2.0</del>
3	<del>[Critical Field/Not At-Risk Student</del>	<del>2.0</del>
4	<del>[Critical Field/At-Risk Student</del>	<del>3.0]</del>

5       Sec. 62.073. DISTRIBUTION OF FUNDS CONTINGENT ON FULL  
6 FUNDING OF BASE FORMULA FUNDING. Funds may be distributed under  
7 this subchapter for a state fiscal biennium only if the instruction  
8 and operations formula for all general academic teaching  
9 institutions for undergraduate education under Section 61.059 is  
10 funded by appropriation for that biennium at a level, per weighted  
11 semester credit hour, that is equal to or greater than the level,  
12 per weighted semester credit hour, at which that formula was funded  
13 by appropriation for all general academic teaching institutions in  
14 the preceding state fiscal biennium, as that level is adjusted for  
15 inflation.

16       Sec. 62.074. RULES. The coordinating board shall adopt  
17 rules for the administration of this subchapter, including any  
18 rules the coordinating board considers necessary regarding the  
19 submission to the coordinating board by general academic teaching  
20 ~~[eligible]~~ institutions of any ~~[student]~~ data required for the  
21 coordinating board to carry out its duties under this subchapter.

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