

By: Bettencourt

S.B. No. 2338

A BILL TO BE ENTITLED

AN ACT

1
2 relating to student success-based funding for certain public
3 institutions of higher education.

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

5 SECTION 1. Section 61.0593, Education Code, is amended by
6 amending Subsections (d), (e), and (h) and adding Subsections
7 (d-1), (d-2), (d-3), (d-4), and (d-5) to read as follows:

8 (d) This subsection applies only to a general academic
9 teaching institution other than a public state college. In
10 devising its funding formulas and making its recommendations to the
11 legislature relating to institutional appropriations of funds
12 under Section 61.059 for institutions to which this subsection
13 applies, the board, [~~in the manner and to the extent the board
14 considers appropriate and~~] in consultation with those
15 institutions, shall prescribe a formula for distributing funds to
16 the institutions in proportion to the number of scaled points
17 earned by each of the institutions according to the following
18 performance metrics [~~incorporate the consideration of~~
19 ~~undergraduate student success measures achieved during the~~
20 ~~preceding state fiscal biennium by each of the institutions. At the~~
21 ~~time the board makes those recommendations, the board shall also~~
22 ~~make recommendations for incorporating the success measures, to the~~
23 ~~extent the board considers appropriate in consultation with those~~
24 ~~institutions, into the distribution of any incentive funds~~

1 ~~available for those institutions, including performance incentive~~
2 ~~funds under Subchapter D, Chapter 62. The board's recommendations~~
3 ~~must provide alternative approaches for applying the success~~
4 ~~measures and must compare the effects on funding of applying the~~
5 ~~success measures within the formula for base funding to applying~~
6 ~~the success measures as a separate formula. The success measures~~
7 ~~considered by the board under this subsection may include]:~~

8 (1) the total number of undergraduate [~~bachelor's~~]
9 degrees awarded by the institution;

10 (2) the total number of undergraduate [~~bachelor's~~]
11 degrees [~~in critical fields~~] awarded by the institution, adjusted
12 by the institution's:

13 (A) six-year graduation rate; or

14 (B) three-year graduation rate, if the
15 institution offers only upper-division courses;

16 (3) the total number of undergraduate [~~bachelor's~~]
17 degrees awarded by the institution divided by the number of
18 full-time undergraduate student equivalents enrolled in the fall
19 semester, as reported in the board's higher education
20 accountability system, the quotient of which is multiplied by 100
21 [~~to at-risk students~~]; [~~and~~]

22 (4) the six-year graduation rate, or three-year
23 graduation rate if the institution offers only upper-division
24 courses, of at-risk students;

25 (5) retention rates of undergraduate students at the
26 institution having successfully completed at least 25 percent of
27 the student's degree requirements or having earned at least 30

1 credit hours toward a 120-credit-hour degree, including hours
2 earned toward the degree at another institution before transferring
3 to the institution;

4 (6) retention rates of undergraduate students at the
5 institution having successfully completed at least 50 percent of
6 the student's degree requirements or having earned at least 60
7 credit hours toward a 120-credit-hour degree, including hours
8 earned toward the degree at another institution before transferring
9 to the institution; and

10 (7) retention rates of undergraduate students at the
11 institution having successfully completed at least 75 percent of
12 the student's degree requirements or having earned at least 90
13 credit hours toward a 120-credit-hour degree, including hours
14 earned toward the degree at another institution before transferring
15 to the institution ~~[as determined by the board, the six-year~~
16 ~~graduation rate of undergraduate students of the institution who~~
17 ~~initially enrolled in the institution in the fall semester~~
18 ~~immediately following their graduation from a public high school in~~
19 ~~this state as compared to the six-year graduation rate predicted~~
20 ~~for those students based on the composition of the institution's~~
21 ~~student body].~~

22 (d-1) In devising the formula under Subsection (d), the
23 board shall:

24 (1) determine the appropriate scale for each metric;
25 and

26 (2) compute each metric using the average of the
27 applicable variables for the three most recent academic years for

1 which the information is available, as determined on the January 1
2 preceding the state fiscal biennium for which the metric is
3 computed.

4 (d-2) In the formula prescribed under Subsection (d),
5 points may be assigned only for an institution's outcome on a metric
6 and not based on the institution's increase in performance on the
7 metric.

8 (d-3) In computing an institution's graduation rate under
9 Subsection (d), the board shall include each first-time, full-time,
10 undergraduate degree-seeking student who enrolled in at least 12
11 semester credit hours in the student's first fall semester at the
12 institution and who graduated from the institution or from any
13 other institution of higher education or private or independent
14 institution of higher education.

15 (d-4) The board's recommendations under Subsection (d) must
16 provide alternative approaches for applying the performance
17 metrics described by that subsection and must compare the effects
18 on funding of applying the performance metrics within the formula
19 for base funding to applying the performance metrics as a separate
20 formula.

21 (d-5) At the time the board makes its recommendations under
22 Subsection (d) for institutions to which that subsection applies,
23 the board shall also make recommendations for incorporating the
24 performance metrics described by that subsection, to the extent the
25 board considers appropriate in consultation with those
26 institutions, into the distribution of any incentive funds
27 available for those institutions, including performance incentive

1 funds under Subchapter D, Chapter 62.

2 (e) Notwithstanding Subsection (d):

3 (1) not more than 20 [~~10~~] percent of the total amount
4 of general revenue appropriations of base funds for undergraduate
5 education recommended by the board for all institutions to which
6 Subsection (d) applies for a state fiscal biennium may be based on
7 student success measures; and

8 (2) the board's recommendation for base funding for
9 undergraduate education based on performance metrics [~~student~~
10 ~~success measures~~] does not reduce or otherwise affect funding
11 recommendations for graduate education.

12 (h) The board shall include in its findings and
13 recommendations to the legislature under Section 61.059:

14 (1) an evaluation of the effectiveness of the
15 performance metrics and student success measures described by this
16 section in achieving the purpose of this section during the
17 preceding state fiscal biennium; and

18 (2) any related recommendations the board considers
19 appropriate.

20 SECTION 2. The Texas Higher Education Coordinating Board
21 shall adopt rules for the administration of Section 61.0593,
22 Education Code, as amended by this Act, not later than May 1, 2020.

23 SECTION 3. This Act takes effect September 1, 2019.