

BILL ANALYSIS

C.S.H.B. 17
By: Lozano
Higher Education
Committee Report (Substituted)

BACKGROUND AND PURPOSE

Interested parties see a need for more innovation at public institutions of higher education. The purpose of C.S.H.B. 17 is to provide for that innovation by establishing the Texas Higher Education Innovation Accelerator.

CRIMINAL JUSTICE IMPACT

It is the committee's opinion that this bill does not expressly create a criminal offense, increase the punishment for an existing criminal offense or category of offenses, or change the eligibility of a person for community supervision, parole, or mandatory supervision.

RULEMAKING AUTHORITY

It is the committee's opinion that rulemaking authority is expressly granted to the Texas Higher Education Coordinating Board in SECTION 1 of this bill.

ANALYSIS

C.S.H.B. 17 amends the Education Code to establish the Texas Higher Education Innovation Accelerator to support and accelerate innovation in educational delivery at public institutions of higher education and to advance state educational and workforce goals. The bill requires the commissioner of higher education, in consultation with institutions of higher education, established institutional collaboratives, and state and national subject matter experts, to establish eligibility criteria for an institution of higher education's participation in the accelerator. The bill requires the criteria to include demonstrated success, as determined by the commissioner, in providing high-quality, high-value educational opportunities to all students, particularly low-income and historically underserved student populations, including students enrolled in adult degree completion programs, and advancing state and institutional goals related to educational access, persistence, and attainment and labor market outcomes.

C.S.H.B. 17 requires the commissioner to notify the governing board and chief executive officer of each institution of higher education regarding the accelerator's implementation process not later than the 30th day after the bill's effective date and to invite eligible institutions to participate in the accelerator not later than January 1, 2018. The bill requires the commissioner, in consultation with institutions of higher education, established institutional collaboratives, and state and national subject matter experts, to develop and post on the Texas Higher Education Coordinating Board's website not later than January 1, 2018, a description of the accelerator, the eligibility criteria for participation in the accelerator, and a comprehensive list of state statutes and rules from which a participating institution may not be exempted.

C.S.H.B. 17 requires an eligible institution, to participate in the accelerator, to submit a letter of intent to participate to the commissioner and develop and submit an innovation plan to the institution's governing board. The bill requires an innovation plan to summarize the proposed educational programs to be offered under the accelerator, including each program's design,

delivery methods, and implementation plan and the anticipated number and demographics of students to be served by each program; to describe in detail the modifications to traditional program structures necessary to implement the proposed educational programs, such as changes to institutional calendars, course schedules or structures, faculty workload, credit hours, or other program requirements; to identify how the proposed educational programs align with specific state and institutional goals; to include, to the extent practical, data regarding educational programs offered at other institutions of higher education that are similar to each proposed educational program, including student enrollment and demographics, student academic success, including the average time for a student enrolled in the program to complete a certificate or degree, and career placement data; to provide for the assessment of student academic success and ongoing program evaluation and improvement; to commit the institution to participation in regular meetings of the participating institutions and to the research and evaluation efforts of the accelerator; to include a plan for operations, staffing, oversight, and sources of funding for the innovation plan; and to identify any state statutes and rules that inhibit the goals of the innovation plan and from which the institution should be exempted on adoption of the plan, subject to the bill's provisions, and state how the identified statutes or rules inhibit the goals of the plan and how an exemption from those statutes or rules will advance state and institutional educational goals. The bill authorizes the institution, in addition to the identified state statutes or rules, to also identify other state statutes or rules that inhibit the goals of the innovation plan but from which the institution is not seeking an exemption.

C.S.H.B. 17 authorizes an innovation plan to include one or more departments or certificate or degree programs and authorizes an eligible institution to implement one or more innovation plans. The bill requires an eligible institution, if the institution's governing board approves an innovation plan, to submit a copy of the plan to the commissioner and post the plan on the institution's website.

C.S.H.B. 17 exempts a participating institution, on approval of an innovation plan by the institution's governing board, from the state statutes and rules identified in the plan or identified by the commissioner as needing to be exempted for proper implementation of the plan. The bill establishes that the exemption applies to any subsequent amendment or redesignation of the exempted state statute or rule, unless the subsequent amendment or redesignation specifically applies to participating institutions or an educational program offered under the accelerator. The bill prohibits a participating institution from receiving an exemption from the following: a federal statute or rule; any requirements imposed by statute or rule with which the institution must comply to maintain accreditation; a state statute or rule that would have the effect of limiting or abrogating the authority of the institution's governing board; any reporting requirements under federal or state statute or rule related to accountability; requirements related to certain automatic admissions; any mandatory tuition or fee exemptions, waivers, or other benefits; eligibility criteria under state statute or rule for state financial assistance; the requirement for the coordinating board's approval for a new certificate or degree program; or any state statute or rule related to health or safety.

C.S.H.B. 17 requires the commissioner to maintain and post on the coordinating board's website a list of state statutes and rules from which participating institutions are exempt, to ensure that each participating institution provides transparent and accurate reporting on the institution's progress with the innovation plan, to provide technical assistance to participating institutions on request, and to hold meetings of all participating institutions at times established by coordinating board rule to facilitate cross-institutional collaboration and publicity about innovative educational programs developed by the institutions. The bill requires the commissioner to annually prepare and submit to the legislature and the governing board of each participating institution a report on the accelerator that includes an evaluation of the progress made by participating institutions related to the development and implementation of the institutions' respective innovation plans, a list of federal and accreditation statutes or rules that impede innovation in postsecondary educational delivery, and any recommendations for legislative or other action.

C.S.H.B. 17 requires a participating institution to track the progress and success of the institution's innovation plan in accordance with the assessment and success measures detailed in the plan and to participate in regular meetings of the participating institutions and in the research and evaluation efforts of the accelerator. The bill requires a participating institution, in accordance with coordinating board rule, to partner or contract with one or more private organizations, including a nonprofit organization, to evaluate the institution's innovation plan and the results of the plan's implementation. The bill requires the results of an evaluation of a participating institution's innovation plan to be provided to each participating institution and to the commissioner and posted on the institution's website. The bill prohibits the term of an institution of higher education's participation in the accelerator from being less than four years and the term of an innovation plan from being less than three years or more than five years.

C.S.H.B. 17 provides for the amendment, rescission, or renewal of an innovation plan and for the removal of a participating institution from the accelerator by the commissioner if the institution fails to meet eligibility requirements, as determined by the commissioner, for at least two consecutive years. The bill authorizes the coordinating board to adopt rules as necessary to implement the bill's provisions. The bill applies beginning with the 2018-2019 academic year.

EFFECTIVE DATE

On passage, or, if the bill does not receive the necessary vote, September 1, 2017.

COMPARISON OF ORIGINAL AND SUBSTITUTE

While C.S.H.B. 17 may differ from the original in minor or nonsubstantive ways, the following comparison is organized and formatted in a manner that indicates the substantial differences between the introduced and committee substitute versions of the bill.

INTRODUCED	HOUSE COMMITTEE SUBSTITUTE
SECTION 1. Subtitle A, Title 3, Education Code, is amended by adding Chapter 60 to read as follows: <u>CHAPTER 60. TEXAS HIGHER EDUCATION INNOVATION ACCELERATOR</u>	SECTION 1. Subtitle A, Title 3, Education Code, is amended by adding Chapter 60 to read as follows: <u>CHAPTER 60. TEXAS HIGHER EDUCATION INNOVATION ACCELERATOR</u>
<u>Sec. 60.001. DEFINITIONS.</u>	<u>Sec. 60.001. DEFINITIONS.</u>
<u>Sec. 60.002. PURPOSE.</u>	<u>Sec. 60.002. PURPOSE.</u>
<u>Sec. 60.003. ELIGIBILITY. The commissioner, in consultation with institutions of higher education, established institutional collaboratives, and state and national subject matter experts, shall establish eligibility criteria for an institution of higher education's participation in the accelerator. The criteria must include demonstrated success, as determined by the commissioner, in:</u> <u>(1) providing high-quality, high-value educational opportunities to all students, particularly low-income and historically</u>	<u>Sec. 60.003. ELIGIBILITY. The commissioner, in consultation with institutions of higher education, established institutional collaboratives, and state and national subject matter experts, shall establish eligibility criteria for an institution of higher education's participation in the accelerator. The criteria must include demonstrated success, as determined by the commissioner, in:</u> <u>(1) providing high-quality, high-value educational opportunities to all students, particularly low-income and historically</u>

underserved student populations; and

(2) advancing state and institutional goals related to educational access, persistence, and attainment and labor market outcomes.

Sec. 60.004. NOTIFICATION AND INVITATION TO PARTICIPATE. (a) The commissioner shall:

(1) notify the governing board and chief executive officer of each institution of higher education regarding the accelerator's implementation process; and

(2) invite eligible institutions to participate in the accelerator.

(b) The commissioner shall develop, in consultation with institutions of higher education, and post on the board's Internet website:

(1) a description of the accelerator;

(2) the eligibility criteria for participation in the accelerator established under Section 60.003; and

(3) a comprehensive list of state requirements from which a participating institution may not be exempted under Section 60.006.

Sec. 60.005. INNOVATION PLAN. (a) To participate in the accelerator, an eligible institution shall:

(1) submit a letter of intent to participate to the commissioner; and

(2) develop and submit an innovation plan to the institution's governing board as provided by this section.

(b) An innovation plan must:

(1) summarize the proposed educational programs to be offered under the accelerator, including:

(A) each program's design, delivery methods, and implementation plan; and

(B) the anticipated number and demographics of students to be served by each program;

(2) describe in detail the modifications to traditional program structures necessary to implement the proposed educational programs, such as changes to institutional calendars, course schedules or structures, faculty workload, credit hours, or other program requirements;

underserved student populations, including students enrolled in adult degree completion programs; and

(2) advancing state and institutional goals related to educational access, persistence, and attainment and labor market outcomes.

Sec. 60.004. NOTIFICATION AND INVITATION TO PARTICIPATE. (a) The commissioner shall:

(1) notify the governing board and chief executive officer of each institution of higher education regarding the accelerator's implementation process; and

(2) invite eligible institutions to participate in the accelerator.

(b) The commissioner shall develop, in consultation with institutions of higher education, established institutional collaboratives, and state and national subject matter experts, and post on the board's Internet website:

(1) a description of the accelerator;

(2) the eligibility criteria for participation in the accelerator established under Section 60.003; and

(3) a comprehensive list of state statutes and rules from which a participating institution may not be exempted under Section 60.006.

Sec. 60.005. INNOVATION PLAN. (a) To participate in the accelerator, an eligible institution shall:

(1) submit a letter of intent to participate to the commissioner; and

(2) develop and submit an innovation plan to the institution's governing board as provided by this section.

(b) An innovation plan must:

(1) summarize the proposed educational programs to be offered under the accelerator, including:

(A) each program's design, delivery methods, and implementation plan; and

(B) the anticipated number and demographics of students to be served by each program;

(2) describe in detail the modifications to traditional program structures necessary to implement the proposed educational programs, such as changes to institutional calendars, course schedules or structures, faculty workload, credit hours, or other program requirements;

(3) identify how the proposed educational programs align with specific state and institutional goals;
(4) include, to the extent practical, data regarding educational programs offered at other institutions of higher education that are similar to each proposed educational program, including:
(A) student enrollment and demographics;
(B) student academic success, including the average time for a student enrolled in the program to complete a certificate or degree; and
(C) career placement data;
(5) provide for the assessment of student academic success and ongoing program evaluation and improvement;
(6) commit the institution to participation in regular meetings of the participating institutions and to the research and evaluation efforts of the accelerator;
(7) include a plan for operations, staffing, oversight, and sources of funding for the innovation plan; and
(8) identify any state requirements that inhibit the goals of the innovation plan and from which the institution should be exempted on adoption of the plan, subject to Section 60.006.

(c) An innovation plan may include one or more departments or certificate or degree programs.
(d) If an eligible institution's governing board approves an innovation plan developed under this section, the institution shall:
(1) submit a copy of the plan to the commissioner; and
(2) post the plan on the institution's Internet website.
(e) An eligible institution may implement one or more innovation plans that comply with this section.

Sec. 60.006. PERMISSIBLE

(3) identify how the proposed educational programs align with specific state and institutional goals;
(4) include, to the extent practical, data regarding educational programs offered at other institutions of higher education that are similar to each proposed educational program, including:
(A) student enrollment and demographics;
(B) student academic success, including the average time for a student enrolled in the program to complete a certificate or degree; and
(C) career placement data;
(5) provide for the assessment of student academic success and ongoing program evaluation and improvement;
(6) commit the institution to participation in regular meetings of the participating institutions and to the research and evaluation efforts of the accelerator;
(7) include a plan for operations, staffing, oversight, and sources of funding for the innovation plan; and
(8) identify any state statutes or rules that inhibit the goals of the innovation plan and from which the institution should be exempted on adoption of the plan, subject to Section 60.006, and state how the identified statutes or rules inhibit the goals of the plan and how an exemption from those statutes or rules will advance state and institutional educational goals.

(c) In addition to the state statutes or rules identified under Subsection (b)(8), the institution may also identify other state statutes or rules that inhibit the goals of the innovation plan but from which the institution is not seeking an exemption.
(d) An innovation plan may include one or more departments or certificate or degree programs.
(e) If an eligible institution's governing board approves an innovation plan developed under this section, the institution shall:
(1) submit a copy of the plan to the commissioner; and
(2) post the plan on the institution's Internet website.
(f) An eligible institution may implement one or more innovation plans that comply with this section.

Sec. 60.006. PERMISSIBLE

EXEMPTIONS. (a) On approval of an innovation plan by the institution's governing board, a participating institution is exempt from the state requirements identified in the plan or identified by the commissioner as needing to be exempted for proper implementation of the plan.

(b) A participating institution's exemption under Subsection (a) applies to any subsequent amendment or redesignation of the exempted state requirement, unless the subsequent amendment or redesignation specifically applies to participating institutions or an educational program offered under this chapter.

(c) A participating institution may not receive an exemption under this section from:

(1) a federal requirement or any requirements necessary to maintain accreditation;

(2) a state requirement that would have the effect of limiting or abrogating the authority of the institution's governing board; or

(3) the requirement for the board's approval for a new certificate or degree program under Section 61.0512.

Sec. 60.007. DUTIES OF COMMISSIONER. (a) The commissioner shall:

(1) maintain and post on the board's Internet website a list of state requirements from which participating institutions are exempt under this chapter;

(2) ensure that each participating institution provides transparent and accurate reporting on the institution's progress with the innovation plan;

(3) provide technical assistance to participating institutions on request; and

(4) hold meetings of all participating

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(b) A participating institution's exemption under Subsection (a) applies to any subsequent amendment or redesignation of the exempted state statute or rule, unless the subsequent amendment or redesignation specifically applies to participating institutions or an educational program offered under this chapter.

(c) A participating institution may not receive an exemption under this section from:

(1) a federal statute or rule;

(2) any requirements imposed by statute or rule with which the institution must comply to maintain accreditation;

(3) a state statute or rule that would have the effect of limiting or abrogating the authority of the institution's governing board;

(4) any reporting requirements under federal or state statute or rule related to accountability;

(5) requirements related to automatic admissions under Section 51.803 or 51.804;

(6) any mandatory tuition or fee exemptions, waivers, or other benefits under Subchapter D, Chapter 54;

(7) eligibility criteria under state statute or rule for state financial assistance;

(8) the requirement for the board's approval for a new certificate or degree program under Section 61.0512; or

(9) any state statute or rule related to health or safety.

Sec. 60.007. DUTIES OF COMMISSIONER. (a) The commissioner shall:

(1) maintain and post on the board's Internet website a list of state statutes or rules from which participating institutions are exempt under this chapter;

(2) ensure that each participating institution provides transparent and accurate reporting on the institution's progress with the innovation plan;

(3) provide technical assistance to participating institutions on request; and

(4) hold meetings of all participating

institutions at times established by board rule to facilitate cross-institutional collaboration and publicity about innovative educational programs developed by the institutions.

(b) The commissioner shall annually prepare and submit to the legislature and the governing board of each participating institution a report on the accelerator. The report must include:

(1) an evaluation of the progress made by participating institutions related to the development and implementation of the institutions' respective innovation plans;

(2) a list of federal and accreditation requirements that impede innovation in postsecondary educational delivery; and

(3) any recommendations for legislative or other action.

Sec. 60.008. DUTIES OF PARTICIPATING INSTITUTIONS.

Sec. 60.009. EVALUATION OF INNOVATION PLAN. (a) A participating institution may partner or contract with one or more private organizations, including a nonprofit organization, to evaluate the institution's innovation plan and the results of the plan's implementation.

(b) Any results of an evaluation of a participating institution's innovation plan must be provided to each participating institution and to the commissioner and posted on the institution's Internet website.

Sec. 60.010. TERM.

Sec. 60.011. AMENDMENT, RESCISSION, OR RENEWAL OF INNOVATION PLAN.

Sec. 60.012. TERMINATION BY COMMISSIONER. (a) The commissioner may remove a participating institution from the accelerator if the institution fails to meet eligibility requirements, as determined by the commissioner, for at least two consecutive years.

(b) Except as provided by Subsection (c), if a participating institution is removed from the accelerator under this section, the institution shall modify its educational programs as necessary to comply with

institutions at times established by board rule to facilitate cross-institutional collaboration and publicity about innovative educational programs developed by the institutions.

(b) The commissioner shall annually prepare and submit to the legislature and the governing board of each participating institution a report on the accelerator. The report must include:

(1) an evaluation of the progress made by participating institutions related to the development and implementation of the institutions' respective innovation plans;

(2) a list of federal and accreditation statutes or rules that impede innovation in postsecondary educational delivery; and

(3) any recommendations for legislative or other action.

Sec. 60.008. DUTIES OF PARTICIPATING INSTITUTIONS.

Sec. 60.009. EVALUATION OF INNOVATION PLAN. (a) A participating institution shall, in accordance with board rule, partner or contract with one or more private organizations, including a nonprofit organization, to evaluate the institution's innovation plan and the results of the plan's implementation.

(b) The results of an evaluation of a participating institution's innovation plan must be provided to each participating institution and to the commissioner and posted on the institution's Internet website.

Sec. 60.010. TERM.

Sec. 60.011. AMENDMENT, RESCISSION, OR RENEWAL OF INNOVATION PLAN.

Sec. 60.012. TERMINATION BY COMMISSIONER. (a) The commissioner may remove a participating institution from the accelerator if the institution fails to meet eligibility requirements, as determined by the commissioner, for at least two consecutive years.

(b) Except as provided by Subsection (c), if a participating institution is removed from the accelerator under this section, the institution shall modify its educational programs as necessary to comply with

previously exempted state requirements not later than the first class day of the next academic term following the institution's removal.

(c) The commissioner may exempt a participating institution removed from the accelerator under this section from state requirements as necessary to minimize disruption for students enrolled in the educational programs offered under the institution's innovation plan.

SECTION 2. (a) Not later than the 30th day after the effective date of this Act, the commissioner of higher education shall notify the governing board and chief executive officer of each public institution of higher education regarding the implementation process for the Texas Higher Education Innovation Accelerator established under Chapter 60, Education Code, as added by this Act, as required by Section 60.004(a) of that chapter.

(b) Not later than January 1, 2018, the commissioner of higher education shall:

(1) invite eligible public institutions of higher education to participate in the Texas Higher Education Innovation Accelerator as provided by Section 60.004(a), Education Code, as added by this Act; and

(2) post on the Texas Higher Education Coordinating Board's Internet website the information required under Section 60.004(b), Education Code, as added by this Act.

SECTION 3. This Act applies beginning with the 2018-2019 academic year.

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

previously exempted state statutes or rules not later than the first class day of the next academic term following the institution's removal.

(c) The commissioner may exempt a participating institution removed from the accelerator under this section from state statutes or rules as necessary to minimize disruption for students enrolled in the educational programs offered under the institution's innovation plan.

Sec. 60.013. RULES. The board may adopt rules as necessary to implement this chapter.

SECTION 2. Same as introduced version.

SECTION 3. Same as introduced version.

SECTION 4. Same as introduced version.