

BILL ANALYSIS

Senate Research Center
81R14093 KSD-D

S.B. 1942
By: Shapiro
Higher Education
4/10/2009
As Filed

AUTHOR'S / SPONSOR'S STATEMENT OF INTENT

The state has many goals for improving higher education in Texas, such as increasing graduation rates and higher enrollment for high risk students, but those goals have not been achieved to the necessary level. Currently, Texas higher education institutions are not rewarded for working to fulfill the state's goals. The institutions need to strive to reach the state's goals while ensuring that they maintain high quality in education.

As proposed, S.B. 1942 amends current statute relating to performance incentive funding for public institutions of higher education and to recognition of certain student achievement on degree completion.

RULEMAKING AUTHORITY

Rulemaking authority is expressly granted to the Texas Higher Education Coordinating Board in SECTION 1 (Section 61.9805, Education Code) of this bill.

SECTION BY SECTION ANALYSIS

SECTION 1. Amends Chapter 61, Education Code, by adding Subchapter FF, as follows:

SUBCHAPTER FF. PERFORMANCE INCENTIVE FUNDING

Sec. 61.9801. PERFORMANCE INCENTIVE FUNDING FOR CERTAIN GENERAL ACADEMIC TEACHING INSTITUTIONS. (a) Provides that this section applies only to general academic teaching institutions other than public state colleges.

(b) Defines "advanced degree," "at-risk student," and "critical field."

(c) Provides that, except as otherwise provided under Subdivision (2), the fields of engineering, computer science, mathematics, physical science, allied health, nursing, and teaching certification in the field of science or mathematics are critical fields. Authorizes the Texas Higher Education Coordinating Board (THECB), beginning September 1, 2011, based on THECB's determination of those fields of study in which the support and development of postsecondary education programs at the bachelor's degree or advanced degree level are most critically necessary for serving the needs of this state, to:

(1) designate as a critical field a field of study that is not currently designated by this subsection or by THECB as a critical field; or

(2) remove a field of study from the list of fields currently designated by this subsection or by THECB as critical fields.

(d) Requires THECB, for each state fiscal year, to distribute any performance incentive funds appropriated by the legislature for the purposes of this section, and any other funds made available for the purposes of this section, to institutions to which this section applies 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 (e).

(e) Provides that a number of points is assigned for each degree awarded by an eligible institution, other than a degree awarded to an international student, according to a certain table.

Sec. 61.9802. PERFORMANCE INCENTIVE FUNDING FOR PUBLIC JUNIOR COLLEGES, PUBLIC TECHNICAL INSTITUTES, AND PUBLIC STATE COLLEGES. (a) Provides that this section applies only to the following institutions of higher education: public junior colleges, public technical institutes, and public state colleges.

(b) Defines "at-risk student" and "critical field."

(c) Provides that, except as otherwise provided under Subdivision (2), the fields of engineering technology, computer science, mathematics, physical science, allied health, and nursing, are critical fields. Authorizes THECB, beginning September 1, 2011, based on THECB's determination of those fields of study in which the support and development of postsecondary education programs at the bachelor's degree or advanced degree level are most critically necessary for serving the needs of this state, to:

(1) designate as a critical field a field of study that is not currently designated by this subsection or by THECB as a critical field; or

(2) remove a field of study from the list of fields currently designated by this subsection or by THECB as critical fields.

(d) Requires THECB, for each state fiscal year, to distribute any performance incentive funds appropriated by the legislature for the purposes of this section, and any other funds made available for the purposes of this section, to institutions to which this section applies in proportion to the increase, if any, in the average number of student transfers described by Subsection (g) and degrees and certificates awarded annually by each institution in the two most recent fiscal years from the average number of student transfers described by Subsection (g) and degrees and certificates awarded annually by that institution in the two fiscal years immediately preceding those fiscal years, using the weights assigned to each student transfer or degree or certificate under the table prescribed by Subsection (h).

(e) Prohibits points from being assigned under Subsection (h) for any degree or certificate awarded, in a program on a topic or at a level that THECB determines does not merit funding under this section, or to an international student.

(f) Prohibits points from being assigned under Subsection (h) for both a student's certificate or degree and the student's transfer. Requires that points be assigned for the student only in the category under Subsection (h) in which the highest number of points will be assigned for the student.

(g) Authorizes points to be assigned for a student transfer under Subsection (h) only for a student of the institution who completed at least 30 but not more than 70 semester credit hours at the institution with a grade point average of at least 2.5 on a four-point scale or the equivalent before transferring to a general academic teaching institution other than a public state college.

(h) Provides that a number of points is assigned for each degree awarded or student transfer by an eligible institution according to a certain table.

Sec. 61.9803. PERFORMANCE INCENTIVE FUNDING FOR MEDICAL AND DENTAL UNITS. (a) Provides that this section applies only to medical and dental units.

(b) Requires THECB, for each fiscal year, to distribute any performance incentive funds appropriated by the legislature for the purposes of this section, and any other funds made available for the purposes of this section, to institutions to which this section applies in proportion to the increase, if any, in the average number of degrees and certificates awarded by, and medical residencies completed at, each institution annually in the two most recent fiscal years from the average number of degrees and certificates awarded by, and medical residencies completed at, that institution annually in the two fiscal years immediately preceding those fiscal years, using the weights assigned to each degree, certificate, or medical residency completion under the table prescribed by Subsection (c).

(c) Provides that a number of points is assigned for each degree or certificate awarded by, or medical residency completed at, an eligible institution, other than a degree or certificate awarded to or a medical residency completed by an international student, according to a certain table.

Sec. 61.9804. **TEXAS ACADEMIC EXCELLENCE AWARD PROGRAM.** (a) Defines "at-risk student," "critical field," "end-of-degree examination," and "licensing examination."

(b) Requires THECB to administer the Texas Academic Excellence Award Program (award), under which THECB annually presents an award to each graduate of an institution of higher education whose licensing examination score or end-of-degree examination score exceeds the national average of student's scores on that examination or, if the examination is not administered nationally, exceeds the average students' scores on that examination, and provides funds to the institutions of higher education from which the award recipients graduated in accordance with Subsection (c).

(c) Requires THECB, for each state fiscal year, to distribute any funds appropriated by the legislature for the purposes of this subsection, and any other funds made available for purposes of this subsection, to the institutions of higher education from which the award recipients for that year graduated, in proportion to the number of degrees awarded by each institution to students receiving the award for that year, weighted according to the weights assigned to the degrees under the table prescribed by Section 61.9801(e), 61.9802(h), or 61.9803(c), as applicable, including any additional weights assigned to students who are at-risk students or who graduated with a degree in a critical field.

(d) Requires THECB to hire consultants to assist THECB in determining which end-of-degree examinations to approve for purposes of this section.

Sec. 61.9805. **RULES.** Requires THECB to adopt rules for the administration of this subchapter.

Sec. 61.9806. **REPORT BY INSTITUTIONS TO BOARD.** Requires each institution of higher education, not later than September 1 of each year, to compile and submit to THECB in accordance with rules adopted by THECB, a report that includes certain data regarding each student who was awarded a degree or certificate by the institution, completed a medical residency with the institution, or transferred from the institution to a general academic teaching institution other than a public state college, during the preceding state fiscal year.

Sec. 61.9807. **REPORT TO BOARD AND LEGISLATURE BY EDUCATION RESEARCH CENTER REGARDING EVALUATION OF POINT ASSIGNMENTS.** Requires THECB, each state fiscal biennium, to provide for the evaluation by an education research center established under Section 1.005 (Education Research Centers; Sharing Student Information) of the points assigned under Sections 61.9801, 61.9802, and 61.9803. Requires the education research center, not later than June 1 of each even-

numbered year, to submit to THECB and the legislature a written report regarding the center's evaluation under this section, including any recommendations for changes to the points assigned under those sections.

SECTION 2. Repealer: Section 61.0591 (Incentive and Special Initiative Funding), Education Code.

SECTION 3. Requires THECB to adopt rules relating to the administration of Subchapter FF, Chapter 61, Education Code, as added by this Act, as soon as practicable after the effective date of this Act.

SECTION 4. Provides that Section 61.9804, Education Code, as added by this Act, applies beginning with licensing examinations and end-of-degree examinations administered on or after September 1, 2011.

SECTION 5. Effective date: September 1, 2009.