

BILL ANALYSIS

C.S.H.B. 3175
By: Morrison
Higher Education
Committee Report (Substituted)

BACKGROUND AND PURPOSE

There have been calls to bolster funding to support comprehensive regional universities in Texas, which serve a growing population of at-risk students who often require additional academic support. C.S.H.B. 3175 creates an outcomes-based funding model focused on student success for providing funding to each institution of higher education that is designated as a doctoral, comprehensive, or master's university based on the number of degrees awarded to at-risk students by each institution in the three preceding state fiscal years.

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 this bill does not expressly grant any additional rulemaking authority to a state officer, department, agency, or institution.

ANALYSIS

C.S.H.B. 3175 amends the Education Code to provide for the allocation of funding to each eligible institution of higher education designated as a doctoral, comprehensive, or master's university under the Texas Higher Education Coordinating Board (THECB) accountability system. The bill establishes the purposes of its provisions and entitles an eligible institution to receive for each state fiscal biennium an amount equal to the sum of the following:

- a base amount of \$500,000 or a greater base amount provided by appropriation; and
- the product of \$1,000 or a greater amount provided by appropriation and the average number of at-risk students awarded a degree by the institution each year during the three state fiscal years preceding the biennium.

The bill authorizes an alternative allocation method for this funding to be provided by appropriation. The bill entitles an eligible institution to receive funding beginning with the first state fiscal biennium for which money is appropriated for the purpose of the bill's provisions.

C.S.H.B. 3175 requires the THECB, in consultation with a representative group of eligible institutions, to conduct a study on the funding method established by the bill to determine its effectiveness in allocating state funds fairly and equitably and in promoting student success at eligible institutions. The bill requires the THECB, not later than September 1, 2022, to submit to the governor and the Legislative Budget Board a report on the results of the study and any recommendations for legislative or other action. The bill's provisions relating to the study and report expire September 1, 2023.

EFFECTIVE DATE

September 1, 2021.

COMPARISON OF ORIGINAL AND SUBSTITUTE

While C.S.H.B. 3175 may differ from the original in minor or nonsubstantive ways, the following summarizes the substantial differences between the introduced and committee substitute versions of the bill.

The substitute replaces the requirement in the original for specified amounts of funding to be appropriated in each state fiscal year with an institutional entitlement to specified amounts of funding for each state fiscal biennium. The substitute changes the calculation of the entitlement amounts to reflect this change.

The substitute does not include a provision in the original establishing that funding for the bill for the state fiscal years ending in 2022 and 2023 is contingent on the legislature providing a specific appropriation for the implementation of the bill in the general appropriations act of the 87th Legislature. The substitute replaces this provision with an entitlement for eligible institutions to receive funding beginning with the first state fiscal biennium for which money is appropriated for the bill's purposes.

The substitute revises the original's definition of "at-risk student" by omitting a provision qualifying an individual who met the Expected Family Contribution grant program criterion as an at-risk student.

The substitute changes the original effective date from on passage or September 1, 2021, if the bill does not receive the necessary vote, to September 1, 2021.