

BILL ANALYSIS

Senate Research Center

S.B. 1295
By: Creighton
Higher Education
5/25/2021
Enrolled

AUTHOR'S / SPONSOR'S STATEMENT OF INTENT

Background:

Comprehensive regional universities (CRUs) educate almost 40 percent of the state's university students and they overwhelmingly serve students from the areas surrounding their campuses while helping to meet workforce needs and drive their local economies.

In general, these institutions are smaller in size, located in underserved rural or urban areas or in small towns and are often the largest employer in the region.

CRUs serve a growing population of at-risk students who are less college-ready and more cost-intensive to educate.

These institutions lack the financial resources to provide specialized programs required for their at-risk students to succeed. Yet, they must keep tuition affordable and entrance requirements within reach in order to serve these students who Texas is counting on to be able to earn a four-year degree, but who require additional academic support.

Bill Proposal:

This proposal provides 27 CRUs with an outcomes-based funding model focused on student success to incentivize institutions to improve their performance gaps when it comes to graduation of at-risk students.

Eligible institutions shall receive:

A base amount of \$500,000; and

\$1,000 for each degree awarded to an at-risk student by an eligible institution.

The number of degrees awarded is determined by using the average number of degrees awarded to at-risk students annually by each institution in the three preceding state fiscal years.

S.B. 1295 includes the fiscal responsibility amendment.

S.B. 1295 amends current law relating to financial support and incentives for comprehensive regional universities.

RULEMAKING AUTHORITY

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

SECTION BY SECTION ANALYSIS

SECTION 1. Amends Section 62.003(1), Education Code, to create an exception as otherwise provided by Subchapter I to the definition of "eligible institution" in Chapter 62 (Constitutional

and Statutory Funds to Support Institutions of Higher Education). Makes nonsubstantive changes.

SECTION 2. Amends Chapter 62, Education Code, by adding Subchapter I, as follows:

SUBCHAPTER I. COMPREHENSIVE REGIONAL UNIVERSITY FUNDING

Sec. 62.181. DEFINITIONS. Defines "at-risk student" and "eligible institution."

Sec. 62.182. PURPOSE. Provides that the purpose of this subchapter is to provide funding to each eligible institution to support the institution in serving at-risk students, helping meet the state's workforce needs, and enhancing the institution's regional economy.

Sec. 62.183. FUNDING. (a) Provides that, subject to Subsection (b), for each state fiscal biennium, an eligible institution is entitled to receive an amount equal to the sum of:

(1) a base amount of \$500,000 or a greater base amount provided by appropriation; and

(2) 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.

(b) Authorizes an alternative method of allocating funding under this section to be provided by appropriation.

Sec. 62.184. STUDY AND REPORT. (a) Requires the Texas Higher Education Coordinating Board (THECB), in consultation with a representative group of eligible institutions, to conduct a study on the method of funding provided under Section 62.183 to determine that method's effectiveness in:

(1) allocating state funds fairly and equitably; and

(2) promoting student success at eligible institutions.

(b) Requires 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.

(c) Provides that this section expires September 1, 2023.

SECTION 3. Provides that an eligible institution is entitled to receive funding under Section 62.183, Education Code, as added by this Act, beginning with the first state fiscal biennium for which money is appropriated for that purpose.

SECTION 4. Effective date: September 1, 2021.