

BILL ANALYSIS

Senate Research Center

S.B. 1295
By: Creighton
Higher Education
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As Filed

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.

As proposed, S.B. 1295 amends current law relating to state support for comprehensive regional universities in this state.

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 Chapter 62, Education Code, by adding Subchapter I, as follows:

SUBCHAPTER I. COMPREHENSIVE REGIONAL UNIVERSITY FUNDING

Sec. 62.171. DEFINITIONS. Defines "at-risk student," "comprehensive regional university" and "eligible institution."

Sec. 62.172. PURPOSE. Provides that the purpose of this subchapter is to provide funding to each comprehensive regional university to support their mission to serve at-risk students, help meet the state's workforce needs, and enhance their regional economies.

Sec. 62.173. FUNDING. (a) Requires that, in each state fiscal year, amounts be appropriated for purposes of this subchapter to eligible institutions as follows:

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

(2) \$1,000 or a greater amount provided by appropriation for each degree awarded to an at-risk student by an eligible institution.

(b) Provides that the number of degrees awarded under Subsection (a)(2) 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.

(c) Authorizes an alternative allocation method for this funding to be provided by appropriation.

Sec. 62.174. 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 of the funding methodology established under Section 62.173 to determine its 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 written report that includes the study's findings and any recommendations for legislative or other action.

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

SECTION 2. (a) Provides that the funding for this Act for the state fiscal years ending in 2022 and 2023 is contingent on the legislature providing a specific appropriation for the implementation of this Act in the general appropriations act of the 87th legislature.

(b) Effective date: upon passage or September 1, 2021.