

1 **Bill No.**

2 (By)

3 _____
4 [Introduced ???, ;

5 referred to the Committee on]
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10 A BILL to amend and reenact §18B-1A-5 of the Code of West Virginia,
11 1931, as amended; and to amend and reenact §18B-2A-3 of said
12 Code, all relating to institutional operating budgets; the
13 West Virginia Network of Educational Telecomputing; requiring
14 the Higher Education Policy Commission and Council for
15 Community and Technical College Education to propose
16 procedural rules by certain date; specifying prior approval by
17 Legislative Oversight Commission on Education Accountability;
18 setting forth goals and objectives for state institutions of
19 higher education and specifying procedures for measuring
20 attainment; designating a pilot year and requiring certain
21 reports; specifying percentages of operating budgets to be
22 applied to outcomes-based funding annually and designating
23 total percentages; requiring establishment of legislative
24 committee to advise in developing procedural rules;
25 collecting, synthesizing and disseminating data from state
26 institutions of higher education; directing institutional

1 boards of governors to cooperate in certain data-related
2 operations; and providing certain privacy protections.

3 *Be it enacted by the Legislature of West Virginia:*

4 That §18B-1A-5 of the Code of West Virginia, 1931, as amended,
5 be amended and reenacted; and that §18B-2A-3 of said code be
6 amended and reenacted, all to read as follows:

7 **ARTICLE 1A. COMPACT WITH HIGHER EDUCATION FOR THE FUTURE OF WEST**
8 **VIRGINIA.**

9 **§18B-1A-5. Financing; institutional operating budgets, additional**
10 **funding.**

11 (a) The commission and council each has the responsibility to
12 develop a budget for the state system of higher education under its
13 respective jurisdiction. The commission submits the budget request
14 for higher education, including the budget request as developed by
15 the council, to the governor before the first day of September
16 annually. The budget requests of the commission and the council
17 specifically shall include the amount of the institutional
18 operating budgets, as defined in section two, article one of this
19 chapter, required for all state institutions of higher education
20 under their respective jurisdictions. The budget appropriation for
21 the state systems of higher education under this chapter and other
22 provisions of the law shall consist of separate control accounts or
23 institutional control accounts, or some combination of such
24 accounts, for appropriation of institutional operating budgets and
25 other funds. The commission and council each is responsible for

1 allocating state appropriations to supplement institutional
2 operating budgets in accordance with this section. In addition to
3 the institutional operating budget and incentive funding, however,
4 the commission and council each is responsible for allocating funds
5 that are appropriated to it for other purposes.

6 (b) By July 1, 2013, the commission and council each shall
7 promulgate a procedural rule pursuant to the provisions of article
8 three-a, chapter twenty-nine-a of this code setting out a procedure
9 to govern appropriation requests pursuant to this section.

10 (1) The procedural rules may not be implemented without prior
11 approval of the Legislative Oversight Commission on Education
12 Accountability.

13 (2) Any change the commission or council proposes to the rules
14 required by this subsection after the initial approval and
15 adoption, including amendment or repeal, require prior approval by
16 the Legislative Oversight Commission on Education Accountability.

17 (c) The procedural rules shall establish a formula that takes
18 into consideration different institutional missions and measures
19 each institution's success in accomplishing certain goals,
20 including, but not limited to the following:

21 (1) Student success as represented by certificate or degree
22 completion;

23 (2) Student progression and persistence towards certificate
24 or degree completion;

25 (3) Affordability and productivity represented by on-time
26 certificate or degree completion;

1 (4) Institution differentiation as represented by a mission
2 focus on research, job placement, workforce training, etc.;

3 (5) Educating priority populations of adult and low-income
4 students; and

5 (6) Increasing certificates or degrees in high need fields.

6 (d) The procedural rules shall establish appropriate weights,
7 based on student numbers, to be assigned to each of the goals set
8 out in subsection (c) of this section. The appropriate weights
9 shall be established to accomplish best the goal of an additional
10 20,000 certificates or degrees earned in the state system of higher
11 education by July 1, 2018.

12 (e) The formulae established by the procedural rules shall be
13 used as a pilot project for the fiscal year beginning on July 1,
14 2013, to determine what changes in request for appropriations from
15 general revenue to each institution would have been made for that
16 fiscal year.

17 (1) For the pilot year the formulae shall assume that a total
18 of five per cent of the appropriations from general revenue for the
19 previous fiscal year would be reallocated among the institutions in
20 the state system of higher education based on the objectives
21 achieved by each institution within the broad goals set out above.

22 (2) The results of this application of the formulae for the
23 pilot year shall be reported to each institution and to the
24 Legislative Oversight Commission on Education Accountability.

25 (f) For the fiscal year beginning on July 1, 2014, the
26 formulae shall be used by the commission and council in their

1 respective appropriation requests to reallocate among the
2 institutions of higher education under their jurisdiction five per
3 cent of the appropriations from general revenue in the prior fiscal
4 year. In each successive fiscal year the appropriation request
5 shall reallocate an additional five percent of general revenue
6 based on the appropriate formula until a total of twenty-five per
7 cent of reallocation is included in the appropriation request for
8 each succeeding fiscal year.

9 (g) The President of the Senate and the Speaker of the House
10 of Delegates jointly shall appoint a select committee for outcomes-
11 based formulae rule finalization which shall advise the commission
12 and council on promulgation of the procedural rules required by
13 this section. The select committee periodically shall advise the
14 commission and council on amendments to the formulae and procedural
15 rules considered necessary to advance the goals set out in this
16 section.

17 (h) The commission and council may not request an increase in
18 appropriations under this section for any institution without an
19 approved compact pursuant to section seven, article one-d of this
20 chapter.

21 **ARTICLE 2A. INSTITUTIONAL BOARDS OF GOVERNORS.**

22 **§18B-2A-3. Supervision of governing boards; promulgation of rules.**

23 (a) The governing boards are subject to the supervision of the
24 commission or the council, as appropriate, except in those
25 instances where specific statutory exceptions are granted by law to
26 the governing boards of Marshall University and West Virginia

1 University.

2 (b) The governing boards of all state institutions of higher
3 education are subject to the provisions of law that relate to the
4 administration of personnel matters including, specifically,
5 articles seven, eight, nine and nine-a of this chapter and to rules
6 promulgated and adopted in accordance with these provisions.

7 (c) The Chancellor for Higher Education and the Chancellor for
8 Community and Technical College Education, under the supervision of
9 their respective boards, are responsible for the coordination of
10 policies, purposes and rules of the governing boards and shall
11 provide for and facilitate sufficient interaction among the
12 governing boards and between the governing boards and the State
13 Board of Education to meet the goals and objectives provided in the
14 compacts and in section one-a, article one and article one-d of
15 this chapter.

16 (d) The governing boards and the State Board of Education
17 shall provide all information requested by the commission and the
18 council, whether the request is made separately or jointly, in an
19 appropriate format and in a timely manner.

20 (1) Each governing board shall cooperate with the West
21 Virginia Network for Educational Telecomputing (WVNET) in designing
22 appropriate interfaces with the databases of institutions under its
23 jurisdiction and shall grant WVNET direct access to these
24 databases.

25 (2) WVNET, on behalf of the commission and/or council, shall
26 generate reports from the data accessed for the purposes set forth

1 in section five, article one-a and sections eight and ten, article
2 one-d of this chapter.

3 (3) All data accessed or received from an institution shall be
4 treated in a manner consistent with the privacy protections
5 outlined in section ten, article one-d of this chapter.

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NOTE: The purpose of this bill is to establish a process for collecting data and for making appropriation requests for the state system of higher education based on progress toward meeting established objectives.

§18B-1A-5 is substantially rewritten; therefore, strike-throughs and underscoring have been omitted.