

## **BILL ANALYSIS**

Senate Research Center  
81R3240 JSA-D

S.B. 1562  
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Higher Education  
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As Filed

### **AUTHOR'S / SPONSOR'S STATEMENT OF INTENT**

The impact of Texas' colleges and universities is measured by the health of the state's economy and, more importantly, human capital. The ability of Texas to compete in the global economy will be determined by the quality of the state's higher education system. Research and development holds the key to unlocking tomorrow's innovations that will transform the economy and make business more efficient. In addition, the ability of Texas' higher education institutions to successfully mold students into productive, efficient, 21st century researchers and producers has lasting impacts beyond economic indicators.

The chief executive officer of a college or university has the ability to direct policy and achieve improved success. Currently, the heads of Texas' institutions of higher education do not receive a defined performance evaluation. Performance evaluations can serve to focus attention onto issues that are important statewide: graduation rates, retention rates, and degree programs offered.

As proposed, S.B. 1562 requires an annual performance evaluation for the chief executive officer of a public institution of higher education. This bill requires that the performance review specifically focus on ensuring that chief executive officers use resources efficiently, plan for the future, effectively conduct foreign relations, and create an overall environment conducive to academic experience.

### **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 Subchapter Z, Chapter 51, Education Code, by adding Section 51.9481, as follows:

Sec. 51.9481. REQUIRED PERFORMANCE REVIEW OF CHIEF EXECUTIVE OFFICER OF INSTITUTION. (a) Defines "institution of higher education."

(b) Requires that the employment contract of the president or other chief executive officer of an institution of higher education provide for an annual evaluation of the president's or other officer's performance. Requires that the evaluation include consideration of the following performance measures:

- (1) development and encouragement of institutional efforts to improve student retention and graduation rates;
- (2) effective use and allocation of resources, including faculty, staff, facilities, equipment, and financial resources, to carry out the institution's mission and purposes;
- (3) effective planning and budgeting to implement the institution's objectives;

- (4) efforts to ensure the academic quality and soundness of the activities of faculty and students;
- (5) clear and effective leadership consistent with the policies and decisions of the governing body of the institution;
- (6) understanding of the different missions and purposes among the academic divisions and programs of the institution;
- (7) effective recruitment and retention of capable and recognized faculty;
- (8) efforts to improve the quality of the institution's academic programs, including obtaining professional accreditation;
- (9) effective human relations skills with subordinates, alumni, the community, business and community leaders, legislators and other state and local officials, and other persons associated with the institution; and
- (10) excellence in public relations within the institution and with persons outside the institution.

SECTION 2. Makes application of this Act prospective.

SECTION 3. Effective date: September 1, 2009.