



FISCAL NOTE

Senate Bill 344

Committee: Finance and Taxation Education Sponsor: Senator Arthur Orr

Analyst: John Friedenreich

Date: 03/12/2026

Senate Bill 344 as reported by the Committee on Finance and Taxation Education would establish the College and Higher Education Excellence and Results (CHEER) Act and the non-reverting CHEER Fund in the State Treasury to provide additional funding to institutions of higher education that meet identified student and institutional performance goals and objectives. Beginning October 1, 2026, and pursuant to the provisions of this bill, the annual cost of the CHEER program will be determined based upon the performance outcome goals established by the Outcomes-Based Higher Education Funding Coordinating Committee, established pursuant to this bill and the amount of funds appropriated by the Legislature for each fiscal year.

Additionally, this bill would increase the obligations of the Alabama Commission on Higher Education (ACHE) to administer and distribute CHEER funds, for which ACHE may not charge a fee. This bill would also require any funds previously appropriated to ACHE for Outcomes-Based funding to be transferred to the CHEER Fund for allocation to eligible institutions.

Finally, this bill would increase the administrative obligations of the various eligible institutions of higher education in the state to provide annual data, required pursuant to this bill, to the Coordinating Committee.