



FISCAL NOTE

House Bill 565

Committee: Ways and Means Education

Sponsor: Garrett

Analyst: John Friedenreich

Date: 03/09/2026

House Bill 565 as introduced would establish the non-reverting College and Higher Education Excellence and Results (CHEER) Fund in the State Treasury to receive funding provided by the Legislature and to provide bonus funding to eligible institutions of higher education via the outcomes-based higher education funding program created by this bill.

This bill would increase the administrative obligation of the Alabama Commission on Higher Education (ACHE), beginning October 1, 2026, to distribute available funding each fiscal year to higher education institutions based on performance goals set by the Outcomes-Based Higher Education Funding Coordinating Committee, established by this bill. This bill would prohibit ACHE from charging a fee for administering the fund.

This bill would require that any unencumbered funds appropriated to ACHE for outcomes-based funding by the Fiscal Year 2023 Education Trust Fund Supplemental Appropriation Act (currently \$15 million) would be transferred to the CHEER Fund.

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