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H.B. No. 8

A BILL TO BE ENTITLED

1 AN ACT  
2 relating to the administration, coordination, and support of public  
3 higher education, including the public junior college state finance  
4 program and a Financial Aid for Swift Transfer (FAST) program to  
5 enable certain students to enroll at no cost to the student in dual  
6 credit courses offered by certain public institutions of higher  
7 education.

8 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

9 SECTION 1. Section 28.009(b-2), Education Code, is amended  
10 to read as follows:

11 (b-2) Any agreement, including a memorandum of  
12 understanding or articulation agreement, between a school district  
13 and public institution of higher education to provide a dual credit  
14 program described by Subsection (b-1) must:

15 (1) include specific program goals aligned with the  
16 statewide goals developed under Subsection (b-1);

17 (2) establish common advising strategies and  
18 terminology related to dual credit and college readiness;

19 (3) provide for the alignment of endorsements  
20 described by Section 28.025(c-1) offered by the district, and dual  
21 credit courses offered under the agreement that apply towards those  
22 endorsements, with postsecondary pathways and credentials at the  
23 institution and industry certifications;

24 (4) identify tools, including tools developed by the

1 agency, the Texas Higher Education Coordinating Board, or the Texas  
2 Workforce Commission, to assist school counselors, students, and  
3 families in selecting endorsements offered by the district and dual  
4 credit courses offered under the agreement;

5 (5) establish, or provide a procedure for  
6 establishing, the course credits that may be earned under the  
7 agreement, including by developing a course equivalency crosswalk  
8 or other method for equating high school courses with college  
9 courses and identifying the number of credits that may be earned for  
10 each course completed through the program;

11 (6) describe the academic supports and, if applicable,  
12 guidance that will be provided to students participating in the  
13 program;

14 (7) establish the district's and the institution's  
15 respective roles and responsibilities in providing the program and  
16 ensuring the quality and instructional rigor of the program;

17 (8) state the sources of funding for courses offered  
18 under the program, including, at a minimum, the sources of funding  
19 for tuition, transportation, and any required fees or textbooks for  
20 students participating in the program;

21 (9) require the district and the institution to  
22 consider the use of free or low-cost open educational resources in  
23 courses offered under the program;

24 (10) ensure the accurate and timely exchange of  
25 information necessary for an eligible student to enroll at no cost  
26 to the student in a dual credit course as provided by Section  
27 28.0095;

1           (11) be posted each year on the district's and the  
2 institution's respective Internet websites; and

3           (12) [~~(11)~~] designate at least one employee of the  
4 district or institution as responsible for providing academic  
5 advising to a student who enrolls in a dual credit course under the  
6 program before the student begins the course.

7           SECTION 2. Subchapter A, Chapter 28, Education Code, is  
8 amended by adding Section 28.0095 to read as follows:

9           Sec. 28.0095. FINANCIAL AID FOR SWIFT TRANSFER (FAST)  
10 PROGRAM. (a) In this section:

11           (1) "Charter school" means a charter school operating  
12 under Chapter 12.

13           (2) "Coordinating board" means the Texas Higher  
14 Education Coordinating Board.

15           (3) "Dual credit course" includes a course offered for  
16 joint high school and junior college credit under Section 130.008  
17 or another course offered by an institution of higher education for  
18 which a high school student may earn credit toward satisfaction of:

19                   (A) a requirement necessary to obtain an  
20 industry-recognized credential or certificate or an associate  
21 degree;

22                   (B) a foreign language requirement at an  
23 institution of higher education;

24                   (C) a requirement in the core curriculum, as that  
25 term is defined by Section 61.821, at an institution of higher  
26 education; or

27                   (D) a requirement in a field of study curriculum

1 developed by the coordinating board under Section 61.823.

2 (4) "Institution of higher education" has the meaning  
3 assigned by Section 61.003.

4 (b) The agency and the coordinating board shall jointly  
5 establish the Financial Aid for Swift Transfer (FAST) program to  
6 allow eligible students to enroll at no cost to the student in dual  
7 credit courses at participating institutions of higher education.

8 (c) A student is eligible to enroll at no cost to the student  
9 in a dual credit course under the program if the student:

10 (1) is enrolled:

11 (A) in high school in a school district or  
12 charter school; and

13 (B) in a dual credit course at a participating  
14 institution of higher education; and

15 (2) was educationally disadvantaged at any time during  
16 the four school years preceding the student's enrollment in the  
17 dual credit course described by Subdivision (1)(B).

18 (d) An institution of higher education is eligible to  
19 participate in the program only if the institution charges for each  
20 dual credit course offered by the institution an amount of tuition  
21 that does not exceed the amount prescribed by coordinating board  
22 rule.

23 (e) Each school district or charter school shall:

24 (1) on a high school student's enrollment in a dual  
25 credit course, determine whether the student meets the criteria for  
26 the program under Subsection (c)(2); and

27 (2) notify the institution of higher education that

1 offers the dual credit course in which the student is enrolled of  
2 the district's or school's determination under Subdivision (1).

3 (f) A school district or charter school may make the  
4 determination under Subsection (e)(1) based on the district's or  
5 school's records, the agency's records, or any other method  
6 authorized by commissioner rule. If the district or school bases  
7 the determination on a method other than the agency's records, the  
8 district or school shall report the method used and the data on  
9 which the method is based to the agency for purposes of  
10 verification.

11 (g) On receipt of notice under Subsection (e)(2), a  
12 participating institution of higher education shall certify to the  
13 agency and the coordinating board the student's eligibility for the  
14 program.

15 (h) The coordinating board shall distribute money  
16 transferred to the coordinating board under Section 48.308 to the  
17 participating institutions of higher education in proportion to the  
18 number of dual credit courses in which eligible students are  
19 enrolled at the institution.

20 (i) The commissioner and the commissioner of higher  
21 education shall coordinate as necessary to:

22 (1) confirm an eligible student's enrollment in a  
23 participating institution of higher education; and

24 (2) obtain or share data necessary to verify a  
25 student's eligibility under Subsection (c)(2).

26 (j) The commissioner and the coordinating board shall adopt  
27 rules as necessary to implement this section.

1 SECTION 3. Section 28.010(a), Education Code, is amended to  
2 read as follows:

3 (a) Each school year, a school district shall notify the  
4 parent of each district student enrolled in grade nine or above of:

5 (1) the availability of:

6 (A) programs in the district under which a  
7 student may earn college credit, including advanced placement  
8 programs, dual credit programs, joint high school and college  
9 credit programs, and international baccalaureate programs;

10 (B) career and technology education programs or  
11 other work-based education programs in the district, including any  
12 internship, externship, or apprenticeship programs or a P-TECH  
13 program under Subchapter N, Chapter 29; ~~and~~

14 (C) subsidies based on financial need available  
15 for fees paid to take college advanced placement tests or  
16 international baccalaureate examinations under Section 28.054; and

17 (D) funding for enrollment in dual credit courses  
18 under Section 28.0095; and

19 (2) the qualifications for:

20 (A) enrolling in programs described by  
21 Subdivision (1)(A) or (B); or

22 (B) funding described by Subdivision (1)(D).

23 SECTION 4. Subchapter G, Chapter 48, Education Code, is  
24 amended by adding Section 48.308 to read as follows:

25 Sec. 48.308. ALLOTMENT FOR FINANCIAL AID FOR SWIFT TRANSFER  
26 (FAST) PROGRAM. (a) In this section:

27 (1) "Coordinating board" means the Texas Higher

1 Education Coordinating Board.

2 (2) "FAST program" means the Financial Aid for Swift  
3 Transfer (FAST) program under Section 28.0095.

4 (b) An institution of higher education participating in the  
5 FAST program is entitled to an allotment in an amount equal to the  
6 amount of tuition set by coordinating board rule under Section  
7 28.0095(d) for each dual credit course in which a student eligible  
8 to participate in the FAST program is enrolled at the institution.

9 (c) The agency shall transfer the amount appropriated to the  
10 agency for purposes of this section to the coordinating board for  
11 distribution in accordance with Section 28.0095(h).

12 (d) The agency and the coordinating board shall coordinate  
13 as necessary to implement this section.

14 (e) It is the intent of the legislature that the state  
15 ensure ongoing funding for the FAST program as an allotment under  
16 the Foundation School Program.

17 SECTION 5. Section 51.907, Education Code, is amended by  
18 adding Subsections (c-1) and (c-2) to read as follows:

19 (c-1) An institution of higher education may not count  
20 toward the number of courses permitted to be dropped under  
21 Subsection (c) or a policy adopted under Subsection (d) a course  
22 that a student dropped while enrolled in a baccalaureate degree  
23 program previously earned by the student.

24 (c-2) An institution of higher education may not count  
25 toward the number of courses permitted to be dropped under  
26 Subsection (c) or a policy adopted under Subsection (d) a dual  
27 credit course that a student dropped before graduating from high

1 school.

2 SECTION 6. Section 54.3531(b), Education Code, is amended  
3 to read as follows:

4 (b) Notwithstanding Subsection (a), a student may not  
5 receive an exemption under this section for any course if the  
6 student has previously attempted a number of semester credit hours  
7 for courses taken at any institution of higher education while  
8 classified as a resident student for tuition purposes in excess of  
9 the maximum number of those hours specified by Section 61.0595(a)  
10 as eligible for funding under the formulas established under  
11 Section 61.059 or Chapter 130A.

12 SECTION 7. Section 61.003(2), Education Code, is amended to  
13 read as follows:

14 (2) "Public junior college" means any junior college  
15 listed as a public junior college [~~certified by the board~~] in  
16 accordance with Section 61.063 [~~of this chapter~~].

17 SECTION 8. Section 61.051, Education Code, is amended by  
18 adding Subsection (b) to read as follows:

19 (b) The board may participate in the establishment and  
20 operation of an affiliated nonprofit organization whose purpose is  
21 to raise money for or provide services or other benefits to the  
22 board.

23 SECTION 9. Section 61.0571, Education Code, is amended by  
24 adding Subsections (c), (d), (e), and (f) to read as follows:

25 (c) The board may provide administrative support and  
26 services to institutions of higher education as necessary to  
27 implement this chapter, Chapter 130, or Chapter 130A.

1        (d) The board may establish an institutional collaboration  
2 center within the board to support the implementation of Chapter  
3 130A and the efficient and effective operations of institutions of  
4 higher education.

5        (e) From money appropriated or otherwise available for the  
6 purpose, the board may procure goods and services for the direct  
7 benefit of an institution of higher education and enter into an  
8 interagency contract under Chapter 771, Government Code, with the  
9 institution to reimburse the board for the cost of the goods and  
10 services.

11        (f) An affiliated nonprofit organization described by  
12 Section 61.051(b) may accept gifts, grants, or donations from any  
13 public or private source to pay for goods or services procured for  
14 the direct benefit of an institution of higher education under  
15 Subsection (e).

16        SECTION 10. Section 61.059, Education Code, is amended by  
17 amending Subsections (b), (b-1), and (r) and adding Subsection (s)  
18 to read as follows:

19        (b) The board shall devise, establish, and periodically  
20 review and revise formulas for the use of the governor and the  
21 Legislative Budget Board in making appropriations recommendations  
22 to the legislature for ~~[all]~~ institutions of higher education other  
23 than public junior colleges funded under Chapter 130A~~[, including~~  
24 ~~the funding of postsecondary vocational-technical programs]~~. As a  
25 specific element of the periodic review, the board shall study and  
26 recommend changes in the funding formulas based on the role and  
27 mission statements of those institutions of higher education. In

1 carrying out its duties under this section, the board shall employ  
2 an ongoing process of committee review and expert testimony and  
3 analysis.

4 (b-1) A committee under Subsection (b) must be composed of  
5 representatives of a cross-section of institutions representing  
6 each of the institutional groupings under the board's  
7 accountability system, other than public junior colleges funded  
8 under Chapter 130A. The commissioner of higher education shall  
9 solicit recommendations for the committee's membership from the  
10 chancellor of each university system and from the president of each  
11 institution of higher education that is not a component of a  
12 university system. The chancellor of a university system may  
13 [~~shall~~] recommend to the commissioner at least one institutional  
14 representative for each institutional grouping to which a component  
15 of the university system is assigned. The president of an  
16 institution of higher education that is not a component of a  
17 university system may [~~shall~~] recommend to the commissioner at  
18 least one institutional representative for the institutional  
19 grouping to which the institution is assigned.

20 (r) The board shall exclude contact hours or semester credit  
21 hours related to a course for which a student is generating formula  
22 funding for the third time from the contact hours or semester credit  
23 hours reported to the Legislative Budget Board for formula funding  
24 purposes.

25 (s) Notwithstanding any other law, the board may not exclude  
26 from the number of semester credit hours reported [~~to the~~  
27 ~~Legislative Budget Board~~] for formula funding under this section or

1 Chapter 130A semester credit hours for any course taken up to three  
2 times by a student who:

3 (1) has reenrolled at an institution of higher  
4 education following a break in enrollment from the institution or  
5 another institution of higher education covering the 24-month  
6 period preceding the first class day of the initial semester or  
7 other academic term of the student's reenrollment; and

8 (2) successfully completed at least 50 semester credit  
9 hours of course work at an institution of higher education before  
10 that break in enrollment.

11 SECTION 11. Sections [61.0595\(a\)](#), (d), and (f), Education  
12 Code, are amended to read as follows:

13 (a) In the formulas established under Section [61.059](#) or  
14 Chapter 130A, the board may not include funding for semester credit  
15 hours earned by a resident undergraduate student who before the  
16 semester or other academic session begins has previously attempted  
17 a number of semester credit hours for courses taken at any  
18 institution of higher education while classified as a resident  
19 student for tuition purposes that exceeds the number of semester  
20 credit hours required for completion of the degree program or  
21 programs in which the student is enrolled, including minors and  
22 double majors, and for completion of any certificate or other  
23 special program in which the student is also enrolled, including a  
24 program with a study-abroad component, by at least:

25 (1) for an associate degree program, 15 hours; or

26 (2) for a baccalaureate degree program, 30 hours.

27 (d) The following are not counted for purposes of

1 determining whether the student has previously earned the number of  
2 semester credit hours specified by Subsection (a):

3 (1) semester credit hours earned by the student before  
4 receiving a baccalaureate degree that has previously been awarded  
5 to the student;

6 (2) semester credit hours earned by the student by  
7 examination or under any other procedure by which credit is earned  
8 without registering for a course for which tuition is charged;

9 (3) credit for a remedial education course, a  
10 technical course, a workforce education course funded according to  
11 contact hours, or another course that does not count toward a degree  
12 program at the institution;

13 (4) semester credit hours earned by the student at a  
14 private institution or an out-of-state institution;

15 (5) semester credit hours earned by the student before  
16 graduating from high school and used to satisfy high school  
17 graduation requirements; ~~and~~

18 (6) the first additional 15 semester credit hours  
19 earned toward a degree program by a student who:

20 (A) has reenrolled at an institution of higher  
21 education following a break in enrollment from the institution or  
22 another institution of higher education covering the 24-month  
23 period preceding the first class day of the initial semester or  
24 other academic term of the student's reenrollment; and

25 (B) successfully completed at least 50 semester  
26 credit hours of course work at an institution of higher education  
27 before that break in enrollment; and

1           (7) semester credit hours earned by the student before  
2 receiving an associate degree that has been previously awarded to  
3 the student.

4           (f) In the formulas established under Section 61.059 or  
5 Chapter 130A, the board shall include without consideration of  
6 Subsection (a) funding for semester credit hours earned by a  
7 student who initially enrolled as an undergraduate student in any  
8 institution of higher education before the 1999 fall semester.

9           SECTION 12. Section 61.063, Education Code, is amended to  
10 read as follows:

11           Sec. 61.063. LISTING [~~AND CERTIFICATION~~] OF PUBLIC JUNIOR  
12 COLLEGES; ELIGIBILITY FOR STATE APPROPRIATIONS.   (a) The  
13 commissioner of higher education shall file with the [~~state~~]  
14 comptroller and the state auditor on or before September [~~October~~]  
15 1 of each year a list of each [~~the~~] public junior college [~~colleges~~]  
16 in this state that has certified to the board under Section 130.003  
17 that the college is in compliance with the requirements of  
18 Subsection (b) of that section. [~~The commissioner shall certify~~  
19 ~~the names of those colleges that have complied with the standards,~~  
20 ~~rules, and regulations prescribed by the board.~~]

21           (b) Only a public junior college included on the list under  
22 Subsection (a) is [~~these colleges which are so certified shall be~~]  
23 eligible for and may receive money appropriated [~~any appropriation~~  
24 ~~made~~] by the legislature to public junior colleges.

25           SECTION 13. Section 61.882(d), Education Code, is amended  
26 to read as follows:

27           (d) In awarding grants under this subchapter, the board:

1 (1) shall, to the greatest extent practicable:

2 (A) award grants to at least one eligible entity  
3 in each region of the state; and

4 (B) ensure that each training program:

5 (i) matches regional workforce needs;

6 (ii) is supported by a labor market  
7 analysis of job postings and employers hiring roles with the skills  
8 developed by the program; and

9 (iii) does not duplicate existing program  
10 offerings except as necessary to accommodate regional demand; and

11 (2) may give preference to applicants that:

12 (A) represent a consortium of lower-division  
13 institutions of higher education;

14 (B) prioritize training to displaced workers;

15 (C) offer affordable training programs to  
16 students; or

17 (D) partner with employers, local chambers of  
18 commerce, trade associations, economic development corporations,  
19 and local workforce boards to analyze job postings and identify  
20 employers hiring roles with the skills developed by the training  
21 programs.

22 SECTION 14. Section 130.001(b), Education Code, is amended  
23 to read as follows:

24 (b) The coordinating board shall have the responsibility  
25 for adopting policies, enacting regulations, and establishing  
26 general rules necessary for carrying out the duties with respect to  
27 public junior colleges as prescribed by the legislature, and with

1 the advice and assistance of the commissioner of higher education,  
2 shall have authority to:

3 (1) authorize the creation of public junior college  
4 districts as provided in the statutes, giving particular attention  
5 to the need for a public junior college in the proposed district and  
6 the ability of the district to provide adequate local financial  
7 support;

8 (2) dissolve any public junior college district which  
9 has failed to establish and maintain a junior college within three  
10 years from the date of its authorization;

11 (3) adopt standards for the operation of public junior  
12 colleges and prescribe the rules and regulations for such colleges;

13 (4) require of each public junior college such reports  
14 as deemed necessary in accordance with the coordinating board's  
15 rules and regulations; and

16 (5) establish a standing advisory committee  
17 [~~commissions~~] composed of representatives of public junior  
18 colleges [~~and other citizens of the state~~] to provide advice and  
19 counsel to the coordinating board with respect to the funding of  
20 public junior colleges necessary to carry out this chapter and  
21 Chapter 130A.

22 SECTION 15. Sections 130.003(a), (b), (e), and (f),  
23 Education Code, are amended to read as follows:

24 (a) There shall be appropriated biennially from money in the  
25 state treasury not otherwise appropriated an amount sufficient to  
26 supplement local funds for the proper support, maintenance,  
27 operation, and improvement of those public junior colleges of Texas

1 that meet the standards prescribed by this chapter. The sum shall  
2 be allocated in accordance with Chapter 130A [~~on the basis of~~  
3 ~~contact hours within categories developed, reviewed, and updated by~~  
4 ~~the coordinating board~~].

5 (b) To be eligible for and to receive money appropriated  
6 under Subsection (a) [~~a proportionate share of the appropriation~~],  
7 a public junior college must certify to the coordinating board, in  
8 the manner prescribed by coordinating board rule, that the college:

9 (1) offers [~~be certified as a public junior college as~~  
10 ~~prescribed in Section 61.063;~~

11 [~~(2) offer~~] a minimum of 24 semester hours of  
12 vocational and/or terminal courses;

13 (2) collects [~~(3) have complied with all existing~~  
14 ~~laws, rules, and regulations governing the establishment and~~  
15 ~~maintenance of public junior colleges;~~

16 [~~(4) collect~~], from each full-time and part-time  
17 student enrolled, tuition [~~matriculation~~] and other [~~session~~] fees  
18 in the amounts required by law or in the amounts set by the  
19 governing board of the junior college district as authorized by  
20 this title;

21 (3) grants [~~(5) grant~~], when properly applied for,  
22 the scholarships and tuition exemptions provided for in this code;

23 (4) [~~and~~

24 [~~(6)~~] for a public junior college established on or  
25 after September 1, 1986, levies and collects [~~levy and collect~~] ad  
26 valorem taxes as provided by law for the operation and maintenance  
27 of the [~~public junior~~] college; and

1           (5) has complied with all laws and coordinating board  
2 rules for the establishment and operation of a public junior  
3 college.

4           (e) The primary purpose of each public junior [~~community~~]  
5 college shall be to provide:

6           (1) technical programs up to two years in length  
7 leading to associate degrees or certificates;

8           (2) vocational programs leading directly to  
9 employment in semi-skilled and skilled occupations;

10           (3) [~~freshman and sophomore~~] courses in the core  
11 curriculum or a field of study curriculum, as those terms are  
12 defined by Section 61.821 [~~arts and sciences~~];

13           (4) continuing adult education programs for  
14 occupational or cultural upgrading;

15           (5) compensatory education programs designed to  
16 fulfill the commitment of an admissions policy allowing the  
17 enrollment of disadvantaged students;

18           (6) a continuing program of counseling and guidance  
19 designed to assist students in achieving their individual  
20 educational goals;

21           (7) work force development programs designed to meet  
22 local and statewide needs;

23           (8) adult literacy and other basic skills programs for  
24 adults; and

25           (9) such other purposes as may be prescribed by the  
26 coordinating board [~~Texas Higher Education Coordinating Board~~] or  
27 local governing boards in the best interest of post-secondary

1 education in this state [~~Texas~~].

2 (f) This section does not affect the application of [~~alter,~~  
3 ~~amend, or repeal~~] Section 54.231 [~~54.060 of this code~~].

4 SECTION 16. Section 130.0031, Education Code, is amended to  
5 read as follows:

6 Sec. 130.0031. TRANSFERS: WHEN MADE. (a) In consultation  
7 with the advisory committee established under Section  
8 130.001(b)(5), the Texas Higher Education Coordinating Board by  
9 rule shall adopt a payment schedule by which money appropriated to  
10 junior college districts under this chapter and Chapter 130A is  
11 distributed to those districts [~~In this section:~~

12 [~~(1) "Category 1 junior college" means a junior~~  
13 ~~college having not more than 2,500 students in fall head count~~  
14 ~~enrollment for the previous fiscal year and not more than \$300,000~~  
15 ~~of local taxes collected, excluding taxes for debt service, in the~~  
16 ~~previous fiscal year.~~

17 [~~(2) "Category 2 junior college" means a junior~~  
18 ~~college having more than 2,500 students in fall head count~~  
19 ~~enrollment for the previous fiscal year or more than \$300,000 of~~  
20 ~~local taxes collected, excluding taxes for debt service, in the~~  
21 ~~previous fiscal year~~].

22 (b) The Texas Higher Education Coordinating Board may  
23 modify the [~~Money appropriated for payment to junior colleges under~~  
24 ~~the authority of Section 130.003 of this code shall be paid to each~~  
25 ~~eligible category 1 junior college out of the public junior college~~  
26 ~~reimbursement fund as follows:~~

27 [~~(1) 24 percent of the yearly entitlement of the~~

1 ~~junior college shall be paid in two equal installments to be made on~~  
2 ~~or before the 25th day of September and October; and~~

3 ~~[(2) 76 percent of the yearly entitlement of the~~  
4 ~~junior college shall be paid in eight equal installments to be made~~  
5 ~~on or before the 25th day of November, December, January, February,~~  
6 ~~March, April, May, and June.~~

7 ~~[(c) Money appropriated for payment to junior colleges~~  
8 ~~under the authority of Section 130.003 of this code shall be paid to~~  
9 ~~each eligible category 2 junior college out of the public junior~~  
10 ~~college reimbursement fund as follows:~~

11 ~~[(1) 24 percent of the yearly entitlement of the~~  
12 ~~junior college shall be paid in two equal installments to be made on~~  
13 ~~or before the 25th day of September and October; and~~

14 ~~[(2) 76 percent of the yearly entitlement of the~~  
15 ~~junior college shall be paid in eight equal installments to be made~~  
16 ~~on or before the 25th day of November, December, March, April, May,~~  
17 ~~June, July, and August.~~

18 ~~[(d) The]~~ amount of any installment required under the  
19 payment schedule adopted under Subsection (a) ~~[by this section may~~  
20 ~~be modified]~~ to, in accordance with this chapter, Chapter 130A, the  
21 General Appropriations Act, or coordinating board rule:

22 (1) provide the junior college district with the  
23 proper amount to which the junior college district may be entitled  
24 by law; and

25 (2) ~~[to]~~ correct errors in the allocation or  
26 distribution of funds.

27 (c) If the amount of an installment under the payment

1 schedule adopted under Subsection (a) [~~this section~~] is required to  
2 be equal to the amount of another installment [~~other installments~~],  
3 the amount of the other installment [~~installments~~] may be adjusted  
4 to provide for that equality. A payment under this section is not  
5 invalid because it is not equal to other installments.

6 SECTION 17. Section 130.0033(c), Education Code, is amended  
7 to read as follows:

8 (c) Charging tuition at a reduced rate under this section  
9 does not affect the right of the public junior college to an  
10 allocation [~~a proportionate share~~] of state appropriations under  
11 this chapter and Chapter 130A [~~Section 130.003~~] for the contact  
12 hours attributable to students paying tuition at the reduced rate.

13 SECTION 18. Section 130.0034(a), Education Code, is amended  
14 to read as follows:

15 (a) The governing board of a [~~public~~] junior college  
16 district may charge a student a higher rate of tuition than the  
17 tuition that would otherwise be charged for a course in which the  
18 student enrolls if:

19 (1) the student has previously enrolled in the same  
20 course or a course of substantially the same content and level two  
21 or more times; and

22 (2) the student's enrollment in the course is not  
23 included in the contact hours used to determine the junior  
24 college's allocation [~~proportionate share~~] of state appropriations  
25 under this chapter and Chapter 130A [~~Section 130.003~~].

26 SECTION 19. Section 130.0051(a), Education Code, is amended  
27 to read as follows:

1 (a) The board of trustees of a junior college district by  
2 resolution may change the name of the district or a college within  
3 the district [~~by eliminating the words "community" or "junior" from~~  
4 ~~the name of the district or college~~], unless the change would cause  
5 the district or college to have the same or substantially the same  
6 name as an existing district, college, or other public or private  
7 institution of higher education in this state.

8 SECTION 20. Section 130.008(c), Education Code, is amended  
9 to read as follows:

10 (c) The contact hours attributable to the enrollment of a  
11 high school student in a course offered for joint high school and  
12 junior college credit under this section, excluding a course for  
13 which the student attending high school may receive course credit  
14 toward the physical education curriculum requirement under Section  
15 28.002(a)(2)(C), shall be included in the contact hours used to  
16 determine the junior college's allocation [~~proportionate share~~] of  
17 the state money appropriated and distributed to public junior  
18 colleges under this chapter and Chapter 130A [~~Sections 130.003 and~~  
19 ~~130.0031~~], even if the junior college waives all or part of the  
20 tuition or fees for the student under Subsection (b).

21 SECTION 21. Section 130.085(b), Education Code, is amended  
22 to read as follows:

23 (b) This action by the board of trustees does not affect  
24 their authority under Section 130.123 [~~of this code~~], nor does this  
25 section in any way supersede that section. This action of the board  
26 does not affect the right of the college to an allocation [~~a~~  
27 ~~proportionate share~~] of state appropriations under this chapter and

1 Chapter 130A [~~Section 130.003~~ of this code].

2 SECTION 22. Section 130.090(c), Education Code, is amended  
3 to read as follows:

4 (c) The grant of an exemption from tuition under Subsection  
5 (b) does not affect the right of a junior college to an allocation  
6 [~~a proportionate share~~] of state appropriations under this chapter  
7 and Chapter 130A [~~Section 130.003~~] attributable to the contact  
8 hours of the junior college with the student receiving the  
9 exemption.

10 SECTION 23. Sections 130.310(a) and (b), Education Code,  
11 are amended to read as follows:

12 (a) Except as provided by Subsection (b), a degree program  
13 created under this subchapter may be funded solely by a public  
14 junior college's allocation [~~proportionate share~~] of state  
15 appropriations under this chapter and Chapter 130A [~~Section~~  
16 ~~130.003~~], local funds, and private sources. This subsection does  
17 not require the legislature to appropriate state funds to support a  
18 degree program created under this subchapter. The coordinating  
19 board shall weigh contact hours attributable to students enrolled  
20 in a junior-level or senior-level course offered under this  
21 subchapter used to determine a public junior college's allocation  
22 [~~proportionate share~~] of state appropriations under this chapter  
23 and Chapter 130A [~~Section 130.003~~] in the same manner as a lower  
24 division course in a corresponding field.

25 (b) Notwithstanding Subsection (a), in its recommendations  
26 to the legislature relating to state funding for public junior  
27 colleges, the coordinating board shall recommend that a public

1 junior college authorized to offer baccalaureate degree programs  
2 under Section 130.303(a) or 130.304 receive substantially the same  
3 state support for junior-level and senior-level courses in the  
4 fields of applied science, applied technology, dental hygiene, and  
5 nursing offered under this subchapter as that provided to a general  
6 academic teaching institution for substantially similar courses.  
7 For purposes of this subsection, in determining the contact hours  
8 attributable to students enrolled in a junior-level or senior-level  
9 course in the field of applied science, applied technology, dental  
10 hygiene, or nursing offered under this subchapter used to determine  
11 a public junior college's allocation [~~proportionate share~~] of state  
12 appropriations under this chapter and Chapter 130A [~~Section~~  
13 ~~130.003~~], the coordinating board shall weigh those contact hours as  
14 necessary to provide the junior college the appropriate level of  
15 state support to the extent state funds for those courses are  
16 included in the appropriations. This subsection does not prohibit  
17 the legislature from directly appropriating state funds to support  
18 junior-level and senior-level courses to which this subsection  
19 applies.

20 SECTION 24. Section 130.352, Education Code, is amended to  
21 read as follows:

22 Sec. 130.352. FORMULA FUNDING FOR WORKFORCE CONTINUING  
23 EDUCATION COURSES. Notwithstanding Section 130.003 or any other  
24 law, contact hours attributable to the enrollment of a student in a  
25 workforce continuing education course offered by a public junior  
26 college shall be included in the contact hours used to determine the  
27 college's allocation [~~proportionate share~~] of state money

1 appropriated and distributed to public junior colleges under this  
2 chapter and Chapter 130A [~~Sections 130.003 and 130.0031~~],  
3 regardless of whether the college waives all or part of the tuition  
4 or fees for the course under Section 130.354.

5 SECTION 25. Section 130.355, Education Code, is amended to  
6 read as follows:

7 Sec. 130.355. RULES. The coordinating board shall adopt  
8 any rules the coordinating board considers necessary for the  
9 administration of this subchapter. [~~In adopting those rules, the~~  
10 ~~coordinating board shall use the negotiated rulemaking procedures~~  
11 ~~under Chapter 2008, Government Code.~~]

12 SECTION 26. Subtitle G, Title 3, Education Code, is amended  
13 by adding Chapter 130A to read as follows:

14 CHAPTER 130A. PUBLIC JUNIOR COLLEGE STATE FINANCE PROGRAM

15 SUBCHAPTER A. GENERAL PROVISIONS

16 Sec. 130A.001. LEGISLATIVE INTENT. It is the intent of the  
17 legislature that, as public junior colleges are locally governed  
18 institutions, providing foundational funding for instruction and  
19 operations of public junior colleges should be primarily a local  
20 responsibility, supported through a combination of tuition, fees,  
21 and local property taxes, with state funding focused primarily on  
22 rewarding outcomes aligned with regional and state education and  
23 workforce needs.

24 Sec. 130A.002. PURPOSE. The purpose of the public junior  
25 college state finance program established under this chapter is to  
26 provide a modern and dynamic finance system that ensures that each  
27 public junior college has access to adequate state appropriations

1 and local resources to support the education and training of the  
2 workforce of the future.

3 Sec. 130A.003. DEFINITIONS. In this chapter:

4 (1) "Commissioner" means the commissioner of higher  
5 education.

6 (2) "Coordinating board" means the Texas Higher  
7 Education Coordinating Board.

8 (3) "Program" means the public junior college state  
9 finance program established under this chapter.

10 (4) "Public junior college" has the meaning assigned  
11 by Section [61.003](#).

12 Sec. 130A.004. PROGRAM COMPONENTS. The program consists  
13 of:

14 (1) a base tier of state and local funding determined  
15 in accordance with Subchapter B that ensures each public junior  
16 college has access to a defined level of base funding for  
17 instruction and operations; and

18 (2) a performance tier of state funding determined in  
19 accordance with Subchapter C that constitutes the majority of state  
20 funding and is distributed based on measurable outcomes aligned  
21 with:

22 (A) regional and state workforce needs; and

23 (B) state goals aligned to the state's long-range  
24 master plan for higher education developed under Section [61.051](#).

25 Sec. 130A.005. ADMINISTRATION OF PROGRAM. (a) The  
26 coordinating board may adopt rules, require reporting, and take  
27 other actions consistent with Chapter [61](#), Chapter [130](#), and this

1 chapter as necessary to implement and administer the program.

2 (b) The coordinating board may adopt rules under this  
3 section in consultation with the advisory committee established  
4 under Section 130.001(b)(5).

5 (c) Notwithstanding Section 61.033, the coordinating board  
6 is not required to use negotiated rulemaking procedures under  
7 Chapter 2008, Government Code, for the adoption of rules under this  
8 section.

9 Sec. 130A.006. REQUIRED REPORTING. The coordinating board  
10 by rule shall require each junior college district to report to the  
11 coordinating board through the Education Data System, Community  
12 College Annual Reporting and Analysis Tool, Report of Fundable  
13 Operating Expenses, or any successor program, data necessary to:

- 14 (1) calculate funding under this chapter;  
15 (2) provide timely data and analyses to inform  
16 management decisions by the governing body of each junior college  
17 district;  
18 (3) administer or evaluate the effectiveness of the  
19 program; or  
20 (4) audit the program.

21 Sec. 130A.007. COMMISSIONER AUTHORITY TO RESOLVE DATA  
22 REPORTING ERRORS AND UNINTENDED CONSEQUENCES FROM FUNDING  
23 FORMULAS. (a) The commissioner may review the accuracy of data  
24 reported to the coordinating board by junior college districts.

25 (b) The commissioner may adjust:  
26 (1) the distribution of funding under this chapter for  
27 a state fiscal year as necessary to correct errors in data reporting

1 identified through the commissioner's review under Subsection (a);  
2 and

3 (2) a junior college district's funding under this  
4 chapter if the funding formulas used to determine the district's  
5 entitlement would result in an unanticipated loss or gain for the  
6 district that would have a substantial negative impact on the  
7 district's operations.

8 (c) Before making an adjustment under this section, the  
9 commissioner must request and receive written approval from the  
10 Legislative Budget Board and the office of the governor. A request  
11 to make an adjustment is considered approved unless the Legislative  
12 Budget Board or the office of the governor issues a written  
13 disapproval within 60 business days after the date on which the  
14 request is received.

15 (d) If the commissioner makes an adjustment under  
16 Subsection (b), the commissioner shall provide to the legislature  
17 an explanation regarding the changes necessary to resolve the data  
18 reporting errors or the unintended consequences, as applicable.

19 Sec. 130A.008. CENSUS DATE ELIGIBILITY. A junior college  
20 district may report a student in attendance on the district's  
21 approved course census date for the purpose of funding under this  
22 chapter.

23 Sec. 130A.009. RECOVERY OF OVERALLOCATED FUNDS. (a) If a  
24 junior college district has received an overallocation of state  
25 funds, the coordinating board shall recover from the district an  
26 amount equal to the overallocation by withholding from subsequent  
27 allocations of state funds for the current or subsequent academic

1 year or by requesting and obtaining a refund from the district.

2 (b) Notwithstanding Subsection (a), the coordinating board  
3 may recover an overallocation of state funds over a period not to  
4 exceed the subsequent five academic years if the commissioner  
5 determines that the overallocation was the result of exceptional  
6 circumstances reasonably caused by statutory changes to Chapter 130  
7 or this chapter and related reporting requirements.

8 (c) If a junior college district fails to comply with a  
9 request for a refund under Subsection (a), the coordinating board  
10 shall report to the comptroller that the amount constitutes a debt  
11 for purposes of Section 403.055, Government Code. The coordinating  
12 board shall provide to the comptroller the amount of the  
13 overallocation and any other information required by the  
14 comptroller. The comptroller may certify the amount of the debt to  
15 the attorney general for collection. The junior college district's  
16 governmental immunity is waived to the extent necessary to collect  
17 the debt owed under this section.

18 (d) Subject to Subsection (e), the coordinating board may  
19 review a junior college district as necessary to determine if the  
20 district qualifies for each amount received by the district under  
21 this chapter. If the coordinating board determines that a junior  
22 college district received an amount to which the district was not  
23 entitled, the coordinating board may establish a corrective action  
24 plan or withhold the applicable amount of funding from the  
25 district.

26 (e) The coordinating board may not review junior college  
27 district expenditures that occurred seven or more years before the

1 review.

2 Sec. 130A.010. GIFTS, GRANTS, AND DONATIONS. Except as  
3 provided by other law, an affiliated nonprofit organization  
4 described by Section 61.051(b) may solicit and accept gifts,  
5 grants, or donations of personal property from any public or  
6 private source to implement or administer this chapter.

7 SUBCHAPTER B. STATE FUNDING: BASE TIER

8 Sec. 130A.051. BASE TIER FORMULA. The amount of base tier  
9 state funding to which a junior college district is entitled for  
10 instruction and operations under this subchapter for a state fiscal  
11 year is an amount equal to the amount, if any, by which the  
12 district's guaranteed instruction and operations funding, as  
13 determined under Section 130A.052, exceeds the district's local  
14 share of base tier funding, as determined under Section 130A.056.

15 Sec. 130A.052. GUARANTEED INSTRUCTION AND OPERATIONS  
16 FUNDING FORMULA. The amount of a junior college district's  
17 guaranteed instruction and operations funding for a state fiscal  
18 year is equal to the sum of:

19 (1) the product of:

20 (A) the district's basic allotment under Section  
21 130A.053; and

22 (B) the number of weighted full-time equivalent  
23 students enrolled at the district determined in accordance with  
24 Section 130A.054; and

25 (2) the district's contact hour funding under Section  
26 130A.055.

27 Sec. 130A.053. BASIC ALLOTMENT. The basic allotment for a

1 junior college district for a state fiscal year is an amount per  
2 weighted full-time equivalent student set by the General  
3 Appropriations Act or other legislative appropriation.

4 Sec. 130A.054. WEIGHTED FULL-TIME EQUIVALENT STUDENT;  
5 SCALE ADJUSTMENT. (a) The coordinating board by rule shall  
6 establish student weights for purposes of this chapter that reflect  
7 the higher cost of educating certain students.

8 (b) The student weights must be established in a manner that  
9 results in appropriate funding to a junior college district for the  
10 education of a student enrolled in an eligible credit or non-credit  
11 program who is:

- 12 (1) 25 years of age or older;  
13 (2) economically disadvantaged, as defined by  
14 coordinating board rule; or  
15 (3) academically disadvantaged, as defined by  
16 coordinating board rule.

17 (c) Subject to Subsection (d), the number of weighted  
18 full-time equivalent students enrolled at a junior college district  
19 for purposes of this subchapter is equal to the sum of:

- 20 (1) the number of full-time equivalent students  
21 enrolled in the district; and  
22 (2) the sum of the weights assigned to students  
23 enrolled in the district.

24 (d) The coordinating board by rule shall establish an  
25 equitable adjustment to the number of weighted full-time equivalent  
26 students determined under this section for each junior college  
27 district with a total enrollment of fewer than 5,000 full-time

1 equivalent students.

2 (e) Not later than November 1 of each even-numbered year, a  
3 junior college district that receives an adjustment under  
4 Subsection (d) shall submit to the commissioner a report on the  
5 district's participation in institutional partnerships and shared  
6 services available under Section 61.0571 or other partnerships to  
7 reduce costs and improve operational efficiency.

8 Sec. 130A.055. CONTACT HOUR FUNDING. (a) The legislature  
9 shall set by appropriation the amount of funding to be provided to a  
10 junior college district under this subchapter per contact hour.

11 (b) The amount of funding per contact hour must be weighted  
12 by discipline to reflect the cost of providing the applicable  
13 course.

14 (c) The coordinating board shall determine the total amount  
15 of contact hour funding to which each junior college district is  
16 entitled under this section.

17 Sec. 130A.056. LOCAL SHARE. A junior college district's  
18 local share of base tier funding is an amount equal to the sum of the  
19 amounts of revenue estimated to be generated by:

20 (1) imposing a maintenance and operations ad valorem  
21 tax in the district at a rate of \$0.05; and

22 (2) assessing an amount of tuition and fees to each  
23 full-time equivalent student enrolled in the district equal to the  
24 statewide average amount of tuition and fees assessed by junior  
25 college districts to a full-time equivalent student, determined as  
26 provided by coordinating board rule.

27 SUBCHAPTER C. STATE FUNDING: PERFORMANCE TIER

1       Sec. 130A.101. PERFORMANCE TIER. (a) A junior college  
2 district is entitled to performance tier funding for a state fiscal  
3 biennium in an amount equal to the sum of the amounts determined  
4 under Subsection (b) for each measurable outcome described by  
5 Subsection (c).

6       (b) The amount of performance tier funding for each  
7 measurable outcome described by Subsection (c) is equal to the  
8 product of:

9           (1) the sum of:

10                   (A) the number of times that outcome was achieved  
11 by the junior college district, determined as provided by  
12 coordinating board rule; and

13                   (B) for an outcome described by Subsection (c)(1)  
14 or (2), the sum of the applicable student weights established by  
15 coordinating board rule for the students who achieved the outcome  
16 at the junior college district as determined under Paragraph (A) of  
17 this subdivision; and

18           (2) the amount set by the General Appropriations Act  
19 or other legislative appropriation for the outcome.

20       (c) The measurable outcomes considered for purposes of  
21 performance tier funding are:

22           (1) the number of credentials of value awarded, as  
23 determined by the coordinating board based on analyses of wages and  
24 costs associated with the credential, including degrees,  
25 certificates, and other credentials from credit and non-credit  
26 programs that equip students for continued learning and greater  
27 earnings in the state economy, with an additional weight for

1 placement of students who earn that credential in a high-demand  
2 occupation, as defined by coordinating board rule, or an  
3 appropriate proxy determined by the coordinating board based on  
4 available data;

5 (2) the number of students who earn at least 15  
6 semester credit hours or the equivalent at the junior college  
7 district and:

8 (A) subsequently transfer to a general academic  
9 teaching institution, as that term is defined by Section 61.003; or

10 (B) are enrolled in a structured co-enrollment  
11 program, as defined by coordinating board rule; and

12 (3) the number of students who complete a sequence of  
13 at least 15 semester credit hours or the equivalent for dual credit  
14 courses that apply toward academic or workforce program  
15 requirements at the postsecondary level.

16 SECTION 27. Sections 61.0593, 61.884(d), and 130.003(d),  
17 Education Code, are repealed.

18 SECTION 28. Sections 28.009(b-2) and 28.010(a), Education  
19 Code, as amended by this Act, and Section 28.0095, Education Code,  
20 as added by this Act, apply beginning with the 2023-2024 school  
21 year.

22 SECTION 29. The Texas Higher Education Coordinating Board  
23 may identify rules required by the passage of Chapter 130A,  
24 Education Code, as added by this Act, that must be adopted on an  
25 emergency basis for purposes of the state fiscal year beginning  
26 September 1, 2023, and may use the procedures established under  
27 Section 2001.034, Government Code, for adopting those rules. The

1 coordinating board is not required to make the finding described by  
2 Section 2001.034(a), Government Code, to adopt emergency rules  
3 under this section.

4 SECTION 30. (a) Except as provided by Subsection (b) of  
5 this section, this Act takes effect September 1, 2023, and applies  
6 to the allocation of state funding to junior college districts  
7 beginning with the state fiscal biennium beginning September 1,  
8 2023.

9 (b) Sections 28.009(b-2) and 28.010(a), Education Code, as  
10 amended by this Act, and Section 28.0095, Education Code, as added  
11 by this Act, take effect immediately if this Act receives a vote of  
12 two-thirds of all the members elected to each house, as provided by  
13 Section 39, Article III, Texas Constitution. If this Act does not  
14 receive the vote necessary for immediate effect, those provisions  
15 take effect September 1, 2023.