

By: Creighton, et al.

S.B. No. 2539

A BILL TO BE ENTITLED

AN ACT

1
2 relating to the administration, coordination, and support of public
3 higher education, including the public junior college state finance
4 program and an Advanced Career and Education (ACE) scholarship
5 program for students enrolled in dual credit courses.

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

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

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

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

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

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

22 (4) identify tools, including tools developed by the
23 agency, the Texas Higher Education Coordinating Board, or the Texas
24 Workforce Commission, to assist school counselors, students, and

1 families in selecting endorsements offered by the district and dual
2 credit courses offered under the agreement;

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

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

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

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

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

22 (10) ensure the accurate and timely exchange of
23 information necessary for an eligible student to receive a
24 scholarship under Section 28.0095;

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

27 (12) [~~11~~] designate at least one employee of the

1 district or institution as responsible for providing academic
2 advising to a student who enrolls in a dual credit course under the
3 program before the student begins the course.

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

6 Sec. 28.0095. ADVANCED CAREER AND EDUCATION (ACE)
7 SCHOLARSHIP PROGRAM. (a) In this section:

8 (1) "Coordinating board" means the Texas Higher
9 Education Coordinating Board.

10 (2) "Dual credit course" includes a course offered for
11 joint high school and junior college credit under Section 130.008.

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

14 (b) The agency and the coordinating board shall jointly
15 establish the Advanced Career and Education (ACE) scholarship
16 program to award scholarships to eligible students enrolled in dual
17 credit courses at participating institutions of higher education.

18 (c) A student is eligible to receive a scholarship under the
19 program if the student:

20 (1) is enrolled:

21 (A) in high school in a school district; and

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

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

27 (d) An institution of higher education is eligible to

1 participate in the program only if the institution charges for each
2 dual credit course offered by the institution an amount of tuition
3 that does not exceed the amount prescribed by coordinating board
4 rule for purposes of this section.

5 (e) The amount of a scholarship under the program is equal
6 to the amount of tuition set by coordinating board rule as described
7 by Subsection (d) for each dual credit course in which an eligible
8 student is enrolled.

9 (f) Each school district shall:

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

13 (2) notify the institution of higher education that
14 offers the dual credit course in which the student is enrolled of
15 the district's determination under Subdivision (1).

16 (g) A school district may make the determination under
17 Subsection (f)(1) based on the district's records, the agency's
18 records, or any other method authorized by commissioner rule. If
19 the district bases the determination on a method other than the
20 agency's records, the district shall report the method used and the
21 data on which the method is based to the agency for purposes of
22 verification.

23 (h) On receipt of notice under Subsection (f)(2), a
24 participating institution of higher education shall certify to the
25 agency and the coordinating board the student's eligibility for a
26 scholarship under the program.

27 (i) From money appropriated for the Foundation School

1 Program, the agency shall transfer an amount equal to the total
2 amount of scholarships for which students are eligible under this
3 section to the coordinating board for distribution to the
4 participating institutions of higher education in proportion to the
5 number of eligible students enrolled in a dual credit course at the
6 institution.

7 (j) The commissioner and the commissioner of higher
8 education shall coordinate as necessary to:

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

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

13 (k) The commissioner and the coordinating board shall adopt
14 rules as necessary to implement this section.

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

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

19 (1) the availability of:

20 (A) programs in the district under which a
21 student may earn college credit, including advanced placement
22 programs, dual credit programs, joint high school and college
23 credit programs, and international baccalaureate programs;

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

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

4 (D) scholarships for dual credit courses under
5 Section 28.0095; and

6 (2) the qualifications for:

7 (A) enrolling in programs described by
8 Subdivision (1)(A) or (B); or

9 (B) receiving a scholarship described by
10 Subdivision (1)(D).

11 SECTION 4. Section 61.003(2), Education Code, is amended to
12 read as follows:

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

16 SECTION 5. Section 61.0571, Education Code, is amended by
17 adding Subsections (c), (d), (e), and (f) to read as follows:

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

21 (d) The board may establish an institutional collaboration
22 center within the board to support the implementation of Chapter
23 130A and the efficient and effective operations of institutions of
24 higher education.

25 (e) From money appropriated or otherwise available for the
26 purpose, the board may procure goods and services for the direct
27 benefit of an institution of higher education and enter into an

1 interagency contract under Chapter 771, Government Code, with the
2 institution to reimburse the board for the cost of the goods and
3 services.

4 (f) The board may accept gifts, grants, or donations from
5 any public or private source to pay for goods or services procured
6 for the direct benefit of an institution of higher education under
7 Subsection (e).

8 SECTION 6. Section 61.059, Education Code, is amended by
9 adding Subsection (b-3) to read as follows:

10 (b-3) In carrying out its duties under this section in
11 regard to formulas used for appropriations recommendations for
12 public junior colleges, the board shall ensure that the formulas
13 are devised in accordance with Chapter 130A.

14 SECTION 7. Section 61.063, Education Code, is amended to
15 read as follows:

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

26 (b) Only a public junior college included on the list under
27 Subsection (a) is [~~those colleges which are so certified shall be~~]

1 eligible for and may receive money appropriated [~~any appropriation~~
2 ~~made~~] by the legislature to public junior colleges.

3 SECTION 8. Sections 130.003(a), (b), (e), and (f),
4 Education Code, are amended to read as follows:

5 (a) There shall be appropriated biennially from money in the
6 state treasury not otherwise appropriated an amount sufficient to
7 supplement local funds for the proper support, maintenance,
8 operation, and improvement of those public junior colleges of Texas
9 that meet the standards prescribed by this chapter. The sum shall
10 be allocated in accordance with Chapter 130A [~~on the basis of~~
11 ~~contact hours within categories developed, reviewed, and updated by~~
12 ~~the coordinating board~~].

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

17 (1) offers [~~be certified as a public junior college as~~
18 ~~prescribed in Section 61.063,~~

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

21 (2) collects [~~(3) have complied with all existing~~
22 ~~laws, rules, and regulations governing the establishment and~~
23 ~~maintenance of public junior colleges,~~

24 [~~(4) collect~~], from each full-time and part-time
25 student enrolled, tuition [~~matriculation~~] and other [~~session~~] fees
26 in the amounts required by law or in the amounts set by the
27 governing board of the junior college district as authorized by

1 this title;

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

4 (4) [~~and~~

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

9 (5) has complied with all laws and coordinating board
10 rules for the establishment and operation of a public junior
11 college.

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

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

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

18 (3) [~~freshman and sophomore~~] courses in the core
19 curriculum and field of study curriculum, as those terms are
20 defined by Section 61.821 [~~arts and sciences~~];

21 (4) continuing adult education programs for
22 occupational or cultural upgrading;

23 (5) compensatory education programs designed to
24 fulfill the commitment of an admissions policy allowing the
25 enrollment of disadvantaged students;

26 (6) a continuing program of counseling and guidance
27 designed to assist students in achieving their individual

1 educational goals;

2 (7) work force development programs designed to meet
3 local and statewide needs;

4 (8) adult literacy and other basic skills programs for
5 adults; and

6 (9) such other purposes as may be prescribed by the
7 coordinating board [~~Texas Higher Education Coordinating Board~~] or
8 local governing boards in the best interest of post-secondary
9 education in this state [~~Texas~~].

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

12 SECTION 9. Section 130.0033(c), Education Code, is amended
13 to read as follows:

14 (c) Charging tuition at a reduced rate under this section
15 does not affect the right of the public junior college to an
16 allocation [~~a proportionate share~~] of state appropriations under
17 Section 130.003 for the contact hours attributable to students
18 paying tuition at the reduced rate.

19 SECTION 10. Section 130.0034(a), Education Code, is amended
20 to read as follows:

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

25 (1) the student has previously enrolled in the same
26 course or a course of substantially the same content and level two
27 or more times; and

1 (2) the student's enrollment in the course is not
2 included in the contact hours used to determine the junior
3 college's allocation [~~proportionate share~~] of state appropriations
4 under Section 130.003.

5 SECTION 11. Section 130.0051(a), Education Code, is amended
6 to read as follows:

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

14 SECTION 12. Section 130.008(c), Education Code, is amended
15 to read as follows:

16 (c) The contact hours attributable to the enrollment of a
17 high school student in a course offered for joint high school and
18 junior college credit under this section, excluding a course for
19 which the student attending high school may receive course credit
20 toward the physical education curriculum requirement under Section
21 28.002(a)(2)(C), shall be included in the contact hours used to
22 determine the junior college's allocation [~~proportionate share~~] of
23 the state money appropriated and distributed to public junior
24 colleges under Sections 130.003 and 130.0031, even if the junior
25 college waives all or part of the tuition or fees for the student
26 under Subsection (b).

27 SECTION 13. Section 130.085(b), Education Code, is amended

1 to read as follows:

2 (b) This action by the board of trustees does not affect
3 their authority under Section 130.123 [~~of this code~~], nor does this
4 section in any way supersede that section. This action of the board
5 does not affect the right of the college to an allocation [~~a~~
6 ~~proportionate share~~] of state appropriations under Section 130.003
7 [~~of this code~~].

8 SECTION 14. Section 130.090(c), Education Code, is amended
9 to read as follows:

10 (c) The grant of an exemption from tuition under Subsection
11 (b) does not affect the right of a junior college to an allocation
12 [~~a proportionate share~~] of state appropriations under Section
13 130.003 attributable to the contact hours of the junior college
14 with the student receiving the exemption.

15 SECTION 15. Sections 130.310(a) and (b), Education Code,
16 are amended to read as follows:

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

1 division course in a corresponding field.

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

23 SECTION 16. Section 130.352, Education Code, is amended to
24 read as follows:

25 Sec. 130.352. FORMULA FUNDING FOR WORKFORCE CONTINUING
26 EDUCATION COURSES. Notwithstanding Section 130.003 or any other
27 law, contact hours attributable to the enrollment of a student in a

1 workforce continuing education course offered by a public junior
2 college shall be included in the contact hours used to determine the
3 college's allocation [~~proportionate share~~] of state money
4 appropriated and distributed to public junior colleges under
5 Sections 130.003 and 130.0031, regardless of whether the college
6 waives all or part of the tuition or fees for the course under
7 Section 130.354.

8 SECTION 17. Section 130.355, Education Code, is amended to
9 read as follows:

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

15 SECTION 18. Subtitle G, Title 3, Education Code, is amended
16 by adding Chapter 130A to read as follows:

17 CHAPTER 130A. PUBLIC JUNIOR COLLEGE STATE FINANCE PROGRAM

18 SUBCHAPTER A. GENERAL PROVISIONS

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

27 Sec. 130A.002. PURPOSE. The purpose of the public junior

1 college state finance program established under this chapter is to
2 provide a modern and dynamic finance system that ensures that each
3 public junior college has access to adequate state appropriations
4 and local resources to support the education and training of the
5 workforce of the future.

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

7 (1) "Commissioner" means the commissioner of higher
8 education.

9 (2) "Coordinating board" means the Texas Higher
10 Education Coordinating Board.

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

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

15 Sec. 130A.004. PROGRAM COMPONENTS. The program consists
16 of:

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

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

25 (A) regional and state workforce needs; and

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

1 Sec. 130A.005. ADMINISTRATION OF PROGRAM. (a) The
2 coordinating board may adopt rules, require reporting, and take
3 other actions consistent with Chapter 61, Chapter 130, and this
4 chapter as necessary to implement and administer the program.

5 (b) The coordinating board may adopt rules under this
6 section in consultation with public junior colleges.

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

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

16 (1) calculate funding under this chapter;

17 (2) provide timely data and analyses to inform
18 management decisions by the governing body of each junior college
19 district; or

20 (3) administer or evaluate the effectiveness of the
21 program.

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

27 (b) The commissioner may adjust:

1 (1) the distribution of funding under this chapter for
2 a state fiscal year as necessary to correct errors in data reporting
3 identified through the commissioner's review under Subsection (a);
4 and

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

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

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

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

25 Sec. 130A.009. RECOVERY OF OVERALLOCATED FUNDS. (a) If a
26 junior college district has received an overallocation of state
27 funds, the coordinating board shall recover from the district an

1 amount equal to the overallocation by withholding from subsequent
2 allocations of state funds for the current or subsequent academic
3 year or by requesting and obtaining a refund from the district.

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

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

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

1 (e) The coordinating board may not review junior college
2 district expenditures that occurred seven or more years before the
3 review.

4 Sec. 130A.010. GIFTS, GRANTS, AND DONATIONS. Except as
5 provided by other law, the coordinating board may solicit and
6 accept gifts, grants, or donations of personal property from any
7 public or private source to implement or administer this chapter.

8 SUBCHAPTER B. STATE FUNDING: BASE TIER

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

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

20 (1) the product of:

21 (A) the district's basic allotment under Section
22 130A.053; and

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

26 (2) the district's contact hour funding under Section
27 130A.055.

1 Sec. 130A.053. BASIC ALLOTMENT. (a) The basic allotment
2 for a junior college district for a state fiscal year is an amount
3 per weighted full-time equivalent student set by the General
4 Appropriations Act or other legislative appropriation.

5 (b) The coordinating board by rule shall establish an
6 equitable adjustment to the basic allotment for each junior college
7 district with a total enrollment of fewer than 5,000 full-time
8 equivalent students.

9 (c) Not later than November 1 of each even-numbered year, a
10 junior college district that receives an adjustment under
11 Subsection (b) shall submit to the commissioner a report on the
12 district's participation in institutional partnerships and shared
13 services available under Section 61.0571 or other partnerships to
14 reduce costs and improve operational efficiency.

15 Sec. 130A.054. WEIGHTED FULL-TIME EQUIVALENT STUDENT. (a)
16 The coordinating board by rule shall establish student weights for
17 purposes of this chapter that reflect the higher cost of educating
18 certain students.

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

23 (1) 25 years of age or older;

24 (2) economically disadvantaged, as defined by
25 coordinating board rule; or

26 (3) academically disadvantaged, as defined by
27 coordinating board rule.

1 (c) The number of weighted full-time equivalent students
2 enrolled at a junior college district for purposes of this
3 subchapter is equal to the product of:

4 (1) the number of full-time equivalent students
5 enrolled in the district; and

6 (2) the sum of the weights assigned to students
7 enrolled in the district.

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

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

15 Sec. 130A.056. LOCAL SHARE. (a) A junior college
16 district's local share of base tier funding is an amount equal to
17 the sum of the amounts of revenue that would be generated by:

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

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

25 (b) Notwithstanding Subsection (a), the commissioner by
26 rule may provide that a junior college district that imposes a
27 maintenance and operations ad valorem tax at a rate of less than

1 \$0.05 may substitute the amount of revenue generated by the
2 district at that tax rate for the amount of revenue required under
3 Subsection (a)(1).

4 SUBCHAPTER C. STATE FUNDING: PERFORMANCE TIER

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

10 (b) The amount of performance tier funding for each
11 measurable outcome described by Subsection (c) is equal to the
12 product of:

13 (1) the number of times that outcome was achieved by
14 the junior college district during the preceding state fiscal
15 biennium;

16 (2) for an outcome described by Subsection (c)(1) or
17 (2), the sum of the applicable student weights established by
18 coordinating board rule under Section 130A.054 for the students who
19 achieved the outcome at the junior college district during the
20 preceding state fiscal biennium; and

21 (3) the amount set by the General Appropriations Act
22 or other legislative appropriation for the outcome.

23 (c) The measurable outcomes considered for purposes of
24 performance tier funding are:

25 (1) the number of credentials of value awarded,
26 including degrees, certificates, and other credentials from credit
27 and non-credit programs that equip students for continued learning

1 and greater earnings in the state economy, with an additional
2 weight for credentials in a high-demand field, as defined by
3 coordinating board rule;

4 (2) the number of students who earn at least 15
5 semester credit hours or the equivalent at the junior college
6 district and subsequently transfer to a general academic teaching
7 institution, as that term is defined by Section 61.003; and

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

12 SECTION 19. Sections 61.0593 and 130.003(d), Education
13 Code, are repealed.

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

18 SECTION 21. The Texas Higher Education Coordinating Board
19 may identify rules required by the passage of Chapter 130A,
20 Education Code, as added by this Act, that must be adopted on an
21 emergency basis for purposes of the state fiscal year beginning
22 September 1, 2023, and may use the procedures established under
23 Section 2001.034, Government Code, for adopting those rules. The
24 coordinating board is not required to make the finding described by
25 Section 2001.034(a), Government Code, to adopt emergency rules
26 under this section.

27 SECTION 22. (a) Except as provided by Subsection (b) of

1 this section, this Act takes effect September 1, 2023, and applies
2 to the allocation of state funding to junior college districts
3 beginning with the state fiscal biennium beginning September 1,
4 2023.

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