

By: Creighton, et al.

S.B. No. 1786

A BILL TO BE ENTITLED

AN ACT

relating to public higher education.

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

SECTION 1. Section 28.0095(a), Education Code, is amended by adding Subdivision (5) to read as follows:

(5) "School district" includes the Windham School District.

SECTION 2. Sections 28.0095(c), (e), and (f), Education Code, are amended to read as follows:

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

(1) is enrolled:

(A) in a grade level from 9 through 12 ~~[high school]~~ in a school district or charter school; and

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

(2) was educationally disadvantaged at any time during:

(A) the school year in which the student enrolls in the dual credit course described by Subdivision (1)(B); or

(B) the four school years preceding the student's enrollment in the dual credit course described by Subdivision (1)(B).

(e) Each school district or charter school shall:

1           (1) on the ~~[a high school student's]~~ enrollment of a  
2 student in a grade level from 9 through 12 in a dual credit course,  
3 determine whether the student meets the criteria for the program  
4 under Subsection (c)(2); and

5           (2) notify the institution of higher education that  
6 offers the dual credit course in which the student is enrolled of  
7 the district's or school's determination under Subdivision (1).

8           (f) A school district or charter school may make the  
9 determination under Subsection (e)(1) based on the district's or  
10 school's records, the agency's records, or any other method  
11 authorized by commissioner or coordinating board rule. If the  
12 district or school bases the determination on a method other than  
13 the agency's records, the district or school shall report the  
14 method used and the data on which the method is based to the agency  
15 for purposes of verification. The agency shall make available to  
16 school districts and charter schools any available and relevant  
17 data for making the determination required under Subsection (e)(1).

18           SECTION 3. Section 61.003(2), Education Code, is amended to  
19 read as follows:

20           (2) "Public junior college" means any junior college  
21 associated with a junior college district described by Subchapter  
22 J, Chapter 130 ~~[listed as a public junior college in accordance with~~  
23 ~~Section 61.063]~~.

24           SECTION 4. Subchapter B, Chapter 61, Education Code, is  
25 amended by adding Section 61.0275 to read as follows:

26           Sec. 61.0275. ADOPTION BY REFERENCE. The board may adopt by  
27 reference a manual or policy document as a rule.

SECTION 5. Subchapter C, Chapter 61, Education Code, is amended by adding Sections 61.09023 and 61.09096 to read as follows:

Sec. 61.09023. REPORTING ON POSTSECONDARY OUTCOMES. (a) The board, in conjunction with the Texas Education Agency, shall post on the board's Internet website the following de-identified data, disaggregated by institution of higher education, school district, and matriculating cohort:

(1) for students who graduate from a degree, certificate, or other credential program:

(A) the program completed;

(B) the employment status of graduates from each program, including, if known, the number of those graduates who enrolled in additional postsecondary education;

(C) the counties of employment and residence, industries of employment, occupations, and wages of graduates from each program; and

(D) the number of applications for the program using the common admission application form adopted under Section 51.762 or a form adopted by the institution; and

(2) for students who have not graduated from a degree, certificate, or other credential program and are no longer enrolled in that program:

(A) the program in which the student was most recently enrolled;

(B) the number of credits remaining before the student would complete the program;

1                   (C) the student's employment status, including,  
2 if known, whether the student is enrolled in another degree,  
3 certificate, or other credential program at an institution of  
4 higher education;

5                   (D) the counties and industries of employment,  
6 occupations, and wages of those students; and

7                   (E) the number of applications for the program  
8 using the common admission application form adopted under Section  
9 51.762 or a form adopted by the institution.

10           (b) The board shall ensure the data posted under Subsection  
11 (a) complies with the Family Educational Rights and Privacy Act of  
12 1974 (20 U.S.C. Section 1232g).

13           Sec. 61.09096. BIENNIAL REGIONAL LABOR DEMAND ASSESSMENT.

14           (a) The board, in consultation with the Texas Workforce  
15 Commission, shall conduct a biennial assessment of regional labor  
16 demands across the state to allow institutions of higher education  
17 and school districts to better align educational programs with  
18 workforce needs. In conducting the assessment, the board shall:

19                   (1) analyze current and projected workforce needs in  
20 each region of the state over a 10-year period, disaggregated by  
21 wage, industry, occupational field, full-time and part-time  
22 status, county of primary employment, county of residence, and  
23 remote work status;

24                   (2) identify for each region and county the industries  
25 and occupations that lead to a self-sufficient wage, as determined  
26 under Section 2308A.012, Government Code, based on local labor  
27 market conditions;

1           (3) provide a list of degrees, certificates, or other  
2 credentials included in the library of credentials established  
3 under Section 2308A.007, Government Code, that lead to jobs in the  
4 industries or occupations identified under Subdivision (2); and

5           (4) provide information on outcomes relating to each  
6 degree, certificate, or other credential listed under Subdivision  
7 (3), including:

8                   (A) the median wage earned by students who  
9 graduated with the degree, certificate, or other credential in 1  
10 year, 5 years, and 10 years after completion of the program; and

11                   (B) job placement rates in six months of  
12 completion of the degree, certificate, or other credential.

13           (b) To assist the board in conducting the assessment under  
14 this section, the board, in coordination with other state agencies,  
15 including the Texas Workforce Commission, the Texas Education  
16 Agency, and other relevant entities, shall:

17                   (1) access labor market information, employment data,  
18 and workforce projections; and

19                   (2) ensure that educational and training programs,  
20 credentialing pathways, and career preparation efforts are  
21 informed by comprehensive and accurate labor market data.

22           (c) The board shall provide the labor market information and  
23 workforce projections obtained from the assessment conducted under  
24 this section, disaggregated by education service center region, to  
25 institutions of higher education, school districts, and  
26 open-enrollment charter schools to support program development  
27 aligned with regional workforce needs.

1       (d) Not later than December 1 of each even-numbered year,  
2 the board shall report the results of the assessment conducted  
3 under this section to the governor, the lieutenant governor, the  
4 speaker of the house of representatives, and the standing  
5 legislative committees with primary jurisdiction over higher  
6 education. Regional data included in the report must be  
7 disaggregated by education service center region.

8       SECTION 6. Section 130A.005, Education Code, is amended by  
9 adding Subsection (d) to read as follows:

10       (d) The coordinating board may use the emergency rulemaking  
11 procedures established under Section 2001.034, Government Code, to  
12 adopt rules necessary to align the funding formulas under this  
13 chapter with appropriations or other legislative action. The  
14 coordinating board is not required to make the finding described by  
15 Section 2001.034(a), Government Code, to adopt rules under this  
16 subsection.

17       SECTION 7. Subchapter A, Chapter 130A, Education Code, is  
18 amended by adding Section 130A.0061 to read as follows:

19       Sec. 130A.0061. REPORTING ON OUT-OF-STATE STUDENT  
20 TRANSFERS. (a) In submitting required data under Section 130A.006  
21 for an academic year, each junior college district shall include  
22 data regarding students who transfer to an out-of-state college or  
23 university during that academic year.

24       (b) Not later than December 1 of each even-numbered year,  
25 the coordinating board shall submit to the legislature a report on  
26 out-of-state transfers from junior college districts using data  
27 collected under Subsection (a). The report required under this

subsection may be included in any other report made by the coordinating board.

SECTION 8. Section 130A.101(c), Education Code, is amended to read as follows:

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

(1) the number of credentials of value awarded, as determined by the coordinating board based on analyses of wages and costs associated with the credential, including degrees, certificates, and other credentials from credit and non-credit programs that equip students for continued learning and greater earnings in the state economy, with an additional weight for placement of students who earn that credential in a high-demand occupation, as defined by coordinating board rule, or an appropriate proxy determined by the coordinating board based on available data;

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

(A) subsequently transfer to:

(i) a general academic teaching institution, as that term is defined by Section 61.003; or

(ii) a private or independent institution of higher education, as that term is defined by Section 61.003, that offers four-year degree programs; or

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

(3) the number of students who complete a sequence of at least 15 semester credit hours or the equivalent for dual credit or dual enrollment courses, as defined by coordinating board rule, that apply toward academic or workforce program requirements at the postsecondary level.

SECTION 9. Subchapter C, Chapter 130A, Education Code, is amended by adding Section 130A.102 to read as follows:

Sec. 130A.102. CREDENTIALS OF VALUE. (a) For purposes of Section 130A.101(c)(1), the coordinating board shall designate a credential as a credential of value if the credential:

(1) provides a positive return on investment for a student who received the credential, as measured by earning or being expected to earn cumulative wages at least equal to the cumulative median earnings for high school graduates in this state and earning at least the individual self-sufficient wage, as defined by coordinating board rule, during the period specified by coordinating board rule but not more than 10 years after the date on which the credential is received; and

(2) allows a student who received the credential to recoup the net cost of attendance at a public junior college, including opportunity cost, where:

(A) the net cost of attendance is the net cost of attendance used for purposes of financial aid at the college less any aid received by the student; and

(B) opportunity cost is the difference between cumulative median earnings for high school graduates in this state and cumulative median earnings for students while enrolled in the



certificate or degree program leading to the credential for:

(i) a period of two years for an associate degree program;

(ii) a period of four years for a baccalaureate degree program; and

(iii) a period determined by coordinating board rule based on the program's design for a certificate or degree program not described by Subparagraph (i) or (ii).

(b) The coordinating board shall calculate the return on investment for a credential under Subsection (a)(1) using the most current data available to the coordinating board from:

(1) the integrated postsecondary education data system maintained by the National Center for Education Statistics;

(2) wage records obtained from the Texas Workforce Commission;

(3) the American Community Survey by the United States Census Bureau;

(4) the coordinating board's data reporting systems;

or

(5) other data sources selected by the coordinating board.

(c) In adopting a definition of individual self-sufficient wage for purposes of Subsection (a)(1), the coordinating board shall ensure the definition is correlated with the statewide median of the self-sufficient wage determined under Section [2308A.012](#), Government Code.

(d) The coordinating board may designate a credential in

1 education or health care as a credential of value regardless of  
2 whether the credential meets the criteria under Subsection (a) if  
3 the coordinating board determines the designation is necessary to  
4 ensure the workforce needs of this state are met in those fields.

5 (e) The coordinating board shall adopt rules as necessary to  
6 implement this section in alignment with the long-range master plan  
7 for higher education in this state developed under Section  
8 61.051(a-1).

9 SECTION 10. Chapter 2308A, Government Code, is amended by  
10 adding Section 2308A.0115 to read as follows:

11 Sec. 2308A.0115. COORDINATION OF GRANT PROGRAMS FOR  
12 SECONDARY AND POSTSECONDARY CAREER AND TECHNICAL EDUCATION  
13 PROGRAMS. (a) For the establishment, implementation, and expansion  
14 of secondary and postsecondary career and technical education  
15 programs that are aligned with the state workforce development  
16 goals, the agency, coordinating board, and commission shall  
17 coordinate the competitive grant programs for those programs,  
18 including:

19 (1) the Jobs and Education for Texans (JET) Grant  
20 Program under Chapter 134, Education Code;

21 (2) the grant program established under the Pathways  
22 in Technology Early College High School (P-TECH) program under  
23 Section 29.556, Education Code;

24 (3) the Texas Reskilling and Upskilling through  
25 Education (TRUE) Program established under Subchapter T-2, Chapter  
26 61, Education Code; and

27 (4) federal career and technical education grant

programs, including grant programs under the Carl D. Perkins Career and Technical Education Act of 2006 (20 U.S.C. Section 2301 et seq.).

(b) In coordinating grant programs under Subsection (a), the agency, coordinating board, and commission shall jointly:

(1) address career and technical education program startup and delivery costs by aligning two or more grant funding streams;

(2) identify and work to reduce duplication in grant programs across the agency, coordinating board, and commission;

(3) identify opportunities to structure grant funding for career and technical education projects that support secondary-to-postsecondary career pathways, including by providing for career and technical education dual credit or the attainment of postsecondary credentials by secondary students;

(4) identify opportunities to structure grant funding for career and technical education projects that are:

(A) aligned with the attainment of credentials of value, as designated by the coordinating board for purposes of Section 130A.101(c)(1), Education Code; and

(B) designed to meet state workforce needs in high-demand fields; and

(5) to the extent possible, prioritize comprehensive funding of facilities, equipment, instructional materials, and faculty and staff for program development and delivery to best meet the state workforce development goals.

SECTION 11. Section 204.0025, Labor Code, is amended to

read as follows:

Sec. 204.0025. ADDITIONAL WORKFORCE DATA REPORTING. The commission shall ~~[It is the intent of the legislature that the commission, subject to the availability of federal funding or other resources for the purpose,]~~ work with employers to enhance the reporting of employment and earnings data by employers to the commission as part of an employer's routine wage filings under this subtitle or commission rule and consistent with federal law and regulations. The enhanced wage filings must include information related to wage, industry, occupational field, full-time and part-time status, county of primary employment, remote work status, [occupation] and other important employment information necessary to conduct the assessment required under Section 302.0205 ~~[that would improve the state's labor market information]~~.

SECTION 12. Subchapter A, Chapter 302, Labor Code, is amended by adding Section 302.0205 to read as follows:

Sec. 302.0205. REGIONAL LABOR DEMAND ASSESSMENT. (a) In this section, "institution of higher education" has the meaning assigned by Section 61.003, Education Code.

(b) The commission shall conduct a biennial assessment of available regional labor demands across this state using the best available state and federal labor market data, as determined by the commission, to allow institutions of higher education to better align educational programs with workforce needs. The assessment must:

(1) analyze current and projected workforce needs in each region of this state over a 10-year period, disaggregated to

1 the extent possible by wage, industry, occupational field,  
2 full-time and part-time status, county of primary employment, and  
3 remote work status; and

4 (2) identify for each region and county of this state  
5 the industries and occupations that lead to an individual  
6 self-sufficient wage, as defined by Texas Higher Education  
7 Coordinating Board rule in accordance with Section 130A.102,  
8 Education Code.

9 (c) The commission may coordinate with other state  
10 agencies, including the Texas Higher Education Coordinating Board  
11 and the Texas Education Agency, to conduct the assessment under  
12 this section.

13 (d) In conducting the assessment under this section, the  
14 commission may:

15 (1) obtain any data the commission is authorized by  
16 law to obtain from a state or federal agency or institution of  
17 higher education at no cost to the commission;

18 (2) obtain expedited access at no cost to the  
19 commission to data available through a center for education  
20 research established under Section 1.005, Education Code; and

21 (3) contract with a state agency or institution of  
22 higher education to conduct or assist in conducting the assessment.

23 (e) If the commission contracts with an institution of  
24 higher education to conduct or assist in conducting the assessment  
25 under Subsection (d)(3), the Texas Higher Education Coordinating  
26 Board and the Texas Education Agency shall enter into a data sharing  
27 agreement with the institution to provide to the institution any

1 data necessary to conduct the assessment.

2 (f) Not later than March 1 of each odd-numbered year, the  
3 commission shall provide the results of the assessment to:

4 (1) the governor;

5 (2) the lieutenant governor;

6 (3) the speaker of the house of representatives;

7 (4) the standing legislative committees with primary  
8 jurisdiction over higher education;

9 (5) the Texas Higher Education Coordinating Board;

10 (6) the Texas Education Agency;

11 (7) institutions of higher education; and

12 (8) public schools.

13 SECTION 13. Section 28.0095, Education Code, as amended by  
14 this Act, applies beginning with the 2025-2026 school year.

15 SECTION 14. Not later than December 1, 2026, the Texas  
16 Higher Education Coordinating Board shall evaluate the data  
17 available under Section 204.0025, Labor Code, as amended by this  
18 Act, to identify the effects of transitioning to a county-by-county  
19 definition of individual self-sufficient wage for purposes of  
20 Section 130A.102, Education Code, as added by this Act.

21 SECTION 15. (a) Section 130A.102, Education Code, as added  
22 by this Act, applies to associate degrees awarded by a public junior  
23 college beginning with the 2025-2026 academic year. That section  
24 applies to other degrees and certificates awarded by a public  
25 junior college beginning with the 2027-2028 academic year.

26 (b) Not later than August 1, 2027, the Texas Higher  
27 Education Coordinating Board, in consultation with the standing

1 advisory committee established under Section 130.001, Education  
2 Code, shall adopt rules implementing Section 130A.102, Education  
3 Code, as added by this Act, for each certificate program offered by  
4 a public junior college.

5       SECTION 16. (a) Except as provided by Subsection (b) of this  
6 section, this Act takes effect immediately if it receives a vote of  
7 two-thirds of all the members elected to each house, as provided by  
8 Section 39, Article III, Texas Constitution. If this Act does not  
9 receive the vote necessary for immediate effect, this Act takes  
10 effect September 1, 2025.

11       (b) Section 130A.101(c), Education Code, as amended by this  
12 Act, and Section 130A.102, Education Code, as added by this Act,  
13 take effect September 1, 2025.