

BILL ANALYSIS

C.S.H.B. 3296
By: Raney
Higher Education
Committee Report (Substituted)

BACKGROUND AND PURPOSE

The two-year postsecondary sector plays a vital role in Texas' workforce development. Understanding how programs contribute to the workforce success of students is important for policymakers and leaders of institutions of higher education. C.S.H.B. 3296 seeks to provide lawmakers with the information necessary to make comparisons about the value-add of institutions and programs in the two-year postsecondary sector by requiring the Texas Higher Education Coordinating Board to submit an annual report containing information on the average first-year wages, placement rate, and transfer rate of each two-year institution of higher education.

CRIMINAL JUSTICE IMPACT

It is the committee's opinion that this bill does not expressly create a criminal offense, increase the punishment for an existing criminal offense or category of offenses, or change the eligibility of a person for community supervision, parole, or mandatory supervision.

RULEMAKING AUTHORITY

It is the committee's opinion that rulemaking authority is expressly granted to the Texas Higher Education Coordinating Board in SECTION 1 of this bill.

ANALYSIS

C.S.H.B. 3296 amends the Government Code to require the Texas Higher Education Coordinating Board (THECB) to do the following not later than March 31 of each calendar year:

- determine, in consultation with the Texas Workforce Commission (TWC), the most recent calendar year for which the entire calendar year's unemployment insurance wage record data may be obtained from the TWC;
- obtain from the TWC the unemployment insurance wage record data for the identified calendar year;
- collate the obtained unemployment insurance wage record data using the social security numbers for graduates and leavers in each public junior college, public state college, and public technical institute's yearly cohort for the calendar year immediately preceding the calendar year for which the unemployment insurance wage record data was obtained;
- use the collated unemployment insurance wage record data to determine the average first-year wages and placement rate for each yearly cohort; and
- using enrollment data from all public institutions of higher education, determine the transfer rate for each yearly cohort.

The bill requires the THECB, not later than the first Monday of April of each year, to submit to each member of the legislature, the lieutenant governor, the governor, the comptroller of public accounts, and the chief executive officer of each such two-year institution of higher education a report containing the most recently available average first-year wages, placement rate, and transfer rate of each two-year institution, as determined by the THECB. The bill requires the THECB to maintain copies of each submitted report in a manner that is accessible for public

inspection and to provide a copy of a report to an applicable official on request. The bill authorizes the THECB to adopt rules as necessary for the administration of the annual report.

C.S.H.B. 3296 amends the Education Code to provide for the inclusion of the report's information in a junior college district's annual performance report for each academic year.

C.S.H.B. 3296 amends the Government Code to define the following terms for purposes of the annual report required by the bill:

- "average first-year wages" as the average annual wages earned by a yearly cohort's graduates and leavers during the first calendar year following the calendar year in which those persons graduated from or were last enrolled in the applicable two-year institution of higher education;
- "graduate" as a person who has been awarded a degree or certificate from a two-year institution of higher education and is not determined by the THECB to be enrolled in another institution of higher education;
- "leaver" as a student who has completed at least nine semester credit hours or the equivalent at a two-year institution of higher education, is no longer enrolled at the institution but did not graduate, and is not determined by the THECB for the purposes of the annual report to be enrolled in another institution of higher education;
- "placement rate," in regard to a yearly cohort, as the proportion of the yearly cohort's graduates and leavers determined by the THECB to be working in Texas during the first calendar year following the calendar year in which the yearly cohort's members graduated from or were last enrolled in the applicable two-year institution of higher education, expressed as a percentage;
- "transfer rate," in regard to an institution's yearly cohort, as the proportion of the cohort's members who are no longer enrolled in the institution but did not graduate and are determined by the THECB to be enrolled in another institution of higher education; and
- "yearly cohort" as a cohort of students from a two-year institution of higher education that includes, for a calendar year, each graduate who graduated from the institution during that calendar year, each leaver who last enrolled in the institution during that calendar year, and each student who last enrolled in the institution during that calendar year but did not graduate and is determined by the THECB to be enrolled in another institution of higher education.

EFFECTIVE DATE

September 1, 2023.

COMPARISON OF INTRODUCED AND SUBSTITUTE

While C.S.H.B. 3296 may differ from the introduced in minor or nonsubstantive ways, the following summarizes the substantial differences between the introduced and committee substitute versions of the bill.

The substitute, but not the introduced, specifies that the information required to be contained in the report regarding a junior college district's annual performance is the most recent average first-year wages, placement rate, and transfer rate for the district's students.

The substitute and introduced both set out report submission requirements but they differ as follows:

- the substitute requires the THECB to submit the report not later than the first Monday of April and to complete the actions required by the bill not later than March 31 of each calendar year, whereas the introduced required the THECB to gather, collate, and maintain applicable information using existing resources not later than April of each year and required the THECB to submit its initial report not later than April 1, 2024; and

- whereas the introduced required the THECB to submit the report to the legislature and statewide officeholders without specification of individual recipients, the substitute specifies the required recipients of the report.

Additionally, the substitute includes provisions not in the introduced that require the THECB to set out the procedures for the request of a copy of the report and authorize the THECB to adopt rules as necessary for the administration of the annual reports.

The substitute and introduced both prescribe the contents of the required report but they differ as follows:

- the substitute, but not the introduced, specifies the method through which the THECB must determine average first-year wages and placement rate for each yearly cohort;
- the substitute does not include a provision in the introduced specifying that the information in the report must be disaggregated by institution; and
- the substitute includes definitions not in the introduced for certain terms applicable to the required report.