

SENATE AMENDMENTS

2nd Printing

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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 [~~those 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.

ADOPTED

MAY 19 2023

By: Van Dender / Craighton

Lately Law
Secretary of the Senate No. 8

Substitute the following for .B. No. _____:

By: Bob Bell

C.S.H.B. No. 8

A BILL TO BE ENTITLED

AN ACT

relating to public higher education, including the public junior college state finance program.

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

SECTION 1. Section 7.040(a), Education Code, is amended to read as follows:

(a) The agency shall prepare information comparing institutions of higher education in this state and post the information on the agency's Internet website. Information prepared under this section shall be made publicly available in a manner that is accessible ~~[given]~~ to any ~~[a]~~ public or private school student seeking ~~[who requests]~~ the information. The information shall:

(1) identify postsecondary education and career opportunities, including information that states the benefits of four-year and two-year higher education programs, postsecondary technical education, skilled workforce careers, and career education programs;

(2) assist prospective postsecondary students in assessing the value of a certificate program, associate or baccalaureate degree program, or other credential program offered by an institution of higher education by comparing ~~[compare]~~ each institution ~~[of higher education]~~ with other institutions using information included in the electronic tools or platforms developed by the Texas Higher Education Coordinating Board under Section

1 61.09022(a) [~~regarding,~~

2 [~~(A) the relative cost of tuition,~~

3 [~~(B) the retention rate of students,~~

4 [~~(C) the graduation rate of students,~~

5 [~~(D) the average student debt,~~

6 [~~(E) the loan repayment rate of students, and~~

7 [~~(F) the employment rate of students];~~

8 (3) identify the state's future workforce needs, as
9 projected by the Texas Workforce Commission; [~~and]~~

10 (4) include annual starting wage information and
11 educational requirements for the top 25 [~~10~~] highest demand jobs in
12 this state, as identified by the Texas Workforce Commission;

13 (5) identify the 40 baccalaureate degree programs with
14 the highest average annual wages following graduation; and

15 (6) identify the 20 associate degree or certificate
16 programs with the highest average annual wages following
17 graduation.

18 SECTION 2. Section 28.009(b-2), Education Code, is amended
19 to read as follows:

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

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

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

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

6 (4) identify tools, including tools developed by the
7 agency, the Texas Higher Education Coordinating Board, or the Texas
8 Workforce Commission, to assist school counselors, students, and
9 families in selecting endorsements offered by the district and dual
10 credit courses offered under the agreement;

11 (5) establish, or provide a procedure for
12 establishing, the course credits that may be earned under the
13 agreement, including by developing a course equivalency crosswalk
14 or other method for equating high school courses with college
15 courses and identifying the number of credits that may be earned for
16 each course completed through the program;

17 (6) describe the academic supports and, if applicable,
18 guidance that will be provided to students participating in the
19 program;

20 (7) establish the district's and the institution's
21 respective roles and responsibilities in providing the program and
22 ensuring the quality and instructional rigor of the program;

23 (8) state the sources of funding for courses offered
24 under the program, including, at a minimum, the sources of funding
25 for tuition, transportation, and any required fees or textbooks for
26 students participating in the program;

27 (9) require the district and the institution to

1 consider the use of free or low-cost open educational resources in
2 courses offered under the program;

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

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

8 (12) [~~(11)~~] designate at least one employee of the
9 district or institution as responsible for providing academic
10 advising to a student who enrolls in a dual credit course under the
11 program before the student begins the course.

12 SECTION 3. Subchapter A, Chapter 28, Education Code, is
13 amended by adding Section 28.0095 to read as follows:

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

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

18 (2) "Coordinating board" means the Texas Higher
19 Education Coordinating Board.

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

24 (A) a requirement necessary to obtain an
25 industry-recognized credential or certificate or an associate
26 degree;

27 (B) a foreign language requirement at an

1 institution of higher education;

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

5 (D) a requirement in a field of study curriculum
6 developed by the coordinating board under Section 61.823.

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

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

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

15 (1) is enrolled:

16 (A) in high school in a school district or
17 charter school; and

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

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

23 (d) An institution of higher education is eligible to
24 participate in the program only if the institution charges for each
25 dual credit course offered by the institution an amount of tuition
26 that does not exceed the amount prescribed by coordinating board
27 rule.

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

2 (1) on a high school student's enrollment in a dual
3 credit course, determine whether the student meets the criteria for
4 the program 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.

16 (g) At least once each year, a participating institution of
17 higher education shall certify to the agency and the coordinating
18 board the student's eligibility for the program. Notwithstanding
19 Section 54.051, a participating institution of higher education may
20 not charge tuition or fees for the enrollment in a dual credit
21 course at the institution of a student for whom the institution
22 receives notice under Subsection (e)(2).

23 (h) The coordinating board shall distribute money
24 transferred to the coordinating board under Section 48.308 to the
25 participating institutions of higher education in proportion to the
26 number of dual credit courses in which eligible students are
27 enrolled at the institution.

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

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

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

7 (j) The commissioner and the coordinating board shall adopt
8 rules as necessary to implement this section. Notwithstanding
9 Section 61.033, the coordinating board is not required to use
10 negotiated rulemaking procedures under Chapter 2008, Government
11 Code, for the adoption of rules under this section.

12 SECTION 4. Section 28.010(a), Education Code, is amended to
13 read as follows:

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

16 (1) the availability of:

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

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

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

1 (D) funding for enrollment in dual credit courses
2 under Section 28.0095; and

3 (2) the qualifications for:

4 (A) enrolling in programs described by
5 Subdivision (1)(A) or (B); or

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

7 SECTION 5. Section 28.0253(a)(2), Education Code, is
8 amended to read as follows:

9 (2) "Eligible institution" means an institution of
10 higher education [~~that is designated as a research university or~~
11 ~~emerging research university under the coordinating board's~~
12 ~~accountability system~~].

13 SECTION 6. Section 28.0253(e), Education Code, is amended
14 to read as follows:

15 (e) A school district or open-enrollment charter school
16 shall allow a student to graduate and receive [~~may issue~~] a high
17 school diploma [~~to a student~~] under the program if, using the
18 standards established under Subsection (c), the student
19 demonstrates mastery of and early readiness for college in each of
20 the subject areas described by that subsection and in a language
21 other than English, notwithstanding any other local or state
22 requirements.

23 SECTION 7. Section 29.908(b), Education Code, is amended to
24 read as follows:

25 (b) The program must:

26 (1) provide for a course of study that enables a
27 participating student to combine high school courses and

1 college-level courses during grade levels 9 through 12;

2 (2) allow a participating student to complete high
3 school and enroll in a program at an institution of higher education
4 that will enable the student to, on or before the fifth anniversary
5 of the date of the student's first day of high school, receive a
6 high school diploma and either:

7 (A) an applied associate degree, as defined by
8 Texas Higher Education Coordinating Board rule; or

9 (B) an academic associate degree, as defined by
10 Texas Higher Education Coordinating Board rule, with a completed
11 field of study curriculum developed under Section 61.823 that is
12 transferable [at least 60 semester credit hours] toward a
13 baccalaureate degree at one or more general academic teaching
14 institutions, as defined by Section 61.003;

15 (3) include articulation agreements with colleges,
16 universities, and technical schools in this state to provide a
17 participating student access to postsecondary educational and
18 training opportunities at a college, university, or technical
19 school; and

20 (4) provide a participating student flexibility in
21 class scheduling and academic mentoring.

22 SECTION 8. Subchapter G, Chapter 48, Education Code, is
23 amended by adding Section 48.308 to read as follows:

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

26 (1) "Coordinating board" means the Texas Higher
27 Education Coordinating Board.

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

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

8 (c) The agency shall transfer the total amount of allotments
9 under this section to the coordinating board for distribution in
10 accordance with Section 28.0095(h).

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

13 (e) The legislature shall include in amounts appropriated
14 for the Foundation School Program an amount of state aid sufficient
15 for the agency to make the transfer required under Subsection (c).

16 SECTION 9. Section 51.4033, Education Code, is amended to
17 read as follows:

18 Sec. 51.4033. REPORT OF NONTRANSFERABLE CREDIT. (a) Not
19 later than May [~~March~~] 1 of each year and in the form prescribed by
20 the coordinating board, each general academic teaching institution
21 shall provide to the coordinating board and the legislature a
22 report describing any courses in the Lower-Division Academic Course
23 Guide Manual or its successor adopted by the coordinating board for
24 which a student who transfers to the institution from another
25 institution of higher education is not granted:

26 (1) academic credit at the receiving institution; or

27 (2) if the student has declared a major and has not

1 changed majors, academic credit toward the student's major at the
2 receiving institution.

3 (b) A report required by this section must indicate:

4 (1) the course name and type;

5 (2) which institution of higher education provided
6 academic credit for the course; and

7 (3) the reason why the receiving institution did not
8 grant academic credit for the course as described by Subsection
9 (a), including whether the institution complied with the dispute
10 resolution process under Section 61.826.

11 SECTION 10. Section 51.4034(a), Education Code, is amended
12 to read as follows:

13 (a) Not later than May [~~March~~] 1 of each year and in the form
14 prescribed by the coordinating board, each public junior college
15 shall provide to the coordinating board and the legislature a
16 report on courses taken by students who, during the preceding
17 academic year, transferred to a general academic teaching
18 institution or earned an associate degree at the college.

19 SECTION 11. Section 51.762(b-1), Education Code, is amended
20 to read as follows:

21 (b-1) An electronic common admission application form
22 adopted under this section must include a prominent link to the
23 electronic tools or platforms developed by the board under Section
24 61.09022 [~~comparative gainful employment data regarding~~
25 ~~institutions of higher education, including information described~~
26 ~~by Section 7.040, on a website maintained by the board using data~~
27 ~~compiled by the board in coordination with the Texas Workforce~~

1 ~~Commission~~].

2 SECTION 12. Section 51.763(b), Education Code, is amended
3 to read as follows:

4 (b) The form must:

5 (1) allow each applicant to:

6 (A) apply electronically to one or more of the
7 general academic teaching institutions within the university
8 system; and

9 (B) indicate preferences for admission between
10 those institutions; and

11 (2) include a prominent link to the electronic tools
12 or platforms developed by the board under Section 61.09022
13 ~~[comparative gainful employment data regarding institutions of~~
14 ~~higher education, including information described by Section~~
15 ~~7.040, on a website maintained by the board using data compiled by~~
16 ~~the board in coordination with the Texas Workforce Commission].~~

17 SECTION 13. 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 or dual enrollment course that a student dropped before

1 graduating from high school.

2 SECTION 14. 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 15. Section 56.221(2), Education Code, is amended
13 to read as follows:

14 (2) "Eligible institution" means an institution of
15 higher education, as that term is defined by Section 61.003~~[, that~~
16 ~~is designated as a research university or emerging research~~
17 ~~university under the coordinating board's accountability system].~~

18 SECTION 16. Section 56.407(g), Education Code, is amended
19 to read as follows:

20 (g) An institution may use other available sources of
21 financial aid, other than a loan ~~[or a Pell grant]~~, to cover any
22 difference in the amount of a grant under this subchapter and the
23 actual amount of tuition and required fees at the institution.

24 SECTION 17. Sections 61.003(2), (11), and (12), Education
25 Code, are amended to read as follows:

26 (2) "Public junior college" means any junior college
27 listed as a public junior college ~~[certified by the board]~~ in

1 accordance with Section 61.063 [~~of this chapter~~].

2 (11) "Degree program" means any grouping of subject
3 matter courses which, when satisfactorily completed by a student,
4 will entitle the student [~~him~~] to:

5 (A) a degree from a public senior college or
6 university or a medical or dental unit; or

7 (B) an academic associate degree, as defined by
8 board rule, or baccalaureate degree from a public junior college.

9 (12) "Certificate program" means a grouping of
10 subject-matter courses which, when satisfactorily completed by a
11 student, will entitle the student [~~him~~] to:

12 (A) a certificate;

13 (B) an [~~r~~] associate degree, other than an
14 academic associate degree, as defined by board rule, from a
15 technical institute or junior college; or

16 (C) [~~r~~~~or~~] documentary evidence, other than a
17 degree, of completion of a course of study at the postsecondary
18 level.

19 SECTION 18. The heading to Section 61.031, Education Code,
20 is amended to read as follows:

21 Sec. 61.031. PUBLIC [~~INTEREST~~] INFORMATION AND COMPLAINTS.

22 SECTION 19. Section 61.031, Education Code, is amended by
23 adding Subsection (d) to read as follows:

24 (d) Notwithstanding any other provision of law, information
25 that relates to a current, former, or prospective applicant or
26 student of an educational institution and that is obtained,
27 received, or held by the board for the purpose of providing

1 assistance with access to postsecondary education shall be
2 considered confidential and excepted from disclosure under Chapter
3 552, Government Code, and may only be released in conformity with
4 the Family Educational Rights and Privacy Act of 1974 (20 U.S.C.
5 Section 1232g). The board may withhold information prohibited from
6 being disclosed under this subsection without requesting a decision
7 from the attorney general under Subchapter G, Chapter 552,
8 Government Code.

9 SECTION 20. Section 61.051, Education Code, is amended by
10 adding Subsection (b) to read as follows:

11 (b) The board may participate in the establishment and
12 operation of an affiliated nonprofit organization whose purpose is
13 to raise money for or provide services or other benefits to the
14 board.

15 SECTION 21. Section 61.0571, Education Code, is amended by
16 adding Subsections (c), (d), (e), and (f) to read as follows:

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

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

24 (e) From money appropriated or otherwise available for the
25 purpose, the board may procure goods and services for the direct
26 benefit of an institution of higher education and enter into an
27 interagency contract under Chapter 771, Government Code, with the

1 institution to reimburse the board for the cost of the goods and
2 services.

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

8 SECTION 22. Section 61.059, Education Code, is amended by
9 amending Subsections (b), (b-1), and (r) and adding Subsection (s)
10 to read as follows:

11 (b) The board shall devise, establish, and periodically
12 review and revise formulas for the use of the governor and the
13 Legislative Budget Board in making appropriations recommendations
14 to the legislature for ~~[all]~~ institutions of higher education other
15 than public junior colleges funded under Chapter 130A~~[, including~~
16 ~~the funding of postsecondary vocational-technical programs]~~. As a
17 specific element of the periodic review, the board shall study and
18 recommend changes in the funding formulas based on the role and
19 mission statements of those institutions of higher education. In
20 carrying out its duties under this section, the board shall employ
21 an ongoing process of committee review and expert testimony and
22 analysis.

23 (b-1) A committee under Subsection (b) must be composed of
24 representatives of a cross-section of institutions representing
25 each of the institutional groupings under the board's
26 accountability system, other than public junior colleges funded
27 under Chapter 130A. The commissioner of higher education shall

1 solicit recommendations for the committee's membership from the
2 chancellor of each university system and from the president of each
3 institution of higher education that is not a component of a
4 university system. The chancellor of a university system may
5 ~~[shall]~~ recommend to the commissioner at least one institutional
6 representative for each institutional grouping to which a component
7 of the university system is assigned. The president of an
8 institution of higher education that is not a component of a
9 university system may ~~[shall]~~ recommend to the commissioner at
10 least one institutional representative for the institutional
11 grouping to which the institution is assigned.

12 (r) The board shall exclude contact hours or semester credit
13 hours related to a course for which a student is generating formula
14 funding for the third time from the contact hours or semester credit
15 hours reported for formula funding purposes.

16 (s) Notwithstanding any other law, the board may not exclude
17 from the number of semester credit hours reported [~~to the~~
18 ~~Legislative Budget Board~~] for formula funding under this section or
19 Chapter 130A semester credit hours for any course taken up to three
20 times by a student who:

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

26 (2) successfully completed at least 50 semester credit
27 hours of course work at an institution of higher education before

1 that break in enrollment.

2 SECTION 23. Sections 61.0595(a), (d), and (f), Education
3 Code, are amended to read as follows:

4 (a) In the formulas established under Section 61.059 or
5 Chapter 130A, the board may not include funding for semester credit
6 hours earned by a resident undergraduate student who before the
7 semester or other academic session begins has previously attempted
8 a number of semester credit hours for courses taken at any
9 institution of higher education while classified as a resident
10 student for tuition purposes that exceeds the number of semester
11 credit hours required for completion of the degree program or
12 programs in which the student is enrolled, including minors and
13 double majors, and for completion of any certificate or other
14 special program in which the student is also enrolled, including a
15 program with a study-abroad component, by at least:

- 16 (1) for an associate degree program, 15 hours; or
17 (2) for a baccalaureate degree program, 30 hours.

18 (d) The following are not counted for purposes of
19 determining whether the student has previously earned the number of
20 semester credit hours specified by Subsection (a):

- 21 (1) semester credit hours earned by the student before
22 receiving a baccalaureate degree that has previously been awarded
23 to the student;
24 (2) semester credit hours earned by the student by
25 examination or under any other procedure by which credit is earned
26 without registering for a course for which tuition is charged;
27 (3) credit for a remedial education course, a

1 technical course, a workforce education course funded according to
2 contact hours, or another course that does not count toward a degree
3 program at the institution;

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

6 (5) semester credit hours earned by the student before
7 graduating from high school and used to satisfy high school
8 graduation requirements; ~~and~~

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

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

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

19 (7) semester credit hours earned by the student before
20 receiving an associate degree that has been previously awarded to
21 the student.

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

27 SECTION 24. Section 61.063, Education Code, is amended to

1 read as follows:

2 Sec. 61.063. LISTING ~~[AND CERTIFICATION]~~ OF PUBLIC JUNIOR
3 COLLEGES; ELIGIBILITY FOR STATE APPROPRIATIONS. (a) The
4 commissioner of higher education shall file with the ~~[state]~~
5 comptroller and the state auditor on or before September ~~[October]~~
6 1 of each year a list of each ~~[the]~~ public junior college ~~[colleges]~~
7 in this state that has certified to the board under Section 130.003
8 that the college is in compliance with the requirements of
9 Subsection (b) of that section.

10 (b) ~~[The commissioner shall certify the names of those~~
11 ~~colleges that have complied with the standards, rules, and~~
12 ~~regulations prescribed by the board.]~~ Only a public junior college
13 included on the list under Subsection (a) is ~~[those colleges which~~
14 ~~are so certified shall be]~~ eligible for and may receive money
15 appropriated ~~[any appropriation made]~~ by the legislature to public
16 junior colleges.

17 SECTION 25. Subchapter C, Chapter 61, Education Code, is
18 amended by adding Section 61.09022 to read as follows:

19 Sec. 61.09022. INFORMATION TO ASSIST STUDENTS IN ASSESSING
20 VALUE OF POSTSECONDARY CREDENTIALS. (a) From money appropriated
21 or otherwise available for the purpose, the board shall develop one
22 or more electronic tools or platforms to provide information to
23 assist prospective postsecondary students in assessing the value of
24 a certificate program, associate or baccalaureate degree program,
25 or other credential program offered by an institution of higher
26 education or private or independent institution of higher education
27 by comparing each institution with other institutions regarding:

1 (1) the relative cost of obtaining the certificate,
2 degree, or other credential, based on the most recent data
3 available to the board from the Texas Workforce Commission,
4 institutions of higher education, the federal government, or any
5 other source from which the board may obtain reliable data,
6 including:

7 (A) the cost for each of the following at the 25th
8 percentile, the median, and the 75th percentile:

9 (i) total cost of attendance;

10 (ii) tuition and fees;

11 (iii) room and board;

12 (iv) books and supplies;

13 (v) transportation; and

14 (vi) other costs; and

15 (B) the estimated net cost remaining after
16 subtracting from the amount described by Paragraph (A) the average
17 amount of scholarship and grant aid awarded to the typical student
18 for the program;

19 (2) the value of the certificate, degree, or other
20 credential as measured by comparing:

21 (A) the median wage earned by students who
22 graduated with the certificate, degree, or other credential from
23 the institution; and

24 (B) the median student debt of students who
25 graduated with the certificate, degree, or other credential from
26 the institution as compared to the median student debt of all
27 students who graduated with the certificate, degree, or other

1 credential, based on the most recent data available to the board
2 from the Texas Workforce Commission, institutions of higher
3 education, the federal government, or any other source from which
4 the board may obtain reliable data;

5 (3) the average student debt-to-income ratio of
6 students who graduated with the certificate, degree, or other
7 credential from the institution and have student debt, including
8 the estimated monthly student loan payment, computed using the
9 standard 10-year repayment plan;

10 (4) progress on repaying student loans by students who
11 graduated with the certificate, degree, or other credential from
12 the institution; and

13 (5) educational outcomes for students seeking the
14 certificate, degree, or other credential, including:

15 (A) for a program designed to be completed in
16 more than one year, the percentage of students who continue in the
17 program after the first year of study;

18 (B) the completion rate;

19 (C) the percentage of students who withdraw or
20 transfer from the institution and subsequently graduate with the
21 certificate, degree, or other credential from another institution
22 of higher education or private or independent institution of higher
23 education;

24 (D) the percentage of students who withdraw from
25 the institution and do not enroll in the program at another
26 institution of higher education or private or independent
27 institution of higher education within three years of the

1 withdrawal; and

2 (E) the percentage of graduates employed in the
3 top five industries in this state, as identified by the Texas
4 Workforce Commission, by certificate program, degree program, or
5 other credential program within one year of graduation.

6 (c) The board may solicit and accept gifts, grants, and
7 donations from any public or private source to implement this
8 section.

9 (d) The board shall adopt rules as necessary to implement
10 this section.

11 SECTION 26. Section 7.040(c), Education Code, is
12 transferred to Section 61.09022, Education Code, as added by this
13 Act, redesignated as Section 61.09022(b), Education Code, and
14 amended to read as follows:

15 (b) [(c)] Each institution of higher education shall
16 include on its Internet website, in a prominent location that is not
17 more than three hyperlinks from the website's home page, a link to
18 the electronic tools or platforms developed by the board
19 [information posted on the agency's Internet website] under
20 Subsection (a).

21 SECTION 27. Sections 61.822(b) and (c), Education Code, are
22 amended to read as follows:

23 (b) Each institution of higher education shall adopt a core
24 curriculum of no less than 42 semester credit hours, including
25 specific courses comprising the curriculum. The core curriculum
26 shall be consistent with the common course numbering system
27 approved by the board and with the statement, recommendations, and

1 rules issued by the board. An institution may have a core
2 curriculum of other than 42 semester credit hours only if approved
3 by the board. The board by rule may approve a core curriculum of
4 fewer than 42 semester credit hours for an associate degree program
5 if the board determines that the approval would facilitate the
6 award of a degree or transfer of credit consistent with this
7 subchapter.

8 (c) If a student successfully completes the [~~42-hour~~] core
9 curriculum at an institution of higher education, that block of
10 courses may be transferred to any other institution of higher
11 education and must be substituted for the receiving institution's
12 core curriculum. A student shall receive academic credit for each
13 of the courses transferred and may not be required to take
14 additional core curriculum courses at the receiving institution
15 unless the board has approved a larger core curriculum at the
16 institution.

17 SECTION 28. Section 61.823, Education Code, is amended by
18 adding Subsection (a-1) and amending Subsection (b) to read as
19 follows:

20 (a-1) The board by rule may authorize a general academic
21 teaching institution to adopt, for each field of study curriculum
22 developed by the board for which the institution offers a degree
23 program, a set of courses specific to that field of study, for a
24 total of at least six semester credit hours or the equivalent, that
25 must be completed as part of the field of study curriculum for that
26 institution. Each general academic teaching institution that
27 adopts a set of courses for a field of study curriculum under this

1 subsection shall post on the institution's Internet website in a
2 manner easily accessible to students the set of courses with the
3 associated course numbers under the common course numbering system.

4 (b) If a student successfully completes a field of study
5 curriculum developed by the board, that block of courses may be
6 transferred to a general academic teaching institution and, subject
7 to completion of the set of courses adopted by the institution for
8 that field of study under Subsection (a-1), must be substituted for
9 that institution's lower division requirements for the degree
10 program for the field of study into which the student transfers, and
11 the student shall receive full academic credit toward the degree
12 program for the block of courses transferred.

13 SECTION 29. Sections 61.826(c), (d), and (e), Education
14 Code, are amended to read as follows:

15 (c) If an institution of higher education proposes to deny
16 the application toward the institution's core curriculum or a field
17 of study curriculum developed by the board under Section 61.823 of
18 ~~[does not accept]~~ course credit earned by a student at another
19 institution of higher education in the other institution's core
20 curriculum or in a field of study curriculum, that institution
21 must:

22 (1) ~~[shall]~~ give written notice to the student and the
23 other institution of that institution's intent to deny ~~[that]~~ the
24 application ~~[transfer]~~ of the course credit to the institution's
25 core curriculum or field of study curriculum and the reasons for the
26 proposed denial;

27 (2) ~~[is denied. The two institutions and the student~~

1 ~~shall~~] attempt to resolve the application [~~transfer~~] of the course
2 credit to the institution's core curriculum or field of study
3 curriculum with the other institution and the student in accordance
4 with this section and board rules;

5 (3) resolve the dispute not later than the 45th day
6 after the date on which the student enrolls in that institution; and

7 (4) if [~~—If~~] the [~~transfer~~] dispute is not resolved to
8 the satisfaction of the student or the institution at which the
9 credit was earned, [~~within 45 days after the date the student~~
10 ~~received written notice of the denial, the institution that denies~~
11 ~~the transfer of the course credit shall~~] notify the commissioner of
12 higher education of its denial to apply the course credit to the
13 institution's core curriculum or field of study curriculum and the
14 reasons for the denial.

15 (d) Not later than the 20th business day after the date the
16 commissioner of higher education receives notice of a dispute
17 concerning the application of course credit to an institution of
18 higher education's core curriculum or field of study curriculum
19 under Subsection (c)(4), the [~~The~~] commissioner [~~of higher~~
20 ~~education~~] or the commissioner's designee shall make the final
21 determination about the [~~a~~] dispute [~~concerning the transfer of~~
22 ~~course credit~~] and give written notice of the determination to the
23 involved student and institutions. If the commissioner or the
24 commissioner's designee determines that the institution may not
25 deny the application of course credit described by Subsection (c)
26 to the institution's core curriculum or field of study curriculum,
27 the institution shall apply that course credit toward the

1 institution's core curriculum or field of study curriculum, as
2 applicable. A determination by the commissioner or the
3 commissioner's designee under this subsection is final and may not
4 be appealed.

5 (e) The board shall:

6 (1) collect data on the types of transfer disputes
7 that are reported and the disposition of each case that is
8 considered by the commissioner of higher education or the
9 commissioner's designee; and

10 (2) post on the board's Internet website a list of each
11 case that is considered by the commissioner of higher education or
12 the commissioner's designee under this section, including the
13 disposition of the case.

14 SECTION 30. Section 61.827(b), Education Code, is amended
15 to read as follows:

16 (b) In adopting rules regarding the recommended core
17 curriculum developed under Section 61.822, the board shall appoint
18 a committee to advise the board [~~use the negotiated rulemaking~~
19 ~~procedures~~] under Section 2001.031 [~~Chapter 2008~~], Government
20 Code.

21 SECTION 31. Subchapter S, Chapter 61, Education Code, is
22 amended by adding Section 61.834 to read as follows:

23 Sec. 61.834. TEXAS DIRECT ASSOCIATE DEGREE. A public
24 junior college, public state college, or public technical institute
25 shall award a student a "Texas Direct" associate degree and include
26 an appropriate notation on the student's transcript if the student
27 completes a field of study curriculum developed by the board under

1 Section 61.823 and:

2 (1) the college's core curriculum; or

3 (2) an abbreviated core curriculum related to a
4 specific approved field of study curriculum transferable to one or
5 more general academic teaching institutions.

6 SECTION 32. Section 61.882(d), Education Code, is amended
7 to read as follows:

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

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

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

12 (B) ensure that each training program:

13 (i) matches regional workforce needs;

14 (ii) is supported by a labor market
15 analysis of job postings and employers hiring roles with the skills
16 developed by the program; and

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

19 (2) may give preference to applicants that:

20 (A) represent a consortium of lower-division
21 institutions of higher education;

22 (B) prioritize training to displaced workers;

23 (C) offer affordable training programs to
24 students; or

25 (D) partner with employers, local chambers of
26 commerce, trade associations, economic development corporations,
27 and local workforce boards to analyze job postings and identify

1 employers hiring roles with the skills developed by the training
2 programs.

3 SECTION 33. Section 130.001(b), Education Code, is amended
4 to read as follows:

5 (b) The coordinating board shall have the responsibility
6 for adopting policies, enacting regulations, and establishing
7 general rules necessary for carrying out the duties with respect to
8 public junior colleges as prescribed by the legislature, and with
9 the advice and assistance of the commissioner of higher education,
10 shall have authority to:

11 (1) authorize the creation of public junior college
12 districts as provided in the statutes, giving particular attention
13 to the need for a public junior college in the proposed district and
14 the ability of the district to provide adequate local financial
15 support;

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

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

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

24 (5) establish a standing advisory committee
25 [~~commissions~~] composed of representatives of public junior
26 colleges [~~and other citizens of the state~~] to provide advice and
27 counsel to the coordinating board with respect to the funding of

1 public junior colleges necessary to carry out this chapter and
2 Chapter 130A.

3 SECTION 34. 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 or a 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 35. Section 130.0031, Education Code, is amended to
13 read as follows:

14 Sec. 130.0031. TRANSFERS: WHEN MADE. (a) In consultation
15 with the advisory committee established under Section
16 130.001(b)(5), the Texas Higher Education Coordinating Board by
17 rule shall adopt a payment schedule by which money appropriated to
18 junior college districts under this chapter and Chapter 130A is
19 distributed to those districts [~~In this section:~~

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

25 [~~(2) "Category 2 junior college" means a junior~~
26 ~~college having more than 2,500 students in fall head count~~
27 ~~enrollment for the previous fiscal year or more than \$300,000 of~~

1 ~~local taxes collected, excluding taxes for debt service, in the~~
2 ~~previous fiscal year].~~

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

8 ~~[(1) 24 percent of the yearly entitlement of the~~
9 ~~junior college shall be paid in two equal installments to be made on~~
10 ~~or before the 25th day of September and October, and~~

11 ~~[(2) 76 percent of the yearly entitlement of the~~
12 ~~junior college shall be paid in eight equal installments to be made~~
13 ~~on or before the 25th day of November, December, January, February,~~
14 ~~March, April, May, and June.~~

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

19 ~~[(1) 24 percent of the yearly entitlement of the~~
20 ~~junior college shall be paid in two equal installments to be made on~~
21 ~~or before the 25th day of September and October, and~~

22 ~~[(2) 76 percent of the yearly entitlement of the~~
23 ~~junior college shall be paid in eight equal installments to be made~~
24 ~~on or before the 25th day of November, December, March, April, May,~~
25 ~~June, July, and August.~~

26 ~~[(d) The]~~ amount of any installment required under the
27 payment schedule adopted under Subsection (a) ~~[by this section may~~

1 ~~be modified~~] to, in accordance with this chapter, Chapter 130A, the
2 General Appropriations Act, or coordinating board rule:

3 (1) provide the junior college district with the
4 proper amount to which the junior college district may be entitled
5 by law; and

6 (2) ~~to~~ correct errors in the allocation or
7 distribution of funds.

8 (c) If the amount of an installment under the payment
9 schedule adopted under Subsection (a) ~~[this section]~~ is required to
10 be equal to the amount of another installment ~~[other installments]~~,
11 the amount of the other installment ~~[installments]~~ may be adjusted
12 to provide for that equality. A payment under this section is not
13 invalid because it is not equal to other installments.

14 SECTION 36. Section 130.0033(c), Education Code, is amended
15 to read as follows:

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

21 SECTION 37. Section 130.0034(a), Education Code, is amended
22 to read as follows:

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

27 (1) the student has previously enrolled in the same

1 course or a course of substantially the same content and level two
2 or more times; and

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

7 SECTION 38. Section 130.0051(a), Education Code, is amended
8 to read as follows:

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

16 SECTION 39. Section 130.008(c), Education Code, is amended
17 to read as follows:

18 (c) The contact hours attributable to the enrollment of a
19 high school student in a course offered for joint high school and
20 junior college credit under this section, excluding a course for
21 which the student attending high school may receive course credit
22 toward the physical education curriculum requirement under Section
23 28.002(a)(2)(C), shall be included in the contact hours used to
24 determine the junior college's allocation [~~proportionate share~~] of
25 the state money appropriated and distributed to public junior
26 colleges under this chapter and Chapter 130A [~~Sections 130.003 and~~
27 ~~130.0031~~], even if the junior college waives all or part of the

1 tuition or fees for the student under Subsection (b).

2 SECTION 40. Section 130.085(b), Education Code, is amended
3 to read as follows:

4 (b) This action by the board of trustees does not affect
5 their authority under Section 130.123 [~~of this code~~], nor does this
6 section in any way supersede that section. This action of the board
7 does not affect the right of the college to an allocation [~~a~~
8 ~~proportionate share~~] of state appropriations under this chapter and
9 Chapter 130A [~~Section 130.003 of this code~~].

10 SECTION 41. Section 130.090(c), Education Code, is amended
11 to read as follows:

12 (c) The grant of an exemption from tuition under Subsection
13 (b) does not affect the right of a junior college to an allocation
14 [~~a proportionate share~~] of state appropriations under this chapter
15 and Chapter 130A [~~Section 130.003~~] attributable to the contact
16 hours of the junior college with the student receiving the
17 exemption.

18 SECTION 42. Section 130.310(a), Education Code, is amended
19 to read as follows:

20 (a) A [~~Except as provided by Subsection (b), a~~] degree
21 program created under this subchapter shall [~~may~~] be funded solely
22 by a public junior college's allocation [~~proportionate share~~] of
23 state appropriations under this chapter and Chapter 130A [~~Section~~
24 ~~130.003~~], local funds, and private sources. [~~This subsection does~~
25 ~~not require the legislature to appropriate state funds to support a~~
26 ~~degree program created under this subchapter.~~] The coordinating
27 board shall weigh contact hours attributable to students enrolled

1 in a junior-level or senior-level course offered under this
2 subchapter used to determine a public junior college's allocation
3 [~~proportionate share~~] of state appropriations under this chapter
4 and Chapter 130A [~~Section 130.003~~] in the same manner as a lower
5 division course in a corresponding field.

6 SECTION 43. Section 130.352, Education Code, is amended to
7 read as follows:

8 Sec. 130.352. FORMULA FUNDING FOR WORKFORCE CONTINUING
9 EDUCATION COURSES. Notwithstanding Section 130.003 or any other
10 law, contact hours attributable to the enrollment of a student in a
11 workforce continuing education course offered by a public junior
12 college shall be included in the contact hours used to determine the
13 college's allocation [~~proportionate share~~] of state money
14 appropriated and distributed to public junior colleges under this
15 chapter and Chapter 130A [~~Sections 130.003 and 130.0031~~],
16 regardless of whether the college waives all or part of the tuition
17 or fees for the course under Section 130.354.

18 SECTION 44. Section 130.355, Education Code, is amended to
19 read as follows:

20 Sec. 130.355. RULES. The coordinating board shall adopt
21 any rules the coordinating board considers necessary for the
22 administration of this subchapter. [~~In adopting those rules, the~~
23 ~~coordinating board shall use the negotiated rulemaking procedures~~
24 ~~under Chapter 2008, Government Code.~~]

25 SECTION 45. Chapter 130, Education Code, is amended by
26 adding Subchapter O to read as follows:

1 SUBCHAPTER O. OPPORTUNITY HIGH SCHOOL DIPLOMA PROGRAM

2 Sec. 130.451. DEFINITIONS. In this subchapter:

3 (1) "Coordinating board" means the Texas Higher
4 Education Coordinating Board.

5 (2) "General academic teaching institution" has the
6 meaning assigned by Section 61.003.

7 (3) "Program," unless the context indicates
8 otherwise, means the Opportunity High School Diploma program
9 established under this subchapter.

10 Sec. 130.452. PURPOSE. The purpose of the program is to
11 provide an alternative means by which adult students enrolled in a
12 workforce education program at a public junior college may earn a
13 high school diploma at the college through concurrent enrollment in
14 a competency-based education program that enables students to
15 demonstrate knowledge substantially equivalent to the knowledge
16 required to earn a high school diploma in this state.

17 Sec. 130.453. ADMINISTRATION. The coordinating board shall
18 administer the program in consultation with the Texas Education
19 Agency and the Texas Workforce Commission.

20 Sec. 130.454. APPROVAL OF ALTERNATIVE HIGH SCHOOL DIPLOMA
21 PROGRAM. (a) A public junior college may submit to the
22 coordinating board an application to participate in the program.
23 The application must propose an alternative competency-based high
24 school diploma program to be offered for concurrent enrollment to
25 adult students without a high school diploma who are enrolled in a
26 workforce education program at the college. The proposed program
27 may include any combination of instruction, curriculum,

1 achievement, internships, or other means by which a student may
2 attain knowledge sufficient to adequately prepare the student for
3 postsecondary education or additional workforce education.

4 (b) A public junior college may submit an application under
5 Subsection (a) together with one or more public junior colleges,
6 general academic teaching institutions, public school districts,
7 or nonprofit organizations with whom the proposed program described
8 by that subsection will be offered as provided by Subsection (e).

9 (c) The coordinating board may approve not more than five
10 public junior colleges to participate in the program.

11 (d) Subject to Subsection (c), the coordinating board shall
12 review and approve a public junior college's application to
13 participate in the program if the board determines that the
14 college's proposed program described by Subsection (a) will provide
15 instruction and assessments appropriate to ensure that a student
16 who successfully completes the proposed program demonstrates
17 levels of knowledge sufficient to adequately prepare the student
18 for postsecondary education or additional workforce education. The
19 coordinating board may coordinate with the Texas Education Agency
20 as necessary to make a determination under this subsection.

21 (e) A public junior college approved to participate in the
22 program may:

23 (1) enter into an agreement with one or more public
24 junior colleges, general academic teaching institutions, public
25 school districts, or nonprofit organizations to offer the program
26 described by Subsection (a); and

27 (2) offer the program described by Subsection (a) at

1 any campus of the college or an entity with which the college has
2 entered into an agreement under Subdivision (1).

3 Sec. 130.455. AWARD OF HIGH SCHOOL DIPLOMA. (a) A public
4 junior college participating in the program may award a high school
5 diploma to a student enrolled in the alternative competency-based
6 high school diploma program offered by the college under the
7 program if the student performs satisfactorily on assessment
8 instruments prescribed by coordinating board rule.

9 (b) A high school diploma awarded under the program is
10 equivalent to a high school diploma awarded under Section 28.025.

11 Sec. 130.456. FUNDING. (a) The coordinating board and the
12 Texas Workforce Commission shall coordinate to jointly identify
13 funding mechanisms, including grants, interagency contracts,
14 financial aid, or subsidies, available to public junior colleges
15 and students to encourage and facilitate participation in the
16 program.

17 (b) A public junior college participating in the program is
18 entitled to receive funding under Section 130.003 for the program
19 in the manner provided by coordinating board rule.

20 Sec. 130.457. REPORT. Not later than December 1, 2026, the
21 coordinating board shall submit to the legislature a progress
22 report on the effectiveness of the program and any recommendations
23 for legislative or other action. This section expires September 1,
24 2027.

25 Sec. 130.458. RULES. The coordinating board may adopt
26 rules as necessary to implement this subchapter.

27 SECTION 46. Subtitle G, Title 3, Education Code, is amended

1 by adding Chapter 130A to read as follows:

2 CHAPTER 130A. PUBLIC JUNIOR COLLEGE STATE FINANCE PROGRAM

3 SUBCHAPTER A. GENERAL PROVISIONS

4 Sec. 130A.001. LEGISLATIVE INTENT. It is the intent of the
5 legislature that, as public junior colleges are locally governed
6 institutions, providing foundational funding for instruction and
7 operations of public junior colleges should be primarily a local
8 responsibility, supported through a combination of tuition, fees,
9 and local property taxes, with state funding focused primarily on
10 rewarding outcomes aligned with regional and state education and
11 workforce needs.

12 Sec. 130A.002. PURPOSE. The purpose of the public junior
13 college state finance program established under this chapter is to
14 provide a modern and dynamic finance system that ensures that each
15 public junior college has access to adequate state appropriations
16 and local resources to support the education and training of the
17 workforce of the future.

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

19 (1) "Commissioner" means the commissioner of higher
20 education.

21 (2) "Coordinating board" means the Texas Higher
22 Education Coordinating Board.

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

25 (4) "Public junior college" has the meaning assigned
26 by Section 61.003.

27 Sec. 130A.004. PROGRAM COMPONENTS. The program consists

1 of:

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

6 (2) a performance tier of state funding determined in
7 accordance with Subchapter C that constitutes the majority of state
8 funding and is distributed based on measurable outcomes aligned
9 with:

10 (A) regional and state workforce needs; and

11 (B) state goals aligned to the state's long-range
12 master plan for higher education developed under Section 61.051.

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

17 (b) In adopting rules under this section, the coordinating
18 board shall consult with the advisory committee established under
19 Section 130.001(b)(5).

20 (c) Notwithstanding Section 61.033, the coordinating board
21 is not required to use negotiated rulemaking procedures under
22 Chapter 2008, Government Code, for the adoption of rules under this
23 section.

24 Sec. 130A.006. REQUIRED REPORTING. The coordinating board
25 by rule shall require each junior college district to report to the
26 coordinating board through the Education Data System, Community
27 College Annual Reporting and Analysis Tool, Report of Fundable

1 Operating Expenses, or any successor program, data necessary to:

2 (1) calculate funding under this chapter;

3 (2) provide timely data and analyses to inform
4 management decisions by the governing body of each junior college
5 district;

6 (3) administer or evaluate the effectiveness of the
7 program; or

8 (4) audit the program.

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

13 (b) The commissioner may adjust:

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

18 (2) a junior college district's funding under this
19 chapter if the funding formulas used to determine the district's
20 entitlement would result in an unanticipated loss or gain for the
21 district that would have a substantial negative impact on the
22 district's operations.

23 (c) Before making an adjustment under this section, the
24 commissioner must request and receive written approval from the
25 Legislative Budget Board and the office of the governor. A request
26 to make an adjustment is considered approved unless the Legislative
27 Budget Board or the office of the governor issues a written

1 disapproval within 60 business days after the date on which the
2 request is received.

3 (d) If the commissioner makes an adjustment under
4 Subsection (b), the commissioner shall provide to the legislature
5 an explanation regarding the changes necessary to resolve the data
6 reporting errors or the unintended consequences, as applicable.

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

11 Sec. 130A.009. RECOVERY OF OVERALLOCATED FUNDS. (a) If a
12 junior college district has received an overallocation of state
13 funds, the coordinating board shall recover from the district an
14 amount equal to the overallocation by withholding from subsequent
15 allocations of state funds for the current or subsequent academic
16 year or by requesting and obtaining a refund from the district.

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

23 (c) If a junior college district fails to comply with a
24 request for a refund under Subsection (a), the coordinating board
25 shall report to the comptroller that the amount constitutes a debt
26 for purposes of Section 403.055, Government Code. The coordinating
27 board shall provide to the comptroller the amount of the

1 overallocation and any other information required by the
2 comptroller. The comptroller may certify the amount of the debt to
3 the attorney general for collection. The junior college district's
4 governmental immunity is waived to the extent necessary to collect
5 the debt owed under this section.

6 (d) Subject to Subsection (e), the coordinating board may
7 review a junior college district as necessary to determine if the
8 district qualifies for each amount received by the district under
9 this chapter. If the coordinating board determines that a junior
10 college district received an amount to which the district was not
11 entitled, the coordinating board may establish a corrective action
12 plan or withhold the applicable amount of funding from the
13 district.

14 (e) The coordinating board may not review junior college
15 district expenditures that occurred seven or more years before the
16 review.

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

22 SUBCHAPTER B. STATE FUNDING: BASE TIER

23 Sec. 130A.051. BASE TIER FORMULA. The amount of base tier
24 state funding to which a junior college district is entitled for
25 instruction and operations under this subchapter for a state fiscal
26 year is an amount equal to the amount, if any, by which the
27 district's guaranteed instruction and operations funding, as

1 determined under Section 130A.052, exceeds the district's local
2 share of base tier funding, as determined under Section 130A.056.

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

7 (1) the product of:

8 (A) the district's basic allotment under Section
9 130A.053; and

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

13 (2) the district's contact hour funding under Section
14 130A.055.

15 Sec. 130A.053. BASIC ALLOTMENT. The basic allotment for a
16 junior college district for a state fiscal year is an amount per
17 weighted full-time equivalent student set by the General
18 Appropriations Act or other legislative appropriation.

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

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

27 (1) 25 years of age or older;

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

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

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

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

10 (2) the sum of the weights assigned to students
11 enrolled in the district.

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

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

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

26 (b) The amount of funding per contact hour must be weighted
27 by discipline to reflect the cost of providing the applicable

1 course.

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

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

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

10 (2) assessing an amount of tuition and fees to each
11 full-time equivalent student enrolled in the district equal to the
12 statewide average amount of tuition and fees assessed by junior
13 college districts to a full-time equivalent student, determined as
14 provided by coordinating board rule.

15 SUBCHAPTER C. STATE FUNDING: PERFORMANCE TIER

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

21 (b) The amount of performance tier funding for each
22 measurable outcome described by Subsection (c) is equal to the
23 product of:

24 (1) the sum of:

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

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

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

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

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

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

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

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

27 (3) the number of students who complete a sequence of

1 at least 15 semester credit hours or the equivalent for dual credit
2 or dual enrollment courses, as defined by coordinating board rule,
3 that apply toward academic or workforce program requirements at the
4 postsecondary level.

5 SECTION 47. Section 136.001, Education Code, is amended by
6 amending Subdivision (1) and adding Subdivision (1-a) to read as
7 follows:

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

10 (1-a) "Nonprofit organization" means an organization
11 exempt from federal income taxation under Section 501(a), Internal
12 Revenue Code of 1986, as an organization described by Section
13 501(c)(3) of that code.

14 SECTION 48. Section 136.005(a), Education Code, is amended
15 to read as follows:

16 (a) The coordinating board [~~grant administrator~~] shall
17 establish and administer the Texas Innovative Adult Career
18 Education (ACE) Grant Program to provide grants to:

19 (1) eligible nonprofit workforce intermediary and job
20 training organizations; and

21 (2) eligible nonprofit organizations providing job
22 training to veterans.

23 SECTION 49. Section 136.006, Education Code, is amended to
24 read as follows:

25 Sec. 136.006. ELIGIBLE ORGANIZATIONS. (a) To be eligible
26 for a grant under the program, a nonprofit workforce intermediary
27 and job training organization must:

1 (1) apply to the coordinating board [~~grant~~
2 ~~administrator~~] in the manner prescribed by the coordinating board
3 [~~grant administrator~~];

4 (2) provide to eligible low-income students, in
5 partnership with public junior colleges, public state colleges, or
6 public technical institutes:

7 (A) job training; and

8 (B) a continuum of services designed to move a
9 program participant from application to employment, including
10 outreach, assessment, case management, support services, and
11 career placement;

12 (3) be governed by a board or other governing
13 structure that includes recognized leaders of broad-based
14 community organizations and executive-level or managerial-level
15 members of the local business community;

16 (4) demonstrate to the satisfaction of the
17 coordinating board [~~program advisory board~~] that the
18 organization's program has achieved or will achieve the following
19 measures of success among program participants:

20 (A) above-average completion of developmental
21 education among participating public junior college, public state
22 college, or public technical institute students;

23 (B) above-average persistence rates among
24 participating public junior college, public state college, or
25 public technical institute students;

26 (C) above-average certificate or degree
27 completion rates by participating students within a three-year

1 period compared to demographically comparable public junior
2 college, public state college, and public technical institute
3 students; and

4 (D) entry into careers with significantly higher
5 earnings for program participants than previously achieved; and

6 (5) provide matching funds in accordance with rules
7 adopted under this chapter.

8 (a-1) To be eligible for a grant under the program, a
9 nonprofit organization providing job training services to veterans
10 must:

11 (1) apply to the coordinating board [~~grant~~
12 ~~administrator~~] in the manner prescribed by the coordinating board
13 [~~grant administrator~~];

14 (2) provide to veterans, in partnership with public
15 junior colleges, public state colleges, or public technical
16 institutes:

17 (A) job training; and

18 (B) a continuum of services designed to move a
19 program participant from application to employment, including
20 outreach, assessment, case management, support services, and
21 career placement;

22 (3) be governed by a board or other governing
23 structure that includes recognized leaders of broad-based
24 community organizations and executive-level or managerial-level
25 members of the local business community;

26 (4) demonstrate to the satisfaction of the
27 coordinating board [~~program advisory board~~] that the

1 organization's program has achieved or will achieve the following
2 measures of success among program participants:

3 (A) the measures prescribed by Subsections
4 (a)(4)(A)-(C);

5 (B) rapid attainment of civilian workforce
6 credentials; and

7 (C) entry into careers with significantly higher
8 earnings for program participants than previously achieved; and

9 (5) provide matching funds in accordance with rules
10 adopted under this chapter.

11 (b) The matching funds required under Subsection (a)(5) or
12 (a-1)(5) may be obtained from any source available to the
13 organization, including in-kind contributions, community or
14 foundation grants, individual contributions, and local
15 governmental agency operating funds. The coordinating board [~~grant~~
16 ~~administrator~~] may adopt rules requiring an organization to
17 demonstrate compliance with the matching funds requirement before
18 the payment of the next installment under an awarded grant.

19 SECTION 50. Section 136.007, Education Code, is amended to
20 read as follows:

21 Sec. 136.007. RULES. [~~(a)~~] The coordinating board [~~grant~~
22 ~~administrator~~] shall adopt rules as necessary for the
23 administration of this chapter, including [~~in the manner provided~~
24 ~~by Chapter 2001, Government Code, for a state agency.~~

25 [~~(b) The grant administrator, with recommendations of the~~
26 ~~program advisory board, shall adopt~~] rules regarding eligibility,
27 program tuition and fees, administrative costs, matching funds, and

1 case management and other supports for the program. The rules may
2 include provisions for the payment in periodic installments of
3 grant awards.

4 SECTION 51. Section 2308A.007, Government Code, is amended
5 by adding Subsection (a-1) to read as follows:

6 (a-1) A credential library established under this section
7 must include the information included in the electronic tools or
8 platforms developed by the coordinating board under Section
9 61.09022(a), Education Code.

10 SECTION 52. Sections 61.0593, 61.884(d), 130.003(d),
11 130.310(b), 136.002, 136.004, and 136.005(a-1), Education Code,
12 are repealed.

13 SECTION 53. Sections 28.009(b-2), 28.010(a), and
14 29.908(b), Education Code, as amended by this Act, and Section
15 28.0095, Education Code, as added by this Act, apply beginning with
16 the 2023-2024 school year.

17 SECTION 54. Sections 51.4033, 51.4034(a), 61.822(b) and
18 (c), 61.823, 61.826(c), (d), and (e), and 61.827(b), Education
19 Code, as amended by this Act, and Section 61.834, Education Code, as
20 added by this Act, apply beginning with the 2023-2024 academic
21 year.

22 SECTION 55. The change in law made by this Act to Section
23 56.407(g), Education Code, applies beginning with Texas
24 Educational Opportunity Grants awarded for the 2024 fall semester.
25 Grants awarded for a semester or term before the 2024 fall semester
26 are governed by the applicable law in effect immediately before the
27 effective date of this Act, and the former law is continued in

1 effect for that purpose.

2 SECTION 56. The Texas Education Agency and the Texas Higher
3 Education Coordinating Board may identify rules required by the
4 passage of this Act that must be adopted on an emergency basis for
5 purposes of the state fiscal year beginning September 1, 2023, and
6 may use the procedures established under Section 2001.034,
7 Government Code, for adopting those rules. The agency and the
8 coordinating board are not required to make the finding described
9 by Section 2001.034(a), Government Code, to adopt emergency rules
10 under this section.

11 SECTION 57. (a) Except as provided by Subsection (b) of
12 this section, this Act takes effect September 1, 2023, and applies
13 to the allocation of state funding to junior college districts
14 beginning with the state fiscal biennium beginning September 1,
15 2023.

16 (b) Sections 7.040(a), 28.009(b-2), 28.010(a), 29.908(b),
17 51.4033, 51.4034(a), 51.762(b-1), 51.763(b), 61.031, 61.823, and
18 61.826(c), (d), and (e), Education Code, as amended by this Act, and
19 Sections 28.0095, 61.09022, and 61.834 and Subchapter O, Chapter
20 130, Education Code, and Section 2308A.007(a-1), Government Code,
21 as added by this Act, take effect immediately if this Act receives a
22 vote of two-thirds of all the members elected to each house, as
23 provided by Section 39, Article III, Texas Constitution. If this
24 Act does not receive the vote necessary for immediate effect, those
25 provisions take effect September 1, 2023.

LEGISLATIVE BUDGET BOARD

Austin, Texas

FISCAL NOTE, 88TH LEGISLATIVE REGULAR SESSION

May 19, 2023

TO: Honorable Dade Phelan, Speaker of the House, House of Representatives

FROM: Jerry McGinty, Director, Legislative Budget Board

IN RE: HB8 by VanDeaver (Relating to public higher education, including the public junior college state finance program.), **As Passed 2nd House**

Estimated Two-year Net Impact to General Revenue Related Funds for HB8, As Passed 2nd House : a negative impact of (\$95,581,504) through the biennium ending August 31, 2025.

The bill would make no appropriation but could provide the legal basis for an appropriation of funds to implement the provisions of the bill.

Potential costs related to the formula funding provisions of the bill are not included in the amounts below. Contingent funding is currently provided in House Bill 1 for this purpose.

General Revenue-Related Funds, Five- Year Impact:

<i>Fiscal Year</i>	<i>Probable Net Positive/(Negative) Impact to General Revenue Related Funds</i>
2024	(\$40,451,376)
2025	(\$55,130,128)
2026	(\$57,183,214)
2027	(\$60,751,943)
2028	(\$64,553,415)

All Funds, Five-Year Impact:

<i>Fiscal Year</i>	<i>Probable Savings/(Cost) from General Revenue Fund 1</i>	<i>Probable Savings/(Cost) from Foundation School Fund 193</i>	<i>Change in Number of State Employees from FY 2023</i>
2024	(\$8,081,957)	(\$32,369,419)	28.0
2025	(\$8,827,785)	(\$46,302,343)	28.0
2026	(\$7,531,340)	(\$49,651,874)	28.0
2027	(\$7,531,340)	(\$53,220,603)	28.0
2028	(\$7,531,340)	(\$57,022,075)	28.0

Fiscal Analysis

The bill's provisions include establishing the Financial Aid for Swift Transfer program, revising the public community and junior college funding formulas, allowing for the establishment of an institutional collaboration center, transferring the administration of the Texas Innovative Adult Career Education Grant Program, expanding eligibility for institutions participating in Texas First programs, establishing the Opportunity High School Diploma program, and adding certain requirements for early college high school programs.

Methodology

The bill directs the Texas Higher Education Coordinating Board (THECB) and the Texas Education Agency (TEA) to jointly establish the Financial Aid for Swift Transfer program to cover the cost of tuition for educationally disadvantaged students enrolled in dual-credit courses at participating institutions of higher education. THECB estimates the cost of the grants to be \$78,671,763 in General Revenue from the Foundation School Fund 193 for the 2024-25 biennium based on its estimate of the product of the number of dual-credit semester credit hours taken by educationally disadvantaged students and a funding rate it will set per semester credit hour. THECB assumes increased costs in subsequent fiscal years due to a projected increase in dual-credit semester credit hours taken.

The bill permits THECB to establish an Institutional Collaboration Center to provide information and instruction to institutions. THECB estimates the cost of data and educational materials associated with the Center to be \$6,540,000 in General Revenue for the 2024-25 biennium and \$3,270,000 in each subsequent fiscal year.

THECB estimates the cost associated with its administration of the bill's provisions to be \$7,516,500 in General Revenue in the 2024-25 biennium and \$3,695,750 in each subsequent fiscal year, and that it would require twenty-five full-time equivalent positions in each fiscal year.

The bill establishes two funding formulas that would constitute all formula funding for Public Community/Junior Colleges: a base tier formula and a performance tier formula. The base tier formula would fund the difference between hypothetical appropriations for student enrollment - weighted by cost of instruction in varying disciplines and certain characteristics of the institution and its student body - and funding that institutions would hypothetically be able to generate through tuition and local property taxes. The performance tier formula would provide funding for the institution's award of degrees, certificates, and other credentials from credit and non-credit programs, student completion of fifteen semester credit hours in a co-enrollment program or before transferring to a general academic institution, and student completion of fifteen semester credit hours of dual-credit courses that apply toward academic and workforce program requirements at the postsecondary level. Based on the statutory language providing the legislature with the ability to set rates for the formulas established in the bill, no estimate of cost related to the formulas is provided.

The bill transfers the administration of the Texas Innovative Adult Career Education Grant Program from Austin Community College to THECB.

The bill expands the types of institutions of higher education eligible to participate in the Texas First Early High School Completion Program and the Texas First Scholarship Program from only those designated as a research or emerging research university to any public institution of higher education, and requires school districts and charter schools to permit early graduation if a student under the Texas First Early High School Completion Program meets certain eligibility requirements.

The bill establishes the Opportunity High School Diploma pilot program to allow adult students enrolled in workforce education programs at a public junior college to earn a high school diploma at the college through concurrent enrollment in a competency-based education program.

The bill allows community colleges to utilize Pell Grants to cover the difference in the amount of a Texas Educational Opportunity Grant and the actual amount of tuition and required fees.

The bill requires an early college high school program to allow a participating student to complete high school and enroll in a program at an institution of higher education that enables the student to receive a high school

diploma and an applied associate or academic associate degree that is transferrable toward a baccalaureate at a general academic institution.

The bill requires TEA and THECB to maintain and disseminate information related to postsecondary education and career opportunities.

There are currently appropriations in House Bill 1 for costs associated with the provisions of this bill.

Technology

TEA estimates the cost of Data Center Services and the development, implementation, and maintenance of applications associated with the Financial Aid for Swift Transfer program to be \$2,853,242 in the 2024-25 biennium and \$565,590 in each subsequent fiscal year, and that it would require three full-time equivalent positions in each fiscal year.

Local Government Impact

No significant fiscal implication to units of local government is anticipated.

Source Agencies: 300 Trusteed Programs Within the Office of the Governor, 302 Office of the Attorney General, 304 Comptroller of Public Accounts, 308 State Auditor's Office, 320 Texas Workforce Commission, 701 Texas Education Agency, 710 Texas A&M University System Administrative and General Offices, 720 The University of Texas System Administration, 758 Texas State University System, 768 Texas Tech University System Administration, 769 University of North Texas System Administration, 775 Texas Woman's University System, 781 Higher Education Coordinating Board, 783 University of Houston System Administration, 978 San Jacinto College

LBB Staff: JMc, SD, MOc, JSM, AO, NV

LEGISLATIVE BUDGET BOARD

Austin, Texas

FISCAL NOTE, 88TH LEGISLATIVE REGULAR SESSION

May 18, 2023

TO: Honorable Brandon Creighton, Chair, Senate Committee on Education

FROM: Jerry McGinty, Director, Legislative Budget Board

IN RE: HB8 by VanDeaver (relating to public higher education, including the public junior college state finance program.), **Committee Report 2nd House, Substituted**

Estimated Two-year Net Impact to General Revenue Related Funds for HB8, Committee Report 2nd House, Substituted : a negative impact of (\$95,581,504) through the biennium ending August 31, 2025.

The bill would make no appropriation but could provide the legal basis for an appropriation of funds to implement the provisions of the bill.

Potential costs related to the formula funding provisions of the bill are not included in the amounts below. Contingent funding is currently provided in House Bill 1 for this purpose.

General Revenue-Related Funds, Five- Year Impact:

<i>Fiscal Year</i>	Probable Net Positive/(Negative) Impact to General Revenue Related Funds
2024	(\$40,451,376)
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2028	(\$64,553,415)

All Funds, Five-Year Impact:

<i>Fiscal Year</i>	Probable Savings/(Cost) from General Revenue Fund 1	Probable Savings/(Cost) from Foundation School Fund 193	Change in Number of State Employees from FY 2023
2024	(\$8,081,957)	(\$32,369,419)	28.0
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2028	(\$7,531,340)	(\$57,022,075)	28.0

Fiscal Analysis

The bills provisions include establishing the Financial Aid for Swift Transfer program, revising the public community and junior college funding formulas, allowing for the establishment of an institutional collaboration center, transferring the administration of the Texas Innovative Adult Career Education Grant Program, expanding eligibility for institutions participating in Texas First programs, establishing the Opportunity High School Diploma program, and adding certain requirements for early college high school programs.

Methodology

The bill directs the Texas Higher Education Coordinating Board (THECB) and the Texas Education Agency (TEA) to jointly establish the Financial Aid for Swift Transfer program to cover the cost of tuition for educationally disadvantaged students enrolled in dual-credit courses at participating institutions of higher education. THECB estimates the cost of the grants to be \$78,671,763 in General Revenue from the Foundation School Fund 193 for the 2024-25 biennium based on its estimate of the product of the number of dual-credit semester credit hours taken by educationally disadvantaged students and a funding rate it will set per semester credit hour. THECB assumes increased costs in subsequent fiscal years due to a projected increase in dual-credit semester credit hours taken.

The bill permits THECB to establish an Institutional Collaboration Center to provide information and instruction to institutions. THECB estimates the cost of data and educational materials associated with the Center to be \$6,540,000 in General Revenue for the 2024-25 biennium and \$3,270,000 in each subsequent fiscal year.

THECB estimates the cost associated with its administration of the bill's provisions to be \$7,516,500 in General Revenue in the 2024-25 biennium and \$3,695,750 in each subsequent fiscal year, and that it would require twenty-five full-time equivalent positions in each fiscal year.

The bill establishes two funding formulas that would constitute all formula funding for Public Community/Junior Colleges: a base tier formula and a performance tier formula. The base tier formula would fund the difference between hypothetical appropriations for student enrollment - weighted by cost of instruction in varying disciplines and certain characteristics of the institution and its student body - and funding that institutions would hypothetically be able to generate through tuition and local property taxes. The performance tier formula would provide funding for the institution's award of degrees, certificates, and other credentials from credit and non-credit programs, student completion of fifteen semester credit hours in a co-enrollment program or before transferring to a general academic institution, and student completion of fifteen semester credit hours of dual-credit courses that apply toward academic and workforce program requirements at the postsecondary level. Based on the statutory language providing the legislature with the ability to set rates for the formulas established in the bill, no estimate of cost related to the formulas is provided.

The bill transfers the administration of the Texas Innovative Adult Career Education Grant Program from Austin Community College to THECB.

The bill expands the types of institutions of higher education eligible to participate in the Texas First Early High School Completion Program and the Texas First Scholarship Program from only those designated as a research or emerging research university to any public institution of higher education, and requires school districts and charter schools to permit early graduation if a student under the Texas First Early High School Completion Program meets certain eligibility requirements.

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The bill allows community colleges to utilize Pell Grants to cover the difference in the amount of a Texas Educational Opportunity Grant and the actual amount of tuition and required fees.

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diploma and an applied associate or academic associate degree that is transferrable toward a baccalaureate at a general academic institution.

The bill requires TEA and THECB to maintain and disseminate information related to postsecondary education and career opportunities.

There are currently appropriations in House Bill 1 for costs associated with the provisions of this bill.

Technology

TEA estimates the cost of Data Center Services and the development, implementation, and maintenance of applications associated with the Financial Aid for Swift Transfer program to be \$2,853,242 in the 2024-25 biennium and \$565,590 in each subsequent fiscal year, and that it would require three full-time equivalent positions in each fiscal year.

Local Government Impact

No significant fiscal implication to units of local government is anticipated.

Source Agencies: 300 Trusteed Programs Within the Office of the Governor, 302 Office of the Attorney General, 304 Comptroller of Public Accounts, 308 State Auditor's Office, 320 Texas Workforce Commission, 701 Texas Education Agency, 710 Texas A&M University System Administrative and General Offices, 720 The University of Texas System Administration, 758 Texas State University System, 768 Texas Tech University System Administration, 769 University of North Texas System Administration, 775 Texas Woman's University System, 781 Higher Education Coordinating Board, 783 University of Houston System Administration, 978 San Jacinto College

LBB Staff: JMc, MOc, JSM, AO, NV

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 88TH LEGISLATIVE REGULAR SESSION

May 15, 2023

TO: Honorable Brandon Creighton, Chair, Senate Committee on Education

FROM: Jerry McGinty, Director, Legislative Budget Board

IN RE: HB8 by VanDeaver (Relating to the administration, coordination, and support of public higher education, including the public junior college state finance program and a Financial Aid for Swift Transfer (FAST) program to enable certain students to enroll at no cost to the student in dual credit courses offered by certain public institutions of higher education.), **As Engrossed**

Estimated Two-year Net Impact to General Revenue Related Funds for HB8, As Engrossed : a negative impact of (\$95,581,504) through the biennium ending August 31, 2025.

The bill would make no appropriation but could provide the legal basis for an appropriation of funds to implement the provisions of the bill.

Potential costs related to the formula funding provisions of the bill are not included in the amounts below. Contingent funding is currently provided in House Bill 1 for this purpose.

General Revenue-Related Funds, Five- Year Impact:

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All Funds, Five-Year Impact:

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2028	(\$7,531,340)	(\$57,022,075)	28.0

Fiscal Analysis

The bill would establish the Financial Aid for Swift Transfer program, revise the public community and junior college funding formulas, and allow for the establishment of an institutional collaboration center.

Methodology

The bill directs the Texas Higher Education Coordinating Board (THECB) and the Texas Education Agency (TEA) to jointly establish the Financial Aid for Swift Transfer program to cover the cost of tuition for educationally disadvantaged students enrolled in dual-credit courses at participating institutions of higher education. THECB estimates the cost of the grants to be \$78,671,763 in General Revenue from the Foundation School Fund 193 for the 2024-25 biennium based on its estimate of the product of the number of dual-credit semester credit hours taken by educationally disadvantaged students and a funding rate it will set per semester credit hour. THECB assumes increased costs in subsequent fiscal years due to a projected increase in dual-credit semester credit hours taken.

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THECB estimates the cost associated with its administration of the bill's provisions to be \$7,516,500 in General Revenue in the 2024-25 biennium and \$3,695,750 in each subsequent fiscal year, and that it would require twenty-five full-time equivalent positions in each fiscal year.

The bill establishes two funding formulas that would constitute all formula funding for Public Community/Junior Colleges: a base tier formula and a performance tier formula. The base tier formula would fund the difference between hypothetical appropriations for student enrollment - weighted by cost of instruction in varying disciplines and certain characteristics of the institution and its student body - and funding that institutions would hypothetically be able to generate through tuition and local property taxes. The performance tier formula would provide funding for the institution's award of degrees, certificates, and other credentials from credit and non-credit programs, student completion of fifteen semester credit hours in a co-enrollment program or before transferring to a general academic institution, and student completion of fifteen semester credit hours of dual-credit courses that apply toward academic and workforce program requirements at the postsecondary level. Based on the statutory language providing the legislature with the ability to set rates for the formulas established in the bill, no estimate of cost related to the formulas is provided.

There are currently appropriations in House Bill 1 for costs associated with the provisions of this bill.

Technology

TEA estimates the cost of Data Center Services and the development, implementation, and maintenance of applications associated with the Financial Aid for Swift Transfer program to be \$2,853,242 in the 2024-25 biennium and \$565,590 in each subsequent fiscal year, and that it would require three full-time equivalent positions in each fiscal year.

Local Government Impact

No significant fiscal implication to units of local government is anticipated.

Source Agencies: 300 Trusteed Programs Within the Office of the Governor, 302 Office of the Attorney General, 304 Comptroller of Public Accounts, 701 Texas Education Agency, 720 The University of Texas System Administration, 758 Texas State University System, 768 Texas Tech University System Administration, 769 University of North Texas System Administration, 775 Texas Woman's University System, 781 Higher Education Coordinating Board, 783 University of Houston System Administration, 978 San Jacinto College

LBB Staff: JMc, MOc, AO, JSM, NV

LEGISLATIVE BUDGET BOARD

Austin, Texas

FISCAL NOTE, 88TH LEGISLATIVE REGULAR SESSION

Revision 1

March 22, 2023

TO: Honorable John Kuempel, Chair, House Committee on Higher Education

FROM: Jerry McGinty, Director, Legislative Budget Board

IN RE: HB8 by VanDeaver (relating to the administration, coordination, and support of public higher education, including the public junior college state finance program and a Financial Aid for Swift Transfer (FAST) program to enable certain students to enroll at no cost to the student in dual credit courses offered by certain public institutions of higher education.), Committee Report 1st House, Substituted

Estimated Two-year Net Impact to General Revenue Related Funds for HB8, Committee Report 1st House, Substituted : a negative impact of (\$95,581,504) through the biennium ending August 31, 2025.

The bill would make no appropriation but could provide the legal basis for an appropriation of funds to implement the provisions of the bill.

Potential costs related to the formula funding provisions of the bill are not included in the amounts below. Contingent funding is currently provided in House Bill 1 for this purpose.

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All Funds, Five-Year Impact:

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2027	(\$7,531,340)	(\$53,220,603)	28.0
2028	(\$7,531,340)	(\$57,022,075)	28.0

Fiscal Analysis

The bill would establish the Financial Aid for Swift Transfer program, revise the public community and junior college funding formulas, and allow for the establishment of an institutional collaboration center.

Methodology

The bill directs the Texas Higher Education Coordinating Board (THECB) and the Texas Education Agency (TEA) to jointly establish the Financial Aid for Swift Transfer program to cover the cost of tuition for educationally disadvantaged students enrolled in dual-credit courses at participating institutions of higher education. THECB estimates the cost of the grants to be \$78,671,763 in General Revenue from the Foundation School Fund 193 for the 2024-25 biennium based on its estimate of the product of the number of dual-credit semester credit hours taken by educationally disadvantaged students and a funding rate it will set per semester credit hour. THECB assumes increased costs in subsequent fiscal years due to a projected increase in dual-credit semester credit hours taken.

The bill permits THECB to establish an Institutional Collaboration Center to provide information and instruction to institutions. THECB estimates the cost of data and educational materials associated with the Center to be \$6,540,000 in General Revenue for the 2024-25 biennium and \$3,270,000 in each subsequent fiscal year.

THECB estimates the cost associated with its administration of the bill's provisions to be \$7,516,500 in General Revenue in the 2024-25 biennium and \$3,695,750 in each subsequent fiscal year, and that it would require twenty-five full-time equivalent positions in each fiscal year.

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There are currently appropriations in House Bill 1 for costs associated with the provisions of this bill.

Technology

TEA estimates the cost of Data Center Services and the development, implementation, and maintenance of applications associated with the Financial Aid for Swift Transfer program to be \$2,853,242 in the 2024-25 biennium and \$565,590 in each subsequent fiscal year, and that it would require three full-time equivalent positions in each fiscal year.

Local Government Impact

No significant fiscal implication to units of local government is anticipated.

Source Agencies: 300 Trusteed Programs Within the Office of the Governor, 302 Office of the Attorney General, 304 Comptroller of Public Accounts, 701 Texas Education Agency, 720 The University of Texas System Administration, 758 Texas State University System, 768 Texas Tech University System Administration, 769 University of North Texas System Administration, 775 Texas Woman's University System, 781 Higher Education Coordinating Board, 783 University of Houston System Administration, 978 San Jacinto College

LBB Staff: JMc, MOc, JSM, AO, NV

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 88TH LEGISLATIVE REGULAR SESSION

March 22, 2023

TO: Honorable John Kuempel, Chair, House Committee on Higher Education

FROM: Jerry McGinty, Director, Legislative Budget Board

IN RE: HB8 by VanDeaver (relating to the administration, coordination, and support of public higher education, including the public junior college state finance program and a Financial Aid for Swift Transfer (FAST) program to enable certain students to enroll at no cost to the student in dual credit courses offered by certain public institutions of higher education.), **Committee Report 1st House, Substituted**

Estimated Two-year Net Impact to General Revenue Related Funds for HB8, Committee Report 1st House, Substituted : a negative impact of (\$95,581,504) through the biennium ending August 31, 2025.

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Fiscal Analysis

The bill would establish the Financial Aid for Swift Transfer program, revise the public community and junior college funding formulas, and allow for the establishment of an institutional collaboration center.

Methodology

The bill directs the Texas Higher Education Coordinating Board (THECB) and the Texas Education Agency (TEA) to jointly establish the Financial Aid for Swift Transfer program to cover the cost of tuition for educationally disadvantaged students enrolled in dual-credit courses at participating institutions of higher education. THECB estimates the cost of the grants to be \$78,671,763 in General Revenue from the Foundation School Fund 193 for the 2024-25 biennium based on its estimate of the product of the number of dual-credit semester credit hours taken by educationally disadvantaged students and a funding rate it will set per semester credit hour. THECB assumes increased costs in subsequent fiscal years due to a projected increase in dual-credit semester credit hours taken.

The bill permits THECB to establish an Institutional Collaboration Center to provide information and instruction to institutions. THECB estimates the cost of data and educational materials associated with the Center to be \$6,540,000 in General Revenue for the 2024-25 biennium and \$3,270,000 in each subsequent fiscal year.

THECB estimates the cost associated with its administration of the bill's provisions to be \$7,516,500 in General Revenue in the 2024-25 biennium and \$3,695,750 in each subsequent fiscal year, and that it would require twenty-five full-time equivalent positions in each fiscal year.

The bill establishes two funding formulas that would constitute all formula funding for Public Community/Junior Colleges: a base tier formula and a performance tier formula. The base tier formula would fund the difference between hypothetical appropriations for student enrollment - weighted by cost of instruction in varying disciplines and certain characteristics of the institution and its student body - and funding that institutions would hypothetically be able to generate through tuition and local property taxes. The performance tier formula would provide funding for the institution's award of degrees, certificates, and other credentials from credit and non-credit programs, student completion of fifteen semester credit hours in a co-enrollment program or before transferring to a general academic institution, and student completion of fifteen semester credit hours of dual-credit courses that apply toward academic and workforce program requirements at the postsecondary level. Based on the statutory language providing the legislature with the ability to set rates for the formulas established in the bill, no estimate of cost related to the formulas is provided.

There are currently appropriations in House Bill 1 for costs associated with the provisions of this bill.

Technology

TEA estimates the cost of Data Center Services and the development, implementation, and maintenance of applications associated with the Advanced Career and Education scholarship program to be \$2,853,242 in the 2024-25 biennium and \$565,590 in each subsequent fiscal year, and that it would require three full-time equivalent positions in each fiscal year.

Local Government Impact

No significant fiscal implication to units of local government is anticipated.

Source Agencies: 300 Trusteed Programs Within the Office of the Governor, 302 Office of the Attorney General, 304 Comptroller of Public Accounts, 701 Texas Education Agency, 720 The University of Texas System Administration, 758 Texas State University System, 768 Texas Tech University System Administration, 769 University of North Texas System Administration, 775 Texas Woman's University System, 781 Higher Education Coordinating Board, 783 University of Houston System Administration, 978 San Jacinto College

LBB Staff: JMc, MOc, JSM, AO, NV

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 88TH LEGISLATIVE REGULAR SESSION

March 19, 2023

TO: Honorable John Kuempel, Chair, House Committee on Higher Education

FROM: Jerry McGinty, Director, Legislative Budget Board

IN RE: HB8 by VanDeaver (Relating to the administration, coordination, and support of public higher education, including the public junior college state finance program and an Advanced Career and Education (ACE) scholarship program for students enrolled in dual credit courses.), **As Introduced**

Estimated Two-year Net Impact to General Revenue Related Funds for HB8, As Introduced : a negative impact of (\$96,178,342) through the biennium ending August 31, 2025.

The bill would make no appropriation but could provide the legal basis for an appropriation of funds to implement the provisions of the bill.

Potential costs related to the formula funding provisions of the bill are not included in the amounts below. Contingent funding is currently provided in House Bill 1 for this purpose.

General Revenue-Related Funds, Five- Year Impact:

<i>Fiscal Year</i>	Probable Net Positive/(Negative) Impact to General Revenue Related Funds
2024	(\$46,292,777)
2025	(\$49,885,565)
2026	(\$51,506,996)
2027	(\$54,703,418)
2028	(\$58,109,018)

All Funds, Five-Year Impact:

<i>Fiscal Year</i>	Probable Savings/(Cost) from General Revenue Fund 1	Probable Savings/(Cost) from Foundation School Fund 193	Change in Number of State Employees from FY 2023
2024	(\$7,920,361)	(\$38,372,416)	28.0
2025	(\$8,699,172)	(\$41,186,393)	28.0
2026	(\$7,321,159)	(\$44,185,837)	28.0
2027	(\$7,321,159)	(\$47,382,259)	28.0
2028	(\$7,321,159)	(\$50,787,859)	28.0

Fiscal Analysis

The bill would establish the Advanced Career and Education scholarship program, revise the public community and junior college funding formulas, and allow for the establishment of an institutional collaboration center.

Methodology

The bill directs the Texas Higher Education Coordinating Board (THECB) and the Texas Education Agency (TEA) to jointly establish the Advanced Career and Education scholarship program to cover the cost of tuition for educationally disadvantaged students enrolled in dual-credit courses at participating institutions of higher education. THECB estimates the cost of the grants to be \$79,558,809 in General Revenue from the Foundation School Fund 193 for the 2024-25 biennium based on its estimate of the product of the number of dual-credit semester credit hours taken by educationally disadvantaged students and a funding rate it will set per semester credit hour. THECB assumes increased costs in subsequent fiscal years due to a projected increase in dual-credit semester credit hours taken.

The bill permits THECB to establish an Institutional Collaboration Center to provide information and instruction to institutions. THECB estimates the cost of data and educational materials associated with the Center to be \$6,540,000 in General Revenue for the 2024-25 biennium and \$3,270,000 in each subsequent fiscal year.

THECB estimates the cost associated with its administration of the bill's provisions to be \$7,516,500 in General Revenue in the 2024-25 biennium and \$3,695,750 in each subsequent fiscal year, and that it would require twenty-five full-time equivalent positions in each fiscal year.

The bill establishes two funding formulas that would constitute all formula funding for Public Community/Junior Colleges: a base tier formula and a performance tier formula. The base tier formula would fund the difference between hypothetical appropriations for student enrollment - weighted by cost of instruction in varying disciplines and certain characteristics of the institution and its student body - and funding that institutions would hypothetically be able to generate through tuition and local property taxes. The performance tier formula would provide funding for the institution's award of degrees, certificates, and other credentials from credit and non-credit programs, student transfers to a general academic institution, and student completion of fifteen semester credit hours of dual-credit courses that apply toward academic and workforce program requirements at the postsecondary level. Based on the statutory language providing the legislature with the ability to set rates for the formulas established in the bill, no estimate of cost related to the formulas is provided.

There are currently appropriations in House Bill 1 for costs associated with the provisions of this bill.

Technology

TEA estimates the cost of Data Center Services and the development, implementation, and maintenance of applications associated with the Advanced Career and Education scholarship program to be \$2,563,033 in the 2024-25 biennium and \$355,409 in each subsequent fiscal year, and that it would require three full-time equivalent positions in each fiscal year.

Local Government Impact

No significant fiscal implication to units of local government is anticipated.

Source Agencies: 300 Trusteed Programs Within the Office of the Governor, 302 Office of the Attorney General, 304 Comptroller of Public Accounts, 701 Texas Education Agency, 720 The University of Texas System Administration, 758 Texas State University System, 768 Texas Tech University System Administration, 769 University of North Texas System Administration, 775 Texas Woman's University System, 781 Higher Education Coordinating Board, 783 University of Houston System Administration, 978 San Jacinto College

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