**BILL ANALYSIS**

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| Senate Research Center | S.B. 1786 |
| 89R4380 KJE-F | By: Creighton |
|  | Education K-16 |
|  | 3/26/2025 |
|  | As Filed |

**AUTHOR'S / SPONSOR'S STATEMENT OF INTENT**

Last session the Texas Legislature passed H.B. 8, which created an outcomes-based funding model that rewards credentials of value, dual credit completion, and successful transfers to public four-year institutions. S.B. 1786 seeks to address the feedback received heard from stakeholders and experts over the past two years since implementation of H.B. 8, including clarifications for implementation of the Financial Aid for Swift Transfer program and expansion of eligible institutions for four-year transfer under the performance tier of the funding model.

As proposed, S.B. 1786 amends current law relating to public higher education.

**RULEMAKING AUTHORITY**

Rulemaking authority is expressly granted to the Texas Higher Education Coordinating Board in SECTION 4 (Section 61.0275, Education Code) and SECTION 5 (Section 130A.005, Education Code) of this bill.

**SECTION BY SECTION ANALYSIS**

SECTION 1. Amends Sections 28.0095(c), (e), and (f), Education Code, as follows:

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

(1) is enrolled:

(A) in a grade level from 9 through 12, rather than in high school, in a school district or charter school; and

(B) makes no changes to this paragraph; and

(2) was educationally disadvantaged at any time during:

(A) the school year in which the student enrolls in the dual credit course described by Subdivision (1)(B) (relating to student enrollment in a dual credit course at a participating institution of higher education); or

(B) creates this paragraph from existing text and makes no further changes.

(e) Requires each school district or charter school to:

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

(2) makes no changes to this subdivision.

(f) Requires the Texas Education Agency to make available to school districts and charter schools the data necessary for making the determination required under Subsection (e)(1).

SECTION 2. Amends Subchapter D, Chapter 54, Education Code, by adding Section 54.215, as follows:

Sec. 54.215. FINANCIAL AID FOR SWIFT TRANSFER (FAST) PROGRAM. Requires the governing board of an institution of higher education participating in the Financial Aid for Swift Transfer (FAST) program under Section 28.0095 (Financial Aid for Swift Transfer (FAST) Program) to exempt from the payment of tuition and required fees for a dual credit course, as defined by that section, a student who is eligible for the program.

SECTION 3. Amends Section 61.003(2), Education Code, to redefine "public junior college."

SECTION 4. Amends Subchapter B, Chapter 61, Education Code, by adding Section 61.0275, as follows:

Sec. 61.0275. ADOPTION BY REFERENCE. Authorizes the Texas Higher Education Coordinating Board (THECB) to adopt by reference a manual or policy document as a rule.

SECTION 5. Amends Section 130A.005, Education Code, by adding Subsection (d), as follows:

(d) Authorizes THECB to use the emergency rulemaking procedures established under Section 2001.034 (Emergency Rulemaking), Government Code, to adopt rules necessary to align the funding formulas under Chapter 130A (Public Junior College State Finance Program) with appropriations or other legislative action. Provides that THECB is not required to make the finding described by Section 2001.034(a) (relating to authorizing a state agency to adopt an emergency rule without prior notice or hearing if certain criteria are met), Government Code, to adopt rules under this subsection.

SECTION 6. Amends Section 130A.101(c), Education Code, as follows:

(c) Provides that certain values are the measurable outcomes considered for purposes of performance tier funding, including the number of students who earn at least 15 semester credit hours or the equivalent at the junior college district and subsequently transfer to a private or independent institution of higher education, as that term is defined by Section 61.003, (Definitions) that offers four-year degree programs. Makes a nonsubstantive change.

SECTION 7. Provides that Section 28.0095, Education Code, as amended by this Act, applies beginning with the 2025–2026 school year.

SECTION 8. Provides that Section 54.215, Education Code, as added by this Act, applies beginning with tuition and required fees charged for the 2025 fall semester. Provides that tuition and required fees charged for an academic period before that semester are governed by the law in effect immediately before the effective date of this Act, and the former law is continued in effect for that purpose.

SECTION 9. (a) Effective date, except as provided by Subsection (b) of this section: upon passage or September 1, 2025.

(b) Effective date, Section 130A.101(c), Education Code, as amended by this Act: September 1, 2025.