

BILL ANALYSIS

Senate Research Center

H.B. 5339
By: Wilson (Zaffirini)
Water, Agriculture and Rural Affairs
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Engrossed

AUTHOR'S / SPONSOR'S STATEMENT OF INTENT

Extreme soil degradation is an active threat to our country's agricultural future and food security. What's more, conventional agricultural methods are becoming increasingly unaffordable for small farmers while perpetuating a cycle of debt for many large farmers in Texas. Regenerative agriculture is an innovative approach to improving soil health and studies, though limited, indicate that regenerative farming benefits include increased water capture and retention, improved water quality, reduced cost of inputs, increased yields, reduced use of pesticides, greater biodiversity and resilience to weather events, and high-quality, nutrient-dense food.

H.B. 5339 would create the Higher Education Regenerative Agriculture Grant Program, administered by the Texas Higher Education Coordinating Board (THECB), to fund public institutions of higher education conducting research, education, and outreach on regenerative agriculture. The bill would encourage projects that reduce pesticide use, enhance soil health, and promote regenerative farming through independent, evidence-based methods. Grants administered and awarded by THECB would support initiatives like student-led research, technical assistance for farmers, and partnerships with local conservation districts. What's more, THECB would monitor program outcomes and report annually to the legislature on progress and recommendations.

H.B. 5339 amends current law relating to the establishment by the Texas Higher Education Coordinating Board of a grant program to support the study of regenerative agriculture at public institutions of higher education.

RULEMAKING AUTHORITY

Rulemaking authority is expressly granted to the Texas Higher Education Coordinating Board in SECTION 1 (Section 61.9857, Education Code) of this bill.

SECTION BY SECTION ANALYSIS

SECTION 1. Amends Chapter 61, Education Code, by adding Subchapter LL, as follows:

SUBCHAPTER LL. HIGHER EDUCATION REGENERATIVE AGRICULTURE GRANT PROGRAM

Sec. 61.9851. DEFINITIONS. Defines "nonprofit organization," "program," and "regenerative agriculture."

Sec. 61.9852. PROGRAM ESTABLISHMENT AND ADMINISTRATION. (a) Requires the Texas Higher Education Coordinating Board (THECB) to establish and administer the Higher Education Regenerative Agriculture Grant Program (program) under which THECB is authorized to award grants to eligible institutions of higher education to perform certain actions.

(b) Requires THECB, in administering the program, to perform certain actions.

Sec. 61.9853. GRANT ELIGIBILITY. Requires an institution of higher education, to be eligible to receive a grant under the program for a state fiscal year, to apply to THECB in

the manner prescribed by THECB rule and satisfy any other criteria prescribed by THECB rule in accordance with this subchapter.

Sec. 61.9854. GRANT ALLOCATION. (a) Prohibits THECB from awarding more than 30 percent of the total amount of grant funds allocated under this program for a state fiscal year to any one institution of higher education.

(b) Requires THECB, in awarding grants under the program, to give first and equal priority to institutions of higher education that:

(1) conduct research in partnership with one or more nonprofit organizations; or

(2) both conduct research in partnership with a nonprofit organization described by Section 501(c)(3), Internal Revenue Code of 1986 and do not derive more than 25 percent of the institution's agricultural grant program funding from an entity that manufactures, markets, or sells synthetic inputs for use in farming.

(c) Requires THECB, in its application review and funding allocation process for the program for a state fiscal year, to ensure a reasonable distribution of funds across institutions of higher education statewide that do not qualify for a priority grant award under Subsection (b).

Sec. 61.9855. GRANT USE. Provides that grant money awarded under the program is authorized to be used only for certain purposes.

Sec. 61.9856. FUNDING. Authorizes THECB, in addition to any money appropriated for the program, to solicit and accept gifts, grants, and donations from any public or private source for the program.

Sec. 61.9857. RULES. Requires THECB to adopt rules as necessary for the administration of the program, including rules prescribing program guidelines, application forms, and report templates for institutions of higher education under the program.

Sec. 61.9858. ANNUAL REPORT. Requires THECB, in collaboration with the State Soil and Water Conservation Board, to annually prepare and submit to the legislature a report summarizing the outcomes, benefits, and challenges of the program, including any unintended consequences and legislative recommendations to further advance regenerative agriculture research, education, and outreach in this state, including data and independent evaluations to support those recommendations.

SECTION 2. Provides that Subchapter LL, Chapter 61 (Texas Higher Education Coordinating Board), Education Code, as added by this Act, applies beginning with the 2026–2027 academic year.

SECTION 3. Requires THECB, not later than January 1, 2026, to develop and make available on THECB's Internet website an application form for the program established under Subchapter LL, Chapter 61, Education Code, as added by this Act, as well as report templates and guidelines for public institutions of higher education under the grant program.

SECTION 4. Provides that THECB is required to implement the program established under Subchapter LL, Chapter 61, Education Code, as added by this Act, only if the legislature appropriates money specifically for that purpose. Provides that, if the legislature does not appropriate money specifically for that purpose, THECB is authorized to, but is not required to, implement the program established under Subchapter LL, Chapter 61, Education Code, as added by this Act, using other appropriations available for that purpose.

SECTION 5. Effective date: upon passage or September 1, 2025.