

## **BILL ANALYSIS**

Senate Research Center  
89R3167 KJE-F

S.B. 685  
By: Paxton  
Education K-16  
3/26/2025  
As Filed

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

During the 88th Regular Legislative Session, the Texas Legislature passed H.B. 8, the community college funding reform bill. H.B. 8 was based on the findings of the Texas Commission on Community College Finance. The new funding model established by H.B. 8 funds community colleges based on measurable student outcomes, incentivizing student success, rather than merely just enrollment rates. One of these incentivized outcomes recommended by the commission was students transferring to a four-year university.

However, community colleges currently only receive this funding for students who transfer to Texas public universities. This negatively impacts community colleges that have significant percentages of their student populations who transfer to Texas private universities or to one of the neighboring out-of-state universities. This is especially of concern to community colleges that are geographically closer to these private and out-of-state institutions than they are to many of the state's public universities. In some cases, a private or out-of-state university is a better fit for an individual student's needs and interests due to factors such as program availability, affordability, and the distance from home.

S.B. 685 seeks to ensure that community colleges are not penalized in their outcomes-based funding for students who choose to further their higher education at a private or out-of-state university.

As proposed, S.B. 685 amends current law relating to performance tier funding under the public junior college state finance program.

### **RULEMAKING AUTHORITY**

This bill does not expressly grant any additional rulemaking authority to a state officer, institution, or agency.

### **SECTION BY SECTION ANALYSIS**

SECTION 1. Amends Section 130A.101(C), Education Code, as follows:

(c) Provides that the measurable outcomes considered for purposes of performance tier funding are:

(1) makes no changes to this subdivision;

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

(A) subsequently transfer to:

(i) creates this subparagraph from existing text and makes no further changes;

- (ii) a private or independent institution of higher education, as that term is defined by Section 61.003 (Definitions), that offers four-year degree programs; or
- (iii) a public or private four-year postsecondary educational institution in another state that is accredited by an accrediting agency recognized by the United States Department of Education; or

(B) makes no changes to this paragraph; and

(3) makes no changes to this subdivision.

SECTION 2. Effective date: September 1, 2025.