

## **BILL ANALYSIS**

Senate Research Center  
89R1615 KJE-F

S.B. 757  
By: Middleton  
Education K-16  
3/31/2025  
As Filed

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

Students at institutions of higher education regularly take on debt to complete their postsecondary education, banking on the promise that a degree or certification will increase their economic opportunity after graduation. However, according to data from the Department of Education, some offerings do not live up to that promise, failing to deliver the economic benefits one would expect from our public institutions. This leads students into situations where they have taken on student loan debt for a position that does not provide a meaningful increase in salary for their investment.

S.B. 757 would provide a framework where the Texas Higher Education Coordinating Board (THECB) would review degree and certificate offerings at public institutions of higher education. THECB will then classify each offering under four categories with varying levels of scrutiny based on debt to earnings ratio:

- Reward - Debt as a percentage of earnings value of 75% or less.
- Monitor - Debt as a percentage of earnings value of 75% but not more than 100%.
- Sanction - Debt as a percentage of earnings value of more than 100% but not more than 125%.
- Sunset - Debt as a percentage of earnings value of more than 125%.
  
- If a program is designated by THECB as sunset no new students shall be enrolled in the program. All current students will be notified of the rating of the program and what that means.
  
- Unless the program is a core curriculum course, the institution must consolidate or eliminate the program when the last student exits that degree program.

As proposed, S.B. 757 amends current law relating to the review, funding, and continuation of degree and certificate programs at public institutions of higher education based on certain performance standards.

### **RULEMAKING AUTHORITY**

Rulemaking authority is expressly granted to the Texas Higher Education Coordinating Board in SECTION 2 (Section 61.05123, Education Code) of this bill.

### **SECTION BY SECTION ANALYSIS**

SECTION 1. Amends Sections 61.0512(d), (e), and (f), Education Code, as follows:

(d) Requires, rather than authorizes, the Texas Higher Education Coordinating Board (THECB) to review the number of degrees or certificates awarded through a degree or certificate program every five, rather than four, years or more frequently, at THECB's discretion. Makes a nonsubstantive change.

(e) Requires THECB, subject to Section 61.05123(d), to review each degree or certificate program offered by an institution of higher education at least every five, rather than 10,

years after a new program is established using the criteria prescribed by Subsection (c).  
Makes a nonsubstantive change.

(f) Creates an exception under Section 61.05123(f).

SECTION 2. Amends Subchapter C, Chapter 61, Education Code, by adding Section 61.05123, as follows:

Sec. 61.05123. PROGRAM PERFORMANCE STANDARDS. (a) Requires THECB, in reviewing a degree or certificate program under Section 61.0512(e), to first determine using the most recent data available from the Texas Workforce Commission, institutions of higher education, the federal government, and any other reliable source the median student loan debt as a percentage of median annual earnings for program graduates the following number of years after graduation: for an undergraduate program, two years; for a master's program or equivalent, three years; and for a doctoral program or equivalent, five years.

(b) Prohibits THECB, in determining the median student loan debt as a percentage of median annual earnings for program graduates under Subsection (a), from considering, to the extent practicable, program graduates who enrolled in a more advanced degree or certificate program not later than two years after graduation.

(c) Requires THECB to assign a performance rating of "reward" to a program with a debt as a percentage of earnings value of 75 percent or less, "monitor" to a program with a debt as a percentage of earnings value of more than 75 percent but not more than 100 percent, "sanction" to a program with a debt as a percentage of earnings value of more than 100 percent but not more than 125 percent, and "sunset" to a program with a debt as a percentage of earnings value of more than 125 percent.

(d) Provides that a degree or certificate program that receives a "reward" performance rating is exempt from the portion of the review under Section 61.0512(e) using the criteria prescribed by Section 61.0512(c).

(e) Prohibits an institution of higher education from using for a degree or certificate program that receives a "sanction" or "sunset" performance rating money appropriated for formula funding increases, institutional enhancements, or exceptional items for the first state fiscal biennium that begins after the program receives the performance rating.

(f) Provides that an institution of higher education that receives notice from THECB that a degree or certificate program offered by the institution has received a "sunset" performance rating:

(1) is prohibited from enrolling new students in the program after receipt of notice;

(2) is required to permit each student enrolled in the program immediately before receipt of notice to complete the program and inform each student enrolled in the program regarding the rating and the ramifications of that rating; and

(3) after each student enrolled in the program immediately before receipt of the notice graduates or leaves the program, is required to consolidate or eliminate the program, as required by THECB in the notice.

(g) Provides that if the prohibitions and requirements for a degree or certificate program under Subsection (f) would result in a course necessary to fulfill an institution of higher education's core curriculum under Section 61.822 (Transfer

of Credits; Core Curriculum) no longer being offered at the institution, Subsection (f) and Section 61.054 do not apply to the program to the extent necessary for the institution to offer that course. Requires THECB, if this subsection applies to more than one program at the institution with respect to the same course, to select one of those programs to be exempt under this subsection.

(h) Requires THECB to adopt rules necessary to implement this section.

SECTION 3. Amends Section 61.054, Education Code, as follows:

Sec. 61.054. EXPENDITURES FOR PROGRAMS DISAPPROVED BY BOARD. Provides that no funds appropriated to any institution of higher education are authorized to be expended for any program that, rather than which, has been disapproved by THECB under Subchapter C (Powers and Duties of Board) or, subject to Section 61.05123(g), received a "sunset" performance rating under Section 61.05123, unless the program is subsequently specifically approved by the legislature.

SECTION 4. Effective date: September 1, 2025.