

BILL ANALYSIS

Senate Research Center
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S.B. 1961
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AUTHOR'S / SPONSOR'S STATEMENT OF INTENT

In recent years, the Texas Legislature has seen the need to understand the labor demands and availability of high quality jobs and invested in gaining this understanding. As these investments produce results, interested parties that are utilizing this information have reported back on ways that it could be improved. While still beneficial, this information has been produced on a statewide level, leaving regional business markets, local education providers, and most importantly the students who wish to remain in their area after earning post-secondary qualifications, in the dark.

S.B. 1961 aims to provide a better understanding of the opportunities, demand, and results of individual post-secondary paths in a more localized fashion so that those utilizing the information are more equipped to plan for their future.

Specifically, S.B. 1961 will produce enhanced reporting on the statistics of post-secondary paths and ensure that this data is readily available by posting it on the Higher Education Coordinating Board (THECB) website. THECB will also consult with the Texas Workforce Commission (TWC) to produce a report outlining the regional labor demands in Texas every even-numbered year.

Additionally, S.B. 1961 seeks to better align credentials of value with credentials that are actually resulting in post-secondary readiness by establishing a threshold for that designation based on its demand in the workforce, its return on investment in a specific timeframe, and its ability to provide minimum earnings to the person who earns the credential. TWC will also enhance their reporting on post-secondary outcomes to support this alignment and the regional labor demand assessment created in S.B. 1961.

As proposed, S.B. 1961 amends current law relating to the reporting of data relating to postsecondary education and workforce trends by the Texas Higher Education Coordinating Board and the Texas Workforce Commission, to performance tier funding under the public junior college finance program, and to a biennial regional labor demand assessment by the coordinating board.

RULEMAKING AUTHORITY

Rulemaking authority is expressly granted to the Texas Higher Education Coordinating Board SECTION 3 (Section 130A.102, Education Code) of this bill.

SECTION BY SECTION ANALYSIS

SECTION 1. Amends Subchapter C, Chapter 61, Education Code, by adding Sections 61.09023 and 61.09096, as follows:

Sec. 61.09023. REPORTING ON POSTSECONDARY OUTCOMES. (a) Requires the Texas Higher Education Coordinating Board (THECB) to post on THECB's Internet website the following de-identified data, disaggregated by institution of higher education and matriculating cohort:

(1) for students who graduate from a degree, certificate, or other credential program:

(A) the program completed;

(B) the employment status of graduates from each program, including, if known, the number of those graduates who enrolled in additional postsecondary education; and

(C) the counties of employment and residence, industries of employment, occupations, and wages of graduates from each program; and

(2) for students who have not graduated from a degree, certificate, or other credential program and are no longer enrolled in that program:

(A) the program in which the student was most recently enrolled;

(B) the number of credits remaining before the student would complete the program;

(C) the student's employment status, including, if known, whether the student is enrolled in another degree, certificate, or other credential program at an institution of higher education; and

(D) the counties and industries of employment, occupations, and wages of those students.

(b) Requires THECB to ensure the data posted under Subsection (a) complies with the Family Educational Rights and Privacy Act of 1974 (20 U.S.C. Section 1232g).

Sec. 61.09096. BIENNIAL REGIONAL LABOR DEMAND ASSESSMENT. (a) Requires THECB, in consultation with the Texas Workforce Commission (TWC), to conduct a biennial assessment of regional labor demands across the state to allow institutions of higher education to better align educational programs with workforce needs. Requires THECB, in conducting the assessment, to:

(1) analyze current and projected workforce needs in each region of the state over a 10-year period, disaggregated by wage, industry, occupational field, full-time and part-time status, county of primary employment, county of residence, and remote work status;

(2) identify for each region and county the industries and occupations that lead to a self-sufficient wage, as determined under Section 2308A.012 (Self-Sufficient Wage), Government Code, based on local labor market conditions;

(3) provide a list of degrees, certificates, or other credentials included in the library of credentials established under Section 2308A.007 (Credential Library), Government Code, that lead to jobs in the industries or occupations identified under Subdivision (2); and

(4) provide information on outcomes relating to each degree, certificate, or other credential listed under Subdivision (3), including the median wage earned by students who graduated with the degree, certificate, or other credential in 1 year, 5 years, and 10 years after completion of the program and job placement rates in six months of completion of the degree, certificate, or other credential.

(b) Requires THECB, in coordination with other state agencies, including TWC, the Texas Education Agency (TEA), and other relevant entities, to assist THECB in conducting the assessment under this section, to access labor market information, employment data, and workforce projections and ensure that educational and training programs, credentialing pathways, and career preparation efforts are informed by comprehensive and accurate labor market data.

(c) Requires THECB to provide the labor market information and workforce projections obtained from the assessment conducted under this section to institutions of higher education, school districts, and open-enrollment charter schools to support program development aligned with regional workforce needs.

(d) Requires THECB, not later than December 1 of each even-numbered year, to report the results of the assessment conducted under this section to the governor, the lieutenant governor, the speaker of the house of representatives, and the standing legislative committees with primary jurisdiction over higher education.

SECTION 2. Amends Section 130A.101(c), Education Code, as follows:

(c) Provides that the measurable outcomes considered for purposes of performance tier funding are certain quantities, including the number of credentials of value awarded, as determined by THECB under Section 130A.102, rather than as determined by THECB based on analyses of wages and costs associated with the credential, including degrees, certificates, and other credentials from credit and non-credit programs that equip students for continued learning and greater earnings in the state economy, with an additional weight for placement of students who earn that credential in a high-demand occupation, as defined by THECB rule, or an appropriate proxy determined by THECB based on available data.

SECTION 3. Amends Subchapter C, Chapter 130A, Education Code, by adding Section 130A.102, as follows:

Sec. 130A.102. CREDENTIALS OF VALUE. (a) Requires THECB, for purposes of Section 130A.101(c)(1) (relating to providing that the measurable outcomes for performance tier funding includes the number of credentials of value awarded), to designate a postsecondary credential as a credential of value if the credential fulfills certain requirements.

(b) Requires THECB by rule to establish a minimum earnings threshold for a credential of value. Requires THECB, in establishing the threshold, to consider the time frame in which earnings from the credential exceed the total cost of attendance at a public junior college, including foregone wages, and whether the earnings meet or exceed the amount of the self-sufficient wage determined under Section 2308A.012, Government Code, within a time frame relatively proportional, as determined by THECB, to the duration of the certificate or degree program at a public junior college through which a person is authorized to earn the credential.

(c) Authorizes THECB by rule to designate a postsecondary credential as a credential of value regardless of whether the credential meets the requirements under Subsection (a) if THECB determines the designation necessary. Provides that a designation under this subsection expires on the second anniversary of the date on which the designation was made unless renewed by THECB. Requires THECB, in determining whether a designation is necessary, to consider workforce demand in critical industries, alignment with state economic priorities, public service or essential workforce roles, and other considerations THECB deems necessary.

SECTION 4. Amends Section 204.0025, Labor Code, as follows:

Sec. 204.0025. ADDITIONAL WORKFORCE DATA REPORTING. Requires TWC, rather than providing that it is the intent of the legislature that TWC, subject to the availability of federal funding or other resources for the purpose, to work with employers to enhance the reporting of employment and earnings data by employers to TWC as part of an employer's routine wage filings under Subtitle A (Texas Unemployment Compensation Act) or TWC rule and consistent with federal law and regulations. Requires that the enhanced wage filings include information related to wage, industry, occupational field, full-time and part-time status, county of primary employment, county of residence, remote work status, and other important employment information necessary to conduct the assessment required under Section 61.09096, Education Code, rather than information related to occupation and other important employment information that would improve the state's labor market information.

SECTION 5. Effective date: September 1, 2025.