89R1615 KJE-F

By:  Tepper H.B. No. 281

A BILL TO BE ENTITLED

AN ACT

relating to the review, funding, and continuation of degree and certificate programs at public institutions of higher education based on certain performance standards.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

SECTION 1.  Sections 61.0512(d), (e), and (f), Education Code, are amended to read as follows:

(d)  The board shall [~~may~~] review the number of degrees or certificates awarded through a degree or certificate program every five [~~four~~] years or more frequently, at the board's discretion.

(e)  Subject to Section 61.05123(d), the [~~The~~] board shall review each degree or certificate program offered by an institution of higher education at least every five [~~10~~] years after a new program is established using the criteria prescribed by Subsection (c).

(f)  Except as provided by Section 61.05123(f), the [~~The~~] board may not order the consolidation or elimination of any degree or certificate program offered by an institution of higher education but may, based on the board's review under Subsections (d) and (e), recommend such action to an institution's governing board. If an institution's governing board does not accept recommendations to consolidate or eliminate a degree or certificate program, the university system or, where a system does not exist, the institution, must identify the programs recommended for consolidation or elimination on the next legislative appropriations request submitted by the system or institution.

SECTION 2.  Subchapter C, Chapter 61, Education Code, is amended by adding Section 61.05123 to read as follows:

Sec. 61.05123.  PROGRAM PERFORMANCE STANDARDS. (a) In reviewing a degree or certificate program under Section 61.0512(e), the board shall 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:

(1)  for an undergraduate program, two years;

(2)  for a master's program or equivalent, three years; and

(3)  for a doctoral program or equivalent, five years.

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

(c)  The board shall assign a performance rating of:

(1)  "reward" to a program with a debt as a percentage of earnings value of 75 percent or less;

(2)  "monitor" to a program with a debt as a percentage of earnings value of more than 75 percent but not more than 100 percent;

(3)  "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

(4)  "sunset" to a program with a debt as a percentage of earnings value of more than 125 percent.

(d)  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)  An institution of higher education may not use 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)  Except as provided by Subsection (g), an institution of higher education that receives notice from the board that a degree or certificate program offered by the institution has received a "sunset" performance rating:

(1)  may not enroll new students in the program after receipt of notice;

(2)  shall:

(A)  permit each student enrolled in the program immediately before receipt of notice to complete the program; and

(B)  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, shall consolidate or eliminate the program, as required by the board in the notice.

(g)  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 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. If this subsection applies to more than one program at the institution with respect to the same course, the board shall select one of those programs to be exempt under this subsection.

(h)  The board shall adopt rules necessary to implement this section.

SECTION 3.  Section 61.054, Education Code, is amended to read as follows:

Sec. 61.054.  EXPENDITURES FOR PROGRAMS DISAPPROVED BY BOARD. No funds appropriated to any institution of higher education may be expended for any program that [~~which~~] has been disapproved by the board under this subchapter 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.  This Act takes effect September 1, 2025.