

By: Tepper

H.B. No. 281

A BILL TO BE ENTITLED

1 AN ACT  
2 relating to the review, funding, and continuation of degree and  
3 certificate programs at public institutions of higher education  
4 based on certain performance standards.

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

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

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

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

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

1 consolidation or elimination on the next legislative  
2 appropriations request submitted by the system or institution.

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

5 Sec. 61.05123. PROGRAM PERFORMANCE STANDARDS. (a) In  
6 reviewing a degree or certificate program under Section 61.0512(e),  
7 the board shall first determine using the most recent data  
8 available from the Texas Workforce Commission, institutions of  
9 higher education, the federal government, and any other reliable  
10 source the median student loan debt as a percentage of median annual  
11 earnings for program graduates the following number of years after  
12 graduation:

- 13 (1) for an undergraduate program, two years;  
14 (2) for a master's program or equivalent, three years;  
15 and  
16 (3) for a doctoral program or equivalent, five years.

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

- 23 (c) The board shall assign a performance rating of:  
24 (1) "reward" to a program with a debt as a percentage  
25 of earnings value of 75 percent or less;  
26 (2) "monitor" to a program with a debt as a percentage  
27 of earnings value of more than 75 percent but not more than 100

1 percent;

2 (3) "sanction" to a program with a debt as a percentage  
3 of earnings value of more than 100 percent but not more than 125  
4 percent; and

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

7 (d) A degree or certificate program that receives a "reward"  
8 performance rating is exempt from the portion of the review under  
9 Section 61.0512(e) using the criteria prescribed by Section  
10 61.0512(c).

11 (e) An institution of higher education may not use for a  
12 degree or certificate program that receives a "sanction" or  
13 "sunset" performance rating money appropriated for formula funding  
14 increases, institutional enhancements, or exceptional items for  
15 the first state fiscal biennium that begins after the program  
16 receives the performance rating.

17 (f) Except as provided by Subsection (g), an institution of  
18 higher education that receives notice from the board that a degree  
19 or certificate program offered by the institution has received a  
20 "sunset" performance rating:

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

23 (2) shall:

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

26 (B) inform each student enrolled in the program  
27 regarding the rating and the ramifications of that rating; and

1           (3) after each student enrolled in the program  
2 immediately before receipt of the notice graduates or leaves the  
3 program, shall consolidate or eliminate the program, as required by  
4 the board in the notice.

5           (g) If the prohibitions and requirements for a degree or  
6 certificate program under Subsection (f) would result in a course  
7 necessary to fulfill an institution of higher education's core  
8 curriculum under Section 61.822 no longer being offered at the  
9 institution, Subsection (f) and Section 61.054 do not apply to the  
10 program to the extent necessary for the institution to offer that  
11 course. If this subsection applies to more than one program at the  
12 institution with respect to the same course, the board shall select  
13 one of those programs to be exempt under this subsection.

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

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

18           Sec. 61.054. EXPENDITURES FOR PROGRAMS DISAPPROVED BY  
19 BOARD. No funds appropriated to any institution of higher  
20 education may be expended for any program that ~~[which]~~ has been  
21 disapproved by the board under this subchapter or, subject to  
22 Section 61.05123(g), received a "sunset" performance rating under  
23 Section 61.05123, unless the program is subsequently specifically  
24 approved by the legislature.

25           SECTION 4. This Act takes effect September 1, 2025.