

1-1 By: Creighton, Blanco S.B. No. 1786
1-2 (In the Senate - Filed February 28, 2025; March 13, 2025,
1-3 read first time and referred to Committee on Education K-16;
1-4 April 7, 2025, reported adversely, with favorable Committee
1-5 Substitute by the following vote: Yeas 11, Nays 0; April 7, 2025,
1-6 sent to printer.)

1-7	COMMITTEE VOTE				
1-8		Yea	Nay	Absent	PNV
1-9	Creighton	X			
1-10	Campbell	X			
1-11	Bettencourt	X			
1-12	Hagenbuch	X			
1-13	Hinojosa of Nueces	X			
1-14	King	X			
1-15	Menéndez	X			
1-16	Middleton	X			
1-17	Parker	X			
1-18	Paxton	X			
1-19	West	X			

1-20 COMMITTEE SUBSTITUTE FOR S.B. No. 1786 By: Hinojosa of Nueces

1-21 A BILL TO BE ENTITLED
1-22 AN ACT

1-23 relating to public higher education.
1-24 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:
1-25 SECTION 1. Sections 28.0095(c), (e), and (f), Education
1-26 Code, are amended to read as follows:
1-27 (c) A student is eligible to enroll at no cost in a dual
1-28 credit course under the program if the student:
1-29 (1) is enrolled:
1-30 (A) in a grade level from 9 through 12 ~~[high~~
1-31 ~~school]~~ in a school district or charter school; and
1-32 (B) in a dual credit course at a participating
1-33 institution of higher education; and
1-34 (2) was educationally disadvantaged at any time
1-35 during:
1-36 (A) the school year in which the student enrolls
1-37 in the dual credit course described by Subdivision (1)(B); or
1-38 (B) the four school years preceding the student's
1-39 enrollment in the dual credit course described by Subdivision
1-40 (1)(B).
1-41 (e) Each school district or charter school shall:
1-42 (1) on the ~~[a high school student's]~~ enrollment of a
1-43 student in a grade level from 9 through 12 in a dual credit course,
1-44 determine whether the student meets the criteria for the program
1-45 under Subsection (c)(2); and
1-46 (2) notify the institution of higher education that
1-47 offers the dual credit course in which the student is enrolled of
1-48 the district's or school's determination under Subdivision (1).
1-49 (f) A school district or charter school may make the
1-50 determination under Subsection (e)(1) based on the district's or
1-51 school's records, the agency's records, or any other method
1-52 authorized by commissioner or coordinating board rule. If the
1-53 district or school bases the determination on a method other than
1-54 the agency's records, the district or school shall report the
1-55 method used and the data on which the method is based to the agency
1-56 for purposes of verification. The agency shall make available to
1-57 school districts and charter schools any available and relevant
1-58 data for making the determination required under Subsection (e)(1).
1-59 SECTION 2. Section 61.003(2), Education Code, is amended to
1-60 read as follows:

(2) "Public junior college" means any junior college associated with a junior college district described by Subchapter J, Chapter 130 [listed as a public junior college in accordance with Section 61.063].

SECTION 3. Subchapter B, Chapter 61, Education Code, is amended by adding Section 61.0275 to read as follows:

Sec. 61.0275. ADOPTION BY REFERENCE. The board may adopt by reference a manual or policy document as a rule.

SECTION 4. Section 130A.005, Education Code, is amended by adding Subsection (d) to read as follows:

(d) The coordinating board may use the emergency rulemaking procedures established under Section 2001.034, Government Code, to adopt rules necessary to align the funding formulas under this chapter with appropriations or other legislative action. The coordinating board is not required to make the finding described by Section 2001.034(a), Government Code, to adopt rules under this subsection.

SECTION 5. Section 130A.101(c), Education Code, is amended to read as follows:

(c) The measurable outcomes considered for purposes of performance tier funding are:

(1) the number of credentials of value awarded, as determined by the coordinating board 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 coordinating board rule, or an appropriate proxy determined by the coordinating board based on available data;

(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) a general academic teaching institution, as that term is defined by Section 61.003; or
 (ii) a private or independent institution of higher education, as that term is defined by Section 61.003, that offers four-year degree programs; or

(B) are enrolled in a structured co-enrollment program, as authorized by coordinating board rule; and

(3) the number of students who complete a sequence of at least 15 semester credit hours or the equivalent for dual credit or dual enrollment courses, as defined by coordinating board rule, that apply toward academic or workforce program requirements at the postsecondary level.

SECTION 6. Subchapter C, Chapter 130A, Education Code, is amended by adding Section 130A.102 to read as follows:

Sec. 130A.102. CREDENTIALS OF VALUE. (a) For purposes of Section 130A.101(c)(1), the coordinating board shall designate a credential as a credential of value if the credential:

(1) provides a positive return on investment for a student who received the credential, as measured by earning or being expected to earn cumulative wages at least equal to the cumulative median earnings for high school graduates in this state and earning at least the individual self-sufficient wage, as defined by coordinating board rule, during the period specified by coordinating board rule but not more than 10 years after the date on which the credential is received; and

(2) allows a student who received the credential to recoup the net cost of attendance at a public junior college, including opportunity cost, where:

(A) the net cost of attendance is the net cost of attendance used for purposes of financial aid at the college less any aid received by the student; and

(B) opportunity cost is the difference between cumulative median earnings for high school graduates in this state and cumulative median earnings for students while enrolled in the

certificate or degree program leading to the credential for:

(i) a period of two years for an associate degree program;

(ii) a period of four years for a baccalaureate degree program; and

(iii) a period determined by coordinating board rule based on the program's design for a certificate or degree program not described by Subparagraph (i) or (ii).

(b) The coordinating board shall calculate the return on investment for a credential under Subsection (a)(1) using the most current data available to the coordinating board from:

(1) the integrated postsecondary education data system maintained by the National Center for Education Statistics;

(2) wage records obtained from the Texas Workforce Commission;

(3) the American Community Survey by the United States Census Bureau;

(4) the coordinating board's data reporting systems; or

(5) other data sources selected by the coordinating board.

(c) In adopting a definition of individual self-sufficient wage for purposes of Subsection (a)(1), the coordinating board shall ensure the definition is correlated with the statewide median of the self-sufficient wage determined under Section 2308A.012, Government Code.

(d) The coordinating board may designate a credential in education or health care as a credential of value regardless of whether the credential meets the criteria under Subsection (a) if the coordinating board determines the designation is necessary to ensure the workforce needs of this state are met in those fields.

(e) The coordinating board shall adopt rules as necessary to implement this section in alignment with the long-range master plan for higher education in this state developed under Section 61.051(a-1).

SECTION 7. Chapter 2308A, Government Code, is amended by adding Section 2308A.0115 to read as follows:

Sec. 2308A.0115. COORDINATION OF GRANT PROGRAMS FOR SECONDARY AND POSTSECONDARY CAREER AND TECHNICAL EDUCATION PROGRAMS. (a) For the establishment, implementation, and expansion of secondary and postsecondary career and technical education programs that are aligned with the state workforce development goals, the agency, coordinating board, and commission shall coordinate the competitive grant programs for those programs, including:

(1) the Jobs and Education for Texans (JET) Grant Program under Chapter 134, Education Code;

(2) the grant program established under the Pathways in Technology Early College High School (P-TECH) program under Section 29.556, Education Code;

(3) the Texas Reskilling and Upskilling through Education (TRUE) Program established under Subchapter T-2, Chapter 61, Education Code; and

(4) federal career and technical education grant programs, including grant programs under the Carl D. Perkins Career and Technical Education Act of 2006 (20 U.S.C. Section 2301 et seq.).

(b) In coordinating grant programs under Subsection (a), the agency, coordinating board, and commission shall jointly:

(1) address career and technical education program startup and delivery costs by aligning two or more grant funding streams;

(2) identify and work to reduce duplication in grant programs across the agency, coordinating board, and commission;

(3) identify opportunities to structure grant funding for career and technical education projects that support secondary-to-postsecondary career pathways, including by providing for career and technical education dual credit or the attainment of postsecondary credentials by secondary students;

(4) identify opportunities to structure grant funding for career and technical education projects that are:

(A) aligned with the attainment of credentials of value, as designated by the coordinating board for purposes of Section 130A.101(c)(1), Education Code; and

(B) designed to meet state workforce needs in high-demand fields; and

(5) to the extent possible, prioritize comprehensive funding of facilities, equipment, instructional materials, and faculty and staff for program development and delivery to best meet the state workforce development goals.

SECTION 8. Section 204.0025, Labor Code, is amended to read as follows:

Sec. 204.0025. ADDITIONAL WORKFORCE DATA REPORTING. The commission shall ~~[It is the intent of the legislature that the commission, subject to the availability of federal funding or other resources for the purpose,]~~ work with employers to enhance the reporting of employment and earnings data by employers to the commission as part of an employer's routine wage filings under this subtitle or commission rule and consistent with federal law and regulations. The enhanced wage filings must include information related to wage, industry, occupational field, full-time and part-time status, county of primary employment, remote work status, [occupation] and other important employment information necessary to conduct the assessment required under Section 302.0205 [that would improve the state's labor market information].

SECTION 9. Subchapter A, Chapter 302, Labor Code, is amended by adding Section 302.0205 to read as follows:

Sec. 302.0205. REGIONAL LABOR DEMAND ASSESSMENT. (a) In this section, "institution of higher education" has the meaning assigned by Section 61.003, Education Code.

(b) The commission shall conduct a biennial assessment of available regional labor demands across this state using the best available state and federal labor market data, as determined by the commission, to allow institutions of higher education to better align educational programs with workforce needs. The assessment must:

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

(2) identify for each region and county of this state the industries and occupations that lead to an individual self-sufficient wage, as defined by Texas Higher Education Coordinating Board rule in accordance with Section 130A.102, Education Code.

(c) The commission may coordinate with other state agencies, including the Texas Higher Education Coordinating Board and the Texas Education Agency, to conduct the assessment under this section.

(d) In conducting the assessment under this section, the commission may:

(1) obtain any data the commission is authorized by law to obtain from a state or federal agency or institution of higher education at no cost to the commission;

(2) obtain expedited access at no cost to the commission to data available through a center for education research established under Section 1.005, Education Code; and

(3) contract with a state agency or institution of higher education to conduct or assist in conducting the assessment.

(e) If the commission contracts with an institution of higher education to conduct or assist in conducting the assessment under Subsection (d)(3), the Texas Higher Education Coordinating Board and the Texas Education Agency shall enter into a data sharing agreement with the institution to provide to the institution any data necessary to conduct the assessment.

(f) Not later than March 1 of each odd-numbered year, the commission shall provide the results of the assessment to:

- (1) the governor;
- (2) the lieutenant governor;
- (3) the speaker of the house of representatives;
- (4) the standing legislative committees with primary jurisdiction over higher education;
- (5) the Texas Higher Education Coordinating Board;
- (6) the Texas Education Agency;
- (7) institutions of higher education; and
- (8) public schools.

SECTION 10. Section 28.0095, Education Code, as amended by this Act, applies beginning with the 2025-2026 school year.

SECTION 11. Not later than December 1, 2026, the Texas Higher Education Coordinating Board shall evaluate the data available under Section 204.0025, Labor Code, as amended by this Act, to identify the effects of transitioning to a county-by-county definition of individual self-sufficient wage for purposes of Section 130A.102, Education Code, as added by this Act.

SECTION 12. (a) Section 130A.102, Education Code, as added by this Act, applies to associate degrees awarded by a public junior college beginning with the 2025-2026 academic year. That section applies to other degrees and certificates awarded by a public junior college beginning with the 2027-2028 academic year.

(b) Not later than August 1, 2027, the Texas Higher Education Coordinating Board, in consultation with the standing advisory committee established under Section 130.001, Education Code, shall adopt rules implementing Section 130A.102, Education Code, as added by this Act, for each certificate program offered by a public junior college.

SECTION 13. (a) Except as provided by Subsection (b) of this section, this Act takes effect immediately if it receives a vote of two-thirds of all the members elected to each house, as provided by Section 39, Article III, Texas Constitution. If this Act does not receive the vote necessary for immediate effect, this Act takes effect September 1, 2025.

(b) Section 130A.101(c), Education Code, as amended by this Act, and Section 130A.102, Education Code, as added by this Act, take effect September 1, 2025.

* * * * *