



TEXAS HIGHER EDUCATION COORDINATING BOARD

LEGISLATIVE UPDATE

87th TEXAS LEGISLATURE  June 1, 2021

The 87th Texas Legislature concluded its regular legislative session yesterday. Legislators faced unique and unprecedented challenges this session due to the pandemic and severe winter weather event that created additional obstacles to the traditional legislative process, unforeseen issues with the state's energy infrastructure, and pressures on the state's budget. Although the Legislature grappled with many priority issues facing the state, lawmakers provided important investments in Texas higher education, prioritizing students and policies that will support the state's economic recovery and long-term economic competitiveness.

State Budget Update

SB 1 by Sen. Nelson restructures the Coordinating Board budget to consolidate several strategies and increases funding from \$1.6 billion to \$1.8 billion in General Revenue. Key provisions of SB 1 include the following:

- \$57.5 million to restore the 5 percent reductions to the TEXAS Grant, Texas Educational Opportunity Grant (TEOG), and Tuition Equalization Grant (TEG) programs plus an additional \$110 million to allocate among those programs;
- \$48.5 million to restore the 5 percent reduction to Graduate Medical Education (GME) expansion funding and maintain the program's 1.1:1 ratio;
- \$749,000 to fund the agency's move to the Capitol Complex;
- \$9.5 million to reflect the transfer of Texas OnCourse to the Coordinating Board, in addition to any remaining funds transferred to the agency from UT Austin under their FY21 MOU agreement;
- An exemption of full-time equivalents (FTEs) employees that support the College Access Loan Program from the calculation of the agency's FTE cap; and
- Rider language updates requested by the agency for AdviseTX and the Nursing Shortage Reduction Program.

Overall, the state's higher education budget increased by 2.2 percent (\$325.5 million) in General Revenue. These amounts incorporate 5 percent reductions as well as new funding items, such as \$110.5 million in institutional special items and \$380 million to maintain most formula funding rates for general academic and health related institutions at FY2020-21 levels.

Bills Passed by the Legislature

The Legislature passed important legislation that codified the Texas OnCourse move to the Coordinating Board, addressed the issue of out-of-state clerkships, provided flexibility for the agency to reduce redundant reporting requirements, extended the implementation of the electronic TASFA to align with federal requirements, and created the "Texas First" program to allow high performing high school students to graduate early and attend a Texas public university. A summary of key higher education legislation of interest that passed this session includes:

OnCourse Transfer to the Coordinating Board

HB 2827 by Rep. M. Gonzalez removes the Center for Teaching and Learning at The University of Texas at Austin as the organization responsible for OnCourse and replaces the center with the Coordinating Board.

Tri-Agency Workforce Initiative

HB 3767 by Chairman Murphy codifies the Tri-Agency Workforce Initiative and requires the Coordinating Board, Texas Education Agency (TEA), and Texas Workforce Commission (TWC) to enter into interagency agreements to

87th Texas Legislature Bill Statistics *(as of May 28)*

- Bills and joint resolutions filed: 7,148
- Passed opposite chamber: 1,111
- Signed by the Governor: 142
- Bills and joint resolutions tracked/analyzed by Coordinating Board staff: 489

share, match, and manage education and workforce data and coordinate resources; jointly develop statewide workforce development goals and strategies, updated at least every 4 years; and create and biennially update a list of career pathways for both target occupations (current needs) and critical careers (forecasted demands). The bill also requires the Coordinating Board to develop a strategic plan to operate a unified workforce data repository and for the agency and TEA to provide student outcomes data on career and education training programs to school districts and institutions of higher education. The Coordinating Board is also authorized to develop a number of internet resources for the Initiative, including various dashboards and tools, and to work with TWC to establish a statewide web-based credential library.

Data Sharing Agreements

SB 788 by Chairman Creighton requires the Coordinating Board, TEA, and TWC to develop and make available model FERPA-compliant data sharing agreements for voluntary use by school districts, institutions of higher education, state and local workforce entities, and others authorized to receive information for system evaluation and improvement. *(Signed by the Governor)*

Community College Finance Commission

SB 1230 by Sen. Taylor creates the Texas Commission on Community College Finance to make formula funding recommendations to the next Legislature. The Coordinating Board and the Texas Association of Community Colleges may provide support, including data analyses and technical assistance. *(Signed by the Governor)*

Out-of-State Clerkships

SB 1490 by Chairman Creighton limits the issuance of both Certificates of Authority and Certificates of Authorization to institutions proposing to offer a professional degree.

Reporting Flexibility

SB 1677 by Sen. Buckingham grants the Coordinating Board the authority to eliminate reporting requirements for institutions of higher education, by rule, if the Board determines it has access to an alternative means of collecting data or receiving information sufficient to fulfill a statutory requirement.

E-TASFA

SB 1860 by Sen. Powell extends the implementation date of the electronic TASFA to applications submitted for the 2023-24 academic year to align with implementation of the new FAFSA. *(Signed by the Governor)*

Texas First Early High School Completion

SB 1888 by Chairman Creighton establishes the Texas First Early High School Completion Program, under which students that demonstrate readiness for college can graduate early from high school. Scholarships for these students are provided to incentivize their early enrollment at public Texas research universities or emerging research universities.

Taxable Property Valuation for Community College Baccalaureates

HB 885 by Rep. Harris creates an exception from the taxable property valuation requirement that a community college district must meet to be eligible to offer a baccalaureate degree for a nursing degree program. The bill is bracketed to community colleges that have a taxable property valuation of at least \$4 billion and do not have a four-year institution of higher education located in a county in which the district is located. The bracket may be applicable to Navarro College, North Central Texas College, and Northeast Texas Community College.

Religious Studies Program at Texas Southern University

HB 981 by Rep. Dutton requires the Coordinating Board to conduct a study on the feasibility of establishing a religious studies program that offers bachelor's, master's, and doctoral degrees at Texas Southern University. Institutions may already submit degree program proposals for review and consideration by the Coordinating Board.

Work-based Learning Strategic Framework

HB 1247 by Rep. Lozano requires the Coordinating Board, TEA, and TWC to jointly develop a strategic framework to encourage work-based learning. The agencies' report on the framework must identify any available federal funds that may be used for work-based learning and training and include recommendations regarding the use of those funds in a report, which the agencies must, to the extent possible, implement as soon as practicable.

Rural Veterinarian Incentive Program

HB 1259 by Rep. Darby would transfer the administration of the rural veterinarian incentive program from Texas A&M University to the Texas Animal Health Commission. The program allows veterinarians in rural areas to receive funds to reduce their student loan debt through the rural veterinarian incentive program (which is not funded).

Joint Admission Medical Program (JAMP)

HB 1325 by Rep. Coleman makes the University of Houston medical school and the College of Osteopathic Medicine at Sam Houston State University eligible for the JAMP. *(Signed by the Governor)*

Midwestern State University Transfer to Texas Tech University System

HB 1522 by Rep. Frank transfers Midwestern State University to the Texas Tech University System.

Community College Baccalaureate Degrees

HB 3348 by Rep. Pacheco increases the number of baccalaureate degrees community colleges may offer up to five. Current law allows four community colleges to offer up to five; the rest are capped at three.

Off-campus Workforce Education

HB 4361 by Rep. Raney allows institutions to enter into agreements with employers to provide a credit or noncredit off-campus workforce education or lower-division program to the institution's students at a site requested by the employer, without approval of a higher education regional council.

Dropped Course Limitations

SB 165 by Sen. Blanco allows undergraduate students to drop more than the dropped course limitation of six courses at public institutions of higher education because of disasters (declared by the governor) and the COVID-19 pandemic.

Bilingual Education Strategic Plan

SB 560 by Sen. Lucio requires TEA, in collaboration with the Coordinating Board and TWC, to develop a strategic plan for the improvement and expansion of high-quality bilingual education.

Multi-institution Center

SB 884 by Sen. Zaffirini proposes to establish The University of Texas System multi-institution center in lieu of the existing UT Health Science Center at San Antonio campus extension in the City of Laredo. *(Signed by the Governor)*

Continuing Education in Success Points

SB 959 by Sen. Zaffirini allows continuing education workforce courses to be included in success-based formula funding calculations, including courses that do not provide credit toward a certificate or an associate degree. The bill grants the Coordinating Board authority to consider continuing education courses in a manner and to the extent the Board considers appropriate and in consultation with colleges.

Student Loan Data Reporting

SB 1019 by Sen. Zaffirini requires the Coordinating Board, in its annual financial aid report, to include a breakdown of student loan data disaggregated by race, ethnicity, sex, degree type, and enrollment status, including whether the student has graduated.

Texas TRUE Initiative

SB 1102 by Chairman Creighton establishes the Texas Reskilling and Upskilling through Education (TRUE) Initiative to support workforce education at public junior colleges administered by the Coordinating Board. HB 2, the supplemental appropriations bill, includes a contingency rider for SB 1102, which requires the Board to utilize federal coronavirus funding to implement the legislation.

Texas Woman's University System

SB 1126 by Sen. Springer establishes the Texas Woman's University System. *(Signed by the Governor)*

Academic Advising

SB 1277 by Sen. West requires dual credit partnership agreements between school districts and institutions of higher education to designate at least one employee of the district or institution for providing academic advising to the student before enrolling in a dual credit course.

Comprehensive Regional Universities

SB 1295 by Chairman Creighton proposes a funding methodology to support the mission of comprehensive regional universities to serve at-risk students, help meet the state's workforce needs, and enhance regional economies. The Coordinating Board is required to conduct a study of the funding methodology to determine its effectiveness in allocating funds equitably and promoting student success. This bill was not funded for the FY2022-23 biennium. *(Signed by the Governor)*

Governor's University Research Initiative

SB 1525 by Chairman Creighton broadens the scope of researchers eligible for a GURI match. The Governor's Texas Economic Development and Tourism Office shall consult with the Commissioner of Higher Education to adopt any rules necessary. The Commissioner shall recommend types of national academic recognitions that are highly prestigious for purposes of determining researcher's eligibility for a GURI.

Funding for Excess Hours

SB 1531 by Sen. West amends statute relating to formula funding for excess undergraduate credit hours at public institutions of higher education and the tuition rate that may be charged for those credit hours. Specifically, the bill sets the number of semester credit hours (SCH) that a student in an associate degree program may take in excess of the number required to complete the program to 15 SCH before the student is required to pay a higher tuition rate.

Texas Epidemic Public Health Institute

SB 1780 by Chairman Creighton establishes The Texas Epidemic Public Health Institute (TEPHI), led by The University of Texas Health Science Center at Houston, in partnership with state and local public health agencies, healthcare organizations, and university partners throughout the state. The TEPHI will plan and develop a public health reserve force that will prepare Texas and Texans for the next pandemic. This force, based on the national guard model, is meant to give the state the flexibility to respond quickly to an epidemic or pandemic outbreak and support experts at the Texas Department of State Health Services, Texas Division of Emergency Management, and city and county public health authorities.