

BILL ANALYSIS

Senate Research Center
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S.B. 994
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Higher Education
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AUTHOR'S / SPONSOR'S STATEMENT OF INTENT

If passed, the Texas Recovery Act would aid up to 45,000 adult learners per year to upskill and reskill, complete their credentials, and speed their re-entry into a high-wage career. The bill incentivizes all public institutions of higher education to steer students toward completion in critical fields and partner with businesses to provide relevant job training. Specifically, S.B. 994 would:

- Provide stopped-out adult learners who have completed 75 percent of their coursework a "signing bonus" through their institution to apply toward their tuition and fees and encourage them to return and complete;
- Incentivize public institution recruitment and counseling outside of the current formula for adult learner completion, with an additional incentive for completion in critical fields;
- Work with business partners to provide on-the-job training as part of students' completion process that meets regional workforce needs; and
- Provide a wrap-around stipend for learners as they are completing their externship.

Why is S.B. 994 necessary?

- At the height of the COVID-19 crisis, the United States Department of Labor reported that nearly five million people nationally were approaching long-term joblessness.
- Sixty percent of business closures due to the coronavirus pandemic are now permanent.
- A staggering 107,000 jobs vanished from the United States oil, gas, and chemicals industry between March and August 2020. That's the fastest rate of layoffs in the industry's history—and it does not even include the untold number of people on furlough or taking pay cuts. These jobs may not return at all through 2021, if ever.
- The Institute for Higher Education Policy found that in 2015 at least 35 million Americans aged 25 and older had some college, but no degree.
- Georgetown University found that between 2008-2016 (during and after the Great Recession) 11.5 million of 11.6 million jobs created went to college-educated workers.
- More than 48,000 students stop out of Texas public institutions of higher education having completed 75 percent or more of the college credit needed for a degree.
- Of the total stop-outs, 38,686 students left Texas community and technical colleges with 45 or more college credit hours but no degree.
- The estimated cost to Texas for funding these college credit hours with no degree earned is \$82 million.

How much would S.B. 994 cost?

- The bill is statutorily capped at \$50 million for the biennium.
- Provisions of the bill authorize the use of any applicable federal stimulus funds.
- The Nelson Amendment prohibits implementation if funding is not obtained.

As proposed, S.B. 994 amends current law relating to measures to facilitate the successful completion of degree and certificate programs by certain adult learners at public institutions of higher education.

RULEMAKING AUTHORITY

Rulemaking authority is expressly granted to the Texas Higher Education Coordinating Board in SECTION 1 (Section 61.809, Education Code) of this bill.

SECTION BY SECTION ANALYSIS

SECTION 1. Amends Chapter 61, Education Code, by adding Subchapter R, as follows:

SUBCHAPTER R. TEXAS RECOVERY ACT

Sec. 61.801. DEFINITIONS. Defines "adult learner" and "Texas WORKS internship program."

Sec. 61.802. TUITION ASSISTANCE GRANT FOR ADULT LEARNERS. (a) Requires the Texas Higher Education Coordinating Board (THECB), for the 2021-2022 and 2022-2023 academic years, to provide to each adult learner enrolled in a baccalaureate or associate degree or certificate program at an institution of higher education a grant for each semester or term in the amount equal to 25 percent of the average statewide amount of tuition and required fees that a resident student enrolled full-time in a baccalaureate or associate degree or certificate program, as applicable, would be charged for that semester or term at the type of institution of higher education at which the adult learner is enrolled.

(b) Provides that an adult learner receiving a grant under this section may use the money only to pay the cost of tuition or required fees for the baccalaureate or associate degree or certificate program in which the adult learner is enrolled at an institution of higher education.

Sec. 61.803. INCENTIVE FUNDING FOR ADULT LEARNERS. (a) Requires THECB, for the state fiscal biennium beginning September 1, 2023, to distribute incentive funding to each institution of higher education based on the number of adult learners enrolled at the institution who, during the preceding state fiscal biennium:

(1) timely completed a baccalaureate or associate degree program in accordance with the adult learner's degree plan or a certificate program, as established by THECB rule; or

(2) received a baccalaureate or associate degree or certificate in a target field, as established by THECB rule.

(b) Prohibits the amount of incentive funding distributed per qualifying adult learner to an institution of higher education under this section for a state fiscal biennium, subject to the availability of funds, from being less than the amount of funding provided per student for that biennium for achievement of an equivalent student success measure under Section 61.0593(f) (relating to the incorporation of the undergraduate student success measures in devising funding formulas of certain institutions of higher education), Education Code.

Sec. 61.804. FINAL SEMESTER INTERNSHIPS FOR ADULT LEARNERS. (a) Requires THECB, for the 2021-2022 and 2022-2023 academic years, to collaborate with employers who participate in the Texas WORKS internship program to ensure that:

(1) employers give priority in employment under that program to adult learners in the final semester of a baccalaureate or associate degree or certificate program at an institution of higher education; and

(2) each adult learner employed through that program during the adult learner's final semester of a baccalaureate or associate degree or certificate program at an institution of higher education receives an additional \$2,500 stipend as part of the adult learner's wages under that program.

(b) Requires THECB to certify internships provided through the Texas WORKS internship program through which an adult learner may earn course credit toward the adult learner's baccalaureate or associate degree or certificate program, as applicable.

Sec. 61.805. GRAD TX PROGRAM. Requires THECB to establish the Grad TX program in collaboration with institutions of higher education to support the reskilling, upskilling, and high-value degree or certificate program completion of adult learners. Authorizes that the program include academic and career advising; assistance with available student financial aid options; and flexible degree or certificate programs designed for adult learners.

Sec. 61.806. LIMITATION. (a) Prohibits the total amount spent under this subchapter from exceeding \$50 million.

(b) Requires THECB, if the total cost of providing grants, incentive funding, or stipends to all eligible adult learners or institutions of higher education under this subchapter would exceed the amount that may be spent under Subsection (a), to reduce the amount of each grant, incentive funding award, and stipend as necessary to comply with that subsection.

Sec. 61.807. GIFTS, GRANTS, AND DONATIONS. Authorizes THECB to accept gifts, grants, and donations from any public or private source for purposes of this subchapter.

Sec. 61.808. REPORT. Requires THECB, not later than December 1 of each year, to submit to the governor, the lieutenant governor, and the speaker of the house of representatives a report on the status and effectiveness of the measures established under this subchapter.

Sec. 61.809. RULES. Authorizes THECB to adopt rules as necessary to implement this subchapter. Requires THECB, in adopting rules, to consult with institutions of higher education, the Texas Workforce Commission, members of the business community, and other relevant stakeholders.

Sec. 61.810. EXPIRATION. Provides that this subchapter expires September 1, 2025.

SECTION 2. Requires THECB, not later than December 1, 2022, to submit THECB's initial report required under Section 61.808, Education Code, as added by this Act.

SECTION 3. Provides that THECB is required to implement a provision of this Act only if the legislature appropriates money specifically for that purpose. Authorizes but does not require THECB, if the legislature does not appropriate money specifically for that purpose, to implement a provision of this Act using other appropriations available for that purpose.

SECTION 4. Effective date: upon passage or September 1, 2021.