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A Texas-Sized Investment in Higher Education

In May, the gavel came down on the historic 88th Texas Legislative Session, as state lawmakers demonstrated a once-in-a-generation commitment to higher education, investing more than \$5 billion over the next two years.

With these historic investments, Texas will continue to raise the bar for higher education by giving more Texans opportunities to improve their lives and further their economic success, powering the state's economic competitiveness, now and in the future.

In this issue of the Texas Higher Education Foundation newsletter, we will focus on how these targeted investments will help advance the goals laid out in the Texas Higher Education Coordinating Board's (THECB) strategic plan for higher education, [Building a Talent Strong Texas](#).

THECB awarded exceptional agency of the year!

The THECB is the recipient of the 2023 State Higher Education Executive Officers Association (SHEEO) Exceptional Agency Award. The Award is presented to an agency whose innovative actions, policies, or practices advanced student success in their state; which displayed exceptional governance practices; overcame exceptional challenges; or displayed other meritorious attributes within the last year. Congratulations, THECB!

Message from the Commissioner: Reflections on the Legislative Session

Without hesitation, I would say this legislative session was a success for higher education. The 88th Texas Legislature delivered historic investments and legislation to increase funding for student financial aid, strengthen state support for research and discovery, increase operational funding for colleges and universities, bolster college and career advising, and support innovative approaches to workforce education. Together these investments provide a clear path to advancing our goals for our state's strategic plan, *Building a Talent Strong Texas*, giving more Texans greater opportunities for success, and powering the state's economic competitiveness into the future.

One of the most important accomplishments of the session was the passage of House Bill 8. This bill provides \$684 million to overhaul the community college funding system and bolster community colleges' roles in meeting emerging workforce needs. This legislation incorporates the important work of the Commission on Community College Finance to empower and support colleges across the state, from the largest urban colleges to small, rural-serving colleges. This transformative investment ensures colleges have access to the resources they need to support their mission of educating and equipping more students from all backgrounds as they earn credentials of value.

More Texans will also be able to access and succeed in higher education thanks to the expansion of the Texas Leadership Scholars Program in House Bill 1590, the Texas First Scholarship in Senate Bill 2294, and the new Texas Opportunity High School Diploma in Senate Bill 2139. A new nursing scholarship program was also established in Senate Bill 25 which will transform access for students in high-demand fields like health care while helping graduates complete their education with no or manageable debt.

Thanks to the commitment demonstrated by the 88th Legislature, Texas is positioned to lead the way in expanding opportunities for individual Texans, their families, and communities while fueling our great state's long-term economic prosperity and competitiveness. The budget and policy decisions from this legislative session will also allow us at the Coordinating Board to build on the progress we've made on multiple fronts, including financial aid, advising, student success, digital learning, and data analysis.

I'm looking forward to the work ahead and the continued collaboration of the THECB's productive partnership with the Texas Higher Education Foundation.



Dr. Harrison Keller
Commissioner of Higher Education



LEADING TEXAS' FUTURE

December 12-13, 2023

AT&T Conference Center | Austin, TX

We are excited to announce the Texas Higher Education Leadership Conference is now **Higher EDge!**

Join policymakers and leaders in higher education, business, and philanthropy for engaging conversation about the emerging role of AI, commercialization of research efforts on campuses across the state, programs at the leading edge of student success, and more.

Scan to stay up to date as registration details are released:



Access, Affordability & Attainment

The state's attainment goal is for 60% of all Texans ages 25-64 to receive a degree, certificate, or other postsecondary credential of value by 2030. Several bills passed during the 88th legislative session will increase access and affordability, making more educational advancement opportunities available for all working-aged Texans.



HB 1590

Texas Leadership Scholars

Who: Supports high-achieving students from low-income backgrounds

What: Offers full tuition scholarships, leadership training, internships, and other student supports



SB 2139

Texas Opportunity HS Diploma

Who: Supports adult learners without a high school diploma or GED

What: Provides a pathway to earn a high school diploma while also pursuing a postsecondary credential of value



SB 2294

Texas First Diploma

Who: Supports high school students who graduate early

What: Gives the ability to graduate early with distinction and receive a scholarship to public institutions in Texas to pursue a degree or credential



SB 371

Texas Armed Services Scholarship

Who: Supports students completing ROTC training at Texas higher education institutions

What: Additional scholarship funding for students pursuing a degree or credential



SB 25

Nursing Repayment Program

Who: Supports nursing students in Texas

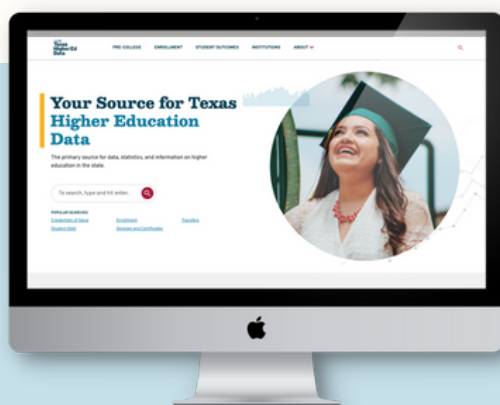
What: Offers scholarships to ensure nursing students graduate from higher education with no or manageable debt

Policy in Action: Credentials of Value

Texas is leading the nation in prioritizing credentials of value and expanding opportunities for individuals to earn degrees, certificates, and other credentials, particularly in high-demand occupations. In June, the Texas Higher Education Foundation, in partnership with Google, hosted a Breakfast at the Jobs for the Future (JFF) 2023 Horizons Conference to share lessons from higher education institutions about designing and scaling credentials of value that offer purpose in the economy, value in the labor market, and opportunities to create meaningful, purposeful, and valuable pathways for all learners.



From left to right: Rob Magliaro (Google), Greg Morris (Dallas College), Lydia Riley (University of Texas System), Dr. David Troutman (THECB).



New Public Data Website is Live!

We have reached an important milestone in the data modernization initiative! Just last month, this new site went live with eight dynamic data stories and visualizations showcasing *Building a Talent Strong Texas* goals, graduation rates, transfer metrics, enrollment, and more. The site offers a broad, statewide view and will continue to be updated as more data and tools become available.



Scan for access to the new data site.

House Bill 8: Community College Finance

Community colleges create pathways ensuring all Texans can pursue credentials leading to meaningful careers offering value in the labor market. The 88th Legislature demonstrated Texas' commitment to community colleges with the passage of House Bill 8 (HB 8). HB 8 allocates \$684 million toward an innovative financing model that transforms community college funding from a static allocation system to a dynamic model based on measurable performance outcomes. The legislation also funds several programs to increase student access to affordable credentials and institutional capacity to provide programs aligned with our state's future workforce needs.



STATE FUNDING FOR OUTCOMES

- Transition to a **dynamic, outcomes-based funding model**:
 - Majority of state funding distributed based on performance outcomes
 - Colleges that cannot fund essential operating needs through local revenue can also receive state support
- Creation of a **Community College Finance Advisory Committee**:
 - Provide ongoing consultation to THECB on rules and funding



AFFORDABILITY FOR STUDENTS

- **FAST**: Support educationally disadvantaged students with free dual credit courses
- **TEOG**: Increase Texas Educational Opportunity Grant program funding
- **Opportunity HS Diploma**: Create program for students to concurrently earn a HS diploma while enrolled in workforce education
- **Texas First**: Expand scholarships to eligible, high school students who graduate early
- **Texas Direct**: Codifies associate degree program for completion of transfer pathways between 2- and 4-year institutions in select fields of study



INVESTMENTS IN CAPACITY & DATA

- **Institutional Collaboration Center**: Facilitate efficient and effective operations at colleges through shared procurement, technology, and more
- **Adult Career Education (ACE)**: Provide grants to nonprofits to prepare low-income students to enter high-demand fields
- **Postsecondary Outcomes Data**: Develop online tools providing information on the value of credential programs at colleges and universities
- **TRUE**: Provide funding for workforce education and training programs in high-demand fields

Research & Innovation

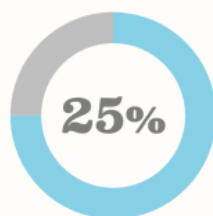
Texas higher education institutions are vital to generating research and working with industry to catalyze innovation. For this reason, the third goal of ***Building a Talent Strong Texas*** is focused on increasing research expenditures and research doctorates. The 88th Legislature delivered significant funding support for institutional research to build more robust networks and strengthen cutting-edge innovation, to bolster statewide job creation and economic growth. The Texas University Fund, established by HB 1595 & Joint Resolution 3, will increase resources and advance institutional research with an initial investment of \$3 billion dollars and an additional \$100M+ added annually*



PERMANENT ENDOWMENT FOR EDUCATION

Amount distributed to participating institutions:

- 1/3 – Texas Tech University
- 1/3 – University of Houston
- 1/3 – Texas State and UNT

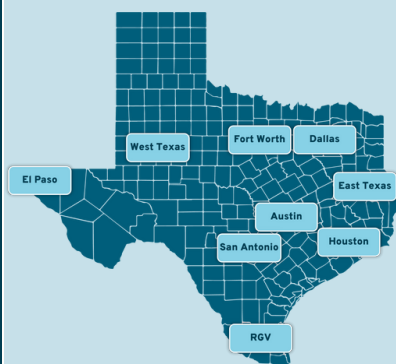


RESEARCH PERFORMANCE FUNDING

Additional funding distributed based on performance metrics:

- Amount of federal and private research support
- Number of research doctorates

*Establishment of the fund outlined in HB 1595 and Joint House Resolution 3 is contingent on the passage of a constitutional amendment in November 2023.



Technology Innovation and Commercialization

Innovation-driven growth is most effective when developed through collaboration between higher education and industry partners. As part of the development of the statewide Technology Innovation and Commercialization Plan (to be released in late 2023), THECB is hosting a series of region-specific roundtables to discuss challenges and opportunities for strategies that promote innovation in Texas. Each roundtable will be co-hosted with a business/industry partner and will convene leaders from higher education, business, private investment, and research.