

## **TACRAO Legislative Issues Committee 2022-2023 Final Committee Report**

### **TACRAO Legislative Issues Committee Members**

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The 2022-2023 TACRAO Legislative Committee monitored the Texas Legislative Online website and provided updates to the TACRAO membership throughout the 140-day regular session and the three subsequent special sessions. Federal legislation was also monitored through the congressional website and with the assistance of the ACE public policy advocacy website.

The 88<sup>th</sup> Legislative Session has been an extremely active one. In addition to the regular session, we have had three special sessions thus far and an impeachment trial for the Attorney General.

In January, at the beginning of the regular session, the Texas Comptroller released the 2024-2025 Biennium funding budget of \$321.3 Billion with approximately \$42.9 Billion for higher education funding thanks to a record surplus. The budget stayed within the constitutional limits.

In the regular session, a total of 11,807 bills were introduced, the Legislative Issues Committee followed 511 bills with some form of impact on higher education. Of those 81 bills were sent to the Governor. All passed in law except for two which were vetoed.

The first special session was called immediately after then end of the regular session, but its immediate focus was property taxes and produced no legislation.

A second special session was called again with a focus on property taxes, but it also included a bill prohibiting affirmative action in higher education admissions in conjunction with the US Supreme Court decision against affirmative action. This bill did not progress out of committee.

In September, the Texas Senate became a court of law for the unprecedented impeachment trail of Attorney General Kenneth Paxton. After the end of the trial, Governor Abbott called for a third special session to begin on October 9, 2023. This session is ongoing, and seven bills have been introduced thus far that have a possible higher education impact.

### **State Legislation:**

The bills passed during the 88<sup>th</sup> legislative session that seem to be having the biggest impact including the following:

Three bills that address students who are also parents.

**HB 1361** requires that each institution designate one employee to act as a liaison officer for current and incoming students who are parents/guardians of a child aged 18 or younger. This liaison should provide assistance to resources such as health care, childcare, food security, affordable housing, employment, transportation assistance and student academic success strategies.

**SB 459** states that a 'parenting student' should have access to course registration prior to the general student population so they can ensure that their class schedule aligns with the hours they have access to childcare.

**SB 412** establishes a parenting discrimination policy which states that an institution may not require a pregnant or parent student to take certain actions regarding their education based solely on the student's status as a pregnant or parenting student. In addition, it states an institution shall provide reasonable accommodations to a pregnant or parenting student under certain conditions.

**HB 8** is a bill that originated out of recommendations made by the TxCCCF report authorized in the last legislative session. It allocates \$683 million in the state budget with a focus on measurable student-focused outcomes including; 1) number of credentials of value awarded, including badges, certificates and degrees that position graduates for well-paying jobs 2) credentials of value awarded in high-demand fields where employers are looking for skilled employees, 3) successful student transfers from community college to four-year universities, and 4) completion of a sequence of dual credit courses, which are offered to high school students and can set them on early pathways to success. This legislation also creates the Financial Aid for Swift Transfer (FAST) scholarship program for low-income dual credit students.

**HB 2804** is a Name, Image and Likeness bill that provides further clarification for student athletes and athletic programs. One portion of the bill pertains to Admissions and Records in regard to the financial literacy and life skills course required within the student athlete's first year of enrollment. This is a change from previous legislation. The course is to be at least five hours in duration and include information on financial aid, debt management, time management, budgeting, and academic resources available.

**SB 15** requires college athletes to compete on the team according to their biological sex, as correctly stated on their birth certificate. It allows a female athlete to compete on a male team if there is not a corresponding female team offered. In addition, it provides whistleblower protections for students who report violations of this bill.

**SB 17** prohibits universities from establishing or maintaining a Diversity, Equity and Inclusion office, officers, employees, or contractors that perform duties of a DEI office. It also prohibits requiring certain training and ideological oaths. Ramifications for non-compliance would include loss of state appropriation funding. A compliance audit of each institution will be conducted at least once every four years.

**SB 427** requires any college or university that receives state support or state aid from public funds must either offer a three-semester credit hour course in Texas history to their undergraduate students or must enter into an agreement with another institution to provide their students access to such a Texas history course. This act begins with the 2023-2024 academic year.

**SB 1518** creates the nation's only Terrorist Offender Registry to identify those who have proven to be threats to public and national safety. This act requires that an institution must be notified of any individual on this list who will be employed by, carrying on a vocation at, or a student at an institution of higher education. Additionally, it prohibits a person subject to registration under this chapter from residing on campus unless the institution approves it.

**SB 1887** adds on to the transfer legislation SB 25 from the 86<sup>th</sup> Legislature. It will require early college high school students to enroll in either an applied associate degree or academic associate degree program with an embedded field of study to ensure that students complete a degree that they will either be directly applicable to the workforce or will transfer and count towards a bachelor's degree. It creates the "Texas Direct" associate degree which will be notated on a community college student's transcript that they have completed a field of study and either the core curriculum or 42 hours of lower division courses transferable to one or more general academic teaching institutions. Lastly, it moved the due dates for the two reports created by SB 25 from March 1 to May 1.

**SB 2294** updated SB 1888 from the 87<sup>th</sup> Legislature. It expanded the definition of eligible institutions from research university to include any public technical institute, public junior or senior college/university, medical or dental unit, public state college or other agency of higher education to participate as recipients of the Texas First Scholarship Program. This scholarship program is a part of the Texas First Early High School Completion program which will allow a student to graduate as early as two or more semesters before their projected graduation date if all eligibility requirements are met. It also changes the terms of the existing statute from "may issue a high school diploma" to "shall allow a student to graduate and receive a high school diploma".

### **Federal Legislation:**

The activity we have been following at the federal level has been less about what has occurred in the 118<sup>th</sup> Congressional Session and more about what has come out of the Department of Education and the Supreme Court.

The biggest event came in June when the Supreme Court announced their opinions on two cases that were filed against Affirmative Action in higher education admissions. This event continues to have a ripple effect throughout our industry as two new lawsuits have been filed against military academies while many of us are still attempting to determine the likely far-reaching effects of the decisions in June.

The simplified FAFSA application has long been promised by the DOE and is expected to be used by incoming students for Fall 2024, but it has been delayed several times. It is now expected to be released in December 2023 which shortens the window for institutions to determine and prepare financial aid packages for prospective students.

Gainful Employment rules have been resurrected with additional ramifications for not meeting standards. The new rules will go into effect July 1, 2024. They have two primary measures for gainful employment; the first ensures that a graduate can afford their yearly debt payments and the second measures that at least half of graduates have higher earnings than a typical high school graduate in the state's labor force who did not pursue a postsecondary education. Failure to meet either standard for two times in a three-year period could result in loss of aid for that program. The new rules also add an

emphasis on financial transparency. Beginning in 2026, students who enroll in an academic program that leaves graduates with debt that they cannot afford will have to sign a disclosure agreement.

The Department of Education released an updated definition of a Third-Party Service Provider in reference to services used to aid in the administration of Title IV funds for students. This broad and expanded definition would include a wider scope and functionality of service providers than in previous years. The new definition was set to go into effect on September 1 of this year but has been delayed until at least six months after the finalized policy is published. This delay was in response to the vast quantity and content of comments received by the DOE regarding the change. After the comment period, the DOE did go ahead and remove one of the most controversial aspects of the proposed rule change which would have banned colleges from working with foreign servicers or those with an owner who is not an American citizen or permanent resident.

In late October, the Department of Education released new rules providing regulations aimed at significantly enhancing oversight and accountability for institutions of higher education and strengthening consumer protections for student borrowers. These new regulations deal with protecting students on aid from being negatively impacted by sudden closures and to ensure clear communication to students regarding the type of and amounts aid they will receive from an institution. Registrars should take note that the new rules will prohibit transcript withholding for classes which were completed using federal financial aid. These new rules are expected to be published in the federal register on October 31, 2023 with the rules taking effect on July 1, 2024.

At the time of this report, we are still waiting for finalized revised rules for Title IX. If finalized rules are not released by October 31<sup>st</sup>, then new rules will be delayed another year and will not be able to go into effect until July 1, 2025.

On July 11, 2023, at the TACRAO Summer Meeting in Austin, Jodie Rexroat provided an update prepared by the Legislative Issues Committee on state and federal legislation.

Interim charges are typically released in the Fall or winter and the committee will continue to follow any negotiated rule making, reports and working groups initiated by the 88<sup>th</sup> legislative session.

Respectfully submitted by:

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