

House Bill 8 Timeline

November 7, 2023

Texas Commission on Community College Finance Final Report

After a year of convening, the Commission on Community College Finance issued a final report to the Texas Legislature recommending significant changes to the way Texas funds its community colleges.

June 9, 2023

House Bill 8 Signed Into Law

Reflecting the proposed changes from the Texas Commission on Community College Finance, House Bill 8 passed with bipartisan support during the 88th Texas Legislative Session and was signed by Governor Greg Abbott.

July 14, 2023

Fiscal Year (FY) 2024 Formula Runs

Using the new performance-based formula, the Texas Higher Education Coordinating Board (THECB) released institution-specific formula to Texas community colleges.

July 27, 2023

Standing Advisory Committee Appointed

A new, twelve-member advisory committee established by House Bill 8 and intended to serve specifically for community colleges was appointed by THECB.

August 22, 2023

FY 2024 Emergency Rules

THECB approved the first set of emergency rules for the new funding formula for Texas community colleges.

September 1, 2023

Effective Date for House Bill 8

The transformative funding bill goes into effect for all colleges across the state.

January 25, 2024

FY 2024 Regular Rules

THECB approved FY 2024 regular rules for the new funding formula.

April 25, 2024

Adoption of FY 25 Regular Rules

THECB approves FY 25 regular rules for the new funding formula.

July 25, 2024

Additional FY 25 Regular Rules

THECB approves additional FY 25 regular rules for the new funding formula.

Fiscal Year 2025 (FY 25) Proposed Rules for House Bill 8

Based on feedback from key stakeholders and college leaders, FY 25 will include changes in **four key areas**.

Credentials of Value

Credentials of Value Baseline: As in FY 24, institutions are funded for all conferred certificates and associate and bachelor's degrees that meet the "credential of value" threshold with 10 years.

Credentials of Value Premium: Institutions will receive additional premium funding for each student earning a credential of value who is projected to achieve a positive return on investment at or before a target year when most students in comparable programs are projected to reach a positive return on investment (ROI).

Fundable Outcomes

Funded in FY 24 + FY 25: Associate degree, baccalaureate degree, Level 1 or 2 certificate, advanced technical certificate, continuing education certificate, occupational skills awards, and credentials leading to licensure or certification.

Additions in FY 25: Texas Opportunity High School Diploma and Third-Party Credentials

High-Demand Fields

High-Demand Fields Will Be Calculated Through A Combination Of:

- **Statewide High-Demand Fields:** Top-10 growing occupations according to 10-year projections from Texas Workforce Commission (TWC) and Bureau of Labor Statistics (BLS).
- **Regional High-Demand Fields:** Top-5 growing occupational groups in each college region that are not on the statewide list – using Texas Comptroller regions.
- **Essential and Emerging Fields:** College and state leaders recommend additional fields to address changing economy.

Alignment of Incentives

Updated Methodology to Better Align Incentives to Desired Outcomes:

- **Adult Learners:** Students older than 25 years for a period prior to earning credential.
- **Dual Credit :** Removing double counting that previously contributed to both dual credit and transfer.
- **Transfer:** Only one college is credited.
- **Outcomes forecast:** Payment based on forecasted outcomes to better fund performance changes.
- **Data sources:** Change data source for average tuition and fees from IPEDS to THECB data.