



July 13, 2025

Vice Chair Hock, members of the Board, and Commissioner Rosser:

On behalf of Texas 2036 and the undersigned organizations, thank you for the opportunity to submit comments on the proposed rules for community college funding, as published in the June 13, 2025 edition of the *Texas Register*.

We commend the Texas Higher Education Coordinating Board (THECB) for its leadership in implementing the transformative reforms established by House Bill 8 (HB 8), and for integrating the additional guidance set forth in Senate Bill 1786 (SB 1786) by Senator Creighton and Representative VanDeaver. Together, these laws are helping to build a modern, outcomes-based funding system that supports student success and strengthens the Texas workforce.

We are generally encouraged by the direction of the proposed rules and grateful for the THECB's collaborative and transparent approach throughout this process. The updates reflect meaningful engagement with a wide range of stakeholders — a promising sign for successful implementation.

In that same spirit of partnership, the following comments reflect our understanding of the proposed rules under 19 TAC §§13.501, 13.503, and 13.640-13.651. We offer this feedback with the goal of supporting continued progress toward a high-impact, equitable funding model that expands opportunity and drives results for students and employers across the state.

Expanded FAST Eligibility

We commend the Coordinating Board for aligning eligibility criteria for the FAST program with recent legislative changes that broaden access to dual credit opportunities. Expanding eligibility to include: (1) current educationally disadvantaged students who were not educationally disadvantaged in the prior four years; (2) students enrolled in Windham School District high schools; and (3) students who graduated high school but remain enrolled in Path-ways in Technology Early College High School (P-TECH) and Rural Pathway Excellence Partnership (R-PEP) programs removes unnecessary barriers and supports early credential attainment in high school.

Self-Sufficient Wage

We appreciate the Coordinating Board's leadership in operationalizing the Credential of Value (COV) framework for associate degrees, marking a significant step toward a postsecondary system that is more responsive to workforce needs and centered on student success. By explicitly linking the value of a credential to measurable workforce outcomes, particularly post-graduation earnings, the new framework helps ensure that students, institutions, and policymakers can make more informed decisions about educational and career pathways.

While we are encouraged by the inclusion of the self-sufficient wage threshold for associate degrees, we propose an alternative methodology for calculating the earnings threshold that would better align

with the economic realities most Texans face. The current proposed rule would set a self-sufficiency wage threshold of \$30,000 annually, yet **approximately 27 million Texans, 89% of the population, live in counties where this amount falls below their local self-sufficiency standard**, as determined by the Texas Workforce Commission (TWC). We believe a population-weighted median could more effectively serve the policy's core objective of ensuring credentials lead to meaningful economic independence, while bridging the transition to a county-by-county calculation that would more accurately reflect regional differences in wages and cost of living.

Senate Bill 1786 directs the Coordinating Board to establish a minimum earnings threshold that is “correlated with the statewide median of the self-sufficient wage” as determined by the TWC pursuant to Government Code §2308A.012. The current proposed rule defines this threshold as “the statewide median of county-level median self-sufficient wages as determined by the Texas Workforce Commission [. . .] rounded to the nearest thousand dollars.” This methodology results in a calculation of \$14.25/hr or \$30,000 annually when rounded.

While this figure reflects the practical limitations of current data infrastructure, particularly the absence of nuanced data to generate regionally tailored thresholds, the proposed threshold does not reflect the economic realities of most Texans. The methodology treats all 254 counties equally, regardless of population, and the resulting figure is skewed downward by small, rural counties with lower costs of living, rather than reflecting where the majority of Texans live.

To more faithfully implement SB 1786, we recommend using a **population-weighted median** of county-level self-sufficiency wages. This approach aligns with the statutory directive to correlate with a “statewide median” and offers a pragmatic response to the current limitations in available data, which prevent a more tailored, region-specific threshold. A population-weighted median better reflects where Texans actually live and the economic conditions they face, providing a more accurate and equitable benchmark for defining credential value.

Our analysis finds that a population-weighted median self-sufficient wage is \$17.41¹ per hour or \$36,000 annually, a figure at which roughly half of Texans live in counties with higher local thresholds and half in counties with lower ones. This standard provides a more accurate and equitable statewide midpoint and a stronger foundation for defining economic value. This represents a \$3.16 per hour difference from the proposed threshold, a gap that translates to over \$6,000 annually in earning potential.

This approach offers a more accurate reflection of the Texas population and aligns more closely with the statutory language. It advances the Legislature’s intent to establish a meaningful statewide standard—one that acknowledges current data constraints while remaining grounded in the economic realities faced by the vast majority of Texas students entering the workforce.

¹ The weighted median self-sufficiency wage was calculated using the TWC 2025 Self-Sustaining Wage Spreadsheet (located here: <https://lmi.twc.texas.gov/txsswage/texasselfsufficientwage.asp>). Counties were sorted by their individual hourly self-sufficiency wage and weighted by their respective 2023 population estimates. A cumulative population was calculated, and the wage at the point where cumulative population surpassed half of the total Texas population (15,251,650.5 of 30,503,301) was designated as the weighted median. This method ensures the resulting wage reflects the lived conditions of the median Texan, adjusted for population distribution.

Incorporation of a County-Level or Regional Self-Sufficiency Standard

While a population-weighted statewide threshold provides a more accurate short-term solution, we recognize that Texas's significant geographic and economic diversity ultimately requires a more sophisticated approach. SB 1786 addresses this need directly through a clear statutory directive in Section 14, which tasks the THECB with evaluating the feasibility of transitioning to a county-by-county definition of individual self-sufficient wage, once more robust data becomes available.

Additionally, SB 1786 mandates improvements to TWC's data infrastructure and workforce data collection, specifically to support more granular analyses of employment and earnings. These improvements are intended to enable regionally tailored wage thresholds that can better account for local labor markets and cost-of-living conditions.

Recognizing that comprehensive regional data is not available statewide, we recommend that the rules include a **clear commitment to transitioning** to a regionally based standard as soon as feasible, ideally with a proposed timeline and sunset of the current rules proposal. Incorporating regional variation over time will allow the COV framework to more accurately reflect localized return on investment, ensure institutions in lower-wage areas are not unfairly disadvantaged, and ensure that students across the state are assessed according to standards rooted in the cost-of-living conditions of their communities.

Clarifying the Definition of Cost of Attendance

As the proposed rules continue to operationalize the Credential of Value (COV) framework, we encourage the Coordinating Board to provide further clarity on how total cost of attendance is defined and calculated. The definition of a COV rightly focuses on return on investment, requiring that the majority of students in a given program earn more than the cumulative median earnings of Texas high school graduates, and recoup the **net cost of attendance** within five years. However, a detailed definition of what metrics are included in the calculation of students' net cost of attendance is not provided in statute or rule.

Stakeholders have raised important questions about which expenses are included in this calculation, such as whether costs should be limited to tuition and fees or also account for books, transportation, and room and board. Further clarity on related elements of the credential of value methodology — such as how earnings while enrolled are treated — would also strengthen understanding. Clear, consistent guidance on this issue is essential to ensuring transparency, comparability across programs, and an accurate measure of the economic value delivered by public postsecondary credentials.

Additionally, greater clarity is needed on how transfer student earnings are accounted for in determining whether a credential meets the ROI benchmark. Many associate degree programs are designed as transfer pathways, and students who continue their education may not enter the workforce immediately. Without appropriate consideration of delayed earnings due to continued enrollment, these students risk being inaccurately classified as falling below the earnings benchmark,

potentially penalizing programs that successfully prepare students for further academic advancement. Clear guidance on how such transfer scenarios are treated in the ROI calculation will support a more accurate and equitable assessment of credential value across diverse student pathways.

Thank you for the opportunity to provide feedback on the proposed rules related to legislation passed during the 89th Legislative Session. We appreciate the Coordinating Board's continued leadership in designing a funding system that prioritizes outcomes, equity, and economic opportunity for Texas students.

We are encouraged by the progress reflected in these rules and remain committed to supporting their successful implementation. As this work moves forward, we welcome continued collaboration to ensure that community college funding aligns with the evolving needs of students, employers, and communities across Texas.

Sincerely,

Grace Atkins
Policy Advisor, Texas 2036

Supporting Organizations:



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