

SUPPLEMENTAL MATERIALS

AGENDA ITEM VIII-G (2)

Consideration and possible action to adopt new Board Rules, Chapter 13, Subchapter T, Sections 13.590-13.597, concerning the determination of high-demand fields used in the calculation of performance funding for community colleges

RECOMMENDATION: Approval

Background Information:

Texas Higher Coordinating Education Board (Coordinating Board) staff proposes the adoption of new rules to Texas Administrative Code, Title 19, Part 1, Chapter 13, Subchapter T, Sections 13.590-13.597 in relation to House Bill (H. B.) 8 concerning the determination of high-demand fields used in the calculation of performance funding for community colleges.

This subchapter concerns the designation of academic fields as high-demand fields, in which credentials awarded by public junior colleges are eligible for additional funding under the community college finance system established by H.B. 8 (88th Legislature, Regular Session). Specifically, this new section will establish a transparent methodology and process for creating and updating the list of academic fields in which credentials are eligible for additional funding.

An institution will receive additional funding for a credential corresponding to a high-demand field included in its region's list of high-demand fields. Each region's High-Demand Fields List includes all academic fields corresponding to high-demand occupations and is designed to incentivize institutions to produce credentials that meet critical statewide and local workforce needs. This list consists of the following four categories:

- 10 statewide high-demand occupations, developed using federal jobs data and employment projections to serve the economic needs of the state
- Five regional high-demand occupations, including regional workforce needs as demonstrated by data and projections for occupations not otherwise included on the statewide high-demand list
- Up to five region-specific Essential Occupations, added by petition of the colleges in the region, to address any critical local workforce needs not captured by existing data
- Any number of statewide Emerging Occupations, designed to allow colleges to serve newly emergent industries that may not yet exist in historical data, in alignment with state leadership priorities.

The following sections describe the methodology and process used to identify high-demand fields.

Rule 13.590, Authority and Purpose, establishes the statutory authority for the subchapter as Texas Education Code, Section 130.101(c)(1), and describes its purpose.

Rule 13.591, Definitions, defines key terms used in the subchapter.

Rule 13.592, Regions, assigns community colleges to regions. Regional assignments allow the list of high-demand fields for each college to reflect economic conditions specific to its region. The assignments align with the regional configuration developed by the Texas Comptroller of Public Accounts, which creates regions based on Workforce Development Areas established by the Texas Workforce Commission. Institutions may also request reassignment to a different region overlapping with the college's service area for a minimum of four years.

Rule 13.593, Regional High-Demand Fields Lists, establishes that the Coordinating Board will create separate lists of high-demand fields for each region consisting of statewide, region-specific, Emerging Fields, and Essential Fields. This combination reflects the need for education and training to align with the broad economic trends of the state while also taking regional variation into account.

Rule 13.594, High-Demand Fields Methodology, describes the methodology the Coordinating Board will apply to calculate the statewide and region-specific high-demand fields to create each region's High-Demand Fields List. It relies on 10-year employment projections derived from the United States Bureau of Labor Statistics (BLS) and published by the Texas Workforce Commission, ensuring the process uses thoroughly vetted, publicly available data based on enduring trends. The methodology excludes from analysis occupations that do not typically require the types of credentials that community colleges confer, while allowing such occupations to be added again given appropriate evidence, ensuring the occupations under consideration match the purpose of incentivizing market-aligned programs at community colleges. It groups both occupations and academic fields into subdivisions to capture a broader variety of occupations and avoid the possibility that substantively equivalent occupations or academic fields may be inappropriately excluded by slight differences at the most specific level of coding.

Each regional High-Demand Fields List will consist of the academic fields associated with 10 statewide occupations and five regional occupations generated by this methodology, as well as up to five regional Essential Occupations and statewide Emerging Occupations. The rule also identifies a crosswalk jointly developed by the BLS and National Center for Education Statistics as the means of linking occupations to academic fields.

Rule 13.595, Essential Occupations, describes the process for institutions to petition for the addition of an Essential Occupation to their region's High-Demand Fields List, ensuring the list captures regionally important industries not captured by the methodology in Rule 13.594. A college or consortium of colleges in the same region may request the addition of

up to five additional Essential Occupations. An eligible Essential Occupation must appear on the local Workforce Development Area's list of Target Occupations. If institutions in a single region request more than five unique Essential Occupations, the rule describes a standard and transparent rubric to score each submission, including factors like workforce demand, compensation, and regional economic importance.

Rule 13.596, Emerging Occupations, establishes a process for state leadership to add high-demand fields across the state to incentivize community colleges to develop programs serving the workforce needs of newly emergent industries. In consultation with the governor's office, the Commissioner of Higher Education may add an Emerging Occupation that is aligned to a legislative priority (as shown through passage of legislation or dedicated appropriations to develop or encourage the sector) to the High-Demand Fields List. This mechanism allows the Coordinating Board to include industries of state importance that may not have sufficient historical employment data to be captured in the methodology established in Rule 13.594.

Rule 13.597, Effective Dates: High-Demand Fields, establishes the schedule for each category of high-demand fields to take effect. This schedule is aligned to the statewide fiscal calendar, including the legislative appropriations cycle, and allows for each field to remain in effect for a sufficient period of time to allow colleges to conduct academic planning to develop or phase out programs. Paragraph (1) describes how the Board will adopt the standard regional High-Demand Fields List, including the 10 statewide and five regional occupations determined by the methodology in Rule 13.594, by July of each odd-numbered year, with effectiveness beginning on September 1 of the next fiscal year; a high-demand field that is no longer identified by the methodology in Rule 13.594 will have a grace period of one additional biennium. Paragraph (2) concerns how the Board adopts high-demand fields for credentials conferred during Fiscal Years 2023-2025, allowing for a transition period. Paragraph (3) describes the effective dates for Essential Occupations, which will take effect for the following biennium and may be renewed subject to a new petition, and Emerging Occupations, which take effect for the following two fiscal years and may be renewed as well.

Subsequent to the posting of the rules in the *Texas Register*, the following changes are incorporated into the proposed rule.

Section 13.591 amends definitions by adding terms for "Assistant Commissioner," "Emerging Occupation," and "Essential Occupations," and renumbering throughout the rule.

Section 13.592 amends the rule by adding subsection (b), allowing institutions to request reassignment to a neighboring region. The Coordinating Board has amended this language in response to feedback from the field.

Section 13.593 is updated to reflect that the Emerging and Essential Fields list is now composed of separate lists for Emerging Occupations and Essential Occupations.

Section 13.594(2)(A) amends the rule relating to including fields that the BLS has indicated typically do not require credentials usually conferred by community colleges. The new rule allows for inclusion of occupations that typically require successfully completed apprenticeship according to the BLS, or a licensure or certification granted by this state according to the Texas Workforce Commission. Section 13.594(4) amends the rule to reflect the Coordinating Board's decision to separate out Essential Occupations and Emerging Occupations.

Sections 13.595, Essential Occupations, and 13.596, Emerging Occupations, replace the prior rules 13.595 and 13.596 initially published by the Coordinating Board, which had treated Essential and Emerging Occupations uniformly. The proposed rule initially published by the Coordinating Board envisioned a uniform process for approving both Essential and Emerging Occupations, with uniform criteria for both. Based on feedback received by the Coordinating Board, staff have determined that these constitute separate categories, serving different purposes and requiring different approval processes. Essential Occupations relate to regionally critical, potentially longstanding industries that may not emerge under the standard methodology; Emerging Occupations concern new industries, potentially emerging out of technological developments, with likely statewide impact. The revised approval processes for Essential and Emerging Occupations establish different timelines and criteria for both, designed to improve administrability, allow colleges to give input, and permit state leadership to identify and add key statewide priorities.

Section 13.597 contains amendments primarily in paragraph (2), relating to transitional effective dates for the high-demand fields corresponding to credentials conferred during Fiscal Years 2023-2025, and paragraph (3), relating to the redesigned Essential and Emerging Occupations categories.

Emily Cormier, Assistant Commissioner for Funding, will be available to answer questions.

Date Published in the *Texas Register*: January 26, 2024.

The 30-day comment period with the *Texas Register* ended on: February 26, 2024.

Summary of comments received:

Comment: San Jacinto College submitted a comment regarding the emerging and essential fields list. Since the new emerging and essential category is limited to five per region, San Jacinto College is inquiring if there can be any consideration given to having more than five essential and emerging categories added for these larger regions, particularly those with multiple large community colleges.

Response: The Texas Higher Education Coordinating Board appreciates this comment, and the point that some regional economies may include a higher number of occupations that

merit consideration is well taken. The Coordinating Board will continue to review how to best structure the process by which schools can petition to add occupations but believes that there should be only five essential occupations per region at this point in time to ensure the occupations are limited and cross a high threshold of showing value to the region or state. However, in response to this, the Coordinating Board has revised the process to limit the five occupations to only essential occupations as any identified emerging occupations shall apply statewide to all community colleges. The Coordinating Board will continue to consider this issue in the future as we implement this new process.

Comment: Two comments were submitted regarding the restriction on five regional high demand fields. Texas Business Leadership Council and Texas2036 are inquiring if there can be any consideration given to having more than five fields added based on regional size and economic diversity or providing for an application process for additional regional high demand fields.

Response: The Texas Higher Education Coordinating Board appreciates this comment, and the point that some regional economies may include a higher number of occupations that merit consideration is well taken. However, the Coordinating Board believes the current process to add emerging and essential occupations help address this issue, while maintaining consistency across the region by limiting each region to five regional occupations after assessing the statewide list. The Coordinating Board will continue to consider this issue in the future as we implement this new process.

Comment: Texas2036 submitted a comment that questions remain for institutions that may not fit neatly into just one Comptroller region.

Response: The Texas Higher Education Coordinating Board appreciates this comment, and has revised the rule in response to feedback on this issue. The rule now allows institutions an annual opportunity to request reassignment to a different region overlapping with the college's service area for a minimum of four years. This allows an institution to consider which region most reflects the workforce needs of their local community.

Comment: San Jacinto College submitted a comment inquiring about the rationale for requiring that both the Governor's Office and the Legislative Budget Board (LBB) must give final approval of the additional programs/credentials in emerging and essential occupations. San Jacinto College notes that this level of review is not required for other elements of HB8 items.

Response: The Texas Higher Education Coordinating Board thanks San Jacinto College for the comment. The Coordinating Board has revised the rule to no longer require the Governor's Office and LBB to approve the addition of essential fields. The revised method of approval of essential occupations ensures a broad perspective on the needs and priorities of the state through the requirement that the requested occupation be identified as a target occupation in the institution's region and also, in the case of multiple requests, requires the scoring of an application using a rubric developed in consultation with the Texas Workforce Commission. Additionally, the Coordinating Board has revised the process

for adding emerging occupations to require consultation with the Governor's Office after identifying an occupation that is clearly aligned with legislative priorities, as evidenced by legislative action via statute change or specific funding authorized in the state's budget. This ensures that the Coordinating Board's understanding of the state's emerging workforce needs aligns with executive and legislative leadership.

Comment: The Texas Business Leadership Council (TBLC) submitted a comment supporting the development of a petition process to add emerging and essential fields to the high-demand fields list.

Response: The Texas Higher Education Coordinating Board thanks TBLC for the comment and agrees with the sentiment expressed in regard to capturing workforce needs not apparent in standard data sources.

CHAPTER 13 FINANCIAL PLANNING

SUBCHAPTER T COMMUNITY COLLEGE FINANCE PROGRAM: HIGH-DEMAND FIELDS

§13.590. Authority and Purpose.

(a) Texas Education Code, §130A.101(c)(1), provides for public junior colleges to earn an additional funding weight for a credential conferred in a high-demand occupation as part of performance tier funding.

(b) The purpose of this subchapter is to identify a credential eligible for an additional funding weight. To be eligible for an additional weight a credential must be eligible for performance tier funding under §13.555 of this chapter ~~[subchapter]~~ (relating to Performance Tier Funding), and a public junior college must confer the credential in a field specified in this subchapter, as defined by the discipline's federal Classification of Instructional Program (CIP) Code.

§13.591. Definitions.

The following words and terms, when used in this subchapter, shall have the following meanings:

(1) Assistant Commissioner--In this subchapter means the Assistant, Associate, or Deputy Commissioner designated by the Commissioner of Higher Education.

(2) Emerging Occupation--As defined in §13.596 of this subchapter (relating to Emerging Occupations).

(3) Essential Occupation--As defined in §13.595 of this subchapter (relating to Essential Occupations).

(4) [(4)] High-Demand Field--Academic discipline in which an institution awards a credential that provides a graduate with specific skills and knowledge required for the graduate to be successful in a high-demand occupation, based on the list of high-demand occupations as defined in this subchapter. Fields shall be derived from the CIP SOC Crosswalk most recently published by the Bureau of Labor Statistics and the National Center for Education Statistics, or, at the Commissioner of Higher Education's discretion, the crosswalk most recently published with a reasonable allowance of time for analysis and review.

(5) [(2)] High-Demand Occupation--An occupation identified as such by the Commissioner of Higher Education in consultation with the Texas Workforce Commission based on exceptionally high projected growth or status as an Emerging or Essential Occupation [Field] and other eligibility criteria under this subchapter. A credential awarded in a high-demand field included in the list approved for an additional funding weight under this subchapter correspond to one or more high-demand occupations.

(6) [(3)] Region--An economic region of this state as defined by the Texas Comptroller of Public Accounts.

§13.592. Regions.

(a) Except as set out under subsection (b) of this section, the [The] Coordinating Board shall use the following regional list for the purpose of generating the list of high-demand fields for each institution under this subchapter.

(1) Alamo Region:

- (A) Alamo Colleges District
- (B) Victoria College
- (2) Capital Region: Austin Community College
- (3) Central Texas Region:
 - (A) Blinn College District
 - (B) Central Texas College
 - (C) Hill College
 - (D) McLennan Community College
 - (E) Temple College
- (4) Gulf Coast Region:
 - (A) Alvin Community College
 - (B) Brazosport College
 - (C) College of the Mainland
 - (D) Galveston College
 - (E) Houston Community College
 - (F) Lee College
 - (G) Lone Star College System
 - (H) San Jacinto College District
 - (I) Wharton County Junior College
- (5) High Plains Region:
 - (A) Amarillo College
 - (B) Clarendon College
 - (C) Frank Phillips College
 - (D) South Plains College
- (6) Metroplex Region:
 - (A) Collin County Community College District
 - (B) Dallas College
 - (C) Grayson College
 - (D) Navarro College
 - (E) North Central Texas College
 - (F) Tarrant County College District
 - (G) Weatherford College
- (7) Northwest Region:
 - (A) Cisco College
 - (B) Ranger College
 - (C) Vernon College
 - (D) Western Texas College
- (8) Southeast Region: Angelina College
- (9) South Texas Region:
 - (A) Coastal Bend College
 - (B) Del Mar College
 - (C) Laredo College
 - (D) South Texas College
 - (E) Southwest Texas Junior College
 - (F) Texas Southmost College
- (10) Upper East Region:

- (A) Kilgore College
- (B) Northeast Texas Community College
- (C) Panola College
- (D) Paris Junior College
- (E) Texarkana College
- (F) Trinity Valley Community College
- (G) Tyler Junior College
- (11) Upper Rio Grande Region: El Paso Community College
- (12) West Texas Region:
 - (A) Howard College District
 - (B) Midland College
 - (C) Odessa College

(b) Not later than March 1 annually, a public junior college that is assigned to a region established under this subchapter may request, via electronic communication to CCFinance@highered.texas.gov signed by the chief executive officer, reassignment to a different region overlapping with the college's service area, as established in Texas Education Code, chapter 130, subchapter J, for the purpose of this subchapter.

(1) An election to a different region under this section shall begin on September 1 and continue for no fewer than the following four (4) fiscal years.

(2) The Coordinating Board shall maintain an updated list that includes each institution and its assigned region pursuant to this section.

§13.593. Regional High-Demand Fields Lists.

(a) For each region, the Commissioner of Higher Education shall approve a list of high-demand fields eligible for an additional funding weight in the performance tier.

(b) Each Regional High-Demand Fields List shall include a list of statewide high-demand fields and a list of region-specific high-demand fields approved by the Commissioner of Higher Education and may include a further list of Emerging and Essential Fields added pursuant to §13.595 of this subchapter (relating to ~~Emerging and~~ Essential Occupations) and §13.596 (relating to Emerging Occupations [Fields]).

(c) Each regional high-demand fields list shall be limited to the fields associated with the high-demand occupations identified pursuant to §13.594 of this subchapter (relating to High-Demand Fields Methodology), up to [and] five (5) occupations added pursuant to §13.595 and any occupations added pursuant to §13.596.

(d) Each public junior college shall earn the additional funding weight when it confers a fundable credential in a field that appears on the list of high-demand fields for its assigned region.

§13.594. High-Demand Fields Methodology.

The Coordinating Board shall apply the following methodology to generate region-specific lists of Regional High-Demand Fields to be approved by the Commissioner of Higher Education:

(1) In consultation with the Texas Workforce Commission (TWC), the Coordinating Board shall examine projections of the number of persons expected to be employed in the state of Texas and in each region for each occupation.

(A) These projections shall consider the ten-year employment projections most recently published by the (TWC) [~~Texas Workforce Commission~~]; data from the United States Bureau of Labor Statistics (BLS); and other relevant data regarding projected regional and state workforce needs.

(B) In its examination of workforce projections, the Coordinating Board shall exclude from the analysis all occupations identified by the BLS as typically requiring, at the entry level, no high school diploma or equivalent, a high school diploma or equivalent, a bachelor's degree, or any level of graduate education, except as provided in paragraph (2) of this section [~~subsection (b)~~].

(2) The Coordinating Board may include an occupation identified by the BLS as typically requiring a high school diploma or equivalent or a bachelor's degree if it meets the following criteria:

(A) The BLS identifies the occupation as typically requiring a high school diploma or equivalent and either the BLS identifies the occupation as typically requiring a successfully completed apprenticeship or the TWC identifies the occupation as requiring a licensure or certification granted by an agency of this state, or other credential, or successful completion of an apprenticeship, to perform the occupation; [~~The BLS identifies the occupation as typically requiring a high school diploma or equivalent, the Texas Department of Licensing and Regulation requires an individual to possess a license, certification, or other credential, or to have successfully completed an apprenticeship, to perform the occupation, and more than one public junior college operates a program intended to prepare individuals to obtain such a credential or completed apprenticeship;~~] or

(B) The Coordinating Board identifies relevant data demonstrating that the occupation typically requires a license, certification, credential other than a bachelor's degree, or a completed apprenticeship, and more than one (1) public junior college operates a program intended to prepare individuals to obtain such a credential or completed apprenticeship.

(3) The Coordinating Board shall calculate each region's list of high-demand occupations as follows:

(A) Within each region, group each occupation according to the first four (4) digits of its code under the most recent Standard Occupational Classification (SOC) system as promulgated by the BLS.

(B) Sum the projected change in employment for each grouping of occupations according to the first four (4) digits of SOC codes across all regions to generate a set of projections for each group of occupations across the state and rank this set from highest projected change to lowest.

(4) Each region's list of high-demand occupations shall consist of the ten (10) four-digit SOC groupings with the highest projected change across the state and the five (5) four-digit SOC groupings with the highest projected change within that region that do not appear among the ten (10) with the highest projected change statewide, as well as up to five (5) Essential Occupations identified by six-digit SOC codes as determined pursuant to §13.595(b) of this subchapter (relating to Essential Occupations) and any Emerging Occupations identified by six-digit SOC codes as determined pursuant to §13.596 of this subchapter (relating to Emerging Occupations) [~~with the highest projected change statewide~~].

(5) Each region's list of high-demand fields shall consist of all academic fields, defined as its four-digit CIP Code, that correspond to its list of high-demand occupations according to the SOC-to-CIP crosswalk most recently published by the BLS and National Center for Education

Statistics, or, at the Commissioner of Higher Education's discretion, the crosswalk most recently published with a reasonable allowance of time for analysis and review.

§13.595. Essential Occupations.

(a) To respond to the rapidly evolving economic needs of the state and any regional labor shortages in critical occupations, this section provides an alternative pathway for the Coordinating Board to include fields linked to occupations not otherwise generated by the methodology described in §13.594 of this subchapter (relating to High-Demand Fields Methodology) to the list of High-Demand Fields for which a college receives additional funding under §13.558 of this chapter (relating to Performance Tier: High-Demand Fields).

(b) Petition Process for Essential Occupations. For including Essential Occupations on a region's high-demand occupations list under §13.594(4), the Coordinating Board shall utilize the following process:

(1) A public junior college or consortium of public junior colleges assigned to the same region under §13.592 of this subchapter (relating to Regions) may petition the Coordinating Board to add no more than five Essential Occupations using a form approved by the Commissioner of Higher Education.

(2) Whether individually or as a member of a consortium, a public junior college may submit only one petition to the Coordinating Board during each time period when petitions are accepted pursuant to paragraph (b)(5) of this section.

(3) A petition under this section may request that specific occupations identified by six-digit SOC codes be added to the list of high-demand occupations on the regional high-demand fields list for the requestor(s) pursuant to §13.594(4).

(4) A petition under this section shall name the Workforce Development Area (WDA) in the institution's service area whose board has designated as a Targeted Occupation pursuant to Texas Government Code, chapter 2308, each occupation that the petition seeks to add to a regional high-demand occupations list. The petition shall also include, for the occupation(s) and region in question:

(A) evidence of current job vacancies or growth, whether recent or projected, in the number of job openings;

(B) evidence of prevailing compensation or growth, whether recent or projected, in prevailing compensation;

(C) evidence of the importance of the occupation(s) to the regional economy; and

(D) evidence that the occupation typically requires for entry completion of an academic or workforce credential that the requestor(s) currently offers or will begin offering by the start of the fiscal year for which the occupation would take effect as a high-demand occupation if approved.

(5) Beginning in fiscal year 2025, in each odd-numbered year the Coordinating Board shall accept petitions under this section for a time period beginning on the earlier of May 1 or the day after the TWC publishes a new list of Target Occupations and ending May 31.

(c) Review Process and Criteria for Essential Occupations. The Coordinating Board shall utilize the following method for reviewing all petitions properly submitted pursuant to subsection (b) of this section:

(1) In consultation with the Texas Workforce Commission, the Coordinating Board shall discard as ineligible any occupation(s) not included on the Targeted Occupations list of a Workforce

Development Area within the region to which the petitioner(s) is assigned under §13.592, as well as any occupations already included among the region's high-demand occupations.

(2) If, considering all eligible occupations on all petitions for a region, all public junior colleges in the region request five or fewer unduplicated eligible Essential Occupations for addition to the region's high-demand occupations, the Assistant Commissioner shall recommend that the Commissioner of Higher Education approve the occupations for inclusion on the region's high-demand occupations list.

(3) If multiple public junior colleges in a region request more than five unduplicated eligible Essential Occupations in total for addition to a region's high-demand occupations, the Coordinating Board shall score each occupation according to a rubric developed in consultation with the Texas Workforce Commission and approved by the Commissioner of Higher Education.

The rubric shall specify scoring standards that may include the following:

(A) Workforce demand;

(B) Prevailing compensation;

(C) Regional economic importance;

(D) Typical education and training requirements;

(E) Demand among institutions, such as the percentage of the public junior colleges assigned to the region that petitioned for its inclusion as an Essential Occupation, and

(F) Other criteria or evidence relevant to the determination of need for the occupation in the scoring rubric approved by the Commissioner of Higher Education.

(4) Not later than July 15 of each odd-numbered year, the Assistant Commissioner shall review and approve the scores assigned to each occupation and recommend the five (5) highest scoring occupations for each region to the Commissioner of Higher Education for approval. The Commissioner of Higher Education shall review the occupations recommended by the Assistant Commissioner for each region for addition as an Essential Occupation to the region's list of high-demand occupations. The Commissioner of Higher Education in his or her sole discretion based on the petitions and demonstration of need may approve or deny approval of any occupation recommended by the Assistant Commissioner.

(5) An Essential Occupation shall remain on a region's list of high-demand occupations under §13.594 (relating to High-Demand Fields Methodology) as an Emerging Occupation for not fewer than two (2) fiscal years.

§13.596. Emerging Occupations.

(a) In consultation with the Office of the Governor, the Commissioner of Higher Education may add an occupation to the list of statewide high-demand occupations under §13.594 (relating to High-Demand Fields Methodology) as an Emerging Occupation.

(b) An Emerging Occupation shall meet the following criteria:

(1) The occupation does not already appear among the high-demand occupations for the state; and

(2) The occupation is aligned with a state legislative priority, as evidenced by the passage of legislation or provision of funding to encourage or develop the sector for which the occupation may be necessary.

(c) The Commissioner of Higher Education may designate an Emerging Occupation at any time. An institution may earn the rate for a high demand field designated as an Emerging Occupation beginning September 1 of the fiscal year after the occupation is added to the list.

(d) An Emerging Occupation shall remain on the list of statewide high-demand occupations under §13.594 for not less than two (2) years.

(e) The Commissioner of Higher Education may, in consultation with the Office of the Governor, extend the designation of an Emerging Occupation on the list of statewide high-demand occupations for two (2) years.

~~[§13.595. Emerging and Essential Fields.~~

~~(a) To respond to the rapidly evolving economic needs of the state and any regional labor shortages in critical occupations, this section provides an alternative pathway for the Coordinating Board to include fields not otherwise generated by the methodology described in §13.594 of this subchapter (relating to Methodology) to the list of High-Demand Fields.~~

~~(b) Approval Process. For inclusion on the high-demand fields list, the Coordinating Board shall utilize the following process:~~

~~(1) A public junior college or consortium of public junior colleges must submit a petition to the Coordinating Board to add an Emerging and Essential Field(s) using a form approved by the Commissioner of Higher Education.~~

~~(2) A petition under this section shall specify the regional list or lists to which the petitioner requests that the field be added, which must at a minimum include the region to which the petitioning public junior college is assigned or, if a consortium of public junior colleges submits the petition, every region to which at least one public junior college of the consortium is assigned.~~

~~(3) A petition under this section shall specify whether the petitioner requests that the field be added based on:~~

~~(A) the adequate preparation of graduates in that field for an occupation currently listed as a high-demand occupation under §13.594; or~~

~~(B) the adequate preparation of graduates in that field for an occupation not currently listed as a high-demand occupation under §13.594 which would add the occupation to the list of high-demand occupations for the region or regions.~~

~~(4) If a petition under this section seeks to add a field under subparagraph (3)(B) in a region for which the list of high-demand occupations already contains five occupations added under this section, the petition shall specify the occupation to be removed from the list of high-demand occupations contingent on approval of the petition.~~

~~(5) In addition to otherwise meeting the requirements of this subchapter, the petition shall include data that allows the Coordinating Board to determine whether a program offering a credential in an emerging or essential high-demand field meets the credential of value methodology in §13.556 of this chapter (relating to Performance Tier: Fundable Outcomes). The petition shall provide, on a form prescribed by the Commissioner of Higher Education, a certification from one or more employers of the wages the employer has or will pay to an employee who obtains the credential in the proposed emerging or essential high-demand field.~~

~~(6) In consultation with the Texas Workforce Commission, the Commissioner of Higher Education will review the request and determine whether to submit a recommendation to the Office of the Governor and the Legislative Budget Board to add the proposed Emerging and Essential Field(s) to one or more Regional High-Demand Fields Lists. In reviewing the request, the Commissioner of Higher Education shall consider relevant data about regional and state workforce projections and input from employers.~~

~~(7) The Commissioner of Higher Education may submit the request to the Office of the Governor and the Legislative Budget Board to add the proposed Emerging and Essential Field. Upon approval by both the Office of the Governor and the Legislative Budget Board, the Coordinating Board shall add the proposed Emerging and Essential Field to the relevant Regional High-Demand Fields Lists. The Coordinating Board will add the proposed Emerging and Essential Field to the Regional High-Demand Fields List if the request is not disapproved by the Office of the Governor and the Legislative Budget Board within 30 business days of the date on which the Legislative Budget Board receives the request.~~

~~(c) In addition to the process outlined in §13.595(b)(1)-(4), the Office of the Governor and the Legislative Budget Board may jointly originate a request for the addition of a new Emerging and Essential Field to the list of approved High-Demand Fields. In consultation with the Texas Workforce Commission, the Commissioner of Higher Education shall add a proposed Emerging and Essential Field requested by both the Office of the Governor and the Legislative Budget Board to the list of approved High-Demand Fields.~~

~~§13.596. Emerging and Essential Fields: Criteria.~~

~~An Emerging and Essential Field approved under §13.595(b) of this subchapter (relating to Emerging and Essential Fields), shall meet the criteria in this section for a field that does not appear on the high-demand fields list for a specific region:~~

~~(1) The field corresponds, based on the most current crosswalk under §13.594(c) of this subchapter (relating to Methodology) or on other evidence that a credential in the field provides adequate preparation to enter the occupation(s), to one or more occupations that one or more boards of the Workforce Development Areas within the region have identified as a Target Occupation; or~~

~~(2) The field corresponds, based on the most current crosswalk under §13.594(c) or on evidence that a credential in the field provides adequate preparation to enter the occupation(s), to one or more occupations for which there is relevant data demonstrating a persistent inability to locate qualified candidates in sufficient numbers, including data demonstrating that the field corresponds to:~~

~~(A) An essential labor input of an industry that has made demonstrable, substantial investments in growing within the region; or~~

~~(B) An essential labor input of an industry that provides critical services to the residents of the region, including but not limited to healthcare, education, infrastructure, child or elder care, law enforcement, transportation, or emergency response.]~~

~~§13.597. Effective Dates: High-Demand Fields.~~

~~This section establishes the schedule upon which the Coordinating Board will create updated lists of high-demand fields, essential occupations, and emerging occupations, and the amount of time that a field identified as high-demand will remain on a high-demand fields list.~~

~~(1) Standard Regional High-Demand Fields.~~

~~(A) [(4)] The Board shall adopt the Regional High-Demand Fields lists for each biennium not later than its July [January] board meeting of each odd-numbered year.~~

~~(B) [(2)] The new Regional High-Demand Fields lists shall be effective for each biennium beginning September 1 of each odd numbered year.~~

(C) Applying first to the High-Demand Fields list adopted under §(2)(B) of this section in FY 2024, a [(3) A] field that the Board removes from a Regional High-Demand Fields list shall continue to be funded as a high-demand field for the following biennium.

(2) Standard Regional High-Demand Fields Conferred in FY 2023 - 2025. For calculating FY 2025 funding amounts based on the greater of FY 2025 credentials awarded or the three-year average of FY 2023 - 2025, the Coordinating Board shall apply High-Demand Fields lists as follows:

(A) For credentials awarded in FY 2023, notwithstanding §13.594 (relating to High-Demand Fields Methodology), the Coordinating Board shall use the list of High-Demand Fields for FY 2023 adopted by the Board at its July 2024 board meeting, which it shall also publish publicly.

(B) For credentials awarded in FY 2024 and FY 2025 the Coordinating Board shall identify credentials conferred in High-Demand Fields based on the list developed in accordance with §13.594 and adopted by the Board at its July 2024 board meeting, which it shall also publish publicly.

(3) Emerging and Essential Occupations.

(A) Academic fields linked to Essential Occupations designated pursuant to §13.595(c) (relating to Essential Occupations) shall be effective for the following biennium beginning September 1 of each odd-numbered year but may be renewed subject to approval of a new petition under §13.595(b) and (c).

(B) Academic fields linked to Emerging Occupations designated pursuant to §13.595(d) shall be effective for two (2) fiscal years but may be renewed pursuant to §13.595(d).

[(4) For FY25, the Board shall adopt the High-Demand Fields list at its July 2024 Board meeting.]