

PROPOSED RULES

Proposed rules include new rules, amendments to existing rules, and repeals of existing rules. A state agency shall give at least 30 days' notice of its intention to adopt a rule before it adopts the rule. A state agency shall give all interested persons a reasonable opportunity to

submit data, views, or arguments, orally or in writing (Government Code, Chapter 2001).

Symbols in proposed rule text. Proposed new language is indicated by underlined text. ~~[Square brackets and strikethrough]~~ indicate existing rule text that is proposed for deletion. "(No change)" indicates that existing rule text at this level will not be amended.

TITLE 16. ECONOMIC REGULATION

PART 3. TEXAS ALCOHOLIC BEVERAGE COMMISSION

CHAPTER 33. LICENSING

SUBCHAPTER E. EVENTS AT A TEMPORARY LOCATION

16 TAC §§33.72, 33.77, 33.81

The Texas Alcoholic Beverage Commission (TABC) proposes amendments to 16 TAC §33.72, relating to Term of Authorization, Annual Limitation on Authorizations; 16 TAC §33.77, relating to Request for Temporary Event Approval; and 16 TAC §33.81, relating to Purchase of Alcohol for a Temporary Event. The proposed amendments are necessary to implement legislation. Senate Bill 1577 (89th Regular Session) amended Alcoholic Beverage Code §28.20 by authorizing a mixed beverage permit holder to temporarily sell distilled spirits at certain racing facilities. Before SB 1577 became effective, only wine and malt beverages could be sold under §28.20. The bill also expanded the types of events at which alcohol may be sold to include all types of events held at an authorized racing facility.

The proposed amendments to §33.72(a) and §33.77(f) implement SB 1577 by removing references to "racing events" to account for the additional types of events authorized under Alcoholic Beverage Code §28.20(a). The proposed amendments to §33.81(e) implement SB 1577 by accounting for the new authorization to sell distilled spirits.

The proposed amendments to §33.81(b)(1) and §33.81(f) incorporate the purchase authorization for distilled spirits in Alcoholic Beverage Code §28.07(b). Generally, mixed beverage permittees must purchase all distilled spirits from the holder of a local distributor's permit located in the same county as the mixed beverage permittee. See Tex. Alco. Bev Code §28.07(a). Additionally, for a temporary event at an authorized racing facility, Alcoholic Beverage Code §28.20(e)(1) requires mixed beverage permittees to "purchase [alcoholic] beverages from a distributor or wholesaler authorized under [the] code to sell the beverages" who is located in the same county as the racing facility. In the context of distilled spirits, the only authorized distributor or wholesaler is the holder of a local distributor's permit. See *id.* §§19.01(3), 23.01(a)(2), and 28.07(a). However, if there are no local distributor permittees within the same county as a mixed beverage permit holder, section 28.07(b) authorizes the mixed beverage permittee to purchase distilled spirits in the nearest county that has a local distributor. The proposed amendments account for scenarios wherein there are no local distributors in the same county as a mixed beverage permittee's pri-

mary premises (§33.81(b)(1)) or in the same county as an authorized racing facility (§33.81(f)) so mixed beverage permittees' purchases of distilled spirits adhere to the Alcoholic Beverage Code's purchase location requirements.

Lastly, the proposed amendments to §33.72(e) and §33.77(a)-(b) make non-substantive grammatical changes to fix prior clerical errors.

TABC presented the proposed amendments at a stakeholder meeting on August 14, 2025, and considered comments received from stakeholders in drafting the proposed amendments.

FISCAL NOTE AND LOCAL EMPLOYMENT IMPACT STATEMENT. Andrea Maceyra, Chief of Regulatory Affairs, has determined that during each year of the first five years the proposed amendments are in effect, there will be no fiscal impact on state or local governments because of enforcing or administering the amended rules. Mrs. Maceyra made this determination because the proposed amendments do not add to or decrease state revenues or expenditures, and because local governments are not involved in enforcing or complying with the amended rules. Mrs. Maceyra also does not anticipate any measurable effect on local employment or the local economy because of this proposal.

PUBLIC BENEFIT AND COST NOTE. For each year of the first five years the proposed amendments are in effect, Mrs. Maceyra expects that enforcing or administering the amended rules will have the public benefit of implementing new legislation, ensuring current rules align with existing statutes, and clarifying existing regulations. Mrs. Maceyra does not expect the proposed amendments will impose economic costs on persons required to comply with the amended rules.

ECONOMIC IMPACT STATEMENT AND REGULATORY FLEXIBILITY ANALYSIS. TABC has determined that the proposed amendments will not have an adverse economic effect on small or micro businesses, or on rural communities. As a result, and in accordance with Government Code §2006.002(c), TABC is not required to prepare a regulatory flexibility analysis.

GOVERNMENT GROWTH IMPACT STATEMENT. TABC has determined that for each year of the first five years that the proposed amendments are in effect, they:

- will not create or eliminate a government program;
- will not require the creation of new employee positions or the elimination of existing employee positions;
- will not require an increase or decrease in future legislative appropriations to the agency;
- will not require an increase or decrease in fees paid to the agency;
- will create a new regulation;

- will expand, limit, or repeal an existing regulation;
- will not increase or decrease the number of individuals subject to the rule's applicability; and
- will not positively or adversely affect the Texas economy.

TAKINGS IMPACT ASSESSMENT. TABC has determined that no private real property interests are affected by this proposal and that this proposal does not restrict or limit an owner's right to property that would otherwise exist in the absence of government action. As a result, this proposal does not constitute a taking or require a takings impact assessment under Government Code §2007.043.

REQUEST FOR PUBLIC COMMENT. TABC requests comments on the proposed amendments from any person interested in the amendments. Additionally, TABC requests information related to the cost, benefit, or effect of the proposed amendments, including any applicable data, research, or analysis, from any person required to comply with the proposed amendments or any other interested person. TABC will consider any written comments on the proposal that are received by TABC no later than 5:00 p.m., central time, November 9, 2025. Send your comments to rules@tabc.texas.gov or to the Office of the General Counsel, Texas Alcoholic Beverage Commission, P.O. Box 13127, Austin, Texas 78711-3127. TABC staff will hold a public hearing to receive oral comments on the proposed rule at 10:00 a.m. on October 23, 2025. Interested persons should visit TABC's public website at www.tabc.texas.gov or contact TABC Legal Assistant Amada Clopton at (512) 206-3367, prior to the meeting date to receive further instructions.

STATUTORY AUTHORITY. TABC proposes the amendments pursuant to TABC's rulemaking authority under Texas Alcoholic Beverage Code §§5.31 and 28.20(g). Section 5.31 authorizes TABC to prescribe and publish rules necessary to carry out the provisions of the Alcoholic Beverage Code. Section 28.20(g) authorizes TABC to adopt rules to implement temporary events at certain racing facilities.

CROSS-REFERENCE TO STATUTE. The proposed amendments to §§33.72, 33.77, and 33.81 implement Alcoholic Beverage Code §§28.07 and 28.20.

§33.72. Term of Authorization; Annual Limitation on Authorizations.

- (a) (No change.)
- (b) Temporary Event Approvals issued to holders of a mixed beverage permit for events conducted in accordance with Alcoholic Beverage Code §28.20 may be effective for:
 - (1) no more than five consecutive days; or
 - (2) up to six consecutive days if necessary to accommodate the postponement of a scheduled [racing] event due to an act of nature.
- (c) - (d) (No change.)
- (e) Upon written request, the executive director or the executive director's designated representative may make an exception to the limitations of subsections (a), (c), and (d) of this section on a case-by-case basis. An exception request will be granted or denied in writing.
- (f) - (h) (No change.)

§33.77. Request for Temporary Event Approval.

- (a) A request for a Temporary Event Approval shall be made on forms provided by the commission and shall be signed and sworn to by the requestor [requester].

(b) The requestor [requester] shall e-mail the completed Temporary Event Approval request form to the Events email address for the TABC Region in which the event will be held or, if the requestor holds another TABC permit or license, shall submit the request form through the TABC online portal.

- (c) - (e) (No change.)

(f) Upon written notice to the commission, the effective dates for an [a racing] event conducted pursuant to Alcoholic Beverage Code §28.20 may be extended if necessary to accommodate the postponement of a scheduled [racing] event due to an act of nature. The effective dates may not exceed six consecutive days, as provided in §28.20(c).

§33.81. Purchase of Alcoholic Beverages for a Temporary Event.

- (a) (No change.)
- (b) Except as provided by subsection (c) of this section, a Mixed Beverage Permit holder purchasing alcoholic beverages for an event at a temporary location in a county other than the county in which the premises covered by its primary permit is located must:
 - (1) purchase the alcoholic beverages from a seller authorized under this code to sell the alcoholic beverages to members of the retail tier in the county in which the permit holder sells the alcoholic beverages under this section, or in the nearest county as provided by Alcoholic Beverage Code §28.07(b); and
 - (2) keep a record of the amount of alcoholic beverages purchased and sold under this section, by type, for no less than two years following the last day of the event.
- (c) (No change.)
- (d) Except as restricted by subsection (e) and (f) for certain events, this section does not preclude a Mixed Beverage Permit holder from transporting alcoholic beverages in stock at its primary location to a temporary event.

(e) Holders of Mixed Beverage Permits who sell distilled spirits, wine, and malt beverages at an event authorized by Alcoholic Beverage Code §28.20 in a county other than the county in which the premises covered by the permit is located must:

- (1) purchase all alcoholic [wine and malt] beverages sold at the event from a distributor or wholesaler authorized to sell the beverages in the county in which the permit holder sells the alcoholic beverages under this subsection;
- (2) comply with subsections (b)(2) and (c) of this section; and
- (3) report to the commission, on forms provided by the commission, the amount of beverages purchased and sold at the event.

(f) Notwithstanding the purchase requirement in Alcoholic Beverage Code §28.20(e), and in accordance with Alcoholic Beverage Code §28.07(b), if the county in which a racing facility under Alcoholic Beverage Code §28.20 is located does not have a local distributor, the mixed beverage permittee may purchase distilled spirits for the event in the nearest county that has a local distributor's permittee.

The agency certifies that legal counsel has reviewed the proposal and found it to be within the state agency's legal authority to adopt.

Filed with the Office of the Secretary of State on September 23, 2025.

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CHAPTER 34. SCHEDULE OF SANCTIONS AND PENALTIES

16 TAC §34.10

The Texas Alcoholic Beverage Commission (TABC) proposes amendments to 16 TAC §34.10, relating to Sanctions for Regulatory Violations. The amendments to §34.10 implement Senate Bill 1355 (89th Regular Session) by adding a new administrative violation and corresponding penalty to the existing list of violations and penalties in subsection (g). SB 1355 made it a violation of the Alcoholic Beverage Code for the holder of a wholesaler's permit to become delinquent in payments to a distiller's and rectifier's permit holder for liquor sales. SB 1355 is codified at Alcoholic Beverage Code §102.33.

The proposed amendments also add new subsection (h), which establishes a base penalty of \$250 for violations of §102.33. However, that amount may be modified by TABC based on the totality of the circumstances, including the factors outlined in §102.33(d): (1) the duration of the delinquency; (2) the amount of the delinquent payment; (3) any previous violations of §102.33 committed by the wholesaler; (4) the financial resources of the wholesaler; and (5) any other factors TABC determines relevant.

In a simultaneous rulemaking, TABC is proposing new 16 TAC §45.132, which further implements SB 1355. TABC presented the proposed amendments at a stakeholder meeting on August 14, 2025, and considered comments received from stakeholders in drafting the proposed amendments.

FISCAL NOTE AND LOCAL EMPLOYMENT IMPACT STATEMENT. Andrea Maceyra, Chief of Regulatory Affairs, has determined that during each year of the first five years the proposed amendments are in effect, there will be no fiscal impact on state or local governments because of enforcing or administering the amended rules. Mrs. Maceyra made this determination because the proposed amendments do not add to or decrease state revenues or expenditures, and because local governments are not involved in enforcing or complying with the amended rules. Mrs. Maceyra also does not anticipate any measurable effect on local employment or the local economy because of this proposal.

PUBLIC BENEFIT AND COST NOTE. For each year of the first five years the proposed amendments are in effect, Mrs. Maceyra expects that enforcing or administering the amended rules will have the public benefit of reducing delinquent payments to distillers and implementing new legislation. Mrs. Maceyra does not expect the proposed amendments will impose economic costs beyond any costs attributable to SB 1355.

ECONOMIC IMPACT STATEMENT AND REGULATORY FLEXIBILITY ANALYSIS. TABC has determined that the proposed amendments will not have an adverse economic effect on small or micro businesses, or on rural communities. As a result, and in accordance with Government Code §2006.002(c), TABC is not required to prepare a regulatory flexibility analysis.

GOVERNMENT GROWTH IMPACT STATEMENT. TABC has determined that for each year of the first five years that the proposed amendments are in effect, they:

- will not create or eliminate a government program;
- will not require the creation of new employee positions or the elimination of existing employee positions;
- will not require an increase or decrease in future legislative appropriations to the agency;
- will not require an increase or decrease in fees paid to the agency;
- will create new regulations;
- will expand, limit, or repeal an existing regulation;
- will not increase or decrease the number of individuals subject to the rule's applicability; and
- will not positively or adversely affect the Texas economy.

TAKINGS IMPACT ASSESSMENT. TABC has determined that no private real property interests are affected by this proposal and that this proposal does not restrict or limit an owner's right to property that would otherwise exist in the absence of government action. As a result, this proposal does not constitute a taking or require a takings impact assessment under Government Code §2007.043.

REQUEST FOR PUBLIC COMMENT. TABC requests comments on the proposed amendments from any person interested in the amendments. Additionally, TABC requests information related to the cost, benefit, or effect of the proposed amendments, including any applicable data, research, or analysis, from any person required to comply with the proposed amendments or any other interested person. TABC will consider any written comments on the proposal that are received by TABC no later than 5:00 p.m., central time, November 9, 2025. Send your comments to rules@tabc.texas.gov or to the Office of the General Counsel, Texas Alcoholic Beverage Commission, P.O. Box 13127, Austin, Texas 78711-3127. TABC staff will hold a public hearing to receive oral comments on the proposed rule at 10:00 a.m. on October 23, 2025. Interested persons should visit TABC's public website at www.tabc.texas.gov or contact TABC Legal Assistant Amada Clopton at (512) 206-3367, prior to the meeting date to receive further instructions.

STATUTORY AUTHORITY. TABC proposes amendments to §34.10 pursuant to TABC's rulemaking authority under Texas Alcoholic Beverage Code §§5.31, 5.362, and 102.33(e). Section 5.31 authorizes TABC to prescribe and publish rules necessary to carry out the provisions of the Alcoholic Beverage Code. Section 5.362 directs TABC to "adopt a schedule of sanctions that may be imposed on a license or permit holder" for violations of the Alcoholic Beverage Code or commission rules. Section 102.33(e) directs TABC to adopt rules to implement the credit restrictions for the sale of liquor by a distiller to a wholesaler under section 102.33.

CROSS-REFERENCE TO STATUTE. The proposed amendments to §34.10 implement Alcoholic Beverage Code §§5.362 and 102.33.

§34.10. Sanctions for Regulatory Violations.

(a) - (f) (No change.)

(g) The commission shall review the Penalty Policy and update or revise it as necessary at least once every seven (7) years.

Figure: 16 TAC §34.10(g)
[Figure: 16 TAC §34.10(g)]

(h) Wholesalers who violate Alcoholic Beverage Code §102.33 will be assessed a base penalty of \$250 as shown in Figure §34.10(g), but this sanction may be augmented or discounted based upon all relevant facts and circumstances, including the factors listed in Alcoholic Beverage Code §102.33(d).

The agency certifies that legal counsel has reviewed the proposal and found it to be within the state agency's legal authority to adopt.

Filed with the Office of the Secretary of State on September 23, 2025.

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Matthew Cherry

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Texas Alcoholic Beverage Commission

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For further information, please call: (512) 206-3491



CHAPTER 41. AUDITING

16 TAC §41.28

The Texas Alcoholic Beverage Commission (TABC) proposes new 16 TAC §41.28, relating to Passenger Transportation Permit Storage Registration. The proposed rule implements House Bill 4285 (89th Regular Session) by establishing registration and notice requirements for certain commercial airlines who wish to store alcoholic beverages at a location other than an airport. Prior to the passage of HB 4285, Alcoholic Beverage Code §48.03 authorized commercial airlines that hold a passenger transportation permit to store alcoholic beverages at only one type of location an airport regularly served by the permittee. HB 4285 expanded §48.03 by also authorizing the storage of alcoholic beverages at a location within five miles of the airport that is also in the same county as the airport.

Proposed §41.28 requires passenger transportation permittees to submit the address of any storage location outside of an airport to TABC prior to storing alcohol at the location. The submission must be made using a form provided by the agency and the permittee must also include any other information requested on the form. Lastly, any changes to the provided information must be submitted to TABC within 30 days of the change. TABC requires this information to fulfill its regulatory duties under the Alcoholic Beverage Code. See, e.g., Alco. Bev. Code §§5.31(b), 5.32.

FISCAL NOTE AND LOCAL EMPLOYMENT IMPACT STATEMENT. Andrea Maceyra, Chief of Regulatory Affairs, has determined that during each year of the first five years the proposed rule is in effect, there will be no fiscal impact on state or local governments because of enforcing or administering the proposed rule. Mrs. Maceyra made this determination because the proposed new rule does not add to or decrease state revenues or expenditures, and because local governments are not involved in enforcing or complying with the proposed rule. Mrs. Maceyra also does not anticipate any measurable effect on local employment or the local economy because of this proposal.

PUBLIC BENEFIT AND COST NOTE.

For each year of the first five years the proposed rule is in effect, Mrs. Maceyra expects that administering the new rule will have the public benefit of aiding TABC in its enforcement of the Alcoholic Beverage Code by giving the agency the information necessary to identify where alcoholic beverages are being stored under §48.03. Mrs. Maceyra does not expect the proposed rule will impose economic costs on persons required to comply with it, except the minimal time necessary to provide TABC with the required information. See Alco. Bev. Code §5.32 ("The commission may require persons engaged in the alcoholic beverage business to provide information . . . the commission finds necessary to accomplish the purposes of this code.").

ECONOMIC IMPACT STATEMENT AND REGULATORY FLEXIBILITY ANALYSIS.

TABC has determined that the proposed rule will not have an adverse economic effect on small or micro businesses, or on rural communities. As a result, and in accordance with Government Code §2006.002(c), TABC is not required to prepare a regulatory flexibility analysis.

GOVERNMENT GROWTH IMPACT STATEMENT.

TABC has determined that for each year of the first five years that the proposed rule is in effect, it:

- will not create or eliminate a government program;
- will not require the creation of new employee positions or the elimination of existing employee positions;
- will not require an increase or decrease in future legislative appropriations to the agency;
- will not require an increase or decrease in fees paid to the agency;
- will create a new regulation;
- will not expand, limit, or repeal an existing regulation;
- will not increase or decrease the number of individuals subject to the rule's applicability; and
- will not positively or adversely affect the Texas economy.

TAKINGS IMPACT ASSESSMENT.

TABC has determined that no private real property interests are affected by this proposal and that this proposal does not restrict or limit an owner's right to property that would otherwise exist in the absence of government action. As a result, this proposal does not constitute a taking or require a takings impact assessment under Government Code §2007.043.

REQUEST FOR PUBLIC COMMENT.

TABC requests comments on the proposed rule from any person interested in the rule. Additionally, TABC requests information related to the cost, benefit, or effect of the proposed rule, including any applicable data, research, or analysis, from any person required to comply with the proposed rule or any other interested person. TABC will consider any written comments on the proposal that are received by TABC no later than 5:00 p.m., central time, November 9, 2025. Send your comments to rules@tabc.texas.gov or to the Office of the General Counsel, Texas Alcoholic Beverage Commission, P.O. Box 13127, Austin, Texas 78711-3127. TABC staff will hold a public hearing to receive oral comments on the proposed rule at 10:00 a.m. on October 23, 2025. Interested persons should visit TABC's public website at www.tabc.texas.gov or contact TABC Legal Assistant

Amada Clopton at (512) 206-3367, prior to the meeting date to receive further instructions.

STATUTORY AUTHORITY.

TABC proposes the new rule pursuant to TABC's rulemaking authority under Texas Alcoholic Beverage Code §§5.31 and 48.03(b). Section 5.31 authorizes TABC to prescribe and publish rules necessary to carry out the provisions of the Alcoholic Beverage Code. Section 48.03 authorizes TABC to promulgate rules relating to the storage of alcoholic beverages by commercial airlines who hold a passenger transportation permit.

CROSS-REFERENCE TO STATUTE. Proposed §41.28 implements Alcoholic Beverage Code §48.03.

§41.28. Passenger Transportation Permit Storage Registration.

(a) This section implements Alcoholic Beverage Code §48.03(b).

(b) A commercial airline that holds a passenger transportation permit issued under Alcoholic Beverage Code §48.03 may store alcoholic beverages in sealed containers of any size at:

(1) any airport regularly served by the permittee; or

(2) a location within five miles of any airport regularly served by the permittee in the same county as the airport.

(c) Prior to storing alcoholic beverages at a location authorized under subsection (b)(2) of this section, the permittee shall report to the commission the address of the storage location and all other information required on a form prescribed by the commission.

(d) Should any information provided to the commission under this section change, the permittee must submit a new form with updated information to the commission within 30 days of the change.

The agency certifies that legal counsel has reviewed the proposal and found it to be within the state agency's legal authority to adopt.

Filed with the Office of the Secretary of State on September 23, 2025.

TRD-202503404

Matthew Cherry

Senior Counsel

Texas Alcoholic Beverage Commission

Earliest possible date of adoption: November 9, 2025

For further information, please call: (512) 206-3491



CHAPTER 45. MARKETING PRACTICES

SUBCHAPTER D. SPECIFIC REQUIREMENTS FOR MALT BEVERAGES

16 TAC §45.40, §45.44

The Texas Alcoholic Beverage Commission (TABC) proposes amendments to 16 TAC §45.40, relating to Certificate of Registration for a Malt Beverage Product, and new 16 TAC §45.44, relating to Requirements Relating to Nonresident Brewer's Licenses. The proposed amendments and new rule are necessary to implement House Bill 4463 (89th Regular Session), which adopted a primary American source of supply requirement for nonresident brewers who import malt beverages into Texas. This requirement was codified at Alcoholic Beverage Code §63.06.

HB 4463 also amended Alcoholic Beverage Code §63.01(b) to authorize issuance of a single nonresident brewer's license to cover all of the brewer's locations outside the state.

Proposed §45.40(e) implements HB 4463 by establishing notification requirements for nonresident brewers applying for product registration. Alcoholic Beverage Code §63.06 defines "primary American source of supply" as "the brewer, the producer, the owner of the commodity at the time it becomes a marketable product, the bottler, or the exclusive agent of any of those." It additionally provides that "to be the 'primary American source of supply' the nonresident brewer must be the first source, that is, the manufacturer or the source closest to the manufacturer, in the channel of commerce from whom the product can be secured by Texas distributors or brewers." This allows either the actual manufacturer of malt beverages or the manufacturer's exclusive agent to apply for product registration. Proposed §45.40(e) will help TABC ensure product registration applicants meet these requirements.

Proposed §45.40(e)(1) requires a sworn statement that the applicant is the primary American source of supply for the product to be registered. Proposed §45.40(e)(2) - (3) require sworn statements from the person listed on the product's COLA or TTB formulation currently required in applications under §45.40(d), but only if the applicant is not identified on those documents. It's the agency's intent that these statements would not need to be provided if the applicant is the actual manufacturer.

Proposed §45.40(e)(4) requires a sworn authorization to revoke a prior registration if the malt beverage product has previously been registered by a different license holder. Currently, product registrations do not expire. However, Alcoholic Beverage Code §63.06(c) states that a malt beverage "product may have only one primary American source of supply to Texas." The proposed amendment will help TABC ensure malt beverage products are not registered to multiple license holders.

Proposed §45.40(f) provides TABC with flexibility in implementing this new provision by authorizing a waiver to the requirements in §45.40(e)(2) - (4) for good cause shown by the applicant. The requirements in current §45.40(e) have been relocated to proposed §45.40(g).

Proposed new §45.44 implements Alcoholic Beverage Code §63.01(b) by clarifying that a nonresident brewer must hold a license before shipping malt beverages into Texas or registering malt beverage products in Texas, but is not required to hold a separate license with TABC for each brewing location outside the state. Proposed §45.44(a) provides a citation to the controlling statutes in the Alcoholic Beverage Code. Proposed §45.44(b) implements the general requirement in Alcoholic Beverage Code §61.01 to obtain a license before importing malt beverages, and the related personal importation and military installation exceptions in Alcoholic Beverage Code §§107.06(c), 107.07(a), 107.11(a), and 203.05(a)(3).

Proposed §45.44(c) implements the product registration requirement in Alcoholic Beverage Code §101.67. Proposed §45.44(d) implements HB 4463's amendments to Alcoholic Beverage Code §63.01(b) authorizing a single nonresident brewer's license for each location outside of Texas. Proposed §45.44(e) requires nonresident brewer's license holders to maintain a list of their out-of-state locations from which the brewer causes malt beverages to be transported into Texas. This information must be provided to TABC upon request. This requirement will help TABC fulfill its regulatory obligations. See, e.g, Tex. Alco. Bev. Code

§§5.31(b) (listing the agency's general duties) and 5.32 (authorizing TABC to require licensees to provide the agency with information necessary to accomplish the purposes of the Alcoholic Beverage Code).

TABC presented the proposed rulemaking at a stakeholder meeting on August 14, 2025, and considered comments received from stakeholders in drafting this proposal.

FISCAL NOTE AND LOCAL EMPLOYMENT IMPACT STATEMENT. Andrea Maceyra, Chief of Regulatory Affairs, has determined that during each year of the first five years the proposed amendments and new rule are in effect, there will be no fiscal impact on state or local governments because of enforcing or administering the amendments and new rule. Mrs. Maceyra made this determination because the proposed amendments and new rule do not add to or decrease state revenues or expenditures, and because local governments are not involved in enforcing or complying with the amendments or new rule. Mrs. Maceyra also does not anticipate any measurable effect on local employment or the local economy because of this proposal.

PUBLIC BENEFIT AND COST NOTE. For each year of the first five years the proposed amendments and new rule are in effect, Mrs. Maceyra expects that enforcing or administering the amendments and new rule will have the public benefit of implementing new legislation, helping TABC enforce the Alcoholic Beverage Code, and expanding the types of businesses who may engage in the sale of malt beverages in this state. Mrs. Maceyra does not expect the proposed amendments and new rule will impose economic costs on persons required to comply with the proposal, other than the negligible cost of maintaining relevant information and providing it to TABC.

ECONOMIC IMPACT STATEMENT AND REGULATORY FLEXIBILITY ANALYSIS. TABC has determined that the proposed amendments and new rule will not have an adverse economic effect on small or micro businesses, or on rural communities. As a result, and in accordance with Government Code §2006.002(c), TABC is not required to prepare a regulatory flexibility analysis.

GOVERNMENT GROWTH IMPACT STATEMENT. TABC has determined that for each year of the first five years that the proposed amendments and new rule are in effect, they:

- will not create or eliminate a government program;
- will not require the creation of new employee positions or the elimination of existing employee positions;
- will not require an increase or decrease in future legislative appropriations to the agency;
- will not require an increase or decrease in fees paid to the agency;
- will create new regulations;
- will expand, limit, or repeal an existing regulation;
- will not increase or decrease the number of individuals subject to the rule's applicability; and
- will not positively or adversely affect the Texas economy.

TAKINGS IMPACT ASSESSMENT. TABC has determined that no private real property interests are affected by this proposal and that this proposal does not restrict or limit an owner's right to property that would otherwise exist in the absence of government action. As a result, this proposal does not constitute a taking or

require a takings impact assessment under Government Code §2007.043.

REQUEST FOR PUBLIC COMMENT. TABC requests comments on the proposed amendments and new rule from any person interested in the amendments and rule. Additionally, TABC requests information related to the cost, benefit, or effect of the proposed amendments and rule, including any applicable data, research, or analysis, from any person required to comply with the proposed amendments and rule or any other interested person. TABC will consider any written comments on the proposal that are received by TABC no later than 5:00 p.m., central time, November 9, 2025. Send your comments to rules@tabc.texas.gov or to the Office of the General Counsel, Texas Alcoholic Beverage Commission, P.O. Box 13127, Austin, Texas 78711-3127. TABC staff will hold a public hearing to receive oral comments on the proposed rule at 10:00 a.m. on October 23, 2025. Interested persons should visit TABC's public website at www.tabc.texas.gov or contact TABC Legal Assistant Amada Clopton at (512) 206-3367, prior to the meeting date to receive further instructions.

STATUTORY AUTHORITY. TABC proposes amendments to §45.40 and new §45.44 pursuant to TABC's rulemaking authority under Texas Alcoholic Beverage Code §5.31 and under Section 5 of HB 4463. Section 5.31 authorizes TABC to prescribe and publish rules necessary to carry out the provisions of the Alcoholic Beverage Code. Section 5, HB 4463, directs TABC to, as soon as practicable, promulgate rules to implement changes in law made by the bill.

CROSS-REFERENCE TO STATUTE. The proposed amendments to §45.40 and implement Alcoholic Beverage Code §§63.01, 63.06, and 101.67. Proposed new §45.44 implements Alcoholic Beverage Code §§61.01, 63.01, 63.06, 101.67, 107.06, 107.07, 107.11, and 203.05.

§45.40. Certificate of Registration for a Malt Beverage Product.

(a) No malt beverage may be shipped into the state or sold within the state without a certificate of product registration issued by the commission.

(b) An applicant for a certificate under this section must hold a brewer's license, nonresident brewer's license, or brewpub license issued by the commission.

(c) A nonresident brewer's agent may file an application for a certificate of product registration on behalf of a holder of a nonresident brewer's license.

(d) The application to register a malt beverage product must contain the following:

(1) If the product is eligible for a COLA:

(A) a legible copy of the product's COLA;

(B) all information required to complete the application

form; and

(C) an application fee of \$25.

(2) If the product is not eligible for a COLA:

(A) a legible exact color copy of the label;

(B) a TTB formulation;

(C) all information required to complete the applica-

tion; and

(D) an application fee of \$25.

(e) In addition to the requirements in subsection (d), an application submitted by or on behalf of a nonresident brewer shall also include: [Labels for beverages that meet the definition of malt beverage but are ineligible for a COLA must also comply with 21 C.F.R. Part 101; 27 C.F.R. Parts 16 and 25; 21 U.S.C. §§341-350; 26 U.S.C. Ch. 51; and 27 U.S.C. §215.]

(1) a sworn statement that the nonresident brewer is the primary American source of supply as defined in Alcoholic Beverage Code §63.06(c);

(2) if the applicant is not listed on the COLA, a written authorization sworn to by the COLA holder appointing the applicant as the "exclusive agent" or "primary American source of supply" of the malt beverage for Texas;

(3) if the product is not eligible for a COLA, a written authorization sworn to by the person to whom the TTB formulation has been issued appointing the applicant as the "exclusive agent" or "primary American source of supply" of the malt beverage for Texas; and

(4) if the application pertains to a malt beverage currently registered to a separate brewer or nonresident brewer, a written authorization to revoke the prior registration sworn to by the prior registrant.

(f) The executive director or their designee may waive the requirement to provide the documentation in subsection (e)(2)-(4) of this section for good cause shown by the applicant.

(g) Labels for beverages that meet the definition of malt beverage but are ineligible for a COLA must also comply with 21 C.F.R. Part 101; 27 C.F.R. Parts 16 and 25; 21 U.S.C. §§341-350; 26 U.S.C. Ch. 51; and 27 U.S.C. §215.

§45.44. Requirements Relating to Nonresident Brewer's Licenses.

(a) This section implements Alcoholic Beverage Code §§63.01(b) and 63.06.

(b) A person may not import, or cause to be imported, malt beverages into this state unless the person has first obtained a nonresident brewer's license issued by the commission. This subsection does not apply to malt beverages that are:

(1) imported by a person in accordance with Alcoholic Beverage Code §§107.07 or 107.11;

(2) part of an interstate shipment in which the ultimate receiver of the malt beverages is located outside this state; or

(3) consigned and transported to an installation of the national military establishment under federal jurisdiction for consumption by military personnel on that installation.

(c) The holder of a nonresident brewer's license may not import, or cause to be imported, malt beverages into this state unless the holder has first registered the malt beverages with the commission in accordance with Alcoholic Beverage Code §101.67.

(d) The holder of a nonresident brewer's license is not required to hold a separate license for each of the license holder's locations outside of this state.

(e) The holder of a nonresident brewer's license shall maintain a list of all the license holder's locations from which the license holder transports, or causes to be transported, malt beverages into this state. The list shall be made available to the commission upon request.

The agency certifies that legal counsel has reviewed the proposal and found it to be within the state agency's legal authority to adopt.

Filed with the Office of the Secretary of State on September 23, 2025.

TRD-202503403

Matthew Cherry

Senior Counsel

Texas Alcoholic Beverage Commission

Earliest possible date of adoption: November 9, 2025

For further information, please call: (512) 206-3491

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**SUBCHAPTER G. REGULATION OF CASH
AND CREDIT TRANSACTIONS**

16 TAC §45.132

The Texas Alcoholic Beverage Commission (TABC) proposes new 16 TAC §45.132, relating to Wholesaler Delinquent to Distiller and Rectifier. The proposed rule is necessary to implement legislation. Senate Bill 1355 (89th Regular Session) sets forth requirements for liquor sales on credit by the holder of a distiller's and rectifier's permit to a wholesaler. The bill requires TABC to adopt implementing rules, including rules regarding the submission of supporting documentation by the holder of a distiller's and rectifier's permit. The proposed rule implements SB 1355 by providing a framework for reporting a wholesaler's delinquent payment and by establishing a process for agency action when a delinquency is reported.

Proposed §45.132(a) provides a citation to the controlling statute in the Alcoholic Beverage Code. Proposed §45.132(b) establishes the factors that must occur before a delinquency rises to an actionable violation. Pursuant to Alcoholic Beverage Code §102.33(c), a wholesaler does not become delinquent until the wholesaler, in accordance with the terms of a contract or written agreement with a distiller: (1) fails to pay the amount due to a distiller on or before the date payment is due under the agreement's terms; and (2) subsequently fails to pay the amount due after receipt of a demand for payment. Thus, a violative delinquency does not occur until a wholesaler fails to pay by an initial payment deadline, receives a demand for the missed payment, and again fails to pay by a second payment deadline. Stakeholders have informed the agency that the standard industry practice for these types of agreements is to have an initial payment due date, but not a second due date after a demand for payment is made. Subsection (b) accounts for this practice by setting forth a default payment deadline of 30 days from receipt of a demand for payment, which may be modified through a written agreement.

Proposed §45.132(c) establishes the process for reporting a delinquent wholesaler. Subsection (c)(1) requires the distiller to submit a complaint in accordance with 16 TAC §31.10. Subsection (c)(2) outlines the supporting documentation and information that must accompany a written complaint, including (1) the name and permit numbers of the involved permittees; (2) a copy of the invoice for the liquor ordered by the wholesaler; (3) evidence proving up the wholesaler's order, the date of delivery, and the agreed payment terms; and (4) proof that a demand for payment was sent to the wholesaler along with the date the demand was sent. Subsection (c)(3) clarifies that a delinquent payment is not actionable by TABC unless the distiller and wholesaler have entered into a written agreement clearly setting forth payment terms, which, at a minimum, include the number of days from which payment is due after the delivery of liquor to the wholesaler.

Proposed §§45.132(d) and 45.132(e) provide timelines for a wholesaler to dispute an alleged delinquency after receiving notice of the complaint and for a distiller to report a wholesaler who becomes delinquent under §45.132(b), respectively.

Proposed §45.132(f) creates a rebuttable presumption for the date on which a demand for payment is considered received by a wholesaler, depending on the method of transmission. Demands sent by US mail or a common or contract carrier are presumed to be received on the third day from the date the demand is deposited with the postal service or carrier. If a delivery tracking service is used, the presumed date of receipt is the delivery date indicated by the service. Demands sent electronically are presumed to be received the same day if sent during business hours. Demands sent electronically on a weekend, a federal holiday, or after 5:00 p.m. (central time) are presumed to be received the following business day. The subsection's presumptions may be modified by agreement or rebutted by sufficient evidence proving a different date of receipt.

Lastly, proposed §45.132(g) clarifies that a distiller is not required to report a delinquent wholesaler and that TABC will not attribute a violation to a wholesaler unless the delinquency is reported in accordance with the proposed rule, including the reporting deadlines.

In a simultaneous rulemaking, TABC is proposing amendments to 16 TAC §34.10, which further implement SB 1355. TABC presented the proposed rule at a stakeholder meeting on August 14, 2025, and considered comments received from stakeholders in drafting the proposed rule.

FISCAL NOTE AND LOCAL EMPLOYMENT IMPACT STATEMENT. Andrea Maceyra, Chief of Regulatory Affairs, has determined that during each year of the first five years the proposed rule is in effect, there will be no fiscal impact on state or local governments because of enforcing or administering the proposed rule. Mrs. Maceyra made this determination because the proposed rule does not add to or decrease state revenues or expenditures, and because local governments are not involved in enforcing or complying with the proposed rule. Mrs. Maceyra also does not anticipate any measurable effect on local employment or the local economy because of this proposal.

PUBLIC BENEFIT AND COST NOTE. For each year of the first five years the proposed rule is in effect, Mrs. Maceyra expects that enforcing or administering the proposed rule will have the public benefit of reducing delinquent payments to distillers and implementing new legislation. Mrs. Maceyra does not expect the proposed rule will impose economic costs beyond any costs attributable to SB 1355.

ECONOMIC IMPACT STATEMENT AND REGULATORY FLEXIBILITY ANALYSIS. TABC has determined that the proposed rule will not have an adverse economic effect on small or micro businesses, or on rural communities. As a result, and in accordance with Government Code §2006.002(c), TABC is not required to prepare a regulatory flexibility analysis.

GOVERNMENT GROWTH IMPACT STATEMENT. TABC has determined that for each year of the first five years that the proposed rule is in effect, it:

- will not create or eliminate a government program;
- will not require the creation of new employee positions or the elimination of existing employee positions;

- will not require an increase or decrease in future legislative appropriations to the agency;
- will not require an increase or decrease in fees paid to the agency;
- will create new regulations;
- will not expand, limit, or repeal an existing regulation;
- will not increase or decrease the number of individuals subject to the rule's applicability; and
- will not positively or adversely affect the Texas economy.

TAKINGS IMPACT ASSESSMENT. TABC has determined that no private real property interests are affected by this proposal and that this proposal does not restrict or limit an owner's right to property that would otherwise exist in the absence of government action. As a result, this proposal does not constitute a taking or require a takings impact assessment under Government Code §2007.043.

REQUEST FOR PUBLIC COMMENT. TABC requests comments on the proposed rule from any person interested in the rule. Additionally, TABC requests information related to the cost, benefit, or effect of the proposed rule, including any applicable data, research, or analysis, from any person required to comply with the proposed rule or any other interested person. TABC will consider any written comments on the proposal that are received by TABC no later than 5:00 p.m., central time, November 9, 2025. Send your comments to rules@tabc.texas.gov or to the Office of the General Counsel, Texas Alcoholic Beverage Commission, P.O. Box 13127, Austin, Texas 78711-3127. TABC staff will hold a public hearing to receive oral comments on the proposed rule at 10:00 a.m. on October 23, 2025. Interested persons should visit TABC's public website at www.tabc.texas.gov or contact TABC Legal Assistant Amada Clopton at (512) 206-3367, prior to the meeting date to receive further instructions.

STATUTORY AUTHORITY. TABC proposes new §45.132 pursuant to TABC's rulemaking authority under Texas Alcoholic Beverage Code §§5.31 and 102.33(e). Section 5.31 authorizes TABC to prescribe and publish rules necessary to carry out the provisions of the Alcoholic Beverage Code. Section 102.33(e) directs TABC to adopt rules to implement the credit restrictions for the sale of liquor by a distiller to a wholesaler under section 102.33.

CROSS-REFERENCE TO STATUTE. Proposed §45.132 implements Alcoholic Beverage Code §102.33.

§45.132. Wholesaler Delinquent to Distiller and Rectifier.

(a) This section implements Alcoholic Beverage Code §102.33.

(b) An administrative violation of Alcoholic Beverage Code §102.33 does not occur until the holder of a wholesaler's permit:

(1) fails to pay the amount due to the holder of the distiller's and rectifier's permit on or before the date payment is required under the agreed terms of a contract or written agreement between the holder of the distiller's and rectifier's permit and the wholesaler; and

(2) fails to pay the amount due to the holder of the distiller's and rectifier's permit within 30 days, or another deadline agreed upon in writing, after receiving a demand for payment from the holder of the distiller's and rectifier's permit.

(c) Reporting Violations:

(1) A distiller's and rectifier's permit holder may report a delinquent wholesaler by submitting a complaint to the commission in accordance with §31.10.

(2) A complaint alleging a delinquent payment under Alcoholic Beverage Code §102.33 must be made in writing and include the following supporting documentation and information:

(A) the name and permit numbers of the involved permit holders;

(B) a copy of the invoice required by Alcoholic Beverage Code §102.33(a) applicable to the alleged delinquent payment;

(C) sufficient evidence showing proof of the wholesaler's order, the date of delivery, and the payment terms agreed to by both parties; and

(D) proof that a demand for payment was sent to the wholesaler, including the date the demand was sent.

(3) The commission will not take action on a complaint alleging a delinquent payment under Alcoholic Beverage Code §102.33 unless the permittees have entered into a written contract or agreement that clearly sets forth the terms of payment, including the number of days from which payment is due after the delivery of liquor purchased by the wholesaler.

(d) A wholesaler may dispute an alleged delinquency by submitting supporting documentation, including evidence of payment, within 10 days of notice by the commission of the complaint.

(e) Timeline to Report Violations. Alleged violations shall be reported to the commission within 45 days from the date a wholesaler becomes delinquent under subsection (b) of this section. Violations reported to the commission after 45 days from the delinquency are not actionable by the commission.

(f) Unless otherwise agreed in writing, it is a rebuttable presumption that a demand for payment sent under this section is received by a wholesaler as follows:

(1) A demand sent by United States mail or by common or contract carrier is considered received on the third day after the date the demand is deposited with the postal service or carrier, provided that the demand was properly addressed and postage or carrier charges were paid. If a tracking or delivery verification service is used, including certified mail or a similar method, a demand is considered received on the delivery date indicated by such service.

(2) A demand sent by electronic mail or some other electronic means during business hours is considered received on the same date it was sent, provided that the demand was sent to a valid electronic address used by the wholesaler. A demand sent electronically on the weekend, a federal holiday, or after 5:00 p.m. Central Time is considered received the next business day.

(g) The holder of a distiller's and rectifier's permit is not required to report a delinquent wholesaler. An administrative violation will not be attributed to a wholesaler who becomes delinquent unless the delinquency is reported to the commission in accordance with this section.

The agency certifies that legal counsel has reviewed the proposal and found it to be within the state agency's legal authority to adopt.

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TRD-202503405

Matthew Cherry

Senior Counsel

Texas Alcoholic Beverage Commission

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For further information, please call: (512) 206-3491

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**PART 4. TEXAS DEPARTMENT OF
LICENSING AND REGULATION**

**CHAPTER 60. PROCEDURAL RULES OF THE
COMMISSION AND THE DEPARTMENT**

The Texas Department of Licensing and Regulation (Department) proposes amendments to existing rules at 16 Texas Administrative Code (TAC), Chapter 60, Subchapter B, §60.22, and Subchapter C, §60.34, and a new rule at Subchapter C, §60.38, regarding the Procedural Rules of the Commission and the Department. These proposed changes are referred to as "proposed rules."

EXPLANATION OF AND JUSTIFICATION FOR THE RULES

The rules under 16 TAC, Chapter 60, Procedural Rules of the Commission and the Department, implement Texas Occupations Code, Chapter 51, Texas Department of Licensing and Regulation, and other laws applicable to state agencies.

The proposed rules implement House Bill (HB) 11, 89th Legislature, Regular Session (2025). The bill amends the Department's enabling act, Chapter 51, Occupations Code, to require the Department to maximize the creation of occupational license reciprocity agreements with licensing authorities in other states. Rulemaking is required to establish procedures to both compare the licensing requirements of other states to those of Texas, and to enter in to and implement reciprocity agreements with those states with substantially equivalent license requirements. The Department must consider the scope of practice for each license; required training, testing, and work experience; and the jurisdiction's procedures to resolve complaints and determine if a license holder is in good standing. HB 11 builds on existing authority in Ch. 51 to enter into reciprocity agreements and to waive prerequisites for licensure for applicants who hold a similar license issued by another jurisdiction that has a reciprocity agreement with Texas.

The proposed rules add the power to enter into reciprocity agreements to the basic powers of the Department and the Executive Director. The proposed rules provide a list of the specific criteria the Department will use to evaluate the licensing requirements of another jurisdiction to determine if they are substantially equivalent to those of Texas. Further, the proposed rules include a concise list of the minimum requirements a license applicant must satisfy to obtain a Texas license when a reciprocity agreement is in place. In addition to establishing that the reciprocity and license requirements in Chapter 60 are subject to any different or more stringent requirements in Chapter 60, TAC; Ch. 51, Occupations Code; or the program statutes and rules governing the particular license, the Department reserves sole discretion to determine if the licensing requirements of the other jurisdiction are substantially equivalent to those of Texas. These rules are necessary to aid the Department to affirmatively seek to create more reciprocity agreements by providing clear notice to other jurisdictions of the criteria and conditions the Department will examine and consider going forward.

SECTION-BY-SECTION SUMMARY

The proposed rules amend §60.22, General Powers and Duties of the Department and the Executive Director, to include the responsibility to enter into reciprocity agreements with licensing authorities in other jurisdictions.

The proposed rules amend §60.34, Substantially Equivalent License Requirements, to update and clarify the applicability of the section to persons holding a license in another jurisdiction, and to specify the requirements for that license that the Department will examine. These include requirements related to: scope of practice, experience, training, education, examination, accreditation by other entities, financial security or insurance, standards of conduct, criminal history, and procedures to resolve complaints and to determine good standing of license holders. The section includes several edits for conciseness and clarity.

The proposed rules add new §60.38, Reciprocity Agreements, to lay out the Department's authority to enter into reciprocity agreements and to list the minimum requirements a license holder must satisfy to obtain a Texas license under a reciprocity agreement with another jurisdiction. The requirements relate to how the license was obtained, how long it has been held, if it is in good standing, whether the applicant has a disqualifying criminal history or has had a license revoked, whether any complaints or allegations are pending in the other jurisdiction, and whether the license holder satisfactorily met examination or other substantially equivalent requirements to obtain the other jurisdiction's license.

FISCAL IMPACT ON STATE AND LOCAL GOVERNMENT

Tony Couvillon, Senior Policy Research and Budget Analyst, has determined that for each year of the first five years the proposed rules are in effect, there are no estimated additional costs or reductions in costs to state or local governments as a result of enforcing or administering the proposed rules.

Tony Couvillon, Senior Policy Research and Budget Analyst, has determined that for each year of the first five years the proposed rules are in effect, there is no estimated increase or loss in revenue to local governments as a result of enforcing or administering the proposed rules. No loss in revenue is predicted for state government, however an increase in state revenue due to increased numbers of license holders due to reciprocity agreements can be expected. More applicants will be eligible to apply for a Texas license due to changes to the substantial equivalence requirements and increased reciprocity with other states. However, it is unknown how many applicants will apply based on the changes made by these proposed rules; therefore, it cannot be estimated how much additional revenue may be collected in any given year. Likewise, any decrease in revenue due to Texas license holders choosing to stop renewing a Texas license when moving elsewhere to work is not subject to prediction.

Mr. Couvillon has also determined that for each year of the first five years the proposed rules are in effect, enforcing or administering the proposed rules does not have foreseeable implications relating to costs or revenues of state or local governments.

LOCAL EMPLOYMENT IMPACT STATEMENT

Mr. Couvillon has determined that the proposed rules may affect employment in some localities because the proposed rules should make it easier for license applicants from other states to become licensed in Texas, which could have a positive impact on local employment. However, it is unknown how many of these applicants will apply and in what areas of the state they will be

located. It is therefore unknown but unlikely that there will be enough additional license holders to have an impact on any particular area's local employment numbers. Additionally, licensing reciprocity will allow Texas license holders to more easily relocate to other states to live and work there, so gains in local employment could be countered by some losses as Texas licensees make choices as to where to live and work. Precise impact on local employment therefore is not susceptible to prediction.

PUBLIC BENEFITS

Mr. Couvillon has determined that for each year of the first five-year period the proposed rules are in effect, the public benefit will be that applicants with out-of-state licenses will more easily become licensed and relocate to Texas to work. These applicants could get licensed and begin working more quickly under a reciprocity agreement. Additional license holders will make more workers available to the public and give the public more options.

PROBABLE ECONOMIC COSTS TO PERSONS REQUIRED TO COMPLY WITH PROPOSAL

Mr. Couvillon has determined that for each year of the first five-year period the proposed rules are in effect, there are no anticipated economic costs to persons who are required to comply with the proposed rules.

FISCAL IMPACT ON SMALL BUSINESSES, MICRO-BUSINESSES, AND RURAL COMMUNITIES

There will be no adverse economic effect on small businesses, micro-businesses, or rural communities as a result of the proposed rules. Because the agency has determined that the proposed rule will have no adverse economic effect on small businesses, micro-businesses, or rural communities, preparation of an Economic Impact Statement and a Regulatory Flexibility Analysis, as detailed under Texas Government Code §2006.002, is not required.

ONE-FOR-ONE REQUIREMENT FOR RULES WITH A FISCAL IMPACT

The proposed rules do not have a fiscal note that imposes a cost on regulated persons, including another state agency, a special district, or a local government. Therefore, the agency is not required to take any further action under Texas Government Code §2001.0045.

GOVERNMENT GROWTH IMPACT STATEMENT

Pursuant to Texas Government Code §2001.0221, the agency provides the following Government Growth Impact Statement for the proposed rules. For each year of the first five years the proposed rules will be in effect, the agency has determined the following:

1. The proposed rules do not create or eliminate a government program.
2. Implementation of the proposed rules does not require the creation of new employee positions or the elimination of existing employee positions.
3. Implementation of the proposed rules does not require an increase or decrease in future legislative appropriations to the agency.
4. The proposed rules do not require an increase or decrease in fees paid to the agency.
5. The proposed rules create a new regulation.

6. The proposed rules expand an existing regulation.
7. The proposed rules increase the number of individuals subject to the rules' applicability.
8. The proposed rules do not positively or adversely affect this state's economy.

TAKINGS IMPACT ASSESSMENT

The Department has determined that no private real property interests are affected by the proposed rules and the proposed rules do not restrict, limit, or impose a burden on an owner's rights to his or her private real property that would otherwise exist in the absence of government action. As a result, the proposed rules do not constitute a taking or require a takings impact assessment under Texas Government Code §2007.043.

PUBLIC COMMENTS AND INFORMATION RELATED TO THE COST, BENEFIT, OR EFFECT OF THE PROPOSED RULES

The Department is requesting public comments on the proposed rules and information related to the cost, benefit, or effect of the proposed rules, including any applicable data, research, or analysis. Any information that is submitted in response to this request must include an explanation of how and why the submitted information is specific to the proposed rules. Please do not submit copyrighted, confidential, or proprietary information.

Comments on the proposed rules and responses to the request for information may be submitted electronically on the Department's website at https://ga.tdlr.texas.gov:1443/form/Ch60_Rule_Making; by facsimile to (512) 475-3032; or by mail to Monica Nuñez, Legal Assistant, Texas Department of Licensing and Regulation, P.O. Box 12157, Austin, Texas 78711. The deadline for comments is 30 days after publication in the *Texas Register*.

SUBCHAPTER B. POWERS AND RESPONSIBILITIES

16 TAC §60.22

STATUTORY AUTHORITY

The proposed rules are proposed under Texas Occupations Code, Chapter 51, which authorizes the Texas Commission of Licensing and Regulation, the Department's governing body, to adopt rules as necessary to implement the chapter and any other law establishing a program regulated by the Department.

The statutory provisions affected by the proposed rules are those set forth in Texas Occupations Code, Chapter 51, and the program statutes for all of the Department programs in which a licensing reciprocity agreement could be created: Agriculture Code, Chapter 301 (Weather Modification and Control); Education Code, Chapter 1001 (Driver and Traffic Safety Education); Government Code, Chapters 171 (Court-Ordered Programs); and 469 (Elimination of Architectural Barriers); Health and Safety Code, Chapters 401, Subchapter M (Laser Hair Removal); 754 (Elevators, Escalators, and Related Equipment); and 755 (Boilers); Labor Code, Chapter 91 (Professional Employer Organizations); Occupations Code, Chapters 202 (Podiatrists); 203 (Midwives); 401 (Speech-Language Pathologists and Audiologists); 402 (Hearing Instrument Fitters and Dispensers); 403 (Dyslexia Practitioners and Therapists); 451 (Athletic Trainers); 455 (Massage Therapy); 506 (Behavior Analysts); 605 (Orthotists and Prosthetists); 701 (Dietitians); 802 (Dog or Cat Breeders); 1151 (Property Tax Professionals);

1152 (Property Tax Consultants); 1202 (Industrialized Housing and Buildings); 1302 (Air Conditioning and Refrigeration Contractors); 1304 (Service Contract Providers and Administrators); 1305 (Electricians); 1603 (Barbers and Cosmetologists); 1802 (Auctioneers); 1806 (Residential Solar Retailers); 1901 (Water Well Drillers); 1902 (Water Well Pump Installers); 1952 (Code Enforcement Officers); 1953 (Sanitarians); 1958 (Mold Assessors and Remediators); 2052 (Combative Sports); 2303 (Vehicle Storage Facilities); 2308 (Vehicle Towing and Booting); 2309 (Used Automotive Parts Recyclers); 2310 (Motor Fuel Metering and Quality); 2311 (Electric Vehicle Charging Stations); and 2402 (Transportation Network and Delivery Network Companies); and Transportation Code, Chapters 551A (Off-Highway Vehicle Training and Safety); and 662 (Motorcycle Operator Training and Safety).

The legislation that enacted the statutory authority under which the proposed rules are proposed to be adopted is House Bill 11, 89th Legislature, Regular Session (2025).

§60.22. General Powers and Duties of the Department and the Executive Director.

(a) The executive director shall have primary responsibility to manage the operations and administration of the department and its programs as provided by Texas Occupations Code, Chapter 51 and other applicable law, including but not limited to:

(1) - (3) (No change.)

(4) imposing sanctions and administrative penalties for agreed orders and default orders; ~~and~~

(5) approving, administering, or providing for the administration of exams; and ~~and~~

(6) entering into reciprocity agreements with licensing authorities in other jurisdictions.

(b) - (c) (No change.)

The agency certifies that legal counsel has reviewed the proposal and found it to be within the state agency's legal authority to adopt.

Filed with the Office of the Secretary of State on September 26, 2025.

TRD-202503436

Doug Jennings

General Counsel

Texas Department of Licensing and Regulation

Earliest possible date of adoption: November 9, 2025

For further information, please call: (512) 475-4879



SUBCHAPTER C. LICENSE APPLICATIONS AND RENEWALS

16 TAC §60.34, §60.38

STATUTORY AUTHORITY

The proposed rules are proposed under Texas Occupations Code, Chapter 51, which authorizes the Texas Commission of Licensing and Regulation, the Department's governing body, to adopt rules as necessary to implement the chapter and any other law establishing a program regulated by the Department.

The statutory provisions affected by the proposed rules are those set forth in Texas Occupations Code, Chapter 51, and the program statutes for all of the Department programs in which a licensing reciprocity agreement could be created: Agriculture Code, Chapter 301 (Weather Modification and Control); Education Code, Chapter 1001 (Driver and Traffic Safety Education); Government Code, Chapters 171 (Court-Ordered Programs); and 469 (Elimination of Architectural Barriers); Health and Safety Code, Chapters 401, Subchapter M (Laser Hair Removal); 754 (Elevators, Escalators, and Related Equipment); and 755 (Boilers); Labor Code, Chapter 91 (Professional Employer Organizations); Occupations Code, Chapters 202 (Podiatrists); 203 (Midwives); 401 (Speech-Language Pathologists and Audiologists); 402 (Hearing Instrument Fitters and Dispensers); 403 (Dyslexia Practitioners and Therapists); 451 (Athletic Trainers); 455 (Massage Therapy); 506 (Behavior Analysts); 605 (Orthotists and Prosthetists); 701 (Dietitians); 802 (Dog or Cat Breeders); 1151 (Property Tax Professionals); 1152 (Property Tax Consultants); 1202 (Industrialized Housing and Buildings); 1302 (Air Conditioning and Refrigeration Contractors); 1304 (Service Contract Providers and Administrators); 1305 (Electricians); 1603 (Barbers and Cosmetologists); 1802 (Auctioneers); 1806 (Residential Solar Retailers); 1901 (Water Well Drillers); 1902 (Water Well Pump Installers); 1952 (Code Enforcement Officers); 1953 (Sanitarians); 1958 (Mold Assessors and Remediators); 2052 (Combative Sports); 2303 (Vehicle Storage Facilities); 2308 (Vehicle Towing and Booting); 2309 (Used Automotive Parts Recyclers); 2310 (Motor Fuel Metering and Quality); 2311 (Electric Vehicle Charging Stations); and 2402 (Transportation Network and Delivery Network Companies); and Transportation Code, Chapters 551A (Off-Highway Vehicle Training and Safety); and 662 (Motorcycle Operator Training and Safety).

The legislation that enacted the statutory authority under which the proposed rules are proposed to be adopted is House Bill 11, 89th Legislature, Regular Session (2025).

§60.34. Substantially Equivalent License Requirements.

(a) This section is applicable to an applicant who holds a current license issued by another jurisdiction that is similar to a license issued by the department. [for:]

[(1) an applicant who holds a current license issued by another jurisdiction that is similar to a license issued by the department; or]

[(2) an applicant who is a military service member, military veteran, or military spouse and who is applying for a license under Subchapter K.];

(b) (No change.)

(c) A person holding a license issued by [Based on the specific license, a license holder from] another jurisdiction may be eligible for a Texas license if the other jurisdiction's [jurisdiction has] licensing requirements [that] are substantially equivalent to those of [the] Texas [licensing requirements].

(d) Unless provided otherwise in the statutes and rules governing a program or license type, the [The] department will review and evaluate the following criteria to determine if another jurisdiction's licensing requirements are substantially equivalent to those of Texas: [in determining "substantially equivalent" as it relates to and is applicable to a specific license:]

(1) Scope of practice--the scope of work authorized to be performed under the license;

(2) Experience and training requirements--including the length of time or number of hours of on-the-job experience or training that the other jurisdiction requires applicants to possess to qualify for the particular license;

(3) [(4)] Education requirements--including the amount of time (hours, months or years) or credits needed to complete any course, program, or curriculum that is a prerequisite for licensure [the course/program/curriculum];

(4) [(2)] Examination requirements--including whether the other jurisdiction requires an applicant to pass any examinations [in order] to obtain the license;[;] the type and content of any such examination(s); and the minimum score needed for an applicant to pass the examination(s) [of examinations (written, practical or both), and whether the applicant passed the required examinations in the other jurisdiction];

(5) Accreditation requirements--including credentials or accreditation by federal agencies or national or other professional organizations or entities that a person must have to practice a profession.

(6) Financial security or insurance requirements--whether and to what extent the other jurisdiction requires license holders to hold certain insurance policies, secure a bond, or provide other forms of financial security;

(7) Standards of conduct--including requirements for honesty and fair dealing with the public when providing services or goods, in advertising, and in business dealings;

(8) Criminal history--including whether the jurisdiction takes an applicant's or license holder's criminal history into account when determining license eligibility or disqualification; and.

(9) Procedures used in the other jurisdiction to receive and resolve complaints and to determine whether a license holder is in good standing.

[(3) Experience requirements--including the length of time that the applicant has held a license in another jurisdiction, and the amount of time (hours, months or years) the applicant has worked either independently or under the supervision of another license holder as defined by statute or rule for a specific license;]

[(4) Training requirements--including training through apprenticeship programs or on-the-job training, as those terms are defined by statute or rule for a specific license; and]

[(5) License requirements--including scope of work authorized to be performed under the license issued by the other jurisdiction, and the length of time that the applicant has held a license in another jurisdiction.];

(e) The department may require an applicant under this section to provide additional supporting documentation or [and] information in order for the department to evaluate the criteria under subsection (d) as it relates to [and is applicable to] a specific license.

(1) - (2) (No change.)

(f) The department has sole discretion in determining [retains the exclusive authority to determine] whether [or not] the licensing requirements for a license issued by another jurisdiction are substantially equivalent to those of [the requirements for the] Texas [license sought].

§60.38. Reciprocity Agreements.

(a) The department is authorized by Texas Occupations Code §§51.4041, 51.551, and 51.552 to enter into license reciprocity agreements with licensing authorities in other jurisdictions.

(b) A license holder from another jurisdiction may be eligible for a Texas license if the other jurisdiction has entered into a license reciprocity agreement with the department.

(c) Subject to the requirements of Occupations Code Ch. 51, this chapter, and the statutes and rules applicable to the program and license type for which an individual license or a reciprocity agreement is sought, the department will issue a license to an applicant if the person:

(1) has held the license in the other jurisdiction for at least one year;

(2) did not obtain the license in the other jurisdiction through reciprocity or similar process;

(3) was required to pass an examination or meet substantially equivalent education, training, work history, or other applicable requirements;

(4) possesses a license that is in good standing;

(5) does not have a disqualifying criminal history;

(6) has not had a license revoked in another jurisdiction for misconduct or other noncompliance; and

(7) does not have a complaint, investigation, or allegation pending in the other jurisdiction for misconduct or alleged criminal activity.

The agency certifies that legal counsel has reviewed the proposal and found it to be within the state agency's legal authority to adopt.

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Doug Jennings

General Counsel

Texas Department of Licensing and Regulation

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For further information, please call: (512) 475-4879



TITLE 19. EDUCATION

PART 1. TEXAS HIGHER EDUCATION COORDINATING BOARD

CHAPTER 1. AGENCY ADMINISTRATION SUBCHAPTER T. WORKFORCE EDUCATION COURSE MANUAL ADVISORY COMMITTEE

19 TAC §§1.220, 1.224, 1.226

The Texas Higher Education Coordinating Board (Coordinating Board) proposes amendments to Texas Administrative Code, Title 19, Part 1, Chapter 1, Subchapter T, §§1.220, 1.224, and 1.226, concerning the Workforce Education Course Manual Advisory Committee. Specifically, this amendment will revise and clarify the purpose, meeting requirements, and reporting requirements of the committee.

Amendments to this subchapter in 2024 clarified that the committee is required to advise the Coordinating Board and transmit Workforce Education Course Manual (WECM) courses to the

Coordinating Board for consideration for approval. This change effectively removed all approval authority from the committee. Now advisory, the committee is no longer subject to the Open Meetings Act. The committee was created to provide advice to the Coordinating Board regarding content, structure, currency, and presentation of the WECM and its courses; coordinate field engagement in processes, maintenance, and use of the WECM; and assist in identifying new courses and courses that are obsolete.

The Coordinating Board is authorized to adopt rules relating to the Workforce Education Course Manual Advisory Committee under Texas Education Code, §130.001 and §61.026.

Rule 1.220(b), Authority and Specific Purposes of the Workforce Education Course Manual Advisory Committee, is amended to assign the WECM Advisory Committee responsibilities to coordinate field engagement and maintenance of the WECM, to identify new courses, and to identify obsolete courses. This amendment will remove the responsibility of the WECM Advisory Committee to identify new or obsolete programs of study, and to identify vertical and horizontal alignments of courses within programs. This amendment is proposed to align this rule with Texas Administrative Code, Chapter 1, Subchapter X, regarding the responsibility of the Program of Study Advisory Committee, to ensure that there is only one committee responsible for programs of study.

Rule 1.224, Meetings, is amended to remove the requirements to conduct meetings that are open to the public, broadcast meetings via the internet, and to post meeting minutes. This amendment aligns with the advisory nature of the committee's responsibilities.

Rule 1.226, Report to the Board; Evaluation of Committee Costs and Effectiveness, is amended to remove the requirement to evaluate costs and report to the Legislative Budget Board. The rule title is also amended to "Report to the Board." This amendment aligns with the advisory nature of the committee's responsibilities.

Tina Jackson, Assistant Commissioner for Workforce Education, has determined that for each of the first five years the sections are in effect there would be no fiscal implications for state or local governments as a result of enforcing or administering the rules. There are no estimated reductions in costs to the state and to local governments as a result of enforcing or administering the rules. There are no estimated losses or increases in revenue to the state or to local governments as a result of enforcing or administering the rules.

There is no impact on small businesses, micro businesses, and rural communities. There is no anticipated impact on local employment.

Tina Jackson, Assistant Commissioner for Workforce Education, has also determined that for each year of the first five years the sections are in effect, the public benefit anticipated as a result of administering the sections will be clarifying and revising the purpose, meeting requirements, and reporting requirements of the Workforce Education Course Manual Advisory Committee. There are no anticipated economic costs to persons who are required to comply with the sections as proposed.

Government Growth Impact Statement

(1) the rules will not create or eliminate a government program;

- (2) implementation of the rules will not require the creation or elimination of employee positions;
- (3) implementation of the rules will not require an increase or decrease in future legislative appropriations to the agency;
- (4) the rules will not require an increase or decrease in fees paid to the agency;
- (5) the rules will not create a new rule;
- (6) the rules will not limit an existing rule;
- (7) the rules will not change the number of individuals subject to the rules; and
- (8) the rules will not affect this state's economy.

Comments on the proposed rules or information related to the cost, benefit, or effect of the proposed rules, including any applicable data, research or analysis, may be submitted to Tina Jackson, Assistant Commissioner for Workforce Education, P.O. Box 12788, Austin, Texas 78711-2788, or via email at RulesComments@highered.texas.gov. Comments will be accepted for 30 days following publication of the proposal in the *Texas Register*.

The amendment is proposed under Texas Education Code, Section 130.001, which provides the Coordinating Board with the authority to adopt rules and regulations for public junior colleges; and Section 61.026, which grants the Coordinating Board authority to establish advisory committees.

The proposed amendment affects Texas Administrative Code, Title 19, Part 1, Chapter 1, Subchapter T.

§1.220. Authority and Specific Purposes of the Workforce Education Course Manual Advisory Committee.

(a) Authority: The authority for this subchapter is provided in the Texas Education Code, §130.001.

(b) Purposes. The Workforce Education Course Manual (WECM) Advisory Committee is created to provide the Board with advice regarding content, structure, currency and presentation of the Workforce Education Course Manual (WECM) and its courses; coordinating field engagement in processes, maintenance, and use of the WECM; and assistance in identifying new courses and obsolete courses. [~~new programs of study, developments within existing programs represented by courses in the manual, vertical and horizontal alignment of courses within programs, and obsolescence of programs of study and courses.~~]

§1.224. Meetings.

The committee shall meet at least twice yearly. Special meetings may be called as deemed appropriate by the presiding officer. [~~Meetings shall be open to the public and broadcast via the web, unless prevented by technical difficulties. Minutes shall be available to the public after they have been prepared by Board staff and reviewed by members of the committee.~~]

§1.226. Report to the Board[; Evaluation of Committee Costs and Effectiveness].

The committee chairperson shall report to the Board on no less than an annual basis. [~~The committee shall also report committee activities to the Board to allow the Board to properly evaluate the committee's work, usefulness, and the costs related to the committee's existence. The Board shall report its evaluation to the Legislative Budget Board in its biennial Legislative Appropriations Request.~~]

The agency certifies that legal counsel has reviewed the proposal and found it to be within the state agency's legal authority to adopt.

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Texas Higher Education Coordinating Board

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CHAPTER 2. ACADEMIC AND WORKFORCE EDUCATION

SUBCHAPTER A. GENERAL PROVISIONS

19 TAC §2.3, §2.5

The Texas Higher Education Coordinating Board (Coordinating Board) proposes amendments to Texas Administrative Code, Title 19, Part 1, Chapter 2, Subchapter A, §2.3 and §2.5, concerning General Provisions. Specifically, this amendment will define competency-based baccalaureate degree, and clarify the criteria the Coordinating Board uses to determine whether a proposed degree program has adequate funding for implementation and sufficient labor market need.

House Bill 4848, 89th Texas Legislature, Regular Session, authorizes the Coordinating Board to adopt rules for the approval of competency-based baccalaureate degree programs in fields of study in high demand.

Senate Bill 37, 89th Texas Legislature, Regular Session, adds the consideration of nation labor market needs to the criteria for program approval.

State law requires the Coordinating Board to review new degree programs to ensure institutions have sufficient financing through legislative appropriations, funds allocated by the Coordinating Board, or other sources, and sufficient labor market need for the program. The proposed amendments related to financing identify acceptable revenue streams and clarify that grant funding and legislative appropriations must be in-hand and adequate to fund the program for the first five years of implementation. The proposed amendments related to labor market need clarify that national labor market needs shall be considered during the program approval process.

Rule 2.3, Definitions, is amended to define competency-based baccalaureate degree in alignment with the meaning in Texas Education Code, §56.521.

Rule 2.5, General Criteria for Program Approval, is amended to require institutions proposing a new degree program have grant funding and legislative appropriations available to support the program. The rule also specifies that the board may consider the location where the program is offered in determining the need for a new program. This criterion is implicit in the current rule providing that the board may coordinate to prevent the unnecessary duplication of programs, but this amendment makes explicit that the board may consider location, which is important for off-campus program approval.

Elizabeth Mayer, Assistant Commissioner Academic and Health Affairs, has determined that for each of the first five years the sections are in effect there would be no fiscal implications for state or local governments as a result of enforcing or adminis-

tering the rules. There are no estimated reductions in costs to the state and to local governments as a result of enforcing or administering the rule. There are no estimated losses or increases in revenue to the state or to local governments as a result of enforcing or administering the rule.

There is no impact on small businesses, micro businesses, and rural communities. There is no anticipated impact on local employment.

Elizabeth Mayer, Assistant Commissioner Academic and Health Affairs, has also determined that for each year of the first five years the section is in effect, the public benefit anticipated as a result of administering the section will be the implementation of House Bill 4848, 89th Texas Legislature, Regular Session, and the clarification of program approval criteria regarding adequate financing for new degree programs. There are no anticipated economic costs to persons who are required to comply with the sections as proposed.

Government Growth Impact Statement

- (1) the rules will not create or eliminate a government program;
- (2) implementation of the rules will not require the creation or elimination of employee positions;
- (3) implementation of the rules will not require an increase or decrease in future legislative appropriations to the agency;
- (4) the rules will not require an increase or decrease in fees paid to the agency;
- (5) the rules will create a new rule;
- (6) the rules will not limit an existing rule;
- (7) the rules will change the number of individuals subject to the rule; and
- (8) the rules will not affect this state's economy.

Comments on the proposed rule or information related to the cost, benefit, or effect of the proposed rule, including any applicable data, research or analysis, may be submitted to Elizabeth Mayer, Assistant Commissioner Academic and Health Affairs, P.O. Box 12788, Austin, Texas 78711-2788, or via email at AHAComments@highered.texas.gov. Comments will be accepted for 30 days following publication of the proposal in the *Texas Register*.

The amendments are proposed under Texas Education Code, Section 61.0512, which provides the Coordinating Board with the authority to review each new degree program proposed by an institution of higher education to ensure the program meets approval criteria, including adequate financing. Texas Education Code, Section 51.3535, authorizes the Coordinating Board to adopt rules regarding the approval of competency-based baccalaureates in fields of high demand.

The proposed amendments affect Texas Administrative Code, Chapter 2, Subchapter A.

§2.3. Definitions.

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

(1) **Academic Associate Degree**--A type of degree program generally intended to transfer to an upper-level baccalaureate program that will satisfy the lower-division requirements for a baccalaureate degree in a specific discipline. The Academic Associate Degree includes,

but is not limited to, the Associate of Arts (A.A.), Associate of Science (A.S.) or Associate of Arts in Teaching (A.A.T.) degrees.

(2) **Academic Course Guide Manual (ACGM)**--The manual that provides the official list of approved courses for general academic transfer to public universities offered for funding by public community, state, and technical colleges in Texas.

(3) **Academic Program or Programs**--A type of credential primarily consisting of course content intended to prepare students for study at the bachelor's degree or higher.

(4) **Administrative Unit**--A department, college, school, or other unit at an institution of higher education, which has administrative authority over degree or certificate programs.

(5) **Applied Associate Degree**--A type of degree program designed to lead the individual directly to employment in a specific career. The Applied Associate Degree Program includes, but is not limited to, the Associate of Applied Arts (A.A.A.) or Associate of Applied Science (A.A.S.).

(6) **Applied Baccalaureate Degree**--Builds on an Associate of Applied Science (A.A.S.) degree, combined with enough additional core curriculum courses and upper-level college courses to meet the minimum semester credit hour requirements for a bachelor's degree. The degree program is designed to grow professional management skills of the learner and meet the demand for leadership of highly technical professionals in the workplace. May be called a Bachelor of Applied Arts and Science (B.A.A.S.), Bachelor of Applied Technology (B.A.T.) or Bachelor of Applied Science (B.A.S.).

(7) **Assistant Commissioner**--In this subchapter or a subchapter that cross-references to the provisions of this subchapter, Assistant Commissioner means the Assistant, Associate, or Deputy Commissioner designated by the Commissioner.

(8) **Board**--The governing body of the agency known as the Texas Higher Education Coordinating Board.

(9) **Board Staff**--Staff of the Texas Higher Education Coordinating Board who perform the Texas Higher Education Coordinating Board's administrative functions and services.

(10) **Career and Technical Education Certificate**--A post-secondary credential, other than a degree, which a student earns upon successful completion of a workforce or continuing education program offered by an institution of higher education. Courses that comprise career and technical education certificates are listed in the Workforce Education Course Manual and the Academic Course Guide Manual and are subject to Board approval. For purposes of this chapter, career and technical education certificate means a certificate program as defined in Texas Education Code, §61.003(12)(C).

(11) **Career and Technical Education Course**--A college-level workforce or continuing education course offered by an institution of higher education which earns either semester credit hours or continuing education units toward satisfaction of a requirement necessary to obtain an industry-recognized credential, certificate, or applied associate degree. Career and technical education courses are listed in the Workforce Education Course Manual.

(12) **Certificate Program [program]**--Certificate means a grouping of subject-matter courses which, when satisfactorily completed by a student, will entitle the student to a certificate or documentary evidence, other than a degree, of completion of a course of study at the postsecondary level. Under this chapter, certificate includes a post-baccalaureate certificate and excludes an associate degree unless otherwise provided.

(13) CIP Codes--See "Texas Classification of Instructional Programs (CIP) Coding System."

(14) Commissioner--The Texas Commissioner of Higher Education.

(15) Competency-based Baccalaureate Degree Program--A baccalaureate degree program for which an institution of higher education awards academic credit based solely on a student's attainment of competencies.

(16) [(15)] Contact Hour [~~hour~~]-A time unit of instruction used by community, technical, and state colleges consisting of 60 minutes, of which 50 minutes must be direct instruction.

(17) [(16)] Continuing Education Unit (CEU)--Basic unit for continuing education courses. One continuing education unit (CEU) is 10 contact hours of participation in an organized continuing education experience under responsible sponsorship, capable direction, and qualified instruction.

(18) [(17)] Credential--A grouping of subject matter courses or demonstrated mastery of specified content which entitles a student to documentary evidence of completion. This term encompasses certificate programs, degree programs, and other kinds of formal recognitions such as short-term workforce credentials or a combination thereof.

(19) [(18)] Degree Program--Any grouping of subject matter courses which, when satisfactorily completed by a student, will entitle that student to an associate's, bachelor's, master's, research doctoral, or professional practice doctoral degree.

(20) [(19)] Degree Title--Name of the degree and discipline under which one or more degree programs may be offered. A degree title usually consists of the degree designation (e.g., Bachelor of Science, Master of Arts) and the discipline specialty (e.g., History, Psychology).

(21) [(20)] Embedded Credential--A course of study enabling a student to earn a credential that is wholly embedded within a degree program.

(22) [(21)] Field of Study Curriculum--A set of courses that will satisfy lower-division requirements for an academic major at a general academic teaching institution, as defined in §4.23(10) [chapter 4, subchapter B, §4.23(7)] of this title (relating to Definitions).

(23) [(22)] Higher Education Regions--The Board adopts the economic regions of this state as defined by the Texas Comptroller of Public Accounts as the higher education state uniform service regions.

(24) [(23)] Master's Degree--The first graduate level degree, intermediate between a Baccalaureate degree program and Doctoral degree program.

(25) [(24)] New Content--As determined by the institution, content that the institution does not currently offer at the same instructional level as the proposed program. A program with sufficient new content to constitute a 'significant departure' from existing offerings under 34 CFR §602.22(a)(1)(ii)(C) meets the fifty percent [50%] new content threshold.

(26) [(25)] Pilot Institution--Public junior colleges initially authorized to offer baccalaureate degrees through the pilot initiative established by SB 286 (78R - 2003). Specifically, the four pilot institutions are Midland College, South Texas College, Brazosport College, and Tyler Junior College.

(27) [(26)] Planning Notification--Formal notification that an institution intends to develop a plan and submit a degree program

proposal or otherwise notify the Board of intent to offer a new degree program.

(28) [(27)] Professional Practice Doctoral Degree--Certain degree programs that prepare students for a career as a practitioner in a particular profession, including certain credential types that are required for professional licensure.

(29) [(28)] Program Inventory--The official list of all degree and certificate programs offered by a public community college, university, or health-related institution, as maintained by Board Staff.

(30) [(29)] Public Health-Related Institution--Public health-related institutions that are supported by state funds.

(31) [(30)] Public Junior College--A public institution of higher education as defined in Texas Education Code, [Tex. Educ. Code] §61.003(2).

(32) [(31)] Public Two-year College--Any public junior college, public community college, public technical institute, or public state college as defined in Texas Education Code, [Tex. Educ. Code] §61.003(16).

(33) [(32)] Public University--A general academic teaching institution as defined by Texas Education Code, [Tex. Educ. Code] §61.003(3).

(34) [(33)] Research Doctoral Degree--An academic degree that typically represents the highest level of formal study or research in a given field and requires completion of original research.

(35) [(34)] Semester Credit Hour, or Credit Hour--A unit of measure of instruction consisting of 60 minutes, of which 50 minutes must be direct instruction, which is typically offered over a 15-week period in a semester system or a 10-week period in a quarter system.

(36) [(35)] Texas Classification of Instructional Programs (CIP) Coding System--The Texas adaptation of the federal Classification of Instructional Programs taxonomy developed by the National Center for Education Statistics and used nationally to classify instructional programs and report educational data. The 8-digit CIP codes define the authorized teaching field of the specified program, based upon the occupation(s) for which the program is designed to prepare its graduates.

(37) [(36)] Texas Core Curriculum--Curriculum required at each institution of higher education students are required to complete as required by §4.23(5) of this title (relating to Definitions) [49 TAC §4.23(3)].

(38) [(37)] Texas Success Initiative (TSI)--A comprehensive program of assessment, advising, developmental education, and other strategies to ensure college readiness. The rules governing the Texas Success Initiative are established in chapter 4, subchapter C, of this title (relating to Texas Success Initiative) [Chapter 4, Subchapter C.].

(39) [(38)] Tracks of Study--Specialized areas of study within a single degree program.

(40) [(39)] Transcriptable Minor--A transcriptable minor is a group of courses around a specific subject matter marked on the student's transcript. The student must declare a minor for the minor to be included on the student's transcript. The student cannot declare a minor without also being enrolled in a major course of study as part of a baccalaureate degree program.

(41) [(40)] Workforce Education Course Manual (WECM)--An online database composed of the Board's official statewide inventory of career technical/workforce education courses

available for two-year public colleges to use in certificate and associate degree programs.

§2.5. General Criteria for Program Approval.

(a) In addition to any criteria specified in statute or this chapter for a specific program approval, the Assistant Commissioner, Commissioner, or Board, as applicable, shall consider the following factors:

(1) Evidence that the program is needed by the national, state and the local community, as demonstrated by student demand for similar programs, labor market information, the location where the program is offered, and value of the credential;

(2) Whether the program unnecessarily duplicates programs offered by other institutions of higher education or private or independent institutions of higher education, as demonstrated by capacity of existing programs and need for additional graduates in the field;

(3) Comments provided to the Board from institutions noticed under §2.7 of this subchapter (relating to Informal Notice and Comment on Proposed Local Programs);

(4) Whether the program has adequate financing from formula funding, tuition and fees, awarded grant funds, or redistributed revenue streams to become financially self-sufficient within five years. Appropriations by the legislature to support a new degree program must be available to the institution before submitting the proposal [legislative appropriation, funds allocated by the Board, or funds from other sources];

(5) Whether the program's cost is reasonable and provides a value to students and the state when considering the cost of tuition, source(s) of funding, availability of other similar programs, and the earnings of students or graduates of similar credential programs in the state to ensure the efficient and effective use of higher education resources;

(6) Whether the program provides a credential of value as defined in Texas Education Code 130A.102, of this title (relating to Community College Finance Program: Base and Performance Tier Methodology) [chapter 13, subchapter S, of Board Rules];

(7) Whether and how the program aligns with the metrics and objectives of the Board's Long-Range Master Plan for Higher Education;

(8) Whether the program has necessary faculty and other resources including support staff to ensure student success;

(9) Whether the program meets academic standards specified by law or prescribed by Board rule or skill standards recognized by the Texas Workforce Investment Council, if they exist for the discipline; and

(10) Past compliance history and program quality of the same or similar programs, where applicable.

(b) In the event of conflict between this rule and a more specific rule regarding program approval, the more specific rule shall control.

(c) A request for approval of a joint degree program that does not include existing degree programs is considered a new degree program and is subject to new degree program approval requirements.

The agency certifies that legal counsel has reviewed the proposal and found it to be within the state agency's legal authority to adopt.

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Nichole Bunker-Henderson

General Counsel

Texas Higher Education Coordinating Board

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For further information, please call: (512) 427-6182



SUBCHAPTER Q. REQUIREMENTS FOR STUDY ABROAD FOREIGN LANGUAGE CREDIT

19 TAC §§2.410 - 2.413

The Texas Higher Education Coordinating Board (Coordinating Board) proposes new rules in Texas Administrative Code, Title 19, Part 1, Chapter 2, Subchapter Q, §§2.410 - 2.413, concerning Requirements for Study Abroad Foreign Language Credit. Specifically, these new sections will establish guidelines for how enrolled students may earn foreign language credit during a study abroad experience as required by Senate Bill 2431, 89th Texas Legislature, Regular Session.

The new rules are proposed under Texas Education Code, §51.313, which requires the Coordinating Board to adopt rules related to the awarding of foreign language credit for students enrolled in baccalaureate degree programs that include a study abroad component or program.

Section 2.410, Authority, outlines the statutory authority for the Coordinating Board to adopt rules.

Section 2.411, Applicability, outlines degree programs to which the rules apply.

Section 2.412, Student Option to Earn Foreign Language Credit, outlines requirements for institutions to offer foreign language credit to students enrolled in certain study abroad programs.

Section 2.413, Institutional Responsibilities, outlines the institutional responsibilities for implementation of the rules.

Elizabeth Mayer, Assistant Commissioner for Academic and Health Affairs, has determined that for each of the first five years the sections are in effect there would be no fiscal implications for state or local governments as a result of enforcing or administering the rules. There are no estimated reductions in costs to the state and to local governments as a result of enforcing or administering the rules. There are no estimated losses or increases in revenue to the state or to local governments as a result of enforcing or administering the rules.

There is no impact on small businesses, micro businesses, and rural communities. There is no anticipated impact on local employment.

Elizabeth Mayer, Assistant Commissioner for Academic and Health Affairs, has also determined that for each year of the first five years the sections are in effect, the public benefit anticipated as a result of administering the sections will be providing consistent guidelines for how enrolled students may earn foreign language credit during a study abroad experience. There are no anticipated economic costs to persons who are required to comply with the sections as proposed.

Government Growth Impact Statement

- (1) the rules will not create or eliminate a government program;
- (2) implementation of the rules will not require the creation or elimination of employee positions;
- (3) implementation of the rules will not require an increase or decrease in future legislative appropriations to the agency;
- (4) the rules will not require an increase or decrease in fees paid to the agency;
- (5) the rules will create a new rule;
- (6) the rules will not limit an existing rule;
- (7) the rules will change the number of individuals subject to the rule; and
- (8) the rules will not affect this state's economy.

Comments on the proposed rules or information related to the cost, benefit, or effect of the proposed rules, including any applicable data, research or analysis, may be submitted to Elizabeth Mayer, Assistant Commissioner for Academic and Health Affairs, P.O. Box 12788, Austin, Texas 78711-2788, or via email at AHAComments@highered.texas.gov. Comments will be accepted for 30 days following publication of the proposal in the *Texas Register*.

The new sections are proposed under Texas Education Code, Section 51.313, which provides the Coordinating Board with authority to adopt rules related to the awarding of foreign language credit for students enrolled in baccalaureate degree programs that include a study abroad component or program.

The proposed new sections affect Texas Education Code, Section 51.313.

§2.410. Authority.

The authority for this subchapter is Texas Education Code, §51.313, which requires the Coordinating Board to adopt rules related to the awarding of foreign language credit to a student that participates in a study abroad component or program as part of a baccalaureate degree program.

§2.411. Applicability.

(a) These rules apply to any baccalaureate degree program at an institution of higher education, as defined by Texas Education Code, §61.003, that offers a study abroad component or program in a location where a language other than English is the primary language of communication.

(b) The rules do not apply to:

- (1) A study abroad program or component in a location where English is the primary language; and
- (2) Any non-credit-bearing travel or internship program not associated with a degree program.

§2.412. Student Option to Earn Foreign Language Credit.

(a) Each applicable study abroad component or program shall include an option for a student to earn foreign language credit.

(b) An institution may offer this option through one or more of the following methods:

- (1) Enrollment in a credit-bearing foreign language course delivered to the student in-person or through distance education, as defined in §2.202(2) of this chapter (relating to Definitions), during the component or program with associated assignments and assessments);

(2) Completion of a faculty-supervised language immersion experience with an associated assessment;

(3) Achievement of a satisfactory score on a recognized language proficiency examination before or after the program; or

(4) Other institution-approved demonstration of language competence.

§2.413. Institutional Responsibilities.

(a) Each institution of higher education shall identify and publish the programs to which these rules apply and clearly communicate the foreign language credit option to students participating in an applicable study abroad component or program.

(b) Each institution shall ensure appropriate academic oversight of the foreign language credit option and maintain documentation of student performance and credit awarded.

The agency certifies that legal counsel has reviewed the proposal and found it to be within the state agency's legal authority to adopt.

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Nichole Bunker-Henderson

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CHAPTER 3. RULES APPLYING TO ALL PUBLIC AND PRIVATE OR INDEPENDENT INSTITUTIONS OF HIGHER EDUCATION IN TEXAS REGARDING ELECTRONIC REPORTING OPTION FOR CERTAIN OFFENSES; AMNESTY

SUBCHAPTER B. VACCINATION AGAINST BACTERIAL MENINGITIS FOR ENTERING STUDENTS

19 TAC §§3.40 - 3.43

The Texas Higher Education Coordinating Board (Coordinating Board) proposes new rules in Texas Administrative Code, Title 19, Part 1, Chapter 3, Subchapter B, §§3.40 - 3.43, concerning Vaccination Against Bacterial Meningitis for Entering Students. Specifically, this new section will reconstitute current Chapter 21, Subchapter T, with no substantive changes. Chapter 3 is retitled to reflect its expanded purpose.

The Coordinating Board is authorized by Texas Education Code, §51.9192, to adopt rules relating to the bacterial meningitis vaccination requirement.

Chapter 3 title is amended to revise the name to more accurately reflect the rules in this section of administrative code.

Rule 3.40, Authority and Purpose, states the statutory authority for the subchapter and the purpose of the rules. It is the reconstituted §21.610 and §21.611, combined to conform to common

formatting of Coordinating Board rules but without substantive changes.

Rule 3.41, Definitions, provides definitions for terms and phrases used throughout the subchapter. It is the reconstituted §61.612, with no substantive changes.

Rule 3.42, Immunization Requirement, specifies the requirement, subject to exceptions, that students entering public and private institutions of higher education show evidence of receipt of a bacterial meningitis vaccination dose or booster. It is the reconstituted §21.613.

Rule 3.43, Exceptions, lists the allowable exceptions to the requirement in §3.42. It is the reconstituted §21.614.

Dr. Charles W. Contero-Puls, Assistant Commissioner for Student Financial Aid Programs, has determined that for each of the first five years the sections are in effect there would be no fiscal implications for state or local governments as a result of enforcing or administering the rules. There are no estimated reductions in costs to the state and to local governments as a result of enforcing or administering the rules. There are no estimated losses or increases in revenue to the state or to local governments as a result of enforcing or administering the rules.

There is no impact on small businesses, micro businesses, and rural communities. There is no anticipated impact on local employment.

Dr. Charles W. Contero-Puls, Assistant Commissioner for Student Financial Aid Programs, has also determined that for each year of the first five years the section is in effect, the public benefit anticipated as a result of administering the section will be the improved rule clarity by relocating the existing rule to a more appropriate location. There are no anticipated economic costs to persons who are required to comply with the sections as proposed.

Government Growth Impact Statement

- (1) the rules will not create or eliminate a government program;
- (2) implementation of the rules will not require the creation or elimination of employee positions;
- (3) implementation of the rules will not require an increase or decrease in future legislative appropriations to the agency;
- (4) the rules will not require an increase or decrease in fees paid to the agency;
- (5) the rules will not create a new rule;
- (6) the rules will not limit an existing rule;
- (7) the rules will not change the number of individuals subject to the rule; and
- (8) the rules will not affect this state's economy.

Comments on the proposed rule or information related to the cost, benefit, or effect of the proposed rule, including any applicable data, research or analysis, may be submitted to Dr. Charles W. Contero-Puls, Assistant Commissioner for Student Financial Aid Programs, P.O. Box 12788, Austin, Texas 78711-2788, or via email at SFAPPolicy@highered.texas.gov. Comments will be accepted for 30 days following publication of the proposal in the *Texas Register*.

The new section is proposed under Texas Education Code, Section 51.9192, which provides the Coordinating Board with the

authority to adopt rules relating to the bacterial meningitis vaccination requirement.

The proposed new section affects Texas Administrative Code, Title 19, Part 1, Chapter 3.

§3.40. Authority and Purpose.

(a) Authority. Authority for this subchapter is Texas Education Code, §51.9192, which establishes the requirement for bacterial meningitis vaccination for certain students and identifies exceptions to that requirement.

(b) Purpose. Pursuant to the Jamie Schanbaum and Nicolis Williams Act, this subchapter creates the procedure by which an entering student of an institution of higher education or private or independent institution of higher education will show evidence of being immunized against bacterial meningitis.

§3.41. Definitions.

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

(1) Entering Student--Includes:

(A) New Student--A first-time student of an institution of higher education or private or independent institution of higher education, including a student who transfers to the institution from another institution. A student who was previously exempt under §3.43(a)(2) - (5) of this subchapter (relating to Exceptions) will be treated as a new student, should the exception no longer apply.

(B) Returning Student--A student who previously attended an institution of higher education or private or independent institution of higher education before January 1, 2012, and who is enrolling in the same or another institution of higher education or private or independent institution of higher education following a break in enrollment of at least one fall or spring semester.

(2) Evidence of Vaccination--Acceptable evidence of vaccination or receiving a booster dose includes:

(A) the signature or stamp of a physician or his/her designee, or public health personnel on a form which shows the month, day, and year the vaccination dose or booster was administered;

(B) an official immunization record generated from a state or local health authority; or

(C) an official record received from school officials, including a record from another state.

(3) Health Practitioner--Any person authorized by law to administer a vaccination.

(4) Institution of Higher Education--As defined in Texas Education Code, §61.003.

(5) Private or Independent Institution of Higher Education--As defined in Texas Education Code, §61.003.

(6) Online and Other Distance Education Course--A course in which the instructor and students are not in the same location. An online course typically involves web-based instruction, but might also include correspondence instruction. An online or other distance education course that includes a face-to-face component, including meeting in a testing laboratory with other students, or meeting in a classroom to receive interactive video instruction, does not qualify as an online or other distance education course for the purposes of this subchapter.

§3.42. Immunization Requirement.

(a) An entering student who has been admitted to an institution of higher education or private or independent institution of higher education, must show evidence of receipt of an initial bacterial meningitis vaccination dose or booster during the five-year period preceding and at least ten days prior to the first day of the first semester in which the student initially enrolls at an institution, or following a break in enrollment of at least one fall or spring semester at the same or another institution.

(b) Each institution of higher education or private or independent institution of higher education must designate a department or unit to receive from the student evidence of receipt of an initial bacterial meningitis vaccination dose or booster during the five-year period preceding and at least ten days prior to the first day of the first semester in which the student initially enrolls at an institution, or following a break in enrollment of at least one fall or spring semester at the same or another institution.

(c) An entering student must provide evidence of having received the vaccination from an appropriate health practitioner to the designated department or unit at the institution of higher education or private or independent institution of higher education. This information shall be maintained in accordance with Family Education Rights and Privacy Act Regulations, and with Health Insurance Portability and Accountability Act.

(d) Each institution of higher education or private or independent institution of higher education must provide to a student, with the registration materials that the institution provides to a student before the student's initial enrollment in the institution, the following:

(1) written or electronic notice of the right of the student or of a parent or guardian of a student, to claim an exemption from the vaccination requirement, as specified in §3.43 of this subchapter (relating to Exceptions); and

(2) written or electronic notice of the importance of consulting a physician about the need for the immunization against bacterial meningitis to prevent the disease.

(e) Under justifiable circumstances, an administrative official of the designated department or unit of an institution of higher education, or private or independent institution of higher education, may grant extensions to individual students to extend the compliance date to no more than ten days after the first day of the semester or other term in which the student initially enrolls.

§3.43. Exceptions.

(a) A student is not required to submit evidence of receiving the vaccination against bacterial meningitis or evidence of receiving a booster dose if:

(1) the student is twenty-two years of age or older by the first day of the start of the semester; or

(2) the student is enrolled only in online or other distance education courses; or

(3) the student is enrolled in a continuing education course or program that is less than 360 contact hours, or continuing education corporate training; or

(4) the student is enrolled in a dual credit course which is taught at a public or private K-12 facility not located on a higher education institution campus; or

(5) the student is incarcerated in a Texas prison.

(b) A student, or a parent or guardian of a student, is not required to submit evidence of receiving the vaccination against bacterial

meningitis if the student, or a parent or guardian of a student, submits to the institution:

(1) an affidavit or a certificate signed by a physician who is duly registered and licensed to practice medicine in the United States, in which it is stated that, in the physician's opinion, the vaccination required would be injurious to the health and well-being of the student;

(2) an affidavit signed by the student stating that the student declines the vaccination for bacterial meningitis for reasons of conscience, including a religious belief. A conscientious exemption form from the Texas Department of State Health Services must be used for students attending a public university, health-related institution, or private or independent institution of higher education. The form must be submitted to the designated department or unit no later than the 90th day after the date the affidavit is notarized; or

(3) evidence of submitting a conscientious objection form through a secure, Internet-based process developed and implemented by the Texas Department of State Health Services. The Internet form may be used by entering students attending a public junior college. Public junior colleges may use the Internet-based process as the exclusive method to apply for an exemption from the vaccination requirement for reasons of conscience.

(c) The exception noted in subsection (b)(2) and (3) of this section does not apply during a disaster or public health emergency, terrorist attack, hostile military or paramilitary action, or extraordinary law enforcement emergency declared by an appropriate official or authority from the Texas Department of State Health Services and is in effect for the location of the institution the student attends.

The agency certifies that legal counsel has reviewed the proposal and found it to be within the state agency's legal authority to adopt.

Filed with the Office of the Secretary of State on September 26, 2025.

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Nichole Bunker-Henderson

General Counsel

Texas Higher Education Coordinating Board

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For further information, please call: (512) 427-6365



CHAPTER 4. RULES APPLYING TO ALL PUBLIC INSTITUTIONS OF HIGHER EDUCATION IN TEXAS

SUBCHAPTER B. TRANSFER OF CREDIT, CORE CURRICULUM AND FIELD OF STUDY CURRICULA

19 TAC §4.40

The Texas Higher Education Coordinating Board (Coordinating Board) proposes new rules in Texas Administrative Code, Title 19, Part 1, Chapter 4, Subchapter B, §4.40, concerning Transfer Liaison Requirements and Duties. Specifically, this new section will outline expectations and requirements for individuals designated as a Transfer Liaison at an institution of higher education as required by Senate Bill 3039, 89th Texas Legislature, Regular Session.

The new rules are proposed under Texas Education Code, §61.8231, which requires the Coordinating Board to adopt rules related to the designation of a transfer liaison.

Elizabeth Mayer, Assistant Commissioner for Academic and Health Affairs, has determined that for each of the first five years the sections are in effect there would be no fiscal implications for state or local governments as a result of enforcing or administering the rules. There are no estimated reductions in costs to the state and to local governments as a result of enforcing or administering the rule. There are no estimated losses or increases in revenue to the state or to local governments as a result of enforcing or administering the rule.

There is no impact on small businesses, micro businesses, and rural communities.

There is no anticipated impact on local employment.

Elizabeth Mayer, Assistant Commissioner for Academic and Health Affairs, has also determined that for each year of the first five years the section is in effect, the public benefit anticipated as a result of administering the new rules will be ensuring institutions of higher education designate and make available to the public and the Coordinating Board specific contact information for potential or current students regarding the transfer of credit between institutions. There are no anticipated economic costs to persons who are required to comply with the sections as proposed.

Government Growth Impact Statement

- (1) the rules will not create or eliminate a government program;
- (2) implementation of the rules will not require the creation or elimination of employee positions;
- (3) implementation of the rules will not require an increase or decrease in future legislative appropriations to the agency;
- (4) the rules will not require an increase or decrease in fees paid to the agency;
- (5) the rules will create a new rule;
- (6) the rules will not limit an existing rule;
- (7) the rules will not change the number of individuals subject to the rule; and
- (8) the rules will not affect this state's economy.

Comments on the proposed rule or information related to the cost, benefit, or effect of the proposed rule, including any applicable data, research or analysis, may be submitted to Elizabeth Mayer, Assistant Commissioner for Academic and Health Affairs, P.O. Box 12788, Austin, Texas 78711-2788, or via email at AHAComments@highered.texas.gov. Comments will be accepted for 30 days following publication of the proposal in the *Texas Register*.

The new section is proposed under Texas Education Code, Section 61.8231, which provides the Coordinating Board with authority to adopt rules related to the designation of a Transfer Liaison.

The proposed new section affects Texas Education Code, Chapter 61, Subchapter S, and Texas Administrative Code, Title 19, Part 1, Chapter 4, Subchapter B.

§4.40. Transfer Liaison Requirements and Duties.

(a) Each institution of higher education shall designate at least one full-time employee to serve as a transfer liaison and ensure the name, title, and contact information of the transfer liaison are:

(1) Posted on the institution's public website in a location easily accessible to current and prospective students; and

(2) Provided to the Coordinating Board and updated annually, as needed, or upon change in personnel.

(b) The transfer liaison, or an office in which the transfer liaison is employed, shall serve as the primary point of contact for:

(1) A current, former, or prospective student seeking to transfer into an institution of higher education;

(2) Other institutions of higher education; and

(3) The Coordinating Board.

(c) The transfer liaison shall ensure that institutional policies and practices provide the following to a current, former, or prospective transfer student, as applicable:

(1) A complete and current list of the courses available to take as part of the institution's core curriculum;

(2) A complete and current list of the institution's field of study curricula or degree programs eligible for receipt of field of study curricula transfer credits, as applicable;

(3) A list of courses completed by the student for which academic credit will be accepted;

(4) A list of courses for which academic credit will not be accepted, along with:

(A) The justification for non-acceptance in accordance with Texas Education Code, §61.826, and §4.27 of this subchapter (relating to Resolutions of Transfer Disputes for Lower-Division Courses); and

(B) Instructions for initiating the credit transfer dispute resolution process under Texas Education Code, §61.826, and §4.27 of this subchapter; and

(5) A degree audit to determine whether the student has completed:

(A) the Texas Core Curriculum, as defined in §4.28 of this subchapter (relating to Core Curriculum);

(B) a field of study curriculum, as defined in §4.32 of this subchapter (relating to Field of Study Curriculum);

(C) a Texas Direct associate degree, as defined in Texas Education Code, §61.834, and §4.38 of this subchapter (relating to Texas Direct Associate Degree); or

(D) any other degree or certificate offered by the institution.

The agency certifies that legal counsel has reviewed the proposal and found it to be within the state agency's legal authority to adopt.

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TRD-202503475

Nichole Bunker-Henderson

General Counsel

Texas Higher Education Coordinating Board

Earliest possible date of adoption: November 9, 2025

For further information, please call: (512) 427-6182

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SUBCHAPTER J. ACCREDITATION

19 TAC §4.193

The Texas Higher Education Coordinating Board (Coordinating Board) proposes new rules in Texas Administrative Code, Title 19, Part 1, Chapter 4, Subchapter J, §4.193, concerning Accreditation Status Notification Requirements. Specifically, this new section will require an institution to notify the Coordinating Board of changes in its accreditation status.

Texas Education Code, §61.051 and §61.003(13), provides the Coordinating Board with authority to coordinate higher education and designate recognized accreditation organizations. Texas Administrative Code, §2.5(a)(10), requires the Coordinating Board to consider past compliance history in the evaluation of new degree program proposals.

Elizabeth Mayer, Assistant Commissioner for Academic and Health Affairs, has determined that for each of the first five years the sections are in effect there would be no fiscal implications for state or local governments as a result of enforcing or administering the rules. There are no estimated reductions in costs to the state and to local governments as a result of enforcing or administering the rule. There are no estimated losses or increases in revenue to the state or to local governments as a result of enforcing or administering the rule.

There is no impact on small businesses, micro businesses, and rural communities. There is no anticipated impact on local employment.

Elizabeth Mayer, Assistant Commissioner for Academic and Health Affairs, has also determined that for each year of the first five years the section is in effect, the public benefit anticipated as a result of administering the section will be increased transparency for Texas students, families, and the Coordinating Board regarding an institution's accreditation status. There are no anticipated economic costs to persons who are required to comply with the sections as proposed.

Government Growth Impact Statement

- (1) the rules will not create or eliminate a government program;
- (2) implementation of the rules will not require the creation or elimination of employee positions;
- (3) implementation of the rules will not require an increase or decrease in future legislative appropriations to the agency;
- (4) the rules will not require an increase or decrease in fees paid to the agency;
- (5) the rules will not create a new rule;
- (6) the rules will not limit an existing rule;
- (7) the rules will not change the number of individuals subject to the rule; and
- (8) the rules will not affect this state's economy.

Comments on the proposed rule or information related to the cost, benefit, or effect of the proposed rule, including any applicable data, research or analysis, may be submitted to Elizabeth Mayer, Assistant Commissioner for Academic and Health Affairs, P.O. Box 12788, Austin, Texas 78711-2788, or via email at AHAComments@highered.texas.gov. Comments will be accepted for 30 days following publication of the proposal in the *Texas Register*.

The new section is proposed under Texas Education Code, Sections 61.051 and 61.003(13), which provides the Coordinating Board with authority to coordinate higher education and designate recognized accreditation organizations.

The proposed new section affects Texas Education Code, Sections 61.051 and 61.003(13).

§4.193. Accreditation Status Notification Requirements.

(a) An institution of higher education that receives any action from a recognized accrediting organization under §4.192 of this subchapter (relating to Recognized Accrediting Organizations), must notify the Board regarding the action in a manner prescribed by the Board.

(b) Institutions of higher education shall provide the notification to the Board within thirty days of receiving formal notice of the action from the recognized accrediting organization.

The agency certifies that legal counsel has reviewed the proposal and found it to be within the state agency's legal authority to adopt.

Filed with the Office of the Secretary of State on September 26, 2025.

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Nichole Bunker-Henderson

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Texas Higher Education Coordinating Board

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For further information, please call: (512) 427-6182



SUBCHAPTER AA. TEXAS FIRST EARLY HIGH SCHOOL COMPLETION PROGRAM

19 TAC §§4.400 - 4.405

The Texas Higher Education Coordinating Board (Coordinating Board) proposes new rules in Texas Administrative Code, Title 19, Part 1, Chapter 4, Subchapter AA, §§4.400 - 4.405, concerning the Texas First Early High School Completion Program. Specifically, this new section will reconstitute the current Chapter 21, Subchapter D, with no substantive changes except to exclude provisions in §4.404 (relating to Notice to Students) that refer to required actions in the 2022 - 2023 school year.

The Coordinating Board is authorized by Texas Education Code (TEC), §28.0253, to adopt rules relating to the Texas First Early High School Completion Program.

Rule 4.400, Authority and Purpose, confirms the authority and purpose of the Program, as provided in TEC, §28.0253(b)(c).

Rule 4.401, Definitions, provides definitions for the Program, as included in TEC, §28.0253(a).

Rule 4.402, Eligibility for Texas First Diploma, provides the minimum criteria by which students demonstrate eligibility for the Program, including high school credits, minimum Grade Point Average, and achieving an overall minimum score on one of five assessments or achieving a Grade Point Average that ranks the student in the top ten percent of the student's class. Institutions and the Commissioner of Higher Education jointly developed and recommended these cut points as those that distinguish students who are college ready and prepared for post-secondary success. Allowing a student to meet the requirement based on class rank

or assessment scores provides for a more holistic view of readiness.

Rule 4.402 also provides the assessments and related standards and competencies that demonstrate a student's mastery of each subject area for which the Coordinating Board and Commissioner of Higher Education have adopted college readiness standards, plus a language other than English, as required in TEC, §28.0253(c). It provides a process by which a student verifies eligibility for the Program and codification on the student's transcript. These standards align to scores established by the Coordinating Board to define college readiness and provide for the use of assessments and scores commonly used by institutions to place students in college-level course work.

Rule 4.403, Diploma Equivalency, verifies that the diploma awarded through this program is equivalent to the distinguished level of achievement, as required in TEC, §28.0253(f).

Rule 4.404, Notice to Students, provides a notification requirement by the high school to its students and their parents or guardians listing the eligibility requirements for the Program, including the requirement for the student to provide official copies of applicable assessments to receive credit, as required in TEC, §28.0253(g). Provisions related specifically to the 2022 - 2023 school year have been removed.

Rule 4.405, Satisfaction of Other Requirements, confirms that students who meet all the Program requirements according to §21.52 (relating to Eligibility for Texas First Diploma) have met the requirements of the Texas Success Initiative according to TEC, Chapter 51, and the initial eligibility requirements of the Toward EXcellence, Access, and Success (TEXAS) Grant program, as authorized under TEC, §56.3041.

Daniel Perez, Assistant Deputy Commissioner for Academic and Workforce Initiatives, has determined that for each of the first five years the sections are in effect there would be no fiscal implications for state or local governments as a result of enforcing or administering the rules. There are no estimated reductions in costs to the state and to local governments as a result of enforcing or administering the rule. There are no estimated losses or increases in revenue to the state or to local governments as a result of enforcing or administering the rule.

There is no impact on small businesses, micro businesses, and rural communities. There is no anticipated impact on local employment.

Daniel Perez, Assistant Deputy Commissioner for Academic and Workforce Initiatives, has also determined that for each year of the first five years the section is in effect, the public benefit anticipated as a result of administering the section will be the improved rule clarity by relocating the existing rule to a more appropriate location. There are no anticipated economic costs to persons who are required to comply with the sections as proposed.

Government Growth Impact Statement

- (1) the rules will not create or eliminate a government program;
- (2) implementation of the rules will not require the creation or elimination of employee positions;
- (3) implementation of the rules will not require an increase or decrease in future legislative appropriations to the agency;
- (4) the rules will not require an increase or decrease in fees paid to the agency;
- (5) the rules will not create a new rule;

(6) the rules will not limit an existing rule;

(7) the rules will not change the number of individuals subject to the rule; and

(8) the rules will not affect this state's economy.

Comments on the proposed rule or information related to the cost, benefit, or effect of the proposed rule, including any applicable data, research or analysis, may be submitted to Daniel Perez, Assistant Deputy Commissioner for Academic and Workforce Initiatives, P.O. Box 12788, Austin, Texas 78711-2788, or via email at StudentSuccess@highered.texas.gov. Comments will be accepted for 30 days following publication of the proposal in the *Texas Register*.

The new section is proposed under Texas Education Code, Section 28.0253, which provides the Coordinating Board with the authority to adopt rules relating to the Texas First Early High School Completion Program.

The proposed new section affects Texas Administrative Code, Title 19, Part 1, Chapter 4.

§4.400. Authority and Purpose.

(a) Authority. The authority for this subchapter is Texas Education Code, §28.0253, establishing the Texas First Early High School Completion Program to allow public high school students who demonstrate early readiness for college to graduate early from high school.

(b) Purpose. The purpose of the Texas First Early High School Completion Program, in conjunction with the Texas First Scholarship Program established under Texas Education Code, chapter 56, subchapter K-1, is to promote efficiency in the state public education system and incentivize the enrollment of high performing students at eligible institutions within the state of Texas.

§4.401. Definitions.

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

(1) Coordinating Board--The agency known as the Texas Higher Education Coordinating Board, including agency staff.

(2) Eligible Institution--An institution of higher education according to Texas Education Code, §61.003.

(3) Institution of Higher Education--An institution of higher education according to Texas Education Code, §61.003.

(4) Open-Enrollment Charter--Has the meaning assigned by Texas Education Code, §12.002(3) and subchapter D.

(5) Program--The Texas First Early High School Completion Program established under this section includes an open-enrollment charter high school or high school that is within a Texas school district.

§4.402. Eligibility for Texas First Diploma.

(a) Notwithstanding any other state or local law, a school district or open-enrollment charter school shall allow a student to graduate and receive a high school diploma under the Texas First Early High School Completion Program if the student meets the criteria established in paragraphs (1) and (2) of this subsection. A student who achieves a required score on an assessment to meet the requirement of any one of paragraphs (1) and (2) of this subsection, shall be allowed to use that same assessment to meet the requirement of another section if the student's score meets the required minimum for each section.

(1) The student has met the following minimum criteria at the time of graduation:

(A) Earned at least twenty-two (22) high school credits by any permissible method, including credit by examination;

(B) Earned a final Grade Point Average equivalent to 3.0 on a 4.0 scale;

(C) Earned an overall scaled score in at least the 80th percentile on one or more of the following assessments: ACT, SAT, PSAT/NMSQT, TSIA/TSIA2, or GED, or alternatively, has a grade point average in the top ten percent of the student's current class during the current or semester prior to the counselor's or administrator's verification under subsection (b) of this section of a student's eligibility for early graduation under the Program; and

(D) Completed the requirement for the State of Texas Assessments of Academic Readiness End-of-Course (STAAR EOC) examinations for English I or II, Algebra I, and Biology by one of the following methods:

(i) If the student has taken the STAAR EOC for English I or II, Algebra I, and Biology, the student has achieved the satisfactory level of performance as defined by the Commissioner of Education; or

(ii) If the student has not taken the required STAAR EOC assessment for English I or II, Algebra I, or Biology, the student has satisfied the STAAR EOC requirement by achieving a passing score on a substitute assessment for that subject area authorized under Texas Administrative Code, Title 19, Part 2, chapter 101, subchapter DD, §101.4002(b) (relating to State of Texas Assessments of Academic Readiness End-of-Course Substitute Assessments).

(2) The student has demonstrated the student's mastery of each subject area of English/Language Arts, Mathematics, Science, Social Studies, and a language other than English through assessments or other means eligible institutions commonly use to place students in courses that may be credited toward degree program requirements. A student may demonstrate mastery of each subject area, as applicable, by meeting one or more of the following criteria:

(A) Earning a score on the STAAR EOC assessment that meets the college readiness standards necessary to be exempt from application of the Texas Success Initiative as set out in §4.54 of this chapter (relating to Exemption);

(B) Credit earned in a course in the core curriculum of an institution of higher education in which the student received at least a C; or

(C) Meeting the standards on the assessments set out in Figure: 19 TAC §4.402(a)(2)(C).

Figure: 19 TAC §4.402(a)(2)(C)

(b) A counselor or administrator at the public school of a student who is eligible for early graduation under the Program must verify that the student meets the requirements in subsection (a)(1) and (2) of this section using a method established by the Coordinating Board prior to issuing a diploma to the student under this Program. A student is responsible for providing the official copy of the assessment results to their counselor or administrator to verify these requirements.

(c) A school that issues a diploma under the Program shall require the minimum number of assessments to demonstrate that the student meets the criteria established in subsection (a)(1) and (2) of this section and may not require a student to take any other STAAR End-of-Course assessment to graduate under the Program, except as required by this section.

§4.403. Diploma Equivalency.

A student who graduates early through the Program is considered to have earned a diploma with a distinguished level of achievement under Texas Education Code, §28.025. The school district must provide each student who earns a Program diploma with a designation of distinguished level of achievement on the student's diploma.

§4.404. Notice to Students.

Each high school must provide a written notification to each high school student and the student's parent or guardian listing the eligibility criteria for the Texas First Early High School Completion Program and Texas First Scholarship Program. The school must provide the notice to each student and the student's parent or guardian upon the student's initial enrollment in high school. The notice must include information about the requirement that a student must provide an official copy of their assessment results and transcripts, as applicable, to receive credit for the assessments and credits required to receive early graduation from the Program.

§4.405. Satisfaction of Other Requirements.

(a) A student who meets all Program requirements according to §4.402 of this subchapter (relating to Eligibility for Texas First Diploma) has met the requirements of the Texas Success Initiative according to Texas Education Code, chapter 51.

(b) A student who meets all Program requirements according to §4.402 of this subchapter has met the initial eligibility requirements of the TEXAS Grant program, as authorized by the Toward EXcellence, Access, and Success Grant Program under the Texas Education Code, §56.3041.

The agency certifies that legal counsel has reviewed the proposal and found it to be within the state agency's legal authority to adopt.

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Nichole Bunker-Henderson

General Counsel

Texas Higher Education Coordinating Board

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For further information, please call: (512) 427-6299



CHAPTER 6. HEALTH EDUCATION, TRAINING, AND RESEARCH FUNDS SUBCHAPTER C. TOBACCO LAWSUIT SETTLEMENT FUNDS

19 TAC §6.73

The Texas Higher Education Coordinating Board (Coordinating Board) proposes the repeal of Texas Administrative Code, Title 19, Part 1, Chapter 6, Subchapter C, §6.73, concerning the Nursing, Allied Health and Other Health-Related Education Grant Program. Specifically, this repeal will improve organization and consistency for Coordinating Board grant program rules overall, and improve rules for the application, review, and awarding of funds for the Nursing, Allied Health and Other Health-Related Education Grant Program. New rules for this grant program were adopted by the Coordinating Board in October 2024 and are found in Texas Administrative Code, Title 19, Part 1, Chapter 10, Subchapter K, §§10.230 - 10.238.

The repeal is proposed under Texas Education Code, §63.201 - 63.203, which provides the Coordinating Board with the authority to administer the Nursing, Allied Health and Other Health-Related Education Grant Program.

Elizabeth Mayer, Assistant Commissioner for Academic and Health Affairs, has determined that for each of the first five years the sections are in effect there would be no fiscal implications for state or local governments as a result of enforcing or administering the rules. There are no estimated reductions in costs to the state and to local governments as a result of enforcing or administering the rule. There are no estimated losses or increases in revenue to the state or to local governments as a result of enforcing or administering the rule.

There is no impact on small businesses, micro businesses, and rural communities.

There is no anticipated impact on local employment.

Elizabeth Mayer, Assistant Commissioner for Academic and Health Affairs, has also determined that for each year of the first five years the section is in effect, the public benefit anticipated as a result of administering the section will be the improved organization and consistency for Coordinating Board grant program rules overall, and improved rules for the application, review, and awarding of funds from the Nursing, Allied Health and Other Health-Related Education Grant Program. There are no anticipated economic costs to persons who are required to comply with the sections as proposed.

Government Growth Impact Statement

- (1) the rules will not create or eliminate a government program;
- (2) implementation of the rules will not require the creation or elimination of employee positions;
- (3) implementation of the rules will not require an increase or decrease in future legislative appropriations to the agency;
- (4) the rules will not require an increase or decrease in fees paid to the agency;
- (5) the rules will not create a new rule;
- (6) the rules will not limit an existing rule;
- (7) the rules will not change the number of individuals subject to the rule; and
- (8) the rules will not affect this state's economy.

Comments on the proposed rule or information related to the cost, benefit, or effect of the proposed rule, including any applicable data, research or analysis, may be submitted to Elizabeth Mayer, Assistant Commissioner for Academic and Health Affairs, P.O. Box 12788, Austin, Texas 78711-2788, or via email at AHAComments@highered.texas.gov. Comments will be accepted for 30 days following publication of the proposal in the *Texas Register*.

The repeal is proposed under Texas Education Code, Section 63.201 - 63.203, which provides the Coordinating Board with the authority to administer the Nursing, Allied Health and Other Health-Related Education Grant Program.

The proposed repeal affects Texas Administrative Code, Title 19, Part 1, Chapter 6, Subchapter C.

§6.73. *Nursing, Allied Health and Other Health-Related Education Grant Program.*

The agency certifies that legal counsel has reviewed the proposal and found it to be within the state agency's legal authority to adopt.

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Nichole Bunker-Henderson

General Counsel

Texas Higher Education Coordinating Board

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For further information, please call: (512) 427-6182



CHAPTER 13. FINANCIAL PLANNING

SUBCHAPTER G. TUITION AND FEES

19 TAC §13.129

The Texas Higher Education Coordinating Board (Coordinating Board) proposes new rules in Texas Administrative Code, Title 19, Part 1, Chapter 13, Subchapter G, §13.129, concerning Refund of Tuition and Mandatory Fees at Public Junior Colleges, State Colleges, and Technical Institute. Specifically, this new section will provide for the minimum schedule of tuition refunds to be made by public junior colleges, state colleges, and technical institutions to students depending on the length of the academic term and the class day on which the student withdraws from the course. The Coordinating Board is authorized by Texas Education Code, §130.009, to adopt rules relating to the uniform dates for adding or dropping a course.

Rule 13.129, Refund of Tuition and Fees at Public Junior Colleges, State Colleges, and Technical Institute, is created. It is the reconstituted §21.5, with several notable changes.

Subsection (a) provides the statutory authority for the section. Subsection (b) relates to the tuition and mandatory fee refund schedule used by junior colleges, state colleges, and technical institutions when students drop courses or withdraw. It is the reconstituted §21.5(a), with notable changes. First, the refund schedule is presented entirely in the Figure, to simplify the rule. Second, Subsection (b)(1) specifies that the rule definition for "class day" in §13.1, applies in the implementation of the subsection. Finally, the authorization of a matriculation fee is not included, as it is topically outside the scope of the rule.

Subsection (c) provides for the managing of refunds or additional charges when a student adds or drops courses before the census date. It is the reconstituted §21.5(c).

Subsection (d) provides for refunds in the situation in which tuition and mandatory fees were paid by a sponsor, donor, or scholarship through the institution. It is the reconstituted §21.5(e).

Subsection (e) provides for circumstances in which a student withdraws due to active duty military service. It is the reconstituted §21.5(g).

Dr. Charles W. Contero-Puls, Assistant Commissioner for Student Financial Aid Programs, has determined that for each of the first five years the section is in effect there would be no fiscal implications for state or local governments as a result of enforcing or administering the rule. There are no estimated reductions in costs to the state and to local governments as a result of enforcing or administering the rule. There are no estimated losses or

increases in revenue to the state or to local governments as a result of enforcing or administering the rule.

There is no impact on small businesses, micro businesses, and rural communities. There is no anticipated impact on local employment.

Dr. Charles W. Contero-Puls, Assistant Commissioner for Student Financial Aid Programs, has also determined that for each year of the first five years the section is in effect, the public benefit anticipated as a result of administering the section will be the improved rule clarity by relocating an existing rule to a more appropriate location. There are no anticipated economic costs to persons who are required to comply with the section as proposed.

Government Growth Impact Statement

- (1) the rule will not create or eliminate a government program;
- (2) implementation of the rule will not require the creation or elimination of employee positions;
- (3) implementation of the rule will not require an increase or decrease in future legislative appropriations to the agency;
- (4) the rule will not require an increase or decrease in fees paid to the agency;
- (5) the rule will not create a new rule;
- (6) the rule will not limit an existing rule;
- (7) the rule will not change the number of individuals subject to the rule; and
- (8) the rule will not affect this state's economy.

Comments on the proposed rule or information related to the cost, benefit, or effect of the proposed rule, including any applicable data, research or analysis, may be submitted to Dr. Charles W. Contero-Puls, Assistant Commissioner for Student Financial Aid Programs, P.O. Box 12788, Austin, Texas 78711-2788, or via email at SFAPPolicy@highered.texas.gov. Comments will be accepted for 30 days following publication of the proposal in the *Texas Register*.

The new section is proposed under Texas Education Code, Section 130.009, which provides the Coordinating Board with the authority to adopt rules relating to the uniform dates for adding or dropping a course.

The proposed new section affects Texas Administrative Code, Title 19, Part 1, Chapter 13, Subchapter G.

§13.129. Refund of Tuition and Mandatory Fees at Public Junior Colleges, State Colleges, and Technical Institute.

(a) Authority. Authority for this section is Texas Education Code, §130.009.

(b) Refund Schedule. A public junior college, public state college, or public technical institute, collectively public two-year college as defined in §13.1(29) of this chapter (relating to Definitions), as soon as practicable, shall at a minimum refund tuition and mandatory fees in excess of the minimum tuition collected for courses from which the students drop or withdraw, according to the schedule provided in the Figure: 19 TAC §13.129(b).
Figure: 19 TAC §13.129(b)

(1) A public two-year college shall use the definition of "class day" in §13.1 of this chapter in applying the provisions of this subsection.

(2) A public two-year college shall apply the percentages indicated in the Figure: 19 TAC §13.129(b) to the tuition and mandatory fees collected for each course from which the student is withdrawing.

(3) A public two-year college may not delay a refund on the grounds that the student may withdraw from the public two-year college later in the semester or term.

(c) Prior to the census date, a public two-year college may allow hours to be dropped and re-added without penalty to the student if the exchange is an equal one. When the charges for dropped hours are greater than for the hours added, the public two-year college shall apply the refund policy outlined in subsection (b) of this section for the net charges being dropped. If the charges for hours being added exceed the charges for hours being dropped, the student must pay the net additional charges.

(d) A public two-year college shall refund tuition and mandatory fees paid by a sponsor, donor, or scholarship to the source rather than directly to the student who has withdrawn if the funds were made available through the public two-year college.

(e) If a student withdraws because the student is called into active military service, the public two-year college, at the student's option, shall:

(1) refund the tuition and fees paid by the student for the semester in which the student withdraws;

(2) grant a student, who is eligible under the public two-year college's guidelines, an incomplete grade in all courses by designating "withdrawn-military" on the student's transcript; or

(3) as determined by the instructor, assign an appropriate final grade or credit to a student who has satisfactorily completed a substantial amount of course work and who has demonstrated sufficient mastery of the course material.

The agency certifies that legal counsel has reviewed the proposal and found it to be within the state agency's legal authority to adopt.

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General Counsel

Texas Higher Education Coordinating Board

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For further information, please call: (512) 427-6365



CHAPTER 21. STUDENT SERVICES

SUBCHAPTER A. GENERAL PROVISIONS

19 TAC §21.5

The Texas Higher Education Coordinating Board (Coordinating Board) proposes the repeal of Texas Administrative Code, Title 19, Part 1, Chapter 21, Subchapter A, §21.5, concerning Refund of Tuition and Fees at Public Community/Junior and Technical Colleges. Specifically, this repeal will allow for the rule to be relocated to Chapter 13, Subchapter G, relating to Tuition and Fees.

The Coordinating Board is authorized by Texas Education Code, §130.009, to adopt rules relating to uniform dates for adding or dropping courses.

Dr. Charles W. Contero-Puls, Assistant Commissioner for Student Financial Aid Programs, has determined that for each of the first five years the section is in effect there would be no fiscal implications for state or local governments as a result of enforcing or administering the rule. There are no estimated reductions in costs to the state and to local governments as a result of enforcing or administering the rule. There are no estimated losses or increases in revenue to the state or to local governments as a result of enforcing or administering the rule.

There is no impact on small businesses, micro businesses, and rural communities. There is no anticipated impact on local employment.

Dr. Charles W. Contero-Puls, Assistant Commissioner for Student Financial Aid Programs, has also determined that for each year of the first five years the section is in effect, the public benefit anticipated as a result of administering the section will be the improved rule clarity by relocating an existing rule to a more appropriate location. There are no anticipated economic costs to persons who are required to comply with the section as proposed.

Government Growth Impact Statement

- (1) the rule will not create or eliminate a government program;
- (2) implementation of the rule will not require the creation or elimination of employee positions;
- (3) implementation of the rule will not require an increase or decrease in future legislative appropriations to the agency;
- (4) the rule will not require an increase or decrease in fees paid to the agency;
- (5) the rule will not create a new rule;
- (6) the rule will not limit an existing rule;
- (7) the rule will not change the number of individuals subject to the rule; and
- (8) the rule will not affect this state's economy.

Comments on the proposed rule or information related to the cost, benefit, or effect of the proposed rule, including any applicable data, research or analysis, may be submitted to Dr. Charles W. Contero-Puls, Assistant Commissioner for Student Financial Aid Programs, P.O. Box 12788, Austin, Texas 78711-2788, or via email at SFAPPolicy@highered.texas.gov. Comments will be accepted for 30 days following publication of the proposal in the *Texas Register*.

The repeal is proposed under Texas Education Code, Section 130.009, which provides the Coordinating Board with the authority to adopt rules relating to uniform dates for adding or dropping courses.

The proposed repeal affects Texas Administrative Code, Title 19, Part 1, Chapter 21, Subchapter A.

§21.5. Refund of Tuition and Fees at Public Community/Junior and Technical Colleges.

The agency certifies that legal counsel has reviewed the proposal and found it to be within the state agency's legal authority to adopt.

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Nichole Bunker-Henderson

General Counsel

Texas Higher Education Coordinating Board

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SUBCHAPTER D. TEXAS FIRST EARLY HIGH SCHOOL COMPLETION PROGRAM

19 TAC §§21.50 - 21.55

The Texas Higher Education Coordinating Board (Coordinating Board) proposes the repeal of Texas Administrative Code, Title 19, Part 1, Chapter 21, Subchapter D, §§21.50 - 21.55, concerning Texas First Early High School Completion Program. Specifically, this repeal will allow for the relocation of these rules to Chapter 4, Subchapter AA.

The Coordinating Board is authorized by Texas Education Code, §28.0253, to adopt rules relating to the Texas First Early High School Completion Program.

Daniel Pérez, Assistant Deputy Commissioner for Academic and Workforce Initiatives, has determined that for each of the first five years the sections are in effect there would be no fiscal implications for state or local governments as a result of enforcing or administering the rules. There are no estimated reductions in costs to the state and to local governments as a result of enforcing or administering the rule. There are no estimated losses or increases in revenue to the state or to local governments as a result of enforcing or administering the rule.

There is no impact on small businesses, micro businesses, and rural communities. There is no anticipated impact on local employment.

Daniel Pérez, Assistant Deputy Commissioner for Academic and Workforce Initiatives, has also determined that for each year of the first five years the section is in effect, the public benefit anticipated as a result of administering the section will be the improved rule clarity through relocation of the rule to a more appropriate and accessible location. There are no anticipated economic costs to persons who are required to comply with the sections as proposed.

Government Growth Impact Statement

- (1) the rules will not create or eliminate a government program;
- (2) implementation of the rules will not require the creation or elimination of employee positions;
- (3) implementation of the rules will not require an increase or decrease in future legislative appropriations to the agency;
- (4) the rules will not require an increase or decrease in fees paid to the agency;
- (5) the rules will not create a new rule;
- (6) the rules will not limit an existing rule;
- (7) the rules will not change the number of individuals subject to the rule; and

(8) the rules will not affect this state's economy.

Comments on the proposed rule or information related to the cost, benefit, or effect of the proposed rule, including any applicable data, research or analysis, may be submitted to Daniel Pérez, Assistant Deputy Commissioner for Academic and Workforce Initiatives, P.O. Box 12788, Austin, Texas 78711-2788, or via email at StudentSuccess@highered.texas.gov. Comments will be accepted for 30 days following publication of the proposal in the *Texas Register*.

The repeal is proposed under Texas Education Code, Section 28.0253, which provides the Coordinating Board with the authority to adopt rules relating to the Texas First Early High School Completion Program.

The proposed repeal affects Texas Administrative Code, Title 19, Part 1, Chapter 21, Subchapter D.

§21.50. *Authority and Purpose.*

§21.51. *Definitions.*

§21.52. *Eligibility for Texas First Diploma.*

§21.53. *Diploma Equivalency.*

§21.54. *Notice to Students.*

§21.55. *Satisfaction of Other Requirements.*

The agency certifies that legal counsel has reviewed the proposal and found it to be within the state agency's legal authority to adopt.

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Texas Higher Education Coordinating Board

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SUBCHAPTER H. INDIVIDUAL DEVELOPMENT ACCOUNT INFORMATION PROGRAM

19 TAC §§21.191 - 21.193

The Texas Higher Education Coordinating Board (Coordinating Board) proposes the repeal of Texas Administrative Code, Title 19, Part 1, Chapter 21, Subchapter H, §§21.191 - 21.193, concerning Individual Development Account Information Program. Specifically, this repeal will eliminate these rules, which were determined to be unnecessary during the Coordinating Board's four-year rule review of the subchapter.

The Coordinating Board is authorized by Texas Education Code, §61.0817, to adopt rules relating to the Individual Development Account Information Program.

Dr. Charles W. Contéro-Puls, Assistant Commissioner for Student Financial Aid Programs, has determined that for each of the first five years the sections are in effect there would be no fiscal implications for state or local governments as a result of enforcing or administering the rules. There are no estimated reductions in costs to the state and to local governments as a result of enforcing or administering the rule. There are no estimated losses

or increases in revenue to the state or to local governments as a result of enforcing or administering the rule.

There is no impact on small businesses, micro businesses, and rural communities. There is no anticipated impact on local employment.

Dr. Charles W. Contéro-Puls, Assistant Commissioner for Student Financial Aid Programs, has also determined that for each year of the first five years the section is in effect, the public benefit anticipated as a result of administering the section will be the elimination of unnecessary rules. There are no anticipated economic costs to persons who are required to comply with the sections as proposed.

Government Growth Impact Statement

- (1) the rules will not create or eliminate a government program;
- (2) implementation of the rules will not require the creation or elimination of employee positions;
- (3) implementation of the rules will not require an increase or decrease in future legislative appropriations to the agency;
- (4) the rules will not require an increase or decrease in fees paid to the agency;
- (5) the rules will not create a new rule;
- (6) the rules will not limit an existing rule;
- (7) the rules will not change the number of individuals subject to the rule; and
- (8) the rules will not affect this state's economy.

Comments on the proposed rule or information related to the cost, benefit, or effect of the proposed rule, including any applicable data, research or analysis, may be submitted to Dr. Charles W. Contéro-Puls, Assistant Commissioner for Student Financial Aid Programs, P.O. Box 12788, Austin, Texas 78711-2788, or via email at SFAPPolicy@highered.texas.gov. Comments will be accepted for 30 days following publication of the proposal in the *Texas Register*.

The repeal is proposed under Texas Education Code, Section 61.0817, which provides the Coordinating Board with the authority to adopt rules relating to the Individual Development Account Information Program.

The proposed repeal affects Texas Administrative Code, Title 19, Part 1, Chapter 21, Subchapter H.

§21.191. *Authority and Purpose.*

§21.192. *Definitions.*

§21.193. *Reporting Requirements.*

The agency certifies that legal counsel has reviewed the proposal and found it to be within the state agency's legal authority to adopt.

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Nichole Bunker-Henderson

General Counsel

Texas Higher Education Coordinating Board

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SUBCHAPTER T. THE VACCINATION AGAINST BACTERIAL MENINGITIS FOR ENTERING STUDENTS AT PUBLIC AND PRIVATE OR INDEPENDENT INSTITUTIONS OF HIGHER EDUCATION

19 TAC §§21.610 - 21.614

The Texas Higher Education Coordinating Board (Coordinating Board) proposes the repeal of Texas Administrative Code, Title 19, Part 1, Chapter 21, Subchapter T, §§21.610 - 21.614, concerning The Vaccination Against Bacterial Meningitis for Entering Students at Public and Private or Independent Institutions of Higher Education. Specifically, this repeal will allow for the relocation of the rule to Chapter 3, Subchapter B.

The Coordinating Board is authorized by Texas Education Code, §51.9192, to adopt rules relating to the vaccination requirement against bacterial meningitis for certain students.

Dr. Charles W. Contéro-Puls, Assistant Commissioner for Student Financial Aid Programs, has determined that for each of the first five years the sections are in effect there would be no fiscal implications for state or local governments as a result of enforcing or administering the rules. There are no estimated reductions in costs to the state and to local governments as a result of enforcing or administering the rule. There are no estimated losses or increases in revenue to the state or to local governments as a result of enforcing or administering the rule.

There is no impact on small businesses, micro businesses, and rural communities. There is no anticipated impact on local employment.

Dr. Charles W. Contéro-Puls, Assistant Commissioner for Student Financial Aid Programs, has also determined that for each year of the first five years the section is in effect, the public benefit anticipated as a result of administering the section will be the improved rule clarity through relocation of an existing rule to a more appropriate location. There are no anticipated economic costs to persons who are required to comply with the sections as proposed.

Government Growth Impact Statement

- (1) the rules will not create or eliminate a government program;
- (2) implementation of the rules will not require the creation or elimination of employee positions;
- (3) implementation of the rules will not require an increase or decrease in future legislative appropriations to the agency;
- (4) the rules will not require an increase or decrease in fees paid to the agency;
- (5) the rules will not create a new rule;
- (6) the rules will not limit an existing rule;
- (7) the rules will not change the number of individuals subject to the rule; and
- (8) the rules will not affect this state's economy.

Comments on the proposed rule or information related to the cost, benefit, or effect of the proposed rule, including any applicable data, research or analysis, may be submitted to Dr. Charles W. Contéro-Puls, Assistant Commissioner for Student Financial Aid Programs, P.O. Box 12788, Austin, Texas 78711-2788, or

via email at SFAPPolicy@highered.texas.gov. Comments will be accepted for 30 days following publication of the proposal in the *Texas Register*.

The repeal is proposed under Texas Education Code, Section 51.9192, which provides the Coordinating Board with the authority to adopt rules relating to the vaccination requirement against bacterial meningitis for certain students.

The proposed repeal affects Texas Administrative Code, Title 19, Part 1, Chapter 21, Subchapter T.

§21.610. *Purpose.*

§21.611. *Authority.*

§21.612. *Definitions.*

§21.613. *Immunization Requirement.*

§21.614. *Exceptions.*

The agency certifies that legal counsel has reviewed the proposal and found it to be within the state agency's legal authority to adopt.

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Nichole Bunker-Henderson

General Counsel

Texas Higher Education Coordinating Board

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For further information, please call: (512) 427-6365



CHAPTER 22. STUDENT FINANCIAL AID PROGRAMS

SUBCHAPTER A. GENERAL PROVISIONS

19 TAC §§22.1, 22.2, 22.7

The Texas Higher Education Coordinating Board (Coordinating Board) proposes amendments to Texas Administrative Code, Title 19, Part 1, Chapter 22, Subchapter A, §22.1, §22.2, and §22.7, concerning General Provisions. Specifically, this amendment will update rule definitions and provisions to align with changes in federal law and other Coordinating Board rules.

The Coordinating Board is authorized by Texas Education Code, §56.0035, to adopt rules necessary to carry out the purposes of that chapter.

Rule 22.1, Definitions, is amended to add a definition for "Federal Pell Grant Student Aid Index Cap or Federal Pell Grant Eligibility Cap" and update a citation in the definition of "Resident of Texas." The term "Federal Pell Grant Student Aid Index Cap or Federal Pell Grant Eligibility Cap," which appears in multiple locations throughout Chapter 22, is defined as the maximum Pell Grant award in a given fiscal year, codifying current practice. This definition does not reflect a change in Coordinating Board administration of financial aid programs. The definition of "Resident of Texas" is updated by changing the rule citation, reflecting recent rule changes adopted by the Coordinating Board.

Rule 22.2, Timely Distribution of Funds, is amended to clarify that the rule also applies to funds disbursed through financial aid programs located in Chapter 24 (relating to Student Loan

Programs), reflecting recent rule changes adopted by the Coordinating Board, and to amend the timely disbursement provision in subsection (a)(1) to refer to calendar days, rather than business days. This change aligns the timely disbursement timeline with other timely disbursement provisions in the section.

Rule 22.7, Financial Aid Uses, is amended to clarify that the rule also applies to funds disbursed through financial aid programs located in Chapter 24 (relating to Student Loan Programs), reflecting recent rule changes adopted by the Coordinating Board.

Dr. Charles W. Contéro-Puls, Assistant Commissioner for Student Financial Aid Programs, has determined that for each of the first five years the sections are in effect there would be no fiscal implications for state or local governments as a result of enforcing or administering the rules. There are no estimated reductions in costs to the state and to local governments as a result of enforcing or administering the rules. There are no estimated losses or increases in revenue to the state or to local governments as a result of enforcing or administering the rules.

There is no impact on small businesses, micro businesses, and rural communities. There is no anticipated impact on local employment.

Dr. Charles W. Contéro-Puls, Assistant Commissioner for Student Financial Aid Programs, has also determined that for each year of the first five years the section is in effect, the public benefit anticipated as a result of administering the section will be the improved rule clarity and alignment with other Coordinating Board rules. There are no anticipated economic costs to persons who are required to comply with the sections as proposed.

Government Growth Impact Statement

- (1) the rules will not create or eliminate a government program;
- (2) implementation of the rules will not require the creation or elimination of employee positions;
- (3) implementation of the rules will not require an increase or decrease in future legislative appropriations to the agency;
- (4) the rules will not require an increase or decrease in fees paid to the agency;
- (5) the rules will not create a new rule;
- (6) the rules will not limit an existing rule;
- (7) the rules will not change the number of individuals subject to the rule; and
- (8) the rules will not affect this state's economy.

Comments on the proposed rules or information related to the cost, benefit, or effect of the proposed rules, including any applicable data, research or analysis, may be submitted to Dr. Charles W. Contéro-Puls, Assistant Commissioner for Student Financial Aid Programs, P.O. Box 12788, Austin, Texas 78711-2788, or via email at SFAPPolicy@highered.texas.gov. Comments will be accepted for 30 days following publication of the proposal in the *Texas Register*.

The amendment is proposed under Texas Education Code, Section 56.0035, which provides the Coordinating Board with the authority to adopt rules to adopt rules necessary to carry out the purposes of that chapter.

The proposed amendment affects Texas Administrative Code, Title 19, Part 1, Chapter 22, Subchapter A.

§22.1. Definitions.

The following words and terms, when used in chapter 22, shall have the following meanings, unless otherwise defined in a particular subchapter:

(1) **Academic Year**--The combination of semesters defined by a public or private institution of higher education to fulfill the federal "academic year" requirement as defined by 34 CFR 668.3.

(2) **Attempted Semester Credit Hours**--Every course in every semester for which a student has been registered as of the official Census Date, including but not limited to, repeated courses and courses the student drops and from which the student withdraws. For transfer students, transfer hours and hours for optional internship and cooperative education courses are included if they are accepted by the receiving institution towards the student's current program of study.

(3) **Board**--The governing body of the agency known as the Texas Higher Education Coordinating Board.

(4) **Categorical Aid**--Gift aid that the institution does not award to the student, but that the student brings to the school from a non-governmental third party.

(5) **Commissioner**--The Texas Commissioner of Higher Education.

(6) **Coordinating Board**--The agency known as the Texas Higher Education Coordinating Board, including agency staff.

(7) **Cost of Attendance/Total Cost of Attendance**--An institution's estimate of the expenses incurred by a typical financial aid recipient in attending a particular institution of higher education. It includes direct educational costs (tuition and fees) as well as indirect costs (room and board, books and supplies, transportation, personal expenses, and other allowable costs for financial aid purposes).

(8) **Credit**--College credit earned through the successful completion of a college career and technical education or academic course that fulfills specific requirements necessary to obtain an industry-recognized credential, certificate, associate degree, or other academic degree.

(9) **Degree or Certificate Program of Four Years or Less**--A baccalaureate degree, associate degree, or certificate program other than a program determined by the Coordinating Board to require four years or more to complete.

(10) **Degree or Certificate Program of More Than Four Years**--A baccalaureate degree or certificate program determined by the Coordinating Board to require more than four years to complete.

(11) **Encumber**--Program funds that have been officially requested by an institution through procedures developed by the Coordinating Board.

(12) **Equivalent of a Semester Credit Hour**--A unit of measurement for a continuing education course, determined as a ratio of one continuing education unit to ten contact hours of instruction, which may be expressed as a decimal. For the purpose of conversion, 1.6 continuing education units of instruction equals one semester credit hour of instruction. In a continuing education course, not fewer than sixteen contact hours are equivalent to one semester credit hour.

(13) **Expected Family Contribution (EFC)**--A student's Student Aid Index, as the term is defined in this section.

(14) **Federal Pell Grant Student Aid Index Cap or Federal Pell Grant Eligibility Cap**--The maximum Pell Grant amount allowed under federal law in a given fiscal year.

(15) **[(14)] Financial Need**--The Cost of Attendance at a particular institution of higher education or private or independent in-

stitution of higher education less the Student Aid Index as those terms are defined in this section.

(16) [(45)] Forecast--The FORECAST function in Microsoft Excel, or a comparable forecasting function.

(17) [(46)] Full-Time--For undergraduate students, enrollment or expected enrollment for the equivalent of twelve or more semester credit hours per semester. For graduate students, enrollment or expected enrollment for the normal full-time course load of the student's program of study as defined by the institution.

(18) [(47)] General Academic Teaching Institution--As defined in Texas Education Code, §61.003.

(19) [(48)] Gift Aid--Grants, scholarships, exemptions, waivers, and other financial aid provided to a student without a requirement to repay the funding or earn the funding through work.

(20) [(49)] Graduate Student--A student who has been awarded a baccalaureate degree and is enrolled in coursework leading to a graduate or professional degree.

(21) [(20)] Half-Time--For undergraduates, enrollment or expected enrollment for the equivalent of at least six but fewer than nine semester credit hours per regular semester. For graduate students, enrollment or expected enrollment for the equivalent of 50 percent of the normal full-time course load of the student's program of study as defined by the institution.

(22) [(24)] Institution of Higher Education--As defined by Texas Education Code, §61.003.

(23) [(22)] Medical or Dental Unit--As defined by Texas Education Code, §61.003.

(24) [(23)] Period of Enrollment--The semester or semesters within the current state fiscal year (September 1 - August 31) for which the student was enrolled in an approved institution and met all eligibility requirements for financial assistance offered under this chapter.

(25) [(24)] Private or Independent Institution of Higher Education--As defined by Texas Education Code, §61.003.

(26) [(25)] Program Officer--The individual named by each participating institution's chief executive officer to serve as agent for the Coordinating Board. The Program Officer has primary responsibility for all ministerial acts required by the program, including the determination of student eligibility, selection of recipients, maintenance of all records, and preparation and submission of reports reflecting program transactions. Unless otherwise indicated by the institution's chief executive officer, the director of student financial aid shall serve as Program Officer.

(27) [(26)] Public Junior College--As defined by Texas Education Code, §61.003.

(28) [(27)] Public State College--As defined by Texas Education Code, §61.003.

(29) [(28)] Public Technical Institute--As defined by Texas Education Code, §61.003.

(30) [(29)] Resident of Texas--A resident of the State of Texas as determined in accordance with chapter 13 [24], subchapter K [B], of this title (relating to Determination of Resident Status). Non-resident students who are eligible to pay resident tuition rates are not residents of Texas.

(31) [(30)] Semester--A payment period, as defined by 34 CFR 668.4(a) or 34 CFR 668.4(b)(1).

(32) [(34)] Semester Credit Hour--A unit of measure of instruction, represented in intended learning outcomes and verified by evidence of student achievement, that reasonably approximates one hour of classroom instruction or direct faculty instruction and a minimum of two hours out of class student work for each week over a 15-week period in a semester system or the equivalent amount of work over a different amount of time. An institution is responsible for determining the appropriate number of semester credit hours awarded for its programs in accordance with Federal definitions, requirements of the institution's accreditor, and commonly accepted practices in higher education.

(33) [(32)] Student Aid Index (SAI)--A measure utilized to calculate a student's financial need as regulated and defined by the methodology used for federal student financial aid.

(34) [(33)] Three-Quarter-Time--For undergraduate students, enrollment or expected enrollment for the equivalent of at least nine but fewer than twelve semester credit hours per semester. For graduate students, enrollment or expected enrollment for the equivalent of 75 percent of the normal full-time course load of the student's program of study as defined by the institution.

(35) [(34)] Undergraduate Student--An individual who has not yet received a baccalaureate degree.

§22.2. *Timely Distribution of Funds.*

(a) All institutions participating in the financial aid programs outlined in chapter 22 and chapter 24 of this title (relating to Student Loan Programs), unless otherwise specified, shall follow the guidelines for the timely distribution of funds, as outlined in this section:

(1) Timely Disbursement. Institutions shall disburse state student financial aid funding to a student recipient's account or, in the case of work-study, through a paycheck, no later than three business days after receiving the funds. Institutions must return undisbursed [Undisbursed] funds [must be returned] to the Coordinating Board no later than ten calendar [six business] days after the receipt of funds. Institutions [Gift aid and work-study funds for which a student is no longer eligible] may disburse gift aid and work-study funds for which a student is no longer eligible [be disbursed] to a different eligible student for whom funds have not yet been requested in order to meet the timely disbursement requirement.

(2) Timely Determination of Ineligibility. For state student financial aid funding already disbursed to a student, except work study, institutions shall return funds to the Coordinating Board within forty-five calendar days of a student becoming ineligible for the funding. Gift aid funds for which a student has been determined ineligible may be disbursed to a different eligible student for whom funds have not yet been requested in order to meet the timely determination of ineligibility requirement. In all cases, an institution must provide notification to the Coordinating Board regarding the change in student eligibility, as appropriate for the particular student financial aid program.

(3) Timely Cancellation. For state student financial aid funds already disbursed to a student, except work-study, institutions may return funds to the Coordinating Board within 120 calendar days of disbursement in situations where a student has notified the institution of his or her decision to cancel the financial aid. Gift aid funds for which a student has made the decision to cancel may be disbursed to a different eligible student for whom funds have not yet been requested in order to meet the timely cancellation requirement. In all cases, an institution must provide notification to the Coordinating Board regarding the student's decision to cancel financial aid, as appropriate for the particular student financial aid program.

(b) Re-offering of funds. Funds made available from financial aid adjustments, as detailed in §22.8 of this subchapter (relating to Financial Aid Adjustments) are subject to the requirements of timely determination of ineligibility in subsection (a)(2) of this section.

(c) Late Disbursements of Gift Aid.

(1) A student may receive a gift aid disbursement after the end of his/her period of enrollment if the student:

(A) Owes funds to the institution for the period of enrollment for which the grant is being made; or

(B) Received a student loan that is still outstanding for the period of enrollment.

(2) Funds that are disbursed after the end of the student's period of enrollment must be used to either pay the student's outstanding balance from his/her period of enrollment at the institution or to make a payment against an outstanding student loan received during that period of enrollment. Under no circumstances are funds to be released to the student.

(3) The institution shall retain documentation proving the late-disbursed funds were used to make a payment against an outstanding balance at the institution from the relevant period of enrollment and/or to make a payment against an outstanding loan taken out for the period of enrollment.

(4) Unless granted an extension by the Coordinating Board, late disbursements must be processed prior to the end of the state fiscal year for which the funds were allocated to the institution.

§22.7. *Financial Aid Uses.*

Neither an institution nor a student may use financial assistance offered through programs in chapter 22 or chapter 24 of this title (relating to Student Loan Programs) [this chapter] for any purpose other than paying for any usual and customary cost of attendance incurred by the student related to enrollment at a participating institution of higher education for the academic year for which funding was offered.

The agency certifies that legal counsel has reviewed the proposal and found it to be within the state agency's legal authority to adopt.

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For further information, please call: (512) 427-6365



SUBCHAPTER M. TEXAS EDUCATIONAL OPPORTUNITY GRANT PROGRAM

19 TAC §§22.255, 22.260, 22.261, 22.264

The Texas Higher Education Coordinating Board (Coordinating Board) proposes amendments to Texas Administrative Code, Title 19, Part 1, Chapter 22, Subchapter M, §§22.255, 22.260, 22.261, and §22.264, concerning the Texas Educational Opportunity Grant Program. Specifically, this amendment will modify rules relating to eligible institutions, grant priorities, grant amounts, and allocation of funds to ensure alignment with

statutory changes made by House Bill (HB) 3204, 89th Texas Legislature, Regular Session., which became effective September 1, 2025, as well as Riders 25 and 26 in the Coordinating Board's bill pattern of the General Appropriations Act, Senate Bill (SB) 1, 89th Texas Legislature, Regular Session.

The Coordinating Board is authorized by Texas Education Code, §56.403, to adopt rules relating to the Program.

Rule 22.255, Eligible Institutions, is amended to include the Polytechnic College at Sam Houston State University as an eligible institution for the Program, as directed by the provisions of HB 3204, 89th Texas Legislature, Regular Session.

Rule 22.260, Priorities in Grants to Students, is amended to accomplish the directives of Riders 25 and 26 of the General Appropriations Act, which direct the Coordinating Board to "coordinate with eligible institutions to distribute funds...to those institutions in a manner that ensures that each eligible student who graduates in the top 25 percent of the student's high school graduating class receives an initial grant for the 2026-2027 academic year." After consulting with eligible institutions, the Coordinating Board determined that appropriated funding for the Program is sufficient to accomplish the intent of the riders without modifying the allocation methodology. Accordingly, Subsection (b) is added to the rule to include a student graduating in the top 25 percent of his/her graduating class as an awarding priority. The specific phrasing of the subsection aligns with the provisions of Texas Education Code, §51.803, Automatic Admission: All Institutions. Subsection (e) is added to specify that institutions shall ensure eligible students meeting the top 25 percent standard and who have a Student Aid Index below 60 percent of the statewide average of tuition and fees at general academic teaching institutions receive an initial grant, thus clarifying how institutions may consider the various awarding priorities and maintain compliance with Riders 25 and 26.

Rule 22.261, Grant Amounts, is amended to specify how the Polytechnic College at Sam Houston State University is to be considered for programmatic purposes. As a college within a general academic teaching institution, which are not generally eligible to participate in the Program, the Polytechnic College does not meet any of the definitions for public junior college, public state college, or public technical institution upon which the rule relies. In reviewing the programmatic offering, tuition rates, and other factors, the Coordinating Board determined that the Polytechnic College most closely resembles public technical institutions. Subsection (a)(2) is amended to reflect this determination for the purposes of setting the maximum grant for students of the institution. Subsection (d) is updated with a more specific reference to rules in the chapter's General Provisions.

Rule 22.264, Allocation of Funds - Public Technical and State Colleges, is amended to include references to the Polytechnic College at Sam Houston State University, which will again be treated as a public technical institution for this purpose.

Dr. Charles W. Contéro-Puls, Assistant Commissioner for Student Financial Aid Programs, has determined that for each of the first five years the sections are in effect there would be no fiscal implications for state or local governments as a result of enforcing or administering the rules. There are no estimated reductions in costs to the state and to local governments as a result of enforcing or administering the rules. There are no estimated losses or increases in revenue to the state or to local governments as a result of enforcing or administering the rules.

There is no impact on small businesses, micro businesses, and rural communities. There is no anticipated impact on local employment.

Dr. Charles W. Contéro-Puls, Assistant Commissioner for Student Financial Aid Programs, has also determined that for each year of the first five years the sections are in effect, the public benefit anticipated as a result of administering the sections will be the alignment with statutory and appropriations requirements. There are no anticipated economic costs to persons who are required to comply with the sections as proposed.

Government Growth Impact Statement

- (1) the rules will not create or eliminate a government program;
- (2) implementation of the rules will not require the creation or elimination of employee positions;
- (3) implementation of the rules will not require an increase or decrease in future legislative appropriations to the agency;
- (4) the rules will not require an increase or decrease in fees paid to the agency;
- (5) the rules will not create a new rule;
- (6) the rules will not limit an existing rule;
- (7) the rules will not change the number of individuals subject to the rules; and
- (8) the rules will not affect this state's economy.

Comments on the proposed rules or information related to the cost, benefit, or effect of the proposed rule, including any applicable data, research or analysis, may be submitted to Dr. Charles W. Contéro-Puls, Assistant Commissioner for Student Financial Aid Programs, P.O. Box 12788, Austin, Texas 78711-2788, or via email at SFAPPolicy@highered.texas.gov. Comments will be accepted for 30 days following publication of the proposal in the *Texas Register*.

The amendment is proposed under Texas Education Code, Section 56.403, which provides the Coordinating Board with the authority to adopt rules relating to the Program.

The proposed amendment affects Texas Administrative Code, Title 19, Part 1, Chapter 22, Subchapter M.

§22.255. *Eligible Institutions.*

(a) Eligibility.

(1) Any public junior college, public technical institute, and public state college, as defined in §22.1 of this chapter (relating to Definitions), or the Polytechnic College at Sam Houston State University, is eligible to participate in the Program.

(2) No participating institution may, on the grounds of race, color, national origin, gender, religion, age, or disability exclude an individual from participation in, or deny the benefits of the Program described in this subchapter.

(3) Each participating institution must follow the Civil Rights Act of 1964, Title VI (Public Law 88-352) in avoiding discrimination in admissions or employment.

(b) Approval.

(1) Agreement. Each eligible institution must enter into an agreement with the Coordinating Board, the terms of which shall be prescribed by the Commissioner, prior to being approved to participate in the Program.

(2) Approval Deadline. An institution must indicate an intent to participate in the Program by June 1 and enter into an agreement with the Coordinating Board by August 31 in order for qualified students enrolled in that institution to be eligible to receive grants in the following biennium.

(c) Responsibilities. Participating institutions are required to abide by the General Provisions outlined in subchapter A of this chapter.

§22.260. *Priorities in Grants to Students.*

(a) If funds available for the Program are insufficient to allow grants to all eligible students, continuation grants will be given priority.

(b) In determining who should receive an initial year grant, an institution shall give priority to those students who graduated with a grade point average in the top 25 percent of their high school graduating class in one of the two prior academic years.

(c) [(b)] In determining who should receive an initial year grant, an institution shall give priority to those students who have a Student Aid Index that does not exceed 60 percent of the average statewide amount of tuition and fees for general academic teaching institutions for the relevant academic year.

(d) [(e)] In determining who should receive an initial year grant, an institution shall give highest priority to students who demonstrate the greatest financial need at the time the grant is made.

(e) Each institution shall ensure that an eligible student who is described by both subsections (b) and (c) of this section receives an initial grant under this subchapter.

§22.261. *Grant Amounts.*

(a) Grant Amounts.

(1) The Coordinating Board shall determine and announce the maximum grant amount in a given state fiscal year by January 31 of the prior fiscal year. The calculation of the maximum grant amount for a semester will be based on the average statewide amount of tuition and required fees at eligible institutions that a resident student enrolled full-time in an associate degree or certificate program measured in semester credit hours would be charged for that semester (Texas Education Code, §56.407).

(2) In the Coordinating Board's determination of the maximum grant amount, the average amount of tuition and required fees is determined by institution type (public junior colleges, public state colleges, and public technical institutes), utilizing the most recent Integrated Fiscal Reporting System reports to project the value. The Polytechnic College at Sam Houston State University is considered a public technical institute for this purpose.

(b) The amount of a grant offered by the institution may not be reduced by any gift aid for which the person receiving the grant is eligible, unless the total amount of a person's grant plus any gift aid received exceeds the student's cost of attendance. However, no student's grant shall be greater than the amount of the student's financial need.

(c) A participating [An approved] institution may not charge a person receiving a grant through that institution an amount of tuition and required fees in excess of the grant received by the person. Nor may it deny admission to or enrollment in the institution based on a person's eligibility to receive or actual receipt of a grant. If an institution's tuition and fee charges exceed the grant, it may address the shortfall in one of two ways:

(1) use other available sources of financial aid to cover any difference in the amount of the grant and the student's actual amount

of tuition and required fees at the institution, provided that the other available sources of financial aid do not include a loan; or

(2) exempt the excess charges for the student. However, if an exemption is used, the institution may not report the recipient's tuition and fees in a way that would increase the general revenue appropriations to the institution.

(d) Grant calculations are to be completed in accordance with §22.8 of this chapter (relating to Financial Aid Adjustments) [subchapter A of this chapter (relating to General Provisions)].

§22.264. Allocation of Funds - Public Technical and State Colleges.

(a) Allocations for public state colleges, public technical institutes, and the Polytechnic College at Sam Houston State University are to be determined on an annual basis as follows:

(1) The allocation base for each eligible institution will be the number of students it reported in the most recent certified Financial Aid Database submission who met the following criteria:

(A) were classified as residents of Texas, as defined in §22.1 of this chapter (relating to Definitions);

(B) were enrolled as undergraduates in an associate degree or certificate program half-time, three-quarter time, or full-time, with full-time students weighted as 1, three-quarter time students weighted as 0.75, and half-time students weighted as 0.50, as reported in the Financial Aid Database submission; and

(C) have a 9-month Student Aid Index, calculated using federal methodology, less than or equal to the Federal Pell Grant eligibility Student Aid Index cap for the year reported in the Financial Aid Database submission.

(2) Each institution's percent of the available funds will equal its percent of the state-wide need as determined by multiplying each institution's enrollments by the respective grant maximums of students who meet the criteria in paragraph (1) of this subsection.

(3) Allocations for both years of the state appropriations' biennium will be completed at the same time. The three most recent certified Financial Aid Database submissions will be utilized to forecast the data utilized in the calculation of the allocation for the second year of the biennium. Institutions will receive notification of their allocations for both years of the biennium at the same time.

(4) Verification of Data. Allocation calculations will be shared with all participating institutions for comment and verification prior to final posting, and the institutions will be given 10 working days, beginning the day of the notice's distribution and excluding State holidays, to confirm that the allocation report accurately reflects the data they submitted or to advise the Coordinating Board of any inaccuracies.

(b) Reductions in Funding.

(1) If annual funding for the Program is reduced after the start of a fiscal year, the Coordinating Board may take steps to help distribute the impact of reduced funding across all participating institutions by an across-the-board percentage decrease in all institutions' allocations.

(2) If annual funding is reduced prior to the start of a fiscal year, the Coordinating Board may recalculate the allocations according to the allocation methodology outlined in this rule for the affected fiscal year based on available dollars.

The agency certifies that legal counsel has reviewed the proposal and found it to be within the state agency's legal authority to adopt.

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SUBCHAPTER O. TEXAS LEADERSHIP RESEARCH SCHOLARS PROGRAM

19 TAC §22.302, §22.310

The Texas Higher Education Coordinating Board (Coordinating Board) proposes amendments to Texas Administrative Code, Title 19, Part 1, Chapter 22, Subchapter O, §22.302 and §22.310, concerning the Texas Leadership Research Scholars Program. Specifically, this amendment will clarify that scholarships are limited to four years per student and per program, guarantees at least one research scholarship per eligible institution if funding is sufficient, and prohibits any rules that may restrict or give preference to any general academic institution. The amendment also addresses changes in deadlines for intent to participate.

The Coordinating Board is authorized to adopt rules as necessary by Texas Education Code, §61.897. The revisions implement statutory amendments passed by the 89th Texas Legislature. Specifically, this amendment will update Coordinating Board rules to accurately reflect changes made by Senate Bill (SB) 2055, 89th Texas Legislature, Regular Session. SB 2055, amended Texas Education Code, §61.897, to specify that a student is ineligible to receive funding from either the Undergraduate or the Graduate scholarship program for more than four academic years per program, that eligible institutions receive at least one research scholarship award, and that no administrative rules may be adopted that impose limits on, or grant preference to, any general academic institution.

Rule 22.302, Eligible Institutions, provides the responsibilities and deadlines for participating eligible institutions to follow. Specifically, the amended section removes a provision that is no longer relevant since the academic year has passed and updates the deadline for institutions to indicate their intent to participate by December 15.

Rule 22.310, Scholarship Amounts and Allocation of Funds, outlines the scholarship amounts and how the Coordinating Board will allocate the funds to institutions. Specifically, the amended section removes old allocation methodologies and clarifies that eligible institutions will receive at least one research scholarship award.

Daniel Pérez, Assistant Deputy Commissioner for Academic and Workforce Initiatives, has determined that for each of the first five years the sections are in effect there would be no fiscal implications for state or local governments as a result of enforcing or administering the rules. There are no estimated reductions in costs to the state and to local governments as a result of enforcing or administering the rule. There are no estimated losses or increases in revenue to the state or to local governments as a result of enforcing or administering the rule.

There is no impact on small businesses, micro businesses, and rural communities. There is no anticipated impact on local employment.

Daniel Pérez, Assistant Deputy Commissioner for Academic and Workforce Initiatives, has also determined that for each year of the first five years the section is in effect, the public benefit anticipated as a result of administering the section will be the increase in number of high-achieving, economically disadvantaged students who pursue higher education opportunities that may not have been able to afford or access otherwise. There are no anticipated economic costs to persons who are required to comply with the sections as proposed. Participation in the Texas Leadership Research Scholars program is voluntary.

Government Growth Impact Statement

- (1) the rules will not create or eliminate a government program;
- (2) implementation of the rules will not require the creation or elimination of employee positions;
- (3) implementation of the rules will not require an increase or decrease in future legislative appropriations to the agency;
- (4) the rules will not require an increase or decrease in fees paid to the agency;
- (5) the rules will not create a new rule;
- (6) the rules will not limit an existing rule;
- (7) the rules will not change the number of individuals subject to the rule; and
- (8) the rules will not affect this state's economy.

Comments on the proposed rule or information related to the cost, benefit, or effect of the proposed rule, including any applicable data, research or analysis, may be submitted to Daniel Pérez, Assistant Deputy Commissioner for Academic and Workforce Initiatives, P.O. Box 12788, Austin, Texas 78711-2788, or via email at StudentSuccess@highered.texas.gov. Comments will be accepted for 30 days following publication of the proposal in the *Texas Register*.

The amendment is proposed under Texas Education Code, Section 61.897, as amended by Senate Bill 2055, which provides the Coordinating Board with the authority to adopt rules as necessary to implement the Texas Leadership Research Scholars Program.

The proposed amendment affects Texas Education Code, subchapter T-3, and 19 Texas Administrative Code Chapter 22, Subchapter O.

§22.302. *Eligible Institutions.*

(a) Eligible Institution means a general academic teaching institution that awarded at least one research doctoral degree in the most recent year used by the Commissioner to make an allocation under §22.310 of this subchapter (relating to Scholarship Amounts and Allocation of Funds).

(b) [(a)] Responsibilities. A participating eligible institution is required to:

- (1) Abide by the General Provisions outlined in subchapter A of this chapter (relating to General Provisions);
- (2) Have and comply with policies that prohibit discrimination against or deny participation in or the benefits of the Program described in this subchapter on the basis of race, color, national origin, gender, religion, age, or disability;

(3) Comply with the Civil Rights Act of 1964, Title VI (Public Law 88-353) in avoiding discrimination in admissions or employment; and

(4) Provide all reports regarding the program to the Coordinating Board or Administrator.

(c) [(b)] Approval.

(1) Agreement. Each eligible institution must enter into an agreement with the Coordinating Board, the terms of which shall be prescribed by the Commissioner, prior to receiving a disbursement of funds through the Program.

(2) Approval Deadline.

[(A)] Each eligible institution must indicate an intent to participate in the Program by emailing the Administrator by December [June] 15 and enter into an agreement with the Coordinating Board by August 31 for qualified students enrolled in that institution to be eligible to receive scholarships in the following fiscal year.

[(B) Notwithstanding paragraph (2)(A) of this subsection, for the 2024-25 academic year, an eligible institution may indicate intent to participate in the program by the administrative deadline established by the Commissioner.]

§22.310. *Scholarship Amounts and Allocation of Funds.*

(a) Funding. The Coordinating Board may not award through this Program an amount that exceeds the amount of state appropriations and other funds that are available for this use.

(b) Scholarship Amounts.

(1) The Commissioner shall establish the amount of each Research Scholarship in an academic year that is 150% of the average of the amount of the Leadership Scholarships awarded across participating eligible [public research and public emerging research] institutions under subchapter N of this chapter (relating to Texas Leadership Scholars Grant Program), based on available appropriations for the Program. The Scholarship may be applied toward housing, food, or other costs of attendance allowed under the Program, at the participating eligible institution as approved by the Coordinating Board.

(2) An eligible [Eligible] institution may not reduce the amount of a scholarship by any gift aid for which the Research Scholar receiving the scholarship is eligible unless the total amount of a Research Scholar's scholarship plus any gift aid received exceeds the Research Scholar's cost of attendance.

(3) An eligible [Eligible] institution shall ensure each Research Scholar receives the scholarship awarded under the program for four (4) years so long as the scholar maintains eligibility set forth in §22.303(b) of this subchapter (relating to Eligible Students).

(c) Allocation of Funds.

(1) The Commissioner shall determine and announce the number of initial scholarships available to each participating eligible institution by January 31 of the prior fiscal year set forth in §22.303(a) of this subchapter, based on the following criteria:

(A) If there is sufficient funding to award one initial scholarship to each eligible institution in a given fiscal year, the Commissioner shall award at least one initial scholarship to each eligible institution;

[(A) If there is sufficient funding to award more than seventy-five (75) initial Scholarships in a given fiscal year, the Coordinating Board shall award initial Scholarships to each eligible institution based on each eligible institution's share of awarded research doctoral degrees calculated using the most recent year available of data reported

by the National Science Foundation in the annual Survey of Earned Doctorates; and]

(B) If there are remaining initial scholarships available in a given fiscal year, the Commissioner shall award remaining initial scholarships to each eligible institution based on each eligible institution's share of awarded research doctoral degrees calculated using the most recent year available data reported by the National Science Foundation in the annual Survey of Earned Doctorates; and

~~[(B) If there is funding to award seventy-five (75) initial Scholarships or fewer in a given fiscal year, the Coordinating Board shall divide the initial Scholarships in the following way:]~~

~~[(i) 50% of available initial Scholarships will be allocated among public research universities based on each institution's share of awarded research doctoral degrees calculated using the most recent year available of data reported by the National Science Foundation in the annual Survey of Earned Doctorates; and]~~

~~[(ii) 50% of available initial Scholarships will be allocated among emerging research universities based on each institution's share of awarded research doctoral degrees calculated using the most recent year available of data reported by the National Science Foundation in the annual Survey of Earned Doctorates.]~~

(C) If there is insufficient funding to award one initial scholarship to each eligible institution in a given fiscal year, the Commissioner shall divide the initial scholarships based on each institution's share of awarded research doctoral degrees calculated using the most recent year available data reported by the National Science Foundation in the annual Survey of Earned Doctorates.

(2) The number of Scholarships allocated to each participating institution for returning Research Scholars will be the number of Scholars eligible to receive the Scholarship set forth in §22.303(b) of this subchapter.

(3) Each participating eligible institution will receive an annual allocation equal to the number of Scholarships allocated to the institution times the amount established in subsection (b) of this section.

The agency certifies that legal counsel has reviewed the proposal and found it to be within the state agency's legal authority to adopt.

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CHAPTER 23. EDUCATION LOAN REPAYMENT PROGRAMS

SUBCHAPTER B. TEACH FOR TEXAS LOAN REPAYMENT ASSISTANCE PROGRAM

19 TAC §§23.32 - 23.35

The Texas Higher Education Coordinating Board (Coordinating Board) proposes amendments to Texas Administrative Code, Title 19, Part 1, Chapter 23, Subchapter B, §§22.32 - 22.35, concerning the Teach for Texas Loan Repayment Assistance Program. Specifically, this amendment will update definitions, clarify aspects of applicant eligibility, and update program prioritization rules for improved administration.

The Coordinating Board is authorized by Texas Education Code, §56.3575, to adopt rules relating to the Teach for Texas Loan Repayment Assistance Program.

Rule 23.32, Definitions, is amended by adding a definition for "current academic year." The added definition, along with proposed amendments to rule §23.33, is intended to clarify the Coordinating Board's existing practice for determining applicant eligibility. This does not represent a change in administration of the program.

Rule 23.33, Applicant Eligibility, is amended to make nonsubstantive changes intended to clarify the Coordinating Board's practice regarding eligibility determinations. Applications for this Program generally must be submitted between April and July, and applicants must demonstrate that they are: (1) currently employed, (2) certified and teaching in a critical shortage area or in a shortage community, and (3) teaching full-time at the time of application and have taught full-time for a service period (nine months) during the current academic year (i.e. the academic year beginning with the fall semester prior to the application period). None of the proposed changes to this section represent a change in Coordinating Board practice or eligibility criteria for the Program.

Rule 23.34, Applicant Ranking Priorities, is amended to remove a redundant reference to the Program application deadline, further clarify how prioritization occurs, and replace the "financial need" priority factor in current Subsection (b)(5). Current Subsection (a) is redundant with rule §22.33(1), and is eliminated. Nonsubstantive edits to current Subsection (b) align the description of prioritization in other programs within the chapter and clarify potential ambiguities. The "financial need" factor in current Subsection (b)(5), however, is substantively changed from the applicant's adjusted gross income to his or her total education loan debt. This change still meets the requirements of Texas Education Code, §56.353(b), but obviates the need for applicants to provide, and the Coordinating Board to retain, sensitive income tax information.

Rule 23.35, Amount of Loan Repayment Assistance, is amended. Subsection (a) is modified with nonsubstantive edits that align with similar provisions in other programs in the chapter. Subsection (b) is added to codify existing Coordinating Board practice that in each of the five years a person may receive loan repayment assistance under the Program, the person may not receive more than one-fifth of the person's eligible loan balance as was determined when the person first demonstrated eligibility for the Program.

Dr. Charles W. Contéro-Puls, Assistant Commissioner for Student Financial Aid Programs, has determined that for each of the first five years the sections are in effect there would be no fiscal implications for state or local governments as a result of enforcing or administering the rules. There are no estimated reductions in costs to the state and to local governments as a result of enforcing or administering the rules. There are no estimated losses or increases in revenue to the state or to local governments as a result of enforcing or administering the rules.

There is no impact on small businesses, micro businesses, and rural communities. There is no anticipated impact on local employment.

Dr. Charles W. Contéro-Puls, Assistant Commissioner for Student Financial Aid Programs, has also determined that for each year of the first five years the sections are in effect, the public benefit anticipated as a result of administering the sections will be the improved rule clarity and program administration. There are no anticipated economic costs to persons who are required to comply with the sections as proposed.

Government Growth Impact Statement

- (1) the rules will not create or eliminate a government program;
- (2) implementation of the rules will not require the creation or elimination of employee positions;
- (3) implementation of the rules will not require an increase or decrease in future legislative appropriations to the agency;
- (4) the rules will not require an increase or decrease in fees paid to the agency;
- (5) the rules will not create a new rule;
- (6) the rules will not limit an existing rule;
- (7) the rules will not change the number of individuals subject to the rules; and
- (8) the rules will not affect this state's economy.

Comments on the proposed rule or information related to the cost, benefit, or effect of the proposed rules, including any applicable data, research or analysis, may be submitted to Dr. Charles W. Contéro-Puls, Assistant Commissioner for Student Financial Aid Programs, P.O. Box 12788, Austin, Texas 78711-2788, or via email at SFAPPolicy@highered.texas.gov. Comments will be accepted for 30 days following publication of the proposal in the *Texas Register*.

The amendment is proposed under Texas Education Code, Section 56.3575, which provides the Coordinating Board with the authority to adopt rules relating to the Program.

The proposed amendment affects Texas Administrative Code, Title 19, Part 1, Chapter 23, Subchapter B.

§23.32. Definitions.

In addition to the words and terms defined in §23.1 of this chapter (relating to Definitions), the following words and terms, when used in this subchapter, shall have the following meanings, unless the context clearly indicates otherwise:

- (1) Certified Educator--A person who has completed all requirements for a standard teaching certificate in the State of Texas. A person holding a probationary certificate, temporary classroom assignment permit, emergency permit, or a nonrenewable permit is not considered a certified educator. The term does not include a teacher's aide or a full-time administrator.
- (2) Current Academic Year--The twelve-month academic year that corresponds with the state fiscal year in which a person submits an application for loan repayment assistance under this subchapter.
- (3) [2] Public School--A school in a Texas school district or a public charter school authorized to operate under Texas Education Code, Chapter 12.
- (4) [3] Service Period--A period of service of at least 9 months of a 12-month academic year.

(5) [4] Shortage Communities--Texas public schools identified annually by the Texas Commissioner of Education, or his/her designee, whose percentage of economically disadvantaged students is higher than the statewide average percentage of students receiving free or reduced cost lunches.

(6) [5] Shortage Teaching Fields--Subjects identified annually by the Texas Commissioner of Education, or his/her designee, as having a critical shortage of teachers.

(7) [6] Teaching full-time--Teaching at least four hours each day performing instructional duties as a full-time employee of a Texas public school district.

§23.33. Applicant Eligibility.

To be eligible for loan repayment assistance, an applicant must:

- (1) submit a completed application to the Coordinating Board by the stated deadline; and
- (2) be one of the following:
 - (A) a certified educator in a shortage teaching field [~~currently~~] teaching full-time in that field at the time of the application, and having [~~have~~] taught in that field full-time for one service period in the current [~~last~~] academic year [~~at the preschool, primary, or secondary level~~] in a Texas public school; or
 - (B) a certified educator [~~currently~~] teaching full-time in a public school [~~at the preschool, primary, or secondary level~~] in a shortage community at the time of the application, and having [~~have~~] taught in that community full-time for one service period in the current [~~last~~] academic year.

§23.34. Applicant Ranking Priorities.

~~[(a) An application deadline will be established each year and published on the Coordinating Board's website.]~~

~~[(b)] If there are not sufficient funds to offer loan repayment assistance to all eligible applicants, then applications shall be ranked using priority determinations in the following order: [by the following criteria; in order of priority:]~~

- (1) Renewal applications, unless a break in service periods has occurred;
- (2) Applications for those teaching [~~Teaching~~] in a shortage teaching field while also teaching in a shortage community, prioritizing the communities based on the highest percentage of economically disadvantaged students [~~degree of shortage~~];
- (3) Applications for those teaching [~~Teaching~~] any subject in a shortage community, prioritizing the communities based on the highest percentage of economically disadvantaged students [~~degree of shortage~~];
- (4) Applications for those teaching [~~Teaching~~] in a shortage teaching field in a non-shortage community; and
- (5) Applications from those with the greatest financial [~~Financial~~] need based on the applicant's total education loan debt [~~adjusted gross income as reported on the most recently filed federal income tax return~~].

§23.35. Amount of Loan Repayment Assistance.

~~(a) [Taking into consideration the amount of available funding, and the number of eligible applicants, the] The Commissioner shall determine annually the maximum loan repayment assistance amount offered under this subchapter, taking into consideration the amount of available funding, the expected number of eligible applicants, and the average loan balances of program participants.~~

(b) In a given year, a participant in the program may not receive loan repayment assistance greater than one-fifth of the participant's eligible loan balance as was demonstrated when the participant was first approved for assistance under this subchapter.

The agency certifies that legal counsel has reviewed the proposal and found it to be within the state agency's legal authority to adopt.

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Nichole Bunker-Henderson

General Counsel

Texas Higher Education Coordinating Board

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For further information, please call: (512) 427-6365



SUBCHAPTER G. NURSING FACULTY LOAN REPAYMENT ASSISTANCE PROGRAM

19 TAC §23.187, §23.189

The Texas Higher Education Coordinating Board (Coordinating Board) proposes amendments to Texas Administrative Code, Title 19, Part 1, Chapter 23, Subchapter G, §23.187 and §23.189, concerning Nursing Faculty Loan Repayment Assistance Program. Specifically, this amendment will replace the existing prioritization provisions with one that is clearer and more efficiently administered.

The Coordinating Board is authorized by Texas Education Code, §61.9828, to adopt rules relating to the Nursing Faculty Loan Repayment Assistance Program.

Rule 23.187, Definitions, is amended by eliminating the definition for "Texas Center for Nursing Workforce Studies." The changes to rule §23.189 make this term unnecessary.

Rule 23.189, Applicant Ranking Priorities, is amended to replace the prioritization provisions for the program. The existing process relies on faculty vacancy data, but due to timing issues, the available data does not necessarily align with the application and awarding window for the program each year. Moreover, the existing rule does not include a provision to prioritize between two applicants who are employed by the same institution. These provisions are instead replaced with a new process by which renewal applications are prioritized first, which represents current practice, followed by applications from full-time faculty members. Any subsequent separations required would be made on the basis of total education loan debt, as a signifier of financial need.

Dr. Charles W. Contéro-Puls, Assistant Commissioner for Student Financial Aid Programs, has determined that for each of the first five years the sections are in effect, there would be no fiscal implications for state or local governments as a result of enforcing or administering the rules. There are no estimated reductions in costs to the state and to local governments as a result of enforcing or administering the rules. There are no estimated losses or increases in revenue to the state or to local governments as a result of enforcing or administering the rules.

There is no impact on small businesses, micro businesses, and rural communities. There is no anticipated impact on local employment.

Dr. Charles W. Contéro-Puls, Assistant Commissioner for Student Financial Aid Programs, has also determined that for each year of the first five years the sections are in effect, the public benefit anticipated as a result of administering the sections will be the improved program administration. There are no anticipated economic costs to persons who are required to comply with the sections as proposed.

Government Growth Impact Statement

- (1) the rules will not create or eliminate a government program;
- (2) implementation of the rules will not require the creation or elimination of employee positions;
- (3) implementation of the rules will not require an increase or decrease in future legislative appropriations to the agency;
- (4) the rules will not require an increase or decrease in fees paid to the agency;
- (5) the rules will not create a new rule;
- (6) the rules will not limit an existing rule;
- (7) the rules will not change the number of individuals subject to the rules; and
- (8) the rules will not affect this state's economy.

Comments on the proposed rules or information related to the cost, benefit, or effect of the proposed rules, including any applicable data, research or analysis, may be submitted to Dr. Charles W. Contéro-Puls, Assistant Commissioner for Student Financial Aid Programs, P.O. Box 12788, Austin, Texas 78711-2788, or via email at SFAPPolicy@highered.texas.gov. Comments will be accepted for 30 days following publication of the proposal in the *Texas Register*.

The amendments are proposed under Texas Education Code, Section 61.9828, which provides the Coordinating Board with the authority to adopt rules relating to the Program.

The proposed amendments affect Texas Administrative Code, Title 19, Part 1, Chapter 23, Subchapter G.

§23.187. Definitions.

In addition to the words and terms defined in §23.1 of this chapter (relating to Definitions), the following words and terms, when used in this subchapter, shall have the following meanings, unless the context clearly indicates otherwise.

(1) Eligible Institution--Texas institutions of higher education or private or independent institutions, as defined in §61.003 of the Texas Education Code.

(2) Full-Time--An average of at least 32 hours per week during the service period at an eligible institution.

(3) Service period--A period of service equal to a minimum of nine months of a 12-month academic year that qualifies an eligible faculty member for an annual education loan repayment award.

[(4) Texas Center for Nursing Workforce Studies (TCNWS)--Authorized by Chapter 105 of the Texas Health and Safety Code. Under the governance of the Statewide Health Coordinating Council's Nursing Advisory Committee, the TCNWS serves as a resource for data and research on the nursing workforce in Texas.]

§23.189. Applicant Ranking Priorities.

If there are not sufficient funds to offer [award] loan repayment assistance to [for] all eligible applicants, then [nursing faculty whose applications are received by the published deadline, priority shall be given

to renewal applications. Initial] applications shall be ranked using priority determinations in the following order [in a manner that takes into account the following information; provided by the Texas Center for Nursing Workforce Studies]:

(1) Renewal applications, unless a break in service periods has occurred;

~~[(1) the number of vacant nursing faculty positions, as a percentage of the total number of nursing faculty positions at the eligible institutions; and]~~

(2) Applications from full-time nursing faculty members; then

~~[(2) the degree of difficulty in recruiting and retaining nursing faculty at the eligible institutions; indicated by the period of time nursing faculty positions remain vacant at the institutions-]~~

(3) Applications from those with the greatest financial need based on the applicant's total education loan debt.

The agency certifies that legal counsel has reviewed the proposal and found it to be within the state agency's legal authority to adopt.

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Nichole Bunker-Henderson

General Counsel

Texas Higher Education Coordinating Board

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For further information, please call: (512) 427-6365



SUBCHAPTER J. MATH AND SCIENCE SCHOLARS LOAN REPAYMENT ASSISTANCE PROGRAM

19 TAC §§23.287 - 23.289

The Texas Higher Education Coordinating Board (Coordinating Board) proposes amendments to Texas Administrative Code, Title 19, Part 1, Chapter 23, Subchapter J, §§23.287 - 23.289, concerning the Math and Science Scholars Loan Repayment Assistance Program. Specifically, this amendment will clarify potentially ambiguous aspects of the rules and update prioritization provisions to align with similar rules in the chapter.

The Coordinating Board is authorized by Texas Education Code, §61.9840, to adopt rules relating to the Math and Science Scholars Loan Repayment Assistance Program.

Rule 23.287, Definitions, is amended to add a definition for "current academic year," a term introduced to further clarify the eligibility determination process in rule 23.288. The definition aligns with use of the term in similar provisions in the chapter and does not represent a change in Coordinating Board practice.

Rule 23.288, Applicant Eligibility, is amended to clarify the eligibility determination process for Program applicants. Reference to eligibility for those teaching under a probationary teaching certificate is added to paragraph (5) for statutory alignment with Texas Education Code, §61.9832(a)(5)(B), and paragraph (6) is amended to specify that an applicant's eligibility in a given year relates to the service period during the current academic year.

Rule 23.289, Application Ranking Priorities, is retitled to align with naming conventions for similar provisions throughout the chapter and amended to clarify the prioritization process. Changes to this section are largely nonsubstantive, aligning language with similar provisions in the chapter and providing additional detail regarding the Coordinating Board's existing process to prioritize applicants. Paragraph (5) is added, however, to align with processes in other loan repayment assistance programs and provide a final criterion that will definitively allow for all applicants to be ranked.

Dr. Charles W. Contéro-Puls, Assistant Commissioner for Student Financial Aid Programs, has determined that for each of the first five years the sections are in effect there would be no fiscal implications for state or local governments as a result of enforcing or administering the rules. There are no estimated reductions in costs to the state and to local governments as a result of enforcing or administering the rules. There are no estimated losses or increases in revenue to the state or to local governments as a result of enforcing or administering the rules.

There is no impact on small businesses, micro businesses, and rural communities. There is no anticipated impact on local employment.

Dr. Charles W. Contéro-Puls, Assistant Commissioner for Student Financial Aid Programs, has also determined that for each year of the first five years the sections are in effect, the public benefit anticipated as a result of administering the sections will be the improved rule clarity. There are no anticipated economic costs to persons who are required to comply with the sections as proposed.

Government Growth Impact Statement

- (1) the rules will not create or eliminate a government program;
- (2) implementation of the rules will not require the creation or elimination of employee positions;
- (3) implementation of the rules will not require an increase or decrease in future legislative appropriations to the agency;
- (4) the rules will not require an increase or decrease in fees paid to the agency;
- (5) the rules will not create a new rule;
- (6) the rules will not limit an existing rule;
- (7) the rules will not change the number of individuals subject to the rule; and
- (8) the rules will not affect this state's economy.

Comments on the proposed rules or information related to the cost, benefit, or effect of the proposed rule, including any applicable data, research or analysis, may be submitted to Dr. Charles W. Contéro-Puls, Assistant Commissioner for Student Financial Aid Programs, P.O. Box 12788, Austin, Texas 78711-2788, or via email at SFAPPolicy@highered.texas.gov. Comments will be accepted for 30 days following publication of the proposal in the *Texas Register*.

The amendments are proposed under Texas Education Code, Section 61.9840, which provides the Coordinating Board with the authority to adopt rules relating to the Program.

The proposed amendments affect Texas Administrative Code, Title 19, Part 1, Chapter 23, Subchapter J.

§23.287. *Definitions.*

In addition to the words and terms defined in §23.1 of this chapter (relating to Definitions), the following words and terms, when used in this subchapter, shall have the following meanings, unless the context clearly indicates otherwise:

(1) Current Academic Year--The twelve-month academic year that corresponds with the state fiscal year in which a person submits an application for loan repayment assistance under this subchapter.

(2) [(4)] Program--The Math and Science Scholars Loan Repayment Assistance Program.

(3) [(2)] Public School--A school in a Texas school district or a public charter school authorized to operate under Texas Education Code, chapter 12.

(4) [(3)] Service Period--A period of at least nine months of a twelve-month academic year.

(5) [(4)] Title I School--Texas public schools that receive federal funding under Title I, Elementary and Secondary Education Act of 1965 (20 U.S.C. §6301 et seq.).

§23.288. *Applicant Eligibility.*

To be eligible to receive loan repayment assistance funds, an applicant must:

(1) submit a completed application, including transcripts of the applicant's postsecondary coursework and any other requested documents, to the Coordinating Board by the established deadline posted on the Program web page;

(2) be a U.S. citizen;

(3) have completed an undergraduate or graduate program in mathematics or science (a list of eligible majors will be posted on the Coordinating Board's website and reviewed at least once per biennium);

(4) have earned a cumulative GPA of at least 3.0 on a four-point scale, or the equivalent, at the institution from which the teacher graduated;

(5) be certified under the Texas Education Code, chapter 21, subchapter B, to teach mathematics or science in a Texas public school, or be teaching under a probationary teaching certificate;

(6) have been employed as a full-time classroom teacher teaching mathematics or science in a public school for one to eight consecutive service periods, including during the current academic year, unless a break in service periods has occurred as a result of the circumstances described in §23.294(b) of this subchapter (relating to Limitations); and

(7) enter into an agreement or have an agreement on file with the Coordinating Board that includes the following provisions:

(A) the applicant has accepted an offer of continued employment to teach mathematics or science, as applicable based on the teacher's certification, for an average of at least four hours each school day in a public school, for four consecutive years, beginning with the current academic [~~previous school~~] year;

(B) the applicant may complete up to four additional consecutive school years teaching mathematics or science, as applicable based on the teacher's certification, for an average of at least four hours each school day in a public school, beginning with the school year immediately following the last of the four consecutive school years described by subparagraph (A) of this paragraph; and

(C) the applicant understands that loan repayment assistance grants are contingent on available funding received, that the

Coordinating Board may make a financial commitment only based on funds that have been appropriated for each two-year state budget period, and that the applicant will be released from the teaching obligation for any year of employment for which funds are not available.

§23.289. *Applicant [Application] Ranking Priorities.*

(a) If there are not sufficient funds to offer loan repayment assistance to all eligible applicants, then applications shall be ranked using priority determinations in the following order: [by the following criteria, in order of priority:]

(1) Renewal applications[, unless a break in service periods has occurred, except as provided by §23.294(b) of this subchapter (relating to Limitations)];

(2) Applications [applications] from teachers with the greatest number of mathematics and science courses completed, based on the Coordinating Board's review of the applicant's transcripts;

(3) Applications [applications] from teachers with the highest aggregate grade point average for the [grades received in] mathematics and science courses described by paragraph (2) of this section; [and]

(4) Applications [applications] from teachers employed at schools with the highest percentages of students who are eligible for free or reduced cost lunches; and[.];

(5) Applications from those with the greatest financial need based on the applicant's total education loan debt.

(b) Subsections (a)(4) and (5) of this section are applicable only as necessary to make priority determinations between applications for which the criteria listed in subsections (a)(2) and (3) of this section are identical.

The agency certifies that legal counsel has reviewed the proposal and found it to be within the state agency's legal authority to adopt.

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Nichole Bunker-Henderson

General Counsel

Texas Higher Education Coordinating Board

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For further information, please call: (512) 427-6365



PART 2. TEXAS EDUCATION AGENCY

CHAPTER 89. ADAPTATIONS FOR SPECIAL POPULATIONS

SUBCHAPTER A. GIFTED/TALENTED EDUCATION

19 TAC §89.1

The State Board of Education (SBOE) proposes an amendment to §89.1, concerning gifted and talented education. The proposed amendment would ensure that a district's identification of gifted and talented students complies with all legal requirements and federal and state executive orders.

BACKGROUND INFORMATION AND JUSTIFICATION: Section 89.1 establishes requirements for the identification of gifted and talented students. The proposed amendment would add new paragraph (4) to align identification criteria with all legal requirements and federal and state executive orders and amend paragraph (5) to require that the selection committee be trained in the identification of gifted students.

The SBOE approved the proposed amendment for first reading and filing authorization at its September 12, 2025 meeting.

FISCAL IMPACT: Kristin McGuire, interim deputy commissioner for special populations and student supports, has determined that for the first five years the proposal is in effect, there are no additional costs to state or local government, including school districts and open-enrollment charter schools, required to comply with the proposal.

LOCAL EMPLOYMENT IMPACT: The proposal has no effect on local economy; therefore, no local employment impact statement is required under Texas Government Code, §2001.022.

SMALL BUSINESS, MICROBUSINESS, AND RURAL COMMUNITY IMPACT: The proposal has no direct adverse economic impact for small businesses, microbusinesses, or rural communities; therefore, no regulatory flexibility analysis specified in Texas Government Code, §2006.002, is required.

COST INCREASE TO REGULATED PERSONS: The proposal does not impose a cost on regulated persons, another state agency, a special district, or a local government and, therefore, is not subject to Texas Government Code, §2001.0045.

TAKINGS IMPACT ASSESSMENT: The proposal does not impose a burden on private real property and, therefore, does not constitute a taking under Texas Government Code, §2007.043.

GOVERNMENT GROWTH IMPACT: TEA staff prepared a Government Growth Impact Statement assessment for this proposed rulemaking. During the first five years the proposed rulemaking would be in effect, it would expand an existing regulation to ensure that identification for students in the gifted and talented program is made in compliance with all legal requirements and federal and state executive orders.

The proposed rulemaking would not create or eliminate a government program; would not require the creation of new employee positions or elimination of existing employee positions; would not require an increase or decrease in future legislative appropriations to the agency; would not require an increase or decrease in fees paid to the agency; would not create a new regulation; would not limit or repeal an existing regulation; would not increase or decrease the number of individuals subject to its applicability; and would not positively or adversely affect the state's economy.

PUBLIC BENEFIT AND COST TO PERSONS: Ms. McGuire has determined that for each year of the first five years the proposal is in effect, the public benefit anticipated as a result of enforcing the proposal would be to ensure that identification for students in the gifted and talented program is made in compliance with all legal requirements and federal and state executive orders. There is no anticipated economic cost to persons who are required to comply with the proposal.

DATA AND REPORTING IMPACT: The proposal would have no new data or reporting impact.

PRINCIPAL AND CLASSROOM TEACHER PAPERWORK REQUIREMENTS: TEA has determined that the proposal would not

require a written report or other paperwork to be completed by a principal or classroom teacher.

PUBLIC COMMENTS: The SBOE requests public comments on the proposal, including, per Texas Government Code, §2001.024(a)(8), information related to the cost, benefit, or effect of the proposed rule and any applicable data, research, or analysis, from any person required to comply with the proposed rule or any other interested person. The public comment period on the proposal begins October 10, 2025, and ends at 5:00 p.m. on November 10, 2025. A form for submitting public comments is available on the TEA website at <https://tea.texas.gov/about-tea/laws-and-rules/sboe-rules-tac/proposed-state-board-of-education-rules>. The SBOE will take registered oral and written comments on the proposal at the appropriate committee meeting in November 2025 in accordance with the SBOE board operating policies and procedures. A request for a public hearing on the proposal submitted under the Administrative Procedure Act must be received by the commissioner of education not more than 14 calendar days after notice of the proposal has been published in the *Texas Register* on October 10, 2025.

STATUTORY AUTHORITY. The amendment is proposed under Texas Education Code (TEC), §29.121, which establishes the definition of a gifted and talented student; TEC, §29.122, which establishes that each school district shall adopt a process for identifying and serving gifted and talented students; TEC, §29.123, which establishes that the State Board of Education shall develop and update a state plan for the education of gifted and talented students to guide school districts; TEC, §39.236, which establishes criteria for the commissioner to adopt standards to evaluate school district programs for gifted and talented students; and TEC, §48.109, which establishes criteria for utilizing the gifted and talented student allotment funds.

CROSS REFERENCE TO STATUTE. The amendment implements Texas Education Code, §§29.121, 29.122, 29.123, 39.236, and 48.109.

§89.1. Student Identification.

School districts shall develop written policies on student identification that are approved by the local board of trustees and disseminated to parents. The policies must:

- (1) include provisions for ongoing screening and selection of students who perform or show potential for performing at remarkably high levels of accomplishment in the areas defined in the Texas Education Code, §29.121;
- (2) include assessment measures collected from multiple sources according to each area defined in the Texas State Plan for the Education of Gifted/Talented Students;
- (3) include data and procedures designed to ensure that students from all populations in the district have access to assessment and, if identified, services for the gifted/talented program;
- (4) prohibit a scoring value based on race, ethnicity, sex, socioeconomic status, or disability if the selection process utilizes a matrix or threshold system;
- (5) [(4)] provide for final selection of students to be made by a committee composed of at least three local district educators who have received training in the nature and needs and identification of gifted students;
- (6) [(5)] include provisions regarding furloughs, reassessment, exiting of students from program services, transfer students, and appeals of district decisions regarding program placement; and

(7) [(6)] not limit the number of students the district may identify as gifted/talented or served under the district's program for gifted/talented students.

The agency certifies that legal counsel has reviewed the proposal and found it to be within the state agency's legal authority to adopt.

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Cristina De La Fuente-Valadez

Director, Rulemaking

Texas Education Agency

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For further information, please call: (512) 475-1497



CHAPTER 127. TEXAS ESSENTIAL KNOWLEDGE AND SKILLS FOR CAREER DEVELOPMENT AND CAREER AND TECHNICAL EDUCATION

The State Board of Education (SBOE) proposes new §§127.270, 127.472, 127.512, 127.824, and 127.828 - 127.830, concerning Texas Essential Knowledge and Skills (TEKS) for career development and career and technical education (CTE). The proposed new sections would add new TEKS developed by subject matter experts convened by the Texas State Technical College (TSTC) and Education Service Center (ESC) Region 4 that are needed for completion of CTE programs of study.

BACKGROUND INFORMATION AND JUSTIFICATION: In accordance with statutory requirements that the SBOE identify by rule the essential knowledge and skills of each subject in the required curriculum, the SBOE follows a board-approved cycle to review and revise the essential knowledge and skills for each subject.

During the November 2022 meeting, the SBOE approved a timeline for the review of CTE courses for 2022-2025. Also at the meeting, the SBOE approved a specific process to be used in the review and revision of the CTE TEKS. The CTE-specific process largely follows the process for TEKS review for other subject areas but was adjusted to account for differences specific to CTE.

In 2023, CTE advisory committees convened to make recommendations for the review and refresh of programs of study as required by the Texas Perkins State Plan. Finalized programs of study were published in the fall of 2023 with an implementation date beginning in the 2024-2025 school year. CTE courses to be developed or revised to complete or update programs of study were determined.

At the April 2023 SBOE meeting, the board discussed and approved changes to the TEKS review process, including approving a process for selecting work group members. The changes were implemented beginning with the engineering TEKS review process. The SBOE began the review of current CTE TEKS, the development of new CTE TEKS, and the review of innovative courses to be approved as TEKS for courses in the new engineering program of study in 2024. New engineering CTE TEKS were adopted at the April 2025 SBOE meeting.

At the April 2024 meeting, the SBOE approved new TEKS for 23 courses in the agribusiness, animal science, plant science, and aviation maintenance programs of study as well as two STEM courses that may satisfy science graduation requirements, Physics for Engineering and Scientific Research and Design. Additionally, Texas Education Agency (TEA) staff shared an overview of upcoming interrelated needs for TEKS review and revision and instructional materials review and approval (IMRA). Staff explained upcoming needs related to development and amendment of CTE courses, made recommendations for completing the work in batches, and recommended including CTE in the next three cycles of IMRA.

At the June 2024 meeting, the board considered next steps related to the adoption of CTE courses that are needed to complete programs of study and a schedule for future CTE TEKS reviews. The SBOE approved recommendations that TEA present a set of innovative courses with minor edits for consideration for adoption as TEKS-based courses. Additionally, the SBOE authorized TEA to enter into interagency contracts with Collin College, TSTC, and ESC Region 4 to develop initial drafts of TEKS for the CTE courses.

The proposed new sections would ensure the standards for these career clusters support relevant and meaningful programs of study.

The SBOE approved the proposed new rules for first reading and filing authorization at its June 27, 2025 meeting.

FISCAL IMPACT: Monica Martinez, associate commissioner for standards and programs, has determined that for the first five years the proposal is in effect (2025-2029), there are no additional costs to state government. However, in fiscal year 2025 there was a cost to the state of approximately \$285,000 to secure contracts for the development of the proposed new CTE TEKS. In addition, there will be implications for TEA if the state develops professional development to help teachers and administrators understand the revised TEKS. Any professional development that is created would be based on whether TEA received an appropriation for professional development in the next biennium.

There may be fiscal implications for school districts and charter schools to implement the proposed new TEKS, which may include the need for professional development and revisions to district-developed databases, curriculum, and scope and sequence documents. Since curriculum and instruction decisions are made at the local district level, it is difficult to estimate the fiscal impact on any given district.

LOCAL EMPLOYMENT IMPACT: The proposal has no effect on local economy; therefore, no local employment impact statement is required under Texas Government Code, §2001.022.

SMALL BUSINESS, MICROBUSINESS, AND RURAL COMMUNITY IMPACT: The proposal has no direct adverse economic impact for small businesses, microbusinesses, or rural communities; therefore, no regulatory flexibility analysis specified in Texas Government Code, §2006.002, is required.

COST INCREASE TO REGULATED PERSONS: The proposal does not impose a cost on regulated persons, another state agency, a special district, or a local government and, therefore, is not subject to Texas Government Code, §2001.0045.

TAKINGS IMPACT ASSESSMENT: The proposal does not impose a burden on private real property and, therefore, does not constitute a taking under Texas Government Code, §2007.043.

GOVERNMENT GROWTH IMPACT: TEA staff prepared a Government Growth Impact Statement assessment for this proposed rulemaking. During the first five years the proposed rulemaking would be in effect, it would create new regulations by proposing new CTE TEKS required to be taught by school districts and charter schools offering the courses.

The proposed rulemaking would not create or eliminate a government program; would not require the creation of new employee positions or elimination of existing employee positions; would not require an increase or decrease in future legislative appropriations to the agency; would not require an increase or decrease in fees paid to the agency; would not expand, limit, or repeal an existing regulation; would not increase or decrease the number of individuals subject to its applicability; and would not positively or adversely affect the state's economy.

PUBLIC BENEFIT AND COST TO PERSONS: Ms. Martinez has determined that for each year of the first five years the proposal is in effect, the public benefit anticipated as a result of enforcing the proposal would be to add course options for students to support relevant and meaningful programs of study. There is no anticipated economic cost to persons who are required to comply with the proposal.

DATA AND REPORTING IMPACT: The proposal would have no data or reporting impact.

PRINCIPAL AND CLASSROOM TEACHER PAPERWORK REQUIREMENTS: TEA has determined that the proposal would not require a written report or other paperwork to be completed by a principal or classroom teacher.

PUBLIC COMMENTS: The SBOE requests public comments on the proposal, including, per Texas Government Code, §2001.024(a)(8), information related to the cost, benefit, or effect of the proposed rule and any applicable data, research, or analysis, from any person required to comply with the proposed rule or any other interested person. The public comment period on the proposal begins October 10, 2025, and ends at 5:00 p.m. on November 10, 2025. A form for submitting public comments is available on the TEA website at <https://tea.texas.gov/about-tea/laws-and-rules/sboe-rules-tac/proposed-state-board-of-education-rules>. The SBOE will take registered oral and written comments on the proposal at the appropriate committee meeting in November 2025 in accordance with the SBOE board operating policies and procedures. A request for a public hearing on the proposal submitted under the Administrative Procedure Act must be received by the commissioner of education not more than 14 calendar days after notice of the proposal has been published in the *Texas Register* on October 10, 2025.

SUBCHAPTER F. BUSINESS, MARKETING, AND FINANCE

19 TAC §127.270

STATUTORY AUTHORITY. The new section is proposed under Texas Education Code (TEC), §7.102(c)(4), which requires the State Board of Education (SBOE) to establish curriculum and graduation requirements; TEC, §28.002(a), which identifies the subjects of the required curriculum; TEC, §28.002(c), which requires the SBOE to identify by rule the essential knowledge and skills of each subject in the required curriculum that all students should be able to demonstrate and that will be used in evaluating instructional materials and addressed on the state assessment instruments; TEC, §28.002(n), which allows the

SBOE to develop by rule and implement a plan designed to incorporate foundation curriculum requirements into the career and technical education (CTE) curriculum required in TEC, §28.002; TEC, §28.002(o), which requires the SBOE to determine that at least 50% of the approved CTE courses are cost effective for a school district to implement; TEC, §28.025(a), which requires the SBOE to determine by rule the curriculum requirements for the foundation high school graduation program that are consistent with the required curriculum under TEC, §28.002; and TEC, §28.025(b-17), which requires the SBOE to ensure by rule that a student may comply with curriculum requirements under TEC, §28.025(b-1)(6), by successfully completing an advanced CTE course, including a course that may lead to an industry-recognized credential or certificate or an associate degree.

CROSS REFERENCE TO STATUTE. The new section implements Texas Education Code, §§7.102(c)(4); 28.002(a), (c), (n), and (o); and 28.025(a) and (b-17).

§127.270. Commercial Lending and Real Estate (One Credit), Adopted 2025.

(a) Implementation.

(1) The provisions of this section shall be implemented by school districts beginning with the 2026-2027 school year.

(2) School districts shall implement the employability skills student expectations listed in §127.15(d)(2) of this chapter (relating to Career and Technical Education Employability Skills) as an integral part of this course.

(b) General requirements. This course is recommended for students in Grades 10-12. Prerequisite: at least one credit in a Level 2 or higher course from the Business, Marketing, and Finance Career Cluster. Students shall be awarded one credit for successful completion of this course.

(c) Introduction.

(1) Career and technical education instruction provides content aligned with challenging academic standards and relevant technical knowledge and skills for students to further their education and succeed in current or emerging professions.

(2) The Business, Marketing, and Finance Career Cluster focuses on planning, managing, organizing, directing, and evaluating business functions essential to efficient and productive business management, finance, operations, and marketing.

(3) Commercial Lending and Real Estate is designed to equip students with the knowledge and skills needed to excel in the field of commercial lending. Students gain an understanding of commercial lending principles and practices, develop expertise in analyzing commercial real estate properties, learn about various types of commercial loans and their underwriting processes, and explore the role of commercial lenders in driving economic development.

(4) Students are encouraged to participate in extended learning experiences such as career and technical student organizations and other organizations that foster leadership and career development in the profession such as student chapters of related professional associations.

(5) Statements that contain the word "including" reference content that must be mastered, while those containing the phrase "such as" are intended as possible illustrative examples.

(d) Knowledge and skills.

(1) The student understands the fundamental concepts of commercial lending and real estate. The student is expected to:

(A) define commercial lending and distinguish commercial lending from residential lending;

(B) explain how the role of commercial lending affects economic development and the growth of the real estate market; and

(C) describe the relationship between commercial real estate and commercial lending practices.

(2) The student examines different types of commercial real estate. The student is expected to:

(A) identify and describe various types of commercial properties, including office buildings, retail centers, industrial facilities, and multifamily housing;

(B) analyze the unique characteristics and investment potential of each type of commercial property; and

(C) identify and evaluate the impact of market trends on different sectors of commercial real estate.

(3) The student understands the processes involved in commercial lending. The student is expected to:

(A) describe the steps involved in originating a commercial loan, including application, underwriting, and approval;

(B) analyze the criteria, including income, credit history, and collateral, that lenders use to assess creditworthiness of borrowers; and

(C) explain the role of risk assessment and mitigation in the commercial lending process.

(4) The student uses financial analysis techniques to evaluate commercial real estate investments. The student is expected to:

(A) calculate key financial metrics such as net operating income (NOI), cap rate, and return on investment (ROI) for a given commercial lending scenario;

(B) use financial modeling to project cash flows and assess the profitability of commercial real estate projects through consideration of market trends, financing options, and risk assessment; and

(C) analyze the impact of financing terms, interest rates, and loan structures on commercial real estate investments.

(5) The student examines commercial lending and real estate legal and regulatory environments. The student is expected to:

(A) identify key laws and regulations, including zoning laws, environmental regulations, and fair lending practices, that govern commercial real estate transactions;

(B) analyze the role of contracts in commercial real estate, including purchase agreements, lease agreements, and loan documents;

(C) explain the difference between surface rights and mineral rights and how they relate to commercial real estate projects; and

(D) identify and discuss how regulatory changes impact commercial lending and real estate markets.

(6) The student explores the various structures and terms used in commercial loans. The student is expected to:

(A) describe common loan structures, including fixed-rate, adjustable-rate, and interest-only loans;

(B) analyze the advantages and disadvantages of different loan terms, including loan-to-value ratio, origination costs, amortization period, and prepayment penalties; and

(C) compare creative commercial financing options such as mezzanine financing and bridge loans in commercial real estate transactions.

(7) The student analyzes commercial real estate markets to inform investment and lending decisions. The student is expected to:

(A) conduct market research to assess supply and demand dynamics in commercial real estate;

(B) evaluate the impact of economic indicators, including employment and interest rates on commercial real estate markets; and

(C) analyze and evaluate emerging trends in commercial real estate such as urbanization and technology-driven changes.

(8) The student understands the importance of risk management in commercial lending and real estate. The student is expected to:

(A) identify common risks associated with commercial lending, including default risk, interest rate risk, and market risk;

(B) research and describe risk mitigation strategies, including diversification, insurance, and due diligence, used in commercial lending and real estate transactions; and

(C) evaluate the role of loan covenants, personal guarantees, cosigners, and credit enhancements in protecting lenders.

(9) The student examines the processes involved in servicing commercial loans and managing real estate assets. The student is expected to:

(A) describe the responsibilities of loan servicers, including payment processing, account management, and collections;

(B) analyze asset management strategies for maximizing the value of commercial real estate investments, including financial analysis, performance monitoring, property management, tenant relations, market analysis, strategic planning, risk management, portfolio diversification, and exit strategy planning; and

(C) research and describe the challenges of managing distressed assets and non-performing loans such as valuation difficulties, legal and regulatory complexities, operational challenges, market and economic factors, and reputational risks.

(10) The student understands the principles and practices of commercial real estate development. The student is expected to:

(A) describe the stages of commercial real estate development from site selection to project completion;

(B) analyze the financial, legal, and regulatory considerations of commercial development projects; and

(C) analyze various impacts of development on communities, including benefits and challenges.

(11) The student identifies and understands ethical considerations in commercial lending and real estate transactions. The student is expected to:

(A) discuss ethical issues related to lending practices, including predatory lending, conflicts of interest, and transparency, and evaluate the impact of these issues on consumers and financial institutions; and

(B) propose strategies for promoting integrity and ethical behavior in the commercial lending and real estate professions, including transparency, accountability, and compliance with regulations.

(12) The student explores career opportunities in commercial lending and real estate. The student is expected to:

(A) identify various career paths in commercial lending and real estate, including loan officers, underwriters, real estate appraisers, real estate analysts, and developers, and describe the primary responsibilities and qualifications for each role;

(B) research and identify the education, skills, and certifications required for different roles in the industry, including loan officers, real estate appraisers, underwriters, real estate analysts, and developers; and

(C) develop a career plan that includes short- and long-term goals for entering and advancing in the commercial lending and real estate fields.

(13) The student explores entrepreneurship opportunities in commercial lending and real estate. The student is expected to:

(A) research and identify federal rules such as Consumer Financial Protection Bureau and Nationwide Multistate Licensing Systems rules and federal laws such as the Truth in Lending Act and Fair Credit Reporting Act related to owning and operating a mortgage firm;

(B) research and identify federal rules such as Housing Urban Development and Federal Housing Finance Agency (FHFA) rules and federal laws such as the Fair Housing Act and Equal Opportunity Act related to owning and operating a commercial real estate agency; and

(C) research and identify requirements for owning and operating a commercial real estate property.

The agency certifies that legal counsel has reviewed the proposal and found it to be within the state agency's legal authority to adopt.

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Cristina De La Fuente-Valadez

Director, Rulemaking

Texas Education Agency

Earliest possible date of adoption: November 9, 2025

For further information, please call: (512) 475-1497



SUBCHAPTER J. HEALTH SCIENCE

19 TAC §127.472, §127.512

STATUTORY AUTHORITY. The new sections are proposed under Texas Education Code (TEC), §7.102(c)(4), which requires the State Board of Education (SBOE) to establish curriculum and graduation requirements; TEC, §28.002(a), which identifies the subjects of the required curriculum; TEC, §28.002(c), which requires the SBOE to identify by rule the essential knowledge and skills of each subject in the required curriculum that all students should be able to demonstrate and that will be used in evaluating instructional materials and addressed on the state assessment instruments; TEC, §28.002(n), which allows the SBOE to develop by rule and implement a plan designed to

incorporate foundation curriculum requirements into the career and technical education (CTE) curriculum required in TEC, §28.002; TEC, §28.002(o), which requires the SBOE to determine that at least 50% of the approved CTE courses are cost effective for a school district to implement; TEC, §28.025(a), which requires the SBOE to determine by rule the curriculum requirements for the foundation high school graduation program that are consistent with the required curriculum under TEC, §28.002; and TEC, §28.025(b-17), which requires the SBOE to ensure by rule that a student may comply with curriculum requirements under TEC, §28.025(b-1)(6), by successfully completing an advanced CTE course, including a course that may lead to an industry-recognized credential or certificate or an associate degree.

CROSS REFERENCE TO STATUTE. The new sections implement Texas Education Code, §§7.102(c)(4); 28.002(a), (c), (n), and (o); and 28.025(a) and (b-17).

§127.472. Introduction to Pharmacy Science (One Credit), Adopted 2025.

(a) Implementation.

(1) The provisions of this section shall be implemented by school districts beginning with the 2026-2027 school year.

(2) School districts shall implement the employability skills student expectations listed in §127.15(d)(1) of this chapter (relating to Career and Technical Education Employability Skills) as an integral part of this course.

(b) General requirements. This course is recommended for students in Grades 9 and 10. Students shall be awarded one credit for successful completion of this course.

(c) Introduction.

(1) Career and technical education instruction provides content aligned with challenging academic standards and relevant technical knowledge and skills for students to further their education and succeed in current or emerging professions.

(2) The Health Science Career Cluster focuses on planning, managing, and providing therapeutic services, diagnostic services, health informatics, support services, and biotechnology research and development.

(3) The Introduction to Pharmacy Science course is designed to provide an overview of the history of the pharmacy profession, legal and ethical aspects of pharmacy, and the skills necessary to work in the field of pharmacy. The course addresses certifications/registration and state and federal regulations and rules pertaining to the field. Students acquire a foundational understanding of medical terminology and math, anatomy and physiology, pathophysiology, pharmacology, and wellness as they pertain to pharmacy sciences.

(A) To pursue a career in the health science industry, students should learn to reason, think critically, make decisions, solve problems, and communicate effectively. Students should recognize that quality healthcare depends on the ability to work well with others.

(B) Professional integrity in the health science industry is dependent on acceptance of ethical responsibilities. Students employ their ethical responsibilities, recognize limitations, and understand the implications of their actions.

(4) Students are encouraged to participate in extended learning experiences such as career and technical student organizations and other organizations that foster leadership and career development

in the profession such as student chapters of related professional associations.

(5) Statements that contain the word "including" reference content that must be mastered, while those containing the phrase "such as" are intended as possible illustrative examples.

(d) Knowledge and skills.

(1) The student researches the history of medicine and pharmacy and how it differs from modern practices. The student is expected to:

(A) identify beliefs associated with illness and medicine from 440 BC through AD 1600;

(B) describe treatments, including herbal remedies and supernatural explanations, that were commonly practiced prior to the Enlightenment period in Western Civilization; and

(C) describe eighteenth and nineteenth century medicine, including bloodletting, purging, blistering, inoculation, amputation, and surgery and how major wars influenced medicine.

(2) The student explains the ethical and legal responsibilities of pharmacists and pharmacy technicians. The student is expected to:

(A) describe basic laws and regulations that govern pharmacy at the state and federal level;

(B) describe legal terms, including medical malpractice, negligence, mislabeling, adverse drug event (ADE), and wrongful death, and consequences associated with medication errors, including civil lawsuits, professional disciplinary action, and criminal charges, related to dispensing and compounding medications;

(C) differentiate between negligence, product liability, contributory negligence, and strict liability;

(D) differentiate between the roles and responsibilities of a pharmacist and a pharmacy technician;

(E) explain the role of pharmacists in managing opioid therapies, addressing misuse, and promoting safe and effective pain management;

(F) describe why maintaining confidentiality of patient information is vital and summarize the Health Insurance Portability and Accountability Act (HIPAA);

(G) identify tort law and explain how HIPAA relates to medical negligence cases; and

(H) define professional liability.

(3) The student demonstrates professionalism and effectively communicates with healthcare workers and patients. The student is expected to:

(A) define appropriate and professional attire required for laboratory work;

(B) describe appropriate hygiene expected of pharmaceutical professionals;

(C) discuss professional attitudes and behaviors expected of pharmacy employees;

(D) identify the key characteristics of effective and ineffective communication in pharmacy practice;

(E) accurately interpret, transcribe, and communicate medical vocabulary using appropriate technologies;

(F) identify ways to eliminate barriers to effective communication in a pharmacy setting; and

(G) identify communication skills needed to work with individuals who are terminally ill, intellectually disabled or hearing and vision impaired or have other impairments in a pharmacy setting.

(4) The student examines skills, training, and certifications necessary to work in the field of pharmacy. The student is expected to:

(A) explain how time management, stress management, and change management skills can support the ability to thrive in a continuously evolving pharmacy profession;

(B) analyze applicability of interpersonal skills, including negotiation skills, conflict resolution, customer service, and teamwork within a pharmacy setting;

(C) demonstrate problem-solving skills by developing and implementing effective solutions to pharmacy challenges within a specified time frame;

(D) explain methods to maintain competency in the pharmacy industry through continuing education and continuing professional development; and

(E) compare various career paths in pharmacy, including pharmacist, pharmacy technician, sales representative, and pharmaceutical research.

(5) The student uses appropriate medical vocabulary to communicate effectively with other healthcare professionals. The student is expected to:

(A) identify the various routes of drug medication administration, including oral, injection, topical, buccal, suppository, mucosal, intravenous, interosseous, nebulization, and intrathecal;

(B) differentiate between the various classes of drugs;

(C) define prefixes, roots, suffixes, and abbreviations common to the pharmacy profession;

(D) define common terms associated with pharmacology; and

(E) apply knowledge of word roots, prefixes, and suffixes to comprehend unfamiliar terms in pharmacy science.

(6) The student uses mathematical calculations and systems of measurement to solve problems in pharmacy. The student is expected to:

(A) perform medication calculations using different systems of measurement, including metric, apothecary, and household systems;

(B) convert units within and between the metric and imperial measurement systems;

(C) convert measurements between the metric, apothecary, and avoirdupois systems; and

(D) perform multistep ratio and proportion drug concentration problems.

(7) The student understands the fundamental principles of human anatomy, physiology, pathophysiology, and basic pharmacology. The student is expected to:

(A) describe the anatomy and physiology of the human body systems, including integumentary, musculoskeletal, nervous, immune, lymphatic, endocrine, cardiovascular, respiratory, gastrointestinal, renal, genitourinary, and hematological systems, and the senses;

(B) describe the pathophysiology of the main human body systems, including integumentary, musculoskeletal, nervous, immune, lymphatic, endocrine, cardiovascular, respiratory, gastrointestinal, renal, genitourinary, and hematological systems, and the senses; and

(C) identify the basic drug categories that affect each of the main human body systems, including integumentary, musculoskeletal, nervous, immune, lymphatic, endocrine, cardiovascular, respiratory, gastrointestinal, renal, genitourinary, and hematological systems, and the senses.

(8) The student explores the application of basic wellness concepts and disease prevention strategies. The student is expected to:

(A) describe the recommended vaccination schedule, including how to counsel on recommendations for patient populations with certain chronic illnesses;

(B) explain vaccine exemptions, including medical, religious belief, and conscientious exemptions;

(C) explain standard procedures for delivery and documentation of immunizations;

(D) analyze the effectiveness and safety of complementary and alternative medicines (CAM) such as acupuncture, acupressure, cupping, and coining and CAM's potential impact on traditional medical treatments;

(E) explain the role of health screenings in maintaining a healthy population;

(F) research and describe the impact of external factors such as diet, exercise, alcohol, tobacco, vaping, and drug use on patient health; and

(G) explain the role of medication therapy management (MTM) in optimizing patient health and medication compliance.

(9) The student understands pharmaceutical regulations that are enforced by state and federal agencies. The student is expected to:

(A) define Occupational Safety and Health Administration (OSHA) requirements for prevention of exposure to hazardous substances, including risk assessment;

(B) define National Institute of Occupational Safety and Health (NIOSH) requirements for prevention of exposure to hazardous substances, including risk assessment;

(C) define United States Pharmacopeia (USP) requirements for prevention of exposure to hazardous substances, including risk assessment;

(D) identify hazardous medications and materials and how to safely handle, dispense, and dispose of them using information from Safety Data Sheets (SDS), NIOSH Hazardous Drug List, and USP;

(E) describe requirements for prevention and response to blood-borne pathogen exposure, including accidental needle stick and post-exposure prophylaxis; and

(F) explain OSHA Hazard Communication Standards.

§127.512. *Science of Nursing (One Credit), Adopted 2025.*

(a) Implementation.

(1) The provisions of this section shall be implemented by school districts beginning with the 2026-2027 school year.

(2) School districts shall implement the employability skills student expectations listed in §127.15(d)(1) of this chapter (relating to Career and Technical Education Employability Skills) as an integral part of this course.

(b) General requirements. This course is recommended for students in Grades 10 and 11. Recommended prerequisite: Principles of Nursing Science or Principles of Health Science. Students shall be awarded one credit for successful completion of this course.

(c) Introduction.

(1) Career and technical education instruction provides content aligned with challenging academic standards and relevant technical knowledge and skills for students to further their education and succeed in current or emerging professions.

(2) The Health Science Career Cluster focuses on planning, managing, and providing therapeutic services, diagnostics services, health informatics, support services, and biotechnology research and development.

(3) The Science of Nursing course introduces students to basic research-based concepts in nursing. Topics include the nursing process, regulatory agencies, professional organizations, and the importance of critical thinking in patient care. Instruction includes skills needed to pursue a nursing degree and training requirements for specialty nursing roles. Knowledge and skills include emergency care, patient assessment, basic interpretation of vital signs, identification of patients with physical and mental disabilities, patient positioning, use of assistive devices, and application of nursing theories in patient care plans.

(A) To pursue a career in the health science industry, students should learn to reason, think critically, make decisions, solve problems, and communicate effectively. Students should recognize that quality healthcare depends on the ability to work well with others.

(B) Professional integrity in the health science industry is dependent on acceptance of ethical responsibilities. Students employ their ethical responsibilities, recognize limitations, and understand the implications of their actions.

(4) Students are encouraged to participate in extended learning experiences such as career and technical student organizations and other organizations that foster leadership and career development in the profession such as student chapters of related professional associations.

(5) Statements that contain the word "including" reference content that must be mastered, while those containing the phrase "such as" are intended as possible illustrative examples.

(d) Knowledge and skills.

(1) The student understands tiers of nursing careers and the associated licensures. The student is expected to:

(A) identify and describe the educational and certification requirements for an entry-level patient care technician (PCT);

(B) identify and describe common work settings, including hospitals, doctors' offices, and healthcare agencies for PCTs;

(C) list qualifications to become a certified nursing assistant (CNA);

(D) identify and describe scope of practice for CNAs;

(E) describe the professional responsibilities of unlicensed assistive personnel (UAP) and explain how UAPs assist

individuals with physical disabilities, mental disorders, and other healthcare needs;

(F) compare coursework required to obtain nursing credentials, including a licensed vocational nurse (LVN), Associate Degree Registered Nurse (ADN RN), and Bachelor of Science in Nursing Registered Nurse (BSN RN);

(G) analyze the requirements for advanced practice registered nurse (APRN) certification, including certified registered nurse anesthetist (CRNA), certified nurse midwife (CNM), certified nurse practitioner (CNP), and certified clinical nurse specialist (CNS); and

(H) compare nursing specialty options, including pediatric, critical care, emergency room, mental health, forensic, geriatric, and hospice nursing roles.

(2) The student examines how the nursing process is used to collect subjective and objective data in patient assessment. The student is expected to:

(A) describe the steps of a basic patient intake interview, including recording family history, biographical information, reason for seeking healthcare, present illness or health concerns, past health history, current medication list, and review of systems;

(B) explain the visual and physical head-to-toe assessment, including abnormal and normal structure and function of the body systems, used to evaluate patient condition;

(C) describe the importance of patient vital signs, including temperature, systolic and diastolic pressures, pulse, respiratory rate, pulse oximetry, and pain assessment using appropriate pain scales, in assessing a patient's overall health status;

(D) identify equipment, including a thermometer, sphygmomanometer, stethoscope, pulse oximeter, and time keeping device, used to measure and record patient vital signs;

(E) compare patient vital signs, including values outside of normal ranges, that establish baseline homeostasis; and

(F) explain how the steps in the nursing process are used to assist the patient to reach optimal physiological, social, mental, and emotional wellness.

(3) The student demonstrates knowledge of therapeutic care by reviewing patient activities of daily living (ADL). The student is expected to:

(A) define and differentiate between essential ADLs;

(B) explain the procedures for assessing patient independence, identifying functional limitations, and developing appropriate care plans;

(C) explain how a nurse promotes optimal patient function and quality of life;

(D) identify mental health disorders, including depression and anxiety, on patient ADLs;

(E) evaluate physical disabilities and limitations to recommend the correct assistive device for patient care; and

(F) identify and align therapeutic care to specific deficiencies in ADLs such as performing personal care, ambulating, and orienting to and using assistive devices to promote patient independence and optimize functional outcomes.

(4) The student understands the role of the nurse in providing first aid and emergency care. The student is expected to:

(A) identify and describe first aid and emergency care certifications such as Basic Life Support (BLS), Automated External Defibrillator (AED), First Aid, and Mental Health First Aid;

(B) discuss the advantages of obtaining first aid and emergency care certifications;

(C) identify and describe first aid and emergency care skills used by nurses; and

(D) explain the significance of the role of a nurse in an emergency setting such as an emergency room, intensive care unit, urgent care, or a life-saving event.

(5) The student applies nursing theory to simulate the implementation of patient care. The student is expected to:

(A) identify and explain the purpose of medical equipment that is used to assist patients with varied needs, including a Hoyer lift, hospital beds, foley catheter and drainage system, wheelchairs, gait belts, and bedside commodes;

(B) compare patient care needs throughout the lifespan using theories such as Maslow's Hierarchy of Needs, Erik Erikson's Stages of Psychosocial Development, Jean Piaget's Theory of Child Development, and Lev Vygotsky's Contemporary Theories on Development;

(C) identify proper patient positioning for patient needs, including Trendelenburg, Fowler's, supine, prone, lithotomy, and lateral recumbent;

(D) identify methods used to educate patients, family members, and caregivers in techniques for managing disabilities; and

(E) model the proper use of assistive medical equipment used in a variety of medical facilities, including long-term care, nursing and rehabilitation, home healthcare settings, and classroom environment.

(6) The student examines technology used in the practice of nursing. The student is expected to:

(A) identify and describe the technology, including electronic medical records, mobile computer workstations, scanning devices, and charting software, used to collect patient information;

(B) describe how to access laboratory values and normal ranges for diagnostic tests such as complete blood count, comprehensive metabolic panel, basic metabolic panel, and urinalysis to determine patient health status; and

(C) identify and describe advancements in technology, including remote patient monitoring systems, wearable monitoring systems, electronic intake patient interviews, interpreting services, deaf-link communication services, and patient safety alarms.

(7) The student understands the importance of using critical-thinking skills in the nursing process. The student is expected to:

(A) analyze the components of conducting a comprehensive patient assessment;

(B) identify and differentiate between subjective and objective data, including what the patient reports and what is observable and quantifiable;

(C) compare trends in health outcomes between national, Texas, and local populations across their lifespans, including birth rates, life expectancy, mortality rates, and morbidity rates;

(D) analyze peer-reviewed medical research articles to evaluate the efficacy of specific treatments in improving patient care outcomes;

(E) create a patient care plan using procedures, including assess, diagnose, plan, implement and evaluate (ADPIE) and subjective, objective, assess, plan, implement, and evaluate (SOAPIE);

(F) analyze the impact of nursing interventions on patient condition in a simulated setting; and

(G) examine and describe clinical outcomes based upon patient assessment, care plan, and nursing interventions.

(8) The student understands pharmacology terminology associated with nursing practices. The student is expected to:

(A) identify and describe the eight rights of medication administration, including right patient, medication, dose, route, time, documentation, diagnosis, and response;

(B) identify and describe the principles of pharmacodynamics, including receptor binding, drug-receptor interactions, dose-response relationships, and therapeutic index;

(C) explain pharmacokinetics in the human body system, including the course of drug absorption, distribution, metabolism, and excretion;

(D) analyze the advantages of various routes of drug administration, including oral, injection, topical, buccal, suppository, mucosal, intravenous, interosseous, nebulization, and intrathecal; and

(E) analyze the disadvantages of various routes of drug administration, including oral, injection, topical, buccal, suppository, mucosal, intravenous, interosseous, nebulization, and intrathecal.

The agency certifies that legal counsel has reviewed the proposal and found it to be within the state agency's legal authority to adopt.

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Cristina De La Fuente-Valadez

Director, Rulemaking

Texas Education Agency

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For further information, please call: (512) 475-1497



SUBCHAPTER O. MANUFACTURING

19 TAC §§127.824, 127.828 - 127.830

STATUTORY AUTHORITY. The new sections are proposed under Texas Education Code (TEC), §7.102(c)(4), which requires the State Board of Education (SBOE) to establish curriculum and graduation requirements; TEC, §28.002(a), which identifies the subjects of the required curriculum; TEC, §28.002(c), which requires the SBOE to identify by rule the essential knowledge and skills of each subject in the required curriculum that all students should be able to demonstrate and that will be used in evaluating instructional materials and addressed on the state assessment instruments; TEC, §28.002(n), which allows the SBOE to develop by rule and implement a plan designed to incorporate foundation curriculum requirements into the career and technical education (CTE) curriculum required in TEC,

§28.002; TEC, §28.002(o), which requires the SBOE to determine that at least 50% of the approved CTE courses are cost effective for a school district to implement; TEC, §28.025(a), which requires the SBOE to determine by rule the curriculum requirements for the foundation high school graduation program that are consistent with the required curriculum under TEC, §28.002; and TEC, §28.025(b-17), which requires the SBOE to ensure by rule that a student may comply with curriculum requirements under TEC, §28.025(b-1)(6), by successfully completing an advanced CTE course, including a course that may lead to an industry-recognized credential or certificate or an associate degree.

CROSS REFERENCE TO STATUTE. The new sections implement Texas Education Code, §§7.102(c)(4); 28.002(a), (c), (n), and (o); and 28.025(a) and (b-17).

§127.824. Blueprint Reading for Manufacturing Applications (One Credit), Adopted 2025.

(a) Implementation.

(1) The provisions of this section shall be implemented by school districts beginning with the 2026-2027 school year.

(2) School districts shall implement the employability skills student expectations listed in §127.15(d)(1) of this chapter (relating to Career and Technical Education Employability Skills) as an integral part of this course.

(b) General requirements. This course is recommended for students in Grades 9-12. Recommended prerequisites: Algebra I and Geometry. Students shall be awarded one credit for successful completion of this course.

(c) Introduction.

(1) Career and technical education instruction provides content aligned with challenging academic standards and relevant technical knowledge and skills for students to further their education and succeed in current or emerging professions.

(2) The Manufacturing Career Cluster focuses on planning, managing, and performing the processing of materials into intermediate or final products and related professional and technical support activities such as production planning and control, maintenance, and manufacturing/process engineering.

(3) In Blueprint Reading for Manufacturing Applications, students gain knowledge and skills in an introduction to reading and interpreting working drawings for basic machining processes, mechanical maintenance, basic electrical, basic fluid power, and basic facility prints. Students also use sketching techniques to create pictorial and multiple-view drawings.

(4) Students are encouraged to participate in extended learning experiences such as career and technical student organizations and other organizations that foster leadership and career development in the profession such as student chapters of related professional associations.

(5) Statements that contain the word "including" reference content that must be mastered, while those containing the phrase "such as" are intended as possible illustrative examples.

(d) Knowledge and skills.

(1) The student demonstrates an understanding of blueprint and technical drafting terminology and functions. The student is expected to:

(A) explain the function of various parts of a title block such as scale, materials, and print title;

(B) interpret and explain the function of multi-view drawings;

(C) describe fractional, decimal, and metric dimensions used in technical drawings;

(D) interpret and explain the function of section views;

(E) identify and describe projection methods, including isometric, oblique, and orthographic, used in engineering drawings;

(F) explain the function of auxiliary views;

(G) identify and explain types of dimensions, including linear, radial, angular, ordinate, and arc length;

(H) explain the function of pictorial drawings in manufacturing applications;

(I) explain the function of geometric dimensioning and tolerancing in manufacturing applications;

(J) explain tolerances with parts from a print;

(K) explain the function of scaling in a print;

(L) differentiate between a pictorial and a schematic drawing;

(M) explain the function of call outs in a print; and

(N) differentiate between electrical schematics, fluid power schematics, and piping and instrumentation diagram (P&ID) drawings.

(2) The student demonstrates an understanding of tools and symbols to produce technical schematics, facility prints, P&ID prints, and blueprints. The student is expected to:

(A) explain the function of and use a compass for drawing arcs in a print;

(B) explain the function of and use measuring devices such as scales, micrometers, and dial calipers;

(C) explain and demonstrate basic functions of computer-aided design and drafting (CADD) software;

(D) identify blueprint symbols, including surface profile, position, run out, countersink, and depth symbols;

(E) differentiate between driving and reference dimensions;

(F) identify basic electrical print symbols, including switch, lamp, relay, and contact symbols;

(G) identify basic fluid power print symbols, including power unit, actuator, directional control valve, and flow control symbols;

(H) identify various P&ID symbols, including valve, gauge, meter, and regulator symbols; and

(I) identify symbols for components, including threads, fasteners, and springs, used in the manufacturing process.

(3) The student interprets facility drawings related to manufacturing buildings. The student is expected to:

(A) interpret and explain floor plan drawings;

(B) interpret and explain elevation drawings;

(C) interpret and explain section views and details;

(D) locate electrical components, including distribution panels, lights, switches, and outlets, on facility drawings;

(E) identify plumbing components, including drains, water supply, and boilers, on facility drawings; and

(F) identify heating, ventilation, and air conditioning (HVAC) components, including condensers, evaporators, and plenum, in facility drawings.

(4) The student applies drafting principles to create sketch pictorials and construct multi-view drawings. The student is expected to:

(A) sketch auxiliary projected views, including inclined and oblique surfaces, in pictorial drawings;

(B) create a sketch using multi-views; and

(C) annotate a series of multi-view projections using proper dimensioning standards.

(5) The student demonstrates knowledge of tolerances as applied to technical drawings and prints. The student is expected to:

(A) illustrate and explain how bilateral and unilateral tolerances are expressed in drawings; and

(B) calculate tolerances for mating parts based on maximum material conditions, tolerance stacking, and allowance.

(6) The student demonstrates knowledge of revision information related to drawings. The student is expected to:

(A) describe standard drawing practices such as title blocks, revision history, and change orders for drawing revisions;

(B) apply standard drawing practices to revise technical drawings, ensuring accuracy and compliance with industry standards; and

(C) apply revision information, including date of revision, description of changes, and approval signatures, to mechanical and electrical industrial prints.

§127.828. Industrial Maintenance (One Credit), Adopted 2025.

(a) Implementation.

(1) The provisions of this section shall be implemented by school districts beginning with the 2026-2027 school year.

(2) School districts shall implement the employability skills student expectations listed in §127.15(d)(1) of this chapter (relating to Career and Technical Education Employability Skills) as an integral part of this course.

(b) General requirements. This course is recommended for students in Grades 10-12. Students shall be awarded one credit for successful completion of this course.

(c) Introduction.

(1) Career and technical education instruction provides content aligned with challenging academic standards and relevant technical knowledge and skills for students to further their education and succeed in current or emerging professions.

(2) The Manufacturing Career Cluster focuses on planning, managing, and performing the processing of materials into intermediate or final products and related professional and technical support activities such as production planning and control, maintenance, and manufacturing/process engineering.

(3) Industrial Maintenance is designed to introduce students to knowledge and skills used in the proper application of

industrial maintenance. The study of manufacturing technology allows students to reinforce, apply, and transfer academic knowledge and skills to a variety of relevant maintenance tasks. Students gain an understanding of what employers require to gain and maintain employment in manufacturing careers.

(4) Students are encouraged to participate in extended learning experiences such as career and technical student organizations and other organizations that foster leadership and career development in the profession such as student chapters of related professional associations.

(5) Statements that contain the word "including" reference content that must be mastered, while those containing the phrase "such as" are intended as possible illustrative examples.

(d) Knowledge and skills.

(1) The student applies mechanical skills to maintain and repair industrial equipment using the appropriate tools and equipment while adhering to safety policies. The student is expected to:

(A) identify equipment malfunctions using visual, audible, and other sensory inspection skills to detect issues such as lack of lubrication, misalignment, excess wear, vibration, and over-temperature;

(B) differentiate between mechanical, hydraulic, pneumatic, and electrical systems;

(C) identify safety concerns with equipment maintenance such as dangers with rotating equipment, hot surfaces from operating equipment, potential for shock from electrical power cords and grounding, and sharp surfaces from equipment wear;

(D) create a safe plan of action to address safety concerns for an industrial training environment such as sparks, metal shavings, and electrical shock hazards;

(E) identify tools and describe procedures used in cutting, drilling, cleaning, and abrasive processes;

(F) explain safety practices for various types of manufacturing tools used for cutting, drilling, cleaning, and abrasive processes;

(G) identify and demonstrate proper use of precision measuring tools, including micrometers, dial calipers, and scales, to verify proper repair and alignment; and

(H) identify and explain the applications such as material and fastener strength for various types of fasteners such as bolts, screws, washers, and nuts.

(2) The student applies communication and documentation skills to manufacturing activities. The student is expected to:

(A) compose written and oral technical communication such as maintenance plans, equipment breakdowns, and repair part ordering in a clear, concise, and effective manner for a variety of purposes and audiences;

(B) identify documentation methods such as maintenance logbooks and checklists for maintenance tasks and plans; and

(C) develop and execute a plan for maintenance task completion such as equipment lubrication, filter changes, and equipment visual checks.

(3) The student maintains and repairs industrial equipment using the appropriate tools, equipment, machines, materials, and technical processes. The student is expected to:

(A) describe the processes needed to complete a project, including initiating, planning, executing, monitoring, controlling, and closing;

(B) use appropriate tools to complete maintenance repair processes, including drilling, tapping, layout, and tightening fasteners to spec; and

(C) use various wrenches such as open and box end wrenches, filter wrenches, and adjustable pliers to disassemble filter housings to change filters and fluids.

(4) The student understands the foundations of occupational safety and health. The student is expected to:

(A) explain and discuss the responsibilities of workers and employers to promote safety and health and the rights of workers to a secure workplace;

(B) explain and discuss the importance of Occupational Safety and Health Administration (OSHA) standards and OSHA requirements for organizations;

(C) explain and discuss how OSHA inspections are conducted;

(D) explain and discuss the role of national and state safety and health regulatory entities;

(E) explain types of industrial hygiene hazards, including physical, chemical, biological, and ergonomic, and explain the role industrial hygiene plays in occupational safety;

(F) discuss the importance of safe walking and working surfaces and best practices for preventing or reducing slips, trips, and falls in the workplace;

(G) describe types of electrical hazards in the workplace;

(H) describe control methods to prevent electrical hazards in the workplace;

(I) analyze the hazards of handling, storing, using, and transporting hazardous materials;

(J) discuss ways to reduce exposure to hazardous materials in the workplace;

(K) identify workplace health and safety resources, including emergency plans, and discuss how these resources are used to make decisions in the workplace;

(L) describe elements of a safety and health program, including management leadership, worker participation, and education and training;

(M) explain the purpose and importance of written emergency action and fire protection plans;

(N) describe key components of evacuation plans, emergency exit routes, and fire hazards lists;

(O) explain the role of emergency personnel within an organization;

(P) explain components of a hazard communication program; and

(Q) explain and provide examples of safety and health training requirements specified by standard setting organizations.

(5) The student examines safe work habits in an industrial maintenance setting. The student is expected to:

(A) identify and describe proper storage and disposal procedures for hazardous materials using Safety Data Sheets (SDS);

(B) identify and demonstrate use of proper personal protective equipment (PPE) and safety requirements in the manufacturing industry such as hearing protection, eye protection, and gloves;

(C) describe and demonstrate proper lockout/tagout procedures;

(D) describe and demonstrate safe operation of power tools, including drills, saws, grinders, and sanders; and

(E) identify and select appropriate PPE needed to operate various power tools, including drills, saws, grinders, and sanders.

(6) The student examines the importance of preventative maintenance in an industrial maintenance environment. The student is expected to:

(A) perform preventative maintenance (PM), including lubrication, cleaning of parts, and tightening of fasteners, on equipment such as motors, gearboxes, chain drives, and conveyors;

(B) determine a PM schedule based on data collected from machine breakdowns, including frequency of failures, types of malfunctions, and repair times; and

(C) differentiate between reactive maintenance such as breakdown repairs, preventative maintenance such as lubrication, and predictive maintenance such as planning repairs based on previous breakdown frequencies.

(7) The student examines career opportunities and educational requirements in manufacturing and technology. The student is expected to:

(A) identify special skill career pathways in manufacturing such as maintenance technician, engineer, designer, and automation technician;

(B) identify and explain the importance of industry networking opportunities such as career or job fairs; and

(C) describe the roles and functions of engineers, technicians, and technicians in an industrial maintenance setting.

§127.829. Mechanical Maintenance (One Credit), Adopted 2025.

(a) Implementation.

(1) The provisions of this section shall be implemented by school districts beginning with the 2026-2027 school year.

(2) School districts shall implement the employability skills student expectations listed in §127.15(d)(2) of this chapter (relating to Career and Technical Education Employability Skills) as an integral part of this course.

(b) General requirements. This course is recommended for students in Grades 10-12. Prerequisite: at least one credit in a course from the Manufacturing Career Cluster. Recommended prerequisite: Algebra I or Geometry. Students shall be awarded one credit for successful completion of this course.

(c) Introduction.

(1) Career and technical education instruction provides content aligned with challenging academic standards and relevant technical knowledge and skills for students to further their education and succeed in current or emerging professions.

(2) The Manufacturing Career Cluster focuses on planning, managing, and performing the processing of materials into intermediate or final products and related professional and technical support

activities such as production planning and control, maintenance, and manufacturing/process engineering.

(3) Mechanical Maintenance is designed to introduce students to knowledge and skills used in the proper application of mechanical maintenance. The study of mechanical maintenance and hands-on application allows students to reinforce, apply, and transfer academic knowledge and skills to a variety of relevant activities. Students gain an understanding of what employers require to gain and maintain employment in manufacturing careers and potential hazards faced by the maintenance technician in an industrial setting.

(4) Students are encouraged to participate in extended learning experiences such as career and technical student organizations and other organizations that foster leadership and career development in the profession such as student chapters of related professional associations.

(5) Statements that contain the word "including" reference content that must be mastered, while those containing the phrase "such as" are intended as possible illustrative examples.

(d) Knowledge and skills.

(1) The student understands the foundations of occupational safety and health. The student is expected to:

(A) explain and discuss the responsibilities of workers and employers to promote safety and health and the rights of workers to a secure workplace;

(B) explain and discuss the importance of Occupational Safety and Health Administration (OSHA) standards and OSHA requirements for organizations;

(C) explain and discuss the importance of how OSHA inspections are conducted;

(D) explain and discuss the role of national and state regulatory entities;

(E) explain the role industrial hygiene plays in occupational safety and explain types of industrial hygiene hazards, including physical, chemical, biological, and ergonomic;

(F) discuss the importance of safe walking and working surfaces in the workplace;

(G) discuss best practices for preventing or reducing slips, trips, and falls in the workplace;

(H) describe types of electrical hazards in the workplace and the risks associated with these hazards;

(I) describe control methods to prevent electrical hazards in the workplace;

(J) analyze the hazards of handling, storing, using, and transporting hazardous materials;

(K) identify and discuss ways to reduce exposure to hazardous materials in the workplace;

(L) identify workplace health and safety resources, including emergency plans, and discuss how these resources are used to make decisions in the workplace;

(M) describe elements of a safety and health program, including management leadership, worker participation, and education and training;

(N) explain the purpose and importance of written emergency action plans and fire protection plans;

(O) describe key components of evacuation plans, emergency exit routes, fire hazards lists;

(P) explain the role of emergency personnel within an organization;

(Q) explain components of a hazard communication program; and

(R) explain and provide examples of safety and health training requirements specified by standard setting organizations such as OSHA and industrial companies.

(2) The student demonstrates safe work habits while performing mechanical activities in a mechanical maintenance setting. The student is expected to:

(A) identify and describe proper storage and disposal procedures for hazardous materials using Safety Data Sheets (SDS);

(B) identify and demonstrate use of proper personal protective equipment (PPE), including ear plugs, safety glasses, dust masks, and respirators, in the manufacturing industry;

(C) describe and demonstrate proper lockout/tagout procedures;

(D) describe and demonstrate safe operation of hand tools needed for disassembly and reassembly of mechanical parts; and

(E) identify and select appropriate PPE needed to operate various hand tools, including gloves for protection from pinch points, sharp edges, and hot surfaces.

(3) The student examines the operation of various pumps. The student is expected to:

(A) identify components of a centrifugal pump, including vane, internal seals, and bearings;

(B) identify components of a positive displacement piston pump, including rings, seals, pistons, and crankshaft;

(C) identify components of a positive displacement diaphragm pump, including diaphragm, check valves, and internal seals;

(D) explain the function of a pressure tank and effects on flow with a diaphragm pump;

(E) explain and demonstrate how to fill a suction line to prime a pump;

(F) identify components of a check valve in pumps; and

(G) explain the function of a check valve in maintaining pump priming by preventing back flow and ensuring fluid flow.

(4) The student examines the operation of various compressors. The student is expected to:

(A) identify components of compressors, including the piston, crankshaft, and cylinders, and explain how these components work together to compress air or other gases;

(B) explain the operation of a piston compressor and how the components work together to increase pressure;

(C) differentiate between a single-stage and two-stage piston compressor;

(D) identify and explain the function of intercoolers in two-stage piston compressors;

(E) identify and explain the function of after coolers in two-stage piston compressors;

(F) identify components of a rotary screw compressor, including screws, compression chamber, intake valves, and discharge valves;

(G) explain the operation of a rotary screw compressor and how the components work together to increase pressure; and

(H) explain the importance of dryers with industrial compressors, including how dryers prevent corrosion, improve efficiency, and extend equipment lifespan.

(5) The student analyzes test or performance data to assess equipment operation. The student is expected to:

(A) inspect equipment parts, including bearings, bolts, housing, and shafts, to identify typical defects such as breakage or excessive wear;

(B) observe equipment in operation to check for potential problems such as leaks, misalignment, and overheating; and

(C) test mechanical equipment to ensure proper functioning of equipment after replacement or repair of parts.

(6) The student uses prints, specifications, and diagrams to perform installation, disassembly, and assembly of mechanical systems. The student is expected to:

(A) identify components of pumps, compressors, and mechanical drives in mechanical drawings and diagrams;

(B) apply torque to fasteners as prescribed in equipment manuals during reassembly;

(C) identify input and output capability of pumps and compressors according to manufacturer specifications;

(D) identify input and output speed and torque capability of belt, chain, and gear driven mechanical drives systems according to manufacturer specifications;

(E) locate part numbers using a diagram; and

(F) use a logbook or computer to record information about parts, materials, and repair procedures.

(7) The student uses industrial maintenance skills to safely disassemble and assemble various types of pumps for the purpose of maintenance and repair. The student is expected to:

(A) identify safety hazards, including electrical, mechanical, and thermal risks, associated with assembly and disassembly of pumps;

(B) explain the purpose of lockout/tagout procedures for pumps to reduce electrical, mechanical, and thermal hazards;

(C) identify tools and describe procedures used in the disassembly and assembly of a centrifugal pump;

(D) identify tools and describe procedures used in the disassembly and assembly of a diaphragm pump;

(E) inspect pumps to locate damage, defects, and wear;

(F) operate pumps to ensure correct function such as rotation direction, prime, and flow;

(G) explain and demonstrate proper lubrication procedures for pumps; and

(H) use a logbook or computer to record information about parts, materials, and repair procedures.

(8) The student uses industrial maintenance skills to safely disassemble and assemble various types of compressors for the purpose of maintenance and repair. The student is expected to:

(A) identify safety hazards, including electrical, mechanical, and thermal risks, associated with assembly and disassembly of compressors;

(B) explain the purpose of lockout/tagout procedures for compressors to reduce electrical, mechanical, and thermal hazards;

(C) identify tools and describe procedures used in the disassembly and assembly of a reciprocating compressor;

(D) identify tools and describe procedures used in the disassembly and assembly of a rotary screw compressor;

(E) inspect compressors to locate damage, defects, and wear;

(F) operate newly reassembled compressor to ensure correct function such as direction of rotation;

(G) explain and demonstrate proper lubrication procedures for compressors; and

(H) use a logbook or computer to record information about parts, materials, and repair procedures.

(9) The student examines and recognizes internal components of various pumps and compressors. The student is expected to:

(A) identify internal seals and vanes in various compressors and pumps, including centrifugal, vane, and diaphragm pumps;

(B) inspect vanes in a centrifugal pump for wear and damage;

(C) inspect internal seals in pumps and compressors for wear and damage;

(D) inspect diaphragm for damage, defects, and wear;

(E) identify bearings on pumps and compressors; and

(F) inspect bearings on pumps and compressors for damage and wear.

(10) The student understands the purpose of specific internal components of various pumps and compressors. The student is expected to:

(A) explain the purpose of internal seals on compressors and pumps;

(B) explain the function and operation of bearings on compressors and pumps;

(C) identify and explain the function of check valves in a diaphragm pump; and

(D) explain lubrication requirements for pumps and compressors.

(11) The student understands the purpose of specific internal components of gear boxes. The student is expected to:

(A) identify and explain the function of spur gears in mechanical drive systems;

(B) identify and explain the function of helical gears in mechanical drive systems;

(C) identify and explain the function of miter and bevel gears in mechanical drive systems;

(D) differentiate between miter and bevel gears in mechanical drive systems; and

(E) identify and explain the function of slingers for lubrication distribution in mechanical drive systems.

(12) The student applies industrial maintenance skills to safely disassemble and assemble various types of mechanical drives. The student is expected to:

(A) identify tools and describe procedures used in the disassembly and assembly of belt, chain, and gear driven mechanical drives; and

(B) identify safety hazards associated with assembly and disassembly of belt, chain, and gear driven mechanical drives.

(13) The student understands the use of drive belts and chains for speed control. The student is expected to:

(A) identify belt style, size, and application on a mechanical drive system to meet speed and torque specifications;

(B) identify proper sheave for belt application on a mechanical drive system;

(C) differentiate between a drive and driven sheave in mechanical drive systems;

(D) calculate sheave ratios for speed adjustments on a mechanical drive system;

(E) inspect sheave and belt for wear and possible replacement on a mechanical drive system;

(F) identify drive chain size to match sprocket used on a mechanical drive system;

(G) calculate sprocket ratios for speed adjustments on a mechanical drive system;

(H) adjust chain length by breaking roller chain with special chain breaking tools;

(I) assemble a chain on a mechanical drive system according to length and tension requirements; and

(J) inspect sprocket and chain for wear and possible replacement on a mechanical drive system.

(14) The student examines career opportunities and educational requirements in manufacturing and technology. The student is expected to:

(A) identify special skill career pathways in manufacturing such as an industrial maintenance technician, mechanical installer, mechanical repair, and mechanical troubleshooter;

(B) identify and explain the importance of industry networking opportunities such as career or job fairs; and

(C) describe the roles and functions of an industrial maintenance technician in manufacturing.

§127.830. Basic Fluid Power (One Credit), Adopted 2025.

(a) Implementation.

(1) The provisions of this section shall be implemented by school districts beginning with the 2026-2027 school year.

(2) School districts shall implement the employability skills student expectations listed in §127.15(d)(2) of this chapter (relating to Career and Technical Education Employability Skills) as an integral part of this course.

(b) General requirements. This course is recommended for students in Grades 10-12. Prerequisite: at least one credit in a course from the Manufacturing Career Cluster. Recommended prerequisites: Algebra I and Geometry. Students shall be awarded one credit for successful completion of this course.

(c) Introduction.

(1) Career and technical education instruction provides content aligned with challenging academic standards and relevant technical knowledge and skills for students to further their education and succeed in current or emerging professions.

(2) The Manufacturing Career Cluster focuses on planning, managing, and performing the processing of materials into intermediate or final products and related professional and technical support activities such as production planning and control, maintenance, and manufacturing/process engineering.

(3) In Basic Fluid Power, students gain knowledge and skills in hydraulic and pneumatic systems as applied to industrial manufacturing. Instruction includes terminology and fluid power theory, interpreting technical drawings, component identification, mathematical calculations as applied to fluid power systems, and component functions. Students gain basic knowledge of fluid power system design with basic system components, installing basic fluid power system components, and building maintenance schedules for preventative and reactive maintenance.

(4) Students are encouraged to participate in extended learning experiences such as career and technical student organizations and other organizations that foster leadership and career development in the profession such as student chapters of related professional associations.

(5) Statements that contain the word "including" reference content that must be mastered, while those containing the phrase "such as" are intended as possible illustrative examples.

(d) Knowledge and skills.

(1) The student examines career opportunities and safety concerns in the manufacturing industry. The student is expected to:

(A) research and describe trends of manufacturing careers in industry; and

(B) identify safety, health, environmental, and ergonomic issues in the manufacturing industry.

(2) The student examines terminology and fundamental concepts of fluid power in manufacturing. The student is expected to:

(A) explain the function of Pascal's Law in hydraulic systems;

(B) identify and explain the function of actuators in fluid power systems;

(C) identify and explain the function of valves in fluid power systems;

(D) describe the relationship between pressure, force, and cylinder volume in fluid power systems;

(E) analyze the application of Gay Lussac's Law, Charles's Law, and Boyle's Law in pneumatic systems;

(F) explain how the law of conservation of energy applies to specific fluid power systems, including hydraulic and pneumatic systems;

(G) explain how pressure is generated in a fluid power circuit;

(H) explain how different seal types and operating temperatures can impact fluid compatibility;

(I) explain the difference between flash point, fire point, and auto ignition regarding hydraulic fluid;

(J) explain displacement regarding hydraulic pumps; and

(K) identify specific hazards such as high-pressure injection injuries and equipment damage resulting from unrelieved pressure in the lines of a fluid power system.

(3) The student reads and interprets technical drawings in a fluid power system. The student is expected to:

(A) identify common fluid power symbols, including cylinders, motors, pumps, reservoirs, and directional control valves;

(B) differentiate between schematic and pictorial diagrams;

(C) match fluid power schematic symbols to physical components in a system;

(D) construct and operate a basic fluid power circuit given a schematic with a directional control valve and a double-acting cylinder; and

(E) draw a fluid power schematic from a given fluid power application.

(4) The student demonstrates understanding of the characteristics and applications of fluid power systems. The student is expected to:

(A) analyze pressure gauge readings to identify potential internal and external leakage issues in fluid power systems;

(B) analyze flow meters to detect proper and improper system flow in fluid power systems;

(C) analyze temperature gauges to detect heat issues within fluid power systems;

(D) explain the operational difference between hydraulic and pneumatic systems;

(E) explain the importance of dryers in pneumatic systems, including the prevention of moisture-related issues; and

(F) explain the importance of lubrication in a pneumatic system, including the reduction of friction, prevention of wear and tear, and enhancement of system efficiency.

(5) The student applies mathematical calculations to various operations of a fluid power system. The student is expected to:

(A) describe and analyze pressure, force, and volume in the context of fluid power systems;

(B) calculate output force and rod speed given cylinder size, flow rate, and pressure applied;

(C) describe and calculate how a change in pressure or volume results in change in force;

(D) describe and calculate how change in volume results in change of rod speed and force applied; and

(E) calculate the force output of an extending cylinder using Pascal's Law.

(6) The student understands the function of various components in fluid power systems. The student is expected to:

(A) differentiate between a pneumatic compressor and a hydraulic pump;

(B) describe the functions of a hydraulic reservoir such as fluid storage, fluid cooling, and contaminant separation;

(C) describe the function of various pumps, including piston, gear, and vane pumps;

(D) differentiate between a fixed and variable displacement pump;

(E) explain the purpose of an actuator in fluid power systems;

(F) explain the purpose of various gauges and meters in fluid power systems;

(G) explain the purpose of various pressure controlling devices in hydraulic systems, including pressure relief valves, pressure reducing valves, sequence valves, and counterbalance valves;

(H) explain the purpose of various pressure controlling devices in pneumatic systems, including regulators and pressure relief valves;

(I) explain the purpose of various flow controlling devices in fluid power systems, including check valves, directional control valves, needle valves, and flow controls;

(J) explain the purpose of various motors in fluid power systems, including unidirectional and bi-directional motors;

(K) describe the function of hydraulic and pneumatic actuators, including motor, cylinder, and rotary actuators;

(L) describe the function of various hydraulic and pneumatic cylinders, including single- and double-acting, single- and double-rod, and rodless cylinders;

(M) describe the function of a fluid power double-acting cylinder;

(N) describe and analyze the function of flow control valves in regulating actuator speed in a fluid power circuit;

(O) identify and explain the function of a check valve;
and

(P) explain the function of an accumulator.

(7) The student designs basic fluid power circuits using various components in a fluid power system. The student is expected to:

(A) design a fluid power circuit with a unidirectional motor;

(B) design a fluid power circuit with a bi-directional motor;

(C) design a fluid power circuit with multiple cylinders;

(D) design a fluid power circuit with a flow control valve to regulate actuator speed;

(E) design a fluid power circuit incorporating a check valve;

(F) design a basic fluid power circuit incorporating various configurations of directional control valves to alter flow direction;

(G) design fluid power circuits using various operators for directional control, including lever, solenoid, pilot, and push button operator;

(H) design a hydraulic sequence valve to operate multiple actuators in sequence; and

(I) design a hydraulic pressure reducing valve to lower pressure in a branch circuit.

(8) The student installs various components in a fluid power system. The student is expected to:

(A) connect fluid power circuits using various connecting methods, including threaded, push-fit, and quick disconnect fittings;

(B) identify and demonstrate proper safety procedures required for system installation such as lockout/tagout to control hazardous energy;

(C) install a fluid power circuit with a unidirectional motor;

(D) install a fluid power circuit with a bi-directional motor;

(E) install a fluid power circuit with multiple cylinders;

(F) install a fluid power circuit with a flow control valve to regulate actuator speed;

(G) install a fluid power circuit using a check valve;

(H) install a basic fluid power circuit using various configurations of directional control valves to change flow direction;

(I) install fluid power circuits using various operators for the directional control valve, including lever, solenoid, pilot, and push button operator;

(J) install and adjust a pneumatic system regulator to match a defined system pressure setting;

(K) install and adjust a hydraulic power unit relief valve to match a defined system pressure setting;

(L) install a hydraulic sequence valve to operate multiple actuators in sequence; and

(M) install a hydraulic pressure reducing valve to lower pressure in a branch circuit.

(9) The student uses industry standard practices to maintain functional capacity in fluid power systems. The student is expected to:

(A) analyze service data to develop and implement preventive maintenance schedules;

(B) analyze and document repair data to develop and implement predictive maintenance schedules;

(C) inspect components in a fluid power system to identify signs of malfunction, including discoloration, vibration, and loud sounds;

(D) inspect hydraulic fluid to identify contaminants and signs of viscosity breakdown;

(E) explain and demonstrate procedures to change filters in a fluid power system; and

(F) explain and demonstrate procedures to drain and replace hydraulic fluid.

(10) The student understands the function of a basic vacuum system. The student is expected to:

(A) identify and explain the function of a venturi vacuum application;

(B) connect and read a vacuum gauge;

(C) connect and read a manometer;

(D) connect and operate a vacuum generator;

(E) identify and explain the function of a vacuum generator; and

(F) connect a venturi to a pneumatic system.

The agency certifies that legal counsel has reviewed the proposal and found it to be within the state agency's legal authority to adopt.

Filed with the Office of the Secretary of State on September 29, 2025.

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Cristina De La Fuente-Valadez

Director, Rulemaking

Texas Education Agency

Earliest possible date of adoption: November 9, 2025

For further information, please call: (512) 475-1497



TITLE 22. EXAMINING BOARDS

PART 17. TEXAS STATE BOARD OF PLUMBING EXAMINERS

CHAPTER 365. LICENSING AND REGISTRATION

22 TAC §365.22

The Texas State Board of Plumbing Examiners (Board) proposes amendment to the existing rule at 22 Texas Administrative Code (TAC), Chapter 365, §365.22 regarding how state agencies process occupational licenses for military service members, veterans, and their spouses. The proposed change is referred to as the "proposed rule."

EXPLANATION OF AND JUSTIFICATION FOR THE RULE

The proposed rule is necessary to implement H.B. 5629, 89th Legislature, Regular Session (2025). H.B. 5629 amended the Texas Occupations Code, specifically §§ 55.004 and 55.0041, to reform how state agencies process occupational licenses for military service members, veterans, and their spouses, with the goal of easing license portability and speeding up application timelines.

The bill requires Texas state agencies to recognize out-of-state licenses held by military service members, veterans, and spouses, provided the license is in good standing and is similar in scope of practice to the corresponding Texas license.

Applicants must provide documentation such as proof of good standing, relocation orders, or marriage licenses, but do not have to prove Texas residency. The agency must process license applications within 10 days.

SECTION BY SECTION SUMMARY

Section 365.22(b)--The proposed rule amends the existing rule by recognizing that a military service member, military veteran, or military spouse who hold a current license in good standing, issued in another jurisdiction that is similar in scope of practice may be issued the same license type. The applicant will be notified not later than 10 business days that TSBPE recognizes the out-of-state license, the application is incomplete, or the agency is unable to recognize the applicant's out-of-state license because the agency does not issue a license similar in scope of practice to the applicant's out-of-state license.

A person is in good standing with another state's licensing authority if they hold a license that is current, has not been suspended or revoked, and has not been voluntarily surrendered during an investigation for unprofessional conduct. A person is in good standing if they have not been disciplined by the licensing authority with respect to the license or person's practice of the occupation for which the license is issued. Lastly, a person is in good standing if they are not currently under investigation by the licensing authority for unprofessional conduct related to the person's license or profession.

Section 365.22(c)--The proposed rule is amended to show that the agency has the sole discretion in determining whether an applicant's out-of-state license is similar in scope to a license issued by TSBPE.

Section 365.22(e)--The proposed rule is amended to show that the agency shall process and issue, if qualified, an application submitted by a military service member, military veteran, or military spouse not later than the 10th business day after it is received.

Section 365.22(g)--The proposed rule is amended to show that military spouses may have their out-of-state licenses recognized by providing a copy of their marriage license and out-of-state license in good standing with their application.

Section 365.22(h)-- The proposed rule is amended to eliminate the presumption of intent to practice in Texas.

Section 365.22(i)--The proposed rule is amended to eliminate the three year maximum allowance for practice under an out-of-state license recognition.

Section 365.22(h)--The proposed rule is amended to show that a person whose out-of-state license is recognized must comply with Chapter 1301 of the Texas Occupations Code and all other applicable laws and regulations.

Section 365.22(j)--The proposed rule is amended to show that an applicant under this section must pass a criminal history background check. The agency may deny an application if the applicant has a disqualifying criminal history.

Section 365.22(l)--The proposed rule is amended to eliminate the provision that military service members and military veterans who do not hold a current out-of-state license or who have not held a Texas license in the five (5) years preceding their application must not have a restricted license in another jurisdiction or an unacceptable criminal history to be eligible to sit for an examination for licensure.

FISCAL IMPACT ON STATE AND LOCAL GOVERNMENT

Lisa G. Hill, Executive Director for the board (Executive Director), has determined that for the first five-year period the amended rule is in effect, there are no foreseeable increases or reductions

in costs to the state or local governments as a result of enforcing or administering the rule. The executive director has further determined that for the first five-year period the amended rule are in effect, there will be no foreseeable losses or increases in revenue for the state or local governments as a result of enforcing or administering the rule.

PUBLIC BENEFITS

The Executive Director has determined that for each of the first five years the amended rule are in effect, the public benefit anticipated as a result of enforcing or administering the amended rule will be to have fewer regulatory barriers to licensure and greater opportunity to expand the population of licensed plumbers.

PROBABLE ECONOMIC COSTS TO PERSONS REQUIRED TO COMPLY WITH THE PROPOSAL

The executive director has determined that for the first five years the amended rule is in effect, there is no substantial economic costs anticipated to persons required to comply with the amended rule.

ONE-FOR-ONE REQUIREMENT FOR RULE WITH A FISCAL IMPACT

Given that the amended rule does not have a fiscal note which imposes a cost on regulated persons, including another state agency, a special district, or local government, proposal and adoption of the rule is not subject to the requirements of Texas Government Code §2001.0045.

GOVERNMENT GROWTH IMPACT STATEMENT

For each of the first five years the amended rule is in effect, the Board has determined the following: (1) the amended rule does not create or eliminate a government program; (2) implementation of the amended rule does not require the creation of new employee positions or the elimination of existing employee positions; (3) implementation of the amended rule does not require an increase or decrease in future legislative appropriations to the agency; (4) the amended rule does not require an increase or decrease in fees paid to the agency; (5) the amended rule does not create a new regulation; (6) the amended rule does not expand, limit, or repeal an existing regulation; (7) the amended rule does not increase or decrease the number of individuals subject to the rule's applicability; and (8) the amended rule does not positively or adversely affect this state's economy.

LOCAL EMPLOYMENT IMPACT STATEMENT

No local economies are substantially affected by the amended rule. As a result, preparation of a local employment impact statement pursuant to Texas Government Code §2001.022 is not required.

FISCAL IMPACT ON SMALL AND MICRO-BUSINESS, AND RURAL COMMUNITIES

The amended rule will not have an adverse effect on small or micro-businesses, or rural communities because there are no substantial economic costs anticipated to persons required to comply with the amended rule. As a result, preparation of an economic impact statement and a regulatory flexibility analysis, as provided by Texas Government Code §2006.002, are not required.

TAKINGS IMPACT ASSESSMENT

There are no private real property interests affected by the amended rule. As a result, preparation of a takings impact as-

essment, as provided by Texas Government Code §2007.043, is not required.

REQUEST FOR PUBLIC COMMENT

Written comments regarding the amended rule may be submitted by mail to Patricia Latombe at 7915 Cameron Rd, Austin, Texas 78754, or by email to rule.comment@tsbpe.texas.gov with the subject line "Rule Amendments." All comments must be received within 30 days of publication of this proposal.

STATUTORY AUTHORITY

This proposed rule is made under the authority of §1301.251(2) of the Texas Occupations Code, which authorizes the Texas State Board of Plumbing Examiners to adopt rules as necessary to implement the Chapter, and H.B. 5629 amending Texas Occupations Code §55.004 and §55.0041.

No other statutes or rules are affected by the proposal.

§365.22. *Licensing Procedures for Military Service Members, Military Veterans, and Military Spouses.*

(a) Military service members, military veterans and military spouses who held a license issued by the Texas State Board of Plumbing Examiners in the five years preceding their application date will be issued the same license type as that which was previously held.

(b) Military service members, military veterans and military spouses who hold a current license issued by another jurisdiction that is similar in scope of practice [has licensing requirements that are substantially equivalent] to the requirement for the license in this state and is in good standing with that state's licensing authority will be issued the same license type as that which is held in the other jurisdiction.

(1) For such applications, this agency will notify the applicant not later than the 10th business day after the date the agency receives an application that:

(A) the agency recognizes the applicant's out-of-state license

(B) the application is incomplete; or

(C) the agency is unable to recognize the applicant's out-of-state license because the agency does not issue a license similar in scope of practice to the applicant's license.

(2) A person is in good standing with another state's licensing authority if the person:

(A) holds a license that is current, has not been suspended or revoked, and has not been voluntarily surrendered during an investigation for unprofessional conduct;

(B) has not been disciplined by the licensing authority with respect to the license or person's practice of the occupation for which the license is issued; and

(C) is not currently under investigation by the licensing authority for unprofessional conduct related to the person's license or profession.

(c) The agency has the sole discretion in determining whether an applicant's out-of-state license is similar in scope to a license issued by the agency. [The Board will identify which out-of-state licenses held by military service members, military veterans and military spouses have substantially equivalent licensing requirements on a case-by-case basis by comparing the out-of-state jurisdiction's requirements at the time the out-of-state license was issued to the Board's current requirements.]

(d) Military service members, military veterans and military spouses who do not qualify for a license under Subsection (a) or (b) of this section may request that the Executive Director review the military service member's, military veteran's or military spouse's alternative credentials, including training, education and experience for the purposes of granting prerequisites to obtaining a license.

(e) The Board shall process and issue, if qualified, an application submitted by a military service member, military veteran, or military spouse not later than the 10th business day after it is received. [as soon as practicable. Applicants deemed qualified will be issued a license and information on the requirements to renew the license in 12 months.]

(f) Licensing and examination fees payable to the Board are waived for military service members, military veterans and military spouses as provided by Chapter 55 of the Texas Occupations Code. Late fees incurred while on active duty are waived for military service members.

(g) Military spouses who do not wish to obtain a Texas plumbing license may apply, at no cost, for their out-of-state license to be recognized instead by submitting:

(1) [~~proof of Texas residency, including, but not limited to, a copy of the permanent change of state order for the military service member to whom the spouse is married;~~]

[(2)] a copy of the spouse's military identification card; and a copy of the military spouse's marriage license; and

(2) [(3)] a copy of the out-of-state license showing that it is current and in good standing with that licensing authority at the same time of their application.

[(h)] A military spouse's application for out-of-state recognition will be presumed to show their intent to practice in Texas.}]

[(i)] If the Board determines that the jurisdiction where the military spouse is currently licensed has licensing requirements that are substantially equivalent to the requirements for a Texas license as provided for by Subsection (e) of this section, then the military spouse may engage in plumbing in Texas for a maximum of three (3) years from the date of recognition without a Texas license.}]

(h) [(j)] A person whose out-of-state license is recognized must comply with Chapter 1301 of the Texas Occupations Code and all other applicable laws and regulations. [Military spouses approved to use their out-of-state license to engage in plumbing in Texas pursuant to Section 55.0041 of the Texas Occupations Code must comply with Chapter 1301 of the Texas Occupations Code and all other applicable laws and regulations.}]

(i) [(k)] Military service members and military veterans who do not hold a current out-of-state license or who have not held a Texas license in the five (5) years preceding their application may have their military experience credited toward license eligibility and apprenticeship requirements by submitting evidence of:

- (1) verified military service (DD Form 214 or equivalent);
- (2) training in plumbing or a related field; and
- (3) education in plumbing or a related field.

(j) The applicant under this section must pass a criminal history background check. The agency may deny an application if the applicant has a disqualifying criminal history.

[(l)] Military service members and military veterans who do not hold a current out-of-state license or who have not held a Texas license in the five (5) years preceding their application must not have

a restricted license in another jurisdiction or an unacceptable criminal history to be eligible to sit for an examination for licensure.}]

The agency certifies that legal counsel has reviewed the proposal and found it to be within the state agency's legal authority to adopt.

Filed with the Office of the Secretary of State on September 29, 2025.

TRD-202503489

Patricia Latombe

General Counsel

Texas State Board of Plumbing Examiners

Earliest possible date of adoption: November 9, 2025

For further information, please call: (512) 936-5216



TITLE 25. HEALTH SERVICES

PART 1. DEPARTMENT OF STATE HEALTH SERVICES

CHAPTER 37. MATERNAL AND INFANT HEALTH SERVICES

SUBCHAPTER C. VISION AND HEARING SCREENING

25 TAC §§37.21 - 37.28

The executive commissioner of the Texas Health and Human Services Commission (HHSC), on behalf of the Department of State Health Services (DSHS), proposes amendments to §37.21, concerning Purpose; §37.22, concerning Definitions; §37.23, concerning Vision Screening; §37.24, concerning Hearing Screening; §37.25, concerning Facility Requirements; Department Activities; §37.26, concerning Recordkeeping and Reporting; §37.27, concerning Standards and Requirements for Screening Certification and Instructor Training; and §37.28, concerning Hearing Screening Equipment Standards and Requirements.

BACKGROUND AND PURPOSE

The proposal is necessary to comply with House Bill (HB) 1297, 88th Legislature, Regular Session, 2023, which allows electronic eye charts for childhood vision screenings in public and private schools, licensed childcare centers, and licensed childcare homes. The proposed amendments define electronic eye charts and permit their use for visual acuity screenings. The proposal also includes edits to improve clarity and readability, defines terms, adds referral requirements from training materials, removes unnecessary procedural steps and details, removes a photoscreener training requirement, ends audiometer registration, requires facilities and certificate holders to comply with the program's policy and procedures manuals, adds an optional hearing screen for children with disabilities or for those who do not pass their initial hearing screening, and clarifies who may become a certified screener or external instructor.

SECTION-BY-SECTION SUMMARY

The proposed amendment to §37.21 edits language for clarity and readability.

The proposed amendment to §37.22 adds definitions for: electronic eye chart to comply with HB 1297; instrument-based vision screeners, which is a general term for certain vision screening equipment; optotypes, which are the standardized figures or letters used for visual acuity screening; otoacoustic emissions (OAE) testing, which is a hearing screen that tests vibrations of the inner ear in response to sounds emitted by a probe; screener, which refers to a person who conducts screenings; and vision disorder, which is a broad term for many eye problems. The proposal updates the definitions of "biological calibration checks," "calibration," "exhaustive calibration," "licensed professional," and "visual acuity," and replaces the definitions of "certification" with "certificate" and "photoscreening" with "photo-screener." The proposal edits definitions for clarity and readability. The proposal also updates a reference to the Texas Health and Safety Code.

The proposed amendment to §37.23 adds electronic eye charts for visual acuity screenings to comply with HB 1297. The proposal adds the requirement for children aged four years and younger to be referred for a professional eye examination if either eye cannot identify the majority of optotypes on the 20/40 visual acuity line. The proposal adds an example of a two-line difference on a visual acuity chart. The proposal specifies that screener training and certification is required only for screeners who screen children in facilities and not in other locations. The proposal adds a referral form to the vision screening referral process that is in the training manual.

The proposed amendment to §37.24 edits language for clarity and readability. The proposal removes step-by-step instructions for conducting an extended recheck and makes the extended recheck optional, allowing screeners greater discretion when referring a child for further evaluation. The proposal specifies screener training and certification is required only for screeners who screen children in facilities and not in other locations. The proposal adds a referral form to the hearing screening referral process. The proposal allows screeners to determine when a follow-up screen should be conducted. The proposal adds otoacoustic emissions (OAE) testing as an optional screen for children with disabilities.

The proposed amendment to §37.25 replaces wording and updates the rule title to include *of State Health Services (DSHS)*, "Facility Requirements; Department of State Health Services (DSHS) Activities." The proposal changes the screening timeline from any time in the school year to within 120 calendar days of enrollment to allow for early intervention. The proposal adds that an affidavit for screening exemption must be submitted on or before the day the screening is scheduled. The proposal adds that facilities must verify a screener has a valid DSHS screening certificate prior to screening. The proposal adds that DSHS will notify facilities and school districts when external instructors do not comply with the rules and the external instructor manual. The proposal also explains consequences for repeated non-compliance, which may include cancellation of the instructor's certificate.

The proposed amendment to §37.26 adds electronic eye charts to recordkeeping and reporting requirements to comply with HB 1297 and updates the website address for the DSHS Vision and Hearing Screening Program. The proposal specifies screeners for facilities must comply with recordkeeping and reporting requirements. The proposal removes the specific mention of telebinocular screening. The proposal removes the requirement for screeners to submit documentation of certifications and re-

fresher courses for specific vision screening equipment. The proposal updates the program mail code. The proposal changes the deadline by which screeners must submit screening results to a facility from "same day" to "no later than three business days after the day of screening." The proposal adds OAE testing to the reporting and recordkeeping requirements.

The proposed amendment to §37.27 replaces the term "instructor" with "external instructor," replaces additional wording, and edits language for clarity and readability. The proposal specifies screeners in facilities who are not licensed professionals must be certified by DSHS. Further, the definition of licensed professional in §37.22(17) does not include nurses, and therefore nurses must be certified by DSHS. The proposal adds that screeners must follow manufacturer instructions for all instrument-based screening devices. The proposal adds an example of the certificate deadline. The proposal clarifies that screener certification is not intended for medical office staff, nursing students, and individuals who are not screening children in facilities. The proposal adds that DSHS may train a limited number of certified vision or hearing screeners, or both, to become DSHS-certified external instructors who may train and certify screeners, but not other instructors. The proposal adds that DSHS accepts applications to become an external instructor on a limited basis and describes how instructor applications are prioritized. The proposal states external instructors must follow the rules and the external instructors' manual. The proposal changes the external instructor certificate period from five years to two years and makes external instructors subject to audits and observations. The proposal adds that instructors must maintain a copy of all training records for five years. External instructors must conduct each type of screener training at least once a year to maintain their certificate. This includes basic training and recertification training for vision or hearing, or both. External instructors who do not train screeners for over 18 months must reapply for certification.

The proposed amendment to §37.28 removes the requirement for registration of all pure-tone audiometers and the requirement for DSHS to approve all audiometer technicians. The proposal adds American National Standards Institute as the organization to follow for hearing equipment standards. The proposal clarifies all audiometer standards and requirements apply to audiometers used for hearing screening in facilities. The proposal requires screeners or facilities to store proof of calibration with the audiometer. The proposal requires audiometer biological calibrations both monthly and on each screening day, and the calibration records must be kept for three years.

FISCAL NOTE

Christy Havel Burton, Chief Financial Officer, has determined that for each year of the first five years the rules will be in effect, enforcing or administering the rules does not have foreseeable implications relating to costs or revenues of state or local governments.

GOVERNMENT GROWTH IMPACT STATEMENT

DSHS determined that during the first five years that the rules will be in effect:

- (1) The proposed rules will not create or eliminate a government program;
- (2) Implementation of the proposed rules will not affect the number of DSHS employee positions;

- (3) Implementation of the proposed rules will result in no assumed change in future legislative appropriations;
- (4) The proposed rules will not affect fees paid to DSHS;
- (5) The proposed rules will not create a new regulation;
- (6) The proposed rules will repeal existing regulations;
- (7) The proposed rules will not change the number of individuals subject to the rules; and
- (8) The proposed rules will not affect the state's economy.

SMALL BUSINESS, MICRO-BUSINESS, AND RURAL COMMUNITY IMPACT ANALYSIS

Christy Havel Burton has also determined that there will be no adverse economic effect on small businesses, micro-businesses, or rural communities because there is no requirement to alter current business practices. No rural communities contract with DSHS in any program or service affected by the proposed rules.

LOCAL EMPLOYMENT IMPACT

The proposed rules will not affect a local economy.

COSTS TO REGULATED PERSONS

Texas Government Code §2001.0045 does not apply to these rules because the rules do not impose a cost on regulated persons and the rules are necessary to implement legislation that does not specifically state that §2001.0045 applies to the rules.

PUBLIC BENEFIT AND COSTS

Dr. Manda Hall, Deputy Commissioner, Community Health Improvement Division, determined that for each year of the first five years the rules are in effect, the public benefit will be to give vision screeners more flexibility by allowing them to use electronic eye charts for screenings and to make the vision and hearing screening rules easier to understand and therefore follow.

Christy Havel Burton has determined that for the first five years the rules are in effect, there are no anticipated economic costs to persons who are required to comply with the proposed rules because the use of electronic eye charts for visual acuity screenings is optional.

TAKINGS IMPACT ASSESSMENT

DSHS has determined the proposal does not restrict or limit an owner's right to the owner's property that would otherwise exist in the absence of government action and, therefore, does not constitute a taking under Texas Government Code §2007.043.

PUBLIC COMMENT

Written comments on the proposal, including information related to the cost, benefit, or effect of the proposed rules, as well as any applicable data, research, or analysis, may be submitted to Rules Coordination Office, P.O. Box 13247, Mail Code 4102, Austin, Texas 78711-3247, or street address 4601 West Guadalupe Street, Austin, Texas 78751; or emailed to HHSRulesCoordinationOffice@hhs.texas.gov.

To be considered, comments must be submitted no later than 31 days after the date of this issue of the *Texas Register*. Comments must be (1) postmarked or shipped before the last day of the comment period; (2) hand-delivered before 5:00 p.m. on the last working day of the comment period; or (3) emailed before midnight on the last day of the comment period. If the last day

to submit comments falls on a holiday, comments must be postmarked, shipped, or emailed before midnight on the following business day to be accepted. When emailing comments, please indicate "Comments on Proposed Rule 25R010" in the subject line.

STATUTORY AUTHORITY

The amendments are authorized by Texas Government Code §524.0151 and Texas Health and Safety Code §1001.075, which authorize the executive commissioner of HHSC to adopt rules for the operation and provision of services by the health and human services system. The amendments are required to comply with Texas Health and Safety Code Chapter 36.

The amendments affect Texas Government Code §524.0151 and Texas Health and Safety Code §§36.002 - 36.006 and §36.011, and Chapter 1001.

§37.21. Purpose.

This [The purpose of this] subchapter implements [is to implement] Texas Health and Safety Code[.] Chapter 36, concerning the early identification of individuals from birth through 20 years new old [of age] who have special senses and communication disorders and [who] need remedial vision, hearing, speech, or language services.

§37.22. Definitions.

The following words and terms, when used in this subchapter, [shall] have the following meanings, unless the context clearly indicates otherwise.

(1) American Academy of Pediatrics (AAP)--A [The AAP is a nationally recognized] professional organization that makes health recommendations for [which issues recommended standards pertaining to the health and well-being of] children.

(2) American Association for Pediatric Ophthalmology and Strabismus (AAPOS)--A professional organization that, along [AAPOS is a nationally-recognized professional body which, in conjunction] with the AAP, sets [issues] recommended vision screening standards. [The goals of] AAPOS works to improve [are to advance the quality of] children's eye care, supports [support] the training of pediatric eye doctors, supports pediatric eye [ophthalmologists, support] research [activities in pediatric ophthalmology], and helps [advance the care of] adults with alignment issues [strabismus].

(3) American National Standards Institute, Inc. (ANSI)--A [The] national organization that provides [coordinator of standards development and the United States clearinghouse for] information about [on national and international] standards used in the United States and around the world.

(4) Audiometer--A [An electrical] device used to test [for testing] hearing[;] and measure how well a person can hear different levels and pitches [for measuring bone and air conduction] of sound.

(5) Audiometric calibration equipment--Electronic devices used to adjust [Electro-acoustical equipment used to calibrate] audiometers and audiometric testing devices, which [The term] includes frequency counters, voltmeters, and distortion measuring equipment [used to calibrate audiometers and audiometric testing devices].

(6) Audiometric testing device--A machine that uses a variety of [An electro-acoustical generator that provides acoustic energy of a] calibrated sounds to test hearing and help identify the presence, type, and severity of hearing loss [output].

(7) Biological calibration check--A method to check an audiometer's accuracy by testing the device on an individual with known

hearing levels [The process of testing a person having a known, stable audiometric curve that does not exceed 25 decibels (dB) hearing level at any frequency between 250 and 6000 Hertz (Hz), and comparing the test results with the subject's known baseline audiogram].

(8) Calibration--The process of comparing an instrument or device to [with] a standard and making adjustments to an acceptable level of [determine its] accuracy [and to make the necessary repairs or adjustments to assure that the operating characteristics are within the allowable limits established by a national standard, all in accordance with applicable legal requirements].

(9) Certificate--A qualification given to individuals who complete vision or hearing screener training provided by either the Department of State Health Services (DSHS) or a DSHS-certified instructor.

[(9) Certification--The process by which the Department of State Health Services (department) trains individuals to conduct vision and/or hearing screening or provides training to instructors. The applicable certification is awarded following the successful completion of any of the course scenarios in this paragraph.]

(10) dB--The decibel is a unit for measuring [expressing] the loudness [relative intensity] of sounds. Decibels range [on a scale] from zero, which is the quietest sound an average person can hear, up [for the average least perceptible sound] to around [approximately] 130, which is [for] the average [pain] level of sound that causes pain.

(11) Electronic eye chart--A computerized or other electronic system, device, or method that displays medically accepted and properly sized optotypes (letters, numbers, or symbols) to check an individual's visual acuity. Automated programs that measure visual acuity through interactive activities, like games, are not included.

(12) [(44)] Exhaustive calibration--An audiometer [A] calibration that tests all settings for both earphones.

(13) [(42)] Extended recheck--A hearing test [screen] used after a [the] child has failed two sweep-check screens. [The screener may perform an extended recheck or initiate a referral for a professional examination, as defined in this section, after the two failed sweep-check screens.]

(14) [(43)] Facility--Includes public and [or] private preschools and schools, [as] defined as follows:

(A) schools, as [the term is] defined in [at] Texas Health and Safety Code §36.003[, §36.003(7)];

(B) preschools, as [the term is] defined in [at] Texas Health and Safety Code §36.003[, §36.003(3)];

(C) child care centers licensed by the Health and Human Services Commission (HHSC) [Department of Family and Protective Services (DFPS)]; and

(D) child care homes licensed by HHSC [DFPS].

(15) [(44)] Hz--Hertz is a unit of frequency equal to one cycle per second.

(16) Instrument-based vision screeners--Automated devices like photoscreeners and autorefractors that estimate refractive errors and other factors that may cause vision problems in children. These devices do not test visual acuity.

(17) [(45)] Licensed professional--An individual who is legally allowed to conduct [whose legally defined scope of practice under the license includes knowledge and experience in conducting] professional examinations, make diagnoses, and perform screenings for vision or [and/or] hearing abnormalities, or both, in children. This

must be done according to[, all consistent with] this subchapter and Texas Health and Safety Code[.] Chapter 36. The term "licensed professional" in this subchapter does not include nurses. [The terms "professional examination" and "screening" are as defined in this section.]

(18) Optotype--A standardized figure or letter used to test visual acuity.

(19) Otoacoustic emissions (OAE) testing--A hearing test that checks vibrations from the inner ear using sounds from a small device placed in the ear. OAE is an alternate screening method for children with intellectual or developmental disabilities.

(20) [(46)] Pass/Fail--Allowable documentation of results if [of vision screening when] photoscreening is used for vision screening, as outlined in [accordance with] this subchapter. [The documentation of the screening results is in lieu of visual acuity results using "20/20" format.]

[(17) Photoscreening--A form of pediatric vision screening that uses a special-purpose camera to determine how well a child can see. It is an alternative under this subchapter to visual acuity-based screening with an eye chart for certain children, as specified herein. Other related terms are: autorefractor, objective screening and instrument-based screening. Photoscreening cannot determine exactly how well a child's visual acuity is developing. Important factors that affect visual acuity such as accommodative ability (focusing ability), binocular vision development, and other eye health issues are not assessed via photoscreening.]

(21) Photoscreener--A device that uses a special camera to check a child's vision. As described in this subchapter, a photoscreener can be used instead of a visual acuity screening for certain children.

(22) [(48)] Professional examination [(also referred to as examination)]--A diagnostic evaluation performed by a [an appropriately] licensed professional who has the [or by a department-certified individual whose] expertise to address [addresses] the diagnostic needs of an [the] individual with [identified as having a] possible vision or hearing issues [special senses or communication disorder]. This [A professional] examination meets [is one that is done according to] the requirements of this subchapter and [of the] Texas Health and Safety Code[.] Chapter 36.

(23) [(49)] Program--DSHS [The department's] Vision and Hearing Screening Program.

(24) [(20)] Pure-tone audiometer--A device that [pure-tone audiometer] electronically generates pure tones [pure-tones which are] used as signals to test an individual's [a person's] hearing.

(25) [(21)] Reporting year--A 12-month period beginning June 1 of each year and ending May 31 of the next [following] year.

(26) Screener--An individual conducting vision or hearing screenings. A screener is either a licensed professional as defined in this subchapter or is trained and certified by DSHS to conduct vision or hearing screenings, or both.

(27) [(22)] Screening--A quick test or set [battery] of tests to see if someone might [for rapidly determining the] need [for] a professional examination.

(28) [(23)] Screening equipment--An instrument or device used to measure [perform a measurement or measurements for the assessment of] sensory abilities.

(29) [(24)] Sweep-check--A quick hearing [screening] test using a pure-tone audiometer to check if an individual [determine

whether a person] can hear tones at [the following frequencies:] 1000 Hz, 2000 Hz, and 4000 Hz at [less than or equal to] 25 dB.

(30) [(25)] Telebinocular instrument--A device used to check [stereoscopic instrument] for [screening] various eye defects and measure [measuring] visual acuity.

(31) [(26)] Testing equipment--An instrument or device used as described in [under] this subchapter to check for [perform a measurement or measurements to substantiate or verify the presence or absence of] sensory problems [impairment(s)].

(32) [(27)] Tests--Procedures used as described in [under] this subchapter to measure special senses and communication functions.

(33) Vision disorder--An impairment of the sense of vision.

(34) [(28)] Visual acuity--The ability to distinguish letters or symbols at 20 feet or with a chart that simulates 20 feet. In this subchapter, visual acuity specifically means how clearly an individual can see things far away, [relative ability of the visual organ to resolve detail that is] measured as a standard ratio like [and recorded using an internationally recognized, two-figured indicator, such as] 20/20.

§37.23. Vision Screening.

(a) Visual acuity screening [Screening] is required to find specific vision disorders[;] for individuals attending [who attend] a facility[; to detect vision disorders]. The vision screening rules follow national standards from AAPOS. Vision screening as described [conducted under this subchapter by a person who is not a licensed professional, as the term is defined] in this subchapter must meet the following requirements[; must be conducted following the national standards set by AAPOS currently found at <http://www.aapos.org/terms/conditions/131>, as revised, as they apply to age, verbal ability, ability to cooperate with screening, allowable methods of screening in different situations, and referral criteria, with the following exceptions].

(1) Perform screenings using traditional wall charts or electronic eye charts that show approved optotypes at the correct distances. See the vision screening manual on the Department of State Health Services (DSHS) website for detailed instructions and a list of approved optotypes.

(2) [(4)] Refer children aged four years and younger [For children less than five years of age, refer] for a professional examination if either eye cannot correctly identify the majority of optotypes on the 20/40 acuity line or if [when] there is a difference of two lines between passing acuities in either eye. For example, if a child has 20/40 vision in one eye and 20/20 in the other, the child must be referred. However, if a child has 20/40 vision in one eye and 20/30 in the other, the child passed the screening.

(3) [(2)] Refer [For] children aged five years [of age] and older[; refer] for a professional examination if either eye cannot correctly identify the majority of optotypes on the [when screening results indicate visual acuity of less than] 20/30 line. The DSHS requirement differs from the AAPOS standard of 20/32 [in either eye (rather than 20/32 as listed in the AAPOS standards)].

(4) Refer to and comply with additional pass or fail criteria in the vision screening manual on the DSHS website.

(5) [(3)] Use [In addition to AAPOS' recommendation regarding] photostrengthening, when applicable, for children aged 42 months to five years [of age], as recommended by AAPOS, and for individuals [photostrengthening may be used for any individual (referenced in §37.24 of this title (relating to Purpose))] with disabilities who do [does] not respond well to other [allowable] screening methods. Refer a child for

[A referral to] a professional examination if the child fails [is recommended if the individual fails] the photostrengthening.

(b) A screener [person] who is not a ["]licensed professional and[" as that term is defined in this subchapter, who] conducts vision screening in facilities must be trained and certified as described in §37.27 of this subchapter [title](relating to Standards and Requirements for Screening Certification and Instructor Training).

(c) Facilities must give the child's parent, other legally responsible adult, or the individual in the scenarios described in Texas Family Code §32.003, a referral form if the child fails a screening. The referral is for further evaluation by an appropriate licensed professional. Facilities must not refer a child [When a screener makes a referral based on the screening results under subsection (a) of this section, that referral shall be to a licensed professional for a professional examination; and not] to a specific person [individual].

(d) A individual is exempt from [The requirements of] this section if the individual gives the facility [do not apply when the individual is already actively under medical care by an appropriate licensed professional for one or more of the vision problems for which screening is done under this section. In order to claim this exception, the individual under the scenarios described at Texas Family Code, §32.003 or, if the individual is a minor, the individual's parent, managing conservator or legal guardian, must submit] documentation from an appropriate [the] licensed professional stating [to the facility. The documentation must be signed and dated by the licensed professional, and must affirmatively state that] the individual is under active or[;] ongoing medical care [from the licensed professional] for a [specific] vision problem [problems as referenced in this subsection].

(e) Facilities, school districts, and screeners must follow all instructions in the vision screening manual available on the DSHS website.

§37.24. Hearing Screening.

(a) Hearing screening to detect hearing disorders [Screening] is required[;] for individuals attending [who attend] a facility[; to detect hearing disorders]. Hearing screening as described in [under] this subchapter must meet the following [be conducted using screening methods and referral criteria, and in compliance with other] requirements[; as follows].

[(b)] [A person who is not a "licensed professional," as that term is defined in this subchapter, who conducts hearing screening must be trained and certified as described in §37.27 of this title (relating to Standards and Requirements for Screening Certification and Instructor Training).]

(1) [(e)] Use a [A] pure-tone audiometer [shall be used] to perform [conduct] a sweep-check screen.

(2) [(d)] Record the screening [Screening] results [shall be recorded] for each ear at less than or equal to 25 dB for 1000 Hz, 2000 Hz, and 4000 Hz.

(3) [(e)] If the results show that the child did not respond to any of the three frequencies in either ear, perform a second sweep-check screen. If the child has a cold, congestion, fluid buildup in the ears, or any other condition impacting hearing, delay the second sweep-check screen. Perform the rescreening no later [A rescreen with another sweep-check is recommended if test results indicate failure to respond to any of the three frequencies in either ear, and it should be conducted no sooner than three weeks but not more] than 28 calendar days [four weeks] after the initial screening.

(4) [(f)] If the child does not respond to any of the frequencies [An extended recheck may be conducted or a referral to a profes-

sional examination shall be made for all children whose test results indicate failure to respond to any of the three frequencies] in either ear on the second sweep-check, either perform an optional extended recheck or refer the child for a professional examination.

(5) ~~[(g)]~~ Refer a child for professional examination if the child does not respond ~~[If the extended recheck results in a failure to respond]~~ to any frequency in either ear ~~above 25 dB during an extended recheck~~ ~~[at greater than 25dB, the screener must recommend that a professional examination be immediately conducted].~~

(b) Otoacoustic emissions (OAE) testing may replace pure-tone audiometry only if a child has a documented disability preventing audiometer screening. OAE testing is optional and dependent on the screener's access to OAE testing equipment. The screener must use the equipment according to the manufacturer's recommendations.

(c) A screener who is not a licensed professional and performs hearing screenings in facilities must be trained and certified as described in §37.27 of this subchapter (relating to Standards and Requirements for Screening Certification and Instructor Training).

(d) Facilities must give the child's parent, other legally responsible adult, or the individual in the scenarios described in Texas Family Code §32.003, a referral form if the child fails a screening. The referral is for further evaluation by an appropriate licensed professional. Facilities must not refer a child to a specific person.

(e) An individual is exempt from this section if the individual gives the facility documentation from an appropriate licensed professional stating the individual is under active or ongoing medical care for a hearing problem.

(f) Facilities, school districts, and screeners must follow all instructions in the hearing screening manual available on the Department of State Health Services (DSHS) website.

~~[(h) An extended recheck shall be conducted according to the following procedures:]~~

~~[(1) Beginning with the right ear, present the tone at 40 dB hearing level (HL) and at 1000 Hz for two to three seconds. If no response is obtained, record "greater than 40 dB."]~~

~~[(2) If the child responds at 40 dB, lower the intensity to 30 dB HL and present the tone again.]~~

~~[(3) Lower the HL in 10 dB increments until no response is obtained, or until 20 dB is reached. If a response is obtained at 20 dB, record "20 dB."]~~

~~[(4) If no response is obtained, increase the HL dial in 5 dB increments until a response is obtained. Record the dB results obtained at 1000 Hz for the right ear.]~~

~~[(5) Repeat steps in paragraphs (1) - (4) of this subsection at 40 dB HL for 2000 Hz and 4000 Hz.]~~

~~[(6) Repeat steps in paragraphs (1) - (5) of this subsection for the left ear.]~~

~~[(i) When a screener makes a referral based on the screening results under subsection (a) of this section, that referral shall be to a licensed professional for a professional examination, and not to a specific individual.]~~

~~[(j) The requirements of this section do not apply when the individual is already actively under medical care by an appropriate licensed professional for one or more of the hearing problems for which screening is done under this section. In order to claim this exception, the individual under the scenarios described at Texas Family Code,~~

§32.003 or, if the individual is a minor, the individual's parent, managing conservator or legal guardian, must submit documentation from the licensed professional to the facility. The documentation must be signed and dated by the licensed professional, and must affirmatively state that the individual is under active, ongoing medical care from the licensed professional for specific hearing problems as referenced in this subsection.]

§37.25. Facility Requirements; Department of State Health Services (DSHS) Activities.

(a) The chief administrator must ~~[of each facility shall]~~ ensure ~~[that]~~ each individual admitted to the facility follows these ~~[complies with the]~~ screening requirements ~~[of this subchapter (including ensuring that any screening done is performed by a properly certified screener), according to the following schedule].~~

(1) Children ages four and ~~[years of age or]~~ older as of September 1 of the school year~~;~~ who are enrolled in any facility for the first time~~;~~ must have ~~[be screened for possible]~~ vision and hearing tests ~~[problems]~~ within 120 calendar days of enrolling ~~[enrollment]~~. If a child enrolls ~~[is enrolled]~~ within 60 calendar days of the end of the school year ~~[date a facility closes for the Summer]~~, the child's vision and hearing must be tested within 120 calendar days of the start ~~[beginning]~~ of the next ~~[following]~~ school year.

(2) Children ~~[enrolled]~~ in pre-kindergarten and kindergarten must be screened each year within 120 calendar days of enrollment.

(3) Children ~~[enrolled]~~ in the first, third, fifth, and seventh grades must be screened for ~~[receive]~~ vision and hearing problems within 120 calendar days of enrolling in each of those grades to allow for early intervention if a problem is found ~~[screening in each of those grade years (can be done at any time during each of those years)].~~

(4) Children in third, fifth, and seventh grades are ~~[Except for children enrolled in pre-kindergarten, kindergarten or first grade, a facility shall]~~ exempt ~~[any child]~~ from screening as required in ~~[by paragraphs (1) - (3) of]~~ this subsection if the child's parent, managing conservator, or legal guardian, or the individual in ~~[under]~~ the scenarios described in ~~[at]~~ Texas Family Code~~;~~ §32.003, submits a record to the facility showing ~~[that]~~ a professional examination was ~~[properly]~~ conducted during the grade year in question or ~~[during]~~ the previous year. The record must be submitted to the facility during the grade year when ~~[in which]~~ the screening would otherwise be required.

(5) Children turning ~~[enrolled in a facility who turn]~~ four years old ~~[of age]~~ after September 1 of the school ~~[that]~~ year do not need to be screened ~~[are exempt from screening]~~ until the next school year ~~[following September]~~.

(6) Children may be screened ~~[Upon written request pre-approved by the department, the screening of vision and hearing performed at a facility may occur]~~ on an alternate ~~[even-year]~~ schedule (i.e., pre-kindergarten, kindergarten, ~~[and]~~ first, second, fourth, and sixth grades) if DSHS approves a written request. DSHS may set ~~[instead of pre-kindergarten, kindergarten, and first, third, fifth, and seventh grades]. Any department approval will include]~~ conditions so ~~[that]~~ children receive ~~[do not miss]~~ necessary screenings ~~[screening]~~ during the transition.

(b) A child's parent, managing conservator, or legal guardian, or the individual in ~~[under]~~ the scenarios described in ~~[at]~~ Texas Family Code~~;~~ §32.003, may execute an affidavit stating either ~~[that]~~ a screener ~~[person;]~~ other than the screener selected ~~[individual secured]~~ by the facility will perform ~~[to conduct screenings at the facility; shall conduct]~~ the screening ~~[if]~~ or ~~[that]~~ a licensed professional will perform ~~[shall conduct]~~ an examination~~)]~~ as soon as possible ~~[is feasible]~~. The

facility may admit the child temporarily [on a provisional basis] for up to 60 calendar days[;] or may deny admission until the screening record is [record(s) are] provided [to the facility].

(c) A [facility shall not require a] child is exempt from screening [to be screened] if the child's parent, managing conservator, or legal guardian, or the individual in [under] the scenarios described in [at] Texas Family Code[;] §32.003, submits an affidavit to the facility[; on or before the date vision or hearing screening is scheduled, an affidavit in lieu of the screening record(s)] stating [that] the vision or hearing screening, or both screenings, conflict [conflicts] with the tenets and practices of a church or religious denomination of which the child or individual is a [affiant is an adherent or] member. The affidavit must be submitted on or before the day the screening is scheduled.

(d) The facility must verify the screener has a valid DSHS screening certificate before screening begins.

(e) [(d)] Volunteers must have a [Only individuals who have completed] high school diploma or equivalent to help with [may serve as volunteer assistants during] vision and [and/or] hearing screenings. The screener is responsible for deciding [It is the responsibility of the certified screener to determine] how a [any] volunteer [assistant(s)] will assist with [be used during] the screening process, consistent with all state and federal confidentiality requirements.

(f) Facilities must follow DSHS rules, instructions, policies, and the vision and hearing screening manuals available on the DSHS website.

(g) DSHS will inform facilities when an external instructor, as described in §37.27 of this subchapter (relating to Standards and Requirements for Screening Certification and Instructor Training), fails to follow all the rules, instructions, policies, and manuals in this subchapter. If the instructor continues to not follow the rules, the instructor's certificate may be canceled.

§37.26. Recordkeeping and Reporting.

(a) Screeners at facilities [Individuals conducting screenings under this subchapter] must follow the rules for keeping records [comply with the following recordkeeping] and reporting information [requirements].

(1) A screener must [Individuals conducting screenings at the facility (and those other than licensed professionals conducting screenings outside of the facility) shall] document in each child's screening record the specific screening performed [conducted], the date the screening was performed [conducted], observations made during the screening, and the final results [of the screening]. The screener must document [individual shall also ensure that the following are included in the documentation:] the child's name [of the child], age or birthdate [of the child], and if [whether] the child is wearing corrective lenses during the vision screening. The screener [documentation required under this subsection] must sign [also be signed] and date this information [dated by the person who conducted the screening].

(2) A screener must provide facilities a copy of the screener's Department of State Health Services (DSHS) screener certificate.

[(2)] Individuals using photoscreening for vision screening must comply with the recordkeeping and reporting requirements detailed at §37.27(b)(2) of this title (relating to Standards and Requirements for Screening Certification and Instructor Training). Additionally, prior to conducting photoscreening at a facility, the individual must submit copies of these same documents to that facility in addition to the documents which must be submitted under subsection (b)(3) of this section.]

[(3)] Individuals using a telebinocular instrument for vision screening must comply with the recordkeeping and reporting requirements detailed at §37.27(b)(3) of this title. Additionally, prior to conducting telebinocular screening at a facility, the individual must submit copies of these same documents to that facility.]

(3) [(4)] Screeners [Individuals conducting screenings] at a facility must [(and those other than licensed professionals conducting screening outside of the facility) shall] submit the required documentation referenced in paragraph (1) of this subsection to the facility by the specified deadline or no later than three business days after [at] the [time of that] screening.

[(5)] Individuals must submit documentation to the department related to certifications and refresher courses, as specified in §37.27 of this title.]

(b) Facilities must follow the rules for keeping records [comply with the following recordkeeping] and reporting information [requirements].

(1) A [Each] facility must [shall] maintain vision and hearing screening records [under this section] onsite for at least two years.

(2) A facility must maintain [screening] records of screening [regarding any individual claiming the] exemptions found in [§37.23(d) of] this subchapter [title (relating to Vision Screening) and/or §37.24(j) of this title (relating to Hearing Screening)] for at least two years.

(3) A facility must [shall] maintain the records received [it receives] from screeners [under subsection (a)(2) of this section; related to the use of photoscreening for vision screening at the facility] for at least two years.

(4) A child's [An individual's] screening records may be transferred between [among] facilities without [the] consent of the child's parent, managing conservator, or legal guardian, or the individual in [under] the scenarios described in [at] Texas Family Code[;] §32.003, according [or; if the individual is a minor, the minor's parent, managing conservator, or legal guardian, pursuant] to Texas Health and Safety Code[;] §36.006(c).

(5) Facilities [The recordkeeping required in this section] must provide the required records [be made available] to DSHS [the department] in a timely manner if requested [upon request]. DSHS or its representatives [The department] may[, directly or through its authorized representative,] enter a facility and inspect vision and hearing screening records [maintained relating to vision and hearing screening].

(6) Each [On or before June 30 of each year, each] facility must [shall] submit a yearly [to the department a complete and accurate annual] report on the vision and hearing screening status of the [its] aggregate population screened during the reporting year. The report must be submitted on or before June 30 of each year [Facilities shall report] in the manner specified by DSHS at <https://www.dshs.texas.gov/vision-hearing-screening> [the department (currently found at <http://ehrstx.dshs.state.tx.us>)]. Facilities are required to report on the following categories].

(A) Hearing [For hearing] screening--The total number of children screened, including[;] the number who failed; the number screened by OAE testing; the number referred for professional examination; the number who left [transferred out of] the facility before [prior to] the facility received [receiving] the professional examination results; professional examination results showing [indicating] none of the screened disorders were present [which are screened for under this section]; professional examination results showing a disorder was

[indicating a disorder(s) which is] screened for [under this section]; and referrals [referral] for a professional examination where [with] no [indication that a] professional examination was [ever] done.

(B) Vision [For vision] screening--The total number of children screened, including[;] the [total] number screened with glasses or contact lenses [correction (e.g. glasses or contacts)]; the [total] number screened with photoscreening; the number screened with an electronic eye chart; the number who failed; the number referred for professional examination; the number who left [transferred out of] the facility before [prior to] the facility received [receiving] the professional examination results; the number whose professional examination results indicated no issues [indicating none of the disorders present which are screened for under this section]; the number whose professional examination results indicated an issue [indicating a disorder(s) which is screened for under this section]; and the number referred [referral] for a professional examination where [with] no [indication that a professional] examination was [ever] done. The ["]total number screened["] includes the number screened with telebinocular screening.

(c) Additional [There are additional] recordkeeping requirements [in §37.28(f) and (g) of this title (relating to Hearing Screening Equipment Standards and Requirements)] for screeners [individuals or entities] who own or [and/or] use audiometers and audiometric screening equipment are in §37.28(f) of this subchapter (relating to Hearing Screening Equipment Standards and Requirements).

(d) Unless otherwise specified on the DSHS website, send documents described in [For all submissions to the department under] this subchapter to [; use the following contact information (unless otherwise specified):] Vision, Hearing, and Spinal Screening Program, Department of State Health Services, Mail Code 1818 [1978], P.O. Box 149347, Austin, Texas 78714-9347.

(e) Facilities, school districts, and screeners must follow all recordkeeping instructions in the vision and hearing screening manuals.

§37.27. Standards and Requirements for Screening Certification and Instructor Training.

(a) A screener working in a facility [Individuals who conduct vision and/or hearing screening] must be certified by the Department of State Health Services (DSHS) [under this section] unless the screener [screening] is [conducted by] a licensed professional. Training for screeners is provided either [There are two options for obtaining this certification: a certificate issued] directly by DSHS or by instructors [the department; or a certificate issued by an instructor who has been trained and] authorized by DSHS [the department] to issue certificates. There is no fee for [cost to] taking the course in either case [scenario].

(1) DSHS provides training [The department offers certification courses;] and issues certificates when the course is completed. To join, participants [to those who successfully complete them. To be eligible to take the department's certification course, an individual] must have [be] a high school diploma or equivalent [graduate] and sign a form [written statement to that effect] at the start [beginning] of the course. Individuals who finish the training and pass [successfully complete] the course, including passing[the [associated] tests[;] will receive [be issued] a certificate from DSHS to conduct screenings [by the department].

(2) The training and certification described in this subchapter are not intended for staff in medical offices or students in medical, nursing, or other training programs. Individuals who do not screen children in facilities as defined in this subchapter are neither eligible nor required to be trained and certified by DSHS.

(3) [(2)] DSHS may train certain people outside the screening program, called external instructors, to conduct [The department

trains instructors who themselves give] certification courses. Screeners who finish the course and pass the tests[; as described in this section. The eligibility requirement to attend such a course is the same as is described at paragraph (1) of this subsection. Individuals who successfully complete the course, including passing the associated tests;] will receive [be issued] a certificate from DSHS [signed by the authorized instructor. It will have the same validity, and is subject to the same restrictions, as a certificate issued under paragraph (1) of this subsection].

(b) Holders of [Screening] certificates issued as described in [under] this section must follow these [are subject to the following] requirements.

(1) Certificate holders may [Individuals who receive a certificate are authorized to] conduct the type of [vision and/or hearing] screening [(as applicable to the course taken; and as] listed on the certificate[;] [in accordance with this subchapter]. Certificate holders must follow all the rules in [Certified screeners are required to comply with] this subchapter, and failure to do so may lead to modifications, [is grounds for the modification;] suspension, or cancellation [and/or revocation] of the certificate [certification as provided in this section].

(2) If a screener uses [Individuals using] a photoscreener or other instrument-based device for vision screening, the screener must follow the manufacturer's instructions. The screener [have successfully completed instrument-specific training (including passing all associated tests) in accordance with manufacturer guidelines and must have a full understanding of the pass/fail referral criteria in accordance with AAPOS standards. Individuals conducting photoscreening must] also needs [have] a current DSHS screening certificate as described in [under] subsection (a)[(1) or (2)] of this section. [Documentation of the photoscreening training must be submitted to the instructor upon attendance at a certification class and include the date and location the training was taken; and the name, affiliation and contact information of the instructor. The individual must successfully complete instrument-specific refresher training (including passing any associated tests) every five years. Such refresher training must be completed during the fifth year of certification from the date the preceding certificate was issued.]

(3) If a screener uses [Individuals using] a telebinocular instrument for vision screening, the screener must follow the manufacturer's instructions. The screener [be familiar with the instrument in accordance with manufacturer guidelines and must have a full understanding of the pass/fail referral criteria. Individuals conducting telebinocular screening must] also needs to have a current DSHS screening certificate as described in [under] subsection (a)[(1) or (2)] of this section.

(4) A DSHS screening certificate described in [Screening certification under] this section is valid [allows the individual to screen children for vision and/or hearing problems (as applicable to the course taken, and as listed on the certificate) under this subchapter] for [a period of] five years. Renewing a certificate is explained[; with renewals processed as described] in paragraph (5) of this subsection.

(5) To renew a screening certificate, an individual must attend a recertification course either offered directly by DSHS, or approved by DSHS and provided by an external instructor. [Screening certification may be renewed by attending a department-approved refresher training course (either offered directly by the department or by an instructor authorized under this section).] The individual must finish this course by December 31 of the fifth year after the certificate was issued. For example, if the certificate is dated March 15, 2026, an individual has until December 31, 2031, to finish the recertification course, which then extends the certificate for another five years. If an individual does not complete the recertification within five years, [refresher training course must be completed during the fifth year of certification

from the date the preceding certificate was issued. Once a refresher training course is successfully completed, the five-year cycle begins again. If certification is not renewed within the required time period, the individual must take the complete [attend the basic] certification training course again [(i.e., a refresher course will not be sufficient)].

(6) DSHS may change, suspend, or cancel a certificate. DSHS will provide notice to the affected screener of any action being taken if DSHS receives [When the department receives] information that the [from any source that indicates a] screener has not followed [been following] the rules in [requirements of] this subchapter; the department may modify, suspend, or revoke the certification. The department will send a notice to the affected individual as part of any such action being taken].

(7) If a screener receives a notice of action, the screener [The affected individual] has 20 business days [after receiving the notice, referenced in this paragraph,] to request a hearing. DSHS assumes the notice is received five days after being postmarked. [on the proposed action. It is a rebuttable presumption that a notice is received five days after the date of the notice.] Unless the notice [letter] specifies another [an alternative] method, the hearing [a] request must [for a hearing shall] be [made] in writing[;] and mailed or hand-delivered to the program at the address described [specified] in §37.26(d) of this subchapter [title](relating to Recordkeeping and Reporting). If [an individual who is offered] the [opportunity for a hearing does not] request is not received or postmarked within 25 business days from the notice date [a hearing within the prescribed time for making such a request], the screener waives [individual is deemed to have waived] the right to a hearing and DSHS [the action] may proceed with the action [be taken].

(8) Appeals and administrative hearings follow DSHS [will be conducted in accordance with the department's] fair hearing rules in[; at] §§1.51 - 1.55 of this title (relating to Fair Hearing Procedures).

(c) DSHS may train a limited number of certified vision or hearing screeners, or both, to become DSHS-authorized external instructors. These external instructors may train and certify individuals who screen children in facilities. [Individuals who successfully complete a department instructor training course, including all associated testing, are authorized to conduct screening trainings and issue screening certificates to individuals who successfully complete the screening training (including all associated testing); subject to the requirements of this section.] Instructors may not charge [any kind of] fees for these [their] activities [under this section].

(1) A screener who wants to become an external [Individuals wishing to take the] instructor [course] must apply and [first] meet the following requirements [qualifications]:

(A) the applicant has [have] a [current,] valid DSHS [department] screening certificate [certification,] and has [have] experience performing screenings [under that certificate];

(B) the applicant has [have] experience training [conducting trainings to] groups of adults; and

(C) the applicant is [be] an audiologist, speech pathologist, optometrist, ophthalmologist, or a registered nurse with a valid [and must have the applicable] Texas license[, current and] in good standing [under Texas law].

(D) An individual who meets the qualifications in subsection (c)(1)(A) - (C) of this section may request external instructor training by contacting DSHS. DSHS will grant or deny the request based on the qualifications described in subsection (c)(1)(A) - (C) of this section and the external instructor manual located on the DSHS website.

(2) DSHS accepts applications on a limited basis, prioritizing the largest school districts and areas where there is a high need for training.

(A) External instructor certifications depend on the size of the facility or school district.

(B) External instructors must hold at least one training session for each type of screener training every year to stay certified. This includes both basic training and recertification training for vision or hearing, or both. If an external instructor does not train screeners for more than 18 months, the instructor must reapply for certification.

[(2) Department authorization for instructors to conduct trainings is valid for five years from the date certification was issued. The individual must successfully complete a department-approved instructor training refresher course (including passing any associated tests) and submit documentation of successful completion to the department within 30 days of completion of the course. Such refresher training must be completed during the fifth year of certification from the date the preceding certificate was issued. Failure to comply with these requirements, by the deadline given, means that the individual must then attend the basic instructor training course (i.e., a refresher course will not be sufficient).]

(3) The DSHS external instructor certificate lasts for two years. To renew an external instructor certificate, an individual must complete an instructor recertification course by December 31 of the second year after the certificate was issued. For example, if the certificate is dated March 15, 2026, an individual has until December 31, 2028, to finish an instructor recertification course, which extends the certificate for another two years. If an individual does not recertify within the required time period, the individual must take the complete training course again. DSHS may not renew an external instructor's certificate if DSHS confirms the training needs of the school district can be met without an external instructor.

(4) [(3)] DSHS-authorized external [Once authorized by the department to conduct trainings,] instructors must use the approved [do so using] training materials [obtained] from DSHS and follow all requirements and expectations listed in the instructor training manual [the department].

(5) [(4)] DSHS must approve all [All proposed screening] training sessions [must be approved by the department] at least 15 business [working] days before the sessions take place [prior to the training session]. The instructor must provide the necessary details to DSHS [all information sought by the department,] by the specified due date [deadlines given].

(6) [(5)] Instructors who have a valid certification [in good standing under this section] may also teach courses for screener recertification. Instructors must make sure the people signing up for these recertification courses are eligible. Instructors must follow all the rules for these recertification [screening refresher courses as described in subsection (b)(5) of this section. Such refresher courses are subject to the same requirements under this section as those pertaining to initial screening] courses.

(7) [(6)] External instructors must turn in all documentation listed in the external instructor training manual to DSHS within 10 business days after training screeners. The external instructor must send the [When a department-authorized instructor issues a certificate of vision and/or hearing screening, the instructor has 14 days to submit the attendance sheets, evaluations and the tear-off portion of the department's certification, and the photoscreening certificate, if applicable, to the department. These] original documents [should be submitted] to the [program at the] address listed in [found at] §37.26(d) of

this subchapter unless instructed otherwise in the training manual or on the DSHS website. Instructors must keep [title. The instructor should maintain] a copy of all records for five years.

[(7) When the department receives information from any source that indicates a screening instructor has not been following the requirements of this subchapter, the department may modify, suspend, or revoke the certification. The department will send a notice to the affected individual as part of any such action being taken.]

(8) External instructors may certify or recertify screeners but cannot certify instructors.

(9) External instructors must follow all DSHS guidelines in the external instructor training manual, including rules about class size and duration, course and instructor evaluations, and testing. The manual also explains what happens if external instructors do not follow these rules.

(10) External instructors must follow all instructions given in the vision or hearing screening manuals, or both, which can be found on the DSHS website.

(11) External instructors may be audited or observed by DSHS at any time for quality checks without notice or permission.

(12) If DSHS gets any information that an external instructor has not followed the rules described in this subchapter, DSHS may modify, suspend, or cancel the certification. DSHS will notify the instructor about any proposed actions.

(13) [(8)] The instructor [affected individual] has 20 business days after receiving the notice[, referenced in paragraph (7) of this subsection,] to request a hearing about [on] the proposed action. The notice is considered received five business days after being postmarked. [It is a rebuttable presumption that a notice is received five days after the date of the notice.] Unless the notice states otherwise, the [letter specifies an alternative method, a] request for a hearing must be written [shall be made in writing,] and mailed or hand-delivered to the [program at the] address described [specified] in §37.26(d) of this subchapter [title]. If the [an individual who is offered the opportunity for a hearing does not] request for a hearing is not received or postmarked within 25 business day from the date the notice was sent, the instructor waives the right to a [within the prescribed time for making such a request, the individual is deemed to have waived the] hearing and DSHS may take [the] action [may be taken].

(14) [(9)] Appeals and administrative hearings follow DSHS [will be conducted in accordance with the department's] fair hearing rules described in [at] §§1.51 - 1.55 of this title (relating to Fair Hearing Procedures).

§37.28. *Hearing Screening Equipment Standards and Requirements.*

(a) Unless specified [Except as] otherwise, [specifically provided, the sections in this subchapter apply to all persons and entities (e.g., calibration companies, facilities) who receive, possess, acquire, transfer, own, or use audiometers, audiometric testing devices, and audiometric calibration equipment, and to] all audiometers and other hearing equipment used for hearing tests [audiometric screening and hearing threshold tests, all audiometric testing devices, and all audiometric calibration equipment used] in facilities must follow the rules described in this subchapter. The facility and the screener must make sure these requirements are met [the State of Texas].

[(b) Each individual and entity using any of the equipment referenced in subsection (a) of this section must be registered with the department, in the manner prescribed by the department (see information

at <http://www.dshs.state.tx.us/vhs/audio.shtm>). Registration information must be updated in a timely manner to keep it current.]

(b) [(e)] The equipment mentioned [Equipment referenced] in subsection (a) of this section must [shall] meet the relevant [appropriate] current ANSI standards, or the manufacturer's specifications if there are no ANSI standards [apply], and must follow all other applicable federal and state standards and regulations [standard(s) and/or regulation(s)] for such equipment.

(c) [(d)] Screeners in facilities [Individuals] must be certified [trained] by [or undergo training approved by] the Department of State Health Services (DSHS) [department] in how to properly [the proper] use the [of this] equipment, as explained [detailed] in §37.27 of this subchapter [title] (relating to Standards and Requirements for Screening Certification and Instructor Training).

[(e) Individuals and entities who perform calibration services on the equipment referenced in subsection (a) of this section shall register with the department, and must update that registration in a timely manner to keep it current, in a manner prescribed by the department (see information at <http://www.dshs.state.tx.us/vhs/audio.shtm>).]

(d) [(f)] Qualified technicians must [Only calibration firms shall] perform regular [periodic] electronic calibrations and complete exhaustive electronic calibrations on audiometers used for screenings in facilities. The technician must [Calibration firms shall] provide proof of calibration [notification] to the audiometer's owner. Proof of calibration [of the audiometer being calibrated that the audiometer has been calibrated. The notification] may be shown with [in the form of] a decal or sticker attached [affixed] to the audiometer or the screener may keep a paper[, or in hard] copy of the latest calibration documentation with the audiometer [that must be maintained by the owner and be made readily available to the department or its representative upon request].

(e) The owner of the audiometer or the person in charge at the facility must complete biological calibration checks before a screening to confirm the equipment works properly, and also once a month on all audiometers used in facilities for screenings.

(f) [(g)] Every facility or screener for a facility that uses [Upon reasonable notice, each individual or entity using] audiometric screening equipment must keep [shall make available to the department, in a timely manner,] records of the equipment's calibration and [maintained pursuant to this subchapter. Calibration forms and records for all equipment referenced in subsection (a) of this section, including] monthly biological calibration checks. These records must be kept for three years and made available to DSHS if requested [data, shall be maintained] for inspection [by the department for three years].

[(h) Registration is not required for:]

[(1) equipment in storage, being shipped, or being offered for sale, if the audiometer, audiometric testing devices, and audiometric calibration equipment is not being used; and]

[(2) equipment limited to nonhuman use.]

The agency certifies that legal counsel has reviewed the proposal and found it to be within the state agency's legal authority to adopt.

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TRD-202503435



TITLE 26. HEALTH AND HUMAN SERVICES

PART 1. HEALTH AND HUMAN SERVICES COMMISSION

CHAPTER 356. FAMILY VIOLENCE PROGRAM

The executive commissioner of the Texas Health and Human Services Commission (HHSC) proposes amendments to §§356.603, 356.1303, 356.1316, 356.1403, 356.2003, 356.2016, and 356.2103, and the repeal of §356.1323 and §356.2023.

BACKGROUND AND PURPOSE

The purpose of the proposal is to repeal 26 Texas Administrative Code §356.1323 in Subchapter C and §356.2023 in Subchapter D, concerning Policies and Procedures for the Retention and Destruction of Documentation. HHSC intended to repeal these rules in a previous rule project (24R057) when it adopted the repeal of §356.625, an identical rule in Subchapter B. The repeals of §356.1323 and §356.2023 were inadvertently removed from the final rule document and did not become effective with the rest of the previous project. The proposed repeals of §356.1323 and §356.2023 ensure that retention and destruction of documentation procedures are removed from the entire chapter and do not conflict with the requirements of the HHSC contract related to family violence service delivery. The proposal also amends §§356.1316, 356.1403, 356.2016, and 356.2103 to remove references to the proposed repeals.

Further, HHSC is amending §§356.603, 356.1303, and 356.2003, to clarify there are four types of victims who may be eligible for services in the Family Violence Program. To make this clear, the proposed amendments replace "and" with "or" between the list of victims. This clarifies existing eligibility criteria and does not impact eligibility for services.

SECTION-BY-SECTION SUMMARY

The proposed amendment to §356.603, concerning Eligibility, replaces the use of "and" with "or" throughout subsection (a) to clarify that all types of victims listed are eligible for services under this program.

The proposed amendment to §356.1303, concerning Eligibility, replaces the use of "and" with "or" throughout subsection (a) to clarify that all types of victims listed are eligible for services under this program.

The proposed amendment to §356.1316, concerning Policies and Procedures Regarding Entries in a Program Participant's File, in subsection (d)(2) removes the reference to §356.1323, concerning Policies and Procedures for the Retention and Destruction of Documentation, which is proposed for repeal; makes edits to use plain language; and reformats the rule to improve readability and understanding.

The proposed repeal of §356.1323, concerning Policies and Procedures for the Retention and Destruction of Documentation, ensures that retention and destruction of documentation procedures do not conflict with the requirements of the HHSC contract related to family violence service delivery.

The proposed amendment to §356.1403, concerning Crisis Call Hotline, in paragraph (11)(B) removes the reference to §356.1323, concerning Policies and Procedures for the Retention and Destruction of Documentation, proposed for repeal, and instead, requires the center to follow the confidentiality requirements stated in the contract for family violence services with HHSC; it also makes edits to use plain language to improve readability and understanding.

The proposed amendment to §356.2003, concerning Eligibility, replaces the use of "and" with "or" throughout subsection (a) to clarify that all types of victims listed are eligible for services under this program.

The proposed amendment to §356.2016, concerning Policies and Procedures Regarding Entries in Program Participant's Files, in subsection (d)(2) removes the reference to §356.2023, concerning Policies and Procedures for the Retention and Destruction of Documentation, proposed for repeal; makes edits to use plain language; and reformats the rule to improve readability and understanding.

The proposed repeal of §356.2023, concerning Policies and Procedures for the Retention and Destruction of Documentation, ensures that retention and destruction of documentation procedures do not conflict with the requirements of the HHSC contract related to family violence service delivery.

The proposed amendment to §356.2103, concerning Crisis Call Hotline, in subsection (b)(11)(B) removes the reference to §356.2023, concerning Policies and Procedures for the Retention and Destruction of Documentation, proposed for repeal, and instead, requires the center to follow the confidentiality requirements stated in the contract for family violence services with HHSC; it also makes edits to use plain language to improve readability and understanding.

FISCAL NOTE

Trey Wood, HHSC Chief Financial Officer, has determined that for each year of the first five years that the rules will be in effect, enforcing or administering the rules does not have foreseeable implications relating to costs or revenues of state or local governments.

GOVERNMENT GROWTH IMPACT STATEMENT

HHSC has determined that during the first five years that the rules will be in effect:

- (1) the proposed rules will not create or eliminate a government program;
- (2) implementation of the proposed rules will not affect the number of HHSC employee positions;
- (3) implementation of the proposed rules will result in no assumed change in future legislative appropriations;
- (4) the proposed rules will not affect fees paid to HHSC;
- (5) the proposed rules will not create a new regulation;
- (6) the proposed rules will repeal existing regulations;

(7) the proposed rules will not change the number of individuals subject to the rules; and

(8) the proposed rules will not affect the state's economy.

SMALL BUSINESS, MICRO-BUSINESS, AND RURAL COMMUNITY IMPACT ANALYSIS

Trey Wood has also determined that there will be no adverse economic effect on small businesses, micro-businesses, or rural communities because the rules concern only non-profit entities and therefore do not apply to small or micro-businesses or rural communities.

LOCAL EMPLOYMENT IMPACT

The proposed rules will not affect a local economy.

COSTS TO REGULATED PERSONS

Texas Government Code §2001.0045 does not apply to these rules because the rules do not impose a cost on regulated persons.

PUBLIC BENEFIT AND COSTS

Crystal Starkey, Deputy Executive Commissioner for Family Health Services, has determined that for each year of the first five years the rules are in effect, the public benefit will be that Family Violence Program (FVP) providers will have clear eligibility requirements and consistent rules on documentation.

Trey Wood has also determined that for the first five years the rules are in effect, there are no anticipated economic costs to persons who are required to comply with the proposed rules because the rules do not impose any additional costs or requirements for FVP providers.

TAKINGS IMPACT ASSESSMENT

HHSC has determined that the proposal does not restrict or limit an owner's right to his or her property that would otherwise exist in the absence of government action and, therefore, does not constitute a taking under Texas Government Code §2007.043.

PUBLIC COMMENT

Written comments on the proposal, including information related to the cost, benefit, or effect of the proposed rule, as well as any applicable data, research, or analysis, may be submitted to Rules Coordination Office, P.O. Box 13247, Mail Code 4102, Austin, Texas 78711-3247, or street address 4601 West Guadalupe Street, Austin, Texas 78751; or emailed to HHSCRulesCoordinationOffice@hhs.texas.gov.

To be considered, comments must be submitted no later than 31 days after the date of this issue of the *Texas Register*. Comments must be (1) postmarked or shipped before the last day of the comment period; (2) hand-delivered before 5:00 p.m. on the last working day of the comment period; or (3) emailed before midnight on the last day of the comment period. If the last day to submit comments falls on a holiday, comments must be postmarked, shipped, or emailed before midnight on the following business day to be accepted. When emailing comments, please indicate "Comments on Proposed Rule "25R049" in the subject line.

SUBCHAPTER B. SHELTER CENTERS

DIVISION 6. PROGRAM ADMINISTRATION

26 TAC §356.603

STATUTORY AUTHORITY

The amendment is authorized by Texas Government Code §524.0151, which provides that the executive commissioner of HHSC shall adopt rules for the operation and provision of services by the health and human services system, and Texas Human Resources Code §51.010, which authorizes the executive commissioner of HHSC to adopt rules governing the HHSC Family Violence Program.

The amendment affects Texas Government Code §524.0151 and Texas Human Resources Code §51.010.

§356.603. Eligibility.

(a) The following individuals are eligible for services under this chapter:

(1) victims of family violence or [and] dating violence; or [and]

(2) victims of sexual assault or [and] human trafficking when the sexual assault or [and] human trafficking meets the definition of family violence or dating violence.

(b) All victims described in this section are eligible for services regardless of the victim's current geographic location.

(c) A center must not require a victim to participate in center activities as a condition of receiving shelter or services.

The agency certifies that legal counsel has reviewed the proposal and found it to be within the state agency's legal authority to adopt.

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Karen Ray

Chief Counsel

Health and Human Services Commission

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For further information, please call: (512) 460-0992



SUBCHAPTER C. SPECIAL NONRESIDENTIAL PROJECT CENTERS

DIVISION 6. PROGRAM ADMINISTRATION

26 TAC §356.1303, §356.1316

STATUTORY AUTHORITY

The amendments are authorized by Texas Government Code §524.0151, which provides that the executive commissioner of HHSC shall adopt rules for the operation and provision of services by the health and human services system, and Texas Human Resources Code §51.010, which authorizes the executive commissioner of HHSC to adopt rules governing the HHSC Family Violence Program.

The amendments affect Texas Government Code §524.0151 and Texas Human Resources Code §51.010.

§356.1303. Eligibility.

(a) The following individuals are eligible for services under this chapter:

(1) victims of family violence or [and] dating violence; or [and]

(2) victims of sexual assault or ~~and~~ human trafficking when the sexual assault or human trafficking meets the definition of family violence or dating violence.

(b) All victims described in this section are eligible for services regardless of the victim's current geographic location.

(c) A center must not require a victim to participate in center activities as a condition of receiving services.

§356.1316. Policies and Procedures Regarding Entries in a Program Participant's Record.

(a) If a special nonresidential center involves direct services, the center must develop, maintain, and comply with written policies and procedures regarding entries into a program participant's record that require that:

(1) each entry be attributed to and dated by the employee or volunteer entering the information;

(2) the program participant record does not include the names of other program participants; and

(3) if the center provides direct services for both a victim and an abuser, the center maintains a separate record for each, one for the victim and one for the abuser.

(b) A center must develop, maintain, and comply with written policies and procedures to ensure a program participant may have access and review all information in the program participant's record.

(c) If a program participant contests an entry in the program participant's record, the center must either:

(1) remove the entry from the record; or

(2) if the entry is not removed, note in the record that the program participant has contested the entry.

(d) A center may create and store entries to a program participant's record electronically, provided that:

(1) electronic entries are secure and attributed to an individual, which may include password-protected system access; and

(2) records are kept following all ~~[in compliance with applicable]~~ state and federal laws, including:

(A) 42 United States Code (U.S.C.) Chapter 110, the Family Violence Prevention and Services Act; ~~and~~

(B) §356.1202 ~~[[§§356.1202, 356.1317, and 356.1323]~~ of this subchapter (relating to Security System Policies and Procedures); and

(C) §356.1317 of this division (relating to Maintaining Control Over Program Participant Records). ~~[-; and Policies and Procedures for the Retention and Destruction of Documentation].~~

The agency certifies that legal counsel has reviewed the proposal and found it to be within the state agency's legal authority to adopt.

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Chief Counsel

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26 TAC §356.1323

STATUTORY AUTHORITY

The repeal is authorized by Texas Government Code §524.0151, which provides that the executive commissioner of HHSC shall adopt rules for the operation and provision of services by the health and human services system, and Texas Human Resources Code §51.010, which authorizes the executive commissioner of HHSC to adopt rules governing the HHSC Family Violence Program.

The repeal affects Texas Government Code §524.0151 and Texas Human Resources Code §51.010.

§356.1323. Policies and Procedures for the Retention and Destruction of Documentation.

The agency certifies that legal counsel has reviewed the proposal and found it to be within the state agency's legal authority to adopt.

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Chief Counsel

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DIVISION 7. SERVICE DELIVERY

26 TAC §356.1403

STATUTORY AUTHORITY

The amendment is authorized by Texas Government Code §524.0151, which provides that the executive commissioner of HHSC shall adopt rules for the operation and provision of services by the health and human services system, and Texas Human Resources Code §51.010, which authorizes the executive commissioner of HHSC to adopt rules governing the HHSC Family Violence Program.

The amendments and repeals affect Texas Government Code §524.0151 and Texas Human Resources Code §51.010.

§356.1403. Crisis Call Hotline.

A center does not have to provide a crisis call hotline, but if the center does provide a hotline and it is funded by the Texas Health and Human Services Commission (HHSC), the center must:

(1) ensure that an individual trained in crisis intervention, or who has immediate access to someone who has had training, answers the crisis call hotline 24-hours-a-day, every day of the year;

(2) accept collect calls and anonymous incoming calls;

(3) list the hotline number across all relevant publications in the center's service area and on the center's website, if applicable;

(4) provide a minimum of two hotline telephone lines;

(5) ensure that the caller has direct access to a live person who is trained to assess the caller's safety and that a messaging system is not used to answer the hotline;

(6) provide caller identification (ID) blocks on the center's numbers for outgoing calls to program participants;

(7) ensure compliance with all state and federal laws, including §356.1304 of this subchapter (relating to Federal and State Laws Regarding Eligibility), when using the hotline to determine eligibility for services;

(8) keep all hotline calls and any related documentation confidential;

(9) provide meaningful access to persons with disabilities, as required by §356.1324 of this subchapter (relating to Access to Services for People with a Disability);

(10) ensure the center can provide meaningful access to people with limited English proficiency as required by §356.1307 of this subchapter (relating to Access to Services for People with Limited English Proficiency); and

(11) if the center uses caller ID or any other technology that establishes a record of calls on the hotline, the center must:

(A) ensure there will not be a breach of confidentiality to third parties; and

(B) follow ~~[comply with]~~ the confidentiality requirements ~~stated in the contract for family violence services with HHSC about [of §356.1323 of this subchapter (relating to Policies and Procedures for the Retention and Destruction of Documentation) regarding]~~ the records ~~created [generated]~~ by caller ID or other technology.

The agency certifies that legal counsel has reviewed the proposal and found it to be within the state agency's legal authority to adopt.

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SUBCHAPTER D. NONRESIDENTIAL CENTERS

DIVISION 6. PROGRAM ADMINISTRATION

26 TAC §356.2003, §356.2016

STATUTORY AUTHORITY

The amendment is authorized by Texas Government Code §524.0151, which provides that the executive commissioner of HHSC shall adopt rules for the operation and provision of services by the health and human services system, and Texas Human Resources Code §51.010, which authorizes the executive commissioner of HHSC to adopt rules governing the HHSC Family Violence Program.

The amendments affect Texas Government Code §524.0151 and Texas Human Resources Code §51.010.

§356.2003. Eligibility.

(a) The following individuals are eligible for services under this chapter:

(1) victims of family violence or [and] dating violence; or [and]

(2) victims of sexual assault or [and] human trafficking when the sexual assault or human trafficking meets the definition of family violence or dating violence.

(b) All victims described in this section are eligible for services regardless of the victim's current geographic location.

(c) A center must not require a victim to participate in center activities as a condition of receiving services.

§356.2016. Policies and Procedures Regarding Entries in a Program Participant's Record.

(a) A center must develop, maintain, and comply with written policies and procedures regarding entries into a program participant's file that require that:

(1) each entry be attributed to and dated by the employee or volunteer entering the information;

(2) a program participant's record does not include the names of other program participants; and

(3) if the center provides direct services for both the victim and the abuser, the center maintains a separate record for each, one for the victim and one for the abuser.

(b) A center must develop, maintain, and comply with written policies and procedures that ensure a program participant may access and review all information in the participant's record.

(c) If a program participant contests an entry made in the participant's record, the center must either:

(1) remove the entry from the record; or

(2) if the entry is not removed, note in the record that the program participant has contested the entry.

(d) A center may create and store entries to a program participant's record electronically, provided that:

(1) electronic entries are secure and attributed to an individual, which may include password-protected system access; and

(2) records are kept following all [in compliance with applicable] state and federal laws, including:

(A) 42 United States Code (U.S.C.) Chapter 110, the Family Violence Prevention and Services Act; [; and]

(B) §356.1903 [§§356.1903, 356.2017, and 356.2023] of this subchapter (relating to Security Policies and Procedures); and

(C) §356.2017 of this division (relating to Maintaining Control Over Program Participant Records). [; and Policies and Procedures for the Retention and Destruction of Documentation].]

The agency certifies that legal counsel has reviewed the proposal and found it to be within the state agency's legal authority to adopt.

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Karen Ray

Chief Counsel

Health and Human Services Commission

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For further information, please call: (512) 460-0992

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26 TAC §356.2023

STATUTORY AUTHORITY

The repeal is authorized by Texas Government Code §524.0151, which provides that the executive commissioner of HHSC shall adopt rules for the operation and provision of services by the health and human services system, and Texas Human Resources Code §51.010, which authorizes the executive commissioner of HHSC to adopt rules governing the HHSC Family Violence Program.

The repeal affects Texas Government Code §524.0151 and Texas Human Resources Code §51.010.

§356.2023. Policies and Procedures for the Retention and Destruction of Documentation.

The agency certifies that legal counsel has reviewed the proposal and found it to be within the state agency's legal authority to adopt.

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Karen Ray

Chief Counsel

Health and Human Services Commission

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For further information, please call: (512) 460-0992

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DIVISION 7. SERVICE DELIVERY

26 TAC §356.2103

STATUTORY AUTHORITY

The amendment is authorized by Texas Government Code §524.0151, which provides that the executive commissioner of HHSC shall adopt rules for the operation and provision of services by the health and human services system, and Texas Human Resources Code §51.010, which authorizes the executive commissioner of HHSC to adopt rules governing the HHSC Family Violence Program.

The amendments and repeals affect Texas Government Code §524.0151 and Texas Human Resources Code §51.010.

§356.2103. Crisis Call Hotline.

(a) A center must operate a hotline and comply with Texas Health and Human Services Commission (HHSC) requirements unless another organization located in the nonresidential center's service area provides a hotline that complies with HHSC requirements.

(b) If a center operates a hotline, the center must:

(1) ensure that an individual trained in crisis intervention, or who has immediate access to someone who has had training, answers the crisis call hotline 24-hours-a-day, every day of the year;

(2) accept collect calls and anonymous incoming calls;

(3) list the hotline number across all relevant publications in the center's service area and on the center's website, if applicable;

(4) provide a minimum of two hotline telephone lines;

(5) ensure that the caller has direct access to a live person who is trained to assess the caller's safety and that a messaging system is not used to answer the hotline;

(6) provide caller identification (ID) blocks on the center's numbers for outgoing calls;

(7) ensure compliance with all state and federal laws, including §356.2004 of this subchapter (relating to Federal and State Laws Regarding Eligibility), when using the hotline to determine eligibility for services;

(8) keep all hotline calls and any related documentation confidential;

(9) provide equitable access to persons with a disability, as required by §356.2034 of this subchapter (relating to Access to Services for People with a Disability);

(10) ensure the center can provide equitable access to people with limited English proficiency as required by §356.2008 of this subchapter (relating to Access to Services for People with Limited English Proficiency); and

(11) if the center uses caller ID or any other technology that establishes a record of calls on the hotline, the center must:

(A) ensure there will not be a breach of confidentiality to third parties; and

(B) follow [comply with] the confidentiality requirements stated in the contract for family violence services with HHSC about [of §356.2023 of this subchapter (relating to Policies and Procedures for the Retention and Destruction of Documentation) regarding] the records created [generated] by caller ID or other technology.

The agency certifies that legal counsel has reviewed the proposal and found it to be within the state agency's legal authority to adopt.

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Karen Ray

Chief Counsel

Health and Human Services Commission

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TITLE 28. INSURANCE

PART 1. TEXAS DEPARTMENT OF INSURANCE

CHAPTER 3. LIFE, ACCIDENT, AND HEALTH INSURANCE AND ANNUITIES

SUBCHAPTER RR. VALUATION MANUAL

28 TAC §3.9901

The Texas Department of Insurance (TDI) proposes to amend 28 TAC §3.9901, concerning the adoption of a valuation manual for reserving and related requirements. The amendment to §3.9901 implements Insurance Code §425.073.

EXPLANATION.

An amendment to §3.9901 is necessary to comply with Insurance Code §425.073, which requires the commissioner to adopt by rule a valuation manual that is substantially similar to the National Association of Insurance Commissioners (NAIC) Valuation Manual.

Under Insurance Code §425.073(c), when the NAIC adopts changes to its valuation manual, the commissioner must adopt substantially similar changes. This subsection also requires the commissioner to determine that NAIC's changes were approved by an affirmative vote representing at least three-fourths of the voting NAIC members, but not less than a majority of the total membership. In addition, the NAIC members voting in favor of amending the valuation manual must represent jurisdictions totaling greater than 75% of the direct written premiums as reported in the most recently available life, accident, and health/fraternal annual statements and health annual statements.

TDI originally adopted the valuation manual in §3.9901 on December 29, 2016, in compliance with Insurance Code §425.073. On August 13, 2025, the NAIC voted to adopt changes to the valuation manual. Forty-nine jurisdictions, representing jurisdictions totaling 94.67% of the relevant direct written premiums, voted in favor of adopting the amendments to the valuation manual. The votes adopting changes to the NAIC Valuation Manual meet the requirements of Insurance Code §425.073(c).

This proposal includes provisions related to NAIC rules, regulations, directives, or standards. Under Insurance Code §36.004, TDI must consider whether authority exists to enforce or adopt the NAIC's changes. In addition, under Insurance Code §36.007, the commissioner cannot adopt or enforce a rule implementing an interstate, national, or international agreement that infringes on the authority of this state to regulate the business of insurance in this state, unless the agreement is approved by the Texas Legislature. TDI has determined that neither §36.004 nor §36.007 prohibit this proposal because Insurance Code §425.073 requires the Texas insurance commissioner to adopt a valuation manual that is substantially similar to the valuation manual approved by the NAIC, and §425.073(c) expressly requires the commissioner to adopt changes to the valuation manual that are substantially similar to changes adopted by the NAIC.

In addition to clarifying existing provisions, the 2026 NAIC Valuation Manual includes changes that:

- update the Valuation Manual economic scenario generator references for the adoption of the Conning-maintained prescribed economic scenario generator; and
- introduce a new principle-based reserving framework for non-variable annuities, located in Section VM-22 of the Valuation Manual.

The NAIC's adopted changes to the valuation manual can be viewed at https://content.naic.org/sites/default/files/pbr_data_valuation_manual_future_edition_red-line.pdf.

A description of the section's proposed amendment follows.

Section 3.9901. The amendment to §3.9901 replaces the date the NAIC adopted its previous valuation manual with the date the NAIC adopted its current valuation manual, adopting by reference the new valuation manual dated August 13, 2025.

FISCAL NOTE AND LOCAL EMPLOYMENT IMPACT STATEMENT. Jamie Walker, deputy commissioner of the Financial Regulation Division, has determined that during each year of the first five years the proposed amendment is in effect, there will be no measurable fiscal impact on state and local governments as a result of enforcing or administering the amendment, other than that imposed by the statute. Ms. Walker made this determination because the proposed amendment does not add to or decrease state revenues or expenditures, and because local governments are not involved in enforcing or complying with the proposed amendment.

Ms. Walker does not anticipate any measurable effect on local employment or the local economy as a result of this proposal.

PUBLIC BENEFIT AND COST NOTE.

For each year of the first five years the proposed amendment is in effect, Ms. Walker expects that administering the proposed amendment will have the public benefit of ensuring that TDI's rules conform to Insurance Code §425.073.

Ms. Walker expects that the proposed amendment will not increase the cost of compliance with Insurance Code §425.073 because it does not impose requirements beyond those in statute. Insurance Code §425.073 requires that changes to the valuation manual be adopted by rule and be substantially similar to changes adopted by the NAIC. As a result, the cost associated with adopting the changes to the valuation manual is a direct result of Insurance Code §425.073 and not a result of the enforcement or administration of the proposed amendment.

ECONOMIC IMPACT STATEMENT AND REGULATORY FLEXIBILITY ANALYSIS. TDI has determined that the proposed amendment will not have an adverse economic effect on small or micro businesses, or on rural communities. This is because the amendment does not impose any requirements beyond those required by statute. As a result, and in accordance with Government Code §2006.002(c), TDI is not required to prepare a regulatory flexibility analysis.

EXAMINATION OF COSTS UNDER GOVERNMENT CODE §2001.0045.

TDI has determined that this proposal does not impose a possible cost on regulated persons. In addition, no additional rule amendments are required under Government Code §2001.0045 because the proposed amendment is necessary to implement legislation. The proposed rule implements Insurance Code §425.073, added by Senate Bill 1654, 84th Legislature, 2015.

GOVERNMENT GROWTH IMPACT STATEMENT.

TDI has determined that for each year of the first five years that the proposed amendments are in effect, the proposed rule:

- will not create or eliminate a government program;
- will not require the creation of new employee positions or the elimination of existing employee positions;
- will not require an increase or decrease in future legislative appropriations to the agency;
- will not require an increase or decrease in fees paid to the agency;
- will not create a new regulation;
- will not expand, limit, or repeal an existing regulation;

- will not increase or decrease the number of individuals subject to the rule's applicability; and

- will not positively or adversely affect the Texas economy.

TAKINGS IMPACT ASSESSMENT. TDI has determined that no private real property interests are affected by this proposal and that this proposal does not restrict or limit an owner's right to property that would otherwise exist in the absence of government action. As a result, this proposal does not constitute a taking or require a takings impact assessment under Government Code §2007.043.

REQUEST FOR PUBLIC COMMENT.

TDI will consider any written comments on the proposal that are received by TDI no later than 5:00 p.m., central time, on November 10, 2025. Consistent with Government Code §2001.024(a)(8), TDI requests public comments on the proposal, including information related to the cost, benefit, or effect of the proposal and any applicable data, research, and analysis. Send your comments to ChiefClerk@tdi.texas.gov or to the Office of the Chief Clerk, MC: GC-CCO, Texas Department of Insurance, P.O. Box 12030, Austin, Texas 78711-2030.

To request a public hearing on the proposal, submit a request before the end of the comment period to ChiefClerk@tdi.texas.gov or to the Office of the Chief Clerk, MC: GC-CCO, Texas Department of Insurance, P.O. Box 12030, Austin, Texas 78711-2030. The request for public hearing must be separate from any comments and received by the TDI no later than 5:00 p.m., central time, on November 10, 2025. If a public hearing is held, TDI will consider written and oral comments presented at the hearing.

STATUTORY AUTHORITY. TDI proposes the amendment to §3.9901 under Insurance Code §425.073 and §36.001.

Insurance Code §425.073 requires the commissioner to adopt by rule changes to the valuation manual previously adopted by the commissioner that are substantially similar to any changes adopted by NAIC to its valuation manual. Section 425.073 also requires that after a valuation manual has been adopted by rule, any changes to the valuation manual must also be adopted by rule.

Insurance Code §36.001 provides that the commissioner may adopt any rules necessary and appropriate to implement the powers and duties of TDI under the Insurance Code and other laws of this state.

CROSS-REFERENCE TO STATUTE.

Section 3.9901 implements Insurance Code §425.073.

§3.9901. Valuation Manual.

(a) The commissioner adopts by reference the National Association of Insurance Commissioners (NAIC) Valuation Manual, including subsequent changes that were adopted by the NAIC through August 13, 2025 [45; 2024], as required by Insurance Code §425.073.

(b) The operative date of the NAIC Valuation Manual in Texas is January 1, 2017.

The agency certifies that legal counsel has reviewed the proposal and found it to be within the state agency's legal authority to adopt.

Filed with the Office of the Secretary of State on September 26, 2025.

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Jessica Barta

General Counsel

Texas Department of Insurance

Earliest possible date of adoption: November 9, 2025

For further information, please call: (512) 676-6655



PART 2. TEXAS DEPARTMENT OF INSURANCE, DIVISION OF WORKERS' COMPENSATION

CHAPTER 133. GENERAL MEDICAL PROVISIONS

INTRODUCTION. The Texas Department of Insurance, Division of Workers' Compensation (DWC) proposes to repeal 28 TAC §133.4 and §133.5, concerning informal and voluntary networks, and §133.309, concerning medical disputes for workers' compensation claims. Section 133.4 implements Labor Code §413.011, §133.5 implements Labor Code §413.0115, and §133.309 implements Labor Code §413.031. Sections 133.4, 133.5, and 133.309 were identified for repeal in an earlier rule review.

EXPLANATION. Repealing §§133.4 and 133.5 is necessary because they expired on January 1, 2011, when Labor Code §413.011(d-1) - (d-3) and (d-6) expired. Repealing §133.309 is necessary because the Third Court of Appeals, Austin, Texas, declared it invalid in 2008. *Texas Dept. of Ins. v. Insurance Council of Texas*, No. 03-05-00189-CV, 2008 WL 744681 (Tex. App.- Austin March 21, 2008, no pet.). Repealing these rules is necessary to ensure that the rules in the subchapters are relevant, which reduces clutter and confusion.

FISCAL NOTE AND LOCAL EMPLOYMENT IMPACT STATEMENT. Deputy Commissioner for Health and Safety Mary Landrum has determined that during each year of the first five years the proposed repeals are in effect, there will be no measurable fiscal impact on state and local governments as a result of enforcing or administering the sections, other than that imposed by the statute. This determination was made because the proposed repeals do not add to or decrease state revenues or expenditures, and because local and state government entities are only involved in enforcing or complying with the proposed repeals when acting in the capacity of a workers' compensation insurance carrier. Those entities will be impacted in the same way as an insurance carrier and will realize the same benefits from the proposed repeals.

Deputy Commissioner Landrum does not anticipate any measurable effect on local employment or the local economy as a result of this proposal.

PUBLIC BENEFIT AND COST NOTE. For each year of the first five years the proposed repeals are in effect, Deputy Commissioner Landrum expects that enforcing and administering the proposed repeals will have the public benefits of ensuring that DWC's rules conform to the Labor Code and case law and are current and accurate, which promotes transparent and efficient regulation.

Deputy Commissioner Landrum expects that the proposed repeals will not increase the cost to comply with the Labor Code and case law because they do not impose requirements beyond those in the statute. Labor Code §413.011(d-1) - (d-3) and (d-6),

along with 28 TAC §§133.4 and 133.5, expired on January 1, 2011, and §133.309 was declared invalid in 2008 by the Third Court of Appeals, Austin, Texas. As a result, any cost associated with the repeals does not result from the enforcement or administration of the proposed repeals.

ECONOMIC IMPACT STATEMENT AND REGULATORY FLEXIBILITY ANALYSIS. DWC has determined that the proposed repeals will not have an adverse economic effect or a disproportionate economic impact on small or micro businesses, or on rural communities because the proposed repeals remove obsolete references to expired and overruled law only. The proposed repeals do not change the people the rule affects or impose additional costs. As a result, and in accordance with Government Code §2006.002(c), DWC is not required to prepare a regulatory flexibility analysis.

EXAMINATION OF COSTS UNDER GOVERNMENT CODE §2001.0045. DWC has determined that this proposal does not impose a possible cost on regulated persons. As a result, no additional rule amendments are required under Government Code §2001.0045.

GOVERNMENT GROWTH IMPACT STATEMENT. DWC has determined that for each year of the first five years that the proposed repeals are in effect, the proposed repeals:

- will not create or eliminate a government program;
- will not require the creation of new employee positions or the elimination of existing employee positions;
- will not require an increase or decrease in future legislative appropriations to the agency;
- will not require an increase or decrease in fees paid to the agency;
- will not create a new regulation;
- will expand, limit, or repeal an existing regulation;
- will not increase or decrease the number of individuals subject to the rule's applicability; and
- will not positively or adversely affect the Texas economy.

DWC made these determinations because the proposal is a simple repeal. It does not change the people the rule affects or impose additional costs.

TAKINGS IMPACT ASSESSMENT. DWC has determined that no private real property interests are affected by this proposal, and this proposal does not restrict or limit an owner's right to property that would otherwise exist in the absence of government action. As a result, this proposal does not constitute a taking or require a takings impact assessment under Government Code §2007.043.

REQUEST FOR PUBLIC COMMENT. DWC will consider any written comments on the proposal that DWC receives no later than 5:00 p.m., Central time, on November 10, 2025. Send your comments to RuleComments@tdi.texas.gov; or to Texas Department of Insurance, Division of Workers' Compensation, Legal Services, MC-LS, P.O. Box 12050, Austin, Texas 78711-2050.

To request a public hearing on the proposal, submit a request before the end of the comment period to RuleComments@tdi.texas.gov; or to Texas Department of Insurance, Division of Workers' Compensation, Legal Services, MC-LS,

P.O. Box 12050, Austin, Texas 78711-2050. The request for public hearing must be separate from any comments. If DWC holds a public hearing, it will consider written and oral comments presented at the hearing.

SUBCHAPTER A. GENERAL RULES FOR MEDICAL BILLING AND PROCESSING

28 TAC §133.4, 133.5

STATUTORY AUTHORITY. DWC proposes repealing §§133.4 and 133.5 under Labor Code §§402.00111, 402.00116, 402.061, 413.011, and 413.0115.

Labor Code §402.00111 provides that the commissioner of workers' compensation shall exercise all executive authority, including rulemaking authority under Title 5 of the Labor Code.

Labor Code §402.00116 provides that the commissioner of workers' compensation shall administer and enforce this title, other workers' compensation laws of this state, and other laws granting jurisdiction to or applicable to DWC or the commissioner.

Labor Code §402.061 provides that the commissioner of workers' compensation shall adopt rules as necessary to implement and enforce the Texas Workers' Compensation Act.

Labor Code §413.011 provides health care reimbursement policies and guidelines.

Labor Code §413.0115 provides requirements for certain voluntary or informal networks.

CROSS-REFERENCE TO STATUTE. Section 133.4 implements Labor Code §413.011 enacted by House Bill (HB) 752, 73rd Legislature, Regular Session (1993) and amended by HB 473, 80th Legislature, Regular Session (2007). Section 133.5 implements Labor Code §413.0115 enacted by HB 473, 80th Legislature, Regular Session (2007).

§133.4. Written Notification to Health Care Providers of Contractual Agreements for Informal and Voluntary Networks.

§133.5. Informal Network and Voluntary Network Reporting Requirements to the Division.

The agency certifies that legal counsel has reviewed the proposal and found it to be within the state agency's legal authority to adopt.

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Kara Mace

General Counsel

Texas Department of Insurance, Division of Workers' Compensation

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For further information, please call: (512) 804-4703



SUBCHAPTER D. DISPUTE OF MEDICAL BILLS

28 TAC §133.309

STATUTORY AUTHORITY. DWC proposes repealing §133.309 under Labor Code §§402.00111, 402.00116, 402.061, and 413.031.

Labor Code §402.00111 provides that the commissioner of workers' compensation shall exercise all executive authority, including rulemaking authority under Title 5 of the Labor Code.

Labor Code §402.00116 provides that the commissioner of workers' compensation shall administer and enforce this title, other workers' compensation laws of this state, and other laws granting jurisdiction to or applicable to DWC or the commissioner.

Labor Code §402.061 provides that the commissioner of workers' compensation shall adopt rules as necessary to implement and enforce the Texas Workers' Compensation Act.

Labor Code §413.031 outlines medical dispute resolution.

CROSS-REFERENCE TO STATUTE. Section 133.309 implements Labor Code §413.031, enacted by HB 752, 73rd Legislature, Regular Session (1993) and amended by Senate Bill 1742, 86th Legislature, Regular Session (2019).

§133.309. Alternate Medical Necessity Dispute Resolution by Case Review Doctor.

The agency certifies that legal counsel has reviewed the proposal and found it to be within the state agency's legal authority to adopt.

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Kara Mace

General Counsel

Texas Department of Insurance, Division of Workers' Compensation

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For further information, please call: (512) 804-4703

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