

BILL ANALYSIS

Senate Research Center

S.B. 286
By: Shapleigh
Government Organization
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Enrolled

DIGEST AND PURPOSE

The Texas Higher Education Coordinating Board (THECB) provides leadership and coordination among Texas' higher education institutions to ensure quality and efficiency in the state's public higher education system. To accomplish its goals, THECB has developed a new master plan for higher education in Texas, *Closing the Gaps by 2015*, which allows the agency and institutions to focus on the most critical challenges to overcome for the future social, educational, and economic health of the state. S.B. 286 continues THECB for the standard 12-year period, reduces its membership from 18 to 9 members, and requires THECB to articulate implementation strategies for the higher education plan and to report to the legislature on statutory and institutional funding changes that best support the plan.

RULEMAKING AUTHORITY

Rulemaking authority is expressly granted to the Texas Higher Education Coordinating Board in SECTION 47 (Section 56.091 and 56.096, Education Code), SECTION 49 (Section 56.3575, Education Code), and in SECTION 64 of this bill.

SECTION BY SECTION ANALYSIS

SECTION 1. Amends Section 61.0211, Education Code, to continue the Texas Higher Education Coordinating Board (THECB) for the standard 12-year period until September 1, 2015.

SECTION 2. Amends Section 61.022, Education Code, to update standard Sunset language on appointment and terms of office to THECB. Reduces THECB from 18 to 9 members.

SECTION 3. Amends Sections 61.0222(b)-(e), Education Code, to update standard Sunset language relating to prohibitions against certain persons from being a member or employee of THECB.

SECTION 4. Amends Sections 61.0223(a) and (c), Education Code, to update standard Sunset language relating to grounds for removal from THECB.

SECTION 5. Amends Subchapter B, Chapter 61, Education Code, by adding Section 61.0224, as follows:

Sec. 61.0224. TRAINING OF BOARD MEMBERS. Adds standard Sunset language relating to the training of THECB members.

SECTION 6. Amends Sections 61.028(f) and (g), Education Code, to update standard Sunset language requiring the commissioner of higher education or commissioner's designee to develop an equal opportunity program.

SECTION 7. Amends Subchapter B, Chapter 61, Education Code, by adding Section 61.0281, as follows:

Sec. 61.0281. STATE EMPLOYEE INCENTIVE PROGRAM. Applies standard Sunset

language requiring training on participation in the state employee incentive program.

SECTION 8. Amends Section 61.029, Education Code, as follows:

Sec. 61.029. INTERNAL AUDIT.

- (a) Requires THECB, rather than the commissioner of higher education (commissioner) with THECB approval, to appoint an internal auditor for THECB.
- (b) Requires the internal auditor to report directly to THECB, on all matters, other than administrative matters, that require the decision of the commissioner.
- (c) Requires the commissioner to advise THECB regarding certain matters concerning the internal auditor.
- (d) Requires the internal auditor to develop an annual audit plan, conduct audits as specified in the audit plan, and fulfill the other duties required by Chapter 2102, Government Code.
- (e) Requires the internal auditor to review all audit reports with THECB and the commissioner.

SECTION 9. Amends Section 61.031, Education Code, to update standard Sunset language requiring information to be maintained on complaints.

SECTION 10. Amends Subchapter B, Chapter 61, Education Code, by adding Section 61.033, as follows:

Sec. 61.033. NEGOTIATED RULEMAKING; ALTERNATIVE DISPUTE RESOLUTION. Adds standard Sunset language requiring THECB to develop and implement a policy to encourage the use of negotiated rulemaking and alternative dispute resolution procedures.

SECTION 11. Amends Subchapter B, Chapter 61, Education Code, by adding Section 61.034, as follows:

Sec. 61.034. EFFECTIVE USE OF TECHNOLOGY. Adds standard Sunset language requiring THECB to develop and implement a policy to research and propose appropriate technological solutions.

SECTION 12. Amends Section 61.051, Education Code, by amending Subsections (a), (j), and (m) and adding Subsections (a-1), (a-2), and (a-3), as follows:

(a) Created from existing text.

(a-1) Created from existing text.

(a-2) Requires THECB to periodically review and revise the five-year master plan developed under Subsection (a-1). Requires THECB, as a specific element of its review, to identify and analyze the degree to which the plan reflects the continuing higher education needs of this state, as well as any policy changes necessary to improve overall implementation of the plan and the fiscal impact of those changes. Requires THECB to establish procedures for monitoring the board's implementation of the plan, including an analysis of the degree to which its current activities support implementation of the plan and any change in THECB rules or practices necessary to improve implementation of the plan. Requires THECB to identify additional strategies necessary to achieve the goals of the plan, emphasizing implementation by institutions

of higher education and specific recommendations for the different regions of the state. Requires THECB to notify each institution of higher education of all strategies for implementing the plan.

(a-3) Requires THECB to report to the legislature not later than the January 1 of each odd-numbered year on the state of higher education in Texas. Requires THECB, in the biennial report, to assess the state's progress in meeting the goals stated in the plan developed under Subsection (i) and to recommend legislative action to assist the state in meeting those goals. Requires the report to include the analyses performed in connection with THECB's periodic review under Subsection (a-2).

(j) Adds new language relating to distance learning programs.

(m) Adds "certificate" to proposed text relating to obtaining a degree from an institution of higher education.

SECTION 13. Amends Section 61.059, Education Code, by amending Subsections (a) and (i) and adding Subsection (i-1), as follows:

(a) Requires funding policies to ensure that certain conditions are met.

(i) Makes a conforming and a nonsubstantive change.

(i-1) Requires THECB, not later than January 1 of each odd-numbered year, to make and submit to the legislature findings and recommendations regarding the degree to which the current higher education funding system, including formula funding and any other transfers of legislative appropriations to institutions of higher education, supports the implementation of the five-year master plan developed and revised under Section 61.051. Authorizes THECB to include its findings and recommendations in the biennial report submitted to the legislature under Section 61.051. Requires THECB, in its findings, to perform certain actions.

SECTION 14. Amends Section 61.065(a), Education Code, to authorize THECB to require institutions to report additional financial information as THECB considers necessary.

SECTION 15. Amends Section 61.066, Education Code, by adding Subsection (c), to require THECB to conduct a study and make findings and recommendations regarding methods for reducing administrative burdens and increasing participation in student financial aid programs to maximize the value of those programs to the state. Requires THECB, in conducting the study, to seek input from financial aid officers and student groups at institutions of higher education. Requires THECB, not later than November 1, 2004, to report to the standing committee of each house of the legislature with primary jurisdiction over higher education its findings and recommendations for legislative action necessary to consolidate, expand, or otherwise modify existing student financial aid programs. Provides that this subsection expires January 1, 2005.

SECTION 16. Amends Section 61.076, Education Code, as follows:

(a) Requires THECB to use the P-16 Council, rather than a Joint Advisory Committee, in assuring that plans and programs are coordinated.

(b) Makes a conforming change. Adds new language to plans and programs.

SECTION 17. Amends Section 61.077, Education Code, as follows:

Sec. 61.077. New heading: P-16 COUNCIL. (a) Makes a conforming change.

(b) Provides that the P-16 Council (council) is composed of the commissioner of education, the commissioner of higher education, the executive director of the Texas Workforce Commission, and the executive director of the State Board for Educator Certification. Authorizes existing members of the council to appoint additional members as the members consider necessary. Provides that the position of presiding officer rotates among the members of the council in the order the members are listed in this subsection, with each member serving as the presiding officer for one two-year term.

(c) Requires the council to meet at least once each calendar quarter and authorizes it to hold other meetings as necessary at the call of the presiding officer. Requires each member of the council or the member's designee to make a report of the council's activities at least twice annually to the governing body of the member's agency or, in the case of the commissioner of education, to the State Board of Education.

(d) Makes a conforming change. Adds new language relating to the duties of the council.

SECTION 18. Amends Section 61.0771(a), Education Code, to authorize THECB to develop a master plan for the development of distance learning and authorizes THECB as necessary to revise the plan.

SECTION 19. Amends Subchapter C, Chapter 61, Education Code, by adding Section 61.0816, as follows:

Sec. 61.0816. INFORMATION REGARDING HIGHER EDUCATION AUTHORITIES.

(a) Requires THECB to collect and make available to the public on request information regarding higher education authorities operating under Chapter 53 and nonprofit corporations carrying out the functions of higher education authorities under Chapter 53. Requires the information for each authority or corporation to include certain data.

(b) Requires a higher education authority or nonprofit corporation described by this section to provide THECB the relevant information THECB requests at the time and in the manner THECB prescribes.

SECTION 20. Amends Subchapter C, Chapter 61, Education Code, by adding Section 61.0902, as follows:

Sec. 61.0902. PUBLICATION OF PERFORMANCE DATA OF GENERAL ACADEMIC TEACHING INSTITUTIONS. (a) Requires THECB to administer a program to publish performance data provided to THECB by general academic teaching institutions under this section.

(b) Requires each general academic teaching institution, not later than the next November 1 following the completion of an academic year, to provide to THECB one or more reports containing data related to certain information.

(c) Requires THECB each year to publish and post in a grid format on THECB's Internet site the names of the general academic teaching institutions, the performance data required by Subsection (b) for the most recent academic year for which the data is available, and any other information considered appropriate by THECB. Requires THECB to use the classification system developed by the Carnegie Foundation in publishing and posting the data and other information.

(d) Requires each general academic teaching institution to provide a link on the

institution's Internet home page to THECB's Internet site described by Subsection (c).

(e) Provides that a general academic teaching institution is not required to report to THECB the data required by Subsection (b) if the data is available to THECB from another source.

SECTION 21. Amends Section 61.093(c), Education Code, to require money appropriated for payment of contracts under the authority of Section 61.092 to be paid to Baylor College of Medicine according to specified yearly entitlements.

SECTION 22. Amends Section 61.313, Education Code, by amending Subsection (e) and adding Subsections (f) and (g), as follows:

(e) and (f) Divides existing Subsection (e) into Subsections (e) and (f) and makes a conforming change.

(g) Authorizes a person covered by Subsection (e) to use the term "college" in the official name or title of another private postsecondary educational institution in this state if certain criteria are met.

SECTION 23. Amends Section 61.532(a), Education Code, to delete existing text relating to conditions for repayment assistance.

SECTION 24. Amends Subchapter J, Chapter 61, Education Code, by adding Section 61.540, as follows:

Sec. 61.540. SERVICE AGREEMENTS ENTERED INTO UNDER FORMER LAW; SAVING PROVISION. (a) Provides that this section applies only to a person who entered into a written agreement to perform service as a physician in exchange for loan repayment assistance under this subchapter before September 1, 2003.

(b) Provides that the agreement continues in effect and this subchapter, as it existed when the person entered into the agreement, is continued in effect for purposes of that agreement until the person satisfies all the conditions of the agreement or repays all amounts due under the agreement if the person does not satisfy the conditions of the agreement.

SECTION 25. Amends Section 61.822(b), Education Code, to make nonsubstantive changes.

SECTION 26. Amends Section 61.830, Education Code, to make nonsubstantive changes.

SECTION 27. Amends Chapter 61S, Education Code, by adding Section 61.832, as follows:

Sec. 61.832. COMMON COURSE NUMBERING SYSTEM. (a) Requires THECB to approve a common course numbering system for lower-division courses to facilitate the transfer of those courses among institutions of higher education by promoting consistency in course designation and identification.

(b) Authorizes THECB to approve only a common course numbering system already in common use in this state by institutions of higher education.

(c) Authorizes THECB to cooperate with institutions of higher education in any additional development or alteration of the common course numbering system, including the taxonomy to be used, and in the development of rules for the administration and applicability of the system.

(d) Requires an institution of higher education to include in its course listings the applicable course numbers from the common course numbering system approved by THECB under this section. Authorizes THECB, for good cause, to grant to an institution of higher education an exemption from the requirements of this subsection.

SECTION 28. Amends Sections 61.873 and 61.876, Education Code, as added by Chapter 833, Acts of the 76th Legislature, Regular Session, 1999, as follows:

Sec. 61.873. Adds new condition to be eligible to receive loan repayment assistance.

Sec. 61.876. Makes conforming changes. Deletes current language in existing text relating to the amount of repayment assistance.

SECTION 29. Amends Chapter 61T, Education Code, as added by Chapter 833, Acts of the 76th Legislature, Regular Session, 1999, by adding Section 61.879, as follows:

Sec. 61.879. SERVICE AGREEMENTS ENTERED INTO UNDER FORMER LAW; SAVING PROVISION. (a) Provides that this section applies only to a person who was awarded loan repayment assistance under this subchapter and entered into a written agreement to perform service as an early childhood child-care worker in exchange for that assistance under this subchapter before September 1, 2003.

(b) Provides that the agreement continues in effect and this subchapter, as it existed when the person entered into the agreement, is continued in effect for purposes of that agreement until the person satisfies all the conditions of the agreement or repays all amounts due under the agreement if the person does not satisfy the conditions of the agreement.

SECTION 30. Amends Sections 61.952 and 61.954, Education Code, as added by Chapter 1403, Acts of the 77th Legislature, Regular Session, 2001, as follows:

Sec. 61.952. Adds a new condition for an attorney to be eligible to receive repayment assistance.

Sec. 61.954. New heading: MAXIMUM AMOUNT OF REPAYMENT ASSISTANCE. (a) Makes a conforming change.

SECTION 31. Amends Subchapter X, Chapter 61, Education Code, as added by Chapter 148, Acts of the 77th Legislature, Regular Session, 2001, by adding Section 61.955, as follows:

Sec. 61.955. SALE OF PROMOTIONAL ITEMS AND MEDIA AND TRAINING MATERIALS. (a) Authorizes THECB to sell or contract for the sale of promotional items, including clothing, posters, and banners, designed to promote the public awareness campaign. Authorizes THECB to use its Internet website to advertise and sell the items.

(b) Authorizes THECB to sell, contract for the sale of, or otherwise transfer THECB's rights in media and training materials developed for the public awareness campaign.

(c) Requires money received under this section to be deposited to the credit of the general revenue fund and used only by THECB to further the purposes of the campaign.

SECTION 32. Amends Section 142.005 and 142.006, Education Code, as follows:

Sec. 142.005. Adds new language relating to date of progress reports.

Sec. 142.006. Adds new language relating to the date of merit review.

SECTION 33. Amends Chapter 142, Education Code, by adding Section 142.007, as follows:

Sec. 142.007. CONFIDENTIALITY. Provides that information submitted as part of a pre-proposal or related to the evaluation and selection of research projects to be funded by the program is confidential unless made public by coordinating board rule.

SECTION 34. Amends Sections 143.006 and 143.007, Education Code, to make conforming changes.

SECTION 35. Amends Chapter 143, Education Code, by adding Section 143.008, to make a conforming change.

SECTION 36. Amends Section 7.005, Education Code, to make a conforming change.

SECTION 37. (a) Provides that the purpose of this section is to provide for assessment of the readiness of entering college students to enroll in freshman-level academic coursework and by providing advising and educational support necessary for success in college, assist students who are not yet ready to enroll in that coursework.

(b) Amends Subchapter F, Chapter 51, Education Code, by adding Section 51.3062, as follows:

Sec. 51.3062. SUCCESS INITIATIVE. (a) Provides that the definitions provided by Section 61.003 apply to this section.

(b) Requires an institution of higher education to assess the academic skills of each entering undergraduate student to determine the student's readiness to enroll in freshman-level academic coursework. Prohibits an institution from using the assessment or the results of the assessment as a condition of admission to the institution.

(c) Requires THECB to designate one or more instruments for use by institutions of higher education in assessing students under this section.

(d) Requires THECB, if practical and feasible, not later than September 1, 2005, to designate the exit-level assessment instrument required under Section 39.023 as the primary assessment instrument under this section. Provides that this subsection expires September 1, 2006.

(e) Requires THECB to designate additional assessment instruments for use by institutions of higher education under this section, including assessment instruments currently approved by the board to measure college readiness.

(f) Requires each assessment instrument designated by THECB for use under this section to be diagnostic in nature and designed to assess a student's readiness to perform freshman-level academic coursework. Requires THECB to prescribe standards for the assessment instrument or instruments that reflect that student readiness. Authorizes an institution of higher education to adopt more stringent assessment standards with respect to student readiness.

(g) Requires each institution of higher education to establish a program to advise students regarding coursework and other means by which students can develop the academic skills required to successfully complete college-level work.

(h) Provides that if a student fails to meet the assessment standards described by Subsection (f), the institution of higher education must work with the student to develop a plan to assist the student in becoming ready to perform freshman-level academic coursework. Requires the plan to be designed on an individual basis to provide the best opportunity for each student to attain that readiness.

(i) Authorizes the institution of higher education to refer a student to developmental coursework as considered necessary by the institution to address a student's deficiencies in the student's readiness to perform freshman-level academic coursework, except that the institution may not require enrollment in developmental coursework with respect to a student previously determined by any institution of higher education to have met college-readiness standards.

(j) Authorizes a student to retake an assessment instrument at any time to determine readiness to perform freshman-level academic coursework.

(k) Requires an institution of higher education to determine when a student is ready to perform freshman-level academic coursework. Requires the institution to make its determination on an individual basis according to the needs of the student. Requires the determination to include certain factors.

(l) Requires the legislature to appropriate money for approved non-degree-credit developmental courses, except that legislative appropriations may not be used for developmental coursework taken by a student in excess of 18 semester credit hours, for a general academic teaching institution and 27 semester credit hours, for a public junior college, public technical institute, or public state college.

(m) Authorizes THECB to develop formulas to supplement the funding of developmental academic programs by institutions of higher education, including formulas for supplementing the funding of non-course-based programs. Authorizes THECB to develop a performance funding formula by which institutions may receive additional funding for each student who completes the Success Initiative established under this section and then successfully completes college coursework. Authorizes the legislature to appropriate the money required to provide the additional funding under those formulas.

(n) Requires each institution of higher education to report annually to THECB on the success of its students and the effectiveness of its Success Initiative.

(o) Requires THECB to evaluate the effectiveness of the Success Initiative on a statewide basis and with respect to each institution of higher education.

(p) Provides that a student who has achieved a score set by the board on the Scholastic Assessment Test (SAT) or the American College Test (ACT) is exempt from the requirements of this section. Provides that an exemption under this subsection is effective for the five-year period following the date a student takes the test and achieves the standard set by the board.

(q) Provides that a student who has achieved a score set by the board on an exit-level assessment instrument required under Section 39.023 is exempt from the requirements of this section. Provides that the exemption is effective for the three-year period following the date a student takes the assessment instrument and achieves the standard set by the board. Provides that this subsection does not apply during any period for which the board designates the exit-level assessment instrument required under Section

39.023 as the primary assessment instrument under this section, except that the three-year period described by this subsection remains in effect for students who qualify for an exemption under this section before that period.

(r) Provides that this section does not apply to certain students.

(s) Authorizes an institution of higher education to exempt a non-degree-seeking or non-certificate-seeking student from the requirements of this section.

SECTION 38. Amends the heading to Subchapter N, Chapter 51, Education Code, to read as follows:

SUBCHAPTER N. PARTNERSHIPS BETWEEN COMMUNITY/JUNIOR
COLLEGES AND OTHER INSTITUTIONS OF HIGHER EDUCATION

SECTION 39. Amends Section 51.661, Education Code, to provide that the purpose of this subchapter is to encourage partnerships between public community/junior colleges and other institutions of higher education that are located in the same state uniform service region as adopted by the Texas Higher Education Coordinating Board in order to improve the continuity, quality, and efficiency of educational programs and services.

SECTION 40. Amends Subchapter N, Chapter 51, Education Code, by adding Section 51.6615 to define "institution of higher education."

SECTION 41. Amends Section 51.662, Education Code, to provide that with the approval of the Texas Higher Education Coordinating Board, the governing boards of a public community/junior college and another institution of higher education that are located in the same state uniform service region as adopted by the coordinating board may enter into a partnership agreement designed to coordinate the management and operations of the institutions.

SECTION 42. Amends Section 51.666, Education Code, to authorize a participating institution of higher education to lease facilities from or to the community/junior college for administrative and instructional purposes. Prohibits community/junior college facilities from being transferred to the other participating institution of higher education and from being included in the space inventory of the other participating institution of higher education for formula funding purposes.

SECTION 43. Amends Section 51.667, Education Code, to require the community/junior college to receive state appropriations on the same formula basis as other community/junior colleges, and the other participating institution of higher education to receive state appropriations on the same formula basis as other similar institutions of higher education.

SECTION 44. Amends Section 51.668, Education Code, to require a participating community/junior to continue to provide programs and services enumerated in Section 130.003(e). Provides that the role and scope of the other participating institution of higher education are subject to approval by the coordinating board.

SECTION 45. Amends Section 52.34, Education Code, as follows:

Sec. 52.34. PAYMENTS TO STUDENT. (a) through (e). Creates these subsections from existing text. Makes nonsubstantive changes.

(f) Requires THECB to distribute money to a participating institution through the electronic funds transfer system maintained by the Texas Guaranteed Student Loan Corporation for disbursing loan funds from commercial lenders participating in the guaranteed student loan program under Chapter 57, except that at the request of a

participating institution THECB is authorized to distribute the money through other means. Requires THECB to enter into a contract with the corporation for the use of the system, and requires the corporation to make the system available to THECB as necessary to carry out this subsection.

SECTION 46. Amends Subchapter C, Chapter 52, Education Code, by adding Section 52.41, as follows:

Sec. 52.41. RESTRICTION ON ISSUANCE OF CERTAIN FEDERALLY INSURED STUDENT LOANS. (a) Authorizes THECB as provided by Subsection (c), except to issue a student loan under the Federal Family Education Loan Program (20 U.S.C. Section 1071 et seq.), as amended, only to a borrower who has been or will be issued a student loan under another student loan program administered by THECB.

(b) Authorizes THECB to service any outstanding student loans issued by the board under the Federal Family Education Loan Program.

(c) Authorizes THECB to issue student loans under the Federal Family Education Loan Program to borrowers other than borrowers described by Subsection (a) if the commissioner of higher education determines that market conditions warrant the issuance of those loans.

SECTION 47. Amends Chapter 56, Education Code, by adding Subchapter F, as follows:

SUBCHAPTER F. DOCTORAL INCENTIVE LOAN REPAYMENT PROGRAM

Sec. 56.091. ESTABLISHMENT; ADMINISTRATION. (a) Requires THECB to establish and administer the doctoral incentive loan repayment program as provided by this subchapter and to adopt rules as necessary to administer the program.

(b) Provides that the purpose of the doctoral incentive loan repayment program is to provide education loan repayment assistance to individuals from groups that are underrepresented among the faculty and administration of public and independent institutions of higher education in this state to increase the number of individuals from those underrepresented groups among the faculty and administration of public and independent institutions of higher education in this state.

(c) Provides that for purposes of this subchapter, an individual is from a group that is underrepresented among the faculty and administration of public and independent institutions of higher education in this state if the individual was from a low socioeconomic background while pursuing the individual's undergraduate education or if when the individual graduated from high school the individual resided in an area from which a disproportionately low number of high school graduates enrolled in postsecondary educational institutions.

Sec. 56.092. ELIGIBILITY. Requires an individual to meet certain criteria to be eligible for loan repayment assistance under the doctoral incentive loan repayment program.

Sec. 56.093. ELIGIBLE LOANS. Authorizes THECB to provide repayment assistance under the doctoral incentive loan repayment program for the repayment of any education loan received by an eligible individual through any lender.

Sec. 56.094. LOAN REPAYMENT ASSISTANCE. (a) Authorizes THECB to provide assistance in the repayment of an eligible loan to an eligible individual in the amounts and under the terms THECB considers appropriate to further the purposes of the doctoral incentive loan

repayment program and the best interests of this state.

(b) Authorizes an individual to receive loan repayment assistance under the doctoral incentive loan repayment program in a total amount not to exceed \$100,000.

Sec. 56.095. FUNDING; LIMITATION ON FUNDING. (a) Authorizes the doctoral incentive loan repayment program to be funded only from a source provided by this section. Prohibits the total amount of loan repayment assistance paid under the program from exceeding the amount of money available for the program under this section.

(b) Requires each institution of higher education to set aside a portion of the tuition collected from each student enrolled in a doctoral degree program, other than a law or health professional degree program, equal to \$2 for each semester credit hour for which the student is enrolled. Requires the amount set aside to be transferred to the comptroller to be maintained in the state treasury for the sole purpose of repayment of student loans of individuals employed as faculty and administrators at institutions of higher education in this state as provided by this subchapter. Authorizes the money to be used only to provide loan repayment under this subchapter and to cover the costs of administering this subchapter.

(c) Authorizes the coordinating board to solicit and accept gifts and grants from any public or private source for the purposes of the doctoral incentive loan repayment program.

Sec. 56.096. INITIAL IMPLEMENTATION. (a) Requires THECB to provide loan repayments under this subchapter beginning with the 2004-2005 academic year.

(b) Requires THECB to adopt the initial rules for awarding loan repayments under this subchapter as soon as practicable after this subchapter becomes law. Authorizes THECB to adopt those initial rules in the manner provided by law for emergency rules.

(c) Provides that this section expires January 1, 2006.

SECTION 48. Amends the heading to Subchapter O, Chapter 56, Education Code, as added by Chapter 1261, Acts of the 77th Legislature, Regular Session, 2001, to read as follows:

SUBCHAPTER O. TEACH FOR TEXAS
LOAN REPAYMENT ASSISTANCE PROGRAM

SECTION 49. Amends Subchapter O, Chapter 56, Education Code, as added by Chapter 1261, Acts of the 77th Legislature, Regular Session, 2001, by amending Sections 56.351 through 56.355 and adding Sections 56.3575 and 56.359, as follows:

Sec. 56.351. New heading: DEFINITION. Defines “coordinating board.”

Sec. 56.352. New heading: PURPOSE OF PROGRAM; LOAN REPAYMENT AUTHORIZED. (a) Provides that the purpose of this subchapter is to attract to the teaching profession persons who have expressed interest in teaching and to support the employment of those persons as classroom teachers by providing student loan repayment assistance for service as a classroom teacher in the public schools of this state.

(b) Requires THECB to provide, in accordance with this subchapter and board rules, assistance in the repayment of eligible student loans for persons who apply and qualify for the assistance.

Sec. 56.353. ELIGIBILITY (a) Provides that Teach for Texas repayment assistance is available only to a person who applies for the assistance and who meets certain requirements.

(b) Requires THECB in awarding repayment assistance to give priority to applicants who demonstrate financial need.

(c) Requires THECB, if the money available for loan repayment assistance in a period for which assistance is awarded is insufficient to provide assistance to all eligible applicants described by Subsection (b), to establish priorities for awarding repayment assistance to address the most critical teacher shortages described by Subsection (a).

(d) Provides that a person may not receive loan repayment assistance for more than five, rather than three academic, years.

Sec. 56.354. ELIGIBLE LOANS. (a) Authorizes a person to receive Teach for Texas loan repayment assistance under this subchapter for the repayment of any student loan for education at any public or private institution of higher education through any lender. Requires the note or other writing governing the terms of the loan, if the loan is not a state or federal guaranteed student loan, to require the loan proceeds to be used for expenses incurred by a person to attend a public or private institution of higher education.

(b) Prohibits THECB from providing loan repayment assistance for a student loan that is in default at the time of the person's application. Deletes text of existing Section 56.354 (Amount of Grant; Payment of Grant).

Sec. 56.355. PAYMENT OF ASSISTANCE. (a) Authorizes THECB to determine the manner in which Teach for Texas loan repayment assistance is to be paid. Authorizes THECB to provide for the payment of a portion of the repayment assistance in one or more installments before the person completes a full year of service as a teacher and for the payment of the remainder of the repayment assistance for that year after the completion of the full year of service.

(b) Authorizes loan repayment assistance received under this subchapter to be applied to the principal amount of the loan and to interest that accrues.

Deletes text of existing Section 56.355 (Eligibility for Texas Grant Not Affected).

Sec. 56.3575. ADMINISTRATION; RULES. (a) Requires THECB to adopt rules necessary for the administration of this subchapter.

(b) Requires THECB to distribute a copy of the rules adopted under this section and pertinent information relating to this subchapter to each public or private institution of higher education in this state that offers an educator certification program, including an alternative educator certification program or another equivalent program.

Sec. 56.359. GRANTS AND SERVICE AGREEMENTS ENTERED INTO UNDER FORMER LAW; SAVING PROVISION. (a) Provides that this section applies only to a person who was awarded a Teach for Texas grant and entered into a written agreement to perform service as a public school teacher in this state in order to receive the grant under this subchapter before September 1, 2003.

(b) Authorizes a person to whom this section applies to receive any unpaid installments of the grant as provided by the agreement and in accordance with this subchapter as it existed when the grant was awarded. Provides that the agreement continues in effect and this subchapter, as it existed when the person entered into the agreement, is

continued in effect for purposes of that agreement until the person satisfies all the conditions of the agreement or repays all amounts due under the agreement if the person does not satisfy the conditions of the agreement.

SECTION 50. Amends Subchapter A, Chapter 130, Education Code, by adding Section 130.0012, as follows:

Sec. 130.0012. PILOT PROJECT: BACCALAUREATE DEGREE PROGRAMS. (a) Requires THECB to establish a pilot project to examine the feasibility and effectiveness of authorizing public junior colleges to offer baccalaureate degree programs in the fields of applied science and applied technology. Provides that participation in the pilot project does not otherwise alter the role and mission of a public junior college.

(b) Requires THECB to operate the pilot project at three public junior colleges, as determined by THECB.

(c) Requires a public junior college participating in the pilot project to meet all applicable accreditation requirements of the Commission on Colleges of the Southern Association of Colleges and Schools.

(d) Prohibits a public junior college participating in the pilot project from offering more than five baccalaureate degree programs under the project at any time. Provides that the degree programs are subject to the continuing approval of THECB. Provides that in determining what baccalaureate degree programs are to be offered, the junior college and THECB must consider certain criteria.

(e) Requires each public junior college that offers a baccalaureate degree program under the pilot project to enter into an articulation agreement with one or more general academic teaching institutions to ensure that students enrolled in the degree program have an opportunity to complete the degree if the public junior college ceases to offer the degree program. Authorizes THECB to require a general academic teaching institution that offers a comparable degree program to enter into an articulation agreement with the public junior college as provided by this subsection.

(f) Requires THECB, in its recommendations to the legislature relating to state funding for public junior colleges, to recommend that a public junior college receive substantially the same state support for junior-level and senior-level courses offered under the pilot project as that provided to a general academic teaching institution for substantially similar courses. Requires THECB, in determining the contact hours attributable to students enrolled in a junior-level or senior-level course offered under the pilot project used to determine a public junior college's proportionate share of state appropriations under Section 130.003, to weigh those contact hours as necessary to provide the junior college the appropriate level of state support to the extent state funds for those courses are included in the appropriations. Provides that this subsection does not prohibit the legislature from directly appropriating state funds to support junior-level and senior-level courses offered under the pilot project.

(g) Requires each public junior college participating in the pilot project to prepare a biennial report on the operation and effectiveness of the junior college's baccalaureate degree programs offered under the project and to deliver a copy of the report to the coordinating board in the form and at the time determined by the coordinating board.

(h) Requires THECB, not later than January 1, 2009, to prepare a progress report on the pilot project. Requires THECB, not later than January 1, 2011, to prepare a report on the effectiveness of the pilot project, including any recommendations for legislative

action regarding the offering of baccalaureate degree programs by public junior colleges. Requires THECB to deliver a copy of each report to the governor, the lieutenant governor, the speaker of the house of representatives, and the chair of the standing committee of each house of the legislature with primary jurisdiction over higher education.

(i) Prohibits a public junior college from performing certain functions unless the authority to continue offering the baccalaureate degree programs is continued by the legislature.

(j) Requires THECB to prescribe procedures to ensure that each public junior college that offers a degree program under the pilot project informs each student who enrolls in the degree program of the nature of the pilot project, including the limited duration of the project and the articulation agreement entered into under Subsection (e) for the student's degree program.

(k) Provides that this section expires January 1, 2020.

SECTION 51. Amends Subchapter A, Chapter 130, Education Code, by adding Section 130.0102, as follows:

Sec. 130.0102. MEXICAN AMERICAN STUDIES PROGRAM OR COURSE WORK. Requires the governing board of a public junior college district located in one or more counties with a substantial and growing Mexican American population to evaluate the demand for and feasibility of establishing a Mexican American studies program or other course work in Mexican American studies at one or more junior colleges in the district. Authorizes the governing board, with THECB, approval, to establish a Mexican American studies program or other course work in Mexican American studies at any of those colleges if the governing board determines that such a program or course work is desirable and feasible.

SECTION 52. Repealer: Sections 61.0592 (Upper-Level Transition Funding for Texas A&M), 61.0593 (Funding for Certain Four-Year Institutions), 61.070 (Duties of Central Education Agency Not Affected), and 61.071 (Contract With United States for New Medical School), Education Code.

SECTION 53. Repealer: Section 61.0771(e), Education Code (Distance Learning Master Plan).

SECTION 54. Repealer: Section 61.094 (Contracts With Baylor College of Dentistry) and 61.096 (Restrictions: Medical School Admission Policies), Education Code.

SECTION 55. Repealer: Chapter 61E, Education Code (Contracts With The Texas College of Osteopathic Medicine).

SECTION 56. Repealer: Chapter 61Q, Education Code (State Postsecondary Review Program).

SECTION 57. (a) Repealer: Section 56.356, Education Code, as added by Chapter 1261, Acts of the 77th Legislature, Regular Session, 2001 (Grant Use).

(b) Repealer: Section 61.875, Education Code, as added by Chapter 833, Acts of the 76th Legislature, Regular Session, 1999 (Agreement).

(c) Repealer: Section 61.953, Education Code, as added by Chapter 1403, Acts of the 77th Legislature, Regular Session, 2001 (Coordination with Other Agencies).

SECTION 58. Repealer: Sections 51.306 (Texas Academic Skills Program) and 51.3061 (Testing and Remedial Coursework for Deaf Students), Education Code.

SECTION 59. Provides that to achieve an orderly transition from 18 to 9 positions on the Texas Higher Education Coordinating Board, the governor on August 31, 2003, or September 1, 2003, must appoint only three persons to the coordinating board for terms expiring on August 31, 2009. Provides that on, or as soon as possible after, August 31, 2005, the governor must appoint only four members to the coordinating board for terms expiring on August 31, 2011. Provides that on, or as soon as possible after, August 31, 2007, the governor must appoint only two members to the coordinating board for terms expiring on August 31, 2013. Requires the governor, as terms on the coordinating board expire on and after August 31, 2009, to appoint three members to the coordinating board in accordance with Section 61.022, Education Code, as amended by this Act.

SECTION 60. Makes application of this Act prospective.

SECTION 61. Provides that on the effective date of this Act:

- (1) the P-16 Council replaces the Joint Advisory Committee as the advisory board for the Texas Higher Education Coordinating Board and the State Board of Education;
- (2) all functions and activities performed by the Joint Advisory Committee are transferred to the P-16 Council to the extent consistent with the functions and duties of the P-16 Council provided by law; and
- (3) a reference in law to the Joint Advisory Committee that relates to providing advisory functions to the Texas Higher Education Coordinating Board and the State Board of Education means the P-16 Council.

SECTION 62. (a) Requires each general academic teaching institution to provide the performance data as required by Section 61.0902, Education Code, as added by this Act, beginning with the data for the 2003-2004 academic year.

- (b) Requires THECB, not later than March 1, 2005, to publish and post on THECB's Internet site the performance data provided by the general academic teaching institutions in this state as required by Section 61.0902, Education Code, as added by this Act.

SECTION 63. Requires THECB, not later than June 1, 2004, to perform certain tasks.

SECTION 64. (a) Requires THECB to adopt rules for the administration of Section 51.3062, Education Code, as added by this Act, as soon as practicable after this Act takes effect. Authorizes THECB, for that purpose, to adopt the initial rules in the manner provided by law for emergency rules.

- (b) Requires THECB, by rule, to provide for each institution to inform students about the Success Initiative, including the institution's responsibilities and the students' options and responsibilities.

SECTION 65. (a) Requires THECB to enter into a contract with the Texas Guaranteed Student Loan Corporation to use the corporation's electronic funds transfer system, as required by Section 52.34, Education Code, as amended by this Act, not later than January 1, 2004.

- (b) Makes application of Section 52.41(a), Education Code, prospective.

SECTION 66. Effective date: September 1, 2003.