

AN ACT

relating to the continuation and functions of the Texas Higher Education Coordinating Board.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

SECTION 1. Section 61.0211, Education Code, is amended to read as follows:

Sec. 61.0211. SUNSET PROVISION. The Texas Higher Education Coordinating Board is subject to Chapter 325, Government Code (Texas Sunset Act). Unless continued in existence as provided by that chapter, the board is abolished and this chapter expires September 1, 2015 [~~2003~~].

SECTION 2. Section 61.022, Education Code, is amended to read as follows:

Sec. 61.022. MEMBERS OF BOARD; APPOINTMENT; TERMS OF OFFICE. (a) The board shall consist of nine [~~18~~] members appointed by the governor so as to provide representation from all areas of the state with the advice and consent of the senate, and as the constitution provides. Members of the board serve staggered six-year terms. The terms of one-third of the members expire August 31 of each odd-numbered year [~~Of the initial appointments to the board six shall be for terms which shall expire August 31, 1967, six for terms which shall expire August 31, 1969, and six for terms which shall expire on August 31, 1971, or at such time as their successors are appointed and have qualified. Thereafter, the~~

1 ~~governor shall appoint members for terms of six years. Members of~~  
2 ~~the Texas Commission on Higher Education are eligible for~~  
3 ~~appointment to the board].~~

4 (b) A board ~~[No]~~ member may not be employed professionally  
5 for remuneration in the field of education during the member's  
6 ~~[his]~~ term of office.

7 SECTION 3. Subsections (b) through (e), Section 61.0222,  
8 Education Code, are amended to read as follows:

9 (b) A person may not be a member of the board and may not be a  
10 board employee employed in a "bona fide executive, administrative,  
11 or professional capacity," as that phrase is used for purposes of  
12 establishing an exemption to the overtime provisions of the federal  
13 Fair Labor Standards Act of 1938 (29 U.S.C. Section 201 et seq.),  
14 and its subsequent amendments, if:

15 (1) the person is an officer, employee, or paid  
16 consultant of a Texas trade association in the field of higher  
17 education; or

18 (2) the person's spouse is an officer, manager, or paid  
19 consultant of a Texas trade association in the field of higher  
20 education ~~[An officer, employee, or paid consultant of a Texas~~  
21 ~~trade association in the field of higher education may not be a~~  
22 ~~member or employee of the board if the person is compensated at or~~  
23 ~~above the amount prescribed by the General Appropriations Act for~~  
24 ~~step 1, salary group 17, of the position classification salary~~  
25 ~~schedule].~~

26 ~~(c) [A person who is the spouse of an officer, manager, or~~  
27 ~~paid consultant of a Texas trade association in the field of higher~~

1 ~~education may not be a board member and may not be a board employee~~  
2 ~~who is compensated at or above the amount prescribed by the General~~  
3 ~~Appropriations Act for step 1, salary group 17, of the position~~  
4 ~~classification salary schedule.~~

5       ~~[(d)]~~ A person may not be ~~[serve as]~~ a member of the board or  
6 act as the general counsel to the board if the person is required to  
7 register as a lobbyist under Chapter 305, Government Code, because  
8 of the person's activities for compensation on behalf of a  
9 profession related to the operation of the board.

10       (d) In ~~[(e) For the purposes of]~~ this section, "Texas  
11 trade association" means a ~~[Texas trade association is a~~  
12 ~~nonprofit,]~~ cooperative~~[-]~~ and voluntarily joined statewide  
13 association of business or professional competitors in this state  
14 designed to assist its members and its industry or profession in  
15 dealing with mutual business or professional problems and in  
16 promoting their common interest.

17       SECTION 4. Subsections (a) and (c), Section 61.0223,  
18 Education Code, are amended to read as follows:

19       (a) It is a ground for removal from the board that ~~[if]~~ a  
20 member:

21           (1) does not have at the time of taking office  
22 ~~[appointment]~~ the qualifications required by Section 61.0222(a)  
23 ~~[of this code];~~

24           (2) does not maintain during service on the board the  
25 qualifications required by Section 61.0222(a) ~~[of this code];~~

26           (3) is ineligible for membership under ~~[violates a~~  
27 ~~prohibition established by]~~ Section 61.022 or 61.0222 ~~[Section~~

1 ~~61.0222(b), (c), or (d) of this code];~~

2 (4) cannot, because of illness or disability,  
3 discharge the member's duties for a substantial part of the member's  
4 term [~~for which the member is appointed because of illness or~~  
5 ~~disability];~~ or

6 (5) is absent from more than half of the regularly  
7 scheduled board meetings that the member is eligible to attend  
8 during a calendar year without an excuse approved [~~unless the~~  
9 ~~absence is excused]~~ by a majority vote of the board.

10 (c) If the commissioner of higher education has knowledge  
11 that a potential ground for removal exists, the commissioner shall  
12 notify the presiding officer [~~chairman~~] of the board of the  
13 potential ground. The presiding officer [~~chairman~~] shall then  
14 notify the governor and the attorney general that a potential  
15 ground for removal exists. If the potential ground for removal  
16 involves the presiding officer, the commissioner shall notify the  
17 next highest ranking officer of the board, who shall then notify the  
18 governor and the attorney general that a potential ground for  
19 removal exists.

20 SECTION 5. Subchapter B, Chapter 61, Education Code, is  
21 amended by adding Section 61.0224 to read as follows:

22 Sec. 61.0224. TRAINING OF BOARD MEMBERS. (a) A person who  
23 is appointed to and qualifies for office as a member of the board  
24 may not vote, deliberate, or be counted as a member in attendance at  
25 a meeting of the board until the person completes a training program  
26 that complies with this section.

27 (b) The training program must provide the person with

1 information regarding:

2 (1) the legislation that created the board;

3 (2) the programs operated by the board;

4 (3) the role and functions of the board;

5 (4) the rules of the board, with an emphasis on the  
6 rules that relate to disciplinary and investigatory authority;

7 (5) the current budget for the board;

8 (6) the results of the most recent formal audit of the  
9 board;

10 (7) the requirements of:

11 (A) the open meetings law, Chapter 551,  
12 Government Code;

13 (B) the public information law, Chapter 552,  
14 Government Code;

15 (C) the administrative procedure law, Chapter  
16 2001, Government Code; and

17 (D) other laws relating to public officials,  
18 including conflict-of-interest laws; and

19 (8) any applicable ethics policies adopted by the  
20 board or the Texas Ethics Commission.

21 (c) A person appointed to the board is entitled to  
22 reimbursement, as provided by the General Appropriations Act, for  
23 the travel expenses incurred in attending the training program  
24 regardless of whether the attendance at the program occurs before  
25 or after the person qualifies for office.

26 SECTION 6. Subsections (f) and (g), Section 61.028,  
27 Education Code, are amended to read as follows:

1 (f) The commissioner or the commissioner's designee shall  
2 prepare and maintain a written policy statement that implements ~~to~~  
3 ~~assure implementation of~~ a program of equal employment opportunity  
4 to ensure that ~~[under which]~~ all personnel decisions ~~[transactions]~~  
5 are made without regard to race, color, disability ~~[handicap]~~, sex,  
6 religion, age, or national origin. The policy statement must  
7 include:

8 (1) personnel policies, including policies relating  
9 to recruitment, evaluation, selection, ~~[appointment,]~~ training,  
10 and promotion of personnel, that show the intent of the board to  
11 avoid the unlawful employment practices described by Chapter 21,  
12 Labor Code; and

13 (2) an ~~[a comprehensive]~~ analysis of the extent to  
14 which the composition of the board's personnel is in accordance  
15 with state and federal law and a description of reasonable methods  
16 to achieve compliance with state and federal law ~~[work force that~~  
17 ~~meets federal and state guidelines,]~~

18 ~~[(3) procedures by which a determination can be made~~  
19 ~~of significant underuse in the board's work force of all persons for~~  
20 ~~whom federal or state guidelines encourage a more equitable~~  
21 ~~balance; and~~

22 ~~[(4) reasonable methods to appropriately address~~  
23 ~~those areas of significant underuse].~~

24 (g) The ~~[A]~~ policy statement ~~[prepared under Subsection (f)~~  
25 ~~of this section]~~ must:

26 (1) [cover an annual period,] be updated ~~[at least]~~  
27 annually;

1           (2) be reviewed by the state Commission on Human  
2 Rights for compliance with Subsection (f)(1);~~[7]~~ and

3           (3) be filed with the governor's office.

4           SECTION 7. Subchapter B, Chapter 61, Education Code, is  
5 amended by adding Section 61.0281 to read as follows:

6           Sec. 61.0281. STATE EMPLOYEE INCENTIVE PROGRAM. The  
7 commissioner of higher education or the commissioner's designee  
8 shall provide to board employees information and training on the  
9 benefits and methods of participation in the state employee  
10 incentive program.

11           SECTION 8. Section 61.029, Education Code, is amended to  
12 read as follows:

13           Sec. 61.029. INTERNAL AUDITOR.           (a) The board  
14 ~~[commissioner of higher education]~~ shall appoint an internal  
15 auditor for the board. ~~[The appointment of an internal auditor must~~  
16 ~~be approved by the board.]~~

17           (b) The internal auditor shall report directly to the board  
18 on all matters, other than administrative matters, that require the  
19 decision of the commissioner of higher education. ~~[The board by~~  
20 ~~rule may require the internal auditor to submit certain reports~~  
21 ~~directly to the board.]~~

22           (c) The commissioner of higher education shall advise the  
23 board regarding:

24           (1) the termination or discipline of the internal  
25 auditor; and

26           (2) the transfer or reclassification of, or other  
27 changes in, the powers or duties of the internal auditor. [~~A~~

1 ~~committee of the board whose primary function is to oversee the~~  
2 ~~administration of the board shall meet with the internal auditor at~~  
3 ~~least as frequently as quarterly.]~~

4 (d) The internal auditor shall develop an annual audit plan,  
5 conduct audits as specified in the audit plan, and fulfill the other  
6 duties required by Chapter 2102, Government Code [~~auditor's duties~~  
7 ~~include:~~

8 [~~(1) the review and appraisal of the accounting,~~  
9 ~~financial, and operating activities of the board, including its~~  
10 ~~internal information management; and~~

11 [~~(2) appraisal of the board's effectiveness in meeting~~  
12 ~~its statutory duties].~~

13 (e) The internal auditor shall review all audit reports with  
14 the board and the commissioner of higher education.

15 SECTION 9. Section 61.031, Education Code, is amended to  
16 read as follows:

17 Sec. 61.031. PUBLIC INTEREST INFORMATION AND COMPLAINTS.

18 (a) The board shall maintain a file on each written complaint  
19 filed with the board. The file must include:

20 (1) the name of the person who filed the complaint;

21 (2) the date the complaint is received by the board;

22 (3) the subject matter of the complaint;

23 (4) the name of each person contacted in relation to  
24 the complaint;

25 (5) a summary of the results of the review or  
26 investigation of the complaint; and

27 (6) an explanation of the reason the file was closed,



1 if the board closed the file without taking action other than to  
2 investigate the complaint [~~prepare information of public interest~~  
3 ~~describing the functions of the board and the board's procedures by~~  
4 ~~which complaints are filed with and resolved by the board. The~~  
5 ~~board shall make the information available to the public and~~  
6 ~~appropriate state agencies].~~

7 (b) The board shall provide to the person filing the  
8 complaint and to each person who is a subject of the complaint a  
9 copy of the board's policies and procedures relating to complaint  
10 investigation and resolution [~~keep an information file about each~~  
11 ~~complaint filed with the board that the board has authority to~~  
12 ~~resolve].~~

13 (c) The [~~If a written complaint is filed with the board that~~  
14 ~~the board has authority to resolve, the]~~ board, at least quarterly  
15 [~~and~~] until final disposition of the complaint, shall notify the  
16 person filing [~~parties to~~] the complaint and each person who is a  
17 subject of the complaint of the status of the investigation  
18 [~~complaint~~] unless the notice would jeopardize an undercover  
19 investigation.

20 SECTION 10. Subchapter B, Chapter 61, Education Code, is  
21 amended by adding Section 61.033 to read as follows:

22 Sec. 61.033. NEGOTIATED RULEMAKING; ALTERNATIVE DISPUTE  
23 RESOLUTION. (a) The board shall develop and implement a policy to  
24 encourage the use of:

25 (1) negotiated rulemaking procedures under Chapter  
26 2008, Government Code, for the adoption of board rules; and

27 (2) appropriate alternative dispute resolution

1 procedures under Chapter 2009, Government Code, to assist in the  
2 resolution of internal and external disputes under the board's  
3 jurisdiction.

4 (b) The board's procedures relating to alternative dispute  
5 resolution must conform, to the extent possible, to any model  
6 guidelines issued by the State Office of Administrative Hearings  
7 for the use of alternative dispute resolution by state agencies.

8 (c) The board shall designate a trained person to:

9 (1) coordinate the implementation of the policy  
10 adopted under Subsection (a);

11 (2) serve as a resource for any training needed to  
12 implement the procedures for negotiated rulemaking or alternative  
13 dispute resolution; and

14 (3) collect data concerning the effectiveness of those  
15 procedures, as implemented by the board.

16 SECTION 11. Subchapter B, Chapter 61, Education Code, is  
17 amended by adding Section 61.034 to read as follows:

18 Sec. 61.034. EFFECTIVE USE OF TECHNOLOGY. The board shall  
19 develop and implement a policy that requires the commissioner of  
20 higher education and the staff of the board to research and propose  
21 appropriate technological solutions to improve the ability of the  
22 agency to perform its mission. The technological solutions must  
23 include measures to ensure that the public is able to easily find  
24 information about the board through the Internet and that persons  
25 who have a reason to use the board's services are able to use the  
26 Internet to interact with the board and to access any services that  
27 can be provided effectively through the Internet. The policy shall

1 also ensure that proposed technological solutions are  
2 cost-effective and developed through the board's planning  
3 processes.

4 SECTION 12. Section 61.051, Education Code, is amended by  
5 amending Subsections (a), (j), and (m) and adding Subsections  
6 (a-1), (a-2), and (a-3) to read as follows:

7 (a) The board shall represent the highest authority in the  
8 state in matters of public higher education and is charged with the  
9 duty to take an active part in promoting quality education in the  
10 various regions of the state. The board shall be responsible for  
11 assuring that there is no discrimination in the distribution of  
12 programs and resources throughout the state on the basis of race,  
13 national origin, or sex.

14 (a-1) The board shall develop a five-year master plan for  
15 higher education in this state [~~and update the plan annually~~]. The  
16 five-year plan shall take into account the resources of private  
17 institutions of higher education in this state.

18 (a-2) The board shall periodically review and revise the  
19 five-year master plan developed under Subsection (a-1). As a  
20 specific element of its review, the board shall identify and  
21 analyze the degree to which the plan reflects the continuing higher  
22 education needs of this state, as well as any policy changes  
23 necessary to improve overall implementation of the plan and the  
24 fiscal impact of those changes. The board shall establish  
25 procedures for monitoring the board's implementation of the plan,  
26 including an analysis of the degree to which its current activities  
27 support implementation of the plan and any change in board rules or

1 practices necessary to improve implementation of the plan. The  
 2 board shall identify additional strategies necessary to achieve the  
 3 goals of the plan, emphasizing implementation by institutions of  
 4 higher education and specific recommendations for the different  
 5 regions of the state. The board shall notify each institution of  
 6 higher education of all strategies for implementing the plan.

7 (a-3) The board shall[+]

8 [~~1~~] inform the legislature on matters pertaining to  
 9 higher education, including the state's activities in the Board of  
 10 Control for Southern Regional Education, [+] and shall

11 [~~2~~] report to the legislature not later than [~~in~~]  
 12 January 1 of each odd-numbered year on the state of higher education  
 13 in Texas. In the biennial report, the board shall assess the  
 14 state's progress in meeting the goals stated in the plan developed  
 15 under Subsection (a-1) and shall recommend legislative action to  
 16 assist the state in meeting those goals. The report must include  
 17 the analyses performed in connection with the board's periodic  
 18 review under Subsection (a-2).

19 (j) No off-campus courses for credit may be offered by any  
 20 public technical institute, public community college, or public  
 21 college or university without specific prior approval of the board.  
 22 However, any of those institutions may offer a distance learning  
 23 course approved by the board with no in-state geographic  
 24 restrictions if the course is within the approved curriculum of the  
 25 institution. To facilitate the delivery of courses by distance  
 26 learning and to improve access to those courses, the board shall  
 27 encourage collaborative efforts to make the benefits of computer

1 access to educational opportunities widely available. The board  
2 shall maintain a central informational resource accessible to the  
3 general public that provides~~[, to be called the Texas Colleges~~  
4 ~~On-Line, on which institutions can place]~~ information relating to  
5 ~~[all computer-accessible]~~ distance learning courses and programs  
6 offered for credit by institutions of higher education and  
7 information including computer links, addresses, or other  
8 directions to assist an interested person to obtain additional  
9 information directly from the appropriate institution. The board  
10 may not prohibit a public junior college district from offering a  
11 course for credit outside the boundaries of the junior college  
12 district when such course has met the requirements for approval as  
13 adopted by the board. The board shall establish regulations for the  
14 coordination of credit activities of adult and continuing education  
15 by public technical institutes, public community colleges, or  
16 public colleges and universities.

17 (m) The board shall publish and distribute materials on  
18 admission policies, transferable courses among institutions,  
19 financial assistance programs, and other matters of interest to  
20 persons choosing an institution in which to enroll. It is the  
21 intent of the legislature that materials distributed under this  
22 subsection be designed to promote and encourage students to  
23 complete high school coursework and aspire to their highest  
24 potential by obtaining a degree or certificate from an institution  
25 of higher education.

26 SECTION 13. Section 61.059, Education Code, is amended by  
27 amending Subsections (a) and (i) and adding Subsection (i-1) to

1 read as follows:

2 (a) To finance a system of higher education and to secure an  
3 equitable distribution of state funds deemed to be available for  
4 higher education, the board shall perform the functions described  
5 in this section. Funding policies shall:

6 (1) allocate resources efficiently and provide  
7 incentives for programs of superior quality and for institutional  
8 diversity;

9 (2) provide incentives for supporting the five-year  
10 master plan developed and revised under Section 61.051; and

11 (3) discourage [~~while discouraging~~] unnecessary  
12 duplication of course offerings between institutions and [~~as well~~  
13 ~~as discouraging~~] unnecessary construction on any campus.

14 (i) The board shall make continuing studies on its own  
15 initiative, on [~~or upon~~] the request of the governor or the  
16 Legislative Budget Board, and as otherwise provided by Subsection  
17 (i-1) of the financial needs of public higher education and all  
18 services and activities of the institutions of higher education and  
19 issue reports to the governor and the Legislative Budget Board that  
20 result from its studies.

21 (i-1) Not later than January 1 of each odd-numbered year,  
22 the board shall make and submit to the legislature findings and  
23 recommendations regarding the degree to which the current higher  
24 education funding system, including formula funding and any other  
25 transfers of legislative appropriations to institutions of higher  
26 education, supports the implementation of the five-year master plan  
27 developed and revised under Section 61.051. The board may include

1 its findings and recommendations in the biennial report submitted  
2 to the legislature under Section 61.051. In its findings, the board  
3 must:

4 (1) identify funding incentives that would encourage  
5 implementation of the five-year master plan by institutions of  
6 higher education; and

7 (2) assess the accountability of institutions of  
8 higher education with respect to legislative appropriations to  
9 evaluate institutional allocation of financial resources in  
10 accordance with the five-year master plan.

11 SECTION 14. Subsection (a), Section 61.065, Education Code,  
12 is amended to read as follows:

13 (a) The comptroller of public accounts and the board jointly  
14 shall prescribe and periodically update a uniform system of  
15 financial accounting and reporting for institutions of higher  
16 education, including definitions of the elements of cost on the  
17 basis of which appropriations shall be made and financial records  
18 shall be maintained. The board may require institutions to report  
19 additional financial information as the board considers necessary.

20 In order that the uniform system of financial accounting and  
21 reporting shall provide for maximum consistency with the national  
22 reporting system for higher education, the uniform system shall  
23 incorporate insofar as possible the provisions of the financial  
24 accounting and reporting manual published by the National  
25 Association of College and University Business Officers. The  
26 accounts of the institutions shall be maintained and audited in  
27 accordance with the approved reporting system.

1 SECTION 15. Section 61.066, Education Code, is amended by  
2 adding Subsection (c) to read as follows:

3 (c) The board shall conduct a study and make findings and  
4 recommendations regarding methods for reducing administrative  
5 burdens and increasing participation in student financial aid  
6 programs to maximize the value of those programs to the state. In  
7 conducting the study, the board shall seek input from financial aid  
8 officers and student groups at institutions of higher education.  
9 Not later than November 1, 2004, the board shall report to the  
10 standing committee of each house of the legislature with primary  
11 jurisdiction over higher education the board's findings and  
12 recommendations for legislative action necessary to consolidate,  
13 expand, or otherwise modify existing student financial aid  
14 programs. This subsection expires January 1, 2005.

15 SECTION 16. Section 61.076, Education Code, is amended to  
16 read as follows:

17 Sec. 61.076. COOPERATION BETWEEN STATE AGENCIES OF  
18 EDUCATION. (a) It is the policy of the State of Texas that the  
19 entire system of education supported with public funds be  
20 coordinated to provide the citizens with efficient, effective, and  
21 high quality educational services and activities. The board and  
22 the State Board of Education, in conjunction with such other  
23 agencies as may be appropriate, shall ensure that long-range plans  
24 and educational programs established by the boards complement the  
25 functioning of the entire system of public education, extending  
26 from early childhood education through postgraduate study. In  
27 assuring that plans and programs are coordinated, the boards shall



1 use the P-16 Council [~~Joint Advisory Committee~~] established under  
2 Section 61.077 [~~of this code~~].

3 (b) The P-16 Council [~~Joint Advisory Committee~~] shall  
4 coordinate plans and programs of the two boards, including  
5 curricula, instructional programs, research, and other functions  
6 as appropriate. This coordination shall include the following  
7 areas:

8 (1) equal educational opportunity for all Texans;

9 (2) college recruitment, with special emphasis on the  
10 recruitment of minority students;

11 (3) preparation of high school students for further  
12 study at colleges and universities;

13 (4) reduction of the dropout rate and dropout  
14 prevention;

15 (5) teacher education, recruitment, and retention;

16 [~~and~~]

17 (6) testing and assessment; and

18 (7) adult education programs.

19 SECTION 17. Section 61.077, Education Code, is amended to  
20 read as follows:

21 Sec. 61.077. P-16 COUNCIL [~~JOINT ADVISORY COMMITTEE~~].

22 (a) The P-16 Council [~~A joint advisory committee~~] shall advise the  
23 Texas Higher Education Coordinating Board and the State Board of  
24 Education in coordinating postsecondary career and technology  
25 activities, career and technology teacher education programs  
26 offered or proposed to be offered in the colleges and universities  
27 of this state, and other relevant matters, including those listed

1 in Section 61.076 [~~of this code~~].

2       **(b)** The council is [~~committee shall be~~] composed of the  
3 commissioner of education, the commissioner of higher education,  
4 the executive director of the Texas Workforce Commission, and the  
5 executive director of the State Board for Educator Certification  
6 [~~three members from the State Board of Education, appointed by the~~  
7 ~~chairman of the board and three members from the Texas Higher~~  
8 ~~Education Coordinating Board, appointed by the chairman of the~~  
9 ~~board, one member designated by the presiding officer of the~~  
10 ~~Council on Workforce and Economic Competitiveness, and one member~~  
11 ~~representing business designated by the chair of the Texas~~  
12 ~~Partnership for Economic Development]~~. Existing members of the  
13 council may appoint additional members as the members consider  
14 necessary. The position of presiding officer rotates among the  
15 members of the council in the order the members are listed in this  
16 subsection, with each member serving as the presiding officer for  
17 one two-year term [~~A member of the board shall be designated as~~  
18 ~~chairman of the joint advisory committee by the chairman of the~~  
19 ~~board~~].

20       **(c)** The council shall meet at least once each calendar  
21 quarter and may hold other meetings as necessary at the call of the  
22 presiding officer [~~committee shall hold regular annual meetings as~~  
23 ~~called by the chairman~~]. Each member of the council or the member's  
24 designee shall make a report of the council's activities at least  
25 twice annually to the governing body of the member's agency or, in  
26 the case of the commissioner of education, to the State Board of  
27 Education.

1           (d) [~~(b)~~] The purposes of this council [~~committee~~] shall  
2 include the following:

3           (1) to advise the two boards on the coordination of  
4 postsecondary career and technology education and the articulation  
5 between postsecondary career and technology education and  
6 secondary career and technology education;

7           (2) to facilitate the transfer of responsibilities for  
8 the administration of postsecondary career and technology  
9 education from the State Board of Education to the board in  
10 accordance with Section 111(a)(I) of the Carl D. Perkins Vocational  
11 Education Act, Public Law 98-524;

12           (3) to advise the State Board of Education, when it  
13 acts as the State Board for Career and Technology Education, on the  
14 following:

15           (A) the transfer of federal funds to the board  
16 for allotment to eligible public postsecondary institutions of  
17 higher education;

18           (B) the career and technology education funding  
19 for projects and institutions as determined by the board when the  
20 State Board for Career and Technology Education is required by  
21 federal law to endorse such determinations;

22           (C) the development and updating of the state  
23 plan for career and technology education and the evaluation of  
24 programs, services, and activities of postsecondary career and  
25 technology education and such amendments to the state plan for  
26 career and technology education as may relate to postsecondary  
27 education;

1 (D) other matters related to postsecondary  
2 career and technology education; and

3 (E) the coordination of curricula, instructional  
4 programs, research, and other functions as appropriate, including  
5 areas listed in Section 61.076 [~~of this code~~], school-to-work and  
6 school-to-college transition programs, and professional  
7 development activities; [~~and~~]

8 (4) to advise the Council on Workforce and Economic  
9 Competitiveness on educational policy issues related to workforce  
10 preparation; and

11 (5) to examine and make recommendations regarding the  
12 alignment of secondary and postsecondary education:

13 (A) curricula; and

14 (B) testing and assessment.

15 (e) Subsection (d)(5) does not require the council to  
16 establish curriculum or testing or assessment standards.

17 SECTION 18. Subsection (a), Section 61.0771, Education  
18 Code, is amended to read as follows:

19 (a) The board, in cooperation with institutions of higher  
20 education, shall develop a master plan for the development of  
21 distance learning and other applications of instructional  
22 electronic technology by institutions of higher education and as  
23 necessary may revise the plan. The plan shall include  
24 recommendations for:

25 (1) the coordination and integration of distance  
26 learning and related telecommunications activities among  
27 institutions of higher education and other public or private

1 entities to achieve optimum efficiency and effectiveness in  
2 providing necessary services, including identification of the  
3 costs and any cost savings to be achieved by the use of distance  
4 learning and related activities such as teleconferencing or sharing  
5 resources by telecommunications;

6 (2) the development and acquisition of distance  
7 learning infrastructure and equipment, including its functions and  
8 capabilities, within and among institutions of higher education  
9 consistent with the missions of those institutions and the  
10 recipients of their services;

11 (3) the establishment of uniform or compatible  
12 standards and technologies for distance learning;

13 (4) the training of faculty and staff in the use and  
14 operation of distance learning facilities;

15 (5) appropriate applications of distance learning,  
16 including the identification of the needs of the student  
17 populations to be served;

18 (6) policies relating to the funding for  
19 implementation and administering of distance learning, including  
20 interinstitutional funds transfers among institutions providing  
21 and receiving distance learning services and formula funding  
22 allocations, and recommendations for the appropriate fees for  
23 services offered through distance learning;

24 (7) revising regulatory policy relating to public  
25 utilities to facilitate distance learning; and

26 (8) any statutory or regulatory changes desirable to  
27 promote distance learning or to implement the master plan.

1 SECTION 19. Subchapter C, Chapter 61, Education Code, is  
2 amended by adding Section 61.0816 to read as follows:

3 Sec. 61.0816. INFORMATION REGARDING HIGHER EDUCATION  
4 AUTHORITIES. (a) The board shall collect and make available to  
5 the public on request information regarding higher education  
6 authorities operating under Chapter 53 and nonprofit corporations  
7 carrying out the functions of higher education authorities under  
8 Chapter 53. For each authority or corporation, the information  
9 must include:

10 (1) the total amount and type of outstanding bonds  
11 issued by the authority or corporation;

12 (2) a description of the programs and activities  
13 administered by the authority or corporation; and

14 (3) with respect to any real property owned by the  
15 authority or corporation:

16 (A) the location and description of the property;

17 (B) the current or proposed use of the property,  
18 including whether the property is under construction or renovation;

19 (C) the method by which the authority or  
20 corporation financed the acquisition, construction, or renovation  
21 of the property;

22 (D) the school, public or private institution of  
23 higher education, or other educational institution for which the  
24 property is being used or proposed to be used;

25 (E) whether the property is exempt from ad  
26 valorem taxes; and

27 (F) the appraised value of the property.

1       (b) A higher education authority or nonprofit corporation  
2 described by this section shall provide the board the relevant  
3 information the board requests at the time and in the manner the  
4 board prescribes.

5       SECTION 20. Subchapter C, Chapter 61, Education Code, is  
6 amended by adding Section 61.0902 to read as follows:

7       Sec. 61.0902. PUBLICATION OF PERFORMANCE DATA OF GENERAL  
8 ACADEMIC TEACHING INSTITUTIONS. (a) The board shall administer a  
9 program to publish performance data provided to the board by  
10 general academic teaching institutions under this section.

11       (b) Not later than the next November 1 following the  
12 completion of an academic year, each general academic teaching  
13 institution shall provide to the board one or more reports  
14 containing data related to:

15               (1) the qualifications of the entering freshman class  
16 for the academic year covered by the report, including:

17                       (A) the average Texas Academic Skills Program  
18 Test scores of the class;

19                       (B) the average scores of the class on each  
20 generally recognized test or assessment used in college and  
21 university undergraduate admissions, including the Scholastic  
22 Assessment Test and the American College Test;

23                       (C) the range of scores of the class from the 25th  
24 to the 75th percentile on each generally recognized test or  
25 assessment used in college and university undergraduate  
26 admissions, including the Scholastic Assessment Test and the  
27 American College Test;

1                   (D) the overall grade point average of the class  
2 for the academic year covered by the report;

3                   (E) the number of students in the class who  
4 graduated in the top 10 percent of the student's high school  
5 graduating class; and

6                   (F) enrollment percentages by ethnicity; and

7                   (2) student performance and institution efficiency,  
8 including:

9                   (A) the retention rate of full-time students  
10 after the completion of one academic year at the institution;

11                   (B) the percentage of full-time degree-seeking  
12 undergraduate students who earn a baccalaureate degree before the  
13 sixth anniversary of the date of the student's first enrollment at  
14 the institution;

15                   (C) the percentage of lower-division semester  
16 credit hours taught by tenured or tenure-track faculty;

17                   (D) the percentage of undergraduate classes with  
18 fewer than 20 students;

19                   (E) the percentage of undergraduate classes with  
20 more than 50 students;

21                   (F) the student-to-faculty ratio for  
22 undergraduate students;

23                   (G) the percentage of students receiving  
24 financial aid;

25                   (H) the average cost of tuition and fees for an  
26 undergraduate student enrolled for 12 semester credit hours;

27                   (I) the average cost of on-campus room and board



1 for an academic year, excluding summer sessions;

2 (J) the number of disciplines in which master's  
3 degrees are offered;

4 (K) the number of disciplines in which doctoral  
5 degrees are offered;

6 (L) a description of any departments, schools, or  
7 certificate or degree programs of the institution that have a  
8 statewide or national reputation for excellence; and

9 (M) statistics regarding job placement rates for  
10 students awarded certificates or degrees by the institution.

11 (c) Each year the board shall publish and post in a grid  
12 format on the board's Internet site the names of the general  
13 academic teaching institutions, the performance data required by  
14 Subsection (b) for the most recent academic year for which the data  
15 is available, and any other information considered appropriate by  
16 the board. The board shall use the classification system developed  
17 by the Carnegie Foundation in publishing and posting the data and  
18 other information.

19 (d) Each general academic teaching institution shall  
20 provide a link on the institution's Internet home page to the  
21 board's Internet site described by Subsection (c).

22 (e) A general academic teaching institution is not required  
23 to report to the board the data required by Subsection (b) if the  
24 data is available to the board from another source.

25 SECTION 21. Subsection (c), Section 61.093, Education Code,  
26 is amended to read as follows:

27 (c) Money appropriated for payment of contracts under the

1 authority of Section [~~Sections~~] 61.092 [~~and 61.094 of this code~~]  
2 shall be paid to [~~the~~] Baylor College of Medicine [~~and the Baylor~~  
3 ~~College of Dentistry~~] as follows:

4 (1) 40 [~~24~~] percent of the yearly entitlement [~~of each~~  
5 ~~college~~] shall be paid in two equal installments to be made on or  
6 before the 25th day of September and October; and

7 (2) 60 [~~76~~] percent of the yearly entitlement [~~of each~~  
8 ~~college~~] shall be paid in six [~~eight~~] equal installments to be made  
9 on or before the 25th day of November, December, January, February,  
10 March, and April [~~, May, June, July, and August~~].

11 SECTION 22. Section 61.313, Education Code, is amended by  
12 amending Subsection (e) and adding Subsections (f) and (g) to read  
13 as follows:

14 (e) This section does not apply to a person who on September  
15 1, 1997, used the term "college" or "university" in the official  
16 name or title of a private postsecondary educational institution  
17 that was established before September 1, 1975. A person covered by  
18 this subsection is not required to remove the term "college" or  
19 "university" from the name or title of the institution established  
20 before September 1, 1975.

21 (f) A person covered by Subsection (e) [~~this subsection~~] may  
22 use the term "college" in the official name or title of another  
23 private postsecondary educational institution in this state if:

24 (1) the person's business name on September 1, 1995,  
25 included the term "college"; and

26 (2) the other institution offers the same or similar  
27 educational programs and is located in the same county as the

1 institution established before September 1, 1975.

2 (g) A person covered by Subsection (e) may use the term  
3 "college" in the official name or title of another private  
4 postsecondary educational institution in this state if:

5 (1) the person operated at least four private  
6 postsecondary educational institutions in this state on September  
7 1, 1985, for which the person was permitted to use the term  
8 "college" in the official name or title; and

9 (2) the other institution offers the same or similar  
10 educational programs as the institutions described by Subdivision  
11 (1) and has enrolled students in educational programs continuously  
12 since before September 1, 1995.

13 SECTION 23. Subsection (a), Section 61.532, Education Code,  
14 is amended to read as follows:

15 (a) To be eligible to receive repayment assistance, a  
16 physician must apply to the coordinating board and have completed  
17 at least one year of medical practice:

18 (1) in private practice in an economically depressed  
19 or rural medically underserved area of the state;

20 (2) for one of the following state agencies:

21 (A) Texas Department of Health;

22 (B) Texas Department of Mental Health and Mental  
23 Retardation;

24 (C) Texas Department of Corrections; or

25 (D) Texas Youth Commission; or

26 (3) for an approved family practice residency training  
27 program established under Subchapter I [~~of this chapter~~] as a [+]

1            [~~(A)~~] clinical faculty member and have completed  
2 training in an approved family practice residency training program  
3 on or after July 1, 1994 [~~, or~~  
4            [~~(B) resident~~].

5            SECTION 24. Subchapter J, Chapter 61, Education Code, is  
6 amended by adding Section 61.540 to read as follows:

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

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

18            SECTION 25. Subsection (b), Section 61.822, Education Code,  
19 is amended to read as follows:

20            (b) Each institution of higher education shall adopt a core  
21 curriculum of no less than 42 semester credit hours, including  
22 specific courses comprising the curriculum. The core curriculum  
23 shall be consistent with the common course numbering  
24 [~~course-numbering~~] system approved by the board and with the  
25 statement, recommendations, and rules issued by the board. An  
26 institution may have a core curriculum of other than 42 semester  
27 credit hours only if approved by the board.

1 SECTION 26. Section 61.830, Education Code, is amended to  
2 read as follows:

3 Sec. 61.830. PUBLICATION OF GUIDELINES ADDRESSING TRANSFER  
4 PRACTICES. In its course catalogs and on its website, each  
5 institution of higher education shall publish guidelines  
6 addressing the practices of the institution regarding the transfer  
7 of course credit. In the guidelines, the institution must identify  
8 a course by using the ~~[any]~~ common course numbering system approved  
9 ~~[adopted]~~ by the board.

10 SECTION 27. Subchapter S, Chapter 61, Education Code, is  
11 amended by adding Section 61.832 to read as follows:

12 Sec. 61.832. COMMON COURSE NUMBERING SYSTEM. (a) The  
13 board shall approve a common course numbering system for  
14 lower-division courses to facilitate the transfer of those courses  
15 among institutions of higher education by promoting consistency in  
16 course designation and identification.

17 (b) The board may approve only a common course numbering  
18 system already in common use in this state by institutions of higher  
19 education.

20 (c) The board shall cooperate with institutions of higher  
21 education in any additional development or alteration of the common  
22 course numbering system, including the taxonomy to be used, and in  
23 the development of rules for the administration and applicability  
24 of the system.

25 (d) An institution of higher education shall include in its  
26 course listings the applicable course numbers from the common  
27 course numbering system approved by the board under this section.

1 For good cause, the board may grant to an institution of higher  
2 education an exemption from the requirements of this subsection.

3 SECTION 28. Sections 61.873 and 61.876, Education Code, as  
4 added by Chapter 833, Acts of the 76th Legislature, Regular  
5 Session, 1999, are amended to read as follows:

6 Sec. 61.873. ELIGIBILITY FOR ASSISTANCE. To be eligible to  
7 receive loan repayment assistance under this subchapter, a person  
8 must:

9 (1) hold an associate, baccalaureate, or graduate  
10 degree in early childhood development or the equivalent from a  
11 public or private institution of higher education accredited by a  
12 recognized accrediting agency; and

13 (2) have served for at least one year [~~enter into an~~  
14 ~~agreement to serve~~] as, and be currently serving as, an early  
15 childhood child-care worker [~~as provided by Section 61.875~~].

16 Sec. 61.876. AMOUNT OF REPAYMENT ASSISTANCE; LIMITATIONS.

17 (a) For each year that a qualified person serves as an early  
18 childhood child-care worker in this state [~~under an agreement under~~  
19 ~~Section 61.875~~], the person may receive loan repayment assistance  
20 in an amount not to exceed 15 percent of the total amount of the  
21 person's outstanding student loans, including scheduled interest  
22 payments that would become due if the loan is not prepaid, as of the  
23 date [~~when~~] the person begins to receive repayment assistance under  
24 this subchapter [~~enters into the agreement~~].

25 (b) The amount of repayment assistance paid for a year may  
26 not exceed the lesser of:

27 (1) the actual amount of the loan payments the person

1 receiving the assistance is required to make for that year; or

2 (2) an amount set by the board equal to the maximum  
3 amount of resident tuition and required fees paid by a person  
4 enrolled as a full-time student at a general academic teaching  
5 institution for the most recent academic year, excluding summer  
6 sessions.

7 (c) [~~(b)~~ The board may enter into an agreement to provide  
8 ~~loan repayment assistance under Section 61.875 only to the extent~~  
9 ~~money in the trust fund established by Section 61.878 or money~~  
10 ~~appropriated to the trust fund for future deposit to the trust fund~~  
11 ~~will be sufficient to provide the repayment assistance as it~~  
12 ~~becomes payable.] If [that] money will not be sufficient to provide  
13 repayment assistance to each eligible applicant, the board shall  
14 select persons to receive repayment assistance from the eligible  
15 applicants according to financial need or on another basis the  
16 board considers reasonable to further the purposes of this  
17 subchapter.~~

18 (d) [~~(c)~~] The board may determine the manner in which the  
19 loan repayment assistance is to be paid [~~and shall include~~  
20 ~~provisions governing the manner of repayment in the agreement)].  
21 The board may provide for the payment of a portion of the repayment  
22 assistance in one or more installments before the person completes  
23 a full year of service as an early childhood child-care worker and  
24 for the payment of the remainder of the repayment assistance for  
25 that year after the completion of the full year of service.~~

26 SECTION 29. Subchapter T, Chapter 61, Education Code, as  
27 added by Chapter 833, Acts of the 76th Legislature, Regular

1 Session, 1999, is amended by adding Section 61.879 to read as  
2 follows:

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

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

15 SECTION 30. Sections 61.952 and 61.954, Education Code, as  
16 added by Chapter 1403, Acts of the 77th Legislature, Regular  
17 Session, 2001, are amended to read as follows:

18 Sec. 61.952. ELIGIBILITY. To be eligible to receive  
19 repayment assistance, an attorney must:

20 (1) apply to the board; and

21 (2) have been ~~be~~ employed for at least one year by,  
22 and be currently employed by, ~~[or have been offered employment~~  
23 ~~with]~~ the office of the attorney general at the time the attorney  
24 applies for the assistance ~~[, and~~

25 ~~[(3) enter into an agreement to serve as an attorney~~  
26 ~~with the office of the attorney general as provided by Section~~  
27 ~~61.953].~~



1           Sec. 61.954. MAXIMUM AMOUNT OF REPAYMENT ASSISTANCE  
2 [LIMITATIONS]. (a) For each year that an attorney serves as an  
3 attorney with the office of the attorney general [~~under an~~  
4 ~~agreement under Section 61.953~~], the attorney may receive repayment  
5 assistance under this subchapter in an amount not to exceed \$6,000.

6           (b) An attorney may not receive repayment assistance under  
7 this subchapter for more than three years.

8           SECTION 31. Subchapter X, Chapter 61, Education Code, as  
9 added by Chapter 148, Acts of the 77th Legislature, Regular  
10 Session, 2001, is amended by adding Section 61.955 to read as  
11 follows:

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

17           (b) The board may sell, contract for the sale of, or  
18 otherwise transfer the board's rights in media and training  
19 materials developed for the public awareness campaign.

20           (c) Money received under this section shall be deposited to  
21 the credit of the general revenue fund and used only by the board to  
22 further the purposes of the campaign.

23           SECTION 32. Sections 142.005 and 142.006, Education Code,  
24 are amended to read as follows:

25           Sec. 142.005. PROGRESS REPORTS. An institution receiving  
26 funds under this chapter shall report on the progress of the funded  
27 research to the coordinating board not later than the date

1 specified by the coordinating board [~~September 1 of~~] each year.

2       Sec. 142.006. MERIT REVIEW. The coordinating board shall  
3 appoint a committee that consists of experts in the specified  
4 research areas to evaluate the program's effectiveness and report  
5 its findings to the coordinating board not later than January 31  
6 [~~September 1~~] of each odd-numbered [~~the second~~] year [~~of each~~  
7 ~~biennium~~].

8       SECTION 33. Chapter 142, Education Code, is amended by  
9 adding Section 142.007 to read as follows:

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

14       SECTION 34. Sections 143.006 and 143.007, Education Code,  
15 are amended to read as follows:

16       Sec. 143.006. PROGRESS REPORTS. An institution receiving  
17 funds under this chapter shall report on the progress of the funded  
18 research to the coordinating board not later than the date  
19 specified by the coordinating board [~~September 1 of~~] each year.

20       Sec. 143.007. MERIT REVIEW. The coordinating board shall  
21 appoint a committee consisting of representatives of higher  
22 education and private enterprise advanced technology research  
23 organizations to evaluate the technology program's effectiveness  
24 and report its findings to the coordinating board not later than  
25 January 31 [~~September 1~~] of each odd-numbered [~~the second~~] year [~~of~~  
26 ~~each biennium~~].

27       SECTION 35. Chapter 143, Education Code, is amended by

1 adding Section 143.008 to read as follows:

2 Sec. 143.008. CONFIDENTIALITY. Information submitted as  
3 part of a pre-proposal or proposal or related to the evaluation and  
4 selection of research projects to be funded by the technology  
5 program is confidential unless made public by coordinating board  
6 rule.

7 SECTION 36. Section 7.005, Education Code, is amended to  
8 read as follows:

9 Sec. 7.005. COOPERATION BETWEEN STATE AGENCIES OF  
10 EDUCATION. The State Board of Education and the Texas Higher  
11 Education Coordinating Board, in conjunction with other  
12 appropriate agencies, shall ensure that long-range plans and  
13 educational programs established by each board provide a  
14 comprehensive education for the students of this state under the  
15 jurisdiction of that board, extending from early childhood  
16 education through postgraduate study. In assuring that programs  
17 are coordinated, the boards shall use the P-16 Council [~~joint~~  
18 ~~advisory committee~~] established under Section 61.077.

19 SECTION 37. (a) The purpose of this section is to provide  
20 for assessment of the readiness of entering college students to:

- 21 (1) enroll in freshman-level academic coursework; and  
22 (2) by providing advising and educational support  
23 necessary for success in college, assist students who are not yet  
24 ready to enroll in that coursework.

25 (b) Subchapter F, Chapter 51, Education Code, is amended by  
26 adding Section 51.3062 to read as follows:

27 Sec. 51.3062. SUCCESS INITIATIVE. (a) The definitions

1 provided by Section 61.003 apply to this section.

2 (b) An institution of higher education shall assess the  
3 academic skills of each entering undergraduate student to determine  
4 the student's readiness to enroll in freshman-level academic  
5 coursework. An institution may not use the assessment or the  
6 results of the assessment as a condition of admission to the  
7 institution.

8 (c) The board shall designate one or more instruments for  
9 use by institutions of higher education in assessing students under  
10 this section.

11 (d) If practical and feasible, not later than September 1,  
12 2005, the board shall designate the exit-level assessment  
13 instrument required under Section 39.023 as the primary assessment  
14 instrument under this section. This subsection expires September  
15 1, 2006.

16 (e) The board shall designate additional assessment  
17 instruments for use by institutions of higher education under this  
18 section, including assessment instruments currently approved by  
19 the board to measure college readiness.

20 (f) Each assessment instrument designated by the board for  
21 use under this section must be diagnostic in nature and designed to  
22 assess a student's readiness to perform freshman-level academic  
23 coursework. The board shall prescribe standards for the assessment  
24 instrument or instruments that reflect that student readiness. An  
25 institution of higher education may adopt more stringent assessment  
26 standards with respect to student readiness.

27 (g) Each institution of higher education shall establish a

1 program to advise students regarding coursework and other means by  
2 which students can develop the academic skills required to  
3 successfully complete college-level work.

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

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

18 (j) A student may retake an assessment instrument at any  
19 time to determine readiness to perform freshman-level academic  
20 coursework.

21 (k) An institution of higher education shall determine when  
22 a student is ready to perform freshman-level academic coursework.  
23 The institution must make its determination on an individual basis  
24 according to the needs of the student. The determination shall  
25 include:

26 (1) requiring a student to retake a board-approved  
27 assessment instrument, if the student did not initially perform

1 within a deviation established by the board; or

2 (2) other board-approved means of evaluating student  
3 readiness, if the student did not initially pass the assessment  
4 instrument but performed within a deviation established by the  
5 board.

6 (1) The legislature shall appropriate money for approved  
7 non-degree-credit developmental courses, except that legislative  
8 appropriations may not be used for developmental coursework taken  
9 by a student in excess of:

10 (1) 18 semester credit hours, for a general academic  
11 teaching institution; and

12 (2) 27 semester credit hours, for a public junior  
13 college, public technical institute, or public state college.

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

23 (n) Each institution of higher education shall report  
24 annually to the board on the success of its students and the  
25 effectiveness of its Success Initiative.

26 (o) The board shall evaluate the effectiveness of the  
27 Success Initiative on a statewide basis and with respect to each

1 institution of higher education.

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

8 (q) A student who has achieved a score set by the board on an  
9 exit-level assessment instrument required under Section 39.023 is  
10 exempt from the requirements of this section. The exemption is  
11 effective for the three-year period following the date a student  
12 takes the assessment instrument and achieves the standard set by  
13 the board. This subsection does not apply during any period for  
14 which the board designates the exit-level assessment instrument  
15 required under Section 39.023 as the primary assessment instrument  
16 under this section, except that the three-year period described by  
17 this subsection remains in effect for students who qualify for an  
18 exemption under this section before that period.

19 (r) This section does not apply to:

20 (1) a student who has graduated with an associate or  
21 baccalaureate degree from an institution of higher education;

22 (2) a student who transfers to an institution of  
23 higher education from a private or independent institution of  
24 higher education or an accredited out-of-state institution of  
25 higher education and who has satisfactorily completed  
26 college-level coursework;

27 (3) a student who is enrolled in a certificate program

1 of one year or less at a public junior college, a public technical  
2 institute, or a public state college;

3 (4) a student who is serving on active duty as a member  
4 of:

5 (A) the armed forces of the United States; or

6 (B) the Texas National Guard;

7 (5) a student who is currently serving as and, for at  
8 least the three-year period preceding enrollment, has served as a  
9 member of a reserve component of the armed forces of the United  
10 States; or

11 (6) a student who on or after August 1, 1990, was  
12 honorably discharged, retired, or released from:

13 (A) active duty as a member of the armed forces of  
14 the United States or the Texas National Guard; or

15 (B) service as a member of a reserve component of  
16 the armed forces of the United States.

17 (s) An institution of higher education may exempt a  
18 non-degree-seeking or non-certificate-seeking student from the  
19 requirements of this section.

20 SECTION 38. The heading to Subchapter N, Chapter 51,  
21 Education Code, is amended to read as follows:

22 SUBCHAPTER N. PARTNERSHIPS BETWEEN COMMUNITY/JUNIOR COLLEGES AND  
23 OTHER INSTITUTIONS OF HIGHER EDUCATION [~~UPPER-LEVEL UNIVERSITIES~~  
24 ~~OR CENTERS~~]

25 SECTION 39. Section 51.661, Education Code, is amended to  
26 read as follows:

27 Sec. 51.661. PURPOSE. The purpose of this subchapter is to



1 encourage partnerships between public community/junior colleges  
2 and other institutions of higher education that [~~upper-level~~  
3 ~~universities or centers which~~] are located in the same state  
4 uniform service region as adopted by the Texas Higher Education  
5 Coordinating Board in order to improve the continuity, quality, and  
6 efficiency of educational programs and services.

7 SECTION 40. Subchapter N, Chapter 51, Education Code, is  
8 amended by adding Section 51.6615 to read as follows:

9 Sec. 51.6615. DEFINITION. In this subchapter, "institution  
10 of higher education" has the meaning assigned by Section 61.003.

11 SECTION 41. Section 51.662, Education Code, is amended to  
12 read as follows:

13 Sec. 51.662. PARTNERSHIP AGREEMENTS. With the approval of  
14 the Texas Higher Education Coordinating Board, the governing boards  
15 of a public community/junior college and another institution of  
16 higher education that [~~an upper-level university or center which~~]  
17 are located in the same state uniform service region as adopted by  
18 the coordinating board may enter into a partnership agreement  
19 designed to coordinate the management and operations of the  
20 institutions. The agreements shall in no way abrogate the powers  
21 and duties of the boards with regard to the governance of their  
22 respective institutions.

23 SECTION 42. Section 51.666, Education Code, is amended to  
24 read as follows:

25 Sec. 51.666. FACILITIES. A participating institution of  
26 higher education [~~upper-level university or center~~] may lease  
27 facilities from or to the community/junior college for

1 administrative and instructional purposes. Community/junior  
2 college facilities may not be transferred to the other  
3 participating institution of higher education [~~university or~~  
4 ~~center~~] and may not be included in the space inventory of the other  
5 participating institution of higher education [~~university or~~  
6 ~~center~~] for formula funding purposes.

7 SECTION 43. Section 51.667, Education Code, is amended to  
8 read as follows:

9 Sec. 51.667. STATE FUNDING. The community/junior college  
10 shall receive state appropriations on the same formula basis as  
11 other community/junior colleges, and the other participating  
12 institution of higher education [~~university or center~~] shall  
13 receive state appropriations on the same formula basis as other  
14 similar institutions of higher education [~~upper-level senior~~  
15 ~~colleges and universities~~].

16 SECTION 44. Section 51.668, Education Code, is amended to  
17 read as follows:

18 Sec. 51.668. CONTINUING RESPONSIBILITIES. A participating  
19 community/junior college must continue to provide programs and  
20 services enumerated in Section 130.003(e) [~~Subsection (e) of~~  
21 ~~Section 130.003 of this code~~]. The role [~~rule~~] and scope of the  
22 other participating institution of higher education [~~university or~~  
23 ~~center~~] are subject to approval by the coordinating board.

24 SECTION 45. Section 52.34, Education Code, is amended to  
25 read as follows:

26 Sec. 52.34. PAYMENTS TO STUDENT. (a) No payment may be  
27 made to any student until the student [~~he~~] has executed a note

1 payable to the Texas Opportunity Plan Fund for the full amount of  
2 the authorized loan plus interest.

3 (b) For the purposes of this chapter, a student has the  
4 capacity to contract and is bound by any contract executed by the  
5 student [~~him~~], and the defense that the student [~~he~~] was a minor at  
6 the time the student [~~he~~] executed the note is not available to the  
7 student [~~him~~] in any action arising on the note.

8 (c) Payments to students executing notes may be made  
9 annually, semiannually, quarterly, monthly, or for each semester as  
10 the board may determine, depending on the demonstrated capacity of  
11 the student to manage the student's [~~his~~] financial affairs.

12 (d) Disbursements may be made by the board or by the  
13 participating institution pursuant to a contract between the board  
14 and the institution executed in conformity with this chapter.

15 (e) Money [~~No funds~~] may be distributed to a participating  
16 institution only [~~except~~] to make payments to a student under a loan  
17 authorized by this chapter.

18 (f) The board shall distribute money to a participating  
19 institution through the electronic funds transfer system  
20 maintained by the Texas Guaranteed Student Loan Corporation for  
21 disbursing loan funds from commercial lenders participating in the  
22 guaranteed student loan program under Chapter 57, except that at  
23 the request of a participating institution the board may distribute  
24 the money through other means. The board shall enter into a  
25 contract with the corporation for the use of the system, and the  
26 corporation shall make the system available to the board as  
27 necessary to carry out this subsection.

1 SECTION 46. Subchapter C, Chapter 52, Education Code, is  
2 amended by adding Section 52.41 to read as follows:

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

9 (b) The board may service any outstanding student loans  
10 issued by the board under the Federal Family Education Loan  
11 Program.

12 (c) The board may issue student loans under the Federal  
13 Family Education Loan Program to borrowers other than borrowers  
14 described by Subsection (a) if the commissioner of higher education  
15 determines that market conditions warrant the issuance of those  
16 loans.

17 SECTION 47. Chapter 56, Education Code, is amended by  
18 adding Subchapter F to read as follows:

19 SUBCHAPTER F. DOCTORAL INCENTIVE LOAN REPAYMENT PROGRAM

20 Sec. 56.091. ESTABLISHMENT; ADMINISTRATION. (a) The  
21 Texas Higher Education Coordinating Board shall establish and  
22 administer the doctoral incentive loan repayment program as  
23 provided by this subchapter and shall adopt rules as necessary to  
24 administer the program.

25 (b) The purpose of the doctoral incentive loan repayment  
26 program is to provide education loan repayment assistance to  
27 individuals from groups that are underrepresented among the faculty

1 and administration of public and independent institutions of higher  
2 education in this state to increase the number of individuals from  
3 those underrepresented groups among the faculty and administration  
4 of public and independent institutions of higher education in this  
5 state.

6 (c) For purposes of this subchapter, an individual is from a  
7 group that is underrepresented among the faculty and administration  
8 of public and independent institutions of higher education in this  
9 state if:

10 (1) the individual was from a low socioeconomic  
11 background while pursuing the individual's undergraduate  
12 education; or

13 (2) when the individual graduated from high school the  
14 individual resided in an area from which a disproportionately low  
15 number of high school graduates enrolled in postsecondary  
16 educational institutions.

17 Sec. 56.092. ELIGIBILITY. To be eligible for loan  
18 repayment assistance under the doctoral incentive loan repayment  
19 program, an individual must:

20 (1) be employed as a full-time faculty or  
21 administration member in a public or independent institution of  
22 higher education in this state for at least one year;

23 (2) be a Texas resident;

24 (3) be from a group that is underrepresented among the  
25 faculty and administration of public and independent institutions  
26 of higher education in this state;

27 (4) have qualified for student financial aid based on

1 financial need while enrolled in a graduate-level degree program;  
2 and

3 (5) comply with any other requirements adopted by the  
4 coordinating board for the effective administration of the program.

5 Sec. 56.093. ELIGIBLE LOANS. The coordinating board may  
6 provide repayment assistance under the doctoral incentive loan  
7 repayment program for the repayment of any education loan received  
8 by an eligible individual through any lender.

9 Sec. 56.094. LOAN REPAYMENT ASSISTANCE. (a) The  
10 coordinating board may provide assistance in the repayment of an  
11 eligible loan to an eligible individual in the amounts and under the  
12 terms the coordinating board considers appropriate to further the  
13 purposes of the doctoral incentive loan repayment program and the  
14 best interests of this state.

15 (b) An individual may receive loan repayment assistance  
16 under the doctoral incentive loan repayment program in a total  
17 amount not to exceed \$100,000.

18 Sec. 56.095. FUNDING; LIMITATION ON FUNDING. (a) The  
19 doctoral incentive loan repayment program may be funded only from a  
20 source provided by this section. The total amount of loan repayment  
21 assistance paid under the program may not exceed the amount of money  
22 available for the program under this section.

23 (b) Each institution of higher education shall set aside a  
24 portion of the tuition collected from each student enrolled in a  
25 doctoral degree program, other than a law or health professional  
26 degree program, equal to \$2 for each semester credit hour for which  
27 the student is enrolled. The amount set aside shall be transferred

1 to the comptroller to be maintained in the state treasury for the  
2 sole purpose of repayment of student loans of individuals employed  
3 as faculty and administrators at institutions of higher education  
4 in this state as provided by this subchapter. The money may be used  
5 only to provide loan repayment under this subchapter and to cover  
6 the costs of administering this subchapter.

7 (c) The coordinating board may solicit and accept gifts and  
8 grants from any public or private source for the purposes of the  
9 doctoral incentive loan repayment program.

10 Sec. 56.096. INITIAL IMPLEMENTATION. (a) The coordinating  
11 board shall provide loan repayments under this subchapter beginning  
12 with the 2004-2005 academic year.

13 (b) The coordinating board shall adopt the initial rules for  
14 awarding loan repayments under this subchapter as soon as  
15 practicable after this subchapter becomes law. The coordinating  
16 board may adopt those initial rules in the manner provided by law  
17 for emergency rules.

18 (c) This section expires January 1, 2006.

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

22 SUBCHAPTER O. TEACH FOR TEXAS LOAN REPAYMENT [~~FINANCIAL~~]

23 ASSISTANCE PROGRAM

24 SECTION 49. Subchapter O, Chapter 56, Education Code, as  
25 added by Chapter 1261, Acts of the 77th Legislature, Regular  
26 Session, 2001, is amended by amending Sections 56.351 through  
27 56.355 and adding Sections 56.3575 and 56.359 to read as follows:

1           Sec. 56.351. DEFINITION [~~DEFINITIONS~~]. In this subchapter,  
2 "coordinating[+

3                   ~~[(1) "Coordinating]~~ board" means the Texas Higher  
4 Education Coordinating Board.

5                   ~~[(2) "Eligible institution of higher education"~~  
6 ~~means:~~

7                           ~~[(A) an institution of higher education; or~~

8                           ~~[(B) a private or independent institution of~~  
9 ~~higher education as defined by Section 61.003.]~~

10           Sec. 56.352. PURPOSE OF PROGRAM; LOAN REPAYMENT AUTHORIZED.

11 (a) The purpose of this subchapter is to attract to the teaching  
12 profession persons who have expressed interest in teaching and to  
13 support the employment [~~certification~~] of those persons as  
14 classroom teachers by providing student loan repayment assistance  
15 for service [~~a grant on the condition that the recipient serve~~] as a  
16 classroom teacher in the public schools of this state [~~for a~~  
17 ~~specified period~~].

18           (b) The coordinating board shall provide, in accordance  
19 with this subchapter and board rules, assistance in the repayment  
20 of eligible student loans for persons who apply and qualify for the  
21 assistance.

22           Sec. 56.353. ELIGIBILITY [~~FOR GRANT; TEACHING AGREEMENT~~].

23 (a) [~~A~~] Teach for Texas repayment assistance [~~grant~~] is available  
24 only to a person who applies for the assistance [~~a grant~~] and who:

25                   (1) is certified [~~seeking educator certification;~~

26                   ~~[(2) is enrolled in an eligible institution of higher~~  
27 ~~education in this state.~~



1                   ~~[(A) as a junior or senior in a baccalaureate~~  
2 ~~degree program; or~~

3                   ~~[(B) in the person's first academic year in an~~  
4 ~~educator certification program after receiving a baccalaureate~~  
5 ~~degree;~~

6                   ~~[(3) makes satisfactory progress toward completion of~~  
7 ~~the person's educator certification program; and~~

8                   ~~[(4) satisfies one of the following:~~

9                   ~~[(A) the person is seeking educator~~  
10 ~~certification] in a teaching field identified [~~certified~~] by the~~  
11 ~~commissioner of education as experiencing a critical shortage of~~  
12 ~~teachers in this state in the year in which the person receives the~~  
13 ~~assistance [~~grant~~] and has for at least one year taught full-time~~  
14 ~~at, and is currently teaching [~~agrees to teach~~] full-time [~~for five~~~~  
15 ~~years] at, the preschool, primary, or secondary level in a public~~  
16 ~~school in this state in that teaching field; or~~

17                   ~~(2) is a certified educator who has for at least one~~  
18 ~~year taught full-time at, and is currently teaching [(B) ~~the person~~~~  
19 ~~~~agrees to teach~~] full-time [~~for five years~~] at, the preschool,~~  
20 ~~primary, or secondary level in a public school in this state in a~~  
21 ~~community identified [~~, which is not required to be specifically~~~~  
22 ~~~~designated at the time the person receives the grant, certified~~] by~~  
23 ~~the commissioner of education as experiencing a critical shortage~~  
24 ~~of teachers in the [~~any~~] year in which the person receives the~~  
25 ~~assistance [~~a grant under this subchapter or in any subsequent year~~~~  
26 ~~~~in which the person fulfills the teaching obligation].~~~~

27                   (b) The coordinating board in awarding repayment assistance

1 ~~[Teach for Texas grants]~~ shall give priority to applicants who  
2 demonstrate financial need.

3 (c) ~~[If the money available for grants in a period for which~~  
4 ~~grants are awarded exceeds the amount needed to provide grants to~~  
5 ~~all eligible applicants described by Subsection (b), the~~  
6 ~~coordinating board shall award grants from the remaining money to~~  
7 ~~additional eligible applicants. The coordinating board shall~~  
8 ~~prescribe by rule the eligibility requirements for these applicants~~  
9 ~~based on the factors that the coordinating board considers~~  
10 ~~appropriate to further the purposes of this subchapter.~~

11 ~~[(d)]~~ If the money available for loan repayment assistance  
12 ~~[grants]~~ in a period for which assistance is ~~[grants are]~~ awarded is  
13 insufficient to provide assistance ~~[grants]~~ to all eligible  
14 applicants described by Subsection (b), the coordinating board  
15 shall establish priorities for awarding repayment assistance to  
16 address the most critical teacher shortages described by Subsection  
17 (a) ~~[give the highest priority to applicants who demonstrate the~~  
18 ~~greatest financial need]~~.

19 (d) ~~[(e)]~~ A person may not receive loan repayment  
20 assistance ~~[a Teach for Texas tuition grant]~~ for more than five  
21 ~~[three academic]~~ years ~~[or the equivalent]~~.

22 ~~[(f)]~~ ~~A person is not eligible to receive a Teach for Texas~~  
23 ~~grant if the person has been convicted of a felony or an offense~~  
24 ~~under Chapter 481, Health and Safety Code (Texas Controlled~~  
25 ~~Substances Act), or under the law of another jurisdiction involving~~  
26 ~~a controlled substance, as defined by Chapter 481, Health and~~  
27 ~~Safety Code, unless the person has met the other applicable~~

1 ~~eligibility requirements under this subchapter and has:~~

2 ~~[(1) received a certificate of discharge by the Texas~~  
3 ~~Department of Criminal Justice or a correctional facility or~~  
4 ~~completed a period of probation ordered by a court, and at least two~~  
5 ~~years have elapsed from the date of the receipt or completion, or~~

6 ~~[(2) been pardoned, had the record of the offense~~  
7 ~~expunged from the person's record, or otherwise has been released~~  
8 ~~from the resulting ineligibility to receive a grant under this~~  
9 ~~subchapter.~~

10 ~~[(g) For the purpose of this section, a person makes~~  
11 ~~satisfactory academic progress toward completion of an educator~~  
12 ~~certification program if the person:~~

13 ~~[(1) completes at least 75 percent of the semester~~  
14 ~~credit hours attempted in the student's most recent academic year,~~  
15 ~~and~~

16 ~~[(2) earns an overall grade point average of at least~~  
17 ~~2.5 on a four-point scale or the equivalent on coursework~~  
18 ~~previously attempted at institutions of higher education.]~~

19 Sec. 56.354. ELIGIBLE LOANS. (a) A person may receive  
20 Teach for Texas loan repayment assistance under this subchapter for  
21 the repayment of any student loan for education at any public or  
22 private institution of higher education through any lender. If the  
23 loan is not a state or federal guaranteed student loan, the note or  
24 other writing governing the terms of the loan must require the loan  
25 proceeds to be used for expenses incurred by a person to attend a  
26 public or private institution of higher education.

27 (b) The coordinating board may not provide loan repayment

1 assistance for a student loan that is in default at the time of the  
2 person's application [~~AMOUNT OF GRANT; PAYMENT OF GRANT. (a) The~~  
3 ~~amount of a Teach for Texas grant is equal to four times the current~~  
4 ~~amount of a TEXAS grant under Subchapter M for a student enrolled in~~  
5 ~~a general academic teaching institution.~~

6 [~~(b) The coordinating board shall pay the amount of a Teach~~  
7 ~~for Texas grant in installments, with a substantially equal amount~~  
8 ~~paid in each semester or term based on the number of semesters in~~  
9 ~~which a typical full-time student would complete the recipient's~~  
10 ~~educator certification program. The coordinating board may adjust~~  
11 ~~the amount of a grant for a semester or term, or award a~~  
12 ~~supplemental grant, to ensure that a grant recipient who completes~~  
13 ~~the educator certification program receives the total amount of the~~  
14 ~~recipient's grant].~~

15 Sec. 56.355. PAYMENT OF ASSISTANCE. (a) The coordinating  
16 board may determine the manner in which Teach for Texas loan  
17 repayment assistance is to be paid. The coordinating board may  
18 provide for the payment of a portion of the repayment assistance in  
19 one or more installments before the person completes a full year of  
20 service as a teacher and for the payment of the remainder of the  
21 repayment assistance for that year after the completion of the full  
22 year of service.

23 (b) Loan repayment assistance received under this  
24 subchapter may be applied to the principal amount of the loan and to  
25 interest that accrues [~~ELIGIBILITY FOR TEXAS GRANT NOT AFFECTED. A~~  
26 ~~person may receive both a TEXAS grant under Subchapter M and a Teach~~  
27 ~~for Texas grant under this subchapter for the same semester or~~

1 ~~term~~].

2 Sec. 56.3575. ADMINISTRATION; RULES. (a) The  
3 coordinating board shall adopt rules necessary for the  
4 administration of this subchapter.

5 (b) The coordinating board shall distribute a copy of the  
6 rules adopted under this section and pertinent information relating  
7 to this subchapter to each public or private institution of higher  
8 education in this state that offers an educator certification  
9 program, including an alternative educator certification program  
10 or another equivalent program.

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

17 (b) A person to whom this section applies may receive any  
18 unpaid installments of the grant as provided by the agreement and in  
19 accordance with this subchapter as it existed when the grant was  
20 awarded. The agreement continues in effect and this subchapter, as  
21 it existed when the person entered into the agreement, is continued  
22 in effect for purposes of that agreement until the person satisfies  
23 all the conditions of the agreement or repays all amounts due under  
24 the agreement if the person does not satisfy the conditions of the  
25 agreement.

26 SECTION 50. Subchapter A, Chapter 130, Education Code, is  
27 amended by adding Section 130.0012 to read as follows:

1           Sec. 130.0012. PILOT PROJECT: BACCALAUREATE DEGREE  
2 PROGRAMS. (a) The Texas Higher Education Coordinating Board shall  
3 establish a pilot project to examine the feasibility and  
4 effectiveness of authorizing public junior colleges to offer  
5 baccalaureate degree programs in the fields of applied science and  
6 applied technology. Participation in the pilot project does not  
7 otherwise alter the role and mission of a public junior college.

8           (b) The coordinating board shall operate the pilot project  
9 at three public junior colleges, as determined by the coordinating  
10 board.

11           (c) A public junior college participating in the pilot  
12 project must meet all applicable accreditation requirements of the  
13 Commission on Colleges of the Southern Association of Colleges and  
14 Schools.

15           (d) A public junior college participating in the pilot  
16 project may not offer more than five baccalaureate degree programs  
17 under the project at any time. The degree programs are subject to  
18 the continuing approval of the coordinating board. In determining  
19 what baccalaureate degree programs are to be offered, the junior  
20 college and the coordinating board shall consider:

21                   (1) the need for the degree programs in the region  
22 served by the junior college;

23                   (2) how those degree programs would complement the  
24 other programs and course offerings of the junior college;

25                   (3) whether those degree programs would unnecessarily  
26 duplicate the degree programs offered by other institutions of  
27 higher education; and

1           (4) the ability of the junior college to support the  
2 program and the adequacy of the junior college's facilities,  
3 faculty, administration, libraries, and other resources.

4           (e) Each public junior college that offers a baccalaureate  
5 degree program under the pilot project must enter into an  
6 articulation agreement with one or more general academic teaching  
7 institutions to ensure that students enrolled in the degree program  
8 have an opportunity to complete the degree if the public junior  
9 college ceases to offer the degree program. The coordinating board  
10 may require a general academic teaching institution that offers a  
11 comparable degree program to enter into an articulation agreement  
12 with the public junior college as provided by this subsection.

13           (f) In its recommendations to the legislature relating to  
14 state funding for public junior colleges, the coordinating board  
15 shall recommend that a public junior college receive substantially  
16 the same state support for junior-level and senior-level courses  
17 offered under the pilot project as that provided to a general  
18 academic teaching institution for substantially similar courses.  
19 In determining the contact hours attributable to students enrolled  
20 in a junior-level or senior-level course offered under the pilot  
21 project used to determine a public junior college's proportionate  
22 share of state appropriations under Section 130.003, the  
23 coordinating board shall weigh those contact hours as necessary to  
24 provide the junior college the appropriate level of state support  
25 to the extent state funds for those courses are included in the  
26 appropriations. This subsection does not prohibit the legislature  
27 from directly appropriating state funds to support junior-level and

1 senior-level courses offered under the pilot project.

2 (g) Each public junior college participating in the pilot  
3 project shall prepare a biennial report on the operation and  
4 effectiveness of the junior college's baccalaureate degree  
5 programs offered under the project and shall deliver a copy of the  
6 report to the coordinating board in the form and at the time  
7 determined by the coordinating board.

8 (h) Not later than January 1, 2009, the coordinating board  
9 shall prepare a progress report on the pilot project. Not later  
10 than January 1, 2011, the coordinating board shall prepare a report  
11 on the effectiveness of the pilot project, including any  
12 recommendations for legislative action regarding the offering of  
13 baccalaureate degree programs by public junior colleges. The  
14 coordinating board shall deliver a copy of each report to the  
15 governor, the lieutenant governor, the speaker of the house of  
16 representatives, and the chair of the standing committee of each  
17 house of the legislature with primary jurisdiction over higher  
18 education.

19 (i) Unless the authority to continue offering the  
20 baccalaureate degree programs is continued by the legislature, a  
21 public junior college may not:

22 (1) enroll a new student in a baccalaureate degree  
23 program under the pilot project after the 2011 fall semester;

24 (2) offer junior-level or senior-level courses for  
25 those degree programs after the 2015 fall semester, unless the  
26 coordinating board authorizes the college to offer those courses;

27 or



1           (3) award a baccalaureate degree under the pilot  
2 project after the 2015 fall semester, unless the coordinating board  
3 approves the awarding of the degree.

4           (j) The coordinating board shall prescribe procedures to  
5 ensure that each public junior college that offers a degree program  
6 under the pilot project informs each student who enrolls in the  
7 degree program of:

8                   (1) the nature of the pilot project, including the  
9 limited duration of the project; and

10                   (2) the articulation agreement entered into under  
11 Subsection (e) for the student's degree program.

12           (k) This section expires January 1, 2020.

13           SECTION 51. Subchapter A, Chapter 130, Education Code, is  
14 amended by adding Section 130.0102 to read as follows:

15           Sec. 130.0102. MEXICAN AMERICAN STUDIES PROGRAM OR COURSE  
16 WORK. The governing board of a public junior college district  
17 located in one or more counties with a substantial and growing  
18 Mexican American population shall evaluate the demand for and  
19 feasibility of establishing a Mexican American studies program or  
20 other course work in Mexican American studies at one or more junior  
21 colleges in the district. With approval of the Texas Higher  
22 Education Coordinating Board, the governing board may establish a  
23 Mexican American studies program or other course work in Mexican  
24 American studies at any of those colleges if the governing board  
25 determines that such a program or course work is desirable and  
26 feasible.

27           SECTION 52. Sections 61.0592, 61.0593, 61.070, and 61.071,

1 Education Code, are repealed.

2 SECTION 53. Subsection (e), Section 61.0771, Education  
3 Code, is repealed.

4 SECTION 54. Sections 61.094 and 61.096, Education Code, are  
5 repealed.

6 SECTION 55. Subchapter E, Chapter 61, Education Code, is  
7 repealed.

8 SECTION 56. Subchapter Q, Chapter 61, Education Code, is  
9 repealed.

10 SECTION 57. (a) Section 56.356, Education Code, as added  
11 by Chapter 1261, Acts of the 77th Legislature, Regular Session,  
12 2001, is repealed.

13 (b) Section 61.875, Education Code, as added by Chapter 833,  
14 Acts of the 76th Legislature, Regular Session, 1999, is repealed.

15 (c) Section 61.953, Education Code, as added by Chapter  
16 1403, Acts of the 77th Legislature, Regular Session, 2001, is  
17 repealed.

18 SECTION 58. Sections 51.306 and 51.3061, Education Code,  
19 are repealed.

20 SECTION 59. To achieve an orderly transition from 18 to 9  
21 positions on the Texas Higher Education Coordinating Board, the  
22 governor on August 31, 2003, or September 1, 2003, shall appoint  
23 only three persons to the coordinating board for terms expiring on  
24 August 31, 2009. On, or as soon as possible after, August 31, 2005,  
25 the governor shall appoint only four members to the coordinating  
26 board for terms expiring on August 31, 2011. On, or as soon as  
27 possible after, August 31, 2007, the governor shall appoint only

1 two members to the coordinating board for terms expiring on August  
2 31, 2013. As terms on the coordinating board expire on and after  
3 August 31, 2009, the governor shall appoint three members to the  
4 coordinating board in accordance with Section 61.022, Education  
5 Code, as amended by this Act.

6 SECTION 60. The changes in law made by this Act in the  
7 prohibitions or qualifications applying to members of the Texas  
8 Higher Education Coordinating Board do not affect the entitlement  
9 of a member serving on the board immediately before the effective  
10 date of this Act to continue to serve and function as a member of the  
11 board for the remainder of the member's term. Those changes in law  
12 apply only to a member appointed on or after the effective date of  
13 this Act.

14 SECTION 61. On the effective date of this Act:

15 (1) the P-16 Council replaces the joint advisory  
16 committee as the advisory board for the Texas Higher Education  
17 Coordinating Board and the State Board of Education;

18 (2) all functions and activities performed by the  
19 joint advisory committee are transferred to the P-16 Council to the  
20 extent consistent with the functions and duties of the P-16 Council  
21 provided by law; and

22 (3) a reference in law to the joint advisory committee  
23 that relates to providing advisory functions to the Texas Higher  
24 Education Coordinating Board and the State Board of Education means  
25 the P-16 Council.

26 SECTION 62. (a) Each general academic teaching  
27 institution shall provide the performance data as required by

1 Section 61.0902, Education Code, as added by this Act, beginning  
2 with the data for the 2003-2004 academic year.

3 (b) Not later than March 1, 2005, the Texas Higher Education  
4 Coordinating Board shall publish and post on the board's Internet  
5 site the performance data provided by the general academic teaching  
6 institutions in this state as required by Section 61.0902,  
7 Education Code, as added by this Act.

8 SECTION 63. Not later than June 1, 2004, the Texas Higher  
9 Education Coordinating Board shall:

10 (1) approve the common course numbering system  
11 required by Section 61.832, Education Code, as added by this Act;  
12 and

13 (2) establish a timetable for each public institution  
14 of higher education to phase in the inclusion of the applicable  
15 course numbers from the common course numbering system in its  
16 individual course catalog system.

17 SECTION 64. (a) The Texas Higher Education Coordinating  
18 Board shall adopt rules for the administration of Section 51.3062,  
19 Education Code, as added by this Act, as soon as practicable after  
20 this Act takes effect. For that purpose, the board may adopt the  
21 initial rules in the manner provided by law for emergency rules.

22 (b) The Texas Higher Education Coordinating Board, by rule,  
23 shall provide for each institution to inform students about the  
24 Success Initiative, including the institution's responsibilities  
25 and the students' options and responsibilities.

26 SECTION 65. (a) The Texas Higher Education Coordinating  
27 Board shall enter into a contract with the Texas Guaranteed Student

1 Loan Corporation to use the corporation's electronic funds transfer  
2 system, as required by Section 52.34, Education Code, as amended by  
3 this Act, not later than January 1, 2004.

4 (b) Subsection (a), Section 52.41, Education Code, as added  
5 by this Act, applies only to a student loan issued under the Federal  
6 Family Education Loan Program (20 U.S.C. Section 1071 et seq.), as  
7 amended, on or after the effective date of this Act.

8 SECTION 66. This Act takes effect September 1, 2003.

\_\_\_\_\_  
President of the Senate

\_\_\_\_\_  
Speaker of the House

I hereby certify that S.B. No. 286 passed the Senate on April 22, 2003, by a viva-voce vote; May 30, 2003, Senate refused to concur in House amendments and requested appointment of Conference Committee; May 30, 2003, House granted request of the Senate; June 1, 2003, Senate adopted Conference Committee Report by a viva-voce vote.

\_\_\_\_\_  
Secretary of the Senate

I hereby certify that S.B. No. 286 passed the House, with amendments, on May 26, 2003, by a non-record vote; May 30, 2003, House granted request of the Senate for appointment of Conference Committee; June 1, 2003, House adopted Conference Committee Report by a non-record vote.

\_\_\_\_\_  
Chief Clerk of the House

Approved:

\_\_\_\_\_  
Date

\_\_\_\_\_  
Governor