

By: Shapleigh

S.B. No. 286

A BILL TO BE ENTITLED

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 15 [~~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. Sections 61.0222(b), (c), (d), and (e),
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~~

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

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

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

SECTION 4. Sections 61.0223(a) and (c), Education Code, are amended to read as follows:

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

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

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

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

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

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

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

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

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

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

(b) The training program must provide the person with

information regarding:

(1) the legislation that created the board;

(2) the programs operated by the board;

(3) the role and functions of the board;

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

(5) the current budget for the board;

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

(7) the requirements of:

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

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

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

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

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

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

SECTION 6. Sections 61.028(f) and (g), Education Code, are amended to read as follows:

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

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

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

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

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

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

(1) ~~[cover an annual period,~~ be updated ~~[at least]~~ 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 or the commissioner's designee shall provide to board
8 employees information and training on the benefits and methods of
9 participation in the state employee incentive program.

10 SECTION 8. Section 61.031, Education Code, is amended to
11 read as follows:

12 Sec. 61.031. PUBLIC INTEREST INFORMATION AND COMPLAINTS.
13 (a) The board shall maintain a file on each written complaint filed
14 with the board. The file must include:

15 (1) the name of the person who filed the complaint;
16 (2) the date the complaint is received by the board;
17 (3) the subject matter of the complaint;
18 (4) the name of each person contacted in relation to
19 the complaint;

20 (5) a summary of the results of the review or
21 investigation of the complaint; and

22 (6) an explanation of the reason the file was closed,
23 if the agency closed the file without taking action other than to
24 investigate the complaint ~~[prepare information of public interest~~
25 ~~describing the functions of the board and the board's procedures by~~
26 ~~which complaints are filed with and resolved by the board. The~~
27 ~~board shall make the information available to the public and~~

~~appropriate state agencies].~~

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

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

SECTION 9. Subchapter B, Chapter 61, Education Code, is amended by adding Section 61.033 to read as follows:

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

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

(2) appropriate alternative dispute resolution procedures under Chapter 2009, Government Code, to assist in the resolution of internal and external disputes under the board's jurisdiction.

(b) The board's procedures relating to alternative dispute resolution must conform, to the extent possible, to any model

1 guidelines issued by the State Office of Administrative Hearings
2 for the use of alternative dispute resolution by state agencies.

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

4 (1) coordinate the implementation of the policy
5 adopted under Subsection (a);

6 (2) serve as a resource for any training needed to
7 implement the procedures for negotiated rulemaking or alternative
8 dispute resolution; and

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

11 SECTION 10. Subchapter B, Chapter 61, Education Code, is
12 amended by adding Section 61.034 to read as follows:

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

25 SECTION 11. Section 61.051, Education Code, is amended by
26 amending Subsections (a) and (i) and adding Subsections (a-1),
27 (a-2), and (i-1) to read as follows:

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

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

(a-2) The board shall~~+~~
~~[(1)]~~ inform the legislature on matters pertaining to higher education, including the state's activities in the Board of Control for Southern Regional Education,~~+~~ and shall

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

(i) The board shall develop ~~[and periodically revise]~~ a long-range statewide plan to provide information and guidance to policy makers to ensure that institutions of higher education meet the current and future needs of each region of this state for higher

1 education services and that adequate higher education services at
2 all levels are reasonably and equally available to the residents of
3 each region of this state. The board in developing the plan shall
4 examine existing undergraduate, graduate, professional, and
5 research programs provided by institutions of higher education and
6 identify the geographic areas of this state that, as a result of
7 current population or projected population growth, distance from
8 other educational resources, economic trends, or other factors,
9 have or are reasonably likely to have in the future significantly
10 greater need for higher education services than the services
11 currently provided in the area by existing institutions of higher
12 education. The board shall also consider the higher education
13 services provided by private and independent institutions of higher
14 education in developing the plan. The board shall identify as
15 specifically as practicable the programs or fields of study for
16 which an area has or is projected to have a significant unmet need
17 for services. In determining the need for higher educational
18 services in an area, the board shall consider the educational
19 attainment of the current population and the extent to which
20 residents from the area attend institutions of higher education
21 outside of the area or do not attend institutions of higher
22 education. The board shall include in the plan specific
23 recommendations, including alternative recommendations, for
24 administrative or legislative action to address an area's unmet
25 need for higher educational services as efficiently as possible.
26 Not later than November 1 of each even-numbered year, the board
27 shall deliver to the governor, lieutenant governor, and legislature

a report of the current long-range plan developed under this section.

(i-1) The board shall periodically review and revise the long-range statewide plan developed under Subsection (i). As a specific element of its review, the board shall identify and analyze the degree to which the plan reflects the continuing higher education needs of each region of this state, as well as any policy changes necessary to improve overall implementation of the plan and the fiscal impact of those changes. The board shall establish procedures for monitoring the board's implementation of the plan, including an analysis of the degree to which its current activities support implementation of the plan and any change in board rules or practices necessary to improve implementation of the plan. The board shall identify additional strategies necessary to achieve the goals of the plan, emphasizing implementation by institutions of higher education and specific recommendations for the different regions of the state. The board shall notify each institution of higher education of all strategies for implementing the plan.

SECTION 12. Section 61.059, Education Code, is amended by amending Subsections (a) and (i) and adding Subsection (i-1) to read as follows:

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

(1) allocate resources efficiently and provide incentives for programs of superior quality and for institutional

1 diversity;

2 (2) provide incentives for supporting the long-range
3 statewide plan developed and revised under Section 61.051; and

4 (3) discourage [~~while—discouraging~~] unnecessary
5 duplication of course offerings between institutions and [~~as well~~
6 ~~as discouraging~~] unnecessary construction on any campus.

7 (i) The board shall make continuing studies on its own
8 initiative, on [~~or—upon~~] the request of the governor or the
9 Legislative Budget Board, and as otherwise provided by Subsection
10 (i-1) of the financial needs of public higher education and all
11 services and activities of the institutions of higher education and
12 issue reports to the governor and the Legislative Budget Board that
13 result from its studies.

14 (i-1) Not later than January 1 of each odd-numbered year,
15 the board shall make and submit to the legislature findings and
16 recommendations regarding the degree to which the current higher
17 education funding system, including formula funding and any other
18 transfers of legislative appropriations to institutions of higher
19 education, supports the implementation of the long-range statewide
20 plan developed and revised under Section 61.051. The board may
21 include its findings and recommendations in the biennial report
22 submitted to the legislature under Section 61.051. In its
23 findings, the board must:

24 (1) identify funding incentives that would encourage
25 implementation of the plan by institutions of higher education;
26 and

27 (2) assess the accountability of institutions of

1 higher education with respect to legislative appropriations to
2 evaluate institutional allocation of financial resources in
3 accordance with the plan.

4 SECTION 13. Section 61.066, Education Code, is amended by
5 adding Subsection (c) to read as follows:

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

18 SECTION 14. Section 61.076, Education Code, is amended to
19 read as follows:

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

functioning of the entire system of public education, extending from early childhood education through postgraduate study. In assuring that plans and programs are coordinated, the boards shall use the P-16 Council [~~Joint Advisory Committee~~] established under Section 61.077 [~~of this code~~].

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

- (1) equal educational opportunity for all Texans;
- (2) college recruitment, with special emphasis on the recruitment of minority students;
- (3) preparation of high school students for further study at colleges and universities;
- (4) reduction of the dropout rate and dropout prevention;
- (5) teacher education, recruitment, and retention;
- [~~and~~]
- (6) testing and assessment; and
- (7) adult education programs.

SECTION 15. Section 61.077, Education Code, is amended to read as follows:

Sec. 61.077. P-16 COUNCIL [~~JOINT ADVISORY COMMITTEE~~]. (a) The P-16 Council [~~A joint advisory committee~~] shall advise the Texas Higher Education Coordinating Board and the State Board of Education in coordinating postsecondary career and technology

1 activities, career and technology teacher education programs
2 offered or proposed to be offered in the colleges and universities
3 of this state, and other relevant matters, including those listed
4 in Section 61.076 ~~[of this code]~~.

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

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

1 Education.

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

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

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

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

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

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

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

1 education;

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

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

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

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

14 (A) curricula; and

15 (B) testing and assessment.

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

18 SECTION 16. Section 61.532(a), Education Code, is amended
19 to read as follows:

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

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

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

26 (A) Texas Department of Health;

27 (B) Texas Department of Mental Health and Mental

Retardation;

(C) Texas Department of Corrections; or

(D) Texas Youth Commission; or

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

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

~~[(B) resident]~~.

SECTION 17. Subchapter J, Chapter 61, Education Code, is amended by adding Section 61.540 to read as follows:

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

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

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

(b) Each institution of higher education shall adopt a core curriculum of no less than 42 semester credit hours, including specific courses comprising the curriculum. The core curriculum

shall be consistent with any ~~[the]~~ common course numbering
~~[course-numbering]~~ system adopted by the board and with the
statement, recommendations, and rules issued by the board. An
institution may have a core curriculum of other than 42 semester
credit hours only if approved by the board.

SECTION 19. Section 61.830, Education Code, is amended to
read as follows:

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

SECTION 20. Subchapter S, Chapter 61, Education Code, is
amended by adding Section 61.832 to read as follows:

Sec. 61.832. COMMON COURSE NUMBERING SYSTEM. (a) The board
shall adopt a common course numbering system to promote consistency
in the designation and identification of courses among institutions
of higher education.

(b) In developing the common course numbering system, the
board shall consider common course numbering systems already
developed or in common use in this state or any other state.

(c) The board may appoint a committee of the board to
oversee the development of the common course numbering system,
including the taxonomy to be used, and of rules for the
administration and applicability of the system.

(d) An institution of higher education shall use the common course numbering system adopted by the board under this section. For good cause, the board may grant to an institution of higher education an exemption from the requirements of this subsection.

SECTION 21. Sections 61.873 and 61.876, Education Code, as added by Chapter 833, Acts of the 76th Legislature, Regular Session, 1999, are amended to read as follows:

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

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

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

Sec. 61.876. AMOUNT OF REPAYMENT ASSISTANCE; LIMITATIONS.

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

(b) The amount of repayment assistance paid for a year may

not exceed the lesser of:

(1) the actual amount of the loan payments the person receiving the assistance is required to make for that year; or

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

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

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

SECTION 22. Subchapter T, Chapter 61, Education Code, as added by Chapter 833, Acts of the 76th Legislature, Regular Session, 1999, is amended by adding Section 61.879 to read as follows:

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

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

SECTION 23. Sections 61.952 and 61.954, Education Code, as added by Chapter 1403, Acts of the 77th Legislature, Regular Session, 2001, are amended to read as follows:

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

- (1) apply to the board; and
- (2) have been ~~[be]~~ employed for at least one year by, and be currently employed by, ~~[or have been offered employment with]~~ the office of the attorney general at the time the attorney applies for the assistance~~[, and~~

- ~~[(3) enter into an agreement to serve as an attorney~~

~~with the office of the attorney general as provided by Section 61.953].~~

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

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

SECTION 24. Section 7.005, Education Code, is amended to read as follows:

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

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

Sec. 52.34. PAYMENTS TO STUDENT. (a) No payment may be made to any student until the student ~~[he]~~ has executed a note payable to the Texas Opportunity Plan Fund for the full amount of the authorized loan plus interest.

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

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

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

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

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

24 SECTION 26. Subchapter C, Chapter 52, Education Code, is
 25 amended by adding Section 52.41 to read as follows:

26 Sec. 52.41. RESTRICTION ON ISSUANCE OF CERTAIN FEDERALLY
 27 INSURED STUDENT LOANS. (a) The board may issue student loans under

the Federal Family Education Loan Program (20 U.S.C. Section 1071 et seq.), as amended, only to a person who applied for and was issued a student loan under this chapter before October 1, 2003, but who is not yet required to make payments on the loan as of that date, according to the terms of the loan.

(b) The board may continue to service outstanding student loans issued by the board under the Federal Family Education Loan Program.

SECTION 27. The heading to Subchapter O, Chapter 56, Education Code, as added by Chapter 1261, Acts of the 77th Legislature, Regular Session, 2001, is amended to read as follows:

SUBCHAPTER O. TEACH FOR TEXAS

LOAN REPAYMENT [~~FINANCIAL~~] ASSISTANCE PROGRAM

SECTION 28. Subchapter O, Chapter 56, Education Code, as added by Chapter 1261, Acts of the 77th Legislature, Regular Session, 2001, is amended by amending Sections 56.351, 56.352, 56.353, 56.354, and 56.355 and adding Sections 56.3575 and 56.359 to read as follows:

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

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

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

- [~~(A)~~ an institution of higher education, or
- [~~(B)~~ a private or independent institution of higher education as defined by Section 61.003.]

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

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

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

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

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

(1) is certified ~~[seeking educator certification;~~
~~[(2) is enrolled in an eligible institution of higher education in this state;~~

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

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

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

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

~~[(A) the person is seeking educator~~

1 ~~certification~~] in a teaching field identified [~~certified~~] by the
 2 commissioner of education as experiencing a critical shortage of
 3 teachers in this state in the year in which the person receives the
 4 assistance [~~grant~~] and has for at least one year taught full-time
 5 at, and is currently teaching [~~agrees to teach~~] full-time [~~for five~~
 6 ~~years~~] at, the preschool, primary, or secondary level in a public
 7 school in this state in that teaching field; or

8 (2) is a certified educator who has for at least one
 9 year taught full-time at, and is currently teaching [~~(B) the person~~
 10 ~~agrees to teach~~] full-time [~~for five years~~] at, the preschool,
 11 primary, or secondary level in a public school in this state in a
 12 community identified [~~, which is not required to be specifically~~
 13 ~~designated at the time the person receives the grant, certified~~] by
 14 the commissioner of education as experiencing a critical shortage
 15 of teachers in the [~~any~~] year in which the person receives the
 16 assistance [~~a grant under this subchapter or in any subsequent year~~
 17 ~~in which the person fulfills the teaching obligation~~].

18 (b) The coordinating board in awarding repayment assistance
 19 [~~Teach for Texas grants~~] shall give priority to applicants who
 20 demonstrate financial need.

21 (c) [~~If the money available for grants in a period for which~~
 22 ~~grants are awarded exceeds the amount needed to provide grants to~~
 23 ~~all eligible applicants described by Subsection (b), the~~
 24 ~~coordinating board shall award grants from the remaining money to~~
 25 ~~additional eligible applicants. The coordinating board shall~~
 26 ~~prescribe by rule the eligibility requirements for these applicants~~
 27 ~~based on the factors that the coordinating board considers~~

~~appropriate to further the purposes of this subchapter.~~

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

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

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

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

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

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

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

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

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

(b) The coordinating board may not provide loan repayment assistance for a student loan that is in default at the time of the person's application. ~~[AMOUNT OF GRANT; PAYMENT OF GRANT. (a) The amount of a Teach for Texas grant is equal to four times the current amount of a TEXAS grant under Subchapter M for a student enrolled in a general academic teaching institution.~~

~~[(b) The coordinating board shall pay the amount of a Teach for Texas grant in installments, with a substantially equal amount paid in each semester or term based on the number of semesters in which a typical full-time student would complete the recipient's~~

~~educator certification program. The coordinating board may adjust the amount of a grant for a semester or term, or award a supplemental grant, to ensure that a grant recipient who completes the educator certification program receives the total amount of the recipient's grant.]~~

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

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

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

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

1 or another equivalent program.

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

8 (b) A person to whom this section applies may receive any
9 unpaid installments of the grant as provided by the agreement and in
10 accordance with this subchapter as it existed when the grant was
11 awarded. The agreement continues in effect and this subchapter, as
12 it existed when the person entered into the agreement, is continued
13 in effect for purposes of that agreement until the person satisfies
14 all the conditions of the agreement or repays all amounts due under
15 the agreement if the person does not satisfy the conditions of the
16 agreement.

17 SECTION 29. Subchapter Q, Chapter 61, Education Code, is
18 repealed.

19 SECTION 30. (a) Section 56.356, Education Code, as added by
20 Chapter 1261, Acts of the 77th Legislature, Regular Session, 2001,
21 is repealed.

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

24 (c) Section 61.953, Education Code, as added by Chapter
25 1403, Acts of the 77th Legislature, Regular Session, 2001, is
26 repealed.

27 SECTION 31. (a) Of the six positions on the Texas Higher

Education Coordinating Board that have terms scheduled to expire on August 31, 2003, one of the positions is abolished on September 1, 2003. On or before September 1, 2003, the governor shall designate which of the six positions shall be abolished and shall appoint five persons to fill the other positions for terms expiring August 31, 2009.

(b) Of the six positions on the Texas Higher Education Coordinating Board that have terms scheduled to expire on August 31, 2005, one of the positions is abolished on September 1, 2003. On or before September 1, 2003, the members whose terms are scheduled to expire on August 31, 2005, shall determine by unanimous agreement or by lot which of the six positions shall be abolished and shall inform the presiding officer of the Texas Higher Education Coordinating Board of that determination.

(c) Of the six positions on the Texas Higher Education Coordinating Board that have terms scheduled to expire on August 31, 2007, one of the positions is abolished on September 1, 2003. On or before September 1, 2003, the members whose terms are scheduled to expire on August 31, 2007, shall determine by unanimous agreement or by lot which of the six positions shall be abolished and shall inform the presiding officer of the Texas Higher Education Coordinating Board of that determination.

SECTION 32. The changes in law made by this Act in the prohibitions or qualifications applying to members of the Texas Higher Education Coordinating Board do not affect the entitlement of a member serving on the board immediately before the effective date of this Act to continue to serve and function as a member of the

1 board for the remainder of the member's term. Those changes in law
2 apply only to a member appointed on or after the effective date of
3 this Act.

4 SECTION 33. On the effective date of this Act:

5 (1) the P-16 Council replaces the Joint Advisory
6 Committee as the advisory board for the Texas Higher Education
7 Coordinating Board and the State Board of Education;

8 (2) all functions and activities performed by the
9 Joint Advisory Committee are transferred to the P-16 Council to the
10 extent consistent with the functions and duties of the P-16 Council
11 provided by law; and

12 (3) a reference in law to the Joint Advisory Committee
13 that relates to providing advisory functions to the Texas Higher
14 Education Coordinating Board and the State Board of Education means
15 the P-16 Council.

16 SECTION 34. (a) Not later than June 1, 2004, the Texas
17 Higher Education Coordinating Board shall:

18 (1) adopt the common course numbering system required
19 by Section 61.832, Education Code, as added by this Act; and

20 (2) establish for each public institution of higher
21 education a timetable for phasing in full compliance with the
22 common course numbering system consistent with the institution's
23 individual course catalog system.

24 (b) Each public institution of higher education may retain
25 all or part of its preexisting course catalog system as permitted by
26 the timetable established by the board under this section until the
27 institution is required by the timetable to be in full compliance

1 with the common course numbering system.

2 SECTION 35. The Texas Higher Education Coordinating Board
3 shall enter into a contract with the Texas Guaranteed Student Loan
4 Corporation to use the corporation's electronic funds transfer
5 system, as required by Section 52.34, Education Code, as amended by
6 this Act, not later than January 1, 2004.

7 SECTION 36. This Act takes effect September 1, 2003.