

By: Van de Putte

S.B. No. 722

A BILL TO BE ENTITLED

AN ACT

relating to a program to provide incentives for certain persons to earn doctorate degrees and enter the faculty and administration of institutions of higher education.

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

SECTION 1. Chapter 56, Education Code, is amended by adding Subchapter F to read as follows:

SUBCHAPTER F. DOCTORAL INCENTIVE PROGRAM

Sec. 56.091. ESTABLISHMENT; ADMINISTRATION. (a) The Texas Higher Education Coordinating Board shall establish and administer the doctoral incentive program and shall adopt rules necessary to administer the program.

(b) The purpose of the program is to:

(1) provide or guarantee education loans to students from groups that are underrepresented among the faculty and administration of public and independent institutions of higher education in this state to assist those students to pursue doctorate degrees; and

(2) increase the number of individuals from those underrepresented groups among the faculty and administration of public and independent institutions of higher education in this state.

(c) For purposes of this subchapter, an individual is from a group that is underrepresented among the faculty and administration

1 of public and independent institutions of higher education in this  
2 state if the individual satisfies at least two of the following  
3 criteria:

4 (1) the individual was from a low socioeconomic  
5 background while the individual attended elementary and secondary  
6 school;

7 (2) none of the individual's parents, grandparents, or  
8 great-grandparents has been enrolled in a baccalaureate degree  
9 program or earned a baccalaureate degree;

10 (3) the individual attended high school in an area  
11 with a high school drop-out rate significantly greater than the  
12 state average; or

13 (4) 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 institutions of higher  
16 education.

17 Sec. 56.092. ELIGIBILITY. To be eligible for a loan or loan  
18 guarantee under the program, a person must:

19 (1) be accepted for admission to a public or  
20 independent institution of higher education as a full-time student  
21 in a doctoral program approved by the coordinating board;

22 (2) be a Texas resident;

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

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

1       Sec. 56.093. LOANS AND LOAN GUARANTEES. (a) If an eligible  
2 student selected to participate in the program applies for a loan  
3 from a lending institution, the coordinating board shall provide  
4 the institution a conditional guarantee of the loan.

5       (b) If an eligible student selected to participate in the  
6 program applies for a loan from the coordinating board, the board  
7 shall provide a loan to the student in an amount determined by the  
8 board.

9       (c) The coordinating board shall determine the number of  
10 loans and loan guarantees to be awarded under the program and the  
11 amount of the loans and loan guarantees considering the money  
12 available to fund the program.

13       (d) The coordinating board may adopt qualifications or  
14 limitations for loans for which the board may provide a guarantee  
15 under the program.

16       (e) A loan provided under the program may not exceed \$20,000  
17 a year for each of not more than four years. The coordinating board  
18 shall determine the other terms of the loan.

19       Sec. 56.094. LOAN SUSPENSION AND FORGIVENESS. (a) The  
20 recipient of a loan awarded by the coordinating board under the  
21 program is eligible for forgiveness of the recipient's loan as  
22 provided by this section if, after the recipient obtains the  
23 doctorate degree, the recipient is employed as a full-time faculty  
24 member or academic administrator at a public or independent  
25 institution of higher education in this state for at least three  
26 consecutive academic years.

27       (b) The coordinating board shall suspend the repayment of

1 the loan if the recipient becomes employed as a full-time faculty  
2 member or academic administrator at a public or independent  
3 institution of higher education in this state until the recipient  
4 ceases the employment or completes the number of academic years of  
5 service required by Subsection (a) for forgiveness of the loan. If  
6 the recipient completes that required service, the coordinating  
7 board shall forgive the repayment of 20 percent of the unpaid  
8 principal balance and accrued interest for each year of that  
9 service and for each successive academic year of consecutive  
10 service.

11 (c) The coordinating board shall adopt rules:

12 (1) governing loan suspension and forgiveness under  
13 this section; and

14 (2) requiring the recipient to repay the loan if the  
15 recipient fails to remain enrolled in the doctorate degree program  
16 or to become or remain employed as a full-time faculty member or  
17 academic administrator at a public or independent institution of  
18 higher education in this state.

19 Sec. 56.095. CONDITIONAL GUARANTEE OF LOAN. (a) For a loan  
20 recipient whose loan from a lending institution is conditionally  
21 guaranteed under this subchapter, the coordinating board shall make  
22 the scheduled loan payments on behalf of the recipient during the  
23 period the coordinating board would be required to suspend  
24 repayment of the loan under Section 56.094 if the loan were made by  
25 the board.

26 (b) If the loan recipient completes the number of academic  
27 years of service provided by Section 56.094(a) to qualify for loan

1 forgiveness under that section, the coordinating board shall  
2 continue making the scheduled loan payments for the recipient's  
3 conditionally guaranteed loan until the amount of loan payments  
4 made by the board is equal to 20 percent of the total amount of  
5 scheduled payments on the loan for each year of that service and for  
6 each successive academic year of consecutive service.

7 (c) If the loan recipient fails to complete the number of  
8 academic years of service provided by Section 56.094(a) to qualify  
9 for loan forgiveness under that section, the coordinating board  
10 shall cease making payments on the loan, and the payments  
11 previously made by the board on the loan become a loan by the board  
12 to the loan recipient. The coordinating board shall establish the  
13 terms of the loan under this subsection at the time the loan  
14 recipient initially receives the conditional loan guarantee under  
15 this subchapter.

16 Sec. 56.096. FUNDING. (a) The coordinating board may  
17 solicit and accept gifts and grants from any public or private  
18 source for the purposes of the program.

19 (b) The legislature may appropriate money for the purposes  
20 of this subchapter and may appropriate money to a trust fund with  
21 the treasurer outside the state treasury to be administered by the  
22 coordinating board for the administration of the program.

23 SECTION 2. This Act takes effect immediately if it receives  
24 a vote of two-thirds of all the members elected to each house, as  
25 provided by Section 39, Article III, Texas Constitution. If this  
26 Act does not receive the vote necessary for immediate effect, this  
27 Act takes effect September 1, 2003.