

## BILL ANALYSIS

Senate Research Center

S.B. 1227  
By: Shapiro, West  
Education  
8/26/2005  
Enrolled

### AUTHOR'S/SPONSOR'S STATEMENT OF INTENT

Financial aid is essential for promoting participation and success by allowing students to prepare for, enroll in, and graduate from institutions of higher education. By providing access to institutions of higher education, Texas is making the necessary investments to meet the needs of the state in growing population and the goal of *Closing the Gaps by 2015*.

S.B. 1227 proposes an array of amendments to the Education Code to promote access to institutions of higher education, allow for financial aid administrative savings, and make clarifying changes.

### RULEMAKING AUTHORITY

Rulemaking authority is expressly granted to the governing board of an institution of higher education in SECTION 18 (Section 56.052, Education Code) of this bill.

Rulemaking authority previously granted to the Texas Higher Education Coordinating Board is modified in SECTION 22 (Section 56.203, Education Code), SECTION 40 (Section 56.403, Education Code), and SECTION 44 (Section 56.407, Education Code) of this bill.

Rulemaking authority is expressly granted to the Texas Higher Education Coordinating Board in SECTION 7 (Section 52.33, Education Code), SECTION 42 (Section 56.405, Education Code), SECTION 48 (Section 61.0776, Education Code), and SECTION 49 (Section 61.088, Education Code) of this bill.

### SECTION BY SECTION ANALYSIS

SECTION 1. Amends Section 51.009(c), Education Code, to require that hospital and clinic fees received by a state-owned clinical care facility that is operated using general revenue fund appropriations for patient care be included as educational and general funds.

SECTION 2. Amends Section 51.351(1), Education Code, to define "medical and dental unit."

SECTION 3. Amends Subchapter G, Chapter 51, Education Code, by adding Sections 51.355 and 51.356, as follows:

Sec. 51.355. NONVOTING STUDENT REGENT; UNIVERSITY SYSTEM BOARD OF REGENTS. (a) Defines "student government."

(b) Requires the chancellor of each university system to develop a uniform application form to be used by each general academic teaching institution and medical and dental unit in the university system to solicit applicants for the position of student regent.

(c) Sets forth the requirements and procedures for selecting a student regent.

(d) Sets forth eligibility requirements for a student regent.

(e) Provides that a student regent is not a member of the board of regents of the system for which the student regent is appointed. Provides that a student regent has the same powers and duties as the members of the board of regents of the

system, including the right to attend and participate in meetings of the board of regents, except under certain specific circumstances.

(f) Prohibits the student government of the general academic teaching institution or medical and dental unit at which a current student regent was enrolled at the time of the student regent's appointment from soliciting applicants for the position of student regent for the next regular term of the position.

(g) Requires a vacancy in the position of student regent for a university system to be filled for the unexpired term by appointment by the governor in consultation with the chancellor of the system.

Sec. 51.356. NONVOTING STUDENT REGENT; INSTITUTION BOARD OF REGENTS. (a) Provides that this section applies only to a general academic teaching institution that is not a part of a university system.

(b) Defines "student government."

(c) Requires the president of a general academic teaching institution to develop a uniform application form to be used to solicit applicants for the position of student regent.

(d) Sets forth the requirements and procedures for selecting a student regent.

(e) Sets forth eligibility requirements for a student regent.

(f) Provides that a student regent is not a member of the board of regents of the system for which the student regent is appointed. Provides that a student regent has the same powers and duties as the members of the board of regents of the system, including the right to attend and participate in meetings of the board of regents, except under certain specific circumstances.

(g) Requires a vacancy in the position of student regent for a university system to be filled for the unexpired term by appointment by the governor in consultation with the president of the institution.

SECTION 4. Amends Section 52.17(e), Education Code, as follows:

(e) Authorizes amounts paid to the Texas Higher Education Coordinating Board (board) by the federal Lender's Special Allowance program to be used by the board for the administration of student loan and grant programs administered by the board, including the making of grants under Subchapter M, Chapter 56. Deletes existing text relating to other loan programs.

SECTION 5. Amends Section 52.31, Education Code, to redefine "participating higher educational institution."

SECTION 6. Amends Section 52.32, Education Code, by amending Subsections (a) and (b) and adding Subsection (a-1), as follows:

(a) Authorizes the board to authorize loans from the Texas Opportunity Plan Fund to an applicant who meets certain amended criteria, rather than qualified students who meet certain requirements.

(a-1) Requires the applicant, except as provided by Subsection (b), if the institution to which the applicant has been accepted for enrollment was not a participating institution, as defined by Section 52.31, on May 1, 1985, to provide evidence that the applicant is unable to obtain a guaranteed student loan from a commercial lender.

(b) Provides that the applicant, if a loan applicant is enrolled at a career school or college in a degree program that is approved by the board or at a Regional Education Service

Center or other entity in an alternative educator certification program that is approved by the State Board for Educator Certification, is not required to provide evidence that the applicant is unable to obtain a guaranteed student loan from a commercial lender under Subsection (a-1), rather than (a)(2) of this section.

SECTION 7. Amends Section 52.33, Education Code, to provide that the total loan to any individual student may never be more than the amount the student can be reasonably expected to repay in the maximum loan period provided by board rule, rather than 10 years after the student is last enrolled at the institution. Replaces gender-specific references to achieve gender neutrality.

SECTION 8. Amends Section 52.35, Education Code, to require the term of all authorized loans to be for the shortest possible period consistent with general practice by issuers of student loans, as determined by the board. Deletes existing text providing that no loan may be made to any student for a period longer than 10 years.

SECTION 9. Amends Section 52.91(c), Education Code, to authorize the board to use tuition set aside under Section 56.465 (Tuition Set Aside for Program) to repay bonds issued by the board for the Texas B-On-time student loan program.

SECTION 10. Amends Section 54.007, Education Code, by adding Subsection (f), as follows:

(f) Authorizes a student to elect to pay the tuition and fees of an institution of higher education by installment under this section regardless of whether the student intends to apply a financial aid award administered by the institution toward the tuition and fees, except that a student whose financial aid award or awards are available to cover the total amount of tuition and fees is prohibited from paying by installment under this section. Requires the governing board of the institution, on receipt of notice of a student's election to pay tuition and fees by installment, to apply any financial aid award administered for the student toward the initial amount of tuition and fees due on installment and immediately release any remaining amount of the award to the student, except that the institution is not required to apply the award or awards toward the total amount of tuition and fees in exigent circumstances as determined by the institution.

SECTION 11. Amends Subchapter A, Chapter 54, Education Code, by adding Section 54.0071, as follows:

Sec. 54.0071. AUTHORITY OF INSTITUTION TO PROVIDE PAYMENT OPTIONS FOR STUDENT WITH DELAYED FINANCIAL AID. (a) Authorizes the governing board of an institution of higher education (governing board) to postpone the due date for the payment of all or part of the tuition and fees for a student for a semester or summer session in which the student will receive one or more delayed financial aid awards if the student meets certain criteria.

(b) Provides that the postponed due date under Subsection (a) applies only to the portion of tuition and fees to be covered by the student's delayed financial aid awards. Requires a governing board that postpones a due date under this section, when the financial aid awards become available, to apply the awards toward the amount due and immediately release any remaining amount of the awards to the student.

(c) Requires the governing board, if after the due date for a student tuition and fees is postponed under this section the student become ineligible to receive one or more of the delayed financial awards, or the amount awarded is less than the amount of tuition and fees due, to provide the student a reasonable period, not to exceed 30 days, to pay the unpaid amount of tuition and fees. Authorizes the board to deny a student credit for work done in the semester or summer session if the student fails to pay the tuition and fees by the end of that period.

(d) Requires the board to prescribe procedures for the administration of this section.

(e) Requires the governing board in the manner provided by this section, if the student with delayed financial aid awards has elected to pay tuition and fees by installment as permitted by Section 54.007 and if the governing board elects to postpone the due date for the student's tuition and fees as authorized by this section, to postpone the due date for each installment payment that becomes due before the student receives the awards.

SECTION 12. Amends Subchapter B, Chapter 54, Education Code, by adding Section 54.0516, as follows:

Sec. 54.0516. SPECIAL SUMMER TUITION RATES AT TEXAS A&M UNIVERSITY: PILOT PROGRAM. (a) Provides that this section applies only to a resident undergraduate student enrolled for a summer term or session at Texas A&M University.

(b) Provides that tuition, other than tuition under Section 54.0513 (Designated Tuition), charged to a student to whom this section applies is three-fourths of the amount otherwise provided by this subchapter.

(c) Prohibits the amount that the board of regents may charge as tuition under Section 54.0513 to a student to whom this section applies from exceeding the amount of other tuition the board is authorized to charge to the student under Subsection (b).

(d) Provides that this section applies only if the legislature specifically appropriates money to Texas A&M University for the state fiscal biennium ending August 31, 2007, to cover the tuition revenue lost to the institution by the application of this section.

(e) Provides that this section applies only to a summer term or session in 2006 or 2007. Provides that this section expires January 1, 2008.

SECTION 13. Amends Section 54.214(c), Education Code, as follows:

(c) Requires a person, to be eligible for an exemption under this section, for the initial term or semester for which the person receives an exemption under this section, have worked as an educational aide for at least one school year during the five years preceding that term or semester, rather than be a school employee who worked as an educational aide for at least one school year during the five years preceding the term or semester which the person receives the exemption. Makes conforming changes.

SECTION 14. Amends Section 54.2155, Education Code, as follows:

Sec. 54.2155. PAYMENT OF TUITION ASSISTANCE FOR MEMBERS OF STATE MILITARY FORCES. (a) Requires the adjutant general of the state military forces, rather than the board, for each semester, rather than in the manner established by the board, to certify to institutions of higher education as described by Section 431.090 (Tuition Assistance), Government Code, information identifying the persons to whom the adjutant general has awarded tuition assistance under that section. Deletes existing text relating to the board making certain determinations.

(b) Requires an institution of higher education to exempt a person certified by the adjutant general as described by Subsection (a), rather than the board under this section, from the payment of tuition for semester credit hours for which the person enrolls, not to exceed 12 semester credit hours. Deletes existing text referring to the board reimbursing and granting money under this section.

SECTION 15. Amends Section 54.5021(b), Education Code, as follows:

(b) Requires the student deposit fund of an institution of higher education to be used, at the discretion of the institution's governing board, for making scholarship awards to needy and deserving students of the institution and making grants under Subchapter C, Chapter 56, to resident students of the institution

SECTION 16. Amends Section 56.033, Education Code, by adding Subsection (e), as follows:

(e) Authorizes the governing board, to supplement money set aside under Subsection (a), to use money received by the institution from the fee for issuance of collegiate license plates under Section 504.615 (Collegiate License Plates), Transportation Code, for awarding Texas Public Educational Grants. Authorizes the board to use the money to award grants to both resident and nonresident students, except that the board is required to give priority to grants for resident students. Prohibits the board, notwithstanding Subsection (b), from using the money for emergency loans under Subchapter D.

SECTION 17. Amends Section 56.051, Education Code, to authorize each institution of higher education to establish an emergency loan program under which students are loaned money to pay tuition, fees, and the costs of textbooks.

SECTION 18. Amends Section 56.052, Education Code, as follows:

(a) Provides an exception as provided by Subsection (b).

(b) Authorizes the governing board to adopt rules that allow the institution to select loan recipients from the eligible applicants according to financial need, regardless of when their applications are received, if money available for the program is insufficient to provide loans to each eligible applicant.

SECTION 19. Amends Section 56.076, Education Code, to require an employer, to be eligible to participate in the work-study program, to provide from sources other than federal college work-study program funds a percentage, rather than not less than 30 percent, of an employed student's wages that is equal to the percentage of a student's wages that the employer would be required to provide to the student in that academic year under the federal college work-study program. Deletes existing text relating to the employee benefits and whether or not the employer is a profit or non-profit making entity.

SECTION 20. Amends Subchapter K, Chapter 56, Education Code, by adding Section 56.2011, as follows:

Sec. 56.2011. DEFINITIONS. Defines "coordinating board."

SECTION 21. Amends Section 56.202, Education Code, as follows:

Sec. 56.202. PURPOSE. (a) Provides that the Early High School Graduation Scholarship program is created to increase efficiency in the Foundation School Program and to provide assistance for tuition or tuition and mandatory fees, as provided by Section 56.204, to an eligible person to enable that person to attend a public or private institution of higher education in this state.

(b) Provides that a portion of the savings to the Foundation School Program that occur as a result of the program is dedicated to state credits for tuition or tuition and mandatory fees, as applicable, provided to an eligible person under the program.

SECTION 22. Reenacts and amends Section 56.203, Education Code, as amended by Chapters 365 and 1317, Acts of the 78th Legislature, Regular Session, 2003, as follows:

Sec. 56.203. ELIGIBLE PERSON. (a) Sets forth eligibility requirements for an award through the Early High School Graduation Scholarship program. Deletes existing text relating to specific requirements for such eligibility.

(b) Makes a conforming change.

(c) Sets forth conditions that qualify as a hardship or other good causes, for purposes of this section. Makes a conforming change.

(d) Provides that a person who does not satisfy the curriculum requirements for the recommended or advanced high school program as required to establish eligibility under Subsection (a)(1)(A) or (B) is considered to have satisfied those requirements if the high school from which the person graduated makes certain indications on the person's transcript.

SECTION 23. Amends the heading to Section 56.204, Education Code, to read as follows:

Sec. 56.204. ENTITLEMENT.

SECTION 24. Amends Section 56.204(a), Education Code, to provide that an eligible person under the program is entitled to a state credit to apply toward tuition or tuition and mandatory fees, as applicable, at a public or private institution of higher education in this state in certain amounts.

SECTION 25. Amends Section 56.205, Education Code, to require the coordinating board to provide a certificate for state credits for tuition or tuition and mandatory fees, as applicable, to the eligible person, as soon as practicable after confirming award eligibility with the high school from which a person graduated.

SECTION 26. Amends Sections 56.206(a), (c), and (d), Education Code, as follows:

(a) Makes conforming changes.

(c) Sets forth requirements for the report which details students using a state credit for tuition or tuition and mandatory fees under this subchapter, including whether the state credit was applied toward tuition or tuition and mandatory fees.

(d) Authorizes an eligible person, subject to Section 56.203(b), to use the state credit for enrollment in an eligible institution of higher education during any semester or summer session, except prohibits the initial use of the credit by a person who qualifies for an award under Section 56.203(a)(1)(A) or (B) from being for enrollment during any term of a summer session immediately following the person's graduation from high school.

SECTION 27. Amends Section 56.207(b), Education Code, to make conforming changes.

SECTION 28. Amends Section 56.2075(b), Education Code, to make a conforming change.

SECTION 29. Amends Subchapter K, Chapter 56, Education Code, by adding Section 56.210, as follows:

Sec. 56.210. NOTIFICATION BY HIGH SCHOOLS REGARDING PROGRAM REQUIREMENTS. (a) Requires each public high school in this state to provide information regarding the requirements of the Early High School Graduation Scholarship program to certain students, upon initially enrolling in the school.

(b) Sets forth requirements for the information provided under Subsection (a).

(c) Requires the Texas Education Agency to prepare a publication that includes the information required to be provided under this section and to post that publication on the agency's website in a form that enables a public high school to reproduce the information for distribution to students, parents, and other persons as required by this section.

SECTION 30. Amends Section 56.301, Education Code, to redefine "eligible institution." Deletes existing definition of "private or independent institution of higher education."

SECTION 31. Amends Section 56.302, Education Code, to include the reference to an exception provided under Section 56.310(c). Deletes existing text providing that the grant money under this section is to enable students to attend private institutions of higher education in this state.

SECTION 32. Amends Subchapter M, Chapter 56, Education Code, by adding Section 56.3021, as follows:

Sec. 56.3021. STUDENTS ENROLLED IN PRIVATE OR INDEPENDENT INSTITUTIONS: LIMITED ELIGIBILITY FOR GRANT. (a) Authorizes a student who was awarded a TEXAS grant under this subchapter to pay the costs of enrollment in a private or independent institution of higher education for the 2005 fall semester or an earlier academic period, notwithstanding any other provision of this subchapter, to continue to receive grants under this subchapter while enrolled in a private or independent institution of higher education if the student is otherwise eligible to receive a grant under this subchapter.

(b) Provides that for purposes of determining the eligibility of a student to continue to receive a grant under this section, a reference in this subchapter to an eligible institution includes a private or independent institution of higher education.

(c) Provides that the amount of a TEXAS grant under this section for a student enrolled full-time at a private or independent institution of higher education is the amount determined by the coordinating board as the average statewide amount of tuition and required fees that a resident student enrolled full-time in a baccalaureate degree program would be charged for that semester or term at general academic teaching institutions.

(d) Prohibits the total amount of financial aid that a student enrolled in a private or independent institution of higher education is eligible to receive in a state fiscal year from TEXAS grants awarded under this section, notwithstanding Subsection (c) or other law, from exceeding the maximum amount the student may receive in tuition equalization grants in that fiscal year as determined under Subchapter F (Tuition Equalization Grants), Chapter 61.

(e) Prohibits a student enrolled in a private or independent institution of higher education, notwithstanding Subsection (c) or other law, from receiving a TEXAS grant under this section and a tuition equalization grant under Subchapter F, Chapter 61, for the same semester or other term, regardless of whether the student is otherwise eligible for both grants during that semester or term. Provides that a student who but for this subsection would be awarded both a TEXAS grant and a tuition equalization grant for the same semester or other term is entitled to receive only the grant of the greater amount.

(f) Provides that this section expires September 1, 2015.

SECTION 33. Amends Section 56.304(a), Education Code, to make conforming changes.

SECTION 34. Amends Section 56.305(e), Education Code, as follows:

(e) Provides that a person, for the purposes of this section, makes satisfactory academic progress toward an undergraduate degree or certificate only if in a subsequent academic year [after the first academic year] the person completed at least 75 percent of the semester hours attempted and earns a specific grade point average, in the student's most recent academic year.

SECTION 35. Amends Section 56.307, Education Code, by amending Subsections (a), (c), (d), (i), and (j) and adding Subsections (d-1), (i-1), and (l), as follows:

(a), (c), and (d) Make conforming changes.

(d-1) Requires the board to determine the average statewide tuition and fee amounts for a semester or term of the next academic year for purposes of this section by using the amounts of tuition and required fees that will be charged by the applicable eligible institutions for that semester or term in that academic year. Authorizes the board to estimate the amount of the charges for a semester or term in the next academic year by an institution if the relevant information is not yet available to the board.

(i) Prohibits a public institution, unless it complies with Subsection (j), from charging a person attending the institution who also receives a TEXAS grant an amount of tuition and required fees in excess of the amount of the TEXAS grant received by the person.

(i-1) Authorizes a public institution of higher education to elect to award a TEXAS grant to any student in an amount that is less than the applicable amount established under Subsection (a), (c), (d), or (e).

(j) Requires, rather than authorizes, a public institution of higher education to use other available sources of financial aid, other than a loan, to cover any difference in the amount of a TEXAS grant awarded to the student and the actual amount of tuition and required fees at the institution if the difference results from certain amounts.

(l) Requires the board to provide information regarding the Texas B-On-Time loan program established under Subchapter Q to each eligible applicant who receives less than the full amount of a TEXAS grant.

SECTION 36. Amends Section 56.3075(a), Education Code, to authorize the board, if the money available for TEXAS grants in a period for which grants are awarded is sufficient to provide grants to all eligible applicants in amounts specified by Section 56.307, to use any excess money available for TEXAS grants to award a grant in an amount not more than three times the amount that may be awarded under Section 56.307 to a student who meets certain criteria.

SECTION 37. Amends Section 56.310, Education Code, by amending Subsection (a) and adding Subsection (c), as follows:

(a) Authorizes the coordinating board to solicit and accept gifts, grants, and donations from any public or private source for purposes of this subchapter.

(c) Authorizes the coordinating board, in performing its duties under Subsection (a), to develop and implement an appropriate process for the naming and sponsoring of the program created under this subchapter, or any item received by the coordinating board under Subsection (a).

SECTION 38. Amends the heading to Subchapter P, Chapter 56, Education Code, to read as follows:

**SUBCHAPTER P. TEXAS EDUCATIONAL OPPORTUNITY GRANT PROGRAM**

SECTION 39. Amends Section 56.402(a), Education Code, to provide that the student financial assistance program authorized by this subchapter is known as the Texas Educational Opportunity Grant Program, rather than the Toward Excellence, Access, & Success (TEXAS) grant II program. Deletes existing text relating to a TEXAS grant II.

SECTION 40. Amends Section 56.403, Education Code, to make conforming changes.

SECTION 41. Amends Section 56.404, Education Code, to make conforming changes.

SECTION 42. Amends Section 56.405, Education Code, as follows:

(a)-(c) Makes conforming changes.



(d) Provides that a person, for the purpose of this section, makes satisfactory academic progress toward an associate degree or certificate if the person meets certain criteria.

(e) Makes conforming changes.

(f) Requires the board to adopt rules to allow a person who is otherwise eligible to receive a grant under this subchapter, in the event of a hardship or for other good cause shown, including a showing of a severe illness or other debilitating condition that may affect the person's academic performance or that the person is responsible for the care of a sick, injured, or needy person and that the person's provision of care may affect the person's academic performance, to receive a grant under this subchapter under certain conditions.

SECTION 43. Amends Section 56.406, Education Code, to make conforming changes.

SECTION 44. Amends Sections 56.407(a), (b), (c), (f), and (g), Education Code, to make conforming changes.

SECTION 45. Amends Section 56.463(b), Education Code, to authorize money in the Texas B-On-time student loan account to be used only to pay any costs of the coordinating board related to the operation of the loan program and as otherwise provided by this subchapter.

SECTION 46. Amends Section 56.465(b), Education Code, to require the amount of tuition set aside under Subsection (a) to be deposited to the interest and sinking fund established by the coordinating board under Section 52.91(b), in accordance with the resolution of the board establishing such fund.

SECTION 47. Amends Section 61.066, Education Code, by adding Subsection (c), as follows:

(c) Requires the board to conduct a biennial study to determine the total cost of attending each institution of higher education and the resources used by students to cover that cost, including the amounts of money received by students at each institution from the major sources of public and private financial aid, including grants, loans, scholarships, gifts, and work-study programs. Requires the board, in conducting the study, to solicit information and comments from the financial aid office at each institution of higher education. Requires the board, not later than November 1 of each even-numbered year, to report the findings of the study to each legislative standing committee and subcommittee with primary jurisdiction over higher education.

SECTION 48. Amends Section 61.0776, Education Code, by adding Subsection (f), as follows:

(f) Requires the board, in cooperation with the entities specified by Subsection (a) and the advisory committee established by Subsection (b), to develop a comprehensive financial aid training program for public school counselors, employees of student financial aid offices of public and private or independent institutions of higher education, members of appropriate community-based organizations, and other appropriate persons. Authorizes the board to adopt rules as necessary to administer the training program. Requires the board to design the training program to accomplish certain tasks.

SECTION 49. Amends Subchapter C, Chapter 61, Education Code, by adding Section 61.088, as follows:

Sec. 61.088. HIGHER EDUCATION ENROLLMENT ASSISTANCE PROGRAM. (a) Requires the board, to the extent that funds are available for the purpose, to administer the Higher Education Enrollment Assistance Program (program). Requires the board, under the program, to take certain actions relating to the program.

(b) Requires the board, to the extent that funds are available for the purpose, to expand the program to include additional areas identified by the board as meeting the criteria specified by Subsection (a).

(c) Requires the board to provide information and assistance required by this section at least twice each year at one or more appropriate locations in each area served by the program.

(d) Authorizes the board to coordinate with an institution of higher education or other entity to provide the information and assistance required by this section in each area served by the program.

(e) Requires the board, not later than August 31 of each year, to submit to the legislature a report on the scope and effectiveness of the program.

(f) Requires the board to adopt rules as necessary to implement this section.

SECTION 50. Amends Subchapter F, Chapter 61, Education Code, by adding Section 61.2251, as follows:

Sec. 61.2251. REESTABLISHING ELIGIBILITY FOR GRANT. Prohibits the person from receiving a tuition equalization grant during the next semester or term in which the person enrolls, if upon receiving an initial tuition equalization grant after the 2004-2005 academic year the person fails to meet any of the applicable requirements of this subchapter after the completion of any semester or term. Authorizes the person to become eligible to receive a tuition equalization grant in a subsequent semester or term if the person fulfills certain requirements.

SECTION 51. Amends Section 61.227, Education Code, by adding Subsection (e), as follows:

(e) Authorizes a tuition equalization grant for an academic period for an undergraduate student who establishes exceptional financial need in accordance with the procedures and rules of the coordinating board, notwithstanding any restrictions provided by Subsection (c) on the amount of a grant, to be certified by the coordinating board in an amount not to exceed 150 percent of the amount of the grant that the student would otherwise have been awarded for that period under the other provisions of this section.

SECTION 52. Amends Section 431.090, Government Code, by amending Subsection (g) and adding Subsections (h) and (i), as follows:

(g) Requires the adjutant general, before each semester at a time determined by the adjutant general, rather than the board, to certify to the appropriate public and private institutions of higher education, rather than the board, a list of persons to whom the adjutant general has awarded tuition assistance under this section for that semester. Prohibits the amount of tuition assistance awarded by the adjutant general under this section from exceeding the amount of money available to fund tuition assistance awards, rather than requiring the board, after receipt of the list, to determine whether sufficient money is available to fund tuition assistance awards. Deletes existing text relating to the board determining whether sufficient funds are available.

(h) Requires the adjutant general, from money appropriated for purposes of this section, to authorize the comptroller to reimburse an institution of higher education in an amount equal to the amount of tuition exemption the institution grants to a person under Section 54.2155, Education Code.

(i) Requires the adjutant general, from money appropriated for purposes of this section, to authorize the comptroller to make a grant to a person attending a private or independent institution of higher education to whom the adjutant general has awarded tuition assistance for the semester under this section. Provides that the amount of a grant under this subsection is an amount equal to the average amount of reimbursement the adjutant general estimates will be paid per student for the same semester under Subsection (h).

SECTION 53. Amends Section 504.615(b), Transportation Code, to authorize money to be used only for Texas Public Educational Grants awarded under Subchapter C, Chapter 56, Education Code, if the fee is for the issuance of a license plate for a college described by Subsection (e)(1).

SECTION 54. Amends Subchapter G, Chapter 504, Transportation Code, by adding Section 504.657, as follows:

Sec. 504.657. HIGHER EDUCATION COORDINATING BOARD LICENSE PLATES.

(a) Requires the Texas Department of Transportation (TxDOT) to issue specialty license plates for the Texas Higher Education Coordinating Board. Requires TxDOT to design the license plates in consultation with the coordinating board.

(b) Requires the remainder of the fee, after deduction of TxDOT's administrative costs, to be deposited to the credit of the "College For Texans" campaign account in the general revenue fund for use only by the coordinating board for purposes of the campaign.

SECTION 55. Repealer: Sections 56.307(b) (relating to the amount of the grant for a student attending a private institution of higher education) and (h) (relating to the total grant amount a student may receive), Education Code.

SECTION 56. Makes application of Section 51.009, Education Code, as amended by this Act, prospective.

SECTION 57. Provides that the initial term of a student regent appointed for a state university system under Section 51.355, Education Code, as added by this Act, or for a state university under Section 51.356, Education Code, as added by this Act, expires February 1, 2007. Requires the appropriate student governments, the chancellor of each state university system, the president of each state university that is not a part of a university system, and the governor to take the actions required by Sections 51.355 and 51.356, Education Code, as added by this Act, as soon as practicable after this Act takes effect to select a student regent for each state university or state university system for that initial term.

SECTION 58. Requires the coordinating board to conduct a study and make recommendations regarding certain automatic admissions programs. Requires such study to be delivered to specific entities not later than October 1, 2006.

SECTION 59. Requires the coordinating board, as necessary, to adopt rules consistent with Sections 52.91, 56.463, and 56.465, Education Code, as amended by this Act, as soon as practicable after this Act takes effect. Authorizes the coordinating board to adopt the rules in the manner provided by law for emergency rules for that purpose.

SECTION 60. (a) Requires the coordinating board to conduct a study of the tuition exemptions and waivers authorized under Chapter 54, Education Code. Requires the study to include an evaluation of the extent to which the tuition exemptions and waivers meet certain standards.

(b) Requires the coordinating board, not later than November 1, 2006, to report the results of the study, including the board's recommendations for administrative or statutory changes to address the board's findings, to certain entities and persons.

(c) Provides that this section expires January 1, 2007.

SECTION 61. Makes application of Sections 54.007(f) and 54.0071, Education Code, as added by this Act, prospective to the 2006 spring semester.

SECTION 62. (a) Provides that the changes made by this Act to Section 54.214 (Educational Aides), Education Code, applies to eligibility for an exemption from payment of tuition and fees for an academic period beginning with the 2005 fall semester and applies regardless of whether a person would have been exempt from payment of tuition and fees under Section 54.214(c), Education Code, as that subsection existed before the amendment made by this Act. Provides that eligibility for an exemption from payment of tuition and fees for an academic period before

the 2005 fall semester is covered by the applicable law in effect before the effective date of this Act, and the former law is continued in effect for that purpose.

(b) Requires the coordinating board, as necessary, to adopt rules consistent with Section 54.214(c), as amended by this Act, as soon as practicable after this Act takes effect. Authorizes the coordinating board, for that purpose, to adopt the rules in the manner provided by law for emergency rules. Provides that this subsection expires May 1, 2006.

SECTION 63. Provides that the changes in law made this Act to Section 54.2155, Education Code, and Section 431.090, Government Code, apply beginning with tuition assistance awards for the 2006-2007 academic year. Provides that tuition assistance awards for an academic year before 2006-2007 academic year are covered by the law in effect immediately preceding the effective date of this Act, and the former law is continued in effect for that purpose.

SECTION 64. Makes application of Sections 56.051 and 56.052, Education Code, as amended by this Act, prospective to the 2006 spring semester.

SECTION 65. Makes application of Section 56.076, Education Code, as amended by this Act, prospective.

SECTION 66. Requires the coordinating board, as soon as practicable after this Act takes effect, to revise rules adopted under Subsection (a), Section 56.209, Education Code, as necessary to conform to changes made by this Act to Subchapter K, Chapter 56, Education Code. Authorizes the coordinating board to adopt the revisions to those rules in the manner provided by law for emergency rules for that purpose. Provides that this section expires September 1, 2006.

SECTION 67. Sets forth requirements for the coordinating board regarding alternative methods of funding the Toward EXcellence, Access, & Success (TEXAS) grant program.

SECTION 68. Makes application of Subchapter M, Chapter 56, Education Code, prospective to the 2005-2006 academic year.

SECTION 69. Makes application of the change in law made by this Act relating to the eligibility of a person to receive a Texas Educational Opportunity Grant applies to each Texas Educational Opportunity Grant awarded on or after the effective date of this Act.

SECTION 70. Requires the coordinating board to make the initial report required by Section 61.066(c), Education Code, as added by this Act, not later than November 1, 2006.

SECTION 71. Requires the coordinating board to implement the comprehensive financial aid training program under Section 61.0776(f), as added by this Act, not later than January 1, 2006.

SECTION 72. Makes application of Section 61.225, Education Code, as added by this Act, prospective to the 2005-2006 academic year.

SECTION 73. Effective date: September 1, 2005.