

## **BILL ANALYSIS**

S.B. 1325  
By: West, Royce  
Higher Education  
Committee Report (Unamended)

### **BACKGROUND AND PURPOSE**

Currently, there are no state laws or university policies prohibiting relatives of members of a governing board of a public institution of higher education or university system from receiving scholarships from the institution or system on which the board member serves. This can create conflicts of interest, nepotism, and favoritism in the selection and provision of scholarships.

As proposed, S.B. 1325 prohibits relatives of public college and university board members from receiving certain scholarships from the institution or system whose board the member serves, with exceptions.

### **RULEMAKING AUTHORITY**

It is the committee's opinion that rulemaking authority is expressly granted to the Texas Higher Education Coordinating Board in SECTION 1 and SECTION 2 of this bill.

### **ANALYSIS**

SECTION 1: Subchapter Z, Chapter 51 of the Education Code is amended by adding Section 51.969 related to the eligibility for scholarship and the statement required.

Defines "institution of higher education" (institution) and "university system" (system). Provides that a person is not eligible to receive a scholarship originating from and administered by an institution or a system if the person is related to a current member of the governing board (board) of the institution or system unless the scholarship is granted by a private organization or third party not affiliated with the institution or system; is awarded exclusively on the basis of prior academic merit; is an athletic scholarship; or is awarded to a relative whose relationship is not within the third degree by consanguinity or the second degree by affinity, as determined under Subchapter B, Chapter 573 of the Government Code.

Requires an applicant for a scholarship originating from and administered by an institution or system to file a written statement with the application indicating whether the person is related within the third degree by consanguinity or the second degree by affinity to a current member of the board of the institution or system.

Requires the Texas Higher Education Coordinating Board (THECB) to adopt rules for the administration of this section and to prescribe the statement to be used under this section. Requires the THECB to notify each institution and system of the required statement and applicable rules. Provides that a person commits an offense by knowingly filing a false statement under Subsection (c). Provides that such an offense is a Class B misdemeanor.

SECTION 2: Requires THECB to prescribe the required statement and adopt the rules required by Section 51.969 of the Education Code, as added by this Act, not later than January 1, 2008. Makes application of Section 51.969(b) of the Education Code, as added by this Act, prospective to January 1, 2008. Makes application of Sections 51.969(c), (e), and (f) of the Education Code, as added by this Act, prospective to January 1, 2008.

SECTION 3. Effective date.

### **EFFECTIVE DATE**

This Act takes effect September 1, 2007.

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