

# SENATE AMENDMENTS

2<sup>nd</sup> Printing

By: Morrison

H.B. No. 3851

A BILL TO BE ENTITLED

AN ACT

relating to the admission of high school graduates and undergraduate transfer students to certain institutions of higher education, the computation of a student's high school grade point average for purposes of determining eligibility for admission, and policies to promote the admission of undergraduate transfer students.

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

SECTION 1. Section 28.0252(b), Education Code, is amended to read as follows:

(b) If the commissioner develops a standard method under this section, a school district shall use the standard method to compute a student's high school grade point average, except that to the extent of a conflict between that method and the method adopted under Section 51.807, ~~[and]~~ the student's grade point average computed in accordance with the method established under Section 51.807 ~~[that manner]~~ shall be used in determining the student's eligibility for university ~~[automatic college]~~ admission under Subchapter U, Chapter 51 ~~[Section 51.803]~~.

SECTION 2. Section 51.807, Education Code, is amended to read as follows:

Sec. 51.807. RULEMAKING. (a) To ensure a uniform standard for admissions under this subchapter, the ~~[The]~~ Texas Higher Education Coordinating Board shall adopt rules establishing a

standard method for computing a student's high school grade point average. The method established under this subsection:

(1) must:

(A) be based on a four-point scale; and

(B) assign additional weight, as the board considers appropriate, for each honors course, advanced placement course, international baccalaureate course, or dual credit course completed by a student; and

(2) may result in a student having a grade point average higher than 4.0 on a four-point scale as a result of the assignment of additional weight for one or more courses completed by a student under Subdivision (1)(B).

(b) The board may adopt other rules relating to the operation of admissions programs under this subchapter, including rules relating to the identification of eligible students [~~and the reporting requirements of Section 51.806~~].

(c) The standard method established under Subsection (a) for computing a student's high school grade point average applies to computing the grade point average of a student applying as a first-time freshman for admission to a general academic teaching institution beginning with admissions for the 2009 fall semester. This subsection expires January 1, 2010.

SECTION 3. Section 51.4032, Education Code, as added by Chapter 694, Acts of the 79th Legislature, Regular Session, 2005, is amended to read as follows:

Sec. 51.4032. ANNUAL REPORT OF PARTICIPATION IN HIGHER EDUCATION. Not later than July 31 of each year and in the form

1 prescribed by the coordinating board, each general academic  
2 teaching institution and medical and dental unit as defined in  
3 Section 61.003 shall provide to the Texas Higher Education  
4 Coordinating Board a report describing the composition of the  
5 institution's entering class of students. The report must include  
6 a demographic breakdown of the class, including a breakdown by  
7 race, ethnicity, ~~and~~ economic status, and high school grade point  
8 average. A report submitted by a general academic teaching  
9 institution or medical and dental unit as defined in Section 61.003  
10 must include separate demographic breakdowns of the students  
11 admitted under Sections 51.803, 51.804, and 51.805.

12 SECTION 4. Section 51.808, Education Code, is amended to  
13 read as follows:

14 Sec. 51.808. APPLICATION OF ADMISSION CRITERIA TO OTHER  
15 PROGRAMS. (a) Each general academic teaching institution or  
16 medical and dental unit that offers admissions to undergraduate  
17 transfer students or admissions to a graduate, postgraduate, or  
18 professional program shall ~~also~~ adopt a written admission policy  
19 applicable to those programs.

20 (b) Each general academic teaching institution shall adopt  
21 a written admission policy to promote the admission of  
22 undergraduate transfer students to the institution. The policy  
23 must provide for outreach and recruiting efforts directed at junior  
24 colleges and other lower-division institutions of higher education  
25 and may include incentives to encourage transfer applications and  
26 to retain and promote transfer students.

27 (c) A [The] policy adopted under this section shall be

1 published in the institution's or unit's catalog and made available  
2 to the public.

3 SECTION 5. The Texas Higher Education Coordinating Board  
4 shall adopt rules as required by Section 51.807, Education Code, as  
5 amended by this Act, as soon as practicable after the effective date  
6 of this Act.

7 SECTION 6. This Act takes effect immediately if it receives  
8 a vote of two-thirds of all the members elected to each house, as  
9 provided by Section 39, Article III, Texas Constitution. If this  
10 Act does not receive the vote necessary for immediate effect, this  
11 Act takes effect September 1, 2007.

# ADOPTED

FLOOR AMENDMENT NO. 1

MAY 23 2007

*Lotay Spaw*  
Secretary of the Senate

BY:

*3rd Reading*  
*James P. Zaffrini*  
*Stephen*  
*Watt*

Amend H.B. 3851 (Committee Report) by adding the following new section and renumbering remaining sections accordingly:

SECTION \_\_. Subtitle A, Title 3, Education Code, is amended by adding Chapter 57A to read as follows:

## CHAPTER 57A. STANDARDS OF CONDUCT APPLICABLE TO EDUCATIONAL

### LOAN PRACTICES

#### SUBCHAPTER A. GENERAL PROVISIONS

Sec. 57A.01. DEFINITIONS. In this chapter:

(1) "Affiliated entity" means an alumni association, booster club, or other organization recognized by or affiliated with a postsecondary educational institution as an official organization of the institution.

(2) "Educational loan" means:

(A) any loan made, insured, or guaranteed under Title IV, Higher Education Act of 1965 (Pub. L. No. 89-329); or

(B) a private loan provided by an educational loan lender that:

(i) is not made, insured, or guaranteed under Title IV, Higher Education Act of 1965 (Pub. L. No. 89-329); and

(ii) is issued by the lender to a student or the parent of a student expressly for postsecondary educational expenses, regardless of whether the loan involves enrollment certification by the postsecondary educational institution that the student attends.

(3) "Educational loan lender" means a person whose primary business is:

(A) making, brokering, arranging, or accepting applications for educational loans; or

*15*

1           (B) engaging in a combination of activities  
2 described by Paragraph (A).

3           (4) "Gift" means any gratuity, favor, discount,  
4 entertainment, hospitality, or other item having a monetary  
5 value of more than \$20. The term includes:

6           (A) any service, transportation, lodging, or  
7 meal; and

8           (B) a gift provided in kind, by purchase of a  
9 ticket, through payment in advance, or through reimbursement  
10 after expenses have been incurred.

11           (5) "Postsecondary educational expenses" means any of  
12 the expenses that are included as part of a student's "cost of  
13 attendance," as defined by Section 472, Higher Education Act of  
14 1965 (Pub. L. No. 89-329).

15           (6) "Postsecondary educational institution" means any  
16 educational institution, public or private, that offers a  
17 degree, certificate, or program of study beyond that offered in  
18 secondary school. The term includes:

19           (A) an institution of higher education, as  
20 defined by Section 61.003; and

21           (B) a private or independent institution of  
22 higher education, as defined by Section 61.003.

23           (7) "Revenue sharing" means any arrangement under  
24 which an educational loan lender pays a postsecondary  
25 educational institution or affiliated entity a percentage of the  
26 principal of educational loans directed toward the lender from a  
27 borrower for postsecondary educational expenses related to  
28 attending the institution, other than an arrangement permitted  
29 under Title IV, Higher Education Act of 1965 (Pub. L. No. 89-  
30 329).

31           Sec. 57A.02. GENERAL PROVISIONS RELATING TO GIFTS.

-26

1 (a) For purposes of this chapter, a gift to the family member  
2 of an employee of a postsecondary educational institution who is  
3 related to the employee within the second degree by  
4 consanguinity or affinity, as determined under Subchapter B,  
5 Chapter 573, Government Code, is considered to be a gift to the  
6 employee if the employee knowingly acquiesces in the giving of  
7 the gift and the employee has reason to believe the gift is  
8 being given because of the employee's official position as an  
9 employee.

10 (b) A provision of this chapter prohibiting an action  
11 regarding a gift to an employee of a postsecondary educational  
12 institution does not apply to a gift that consists of:

13 (1) standard informational material related to a loan  
14 such as a brochure;

15 (2) food, refreshments, training, or informal  
16 material furnished to the employee as an integral part of a  
17 training session or through the employee's participation in an  
18 advisory council that is designed to improve the educational  
19 loan lender's services to the institution, if that training or  
20 participation contributes to the professional development of the  
21 employee; or

22 (3) favorable terms, conditions, or borrower benefits  
23 on an educational loan provided to the employee as a student of  
24 a postsecondary educational institution.

25 Sec. 57A.03. EXCEPTION FROM APPLICABILITY OF CHAPTER.

26 (a) In this chapter, the term "educational loan lender" does  
27 not include:

28 (1) the Texas Guaranteed Student Loan Corporation; or

29 (2) the coordinating board.

30 (b) This chapter does not apply to the relationship  
31 between the Texas Guaranteed Student Loan Corporation or the

1 coordinating board and:

2 (1) a postsecondary educational institution; or

3 (2) an employee of a postsecondary educational  
4 institution.

5 Sec. 57A.04. CONFLICT WITH FEDERAL LAW. This chapter does  
6 not prohibit or affect any action authorized under Title IV,  
7 Higher Education Act of 1965 (Pub. L. No. 89-329), or other  
8 federal law. If a provision of this chapter and a provision of  
9 federal law, including a regulation, or an interpretation of  
10 federal law by an agency authorized to interpret or administer  
11 that federal law, are inconsistent or in conflict, federal law  
12 or interpretation controls and the inconsistent or conflicting  
13 provision of this chapter does not apply.

14 [Sections 57A.05-57A.20 reserved for expansion]

15 SUBCHAPTER B. STANDARDS OF CONDUCT APPLICABLE TO EDUCATIONAL  
16 LOAN LENDERS, POSTSECONDARY EDUCATIONAL INSTITUTIONS, AFFILIATED  
17 ENTITIES, AND CERTAIN EMPLOYEES

18 Sec. 57A.21. PROHIBITION AGAINST REVENUE SHARING. (a) An  
19 educational loan lender and a postsecondary educational  
20 institution or affiliated entity may not engage in revenue  
21 sharing.

22 (b) An arrangement permitted under Title IV, Higher  
23 Education Act of 1965 (Pub. L. No. 89-329), that would  
24 constitute revenue sharing if not permitted under that title may  
25 not provide consideration to a postsecondary educational  
26 institution or affiliated entity in exchange for a benefit  
27 provided to the educational loan lender by the institution or  
28 entity unless that benefit is authorized by that title.

29 Sec. 57A.22. PROHIBITION AGAINST CERTAIN ACTIVITIES BY  
30 EDUCATIONAL LOAN LENDERS. An educational loan lender may not:

31 (1) offer or provide a gift to a postsecondary



1 educational institution, an affiliated entity, or an employee of  
2 a postsecondary educational institution or affiliated entity who  
3 is employed in a capacity in which the employee oversees  
4 financial aid matters at the institution or entity or advises  
5 students or potential students of the institution on financial  
6 aid matters, except that the lender may offer or provide a  
7 scholarship or other charitable donation to the institution,  
8 entity, or employee if the scholarship or donation is not made  
9 in exchange for the institution, entity, or employee:

10 (A) recommending the lender to students or  
11 potential students of the institution who are seeking an  
12 educational loan or other financial aid; or

13 (B) providing any other special treatment or  
14 consideration to the lender;

15 (2) provide any remuneration to an employee of a  
16 postsecondary educational institution or affiliated entity for  
17 service on an advisory board to the lender, except that the  
18 lender may reimburse the employee for reasonable and necessary  
19 expenses incurred by the employee in serving on an advisory  
20 board in accordance with any applicable ethics policies adopted  
21 by the Texas Ethics Commission; or

22 (3) allow an employee, representative, or agent of  
23 the lender to represent to any borrower or prospective borrower  
24 that the employee, representative, or agent is an employee,  
25 representative, or agent of a postsecondary educational  
26 institution.

27 Sec. 57A.23. PROHIBITION AGAINST SOLICITATION OR  
28 ACCEPTANCE OF CERTAIN GIFTS. (a) A postsecondary educational  
29 institution, an affiliated entity, or an employee of a  
30 postsecondary educational institution or affiliated entity who  
31 is employed in a capacity in which the employee oversees

1 financial aid matters at the institution or entity or advises  
2 students or potential students of the institution on financial  
3 aid matters may not solicit or accept any gift from an  
4 educational loan lender in exchange for the institution, entity,  
5 or employee recommending the lender to students or potential  
6 students of the institution who are seeking an educational loan  
7 or other financial aid.

8 (b) This section does not prohibit a postsecondary  
9 educational institution, an affiliated entity, or an employee of  
10 a postsecondary educational institution or affiliated entity  
11 from soliciting or accepting a scholarship or other charitable  
12 donation from an educational loan lender that is not made in  
13 exchange for the institution, entity, or employee:

14 (1) recommending the lender to students or potential  
15 students of the institution who are seeking an educational loan  
16 or other financial aid; or

17 (2) providing any other special treatment or  
18 consideration to the lender.

19 Sec. 57A.24. PROHIBITION AGAINST MISLEADING IDENTIFICATION  
20 OF LENDER EMPLOYEES AND REPRESENTATIVES. An employee,  
21 representative, or agent of an educational loan lender may not  
22 represent to any person that the employee, representative, or  
23 agent is a member of the staff of a financial aid office of a  
24 postsecondary educational institution.

25 Sec. 57A.25. DISCLOSURE OF EDUCATIONAL LOAN INFORMATION ON  
26 REQUEST OF INSTITUTION. (a) Except as provided by Subsection  
27 (c), on the request of a postsecondary educational institution,  
28 an educational loan lender shall disclose to the institution, to  
29 the extent reasonably ascertainable:

30 (1) the historic default rates of the lender's  
31 educational loans made to borrowers who attend or attended the

1 institution;

2       (2) the rates of interest charged to borrowers from  
3 the institution in the year preceding the year of the  
4 disclosure;

5       (3) the number of borrowers obtaining each rate of  
6 interest described by Subdivision (2); and

7       (4) the methods by which the lender processes  
8 educational loan applications.

9       (b) On request of a student or other person, a  
10 postsecondary educational institution shall disclose to the  
11 person information obtained by the institution under Subsection  
12 (a).

13       (c) This section does not apply to an educational loan  
14 funded, insured, or guaranteed by the federal government.

15       Sec. 57A.26. DISCLOSURE OF OWNERSHIP INTEREST IN  
16 EDUCATIONAL LOAN LENDER BY CERTAIN INSTITUTION EMPLOYEES.

17       (a) In this section, "dependent child" means a child, including  
18 an adopted child or stepchild, who is an individual's dependent  
19 child for purposes of Section 572.006, Government Code.

20       (b) Each employee of a financial aid office of a  
21 postsecondary educational institution shall file with the  
22 institution in the manner prescribed by the institution a  
23 disclosure statement indicating whether the employee or the  
24 employee's spouse or dependent child owns any shares of stock or  
25 holds another ownership interest in an educational loan lender.

26       (c) The disclosure statement must be filed on the date the  
27 employee begins employment with the financial aid office and  
28 must be supplemented not later than the fifth business day after  
29 the date on which the employee or the employee's spouse or  
30 dependent child later acquires any stock or other ownership  
31 interest in an educational loan lender.

11

1        (c-1) An employee who is employed in a financial aid  
2 office of a postsecondary educational institution on January 1,  
3 2008, shall file a disclosure statement as required by this  
4 section not later than February 1, 2008. This subsection  
5 expires September 1, 2008.

6        (d) The disclosure statement must indicate the name of the  
7 educational loan lender in which the employee, spouse, or  
8 dependent child, as applicable, owns any stock or holds any  
9 other ownership interest and the number of shares of stock held  
10 or the amount, percentage, value, or other reasonable  
11 description of the other ownership interest, as applicable.

12        (e) The head of a financial aid office of the  
13 postsecondary educational institution must review and sign each  
14 disclosure statement filed by an employee of the office, except  
15 that any statement filed by the head of the financial aid office  
16 must be reviewed and signed by the president of the institution.  
17 The disclosure statements must be maintained in the financial  
18 aid office.

19        (f) This section does not require the disclosure of any  
20 ownership of shares in a publicly traded mutual fund or similar  
21 investment vehicle in which the person does not exercise any  
22 discretion regarding the investment of the assets of the fund or  
23 other investment vehicle.

24        (g) An employee who knowingly fails to file a disclosure  
25 statement as required by this section is subject to disciplinary  
26 action, including termination.

27        [Sections 57A.27-57A.40 reserved for expansion]

28        SUBCHAPTER C. REQUIREMENTS RELATING TO LENDER LISTS

29        Sec. 57A.41. REQUIREMENTS RELATING TO LENDER LISTS.

30        (a) A postsecondary educational institution may make available  
31 a list of one or more recommended or suggested educational loan

1 lenders for use in any form by borrowers or prospective  
2 borrowers who attend or have indicated an intent to attend the  
3 institution or members of the public, but the institution may  
4 not use the term "preferred" in the name of the list or in  
5 reference to the list. If a postsecondary educational  
6 institution makes available to borrowers or prospective  
7 borrowers a lender list described by this subsection, the  
8 institution must ensure that the list:

9       (1) discloses the process by which the institution  
10 has selected educational loan lenders for inclusion on the list,  
11 including the methods and criteria used to choose the lenders  
12 and the relative importance of the criteria;

13       (2) states, in the same font size and same manner as  
14 the predominant text on the document, that a borrower has the  
15 right and ability to select the educational loan lender of the  
16 borrower's choice, is not required to use any of the lenders on  
17 the list, and will not be penalized for selecting a lender that  
18 is not on the list, although the time required to obtain a loan  
19 may vary depending on the lender selected; and

20       (3) is periodically reviewed and updated.

21       (b) An educational loan lender against whom a penalty has  
22 been assessed under this chapter may be placed or remain on a  
23 postsecondary educational institution's lender list only if  
24 notice of the penalty is provided to all borrowers and  
25 prospective borrowers who attend or have indicated an intent to  
26 attend the institution.

27       [Sections 57A.42-57A.60 reserved for expansion]

28       SUBCHAPTER D. ENFORCEMENT; PENALTIES

29       Sec. 57A.61. CIVIL PENALTY. (a) An educational loan  
30 lender, postsecondary educational institution, or affiliated  
31 entity that violates a provision of this chapter is liable for a

1 civil penalty not to exceed \$25,000 for each violation.

2 (b) The attorney general may bring suit to recover a civil  
3 penalty under this section. In determining the amount of a  
4 penalty to be recovered, the attorney general shall consider the  
5 nature and severity of the violation.

6 Sec. 57A.62. CRIMINAL OFFENSES. (a) An employee of a  
7 postsecondary educational institution or affiliated entity who  
8 intentionally or knowingly violates Section 57A.23 prohibiting  
9 an action regarding a gift commits a criminal offense.

10 (b) An offense under Subsection (a) is:

11 (1) a Class B misdemeanor if the value of the gift is  
12 \$20 or more but less than \$500;

13 (2) a Class A misdemeanor if the value of the gift is  
14 \$500 or more but less than \$1,500;

15 (3) a state jail felony if the value of the gift is  
16 \$1,500 or more but less than \$20,000;

17 (4) a felony of the third degree if the value of the  
18 gift is \$20,000 or more but less than \$100,000;

19 (5) a felony of the second degree if the value of the  
20 gift is \$100,000 or more but less than \$200,000; or

21 (6) a felony of the first degree if the value of the  
22 gift is \$200,000 or more.

23 (c) A person who intentionally or knowingly violates  
24 Section 57A.24 commits a criminal offense. An offense under  
25 this subsection is a Class B misdemeanor.

26 (d) If conduct that constitutes an offense under this  
27 section also constitutes an offense under other law, the actor  
28 may be prosecuted under this section or the other law.

3rd Reading

ADOPTED

Shapleigh

FLOOR AMENDMENT NO. 2

MAY 23 2007

*Lotay*  
Secretary of the Senate

1 Amend Amendment No. 1 by Zaffirini to C.S.H.B. 3851 in  
2 added Section 57A.25, Education Code, by striking added  
3 Subsection (b) and substituting the following:  
4 (b) A postsecondary educational institution shall maintain  
5 any information obtained by the institution under Subsection (a)  
6 on the institution's Internet website in a one-page format that:  
7 (1) is easily accessible to members of the public  
8 through a link that appears in a prominent place on the  
9 institution's Internet website; and  
10 (2) allows members of the public to compare the  
11 information obtained from each educational loan lender by  
12 category.

# ADOPTED

3rd Reading

FLOOR AMENDMENT NO. 3

MAY 23 2007

BY: ENIS

Lotay Spaw  
Secretary of the Senate

1 Amend HB <sup>3851</sup>~~3051~~ (Senate Committee printing) by inserting the  
2 following sections and renumbering subsequent sections  
3 accordingly.

4 SECTION \_\_\_\_ Subchapter G, Chapter 51, Education Code, is  
5 amended by adding Sections 51.358 and 51.359 to read as follows:

6 Sec. 51.358. INTERIM ADMINISTRATION OF CERTAIN  
7 INSTITUTIONS ON FINDING OF FINANCIAL OR ADMINISTRATIVE EXIGENCY.

8 (a) In this section, "university" means a general academic  
9 teaching institution as defined by Section 61.003.

10 (b) This section applies only to a university or  
11 university system.

12 (c) The governor may make an independent finding that a  
13 condition of financial or administrative exigency exists within  
14 a university or university system that:

15 (1) creates continuing and pervasive instability in  
16 the operation and management of the university or system; or

17 (2) results in the university or system consistently  
18 failing to properly perform all or part of the primary functions  
19 or duties of the university or system.

20 (d) The governor shall notify each member of the  
21 legislative audit committee of the governor's finding under  
22 Subsection (c). The legislative audit committee shall meet to  
23 act on the governor's finding, at the call of either chair of  
24 the committee, not later than the 10th business day after the  
25 latest date a member of the committee receives notice from the  
26 governor under this subsection.

27 (e) The governor may abolish the governing body of the  
28 university or university system if the legislative audit  
29 committee concurs with the governor's finding under Subsection



1 (c).

2 (f) If the governing body is abolished under this section,  
3 an interim governing board for the university or university  
4 system is reconstituted composed of five members appointed by  
5 the governor with the advice and consent of the senate. Each  
6 member appointed under this subsection holds office for a term  
7 expiring on the second anniversary of the date of the first  
8 appointment of a member of the interim governing board. In  
9 consultation with the governor, the interim governing board may  
10 appoint an interim president or chancellor to the university or  
11 system with the duties determined by the interim governing board  
12 to serve during the term of the interim governing board.

13 (g) Following the expiration of the terms of the interim  
14 governing board members under Subsection (f), the governing body  
15 of the university or university system is reconstituted under  
16 the law providing for the governance of the university or  
17 system. The initial members of the reconstituted governing body  
18 shall be appointed for terms that expire on the dates necessary  
19 to conform to the permanent law establishing those terms.

20 (h) During the period in which an interim governing board  
21 is in effect, the law establishing the governing body of the  
22 university or university system and the terms of office of the  
23 members of the governing body are suspended.

24 (i) The interim governing board, with the assistance of  
25 the interim president or chancellor, if any, shall develop and  
26 implement a comprehensive administration improvement plan for  
27 the university or university system and submit the plan to the  
28 governor and to each of the joint chairs of the legislative  
29 audit committee. The plan must address:

30 (1) finance and accounting;

31 (2) human resources;

2 17

1           (3) management information systems;  
2           (4) planning and communications;  
3           (5) student financial aid;  
4           (6) contract and grant management; and  
5           (7) other elements determined appropriate by the  
6 governor with the approval of the legislative audit committee.

7       (j) The administration improvement plan must:

8           (1) include timelines, benchmarks, and projected  
9 outcomes for improvements in the areas described by Subsection  
10 (i);

11           (2) provide a procedure for the investigation and  
12 reporting of any possible criminal activity to the appropriate  
13 district or county attorney and, unless prohibited by law, to  
14 the governor, the lieutenant governor, the speaker of the house  
15 of representatives, and the attorney general, if the activity:

16                   (A) is committed by a university or university  
17 system employee; and

18                   (B) contributes to the condition of financial or  
19 administrative exigency; and

20           (3) be prepared in a format specified by the governor  
21 with the approval of the legislative audit committee.

22       (k) The interim governing board may consult with  
23 appropriate experts as the interim governing board considers  
24 necessary in developing and implementing the administration  
25 improvement plan.

26       (l) The interim governing board may contract with another  
27 university system's administration office to provide financial  
28 and accounting services, including consulting services, to  
29 assist the university or university system under interim  
30 administration in:

31           (1) reviewing policies and procedures relating to:

1                   (A) revenue and expenditure controls;

2                   (B) fixed assets;

3                   (C) treasury matters;

4                   (D) payroll; and

5                   (E) information technology;

6                   (2) reviewing and approving grants and contracts;

7                   (3) determining and recommending best business  
8 practices;

9                   (4) segregating duties affecting internal controls to  
10 ensure that no one individual has control over multiple areas of  
11 operations or financial transactions;

12                   (5) establishing a monthly financial report that  
13 includes receipts, bank statements, and monthly reconciliations;

14                   (6) providing accurate and timely recording of assets  
15 in the state property accounting system; and

16                   (7) providing other management and financial  
17 operations.

18                   (m) The interim governing board shall prepare an annual  
19 financial statement for the university or university system. An  
20 audit of the financial statement must be prepared by the state  
21 auditor or, if the authority to contract for audit services is  
22 delegated by the state auditor in accordance with Section  
23 321.020, Government Code, by an independent private auditor.  
24 The audit required by this subsection must include a review of a  
25 contract entered into by the university or university system  
26 that:

27                   (1) is active; or

28                   (2) the university or university system entered into  
29 during the two-year period immediately preceding the date the  
30 interim administration took effect.

31                   (n) The interim governing board shall report to the

1 governor, the legislative audit committee, and the legislative  
2 oversight committee appointed under Subsection (r) on the  
3 progress of the administration improvement plan and on the  
4 progress of the outcomes for each area described by Subsection  
5 (i), including specific information regarding that progress:

6 (1) not later than the 60th day after the date the  
7 interim governing board is appointed;

8 (2) at least once each quarter; and

9 (3) at other times as directed by the governor with  
10 the approval of the legislative audit committee.

11 (o) An interim governing board appointed for a university  
12 or university system under Subsection (f) and an interim  
13 president or chancellor appointed by that governing board shall  
14 consult with the accreditation agencies by which the university  
15 or system is accredited and take appropriate action to the  
16 extent necessary to ensure that the university or system  
17 maintains accreditation during the period in which the interim  
18 governing board is in effect.

19 (p) A person appointed to act as the interim president or  
20 chancellor of a university or university system under this  
21 section is entitled to receive a salary for performing those  
22 duties that is equal to the salary of the chief administrative  
23 officer of the university or system under interim  
24 administration. The university or system under interim  
25 administration shall pay the salary of the interim president or  
26 chancellor from money appropriated or otherwise available to the  
27 university or system, except to the extent that money to pay the  
28 salary is specifically appropriated or made available through  
29 the budget execution process for that purpose.

30 (q) A member of an interim governing board or an interim  
31 president or chancellor is entitled to reimbursement for the

1 reasonable and necessary expenses incurred by the person in the  
2 course of performing the person's duties under this section.  
3 Reimbursement shall be paid from funds appropriated or otherwise  
4 available to the university or university system under interim  
5 administration, except to the extent that money to pay those  
6 expenses is specifically appropriated or made available through  
7 the budget execution process for that purpose.

8 (r) As soon as practicable after appointing an interim  
9 governing board under Subsection (f), the lieutenant governor  
10 and the speaker of the house shall appoint a legislative  
11 oversight committee composed of three members of the senate and  
12 three members of the house of representatives to review the  
13 activities of the interim governing board and the reconstituted  
14 governing body that succeeds the interim governing board. A  
15 legislative oversight committee appointed under this subsection  
16 expires on the third anniversary of the date of the first  
17 appointment of a member of the interim governing board.

18 (s) After the termination of an interim administration  
19 under this section, the university or university system placed  
20 under the interim administration must continue to report to the  
21 governor and the legislative audit committee at least once each  
22 quarter. The report must include the information required by  
23 Subsection (i).

24 Sec. 51.359. DENIAL OF EMPLOYMENT FOR CONTRIBUTION TO  
25 FINANCIAL OR ADMINISTRATIVE EXIGENCY. The interim governing  
26 board of a university or university system subject to an interim  
27 administration under Section 51.358 may make a determination  
28 that an individual's act or omission was a material cause of the  
29 condition of financial or administrative exigency at the  
30 university or university system that resulted in the interim  
31 administration. If the interim governing board makes a

1 determination under this section, the individual shall be denied  
2 employment in an administrative capacity with the university or  
3 university system and any employment contract provision  
4 concerning administrative employment of that individual is void  
5 by the university or system.

6 SECTION \_\_\_\_ Chapter 321, Government Code, is amended by  
7 adding Section 321.024 to read as follows:

8 Sec. 321.024. MEETING BY TELECOMMUNICATION DEVICE.

9 (a) As an exception to Chapter 551 and other law, if a meeting  
10 is located in Austin and the joint chairs of the committee are  
11 physically present at the meeting, then any number of the other  
12 members of the committee may attend the meeting by use of  
13 telephone conference call, video conference call, or other  
14 similar telecommunication device.

15 (b) This section applies for purposes of constituting a  
16 quorum, for purposes of voting, and for any other purpose  
17 allowing a member of the committee to otherwise fully  
18 participate in any meeting of the committee, and applies only to  
19 a meeting held pursuant to Chapter 2104 or 2116 of this code, or  
20 Section 51.358, Education Code.

21 (c) A meeting held by use of telephone conference call,  
22 video conference call, or other similar telecommunication  
23 device:

24 (1) is subject to the notice requirements applicable  
25 to other meetings of the committee;

26 (2) must specify in the notice of the meeting the  
27 location in Austin of the meeting at which the joint chairs will  
28 be physically present;

29 (3) must be open to the public and shall be audible  
30 to the public at the location in Austin specified in the notice  
31 of the meeting as the location of the meeting at which the joint

1 chairs will be physically present; and  
2 (4) must provide two-way audio communication between  
3 all members of the committee attending the meeting during the  
4 entire meeting, and if the two-way audio communication link with  
5 any member attending the meeting is disrupted at any time, the  
6 meeting may not continue until the two-way audio communication  
7 link is reestablished.

8

ADOPTED

FLOOR AMENDMENT NO. 4

MAY 23 2007

BY: [Signature]

[Signature]

1 Amend C.S.H.B. 3851 by ~~adding~~ the following SECTION,  
2 numbered appropriately, and by renumbering any subsequent  
3 SECTIONS accordingly:

4 SECTION \_\_\_\_ Subchapter D, Chapter 33, Education Code, is  
5 amended by adding Section 33.092 to read as follows:

6 Sec. 33.092. PHYSICAL EXAMINATION REQUIRED FOR  
7 PARTICIPATION IN EXTRACURRICULAR ATHLETIC ACTIVITY. (a) In  
8 this section:

9 (1) "Advanced practice nurse" means a registered  
10 nurse approved by the Board of Nurse Examiners to practice as an  
11 advanced practice nurse as provided by Section 301.152,  
12 Occupations Code.

13 (2) "Physician" means a physician licensed under  
14 Subtitle B, Title 3, Occupations Code.

15 (3) "Physician assistant" means a person who is  
16 licensed under Chapter 204, Occupations Code.

17 (b) A student may not participate in an extracurricular  
18 athletic activity, including an athletic practice, scrimmage,  
19 game, or match, sponsored or sanctioned by the University  
20 Interscholastic League unless the student has submitted to the  
21 school district the student attends a completed form indicating  
22 that the student has received a physical examination conducted  
23 by a physician, physician assistant, or advanced practice nurse.  
24 The form must:

25 (1) be signed by the physician, physician assistant,  
26 or advanced practice nurse; and

27 (2) include a statement that, based on the  
28 examination, the physician, physician assistant, or advanced  
29 practice nurse has determined that the student does not have a



1 medical condition that would make participation in the athletic  
2 activity hazardous for the student.

3 (c) The University Interscholastic League shall adopt  
4 rules to administer this section.

# ADOPTED

MAY 23 2007

FLOOR AMENDMENT NO. 1

*Atay Spaw*  
Secretary of the Senate

BY:

*Shajin*

1 Amend H.B. No. 3851 by adding the following  
2 appropriately numbered SECTIONS to the bill and renumbering  
3 subsequent SECTIONS of the bill appropriately:

4 SECTION \_\_\_\_ Subtitle A, Title 3, Education Code, is  
5 amended by adding Chapter 51A to read as follows:

6 CHAPTER 51A. ONLINE PERFORMANCE REPORT CARDS FOR INSTITUTIONS  
7 OF HIGHER EDUCATION

8 SUBCHAPTER A. GENERAL PROVISIONS

9 Sec. 51A.001. DEFINITIONS. In this chapter:

10 (1) "Coordinating board" means the Texas Higher  
11 Education Coordinating Board.

12 (2) "General academic teaching institution,"  
13 "institution of higher education," "medical and dental unit,"  
14 "public state college," and "public technical institute" have  
15 the meanings assigned by Section 61.003.

16 Sec. 51A.002. POWERS AND DUTIES OF COORDINATING BOARD  
17 RELATING TO REPORT CARDS; GENERAL REQUIREMENTS FOR REPORT CARDS.

18 (a) The coordinating board, in consultation with each  
19 institution of higher education to which this chapter applies,  
20 shall develop and maintain online report cards for each of those  
21 institutions.

22 (b) The coordinating board shall:

23 (1) request from each institution of higher education  
24 to which this chapter applies any information the coordinating  
25 board considers necessary for the coordinating board to include  
26 information or calculate data required to be included in the  
27 institution's report card;

28 (2) establish for each institution of higher

1 education to which this chapter applies a list of representative  
2 in-state and out-of-state peer institutions and maintain that  
3 list on the coordinating board's Internet website;

4 (3) ensure that each of an institution of higher  
5 education's online report cards:

6 (A) is available to the public on the  
7 coordinating board's Internet website in a one-page format and  
8 is accessible through a link that appears in a prominent place  
9 on the coordinating board's Internet website homepage;

10 (B) uses enhanced, user-friendly search  
11 capabilities to ensure that the information required to be  
12 included in the report card is easily accessible to the persons  
13 for whom the report card is designed; and

14 (C) includes a clearly identifiable link to  
15 information on the coordinating board's Internet website  
16 regarding the coordinating board's higher education  
17 accountability system; and

18 (4) ensure that the information provided in each  
19 report card is accurate and up to date.

20 (c) The coordinating board may modify, as the coordinating  
21 board considers necessary, national data regarding an  
22 institution's out-of-state peer institutions to ensure  
23 uniformity in the comparison of that data to data regarding the  
24 institution for which the report card is created and the  
25 institution's in-state peer institutions in a report card under  
26 this chapter.

27 Sec. 51A.003. DUTIES OF INSTITUTIONS OF HIGHER EDUCATION  
28 RELATING TO REPORT CARDS. Each institution of higher education  
29 to which this chapter applies shall:

30 (1) submit to the coordinating board any information

1 requested by the coordinating board as necessary for the  
2 coordinating board to include information or calculate data  
3 required to be included in the institution's report cards; and

4 (2) ensure that the institution's Internet website  
5 homepage includes, in a prominent place, an accessible link to  
6 the institution's online report cards maintained on the  
7 coordinating board's Internet website.

8 [Sections 51A.004-51A.050 reserved for expansion]

9 SUBCHAPTER B. ONLINE PERFORMANCE REPORT CARDS FOR GENERAL  
10 ACADEMIC TEACHING INSTITUTIONS

11 Sec. 51A.051. APPLICABILITY OF SUBCHAPTER. This  
12 subchapter applies only to general academic teaching  
13 institutions, other than public state colleges.

14 Sec. 51A.052. REPORT CARD FOR LEGISLATORS AND OTHER POLICY  
15 MAKERS. (a) The coordinating board shall maintain for each  
16 institution to which this subchapter applies an online report  
17 card that is designed for use by legislators and other  
18 interested policy makers.

19 (b) The report card required by this section must  
20 identify:

21 (1) the institutional grouping to which the  
22 institution is assigned under the coordinating board's higher  
23 education accountability system; and

24 (2) the institution's in-state and out-of-state peer  
25 institutions.

26 (c) For purposes of this section, information required to  
27 be included in the report card regarding the institution's in-  
28 state or out-of-state peer institutions must be listed in the  
29 form of the average of that information for those institutions  
30 unless otherwise prescribed by coordinating board rule.

1       (d) The report card must include the following information  
2 relating to the institution for the most recent state fiscal  
3 year and compare that information by percentage to the same  
4 information for the state fiscal year preceding the most recent  
5 state fiscal year and the state fiscal year preceding the most  
6 recent state fiscal year by five years:

7           (1) under the heading "ENROLLMENT," the total number  
8 of students enrolled in the institution during the fall  
9 semester;

10           (2) under the heading "COSTS," the average annual  
11 total academic costs for a resident undergraduate student  
12 enrolled in 30 semester credit hours:

13                   (A) at the institution; and

14                   (B) at the institution's in-state and out-of-  
15 state peer institutions;

16           (3) under the heading "STUDENT SUCCESS":

17                   (A) the retention rate of first-time, full-time,  
18 degree-seeking entering undergraduate students:

19                           (i) enrolled in the institution after one  
20 academic year and after two academic years; and

21                           (ii) enrolled in the institution's out-of-  
22 state peer institutions after one academic year and in the  
23 institution's in-state peer institutions after two academic  
24 years;

25                   (B) the percentage of undergraduate students  
26 requiring developmental education who, after six years from  
27 entering the institution, graduated from or are still enrolled  
28 in:

29                           (i) the institution; and

30                           (ii) the institution's in-state peer

1 institutions;

2 (C) the four-year and six-year graduation rates  
3 of full-time bachelor's degree-seeking students:

4 (i) at the institution; and

5 (ii) at the institution's in-state and out-  
6 of-state peer institutions; and

7 (D) the average number of years of enrollment  
8 attempted by a student to obtain a bachelor's degree:

9 (i) at the institution; and

10 (ii) at the institution's in-state and out-  
11 of-state peer institutions; and

12 (4) under the heading "FUNDING":

13 (A) the total amount of money appropriated by  
14 the legislature to the institution, including money appropriated  
15 for faculty and staff health coverage and other benefits; and

16 (B) the total amount of money from any source  
17 available to the institution in that state fiscal year.

18 Sec. 51A.053. REPORT CARD FOR PROSPECTIVE STUDENTS,  
19 PARENTS, AND MEMBERS OF THE PUBLIC. (a) The coordinating board  
20 shall maintain for each institution to which this subchapter  
21 applies an online performance report card that is designed for  
22 use by prospective students of the institution, their parents,  
23 and other interested members of the public.

24 (b) The report card must identify:

25 (1) the institutional grouping to which the  
26 institution is assigned under the coordinating board's higher  
27 education accountability system; and

28 (2) the institution's in-state peer institutions.

29 (c) The report card must include the following information  
30 relating to the most recent state fiscal year:

1           (1) under the heading "ENROLLMENT":

2                   (A) the total number of students enrolled in the  
3 institution during the fall semester; and

4                   (B) a clearly identifiable link to the  
5 information described by Paragraph (A) disaggregated by student  
6 ethnicity;

7           (2) under the heading "DEGREES AWARDED":

8                   (A) the number of bachelor's degrees, number of  
9 master's degrees, number of doctoral degrees, and number of  
10 professional degrees awarded by the institution; and

11                   (B) a clearly identifiable link to the  
12 information described by Paragraph (A) disaggregated by student  
13 ethnicity;

14           (3) under the heading "COSTS":

15                   (A) the average annual total academic costs for  
16 a resident undergraduate student enrolled in 30 semester credit  
17 hours at the institution;

18                   (B) clearly identifiable links to information  
19 regarding:

20                           (i) the rate or rates of tuition per  
21 semester credit hour charged by the institution;

22                           (ii) any tuition and fee incentives offered  
23 by the institution; and

24                           (iii) the amount and percentage by which  
25 the institution has increased tuition for a program or course  
26 level during the state fiscal year covered by the report card;

27                   (C) the average cost of on-campus room and board  
28 per student; and

29                   (D) the average cost to a resident undergraduate  
30 student enrolled in 30 semester credit hours for total academic

1 costs and on-campus room and board, excluding the cost of books,  
2 supplies, transportation, or other expenses;

3 (4) under the heading "FINANCIAL AID":

4 (A) the percentage of undergraduate students  
5 enrolled in the institution who receive grants or scholarships;

6 (B) the percentage of undergraduate students  
7 enrolled in the institution who receive grants, scholarships,  
8 loans, or work-study funds;

9 (C) the average amount of an undergraduate  
10 student's grant and scholarship package;

11 (D) the average amount of an undergraduate  
12 student's grant, scholarship, loan, and work-study package; and

13 (E) the percentage of undergraduate students who  
14 graduate from the institution with education-related debt and,  
15 to the extent information is available, the average amount of  
16 education-related debt of those students;

17 (5) under the heading "ADMISSIONS":

18 (A) the percentage of undergraduate students  
19 whose Scholastic Assessment Test (SAT) score placed the students  
20 in the 25th to 75th percentile of students' scores on that test  
21 nationally;

22 (B) the percentage of undergraduate students  
23 whose American College Test (ACT) score placed the students in  
24 the 25th to 75th percentile of students' scores on that test  
25 nationally; and

26 (C) the percentage of the students who applied  
27 for first-time undergraduate admission to the institution who  
28 were offered admission to the institution;

29 (6) under the heading "INSTRUCTION":

30 (A) the student/faculty ratio at the



1 institution;

2 (B) the percentage of organized undergraduate  
3 classes offered by the institution in which fewer than 20  
4 students are enrolled;

5 (C) the percentage of organized undergraduate  
6 classes offered by the institution in which more than 50  
7 students are enrolled; and

8 (D) the percentage of faculty members of the  
9 institution who are tenured or tenure-track;

10 (7) under the heading "BACCALAUREATE SUCCESS":

11 (A) four-year, five-year, and six-year  
12 graduation rates for full-time bachelor's degree-seeking  
13 students at the institution, and links to that information  
14 disaggregated by student ethnicity; and

15 (B) the average number of years of enrollment  
16 attempted by a student to obtain a bachelor's degree; and

17 (8) under the heading "FIRST-TIME LICENSURE OR  
18 CERTIFICATION EXAMINATION PASS RATES," the first-time licensure  
19 or certification examination pass rates in the fields of  
20 education, law, pharmacy, nursing, and engineering of students  
21 enrolled in the institution or who have graduated from the  
22 institution.

23 [Sections 51A.054-51A.100 reserved for expansion]

24 SUBCHAPTER C. PERFORMANCE REPORT CARDS FOR LOWER-DIVISION  
25 INSTITUTIONS

26 Sec. 51A.101. APPLICABILITY OF SUBCHAPTER. This  
27 subchapter applies only to the following institutions of higher  
28 education:

29 (1) public junior colleges;

30 (2) public technical institutes; and

1           (3) public state colleges.

2           Sec. 51A.102. REPORT CARD FOR LEGISLATORS AND OTHER POLICY  
3 MAKERS. (a) The coordinating board shall maintain for each  
4 institution to which this subchapter applies an online  
5 performance report card for the institution designed for use by  
6 legislators and other interested policy makers.

7           (b) The report card must identify:

8               (1) the institutional grouping to which the  
9 institution is assigned under the coordinating board's higher  
10 education accountability system; and

11               (2) the institution's in-state peer institutions.

12           (c) For purposes of this section, information required to  
13 be included in the report card regarding the institution's in-  
14 state peer institutions must be listed in the form of the  
15 average of that information for those institutions unless  
16 otherwise prescribed by coordinating board rule.

17           (d) The report card must include the following information  
18 relating to the institution for the most recent state fiscal  
19 year and compare that information by percentage to the same  
20 information for the state fiscal year preceding the most recent  
21 state fiscal year and the state fiscal year preceding the most  
22 recent state fiscal year by five years:

23               (1) under the heading "ENROLLMENT," the total number  
24 of students enrolled in the institution during the fall  
25 semester;

26               (2) under the heading "COSTS," the average annual  
27 total academic costs, which for a junior college must include  
28 those costs for an in-district and an out-of-district student,  
29 for a student enrolled in 30 semester credit hours toward a two-  
30 year degree or certificate:

1                   (A) at the institution; and  
2                   (B) at the institution's in-state peer  
3 institutions;  
4                   (3) under the heading "STUDENT SUCCESS":  
5                   (A) the retention rate of first-time, full-time,  
6 degree-seeking entering undergraduate students:  
7                   (i) enrolled in the institution after two  
8 academic years; and  
9                   (ii) enrolled in the institution's in-state  
10 peer institutions after two academic years;  
11                   (B) the percentage of undergraduate students  
12 requiring developmental education who, after three years from  
13 entering the institution, graduated from or are still enrolled  
14 in:  
15                   (i) the institution; and  
16                   (ii) the institution's in-state peer  
17 institutions;  
18                   (C) the three-year, four-year, and six-year  
19 graduation rates of full-time degree-seeking students:  
20                   (i) at the institution; and  
21                   (ii) at the institution's in-state peer  
22 institutions;  
23                   (D) the percentage of students who transfer to a  
24 general academic teaching institution or equivalent institution  
25 of higher education:  
26                   (i) from the institution; and  
27                   (ii) from the institution's in-state peer  
28 institutions; and  
29                   (E) the percentage of students either employed  
30 or enrolled in a general academic teaching institution or

equivalent institution of higher education within one year after  
the date of the student's graduation from:

(i) the institution; and

(ii) the institution's in-state peer  
institutions; and

(4) under the heading "FUNDING":

(A) the total amount of money appropriated by  
the legislature to the institution for that state fiscal year,  
including money appropriated for faculty and staff health  
coverage and other benefits;

(B) the total amount of money from any source  
available to the institution in that state fiscal year; and

(C) the tax rate per \$100 valuation of taxable  
property imposed by the junior college district, if the  
institution is a public junior college.

Sec. 51A.103. REPORT CARD FOR PROSPECTIVE STUDENTS,  
PARENTS, AND OTHER MEMBERS OF THE PUBLIC. (a) The coordinating  
board shall maintain for each institution to which this  
subchapter applies an online performance report card that is  
designed for use by prospective students of the institution,  
their parents, and other interested members of the public.

(b) The report card must identify:

(1) the institutional grouping to which the  
institution is assigned under the coordinating board's higher  
education accountability system; and

(2) the institution's in-state peer institutions.

(c) For purposes of this section, information required to  
be included in the report card regarding the institution's in-  
state peer institutions must be listed in the form of the  
average of that information for those institutions unless

1 otherwise prescribed by coordinating board rule.

2 (d) The report card must include the following information  
3 relating to the most recent state fiscal year:

4 (1) under the heading "ENROLLMENT":

5 (A) the total number of students enrolled during  
6 the fall semester:

7 (i) at the institution; and

8 (ii) at the institution's in-state peer  
9 institutions; and

10 (B) a clearly identifiable link to information  
11 described by Paragraph (A) disaggregated by student ethnicity;

12 (2) under the heading "DEGREES AND CERTIFICATES  
13 AWARDED":

14 (A) the number of degrees or certificates  
15 awarded for each level, type, or other category of degree or  
16 certificate specified by the coordinating board for purposes of  
17 this paragraph:

18 (i) by the institution; and

19 (ii) by the institution's in-state peer  
20 institutions; and

21 (B) a clearly identifiable link to the  
22 information described by Paragraph (A) disaggregated by student  
23 ethnicity;

24 (3) under the heading "COSTS," the average annual  
25 total academic costs, which for a junior college must include  
26 those costs for an in-district and out-of-district student, for  
27 a student enrolled in 30 semester credit hours toward a two-year  
28 degree:

29 (A) at the institution; and

30 (B) at the institution's in-state peer

1 institutions;  
2 (4) under the heading "FINANCIAL AID":  
3 (A) the percentage of students who receive  
4 grants or scholarships:  
5 (i) at the institution; and  
6 (ii) at the institution's in-state peer  
7 institutions;  
8 (B) the percentage of students who receive  
9 grants, scholarships, loans, or work-study funds:  
10 (i) at the institution; and  
11 (ii) at the institution's in-state peer  
12 institutions;  
13 (C) the average amount of a student's grant and  
14 scholarship package:  
15 (i) at the institution; and  
16 (ii) at the institution's in-state peer  
17 institutions;  
18 (D) the average amount of a student's grant,  
19 scholarship, loan, and work-study package:  
20 (i) at the institution; and  
21 (ii) at the institution's in-state peer  
22 institutions; and  
23 (E) the percentage of students who graduated  
24 with education-related debt and, to the extent information is  
25 available, the average amount of education-related debt of those  
26 students:  
27 (i) from the institution; and  
28 (ii) from the institution's in-state peer  
29 institutions; and  
30 (5) under the heading "STUDENT SUCCESS":

1                   (A) the retention rate of first-time, full-time,  
2 degree-seeking entering undergraduate students:

3                   (i) enrolled in the institution after two  
4 academic years; and

5                   (ii) enrolled in the institution's in-state  
6 peer institutions after two academic years;

7                   (B) the percentage of students requiring  
8 developmental education who, after three years from entering the  
9 institution, have graduated from or are still enrolled in:

10                   (i) the institution; and

11                   (ii) the institution's in-state peer  
12 institutions;

13                   (C) the three-year, four-year, and six-year  
14 graduation rates of full-time degree-seeking students:

15                   (i) at the institution; and

16                   (ii) at the institution's in-state peer  
17 institutions;

18                   (D) the percentage of students who transfer to a  
19 general academic teaching institution or equivalent institution  
20 of higher education:

21                   (i) from the institution; and

22                   (ii) from the institution's in-state peer  
23 institutions; and

24                   (E) the percentage of students either employed  
25 or enrolled in a general academic teaching institution or  
26 equivalent institution of higher education within one year after  
27 the date of the student's graduation from:

28                   (i) the institution; and

29                   (ii) the institution's in-state peer  
30 institutions.

~~14~~ 39

[Sections 51A.104-51A.150 reserved for expansion]

SUBCHAPTER D. ONLINE PERFORMANCE REPORT CARDS FOR MEDICAL AND  
DENTAL UNITS

Sec. 51A.151. APPLICABILITY OF SUBCHAPTER. This subchapter applies only to medical and dental units.

Sec. 51A.152. REPORT CARD FOR LEGISLATORS AND OTHER POLICY MAKERS. (a) The coordinating board shall maintain for each institution to which this subchapter applies an online performance report card designed for use by legislators and other interested policy makers.

(b) The report card must identify:

(1) the institutional grouping to which the  
institution is assigned under the coordinating board's higher  
education accountability system; and

(2) the institution's in-state and out-of-state peer  
institutions.

(c) For purposes of this section, information required to be included in the report card regarding the institution's in-state or out-of-state peer institutions must be listed in the form of the average of that information for those institutions unless otherwise prescribed by coordinating board rule.

(d) The report card must include the following information relating to the institution for the most recent state fiscal year and compare that information by percentage to the same information for the state fiscal year preceding the most recent state fiscal year and the state fiscal year preceding the most recent state fiscal year by five years:

(1) under the heading "ENROLLMENT":

(A) the total number of students enrolled in the  
institution during the fall semester;



1           (B) if applicable, the total number of students  
2 enrolled in the institution's medical school during the fall  
3 semester; and

4           (C) if applicable, the total number of students  
5 enrolled as resident physicians in residency programs accredited  
6 by the Accreditation Council for Graduate Medical Education or  
7 the American Osteopathic Association at the institution on the  
8 most recent September 1 for which the information is available;

9           (2) under the heading "COSTS," the average annual  
10 total academic costs, including those costs identified by type  
11 of degree program if required by coordinating board rule, for a  
12 resident, full-time undergraduate student and for a resident,  
13 full-time graduate student:

14           (A) at the institution; and

15           (B) at the institution's in-state and out-of-  
16 state peer institutions;

17           (3) under the heading "STUDENT SUCCESS":

18           (A) if applicable, the percentage of medical  
19 school students who pass Part 1 or Part 2 of any examination  
20 administered or accepted for a medical license under Subtitle B,  
21 Title 3, Occupations Code:

22           (i) at the institution; and

23           (ii) at the institution's in-state and out-  
24 of-state peer institutions;

25           (B) if applicable, the percentage of medical  
26 school students who are practicing primary care in this state:

27           (i) after graduating from the institution;

28 and

29           (ii) after graduating from the  
30 institution's in-state peer institutions;

1           (C) the number of nursing degrees or allied  
2 health degrees awarded for each level:

3                   (i) by the institution; and

4                   (ii) by the institution's in-state and out-  
5 of-state peer institutions; and

6                   (D) the estimated total amount of the  
7 institution's research expenditures during that state fiscal  
8 year; and

9           (4) under the heading "FUNDING":

10                   (A) the total amount of money appropriated by  
11 the legislature to the institution, including money appropriated  
12 for faculty and staff health coverage and other benefits, for  
13 that state fiscal year; and

14                   (B) the total amount of money from any source  
15 available to the institution for that state fiscal year.

16       Sec. 51A.153. REPORT CARD FOR PROSPECTIVE STUDENTS,  
17 PARENTS, AND OTHER MEMBERS OF THE PUBLIC. (a) The coordinating  
18 board shall maintain for each institution to which this  
19 subchapter applies an online performance report card that is  
20 designed for use by prospective students of the institution,  
21 their parents, and other interested members of the public.

22       (b) The report card must identify:

23                   (1) the institutional grouping to which the  
24 institution is assigned under the coordinating board's higher  
25 education accountability system; and

26                   (2) the institution's in-state and out-of-state peer  
27 institutions.

28       (c) For purposes of this section, information required to  
29 be included in the report card regarding the institution's in-  
30 state peer institutions must be listed in the form of the

1 average of that information for those institutions unless  
2 otherwise prescribed by coordinating board rules.

3 (d) The report card must include the following information  
4 relating to the most recent state fiscal year:

5 (1) under the heading "ENROLLMENT," with clearly  
6 identifiable links to the information disaggregated by student  
7 ethnicity:

8 (A) the total number of students enrolled in the  
9 institution during the fall semester;

10 (B) if applicable, the total number of students  
11 enrolled in the institution's medical school during the fall  
12 semester; and

13 (C) if applicable, the total number of students  
14 enrolled as resident physicians in residency programs accredited  
15 by the Accreditation Council for Graduate Medical Education or  
16 the American Osteopathic Association at the institution on the  
17 most recent September 1 for which the information is available;

18 (2) under the heading "COSTS":

19 (A) the average annual total academic costs,  
20 including those costs identified by type of degree program if  
21 required by coordinating board rule, for a resident, full-time  
22 student at the institution;

23 (B) clearly identifiable links to information  
24 regarding:

25 (i) the rate or rates of tuition per  
26 semester credit hour charged by the institution;

27 (ii) any tuition and fee incentives offered  
28 by the institution; and

29 (iii) the amount and percentage by which  
30 the institution has increased tuition for a program or course

1 level during the five state fiscal years preceding the state  
2 fiscal year covered by the report card;

3 (C) the average cost of on-campus room and board  
4 per student; and

5 (D) the average cost to a resident undergraduate  
6 student enrolled in 30 semester credit hours for tuition and  
7 fees and on-campus room and board;

8 (3) under the heading "FINANCIAL AID":

9 (A) the percentage of undergraduate students  
10 enrolled in the institution who receive grants or scholarships;

11 (B) the percentage of undergraduate students  
12 enrolled in the institution who receive grants, scholarships,  
13 loans, or work-study funds;

14 (C) the average amount of an undergraduate  
15 student's grant and scholarship package;

16 (D) the average amount of an undergraduate  
17 student's grant, scholarship, loan, and work-study package; and

18 (E) the percentage of undergraduate students who  
19 graduated from the institution with education-related debt and,  
20 to the extent information is available, the average education-  
21 related debt of those students;

22 (4) under the heading "STUDENT SUCCESS":

23 (A) if applicable, the percentage of medical  
24 school students who pass Part 1 or Part 2 of any examination  
25 administered or accepted for a medical license under Subtitle B,  
26 Title 3, Occupations Code:

27 (i) at the institution; and

28 (ii) at the institution's in-state peer  
29 institutions;

30 (B) if applicable, the percentage of medical

1 school students who are practicing primary care in this state:

2 (i) after graduating from the institution;

3 and

4 (ii) after graduating from the

5 institution's in-state peer institutions;

6 (C) the number of nursing degrees or allied  
7 health degrees awarded for each level:

8 (i) by the institution; and

9 (ii) by the institution's in-state peer  
10 institutions; and

11 (D) the estimated total amount of the  
12 institution's research expenditures; and

13 (5) under the heading "FIRST-TIME LICENSURE OR  
14 CERTIFICATION EXAMINATION PASS RATES," the first-time licensure  
15 or certification examination pass rates in applicable fields of  
16 students who are enrolled in or have graduated from:

17 (A) the institution; and

18 (B) the institution's in-state peer  
19 institutions.

20 SECTION \_\_\_\_ . The Texas Higher Education Coordinating Board  
21 shall create the online performance report cards required by  
22 Chapter 51A, Education Code, as added by this Act, and provide  
23 the report cards on the board's Internet website not later than  
24 February 1, 2008.

# ADOPTED

MAY 23 2007

*Leta Spaw*  
Secretary of the Senate

FLOOR AMENDMENT NO. 2

BY: *Shagin*

1 Amend ~~H.~~B. No. 3851 by adding the following appropriately  
2 numbered SECTIONS to the bill and renumbering the other SECTIONS of  
3 the bill accordingly:

4 SECTION \_\_\_\_\_. Section 56.302, Education Code, is amended by  
5 adding Subsection (a-1) to read as follows:

6 (a-1) Notwithstanding Subsection (a), an individual grant  
7 awarded under Section 56.3076 is known as a TEXAS technology grant.  
8 A TEXAS technology grant is not a TEXAS grant for purposes of this  
9 subchapter. This subsection expires September 1, 2013.

10 SECTION \_\_\_\_\_. Subsection (a), Section 56.3021, Education  
11 Code, is amended to read as follows:

12 (a) Notwithstanding any other provision of this subchapter,  
13 a student who was awarded a TEXAS grant under this subchapter to pay  
14 the costs of enrollment in a private or independent institution of  
15 higher education for the 2005 fall semester or an earlier academic  
16 period may continue to receive a TEXAS grant [~~grants under this~~  
17 ~~subchapter~~] while enrolled in a private or independent institution  
18 of higher education if the student is otherwise eligible to receive  
19 a TEXAS grant under this subchapter.

20 SECTION \_\_\_\_\_. Section 56.304, Education Code, is amended by  
21 amending Subsections (a), (b), and (f) and adding Subsection (b-1)  
22 to read as follows:

23 (a) To be eligible initially for a TEXAS grant, a person  
24 must:

25 (1) be a resident of this state as determined by  
26 coordinating board rules;

27 (2) meet either of the following academic  
28 requirements:

29 (A) be a graduate of a public or accredited

1 private high school in this state [~~who graduated not earlier than~~  
2 ~~the 1998-1999 school year and~~] who completed the recommended or  
3 advanced high school curriculum established under Section 28.002 or  
4 28.025 or its equivalent; or

5 (B) have received an associate degree from a  
6 public or private institution of higher education [~~not earlier than~~  
7 ~~May 1, 2001~~];

8 (3) meet financial need requirements as defined by the  
9 coordinating board;

10 (4) be enrolled in an undergraduate degree or  
11 certificate program at an eligible institution;

12 (5) be enrolled as:

13 (A) an entering undergraduate student for at  
14 least three-fourths of a full course load for an entering  
15 undergraduate student, as determined by the coordinating board, not  
16 later than the 16th month after the date of the person's graduation  
17 from high school; or

18 (B) an entering student for at least  
19 three-fourths of a full course load for an undergraduate student as  
20 determined by the coordinating board, not later than the 12th month  
21 after the month the person receives an associate degree from a  
22 public or private institution of higher education;

23 (6) have applied for any available financial aid or  
24 assistance; and

25 (7) comply with any additional nonacademic  
26 requirement adopted by the coordinating board under this  
27 subchapter.

28 (b) Except as otherwise provided by Subsection (b-1), a [A]  
29 person is not eligible to receive a TEXAS grant if the person has  
30 been convicted of a felony [~~or an offense under Chapter 481, Health~~  
31 ~~and Safety Code (Texas Controlled Substances Act), or under the law~~

1 ~~of another jurisdiction involving a controlled substance as defined~~  
2 ~~by Chapter 481, Health and Safety Code,~~] unless the person has met  
3 the other applicable eligibility requirements under this  
4 subchapter and has:

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

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

13 (b-1) A person who is convicted of any offense under a  
14 federal or state law, including the law of another state, involving  
15 the possession or sale of a controlled substance, as defined by  
16 Chapter 481, Health and Safety Code, for conduct that occurred  
17 during a period of enrollment in which the person is receiving a  
18 TEXAS grant:

19 (1) is ineligible to receive a TEXAS grant for the same  
20 period for which 20 U.S.C. Section 1091(r) provides for  
21 ineligibility to receive a federal grant, loan, or work assistance  
22 had the conduct occurred during a period of enrollment in which the  
23 person was receiving a federal grant, loan, or work assistance; and

24 (2) may become eligible to receive a TEXAS grant  
25 before the end of the ineligibility period provided by Subdivision  
26 (1) in the same manner as provided by 20 U.S.C. Section 1091(r) for  
27 a person to resume eligibility for a federal grant, loan, or work  
28 assistance.

29 (f) The requirement in Subsection (a)(2) that a person must  
30 have completed the recommended or advanced high school curriculum  
31 does not apply to a person who:



1           (1) attended a public high school in a school district  
2 if, not later than March 1 of the school year in which the person is  
3 scheduled to graduate from high school, the superintendent of that  
4 district certifies to the coordinating board [~~commissioner of~~  
5 ~~education~~] that the high school did not offer all the necessary  
6 courses for a person to complete all parts of the recommended or  
7 advanced high school curriculum; and

8           (2) completed all courses at the high school offered  
9 toward the completion of the recommended or advanced high school  
10 curriculum.

11           SECTION \_\_\_\_\_. Subsections (a), (b), and (c), Section 56.305,  
12 Education Code, are amended to read as follows:

13           (a) After initially qualifying for a TEXAS grant, a person  
14 may continue to receive a TEXAS grant during each academic year  
15 [~~semester or term~~] in which the person is enrolled at an eligible  
16 institution only if the person:

17               (1) meets financial need requirements as defined by  
18 the coordinating board;

19               (2) is enrolled in an undergraduate degree or  
20 certificate program at an eligible institution;

21               (3) is enrolled for at least three-fourths of a full  
22 course load for an undergraduate student, as determined by the  
23 coordinating board;

24               (4) makes satisfactory academic progress toward an  
25 undergraduate degree or certificate; and

26               (5) complies with any additional nonacademic  
27 requirement adopted by the coordinating board.

28           (b) A person who under Section 56.304(b) or (b-1) would not  
29 be [~~is not~~] eligible [~~to continue~~] to receive a TEXAS grant is not  
30 eligible to continue to receive a grant under this section [~~if the~~  
31 ~~person has been convicted of a felony or an offense under Chapter~~

1 ~~481, Health and Safety Code (Texas Controlled Substances Act), or~~  
2 ~~under the law of another jurisdiction involving a controlled~~  
3 ~~substance as defined by Chapter 481, Health and Safety Code, unless~~  
4 ~~the person has met the other applicable eligibility requirements~~  
5 ~~under this subchapter and has:~~

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

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

14 (c) If a person fails to meet any of the requirements of  
15 Subsection (a) after the completion of any academic year ~~[semester~~  
16 ~~or term]~~, the person may not receive a TEXAS grant for a semester or  
17 term of ~~[during]~~ the next academic year ~~[semester or term]~~ in which  
18 the person enrolls. A person may become eligible to receive a TEXAS  
19 grant in a subsequent academic year ~~[semester or term]~~ if the  
20 person:

21 (1) completes an academic year ~~[a semester or term]~~  
22 during which the student is not eligible for a scholarship; and

23 (2) meets all the requirements of Subsection (a).

24 SECTION \_\_\_\_\_. Subchapter M, Chapter 56, Education Code, is  
25 amended by adding Section 56.3076 to read as follows:

26 Sec. 56.3076. TEXAS TECHNOLOGY GRANT PILOT PROGRAM. (a)  
27 Grants may be awarded under this section only from:

28 (1) the amount of money available for TEXAS grants for  
29 an award period that exceeds the amount necessary to award a TEXAS  
30 grant to each eligible applicant in the applicable amount  
31 determined under Section 56.307;

1           (2) money specifically appropriated for purposes of  
2 this section; or

3           (3) money, other than money described by Subdivision  
4 (1) or (2), that may lawfully be used for purposes of this section.

5           (b) The coordinating board may use money described by  
6 Subsection (a) to award a TEXAS technology grant to a student who:

7           (1) is enrolled in an undergraduate engineering or  
8 computer science program;

9           (2) has completed at least 60 semester credit hours  
10 toward a baccalaureate degree in engineering or computer science;  
11 and

12           (3) meets all eligibility requirements under Section  
13 56.305 to receive a TEXAS grant.

14           (c) The amount of a TEXAS technology grant is determined by  
15 the coordinating board and may not exceed an amount equal to two  
16 times the amount that may be awarded as a TEXAS grant under Section  
17 56.307(a) for the same academic period.

18           (d) In awarding a TEXAS technology grant, the coordinating  
19 board:

20           (1) shall give priority to a student who is a member of  
21 a group underrepresented in engineering or computer science, as  
22 applicable, as established under coordinating board rule;

23           (2) may award different amounts based on the amount of  
24 coursework a student has completed toward earning a degree in  
25 engineering or computer science, as provided by coordinating board  
26 rule; and

27           (3) if the money available for TEXAS technology grants  
28 is insufficient to award a grant to each eligible applicant, may  
29 give priority in awarding grants to students who demonstrate the  
30 greatest financial need.

31           (e) Section 56.306 applies to the use and disbursement of a

1 TEXAS technology grant in the same manner as that section applies to  
2 the use and disbursement of a TEXAS grant.

3 (f) A person may not simultaneously receive a TEXAS grant  
4 and a TEXAS technology grant.

5 (g) This section expires September 1, 2013.

6 SECTION \_\_\_\_\_. Subsection (b), Section 56.308, Education  
7 Code, is amended to read as follows:

8 (b) Each school district shall:

9 (1) notify its middle school students, junior high  
10 school students, and high school students, those students' teachers  
11 and counselors, and those students' parents of federal and state  
12 financial aid [~~the TEXAS grant and Teach for Texas grant~~] programs  
13 to assist students with paying the costs of higher education, the  
14 primary eligibility requirements of the programs [~~each program~~],  
15 the need for students to make informed curriculum choices to be  
16 prepared for success beyond high school, [~~and~~] sources of  
17 information on higher education admissions, and sources of  
18 information on financial aid in a manner that assists the district  
19 in implementing a strategy adopted by the district under Section  
20 11.252(a)(4); and

21 (2) ensure that each student's official transcript or  
22 diploma indicates whether the student has completed or is on  
23 schedule to complete:

24 (A) the recommended or advanced high school  
25 curriculum required for grant eligibility under Section 28.002 or  
26 28.025; or

27 (B) for a school district covered by Section  
28 56.304(f)(1), the required portion of the recommended or advanced  
29 high school curriculum in the manner described by Section  
30 56.304(f)(2).

31 SECTION \_\_\_\_\_. Section 56.311, Education Code, is transferred

1 to Subchapter A, Chapter 56, Education Code, redesignated as  
2 Section 56.005, and amended to read as follows:

3       Sec. 56.005 [~~56.311~~]. LEGISLATIVE OVERSIGHT COMMITTEE ON  
4 STATE FINANCIAL AID PROGRAMS FOR HIGHER EDUCATION. (a) The  
5 Legislative Oversight Committee on state financial aid programs for  
6 higher education [~~the TEXAS grant program and Teach for Texas grant~~  
7 ~~program~~] is composed of six members as follows:

8               (1) three members of the senate appointed by the  
9 lieutenant governor; and

10              (2) three members of the house of representatives  
11 appointed by the speaker of the house of representatives.

12       (b) The committee shall:

13              (1) meet at least twice a year with the coordinating  
14 board; and

15              (2) receive information regarding rules relating to  
16 state financial aid programs for higher education [~~the TEXAS grant~~  
17 ~~program and Teach for Texas grant program~~] that have been adopted by  
18 the coordinating board or proposed for adoption by the coordinating  
19 board.

20       (c) The committee may request reports and other information  
21 from the coordinating board relating to the operation by the  
22 coordinating board of state financial aid programs for higher  
23 education [~~the TEXAS grant program and Teach for Texas grant~~  
24 ~~program by the coordinating board~~].

25       (d) The committee shall review the specific recommendations  
26 for legislation [~~related to this subchapter~~] that are proposed by  
27 the coordinating board in relation to state financial aid programs  
28 for higher education.

29       (e) The committee shall monitor the operation of state  
30 financial aid programs for higher education [~~the TEXAS grant~~  
31 ~~program and Teach for Texas grant program~~], with emphasis on the

1 manner of the award of financial aid [~~grants~~], the total amount of  
2 financial aid [~~number of grants~~] awarded, the amount of financial  
3 aid awarded under each state financial aid program, and the  
4 educational progress made by persons who have received financial  
5 aid [~~grants~~] under those programs.

6 (f) The committee shall file a report with the governor,  
7 lieutenant governor, and speaker of the house of representatives  
8 not later than December 31 of each even-numbered year.

9 (g) The report shall include identification of any problems  
10 in the state financial aid programs for higher education [~~TEXAS~~  
11 ~~grant program and Teach for Texas grant program~~] with recommended  
12 solutions for the coordinating board and for legislative action.

13 SECTION \_\_\_\_\_. Section 56.463, Education Code, is amended by  
14 adding Subsection (c) to read as follows:

15 (c) The coordinating board shall distribute money in the  
16 Texas B-On-time student loan account to be paid to an eligible  
17 institution under this subchapter through the electronic funds  
18 transfer system that is maintained by the Texas Guaranteed Student  
19 Loan Corporation for disbursing loan money from commercial lenders  
20 participating in the guaranteed student loan program under Chapter  
21 57, except that, at the request of an eligible institution, the  
22 coordinating board may distribute the money through another means  
23 specified by the institution. The coordinating board and the Texas  
24 Guaranteed Student Loan Corporation shall enter into a contract  
25 that provides for the corporation to make the electronic funds  
26 transfer system available for the coordinating board's use as  
27 necessary to carry out this subsection.

28 SECTION \_\_\_\_\_. Subchapter C, Chapter 61, Education Code, is  
29 amended by adding Sections 61.0661, 61.0662, and 61.0663 to read as  
30 follows:

31 Sec. 61.0661. FEASIBILITY STUDY REGARDING ISSUANCE OF DEBIT

1 CARDS TO STUDENTS AWARDED FINANCIAL AID. (a) The board, in  
2 consultation with student financial aid officers of institutions of  
3 higher education and private or independent institutions of higher  
4 education, shall conduct a study to evaluate:

5 (1) the feasibility of issuing to a student who is  
6 awarded state or institutional financial aid to pay higher  
7 education expenses a debit card for debiting the account to which  
8 the student's financial aid money is assigned;

9 (2) if feasible to issue a debit card, the financial  
10 aid programs for which use of a debit card would be suitable;

11 (3) the manner, if any, in which a debit card could be  
12 consolidated with another debit card issued to a student by an  
13 institution of higher education or a private or independent  
14 institution of higher education; and

15 (4) any other issue the study participants determine  
16 would be helpful in making decisions concerning the issuance of a  
17 debit card to a student who is awarded state or institutional  
18 financial aid.

19 (b) Not later than September 30, 2008, the board shall  
20 complete the study required by Subsection (a) and shall submit to  
21 the governor, the lieutenant governor, the speaker of the house of  
22 representatives, and the presiding officer of each legislative  
23 standing committee or subcommittee with primary jurisdiction over  
24 higher education a report that includes any recommendations that  
25 result from the study.

26 (c) This section expires January 1, 2009.

27 Sec. 61.0662. IMPACT STUDY: OVERALL GRADE POINT AVERAGE  
28 REQUIREMENT FOR FINANCIAL AID; COMPUTATION OF GRADE POINT AVERAGE.

29 (a) The board, in consultation with appropriate representatives of  
30 institutions of higher education and private or independent  
31 institutions of higher education, shall conduct a study to evaluate

1 the impact of:

2 (1) requiring a student to maintain an overall grade  
3 point average of at least 3.0 on a four-point scale or the  
4 equivalent in order for the student to retain eligibility for  
5 receiving state financial aid to pay higher education costs; and

6 (2) excluding from the computation of overall grade  
7 point average for purposes of determining eligibility to receive  
8 state financial aid, any grade a student receives in an elective  
9 course.

10 (b) In conducting the study required by Subsection (a)(1),  
11 the board:

12 (1) shall consider whether a grade point average  
13 requirement higher than 2.5 on a four-point scale or the equivalent  
14 for retaining eligibility for receiving state financial aid should  
15 be phased in over time; and

16 (2) may consider the impact of establishing an overall  
17 grade point average requirement that is higher than 2.5 on a  
18 four-point scale or the equivalent but that is lower than 3.0 on a  
19 four-point scale or the equivalent.

20 (c) Not later than September 30, 2008, the board shall  
21 complete the study required by this section and shall submit to the  
22 governor, the lieutenant governor, the speaker of the house of  
23 representatives, and the presiding officer of each legislative  
24 standing committee and subcommittee with primary jurisdiction over  
25 higher education a report that includes any recommendations that  
26 result from the study.

27 (d) This section expires January 1, 2009.

28 Sec. 61.0663. FEASIBILITY STUDY REGARDING TEXAS GRANT AWARD  
29 AMOUNTS. (a) The board, in consultation with appropriate  
30 representatives of institutions of higher education, shall conduct  
31 a study to evaluate the feasibility of awarding to a student who is



1 eligible for a TEXAS grant under Subchapter M, Chapter 56, until the  
2 student has completed 90 semester credit hours of higher education  
3 coursework, less than the full amount of a TEXAS grant, as that  
4 amount is determined under Section 56.307. The board and the other  
5 study participants shall consider awarding to an eligible student  
6 amounts equal to the following percentages of the full amount of a  
7 TEXAS grant:

8 (1) 50 percent, until the student has completed 30  
9 semester credit hours of higher education coursework;

10 (2) 60 percent, until the student has completed 60  
11 semester credit hours of higher education coursework; and

12 (3) 75 percent, until the student has completed 90  
13 semester credit hours of higher education coursework.

14 (b) The board and the other study participants may consider:

15 (1) awarding amounts based on percentages of the full  
16 amount of a TEXAS grant other than the percentages specified by  
17 Subsection (a); or

18 (2) basing reduced TEXAS grant award amounts on  
19 numbers of semester credit hour coursework completed other than the  
20 numbers specified by Subsection (a).

21 (c) Not later than September 30, 2008, the board shall  
22 complete the study required by Subsection (a) and shall submit to  
23 the governor, the lieutenant governor, the speaker of the house of  
24 representatives, and the presiding officer of each legislative  
25 standing committee and subcommittee with primary jurisdiction over  
26 higher education a report that includes any recommendations that  
27 result from the study.

28 SECTION \_\_\_\_\_. Subsections (b) and (c), Section 61.2251,  
29 Education Code, as added by Chapter 1230, Acts of the 79th  
30 Legislature, Regular Session, 2005, are amended to read as follows:

31 (b) To be eligible for a tuition equalization grant in the

1 first academic year in which the person receives the grant, a person  
2 must:

3 (1) be a Texas resident as defined by the coordinating  
4 board and meet, at a minimum, the resident requirements defined by  
5 law for Texas resident tuition in fully state-supported  
6 institutions of higher education;

7 (2) be enrolled for a full course load conforming to an  
8 individual degree plan in an approved college or university;

9 (3) be required to pay more tuition than is required at  
10 a public college or university and be charged no less than the  
11 regular tuition required of all students enrolled at the  
12 institution;

13 (4) establish financial need in accordance with  
14 procedures and regulations of the coordinating board;

15 (5) not be a recipient of any form of athletic  
16 scholarship; ~~and~~

17 (6) make satisfactory academic progress toward a  
18 degree or certificate by meeting the requirements established for  
19 that purpose by the approved college or university in which the  
20 person is enrolled; and

21 (7) have complied with other requirements adopted by  
22 the coordinating board under this subchapter.

23 (c) After qualifying for a tuition equalization grant under  
24 Subsection (b), a person may receive a tuition equalization grant  
25 in a subsequent academic year in which the person is enrolled at an  
26 approved institution only if the person:

27 (1) meets the requirements of Subsection (b), other  
28 than the requirements established under Subsection (b)(6);

29 (2) makes satisfactory academic progress toward a  
30 degree or certificate by completing ~~completed~~ at least:

31 (A) 24 semester credit hours in the person's most

1 recent academic year, if the person is enrolled in an undergraduate  
2 degree or certificate program; or

3 (B) 18 semester credit hours in the person's most  
4 recent academic year, if the person is enrolled in a graduate or  
5 professional degree program; and

6 (3) has earned an overall grade point average of at  
7 least 2.5 on a four-point scale or the equivalent on coursework  
8 previously attempted at public or private institutions of higher  
9 education.

10 SECTION \_\_\_\_\_. Subsection (g), Section 56.304, Education  
11 Code, is repealed.

12 SECTION \_\_\_\_\_. (a) Except as provided by Subsection (b) of  
13 this section, the changes in law made by this Act to Subchapter M,  
14 Chapter 56, Education Code, and to Section 61.2251, Education Code,  
15 as added by Chapter 1230, Acts of the 79th Legislature, Regular  
16 Session, 2005, apply beginning with the 2008 fall semester.

17 (b) The Texas Higher Education Coordinating Board shall  
18 award TEXAS technology grants under Section 56.3076, Education  
19 Code, as added by this Act, beginning with the 2009 fall semester.

ADOPTED

FLOOR AMENDMENT NO. 3

MAY 23 2007

BY:

*Larry Saw*  
Secretary of the Senate

*Patrick*  
(Patrick)

1 Amend H.B. No. 3851 (senate committee printing) by adding  
2 the following appropriately numbered SECTIONS to the bill and  
3 renumbering the subsequent SECTIONS accordingly:

4 SECTION \_\_\_\_ Chapter 61, Education Code, is amended by  
5 adding Subchapter FF to read as follows:

6 SUBCHAPTER FF. TEXAS TEACH CORPS SCHOLARSHIP PROGRAM

7 Sec. 61.9831. SCHOLARSHIP PROGRAM; AMOUNT OF SCHOLARSHIP.

8 (a) In accordance with this subchapter and board rules, the  
9 board shall establish and administer the Texas Teach Corps  
10 Scholarship Program to award scholarships to undergraduate  
11 students who:

12 (1) are enrolled in educator preparation programs  
13 provided by public or private institutions of higher education  
14 in this state; and

15 (2) agree to teach for a specified period in the  
16 public schools in this state that are determined by the Texas  
17 Education Agency to have shortages of teachers in academic  
18 subjects.

19 (b) The amount of a scholarship under this subchapter for  
20 an academic year is equal to the lesser of:

21 (1) the total amount of tuition that the public or  
22 private institution of higher education in which the scholarship  
23 recipient is enrolled charges the recipient for that academic  
24 year for semester credit hours for which the recipient may use  
25 the scholarship to pay tuition as provided by Subsection (c); or

26 (2) \$5,000.

27 (c) A student may use a scholarship under this subchapter  
28 only to pay tuition for a semester credit hour that is required  
29 for completion of the educator preparation program in which the

1 student is enrolled.

2 (d) For purposes of this subchapter, not later than April  
3 1 of each school year, the Texas Education Agency shall  
4 determine which public schools in this state are anticipated to  
5 have shortages of teachers during the following school year and  
6 shall provide that information to the board and to each educator  
7 preparation program in this state accredited by the State Board  
8 for Educator Certification. In making the determination required  
9 by this subsection, the agency shall consider the availability  
10 of teachers for only those subjects designated by agency rule as  
11 academic subjects. In making those designations, the agency may  
12 not consider athletics, physical education, art, or music,  
13 including band, as academic subjects.

14 Sec. 61.9832. ELIGIBILITY; LIMITATION ON NUMBER OF  
15 SCHOLARSHIPS. (a) To be eligible to receive a scholarship under  
16 this subchapter, a person must:

17 (1) have graduated from a high school in this state  
18 with an overall grade point average:

19 (A) of at least 3.0 on a four-point scale or the  
20 equivalent; and

21 (B) in the top 25 percent of the student's  
22 graduating class;

23 (2) be enrolled in an educator preparation program  
24 accredited by the State Board for Educator Certification that is  
25 provided by a public or private institution of higher education  
26 in this state; and

27 (3) enter into an agreement with the board as  
28 provided by Section 61.9833.

29 (b) Not more than 4,000 scholarships may be awarded under  
30 this subchapter for an academic year.

31 (b-1) This subsection expires September 1, 2011.

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1 Notwithstanding Subsection (b), not more than the following  
2 number of scholarships may be awarded under this subchapter for  
3 the specified academic year:

4 (1) for the 2008-2009 academic year, not more than  
5 1,000 scholarships may be awarded;

6 (2) for the 2009-2010 academic year, not more than  
7 2,000 scholarships may be awarded; and

8 (3) for the 2010-2011 academic year, not more than  
9 3,000 scholarships may be awarded.

10 (c) If in any year the amount of money available for  
11 scholarships under this subchapter is insufficient to award a  
12 scholarship to each eligible applicant or if there are more  
13 eligible applicants than the number of scholarships authorized  
14 by this section, the board shall establish criteria to determine  
15 which eligible applicants will be granted scholarships as the  
16 board determines appropriate to further the purposes of this  
17 subchapter, including criteria that:

18 (1) are related to the financial need of an  
19 applicant; and

20 (2) serve to ensure geographic and ethnic diversity  
21 among scholarship recipients.

22 Sec. 61.9833. AGREEMENT REQUIREMENTS. (a) To qualify for  
23 a scholarship under this subchapter, a person must enter into a  
24 written agreement with the board as provided by this section.  
25 The agreement must:

26 (1) specify the conditions the person must satisfy to  
27 receive the scholarship award;

28 (2) require the person to earn a baccalaureate degree  
29 through completion of an educator preparation program accredited  
30 by the State Board for Educator Certification that is provided  
31 by a public or private institution of higher education in this

1 state;

2           (3) require the person to obtain, within the period  
3 prescribed by board rule, appropriate certification under  
4 Subchapter B, Chapter 21, to teach in a public school in this  
5 state;

6           (4) require the person to accept, for the first  
7 school year that begins after the date the person obtains the  
8 appropriate certification, an offer of full-time employment to  
9 teach in a public school in this state selected by the person  
10 from among schools anticipated by the Texas Education Agency to  
11 have shortages of teachers in academic subjects for that first  
12 school year for which the person is accepting employment;

13           (5) require the person to complete eight years of  
14 full-time employment teaching as follows:

15               (A) beginning with the school year described by  
16 Subdivision (4), four consecutive school years of employment  
17 teaching in one or more public schools in this state selected by  
18 the person from among schools anticipated by the Texas Education  
19 Agency to have shortages of teachers in academic subjects for  
20 the person 's applicable year of employment by the school; and

21               (B) beginning with the school year immediately  
22 following the last of the four consecutive school years  
23 described by Paragraph (A), four additional consecutive school  
24 years teaching in any public school in this state;

25           (6) provide that any scholarship award the person  
26 receives under this subchapter constitutes an interest-free loan  
27 until the person:

28               (A) subject to Section 61.9835, satisfies the  
29 requirements of Subdivision (5) and any other applicable  
30 conditions of the agreement; or

31               (B) is excused from the repayment obligation in

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1 accordance with law; and

2 (7) require the person to sign a promissory note  
3 acknowledging the conditional nature of the scholarship award  
4 received and promising to repay any unforgiven amount of that  
5 award and reasonable collection costs if the person does not  
6 satisfy the applicable conditions and is not excused from the  
7 repayment obligation in accordance with law.

8 (b) To satisfy the teaching obligation prescribed by an  
9 agreement under this section, a person must teach an academic  
10 subject for not less than four hours each school day. For  
11 purposes of this subsection, an academic subject is a subject  
12 designated as such under Texas Education Agency rule as provided  
13 by Section 61.9831(d).

14 (c) For purposes of Subsection (a)(5)(A), if a person is  
15 employed as a teacher in a public school anticipated to have a  
16 shortage of teachers in academic subjects in the first year of  
17 employment, each subsequent year of continuous employment as a  
18 teacher in that school is considered to be employment in a  
19 school anticipated to have such a shortage of teachers in that  
20 subsequent year, regardless of whether the Texas Education  
21 Agency anticipated that the school would have a shortage of  
22 teachers in that year.

23 (d) The board shall determine the terms of the promissory  
24 note required by Subsection (a)(7). To the extent practicable,  
25 the terms must be the same as those applicable to state or  
26 federally guaranteed student loans made at the same time.

27 Sec. 61.9834. EXCEPTIONS TO TEACHING AND REPAYMENT  
28 OBLIGATIONS. (a) A person is not considered to be in violation  
29 of the teaching obligation in the agreement described by Section  
30 61.9833 during any period in which the person:

31 (1) is pursuing a full-time course of study related



1 to the field of teaching offered by a public or private  
2 institution of higher education in this state and approved by  
3 the State Board for Educator Certification;

4 (2) is serving on active duty as a member of the  
5 armed forces of the United States, including as a member of a  
6 reserve force or National Guard called to active duty;

7 (3) is temporarily totally disabled for a period not  
8 to exceed 36 months as established by the affidavit of a  
9 qualified physician;

10 (4) is unable to secure employment for a period not  
11 to exceed 12 months because of care required by a disabled  
12 spouse or child;

13 (5) is seeking and unable to find, for a single  
14 period not to exceed 12 months, full-time employment teaching in  
15 a public school in this state, or if the person is within the  
16 period of the agreement described by Section 61.9833(a)(5)(A),  
17 full-time employment teaching in a public school in this state  
18 anticipated to have a shortage of teachers in academic subjects  
19 for the year for which the person is seeking employment; or

20 (6) satisfies the provisions of any other teaching  
21 exception adopted by the board.

22 (b) A person is excused from the repayment obligation in a  
23 promissory note described by Section 61.9833 if:

24 (1) the person becomes permanently totally disabled  
25 as established by the affidavit of a qualified physician; or

26 (2) the board waives repayment in the case of extreme  
27 hardship to the person.

28 Sec. 61.9835. FORGIVENESS OF REPAYMENT OBLIGATION. The  
29 board shall forgive 25 percent of the total amount of a person's  
30 scholarship awards under this subchapter for each complete  
31 school year the person teaches in accordance with the agreement

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1 under Section 61.9833 after the expiration of the period  
2 described by Subsection (a)(5)(A) of that section.

3 Sec. 61.9836. GRANTS, GIFTS, AND DONATIONS. In addition to  
4 money appropriated by the legislature, the board may solicit and  
5 accept grants, gifts, and donations from any public or private  
6 source for the purposes of this subchapter.

7 Sec. 61.9837. RULES. (a) The board shall adopt rules to  
8 administer this subchapter, including rules:

9 (1) providing for the manner in which a student may  
10 apply for a scholarship; and

11 (2) providing for notification of the scholarship  
12 program under this subchapter to students enrolled in educator  
13 preparation programs in this state.

14 (b) The board shall distribute to each educator  
15 preparation program of a public or private institution of higher  
16 education in this state a copy of the rules adopted under this  
17 section.

18 SECTION \_\_\_\_. Not later than December 31, 2007, the Texas  
19 Higher Education Coordinating Board and the Texas Education  
20 Agency shall adopt rules for the Texas Teach Corps Scholarship  
21 Program under Subchapter FF, Chapter 61, Education Code, as  
22 added by this Act.

COMMITTEE AMENDMENT NO. 1

BY: Shapiro

1 Amend H.B. No. 3851 (House Engrossment) in SECTION 2 of the  
2 bill, in added Subsection (a), Section 51.807, Education Code, by  
3 striking Subdivision (1)(B) (page 2, lines 5 through 8), and  
4 substituting the following:

5 (B) assign additional weight for each honors  
6 course, advanced placement course, international baccalaureate  
7 course, or dual credit course completed by the student as the board  
8 considers appropriate, taking into consideration the academic rigor  
9 of each course completed by the student; and

**ADOPTED**

MAY 23 2007

*Leroy Spaul*  
Secretary of the Senate

- 1 from underrepresented groups such as racial or ethnic minority
- 2 groups.

# ADOPTED

MAY 23 2007

*Lotay Spaw*  
Secretary of the Senate

COMMITTEE AMENDMENT NO. 2

BY: *[Signature]*

*[Signature]*

1 Amend H.B. 3851 (House Engrossed Version) beginning on page 2,  
2 line 23 by striking SECTION 3 entirely and substituting the  
3 following new SECTION 3:

4 SECTION 3. Section 51.4032, Education Code, as added by  
5 Chapter 694, Acts of the 79th Legislature, Regular Session,  
6 2005, is amended to read as follows:

7 Sec. 51.4032. ANNUAL REPORT OF PARTICIPATION IN HIGHER  
8 EDUCATION. Not later than December 1 [~~July 31~~] of each year and  
9 in the form prescribed by the coordinating board, each general  
10 academic teaching institution and medical and dental unit as  
11 defined in Section 61.003 shall provide to the Texas Higher  
12 Education Coordinating Board and shall publish on the  
13 institution's website a report describing the composition of the  
14 institution's entering class of students. The report must  
15 include a demographic breakdown of the class, including a  
16 breakdown by race, ethnicity, [~~and~~] economic status, and high  
17 school class standing. A report submitted by a general academic  
18 teaching institution or medical and dental unit as defined in  
19 Section 61.003 must include separate demographic breakdowns of  
20 the students admitted under Sections 51.803, 51.804, and 51.805  
21 and a description of any plans, policies, or programs developed  
22 or implemented by the institution to recruit and retain students

- 1 from underrepresented groups such as racial or ethnic minority
- 2 groups.

**LEGISLATIVE BUDGET BOARD**

**Austin, Texas**

**FISCAL NOTE, 80TH LEGISLATIVE REGULAR SESSION**

**May 18, 2007**

**TO:** Honorable Florence Shapiro, Chair, Senate Committee on Education

**FROM:** John S. O'Brien, Director, Legislative Budget Board

**IN RE: HB3851** by Morrison (relating to the admission of high school graduates and undergraduate transfer students to certain institutions of higher education, the computation of a student's high school grade point average for purposes of determining eligibility for admission, and policies to promote the admission of undergraduate transfer students. ), **Committee Report 2nd House, As Amended**

<p><b>No significant fiscal implication to the State is anticipated.</b></p>
--

The bill relates to the admission of high school and community college transfer students to institutions of higher education. The bill would direct the Texas Higher Education Coordinating Board to adopt rules establishing a standard method for computing a student's high school grade point average. The bill would change the date each institution must provide to the Texas Higher Education Coordinating Board a report describing the composition of the institution's entering class of students from July 31 to December 1. The bill would add requirements that the report be published on the institution's website and include high school class standing and a description of any plans, policies, or programs to recruit and retain students from underrepresented groups such as racial or ethnic minority groups.

Under provisions of the bill, each institution shall adopt a written admission policy to promote the admission of undergraduate transfer students to the institution. The policy must provide for outreach and recruiting efforts directed at junior colleges and other lower-division institutions of higher education and may include incentives to encourage transfer applications and to retain and promote transfer students. Provisions of the bill will be implemented within existing resources.

**Local Government Impact**

No fiscal implication to units of local government is anticipated.

**Source Agencies:** 710 Texas A&M University System Administrative and General Offices, 720 The University of Texas System Administration, 758 Texas State University System, 768 Texas Tech University System Administration, 781 Higher Education Coordinating Board

**LBB Staff:** JOB, JSp, MN, RT, GO





**LEGISLATIVE BUDGET BOARD**  
**Austin, Texas**

**FISCAL NOTE, 80TH LEGISLATIVE REGULAR SESSION**

**May 15, 2007**

**TO:** Honorable Judith Zaffirini, Chair, Senate Committee on S/C on Higher Education

**FROM:** John S. O'Brien, Director, Legislative Budget Board

**IN RE: HB3851** by Morrison (Relating to the admission of high school graduates and undergraduate transfer students to certain institutions of higher education, the computation of a student's high school grade point average for purposes of determining eligibility for admission, and policies to promote the admission of undergraduate transfer students.), **As Engrossed**

<b>No significant fiscal implication to the State is anticipated.</b>
---

The bill relates to the admission of high school and community college transfer students to institutions of higher education. Under current law, July 31 each institution must provide to the Texas Higher Education Coordinating Board a report describing the composition of the institution's entering class of students. The bill adds a requirement that the report must also include high school grade point average.

Under provisions of the bill, each institution shall adopt a written admission policy to promote the admission of undergraduate transfer students to the institution. The policy must provide for outreach and recruiting efforts directed at junior colleges and other lower-division institutions of higher education and may include incentives to encourage transfer applications and to retain and promote transfer students. Provisions of the bill will be implemented within existing resources.

**Local Government Impact**

No fiscal implication to units of local government is anticipated.

**Source Agencies:** 710 Texas A&M University System Administrative and General Offices, 720 The University of Texas System Administration, 758 Texas State University System, 768 Texas Tech University System Administration, 781 Higher Education Coordinating Board

**LBB Staff:** JOB, MN, RT, GO



**LEGISLATIVE BUDGET BOARD**

**Austin, Texas**

**FISCAL NOTE, 80TH LEGISLATIVE REGULAR SESSION**

**April 23, 2007**

**TO:** Honorable Geanie Morrison, Chair, House Committee on Higher Education

**FROM:** John S. O'Brien, Director, Legislative Budget Board

**IN RE: HB3851** by Morrison (Relating to the admission of high school graduates and undergraduate transfer students to certain institutions of higher education, the computation of a student's high school grade point average for purposes of determining eligibility for admission, and policies to promote the admission of undergraduate transfer students.), **Committee Report 1st House, Substituted**

**No significant fiscal implication to the State is anticipated.**

The bill relates to the admission of high school and community college transfer students to institutions of higher education. Under current law, July 31 each institution must provide to the Texas Higher Education Coordinating Board a report describing the composition of the institution's entering class of students. The bill adds a requirement that the report must also include high school grade point average.

Under provisions of the bill, each institution shall adopt a written admission policy to promote the admission of undergraduate transfer students to the institution. The policy must provide for outreach and recruiting efforts directed at junior colleges and other lower-division institutions of higher education and may include incentives to encourage transfer applications and to retain and promote transfer students. Provisions of the bill will be implemented within existing resources.

**Local Government Impact**

No fiscal implication to units of local government is anticipated.

**Source Agencies:** 710 Texas A&M University System Administrative and General Offices, 720 The University of Texas System Administration, 758 Texas State University System, 768 Texas Tech University System Administration, 781 Higher Education Coordinating Board

**LBB Staff:** JOB, MN, RT, GO



**LEGISLATIVE BUDGET BOARD**  
**Austin, Texas**

**FISCAL NOTE, 80TH LEGISLATIVE REGULAR SESSION**

**April 13, 2007**

**TO:** Honorable Geanie Morrison, Chair, House Committee on Higher Education

**FROM:** John S. O'Brien, Director, Legislative Budget Board

**IN RE: HB3851** by Morrison (Relating to the admission of high school and community college transfer students to institutions of higher education.), **As Introduced**

<b>No significant fiscal implication to the State is anticipated.</b>
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The bill relates to the admission of high school and community college transfer students to institutions of higher education. Under current law, July 31 each institution must provide to the Texas Higher Education Coordinating Board a report describing the composition of the institution's entering class of students. The bill adds a requirement that the report must also include high school grade point average.

Under provisions of the bill, each institution shall adopt a written admission policy to promote the admission of undergraduate transfer students to the institution. The policy must provide for outreach and recruiting efforts directed at junior colleges and other lower-division institutions of higher education and may include incentives to encourage transfer applications and to retain and promote transfer students. Provisions of the bill will be implemented within existing resources.

**Local Government Impact**

No fiscal implication to units of local government is anticipated.

**Source Agencies:** 710 Texas A&M University System Administrative and General Offices, 720 The University of Texas System Administration, 758 Texas State University System, 768 Texas Tech University System Administration, 781 Higher Education Coordinating Board

**LBB Staff:** JOB, MN, RT, GO

