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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].

No equivalent provision.

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Same as House version.

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SECTION __. Subchapter D, Chapter 33, Education Code, is amended by adding Section 33.092 to read as follows:

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

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

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

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

(b)A student may not participate in an extracurricular

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athletic activity, including an athletic practice, scrimmage, game, or match, sponsored or sanctioned by the University Interscholastic League unless the student has submitted to the school district the student attends a completed form indicating that the student has received a physical examination conducted by a physician, physician assistant, or advanced practice nurse. The form must:

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

(2)include a statement that, based on , the examination, the physician, physician assistant, or advanced practice nurse has determined that the student does not have a medical condition that would make participation in the athletic activity hazardous for the student.

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

No equivalent provision.

SECTION __. Subchapter G, Chapter 51, Education Code, is amended by adding Sections 51.358 and 51.359 to read as follows:

Sec. 51.358. INTERIM ADMINISTRATION OF CERTAIN INSTITUTIONS ON FINDING OF FINANCIAL OR ADMINISTRATIVE EXIGENCY. (a) In this section, "university" means a general academic teaching institution as defined by Section 61.003.

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

(c)The governor may make an independent finding that a

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condition of financial or administrative exigency exists within a university or university system that:

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

or

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

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

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

(f)If the governing body is abolished under this section, an interim governing board for the university or university system is reconstituted composed of five members appointed by the governor with the advice and consent of the senate. Each member appointed under this subsection holds office for a term expiring on the second anniversary of the date of the first appointment of a member of the interim governing board. In consultation with the governor, the interim governing board may appoint an interim president or chancellor to

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the university or system with the duties determined by the interim governing board to serve during the term of the interim governing board.

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

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

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

(1)finance and accounting;

(2)human resources;

(3)management information systems;

(4)planning and communications;

(5)student financial aid;

(6)contract and grant management; and

(7)other elements determined appropriate by the governor with the approval of the legislative audit

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committee.

(j)The administration improvement plan must:

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

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

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

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

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

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

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

(1)reviewing policies and procedures relating to:

(A)revenue and expenditure controls;

(B)fixed assets;

(C)treasury matters;

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- (D)payroll; and
- (E)information technology;
- (2)reviewing and approving grants and contracts;
- (3)determining and recommending best business practices;
- (4)segregating duties affecting internal controls to ensure that no one individual has control over multiple areas of operations or financial transactions;
- (5)establishing a monthly financial report that includes receipts, bank statements, and monthly reconciliations;
- (6)providing accurate and timely recording of assets in the state property accounting system; and
- (7)providing other management and financial operations.
- (m)The interim governing board shall prepare an annual financial statement for the university or university system. An audit of the financial statement must be prepared by the state auditor or, if the authority to contract for audit services is delegated by the state auditor in accordance with Section 321.020, Government Code, by an independent private auditor. The audit required by this subsection must include a review of a contract entered into by the university or university system that:
 - (1)is active; or
 - (2)the university or university system entered into during the two-year period immediately preceding the date the interim administration took effect.
- (n)The interim governing board shall report to the governor, the legislative audit committee, and the legislative oversight committee appointed under

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Subsection (r) on the progress of the administration improvement plan and on the progress of the outcomes for each area described by Subsection (i), including specific information regarding that progress:

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

(2)at least once each quarter; and

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

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

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

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(q)A member of an interim governing board or an interim president or chancellor is entitled to reimbursement for the reasonable and necessary expenses incurred by the person in the course of performing the person's duties under this section. Reimbursement shall be paid from funds appropriated or otherwise available to the university or university system under interim administration, except to the extent that money to pay those expenses is specifically appropriated or made available through the budget execution process for that purpose.

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

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

Sec. 51.359. DENIAL OF EMPLOYMENT FOR

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CONTRIBUTION TO FINANCIAL OR ADMINISTRATIVE EXIGENCY. The interim governing board of a university or university system subject to an interim administration under Section 51.358 may make a determination that an individual's act or omission was a material cause of the condition of financial or administrative exigency at the university or university system that resulted in the interim administration. If the interim governing board makes a determination under this section, the individual shall be denied employment in an administrative capacity with the university or university system and any employment contract provision concerning administrative employment of that individual is void by the university or system.

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

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 for each honors course, advanced placement course, international baccalaureate course, or dual credit course completed by the student as

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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 prescribed by the coordinating board, each general academic teaching institution and medical and dental unit as defined in Section 61.003 shall provide to the Texas

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the board considers appropriate, taking into consideration the academic rigor of each course completed by the 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 December 1 [July 31] of each year and in the form prescribed by the coordinating board, each general academic teaching institution and medical and dental unit as defined in Section 61.003 shall provide to the Texas

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Higher Education Coordinating Board a report describing the composition of the institution's entering class of students. The report must include a demographic breakdown of the class, including a breakdown by race, ethnicity, ~~and~~ economic status, and high school grade point average. A report submitted by a general academic teaching institution or medical and dental unit as defined in Section 61.003 must include separate demographic breakdowns of the students admitted under Sections 51.803, 51.804, and 51.805.

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

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

(b) Each general academic teaching 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

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Higher Education Coordinating Board and shall publish on the institution's website a report describing the composition of the institution's entering class of students. The report must include a demographic breakdown of the class, including a breakdown by race, ethnicity, ~~and~~ economic status, and high school class standing. A report submitted by a general academic teaching institution or medical and dental unit as defined in Section 61.003 must include separate demographic breakdowns of the students admitted under Sections 51.803, 51.804, and 51.805 and a description of any plans, policies, or programs developed or implemented by the institution to recruit and retain students from underrepresented groups such as racial or ethnic minority groups.

Same as House version.

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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.

(c) A [The] policy adopted under this section shall be published in the institution's or unit's catalog and made available to the public.

No equivalent provision.

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SECTION __. Subtitle A, Title 3, Education Code, is amended by adding Chapter 51A to read as follows:

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

SUBCHAPTER A. GENERAL PROVISIONS

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

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

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

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

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

(b) The coordinating board shall:

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- (1) request from each institution of higher education to which this chapter applies any information the coordinating board considers necessary for the coordinating board to include information or calculate data required to be included in the institution's report card;
- (2) establish for each institution of higher education to which this chapter applies a list of representative in-state and out-of-state peer institutions and maintain that list on the coordinating board's Internet website;
- (3) ensure that each of an institution of higher education's online report cards:
 - (A) is available to the public on the coordinating board's Internet website in a one-page format and is accessible through a link that appears in a prominent place on the coordinating board's Internet website homepage;
 - (B) uses enhanced, user-friendly search capabilities to ensure that the information required to be included in the report card is easily accessible to the persons for whom the report card is designed; and
 - (C) includes a clearly identifiable link to information on the coordinating board's Internet website regarding the coordinating board's higher education accountability system; and
- (4) ensure that the information provided in each report card is accurate and up to date.
- (c) The coordinating board may modify, as the coordinating board considers necessary, national data regarding an institution's out-of-state peer institutions to ensure uniformity in the comparison of that data to data

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regarding the institution for which the report card is created and the institution's in-state peer institutions in a report card under this chapter.

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

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

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

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

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

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

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

(b) The report card required by this section must

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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," the total number of students enrolled in the institution during the fall semester;

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

(A) at the institution; and

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

(3) under the heading "STUDENT SUCCESS":

(A) the retention rate of first-time, full-time, degree-

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seeking entering undergraduate students:

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

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

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

(i) the institution; and

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

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

(i) at the institution; and

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

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

(i) at the institution; and

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

(4) under the heading "FUNDING":

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

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

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Sec. 51A.053. REPORT CARD FOR PROSPECTIVE STUDENTS, PARENTS, AND 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) The report card must include the following information relating to the most recent state fiscal year:

(1) under the heading "ENROLLMENT":

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

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

(2) under the heading "DEGREES AWARDED":

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

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

(3) under the heading "COSTS":

(A) the average annual total academic costs for a

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resident undergraduate student enrolled in 30 semester credit hours at the institution;
(B) clearly identifiable links to information regarding:
(i) the rate or rates of tuition per semester credit hour charged by the institution;
(ii) any tuition and fee incentives offered by the institution; and
(iii) the amount and percentage by which the institution has increased tuition for a program or course level during the state fiscal year covered by the report card;
(C) the average cost of on-campus room and board per student; and
(D) the average cost to a resident undergraduate student enrolled in 30 semester credit hours for total academic costs and on-campus room and board, excluding the cost of books, supplies, transportation, or other expenses;
(4) under the heading "FINANCIAL AID":
(A) the percentage of undergraduate students enrolled in the institution who receive grants or scholarships;
(B) the percentage of undergraduate students enrolled in the institution who receive grants, scholarships, loans, or work-study funds;
(C) the average amount of an undergraduate student's grant and scholarship package;
(D) the average amount of an undergraduate student's grant, scholarship, loan, and work-study package; and
(E) the percentage of undergraduate students who graduate from the institution with education-related debt and, to the extent information is available, the average amount of education-related debt of those students;

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- (5) under the heading "ADMISSIONS":
- (A) the percentage of undergraduate students whose Scholastic Assessment Test (SAT) score placed the students in the 25th to 75th percentile of students' scores on that test nationally;
- (B) the percentage of undergraduate students whose American College Test (ACT) score placed the students in the 25th to 75th percentile of students' scores on that test nationally; and
- (C) the percentage of the students who applied for first-time undergraduate admission to the institution who were offered admission to the institution;
- (6) under the heading "INSTRUCTION":
- (A) the student/faculty ratio at the institution;
- (B) the percentage of organized undergraduate classes offered by the institution in which fewer than 20 students are enrolled;
- (C) the percentage of organized undergraduate classes offered by the institution in which more than 50 students are enrolled; and
- (D) the percentage of faculty members of the institution who are tenured or tenure-track;
- (7) under the heading "BACCALAUREATE SUCCESS":
- (A) four-year, five-year, and six-year graduation rates for full-time bachelor's degree-seeking students at the institution, and links to that information disaggregated by student ethnicity; and
- (B) the average number of years of enrollment attempted by a student to obtain a bachelor's degree; and

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

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

SUBCHAPTER C. PERFORMANCE REPORT CARDS FOR LOWER-DIVISION INSTITUTIONS

Sec. 51A.101. APPLICABILITY OF SUBCHAPTER.

This subchapter applies only to the following institutions of higher education:

- (1) public junior colleges;
- (2) public technical institutes; and
- (3) public state colleges.

Sec. 51A.102. 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 for the institution 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 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

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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," the total number of students enrolled in the institution during the fall semester;

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

(A) at the institution; and

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

(3) under the heading "STUDENT SUCCESS":

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

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

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

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

(i) the institution; and

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(ii) the institution's in-state peer institutions;
(C) the three-year, four-year, and six-year graduation rates of full-time degree-seeking students:
(i) at the institution; and
(ii) at the institution's in-state peer institutions;
(D) the percentage of students who transfer to a general academic teaching institution or equivalent institution of higher education:
(i) from the institution; and
(ii) from the institution's in-state peer institutions; and
(E) the percentage of students either employed 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

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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 otherwise prescribed by coordinating board rule.

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

(1) under the heading "ENROLLMENT":

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

(i) at the institution; and

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

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

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

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

(i) by the institution; and

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(ii) by the institution's in-state peer institutions; and
(B) a clearly identifiable link to the information described by Paragraph (A) disaggregated by student ethnicity;
(3) under the heading "COSTS," the average annual total academic costs, which for a junior college must include those costs for an in-district and out-of-district student, for a student enrolled in 30 semester credit hours toward a two-year degree:
(A) at the institution; and
(B) at the institution's in-state peer institutions;
(4) under the heading "FINANCIAL AID":
(A) the percentage of students who receive grants or scholarships:
(i) at the institution; and
(ii) at the institution's in-state peer institutions;
(B) the percentage of students who receive grants, scholarships, loans, or work-study funds:
(i) at the institution; and
(ii) at the institution's in-state peer institutions;
(C) the average amount of a student's grant and scholarship package:
(i) at the institution; and
(ii) at the institution's in-state peer institutions;
(D) the average amount of a student's grant, scholarship, loan, and work-study package:
(i) at the institution; and
(ii) at the institution's in-state peer institutions; and
(E) the percentage of students who graduated with education-related debt and, to the extent information is

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available, the average amount of education-related debt of those students:

(i) from the institution; and

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

(5) under the heading "STUDENT SUCCESS":

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

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

and

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

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

(i) the institution; and

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

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

(i) at the institution; and

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

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

(i) from the institution; and

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

(E) the percentage of students either employed 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

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

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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;

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

and

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

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

(A) at the institution; and

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

(3) under the heading "STUDENT SUCCESS":

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

(i) at the institution; and

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

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(B) if applicable, the percentage of medical school students who are practicing primary care in this state:
(i) after graduating from the institution; and
(ii) after graduating from the institution's in-state peer institutions;
(C) the number of nursing degrees or allied health degrees awarded for each level:
(i) by the institution; and
(ii) by the institution's in-state and out-of-state peer institutions; and
(D) the estimated total amount of the institution's research expenditures during that state fiscal year; and
(4) under the heading "FUNDING":
(A) the total amount of money appropriated by the legislature to the institution, including money appropriated for faculty and staff health coverage and other benefits, for that state fiscal year; and
(B) the total amount of money from any source available to the institution for that state fiscal year.
Sec. 51A.153. 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

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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 peer institutions must be listed in the form of the average of that information for those institutions unless otherwise prescribed by coordinating board rules.

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

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

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

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

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

(2) under the heading "COSTS":

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

(B) clearly identifiable links to information regarding:

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- (i) the rate or rates of tuition per semester credit hour charged by the institution;
- (ii) any tuition and fee incentives offered by the institution; and
- (iii) the amount and percentage by which the institution has increased tuition for a program or course level during the five state fiscal years preceding the state fiscal year covered by the report card;
- (C) the average cost of on-campus room and board per student; and
- (D) the average cost to a resident undergraduate student enrolled in 30 semester credit hours for tuition and fees and on-campus room and board;
- (3) under the heading "FINANCIAL AID":
 - (A) the percentage of undergraduate students enrolled in the institution who receive grants or scholarships;
 - (B) the percentage of undergraduate students enrolled in the institution who receive grants, scholarships, loans, or work-study funds;
 - (C) the average amount of an undergraduate student's grant and scholarship package;
 - (D) the average amount of an undergraduate student's grant, scholarship, loan, and work-study package; and
 - (E) the percentage of undergraduate students who graduated from the institution with education-related debt and, to the extent information is available, the average education-related debt of those students;
- (4) under the heading "STUDENT SUCCESS":
 - (A) if applicable, the percentage of medical school students who pass Part 1 or Part 2 of any examination

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administered or accepted for a medical license under Subtitle B, Title 3, Occupations Code:

(i) at the institution; and

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

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

(i) after graduating from the institution; and

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

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

(i) by the institution; and

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

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

(5) under the heading "FIRST-TIME LICENSURE OR CERTIFICATION EXAMINATION PASS RATES,"

the first-time licensure or certification examination pass rates in applicable fields of students who are enrolled in or have graduated from:

(A) the institution; and

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

No equivalent provision.

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

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No equivalent provision.

SECTION __. Section 56.302, Education Code, is amended by adding Subsection (a-1) to read as follows:
(a-1) Notwithstanding Subsection (a), an individual grant awarded under Section 56.3076 is known as a TEXAS technology grant. A TEXAS technology grant is not a TEXAS grant for purposes of this subchapter. This subsection expires September 1, 2013.

No equivalent provision.

SECTION __. Subsection (a), Section 56.3021, Education Code, is amended to read as follows:
(a) Notwithstanding any other provision of this subchapter, a student who was awarded a TEXAS grant under this subchapter to pay the costs of enrollment in a private or independent institution of higher education for the 2005 fall semester or an earlier academic period may continue to receive a TEXAS grant [~~grants under this subchapter~~] while enrolled in a private or independent institution of higher education if the student is otherwise eligible to receive a TEXAS grant under this subchapter.

No equivalent provision.

SECTION __. Section 56.304, Education Code, is amended by amending Subsections (a), (b), and (f) and adding Subsection (b-1) to read as follows:
(a) To be eligible initially for a TEXAS grant, a person must:
(1) be a resident of this state as determined by coordinating board rules;
(2) meet either of the following academic requirements:

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- (A) be a graduate of a public or accredited private high school in this state ~~[who graduated not earlier than the 1998-1999 school year and]~~ who completed the recommended or advanced high school curriculum established under Section 28.002 or 28.025 or its equivalent; or
- (B) have received an associate degree from a public or private institution of higher education ~~[not earlier than May 1, 2001]~~;
- (3) meet financial need requirements as defined by the coordinating board;
- (4) be enrolled in an undergraduate degree or certificate program at an eligible institution;
- (5) be enrolled as:
- (A) an entering undergraduate student for at least three-fourths of a full course load for an entering undergraduate student, as determined by the coordinating board, not later than the 16th month after the date of the person's graduation from high school; or
- (B) an entering student for at least three-fourths of a full course load for an undergraduate student as determined by the coordinating board, not later than the 12th month after the month the person receives an associate degree from a public or private institution of higher education;
- (6) have applied for any available financial aid or assistance; and
- (7) comply with any additional nonacademic requirement adopted by the coordinating board under this subchapter.
- (b) Except as otherwise provided by Subsection (b-1), a

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

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

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

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

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

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

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

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

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

No equivalent provision.

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

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

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

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- (2) is enrolled in an undergraduate degree or certificate program at an eligible institution;
 - (3) is enrolled for at least three-fourths of a full course load for an undergraduate student, as determined by the coordinating board;
 - (4) makes satisfactory academic progress toward an undergraduate degree or certificate; and
 - (5) complies with any additional nonacademic requirement adopted by the coordinating board.
- (b) A person who under Section 56.304(b) or (b-1) would not be [is not] eligible [to continue] to receive a TEXAS grant is not eligible to continue to receive a grant under this section ~~[if the person has been convicted of a felony or an offense under Chapter 481, Health and Safety Code (Texas Controlled Substances Act), or under the law of another jurisdiction involving a controlled substance as defined by Chapter 481, Health and Safety Code, unless the person has met the other applicable eligibility requirements under this subchapter and has:~~
- ~~[(1) received a certificate of discharge by the Texas Department of Criminal Justice or a correctional facility or completed a period of probation ordered by a court, and at least two years have elapsed from the date of the receipt or completion; or~~
 - ~~[(2) been pardoned, had the record of the offense expunged from the person's record, or otherwise has been released from the resulting ineligibility to receive a grant under this subchapter].~~
- (c) If a person fails to meet any of the requirements of Subsection (a) after the completion of any academic year

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~~[semester or term]~~, the person may not receive a TEXAS grant for a semester or term of [during] the next academic year [semester or term] in which the person enrolls. A person may become eligible to receive a TEXAS grant in a subsequent academic year [semester or term] if the person:

- (1) completes an academic year [a semester or term] during which the student is not eligible for a scholarship; and
- (2) meets all the requirements of Subsection (a).

No equivalent provision.

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

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

- (1) the amount of money available for TEXAS grants for an award period that exceeds the amount necessary to award a TEXAS grant to each eligible applicant in the applicable amount determined under Section 56.307;
- (2) money specifically appropriated for purposes of this section; or
- (3) money, other than money described by Subdivision (1) or (2), that may lawfully be used for purposes of this section.

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

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- (1) is enrolled in an undergraduate engineering or computer science program;
- (2) has completed at least 60 semester credit hours toward a baccalaureate degree in engineering or computer science; and
- (3) meets all eligibility requirements under Section 56.305 to receive a TEXAS grant.
- (c) The amount of a TEXAS technology grant is determined by the coordinating board and may not exceed an amount equal to two times the amount that may be awarded as a TEXAS grant under Section 56.307(a) for the same academic period.
- (d) In awarding a TEXAS technology grant, the coordinating board:
 - (1) shall give priority to a student who is a member of a group underrepresented in engineering or computer science, as applicable, as established under coordinating board rule;
 - (2) may award different amounts based on the amount of coursework a student has completed toward earning a degree in engineering or computer science, as provided by coordinating board rule; and
 - (3) if the money available for TEXAS technology grants is insufficient to award a grant to each eligible applicant, may give priority in awarding grants to students who demonstrate the greatest financial need.
- (e) Section 56.306 applies to the use and disbursement of a TEXAS technology grant in the same manner as that section applies to the use and disbursement of a TEXAS grant.

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

(g) This section expires September 1, 2013.

No equivalent provision.

SECTION __. Subsection (b), Section 56.308, Education Code, is amended to read as follows:

(b) Each school district shall:

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

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

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

(B) for a school district covered by Section 56.304(f)(1), the required portion of the recommended or advanced

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high school curriculum in the manner described by Section 56.304(f)(2).

No equivalent provision.

SECTION __. Section 56.311, Education Code, is transferred to Subchapter A, Chapter 56, Education Code, redesignated as Section 56.005, and amended to read as follows:

Sec. 56.005 [~~56.311~~]. LEGISLATIVE OVERSIGHT COMMITTEE ON STATE FINANCIAL AID PROGRAMS FOR HIGHER EDUCATION.

(a) The Legislative Oversight Committee on state financial aid programs for higher education [~~the TEXAS grant program and Teach for Texas grant program~~] is composed of six members as follows:

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

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

(b) The committee shall:

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

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

(c) The committee may request reports and other information from the coordinating board relating to the operation by the coordinating board of state financial aid

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programs for higher education [~~the TEXAS grant program and Teach for Texas grant program by the coordinating board~~].

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

(e) The committee shall monitor the operation of state financial aid programs for higher education [~~the TEXAS grant program and Teach for Texas grant program~~], with emphasis on the manner of the award of financial aid [~~grants~~], the total amount of financial aid [~~number of grants~~] awarded, the amount of financial aid awarded under each state financial aid program, and the educational progress made by persons who have received financial aid [~~grants~~] under those programs.

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

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

No equivalent provision.

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

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

No equivalent provision.

SECTION __. Subchapter C, Chapter 61, Education Code, is amended by adding Sections 61.0661, 61.0662, and 61.0663 to read as follows:

Sec. 61.0661. FEASIBILITY STUDY REGARDING ISSUANCE OF DEBIT CARDS TO STUDENTS AWARDED FINANCIAL AID. (a) The board, in consultation with student financial aid officers of institutions of higher education and private or independent institutions of higher education, shall conduct a study to evaluate:

(1) the feasibility of issuing to a student who is awarded state or institutional financial aid to pay higher education

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expenses a debit card for debiting the account to which the student's financial aid money is assigned;

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

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

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

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

(c) This section expires January 1, 2009.

Sec. 61.0662. IMPACT STUDY: OVERALL GRADE POINT AVERAGE REQUIREMENT FOR FINANCIAL AID; COMPUTATION OF GRADE POINT AVERAGE. (a) The board, in consultation with appropriate representatives of institutions of higher education and private or independent institutions of higher education, shall conduct a study to evaluate the impact of:

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

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

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

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

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

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

(d) This section expires January 1, 2009.

Sec. 61.0663. FEASIBILITY STUDY REGARDING TEXAS GRANT AWARD AMOUNTS. (a) The board,

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in consultation with appropriate representatives of institutions of higher education, shall conduct a study to evaluate the feasibility of awarding to a student who is eligible for a TEXAS grant under Subchapter M, Chapter 56, until the student has completed 90 semester credit hours of higher education coursework, less than the full amount of a TEXAS grant, as that amount is determined under Section 56.307. The board and the other study participants shall consider awarding to an eligible student amounts equal to the following percentages of the full amount of a TEXAS grant:

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

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

and

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

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

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

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

(c) Not later than September 30, 2008, the board shall complete the study required by Subsection (a) and shall submit to the governor, the lieutenant governor, the speaker of the house of representatives, and the presiding

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officer of each legislative standing committee and subcommittee with primary jurisdiction over higher education a report that includes any recommendations that result from the study.

No equivalent provision.

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

(b) To be eligible for a tuition equalization grant in the first academic year in which the person receives the grant, a person must:

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

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

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

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

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

(6) make satisfactory academic progress toward a degree or certificate by meeting the requirements established for

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that purpose by the approved college or university in which the person is enrolled; and

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

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

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

(2) makes satisfactory academic progress toward a degree or certificate by completing [completed] at least:

(A) 24 semester credit hours in the person's most recent academic year, if the person is enrolled in an undergraduate degree or certificate program; or

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

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

No equivalent provision.

SECTION __. Subsection (g), Section 56.304, Education Code, is repealed.

No equivalent provision.

SECTION __. (a) Except as provided by Subsection (b)

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of this section, the changes in law made by this Act to Subchapter M, Chapter 56, Education Code, and to Section 61.2251, Education Code, as added by Chapter 1230, Acts of the 79th Legislature, Regular Session, 2005, apply beginning with the 2008 fall semester.

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

No equivalent provision.

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

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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

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

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

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

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

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

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

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

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

(7)"Revenue sharing" means any arrangement under

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which an educational loan lender pays a postsecondary educational institution or affiliated entity a percentage of the principal of educational loans directed toward the lender from a borrower for postsecondary educational expenses related to attending the institution, other than an arrangement permitted under Title IV, Higher Education Act of 1965 (Pub. L. No. 89-329).

Sec. 57A.02. GENERAL PROVISIONS RELATING TO GIFTS. (a) For purposes of this chapter, a gift to the family member of an employee of a postsecondary educational institution who is related to the employee within the second degree by consanguinity or affinity, as determined under Subchapter B, Chapter 573, Government Code, is considered to be a gift to the employee if the employee knowingly acquiesces in the giving of the gift and the employee has reason to believe the gift is being given because of the employee's official position as an employee.

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

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

(2) food, refreshments, training, or informal material furnished to the employee as an integral part of a training session or through the employee's participation in an advisory council that is designed to improve the educational loan lender's services to the institution, if that training or participation contributes to the

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professional development of the employee; or
(3) favorable terms, conditions, or borrower benefits on an educational loan provided to the employee as a student of a postsecondary educational institution.
Sec. 57A.03. EXCEPTION FROM APPLICABILITY OF CHAPTER. (a) In this chapter, the term "educational loan lender" does not include:
(1) the Texas Guaranteed Student Loan Corporation; or
(2) the coordinating board.
(b) This chapter does not apply to the relationship between the Texas Guaranteed Student Loan Corporation or the coordinating board and:
(1) a postsecondary educational institution; or
(2) an employee of a postsecondary educational institution.
Sec. 57A.04. CONFLICT WITH FEDERAL LAW. This chapter does not prohibit or affect any action authorized under Title IV, Higher Education Act of 1965 (Pub. L. No. 89-329), or other federal law. If a provision of this chapter and a provision of federal law, including a regulation, or an interpretation of federal law by an agency authorized to interpret or administer that federal law, are inconsistent or in conflict, federal law or interpretation controls and the inconsistent or conflicting provision of this chapter does not apply.
[Sections 57A.05-57A.20 reserved for expansion]
SUBCHAPTER B. STANDARDS OF CONDUCT APPLICABLE TO EDUCATIONAL LOAN LENDERS, POSTSECONDARY EDUCATIONAL INSTITUTIONS, AFFILIATED ENTITIES, AND

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CERTAIN EMPLOYEES

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

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

Sec. 57A.22. PROHIBITION AGAINST CERTAIN ACTIVITIES BY EDUCATIONAL LOAN LENDERS.

An educational loan lender may not:

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

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

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

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

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

Sec. 57A.23. PROHIBITION AGAINST SOLICITATION OR ACCEPTANCE OF CERTAIN GIFTS. (a) A postsecondary educational institution, an affiliated entity, or an employee of a postsecondary educational institution or affiliated entity who is employed in a capacity in which the employee oversees financial aid matters at the institution or entity or advises students or potential students of the institution on financial aid matters may not solicit or accept any gift from an educational loan lender in exchange for the institution, entity, or employee recommending the lender to students or potential students of the institution who are seeking an educational loan or other financial aid.

(b)This section does not prohibit a postsecondary educational institution, an affiliated entity, or an

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employee of a postsecondary educational institution or affiliated entity from soliciting or accepting a scholarship or other charitable donation from an educational loan lender that is not made in exchange for the institution, entity, or employee:

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

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

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

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

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

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

(3) the number of borrowers obtaining each rate of

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interest described by Subdivision (2); and
(4)the methods by which the lender processes
educational loan applications.

(b)A postsecondary educational institution shall maintain
any information obtained by the institution under
Subsection (a) on the institution's Internet website in a
one-page format that:

(1)is easily accessible to members of the public through a
link that appears in a prominent place on the institution's
Internet website; and

(2)allows members of the public to compare the
information obtained from each educational loan lender
by category.

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

Sec. 57A.26. DISCLOSURE OF OWNERSHIP
INTEREST IN EDUCATIONAL LOAN LENDER BY
CERTAIN INSTITUTION EMPLOYEES. (a) In this
section, "dependent child" means a child, including an
adopted child or stepchild, who is an individual's
dependent child for purposes of Section 572.006,
Government Code.

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

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

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

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

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

(f)This section does not require the disclosure of any ownership of shares in a publicly traded mutual fund or similar investment vehicle in which the person does not exercise any discretion regarding the investment of the

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assets of the fund or other investment vehicle.
(g)An employee who knowingly fails to file a disclosure statement as required by this section is subject to disciplinary action, including termination.
[Sections 57A.27-57A.40 reserved for expansion]
SUBCHAPTER C. REQUIREMENTS RELATING TO LENDER LISTS
Sec. 57A.41. REQUIREMENTS RELATING TO LENDER LISTS. (a) A postsecondary educational institution may make available a list of one or more recommended or suggested educational loan lenders for use in any form by borrowers or prospective borrowers who attend or have indicated an intent to attend the institution or members of the public, but the institution may not use the term "preferred" in the name of the list or in reference to the list. If a postsecondary educational institution makes available to borrowers or prospective borrowers a lender list described by this subsection, the institution must ensure that the list:
(1)discloses the process by which the institution has selected educational loan lenders for inclusion on the list, including the methods and criteria used to choose the lenders and the relative importance of the criteria;
(2)states, in the same font size and same manner as the predominant text on the document, that a borrower has the right and ability to select the educational loan lender of the borrower's choice, is not required to use any of the lenders on the list, and will not be penalized for selecting a lender that is not on the list, although the time required to obtain a loan may vary depending on the lender

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selected; and

(3)is periodically reviewed and updated.

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

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

SUBCHAPTER D. ENFORCEMENT; PENALTIES

Sec. 57A.61. CIVIL PENALTY. (a) An educational loan lender, postsecondary educational institution, or affiliated entity that violates a provision of this chapter is liable for a civil penalty not to exceed \$25,000 for each violation.

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

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

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

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

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

(3)a state jail felony if the value of the gift is \$1,500 or

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more but less than \$20,000;
(4)a felony of the third degree if the value of the gift is \$20,000 or more but less than \$100,000;
(5)a felony of the second degree if the value of the gift is \$100,000 or more but less than \$200,000; or
(6)a felony of the first degree if the value of the gift is \$200,000 or more.
(c)A person who intentionally or knowingly violates Section 57A.24 commits a criminal offense. An offense under this subsection is a Class B misdemeanor.
(d)If conduct that constitutes an offense under this section also constitutes an offense under other law, the actor may be prosecuted under this section or the other law.

No equivalent provision.

SECTION __. Chapter 61, Education Code, is amended by adding Subchapter FF to read as follows:
SUBCHAPTER FF. TEXAS TEACH CORPS SCHOLARSHIP PROGRAM
Sec. 61.9831. SCHOLARSHIP PROGRAM; AMOUNT OF SCHOLARSHIP. (a) In accordance with this subchapter and board rules, the board shall establish and administer the Texas Teach Corps Scholarship Program to award scholarships to undergraduate students who:
(1)are enrolled in educator preparation programs provided by public or private institutions of higher education in this state; and
(2)agree to teach for a specified period in the public

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schools in this state that are determined by the Texas Education Agency to have shortages of teachers in academic subjects.

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

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

(2)\$5,000.

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

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

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

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

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

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

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

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

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

(b-1) This subsection expires September 1, 2011. Notwithstanding Subsection (b), not more than the following number of scholarships may be awarded under this subchapter for the specified academic year:

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

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

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

(c) If in any year the amount of money available for scholarships under this subchapter is insufficient to award a scholarship to each eligible applicant or if there

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are more eligible applicants than the number of scholarships authorized by this section, the board shall establish criteria to determine which eligible applicants will be granted scholarships as the board determines appropriate to further the purposes of this subchapter, including criteria that:

- (1)are related to the financial need of an applicant; and
- (2)serve to ensure geographic and ethnic diversity among scholarship recipients.

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

- (1)specify the conditions the person must satisfy to receive the scholarship award;
- (2)require the person to earn a baccalaureate degree through completion of an educator preparation program accredited by the State Board for Educator Certification that is provided by a public or private institution of higher education in this state;
- (3)require the person to obtain, within the period prescribed by board rule, appropriate certification under Subchapter B, Chapter 21, to teach in a public school in this state;
- (4)require the person to accept, for the first school year that begins after the date the person obtains the appropriate certification, an offer of full-time employment to teach in a public school in this state selected by the person from among schools anticipated by the Texas Education Agency to have shortages of

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teachers in academic subjects for that first school year for which the person is accepting employment;
(5)require the person to complete eight years of full-time employment teaching as follows:
(A) beginning with the school year described by Subdivision (4), four consecutive school years of employment teaching in one or more public schools in this state selected by the person from among schools anticipated by the Texas Education Agency to have shortages of teachers in academic subjects for the person's applicable year of employment by the school;
and
(B) beginning with the school year immediately following the last of the four consecutive school years described by Paragraph (A), four additional consecutive school years teaching in any public school in this state;
(6)provide that any scholarship award the person receives under this subchapter constitutes an interest-free loan until the person:
(A)subject to Section 61.9835, satisfies the requirements of Subdivision (5) and any other applicable conditions of the agreement; or
(B)is excused from the repayment obligation in accordance with law; and
(7) require the person to sign a promissory note acknowledging the conditional nature of the scholarship award received and promising to repay any unforgiven amount of that award and reasonable collection costs if the person does not satisfy the applicable conditions and is not excused from the repayment obligation in

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accordance with law.

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

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

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

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

(1)is pursuing a full-time course of study related to the field of teaching offered by a public or private institution

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of higher education in this state and approved by the State Board for Educator Certification;
(2)is serving on active duty as a member of the armed forces of the United States, including as a member of a reserve force or National Guard called to active duty;
(3)is temporarily totally disabled for a period not to exceed 36 months as established by the affidavit of a qualified physician;
(4)is unable to secure employment for a period not to exceed 12 months because of care required by a disabled spouse or child;
(5)is seeking and unable to find, for a single period not to exceed 12 months, full-time employment teaching in a public school in this state, or if the person is within the period of the agreement described by Section 61.9833(a)(5)(A), full-time employment teaching in a public school in this state anticipated to have a shortage of teachers in academic subjects for the year for which the person is seeking employment; or
(6)satisfies the provisions of any other teaching exception adopted by the board.
(b)A person is excused from the repayment obligation in a promissory note described by Section 61.9833 if:
(1)the person becomes permanently totally disabled as established by the affidavit of a qualified physician; or
(2)the board waives repayment in the case of extreme hardship to the person.
Sec. 61.9835. FORGIVENESS OF REPAYMENT OBLIGATION. The board shall forgive 25 percent of the total amount of a person's scholarship awards under this

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subchapter for each complete school year the person teaches in accordance with the agreement under Section 61.9833 after the expiration of the period described by Subsection (a)(5)(A) of that section.

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

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

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

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

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

No equivalent provision.

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

No equivalent provision.

SECTION __. Chapter 321, Government Code, is amended by adding Section 321.024 to read as follows:

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Sec. 321.024. MEETING BY
TELECOMMUNICATION DEVICE. (a) As an exception to Chapter 551 and other law, if a meeting is located in Austin and the joint chairs of the committee are physically present at the meeting, then any number of the other members of the committee may attend the meeting by use of telephone conference call, video conference call, or other similar telecommunication device.
(b) This section applies for purposes of constituting a quorum, for purposes of voting, and for any other purpose allowing a member of the committee to otherwise fully participate in any meeting of the committee, and applies only to a meeting held pursuant to Chapter 2104 or 2116 of this code, or Section 51.358, Education Code.
(c) A meeting held by use of telephone conference call, video conference call, or other similar telecommunication device:
(1) is subject to the notice requirements applicable to other meetings of the committee;
(2) must specify in the notice of the meeting the location in Austin of the meeting at which the joint chairs will be physically present;
(3) must be open to the public and shall be audible to the public at the location in Austin specified in the notice of the meeting as the location of the meeting at which the joint chairs will be physically present; and
(4) must provide two-way audio communication between all members of the committee attending the meeting

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during the entire meeting, and if the two-way audio communication link with any member attending the meeting is disrupted at any time, the meeting may not continue until the two-way audio communication link is reestablished.

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

Same as House version.

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

Same as House version.