

By: Lucio III

H.B. No. 1848

A BILL TO BE ENTITLED

1 AN ACT  
2 relating to the establishment of a pilot program under which high  
3 school students may accrue prepaid tuition units at public  
4 institutions of higher education by completing certain community  
5 service activities.

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

7 SECTION 1. Subchapter H, Chapter 54, Education Code, is  
8 amended by adding Section 54.7522 to read as follows:

9 Sec. 54.7522. PREPAID TUITION UNIT COMMUNITY SERVICE PILOT  
10 PROGRAM. (a) In this section:

11 (1) "Participating organization" means a nonprofit,  
12 charitable, or community organization that registers with and is  
13 approved by the board to participate in the prepaid tuition unit  
14 community service program under this section.

15 (2) "Pilot program" means the prepaid tuition unit  
16 community service pilot program established under this section.

17 (3) "Qualifying community service activity" includes  
18 work performed by a student for a participating organization, other  
19 than:

20 (A) fund-raising activities;

21 (B) political activities;

22 (C) any activity for which the student may earn  
23 course credit; or

24 (D) any activity that reduces the work of or

1 displaces a current employee of the organization.

2 (b) The board by rule shall develop and implement the  
3 prepaid tuition unit community service pilot program, under which  
4 students enrolled in grades 7-12 at public schools in participating  
5 school districts in this state may accrue prepaid tuition units  
6 under this subchapter for completing qualifying community service  
7 activities.

8 (c) The board, in cooperation with the commissioner of  
9 education, shall select to participate in the pilot program one  
10 school district from each of the following geographic regions of  
11 this state:

- 12 (1) North Texas;
- 13 (2) South Texas;
- 14 (3) East Texas;
- 15 (4) West Texas; and
- 16 (5) Central Texas.

17 (d) The school districts selected under Subsection (c) to  
18 participate in the pilot program must include at least one urban  
19 district, one rural district, one small district, and one large  
20 district.

21 (e) To participate in the pilot program, a student must  
22 register with the board, in the manner prescribed by the board, not  
23 later than 3-1/2 academic years before the student's expected high  
24 school graduation date.

25 (f) Except as provided by Subsection (h)(2), for each hour a  
26 participating student engages in a qualifying community service  
27 activity, the student earns a credit in the amount prescribed by the

1 board to be applied toward the purchase of tuition units on behalf  
2 of the student under this subchapter. The hourly amount of the  
3 credit prescribed under this subsection may not be less than the  
4 federal minimum hourly wage.

5 (g) The board shall act as purchaser under this subchapter  
6 for each student who participates in the pilot program. In  
7 purchasing prepaid tuition credits for the student, the board shall  
8 purchase the type of unit as directed by the student or, if the  
9 student is a minor, as directed by the student's parents or  
10 guardian. If the student or the student's parents or guardian does  
11 not direct the board regarding the type of unit to be purchased, the  
12 board shall purchase the type of prepaid tuition unit the board  
13 considers appropriate.

14 (h) Each participating student:

15 (1) is responsible for securing the student's  
16 placement with a participating organization; and

17 (2) may accrue prepaid tuition units under this  
18 section for qualifying community service activities performed by  
19 the student for one or more participating organizations, except  
20 that the student:

21 (A) must perform at least 50 hours of qualifying  
22 community service activities before any tuition unit may be  
23 purchased on behalf of the student under this section; and

24 (B) may not accrue tuition units under this  
25 section for qualifying community service activities performed by  
26 the student for one or more participating organizations in excess  
27 of 250 hours per year.

1        (i) Notwithstanding any other provision of this subchapter,  
2 a student:

3            (1) may redeem tuition units purchased by the board on  
4 behalf of the student under this section only to pay costs of  
5 tuition and required fees for enrollment at a general academic  
6 teaching institution or two-year institution of higher education;  
7 and

8            (2) may not redeem tuition units purchased by the  
9 board on behalf of the student under this section:

10            (A) before the third anniversary of the date the  
11 tuition units were purchased; or

12            (B) after the 10th anniversary of the date the  
13 beneficiary was projected to graduate from high school when the  
14 beneficiary initially registered with the board to participate in  
15 the pilot program.

16        (j) Sections 54.759(a) and (b) do not apply to tuition units  
17 purchased under this section. For tuition units purchased on  
18 behalf of a beneficiary under this section, the board shall  
19 designate a new beneficiary only if:

20            (1) the original beneficiary has died;

21            (2) the original beneficiary's parents or guardian has  
22 requested the designation of the new beneficiary; and

23            (3) the new beneficiary:

24            (A) is related to the original beneficiary by  
25 consanguinity or marriage;

26            (B) is currently enrolled in a high school or  
27 institution of higher education in this state;

1           (C) meets the requirements for a beneficiary  
2 under this subchapter on the date the designation is changed; and

3           (D) meets the requirements of Section 529,  
4 Internal Revenue Code of 1986, to prevent the change of beneficiary  
5 from being treated as a distribution under that law.

6           (k) Notwithstanding Section 54.763, money used to purchase  
7 tuition units under this section may not be refunded to the board or  
8 any other person.

9           (l) The board shall adopt forms for the administration of  
10 this section, including registration forms for students and  
11 participating organizations.

12           (m) The board may solicit and accept gifts, grants, and  
13 donations from any public or private source for the purposes of this  
14 section.

15           (n) Each participating school district, as soon as  
16 practicable at the beginning of a student's seventh, eighth, and  
17 ninth grade years, shall provide information to the student and the  
18 student's parents or guardian regarding the pilot program.

19           SECTION 2. The Prepaid Higher Education Tuition Board shall  
20 adopt rules to implement the prepaid tuition unit community service  
21 pilot program as required by Section 54.7522, Education Code, as  
22 added by this Act, beginning with the 2010-2011 school year.

23           SECTION 3. This Act takes effect immediately if it receives  
24 a vote of two-thirds of all the members elected to each house, as  
25 provided by Section 39, Article III, Texas Constitution. If this  
26 Act does not receive the vote necessary for immediate effect, this  
27 Act takes effect September 1, 2009.