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S.B. No. 1797

A BILL TO BE ENTITLED

AN ACT

1  
2 relating to the creation of the Texas Future Scholars Pilot Program  
3 and the Workforce Shortage Education Loan Repayment Program and to  
4 the elimination of certain other student financial assistance  
5 programs.

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

7 SECTION 1. Chapter 56, Education Code, is amended by adding  
8 Subchapter R to read as follows:

9 SUBCHAPTER R. TEXAS FUTURE SCHOLARS PILOT PROGRAM

10 Sec. 56.501. DEFINITIONS. In this subchapter:

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

13 (2) "Eligible institution of higher education" means a  
14 general academic teaching institution or other institution of  
15 higher education that offers undergraduate degree or certificate  
16 programs.

17 (3) "General academic teaching institution" has the  
18 meaning assigned by Section 61.003.

19 (4) "Qualifying middle school" means a public middle  
20 school from which a school district regularly assigns students to  
21 subsequently attend a public high school in this state that is  
22 designated by the coordinating board as having one of the lowest  
23 college attendance rates among public high schools in this state.

24 (5) "Pilot program" means the Texas Future Scholars

1 Pilot Program (TFS) established under this subchapter.

2 Sec. 56.502. PILOT PROGRAM. The coordinating board shall  
3 establish the Texas Future Scholars Pilot Program (TFS) under  
4 which:

5 (1) the coordinating board purchases, on behalf of  
6 each participating student, tuition units under the prepaid tuition  
7 unit undergraduate education program established under Subchapter  
8 H, Chapter 54; and

9 (2) each participating student who is certified by the  
10 coordinating board as having successfully completed the  
11 requirements of the pilot program is entitled to apply the tuition  
12 units purchased on the student's behalf under Subdivision (1) to  
13 the cost of the student's tuition and required fees at an eligible  
14 institution of higher education.

15 Sec. 56.503. SELECTION OF PARTICIPATING STUDENTS; PURCHASE  
16 OF TUITION UNITS. (a) Not later than November 1 of each year, from  
17 among those students who qualify under Section 56.504, the  
18 coordinating board shall select not more than 500 students to  
19 participate in the pilot program.

20 (b) On behalf of each participating student, the  
21 coordinating board promptly shall purchase, under the prepaid  
22 tuition unit undergraduate education program, 400 Type II tuition  
23 units or another number of units sufficient to cover the cost of a  
24 student's undergraduate tuition and required fees for four academic  
25 years at an eligible institution of higher education.

26 Sec. 56.504. INITIAL ELIGIBILITY. To be initially eligible  
27 to participate in the pilot program, a student must:

1           (1) apply to the coordinating board in the form and  
2 manner prescribed by the coordinating board;

3           (2) be enrolled as a seventh grader at a qualifying  
4 middle school;

5           (3) be eligible for the national school lunch program;

6           (4) meet the requirements for a beneficiary designated  
7 under a prepaid tuition contract under Subchapter H, Chapter 54,  
8 prescribed by Section 54.756(c); and

9           (5) submit to the coordinating board the following  
10 written pledge, signed by the student and the student's custodial  
11 parent or guardian:

12           "I will graduate from a public high school in this state with  
13 a grade point average of at least 3.0 on a 4-point scale.

14           "I will successfully complete the recommended Texas high  
15 school curriculum, or a more advanced curriculum.

16           "I will not use illegal drugs or alcohol or commit a crime.

17           "I will take approved diagnostic college readiness  
18 assessments while enrolled in my junior and senior high school  
19 years and, if necessary, work to become college-ready before  
20 enrolling in college.

21           "I will apply for admission to an eligible Texas college or  
22 university.

23           "I will apply for federal financial aid not later than March 1  
24 of my senior high school year and each subsequent year in which I am  
25 enrolled in college."

26           Sec. 56.505. ELIGIBILITY TO REDEEM TUITION UNITS.  
27 Notwithstanding any other provision of this subchapter or

1 Subchapter H, Chapter 54, a student may redeem tuition units  
2 purchased on behalf of the student under this subchapter only if the  
3 coordinating board certifies that the student:

4 (1) has substantially fulfilled the student's pledge  
5 under Section 56.504;

6 (2) enrolled as a full-time student at an eligible  
7 institution of higher education not later than nine months after  
8 the date of the student's high school graduation;

9 (3) is a resident of this state on the date the student  
10 enrolls in the institution;

11 (4) has filed an accurate Free Application for Federal  
12 Student Aid (FAFSA);

13 (5) is determined to have financial need as indicated  
14 by the FAFSA;

15 (6) meets all financial aid and academic progress  
16 requirements of the institution in which the student is enrolled;

17 (7) if determined necessary by the coordinating board,  
18 is continuing to work toward achieving and demonstrating college  
19 readiness; and

20 (8) has not received a TEXAS grant.

21 Sec. 56.506. GRANTS FOR BOOKS AND SUPPLIES FOR CERTAIN  
22 STUDENTS. The coordinating board shall provide a grant in an amount  
23 not to exceed \$1,000 per semester for each student redeeming  
24 tuition units under this subchapter who is enrolled in a degree  
25 program in a field designated by the coordinating board as  
26 experiencing an acute workforce shortage in this state, to be used  
27 by the student toward the costs of books and supplies for that

1 semester.

2 Sec. 56.507. ACCEPTANCE OF FUNDS. The coordinating board  
3 may solicit and accept gifts, grants, and donations from any public  
4 or private source for the purposes of the pilot program.

5 Sec. 56.508. RULES. The coordinating board shall adopt  
6 rules for the administration of this subchapter.

7 SECTION 2. Chapter 61, Education Code, is amended by adding  
8 Subchapter FF to read as follows:

9 SUBCHAPTER FF. WORKFORCE SHORTAGE EDUCATION LOAN

10 REPAYMENT PROGRAM

11 Sec. 61.9771. DEFINITIONS. In this subchapter:

12 (1) "Program" means the Workforce Shortage Education  
13 Loan Repayment Program established under this subchapter.

14 (2) "Workforce shortage field" means an employment  
15 field designated by the commissioner of higher education, in  
16 consultation with the Texas Workforce Commission, as experiencing  
17 an acute workforce shortage in this state or in one or more  
18 particular geographic regions of this state.

19 Sec. 61.9772. REPAYMENT ASSISTANCE AUTHORIZED. The board  
20 may provide, using funds appropriated for that purpose and in  
21 accordance with this subchapter and board rules, assistance in the  
22 repayment of student loans for persons who apply and qualify for the  
23 assistance.

24 Sec. 61.9773. ELIGIBILITY. (a) To be eligible to receive  
25 repayment assistance under this subchapter, a person must:

26 (1) apply to the board;

27 (2) have completed at least one year of full-time

1 employment in a workforce shortage field;

2 (3) be currently employed full-time in this state in a  
3 workforce shortage field; and

4 (4) if the person is employed in a field designated by  
5 the board as experiencing an acute workforce shortage only in a  
6 particular geographic region or regions of this state, be currently  
7 employed in that field in such a designated region.

8 (b) The board shall give priority in granting repayment  
9 assistance to a person who received repayment assistance under this  
10 subchapter for the preceding year. The priority terminates if the  
11 person does not apply for or becomes ineligible for that  
12 assistance.

13 Sec. 61.9774. ELIGIBLE LOANS. (a) The board may provide  
14 repayment assistance for the repayment of any student loan received  
15 by a student through any lender for the costs of attendance at an  
16 institution of higher education or a private or independent  
17 institution of higher education, including loans for undergraduate  
18 or graduate education.

19 (b) The board may not provide repayment assistance for a  
20 student loan that is in default at the time of the person's  
21 application.

22 Sec. 61.9775. REPAYMENT. (a) The board shall deliver any  
23 repayment made under this subchapter in a lump sum payable to the  
24 lender and the recipient, in accordance with any applicable federal  
25 law.

26 (b) A repayment made under this subchapter may be applied to  
27 the principal amount of the loan and to interest that accrues.

1       (c) The minimum amount of repayment assistance that may be  
2 awarded in one year to a person who qualifies for the assistance  
3 under Section 61.9773 is the lesser of:

4           (1) an amount determined by the commissioner of higher  
5 education as appropriate to further the purposes of this subchapter  
6 considering the total amount available to fund loan repayment  
7 assistance in that year; or

8           (2) the amount of principal and accrued interest that  
9 is due on the person's eligible loans in that year.

10       (d) A person may not receive repayment assistance under this  
11 subchapter for each of more than five years.

12       Sec. 61.9776. ADVISORY COMMITTEES. The commissioner of  
13 higher education may appoint advisory committees to assist in  
14 performing duties under this subchapter.

15       Sec. 61.9777. ACCEPTANCE OF FUNDS. The board may solicit  
16 and accept gifts, grants, and donations from any public or private  
17 source for the purposes of the program.

18       Sec. 61.9778. RULES. (a) The board shall adopt rules  
19 necessary for the administration of this subchapter, including a  
20 rule that sets a maximum amount of repayment assistance that may be  
21 received in one year by a person who qualifies for the assistance.

22       (b) The board shall distribute a copy of the rules adopted  
23 under this section and pertinent information in this subchapter to:

- 24           (1) each institution of higher education;  
25           (2) any appropriate state agency; and  
26           (3) any appropriate employer or professional  
27 association.

1 SECTION 3. Section 504.615(b), Transportation Code, is  
2 amended to read as follows:

3 (b) After deduction of the department's administrative  
4 costs, the remainder of the fee for issuance of the license plates  
5 shall be deposited to the credit of the general revenue fund. The  
6 money may be used only for:

7 (1) the Texas Future Scholars Pilot Program under  
8 Subchapter R, Chapter 56, Education Code [~~scholarships to students~~  
9 ~~who demonstrate a need for financial assistance under Texas Higher~~  
10 ~~Education Coordinating Board rule~~]; or

11 (2) the Workforce Shortage Education Loan Repayment  
12 Program under Subchapter FF, Chapter 61, Education Code [~~Texas~~  
13 ~~Public Educational Grants awarded under Subchapter C, Chapter 56,~~  
14 ~~Education Code, if the fee is for the issuance of a license plate~~  
15 ~~for a college described by Subsection (e)(1)].~~

16 SECTION 4. The following laws are repealed:

17 (1) Sections 54.212 and 54.214, Education Code;

18 (2) Subchapter K, Chapter 56, Education Code; and

19 (3) Subchapter L, Chapter 61, Education Code.

20 SECTION 5. Subchapter R, Chapter 56, Education Code, as  
21 added by this Act, applies beginning with the 2010-2011 school  
22 year.

23 SECTION 6. A person receiving a scholarship or other  
24 financial assistance under Subchapter K, Chapter 56, Education  
25 Code, or Subchapter L, Chapter 61, Education Code, before the  
26 effective date of this Act for the 2009-2010 academic year may  
27 continue to receive a scholarship or other financial assistance



1 under that law as applicable to the person immediately before the  
2 effective date, until the person is no longer eligible for the  
3 scholarship or other assistance under Subchapter K, Chapter 56,  
4 Education Code, or Subchapter L, Chapter 61, Education Code, as the  
5 applicable law exists on January 1, 2009, and the former law is  
6 continued in effect for that purpose. The costs of the scholarships  
7 or other financial assistance authorized under this section shall  
8 be covered by appropriations for the Texas Future Scholars Pilot  
9 Program established by Subchapter R, Chapter 56, Education Code, as  
10 added by this Act, and for the Workforce Shortage Education Loan  
11 Repayment Program established by Subchapter FF, Chapter 61,  
12 Education Code, as added by this Act.

13         SECTION 7. The Texas Higher Education Coordinating Board  
14 shall adopt the rules required by Subchapter R, Chapter 56,  
15 Education Code, and Subchapter FF, Chapter 61, Education Code, as  
16 added by this Act, as soon as practicable after this Act takes  
17 effect. For that purpose, the coordinating board may adopt the  
18 initial rules in the manner provided by law for emergency rules.

19         SECTION 8. This Act takes effect September 1, 2009.