

By: Watson

S.B. No. 2025

A BILL TO BE ENTITLED

AN ACT

1
2 relating to the establishment of a prepaid tuition unit reward and
3 incentive program for certain economically disadvantaged students
4 who achieve commended performance levels on standardized
5 assessments.

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

7 SECTION 1. Subchapter B, Chapter 39, Education Code, is
8 amended by adding Section 39.0236 to read as follows:

9 Sec. 39.0236. NOTICE REGARDING ELIGIBILITY FOR PREPAID
10 TUITION UNIT REWARD AND INCENTIVE PROGRAM. (a) Each year, to
11 facilitate the administration of the prepaid tuition unit reward
12 and incentive program under Section 54.779, the agency shall:

13 (1) provide to the Prepaid Higher Education Tuition
14 Board, using codes or other methods as necessary to protect the
15 identity of students, a list of those seventh grade students
16 classified as economically disadvantaged students by the most
17 recent economically disadvantaged status report issued by the
18 agency whose performance on one or more seventh grade assessment
19 instruments administered under Section 39.023(a) is identified by
20 the State Board of Education as commended; and

21 (2) provide to each school district the information
22 necessary for the school district to comply with Subsection (b).

23 (b) A school district, in a manner consistent with the
24 confidentiality requirements prescribed by Section 39.030, shall

1 notify the parents or guardians of each district student included
2 in the list described by Subsection (a) regarding:

3 (1) the student's eligibility for the prepaid tuition
4 unit reward and incentive program under Section 54.779;

5 (2) the educational benefits available to the student
6 under that program; and

7 (3) the procedure for claiming the student's benefits
8 as a beneficiary of a tuition unit account established by the
9 Prepaid Higher Education Tuition Board on behalf of the student
10 under that program.

11 SECTION 2. Subchapter H, Chapter 54, Education Code, is
12 amended by adding Section 54.779 to read as follows:

13 Sec. 54.779. PREPAID TUITION UNIT REWARD AND INCENTIVE
14 PROGRAM. (a) In an effort to incentivize participation in the
15 prepaid tuition unit undergraduate education program by
16 economically disadvantaged families and to reward high-level
17 academic performance by economically disadvantaged students, the
18 board, using funds available for the purposes of this section,
19 shall develop and implement a prepaid tuition unit reward and
20 incentive program under which the board, based on the list provided
21 by the Texas Education Agency under Section 39.0236(a)(1):

22 (1) opens an access-restricted account under this
23 subchapter on behalf of each student included on the list provided
24 under Section 39.0236(a)(1);

25 (2) purchases for the student's account, at the time
26 the account is opened, 10 Type III tuition units or the equivalent
27 as determined by the board under this subchapter; and

1 (3) subject to the limitation prescribed by Subsection
2 (c), periodically purchases additional tuition units for the
3 student's account:

4 (A) to award continued academic achievement or
5 high-level performance on statewide assessment instruments by the
6 student; or

7 (B) to match purchases of tuition units made by
8 other persons on behalf of the student under a prepaid tuition
9 contract under this subchapter.

10 (b) The board, in collaboration with the Texas Education
11 Agency, shall:

12 (1) use codes or other methods as necessary to protect
13 the identity of eligible students in compliance with the Family
14 Educational Rights and Privacy Act of 1974 (20 U.S.C. Section
15 1232g) or other law; and

16 (2) establish procedures by which the board may verify
17 the identity of a beneficiary who applies to the board to redeem
18 tuition units purchased on the beneficiary's behalf under the
19 program or to match purchases of tuition units under Subsection
20 (a)(3).

21 (c) The board may not purchase more than 100 Type III
22 tuition units or the equivalent under this subchapter for any
23 student under the reward and incentive program.

24 (d) Tuition units purchased by the board on behalf of a
25 student under this section may be redeemed only by the board or by a
26 qualified institution of higher education in the manner prescribed
27 by the board.

1 (e) The board, in consultation with the Texas Education
2 Agency, shall adopt rules for the administration of this section,
3 including rules:

4 (1) establishing a procedure by which an eligible
5 student may claim the student's benefits as a beneficiary of a
6 tuition unit account established by the board under this section;

7 (2) providing for the disposition of tuition units in
8 unclaimed accounts; and

9 (3) providing for the ongoing analysis and assessment
10 of:

11 (A) the level of participation in the reward and
12 incentive program among eligible students;

13 (B) the effectiveness of the reward and incentive
14 program in incentivizing:

15 (i) participation in the prepaid tuition
16 unit undergraduate education program by other persons on behalf of
17 eligible students; and

18 (ii) the enrollment of participating
19 students in institutions of higher education; and

20 (C) whether to expand the reward and incentive
21 program to include students enrolled in other grades at public
22 schools in this state.

23 (f) The board, in coordination with the Texas Education
24 Agency, may conduct outreach to the households of beneficiaries of
25 claimed accounts under this section for the purposes of providing
26 general information regarding the reward and incentive program,
27 federal income tax filing assistance, and other related financial

1 education assistance.

2 (g) The board may solicit and accept gifts, grants, and
3 donations from any public or private source for the purposes of this
4 section.

5 (h) If funds available for the purposes of this section in
6 any fiscal year are insufficient to purchase tuition units for all
7 eligible students, the board shall give priority to purchasing
8 tuition units for eligible students who achieved commended
9 performance levels on all of the assessment instruments
10 administered under Section 39.023(a).

11 SECTION 3. The Prepaid Higher Education Tuition Board shall
12 adopt rules to implement Section 54.779, Education Code, as added
13 by this Act, beginning with the 2010-2011 school year.

14 SECTION 4. This Act takes effect immediately if it receives
15 a vote of two-thirds of all the members elected to each house, as
16 provided by Section 39, Article III, Texas Constitution. If this
17 Act does not receive the vote necessary for immediate effect, this
18 Act takes effect September 1, 2009.