

BILL ANALYSIS

Senate Research Center

S.B. 215
By: Birdwell; Nichols
Higher Education
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Enrolled

AUTHOR'S / SPONSOR'S STATEMENT OF INTENT

The purpose of the bill is to enact the recommendations of the Sunset Advisory Commission on the Texas Higher Education Coordinating Board (THECB). THECB plans for statewide higher education needs, aggregates statewide data, coordinates distribution of higher education resources, and serves as a central administrator for certain grant and student financial aid programs.

THECB is subject to the Sunset Act and will be abolished on September 1, 2013, unless continued by the legislature. The Sunset review found that the agency continues to be needed, but THECB could improve its engagement with stakeholders and the statute could be streamlined and simplified to more clearly convey THECB's duties.

Despite THECB's extensive efforts to obtain stakeholder feedback, it receives little direct stakeholder and public input. Together with THECB's isolated approach to decision making, stakeholders lack clear means to provide direct feedback or offer varying perspectives related to major decisions before THECB. THECB's structure also fails to ensure higher education experience to aid in navigating the complexities of, and to independently direct, state higher education policy.

Additions to THECB's statutory duties, including planning functions, regulatory approvals, reporting requirements, and programs, weigh THECB down to the point that its core functions as a higher education coordinating entity have been obscured. In addition, statutory language for two of THECB's key functions, long-range planning and academic program approval, is outdated, unclear, and confusing.

Despite a significant volume of funds allocated, or appropriated based on data, THECB does not sufficiently or consistently monitor institutions' use of funding, or reporting of data, to ensure appropriate use and accuracy.

The B-On-Time Loan Program is particularly ill-suited to two-year institutions, whose students often do not meet the program's eligibility requirements, such as being full-time.

S.B. 215 amends current law relating to the continuation and functions of the Texas Higher Education Coordinating Board, including related changes to the status and functions of the Texas Guaranteed Student Loan Corporation.

RULEMAKING AUTHORITY

Rulemaking authority is expressly granted to the Texas Higher Education Coordinating Board (THECB) in SECTION 2 (Section 51.406, Education Code), SECTION 8 (Section 56.304, Education Code), SECTION 9 (Section 56.3041, Education Code), SECTION 28 (Section 61.026, Education Code), SECTION 30 (Section 61.035, Education Code), SECTION 32 (Section 61.0512, Education Code), SECTION 39 (Section 61.0572, Education Code), SECTION 40 (Section 61.058, Education Code), SECTION 45 (Section 61.0763, Education Code), SECTION 46 (Section 61.07761, Education Code), SECTION 58 (Section 142.007, Education Code), SECTION 64, SECTION 65, SECTION 67, and SECTION 68 of this bill.

Rulemaking authority previously granted to THECB is rescinded in SECTION 50 (Section 62.054, Education Code) of this bill.

Rulemaking authority previously granted to the commissioner of education and the commissioner of higher education is modified in SECTION 61 (Section 42.0421, Human Resources Code) of this bill.

SECTION BY SECTION ANALYSIS

SECTION 1. Transfers Section 61.0511, Education Code, to Subchapter G, Chapter 51, Education Code, and redesignates it as Section 51.359, Education Code, as follows:

Sec. 51.359. **ROLE AND MISSION STATEMENT.** Redesignates existing Section 61.0511 as Section 51.359. Makes no further change to this section.

SECTION 2. Amends Section 51.406, Education Code, by adding Subsection (d), as follows:

(d) Requires the Texas Higher Education Coordinating Board (THECB), at least every five years, to reevaluate its rules and policies to ensure the continuing need for the data requests THECB imposes on university systems or institutions of higher education, or private or independent institutions of higher education. Requires THECB to consult with those entities to identify unnecessary data requests and to eliminate data requests identified as unnecessary from its rules and policies. Provides that, in this subsection "private or independent institution of higher education" has the meaning assigned by Section 61.003 (Definitions).

SECTION 3. Amends Section 52.39, Education Code, as follows:

Sec. 52.39. **DEFAULT; SUIT.** Requires that the person's name and last known address, and other necessary information, when any person who has received or cosigned as a guarantor for a loan authorized by this chapter has failed or refused to make as many as six monthly payments due in accordance with an executed note, then the full amount of the remaining principal and interest becomes due and payable immediately, and the amount due, be reported by THECB to the attorney general. Requires that suit for the remaining sum be instituted by the attorney general, unless the attorney finds reasonable justification for delaying suit and so advises THECB in writing, rather than requires that suit for the remaining sum be instituted by the attorney general, or any county or district attorney acting for him, in the county of the person's residence, the county in which is located the institution at which the person was last enrolled, or in Travis County, unless the attorney general finds reasonable justification for delaying suit and so advises THECB in writing. Provides that venue for a suit arising under this section is exclusively conferred on a court of competent jurisdiction in Travis County.

SECTION 4. Amends Subchapter A, Chapter 56, Education Code, by adding Section 56.009, as follows:

Sec. 56.009. **FINANCIAL ASSISTANCE FOR STUDENTS ENROLLED AT WGU TEXAS OR SIMILAR ONLINE COLLEGES OR UNIVERSITIES.** (a) Defines "general academic teaching institution" and "private or independent institution of higher education" for this section.

(b) Requires THECB to, in consultation with representatives of the coordinating board's financial aid advisory committee, representatives of financial aid offices of WGU Texas and any similar nonprofit, tax-exempt, regionally accredited college or university operating in accordance with a memorandum of understanding with this state pursuant to an executive order issued by the governor and offering competency-based, exclusively online or other distance education, and representatives of financial aid offices of institutions of higher education and private or independent institutions of higher education offering

online or other distance education courses and programs similar to those offered by WGU Texas or any similar nonprofit colleges or universities:

(1) conduct a study regarding, and prepare proposed draft legislation for, the creation of a state-funded student financial assistance program that is available only to students of nonprofit, tax-exempt, regionally accredited colleges or universities domiciled in this state that offer competency-based, exclusively online or other distance education and under which the highest priority is given to awarding grants to those eligible students who demonstrate the greatest financial need; and

(2) not later than October 1, 2014, submit to each standing committee of the legislature with primary jurisdiction over higher education a report of the results of the study conducted under Subdivision (1), together with the proposed draft legislation prepared under that subdivision.

(c) Provides that this section expires January 1, 2016.

SECTION 5. Amends Section 56.301(2) and (3), Education Code, to redefine "eligible institution" and "general academic teaching institution," "institution of higher education," "medical and dental unit," "public junior college," "public state college," and "public technical institute" for this section.

SECTION 6. Amends Section 56.302(b), Education Code, to provide that the purpose of this subchapter is to provide a grant of money to enable eligible students to attend eligible institutions in this state, rather than to attend public institutions of higher education in this state.

SECTION 7. Amends Section 56.303(d-1), (e), and (f), Education Code, as follows:

(d-1) Requires THECB, in allocating among eligible institutions money available for initial TEXAS grants for an academic year, to ensure that each of those institutions' proportional share of the total amount of money for initial grants that is allocated to eligible institutions under this section for that year does not, as a result of the number of students who establish eligibility at the institution for an initial grant under Section 56.3041(2)(A), change from the institution's proportional share of the total amount of money for initial grants that is allocated to those institutions under this section for the preceding academic year, rather than requires THECB, in allocating among general academic teaching institutions money available for initial TEXAS grants for an academic year, to ensure that each of those institutions' percentage share of the total amount of money for initial grants that is allocated to general academic teaching institutions under this subsection for that year does not, as a result of the number of students who establish eligibility at the institution for an initial grant under Section 56.3041(2)(A), change from the institution's percentage share of the total amount of money for initial grants that is allocated to those institutions under this subsection for the preceding academic year.

(e) Changes a reference to a general academic teaching institution to an eligible institution.

(f) Changes references to a general academic teaching institution to an eligible institution.

SECTION 8. Amends Section 56.304(a) and (e-1), Education Code, as follows:

(a) Requires a person who graduated from high school before May 1, 2013, to be eligible initially for a TEXAS grant, to:

(1)-(3) Makes no change to these subdivisions;

(4) be enrolled in a baccalaureate degree program, rather than an undergraduate degree or certificate program, at an eligible institution; and

(5)-(7) Makes no change to these subdivisions.

(e-1) Provides that, if a person is initially awarded a TEXAS grant during or after the 2005 fall semester, unless the person is provided additional time during which the person may receive a TEXAS grant under Subsection (e-2) (relating to requiring THECB to adopt rules to provide a person who is otherwise eligible to receive a TEXAS grant additional time during which the person may receive a TEXAS grant in the event of a hardship or other good cause shown that prevents the person from continuing the person's enrollment during the period the person would otherwise have been eligible to receive a TEXAS grant, including a showing of a severe illness or other debilitating condition or that the person is or was responsible for the care of a sick, injured, or needy person), the person's eligibility for a TEXAS grant ends on the fifth anniversary of the initial award of a TEXAS grant to the person, if the person is enrolled in a degree program of four years, rather than if the person is enrolled in a degree or certificate program of four years or less.

SECTION 9. Amends Section 56.3041, Education Code, as follows:

Sec. 56.3041. New heading: INITIAL ELIGIBILITY OF PERSON GRADUATING FROM HIGH SCHOOL ON OR AFTER MAY 1, 2013. Requires a person graduating from high school on or after May 1, 2013, and enrolling in an eligible institution, to be eligible initially for a TEXAS grant, rather than requires a person graduating from high school on or after May 1, 2013, and enrolling in a general academic teaching institution, notwithstanding Section 56.304(a), to be eligible initially for a TEXAS grant, to:

(1) Makes no change to this subdivision;

(2) meet the academic requirements prescribed by Paragraph (A), (B), (C), or (D) as follows:

(A) be a graduate of a public or accredited private high school in this state who completed the recommended high school program established under Section 28.025 (High School Diploma and Certificate; Academic Achievement Record) or its equivalent and have accomplished any two or more of the following:

(i) Makes no change to this subparagraph;

(ii) satisfaction of the Texas Success Initiative (TSI) college readiness benchmarks prescribed by THECB under Section 51.3062(f) (relating to requiring that each assessment instrument designated by THECB for use be diagnostic in nature and designed to assess a student's readiness to perform freshman-level academic coursework) on any assessment instrument designated by THECB under Section 51.3062(c) (relating to requiring THECB to designate one or more instruments for use by institutions of higher education in assessing students under this section), rather than Section 56.3062(c) or (e) (Repealed), or qualification for an exemption as described by Section 51.3062(p) (relating to providing that a student who has achieved a score set by THECB on the Scholastic Assessment Test (SAT) or the American College Test (ACT) is exempt from the requirements of this section), (q) (relating to providing that a student who has achieved scores set by THECB on the questions developed for end-of-course assessment instruments is exempt from the requirements of this section), or (q-1) (relating to providing that a student who has completed a recommended or advanced high school program and demonstrated the performance standard for college readiness on the Algebra II and English III end-of-course assessment instruments is exempt

from the requirements of this section with respect to those content areas); or

(iii)-(iv) Makes no change to these subparagraphs;

(B) Makes a nonsubstantive change;

(C) be an undergraduate student who has:

(i) previously attended another institution of higher education;

(ii) received an initial Texas Educational Opportunity Grant under Subchapter P (Texas Educational Opportunity Grant Program) for the 2014 fall semester or a subsequent academic term;

(iii) completed at least 24 semester credit hours at any institution or institutions of higher education; and

(iv) earned an overall grade point average of at least 2.5 on a four-point scale or the equivalent on all course work previously attempted; or

(D) Creates this Paragraph from existing text and makes no further change to this Paragraph;

(3) Makes no change to this subdivision;

(4) Changes a reference to the general academic teaching institution to an eligible institution;

(5) except as provided under rules adopted under Section 56.304(h) (relating to requiring THECB to adopt rules to allow a person who is otherwise eligible to TEXAS grant, in the event of a hardship or for other good cause shown, including a showing of a severe illness or other debilitating condition that may affect the person's academic performance or that the person is responsible for the care of a sick, injured, or needy person and that the person's provision of care may affect the person's academic performance, to receive a TEXAS grant while enrolled in a number of semester credit hours that is less than the number of semester credit hours required), be enrolled as:

(A) Makes no change to this Paragraph;

(B) Changes a reference to the general academic teaching institution to the eligible institution;

(C) Makes a nonsubstantive change; or

(D) an undergraduate student described by Subdivision (2)(C) who has never previously received a TEXAS grant; and

(6)-(7) Makes no change to these subdivisions.

SECTION 10. Amends Sections 56.3042(b) and (d), Education Code, as follows:

(b) Authorizes THECB or the eligible institution to require the student to forgo or repay the amount of an initial TEXAS grant awarded to the student as described by Subsection (a) (relating to providing that, if at the time an eligible institution awards TEXAS grants to initial recipients for an academic year an applicant has not completed high school or the applicant's final high school transcript is not yet available to the institution, the student is considered to have satisfied the eligibility requirements if the student's

available high school transcript indicates that at the time the transcript was prepared the student was on schedule to graduate from high school and to meet the eligibility requirements, as applicable to the student, in time to be eligible for a TEXAS grant for the academic year) or (a-1) (relating to providing that, if at the time an eligible institution awards TEXAS grants to initial recipients for an academic year an applicant who is an associate degree candidate has not completed that degree or the applicant's final college transcript is not yet available to the institution, the student is considered to have satisfied the associate degree requirement if the student's available college transcript indicates that at the time the transcript was prepared the student was on schedule to complete the associate degree in time to be eligible for a TEXAS grant for the academic year) if the student fails to meet the eligibility requirements described by Subsection (a) or (a-1), rather than meet the eligibility requirements of Section 56.304(a)(2)(A) (relating to requiring a person, to be eligible initially for a TEXAS grant, to 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), 56.3041(2)(A) (relating to requiring a person graduating from high school on or after May 1, 2013, and enrolling in a general academic teaching institution, to be eligible for a TEXAS grant, to be a graduate of a public or accredited private high school in this state who completed the recommended high school program), 56.304(a)(2)(B) (relating to relating to requiring a person, to be eligible initially for a TEXAS grant, to have received an associate degree from a public or private institution of higher education not earlier than May 1, 2001), or 56.3041(2)(B) (relating to requiring a person graduating from high school on or after May 1, 2013, and enrolling in a general academic teaching institution, to have received an associate degree from a public or private institution of higher education), as applicable to the student, after the issuance of the available high school or college transcript.

(d) Authorizes a person who receives an initial TEXAS grant under Subsection (a) or (a-1) but does not satisfy the applicable eligibility requirement that the person was considered to have satisfied under the applicable subsection and who is not required to forgo or repay the amount of the grant under Subsection (b) to become eligible to receive a subsequent TEXAS grant under Section 56.305 (Continuing Eligibility and Academic Performance Requirements) only by satisfying the associate degree requirement prescribed by Section 56.304(a)(2)(B) or 56.3041(2)(B), as applicable to the person, in addition to the requirements of Section 56.305 at the time the person applies for the subsequent grant.

SECTION 11. Amends Section 56.305(a), Education Code, to change references to an undergraduate degree or certificate to a baccalaureate degree.

SECTION 12. Amends Section 56.306, Education Code, as follows:

Sec. 56.306. GRANT USE. Authorizes a person receiving a TEXAS grant to use the money to pay any usual and customary cost of attendance at an eligible institution, rather than an institution of higher education, incurred by the student. Authorizes the institution to disburse all or part of the proceeds of a TEXAS grant directly to an eligible person only if the tuition and required fees incurred by the person at the institution have been paid.

SECTION 13. Amends Section 56.307(a), (d-1), (i-1), and (j), Education Code, as follows:

(a) Provides that the amount of a TEXAS grant for a semester or term for a person enrolled full-time at an eligible institution is an amount determined by THECB as the average statewide amount of tuition and required fees that a resident student enrolled full-time in a baccalaureate degree program would be charged for that semester or term at general academic teaching institutions, rather than provides that the amount of a TEXAS grant for a semester or term for a person enrolled full-time at an eligible institution other than an institution covered by Subsection (c) (relating to providing that the amount of a TEXAS grant for a semester or term for a student enrolled full-time at a public technical

institute is the amount determined by THECB as the average statewide amount of tuition and required fees that a resident student enrolled full-time in an associate degree or certificate program would be charged for that semester or term at public technical institutes) or (d) (relating to providing that the amount of a TEXAS grant for a semester or term for a student enrolled full-time at a public junior college is the amount determined by THECB as the average statewide amount of tuition and required fees that a student who is a resident of the junior college district and is enrolled full-time in an associate degree or certificate program would be charged for that semester or term at public junior colleges) is the amount determined by THECB as the average statewide amount of tuition and required fees that a resident student enrolled full-time in a baccalaureate degree program would be charged for that semester or term at general academic teaching institutions.

(d-1) Makes a nonsubstantive change.

(i-1) Authorizes a public institution of higher education to elect to award a TEXAS grant to any student in an amount that is less than the applicable amount established under Subsection (a) or (e), rather than under Subsection (a), (c), (d), or (e) (relating to authorizing THECB to adopt rules that allow THECB to increase or decrease, in proportion to the number of semester credit hours in which a student is enrolled, the amount of a TEXAS grant award under this section to a student who is enrolled in a number of semester credit hours in excess of or below the number of semester credit hours described in certain sections).

(j) Requires a public institution of higher education to use other available sources of financial aid, other than a loan, to cover any difference in the amount of a TEXAS grant awarded to the student and the actual amount of tuition and required fees at the institution if the difference results from a deficiency in the amount of the grant as established under Subsection (a) or (e), rather than under Subsection (a), (c), (d), or (e), as applicable, to cover the full amount of tuition and required fees charged to the student by the institution.

SECTION 14. Amends Sections 56.451(2) and (3), Education Code, to redefine "eligible institution" and "general academic teaching institution."

SECTION 15. Amends Section 56.452(b), Education Code, to provide that the purpose of this subchapter is to provide no-interest loans to eligible students to enable those students to earn baccalaureate degrees at public and private or independent institutions of higher education in this state, rather than enable those students to attend all public and private or independent institutions of higher education in this state.

SECTION 16. Amends Section 56.453, Education Code, by adding Subsections (d), (e), and (f), as follows:

(d) Requires THECB, in collaboration with eligible institutions and other appropriate entities, to adopt and implement measures to improve student participation in the Texas B-On-time loan program, including strategies to better inform students and prospective students about the program and improve the rate of student satisfaction of the requirements for obtaining Texas B-On-time loan forgiveness.

(e) Requires THECB, in collaboration with eligible institutions and appropriate nonprofit or college access organizations, to:

(1) educate students regarding the eligibility requirements for forgiveness of Texas B-On-time loans;

(2) ensure that students applying for or receiving a Texas B-On-time loan understand their responsibility to repay any portion of the loan that is not forgiven;

(3) ensure that students who are required to repay Texas B-On-time loans receive and understand information regarding loan default prevention strategies; and

(4) through an in-person or online loan counseling module, provide loan repayment and default prevention counseling to students receiving Texas B-On-time loans.

(f) Requires the following eligible institutions, notwithstanding Subsection (e)(4), to provide the loan repayment and default prevention counseling described by that subdivision to all Texas B-On-time loan recipients enrolled at those institutions:

(1) each institution with a Texas B-On-time loan default rate that exceeds the statewide average default rate for such loans; and

(2) each institution with a Texas B-On-time loan forgiveness rate that is less than 50 percent of the statewide average forgiveness rate for such loans.

SECTION 17. Amends Section 56.455, Education Code, to require a person, to be eligible initially for a Texas B-On-time loan, to meet one of several academic requirements, including to have received an associate degree from an institution of higher education or private or independent institution of higher education, rather than an eligible institution, not earlier than May 1, 2005, and to be enrolled for a full course load for an undergraduate student, as determined by THECB, in a baccalaureate degree program, rather than an undergraduate degree or certificate program, at an eligible institution.

SECTION 18. Amends Section 56.456(a), Education Code, as follows:

(a) Authorizes a person, after initially qualifying for a Texas B-On-time loan, to continue to receive a Texas B-On-time loan for each semester or term in which the person is enrolled at an eligible institution only if the person is enrolled for a full course load for an undergraduate student, as determined by THECB, in a baccalaureate degree program, rather than an undergraduate degree or certificate program, at an eligible institution and to have completed at least 75 percent of the semester credit hours attempted by the person in the most recent academic year and has a cumulative grade point average of at least 2.5 on a four-point scale or the equivalent on all coursework previously attempted at institutions of higher education or private or independent institutions of higher education, if the person is enrolled in any academic year after the person's first academic year. Makes a conforming change.

SECTION 19. Amends Sections 56.459(a), (b), and (f), Education Code, as follows:

(a) Provides that the amount of a Texas B-On-time loan for a semester or term for a student enrolled full-time at an eligible institution other than an institution covered by Subsection (b), rather than covered by Subsection (b), (c) (relating to a Texas B-On-time loan for a semester or term at public technical institute), or (d) (relating to Texas B-On-time loan for a semester or term at public junior colleges), is an amount determined by THECB as the average amount of tuition and required fees that a resident student enrolled full-time in a baccalaureate degree program, rather than as the average statewide amount of tuition and required fees that a resident student enrolled full-time in an undergraduate degree program, would be charged for that semester or term at general academic teaching institutions.

(b) Provides that the amount of a Texas B-On-time loan for a student enrolled full-time at a private or independent institution of higher education is an amount determined by THECB as the average statewide amount of tuition and required fees that a resident student enrolled full-time in a baccalaureate degree program, rather than an undergraduate degree program, would be charged for that semester or term at general academic teaching institutions.

(f) Requires THECB, if in any academic year the amount of money in the Texas B-On-time student loan account, other than money appropriated to the account exclusively for loans at eligible institutions that are private or independent institutions of higher education, is insufficient to provide the loans in the amount determined under Subsection (a) to all eligible persons at eligible institutions that are institutions of higher education, to determine the amount of that available money and to allocate that amount to those eligible institutions in proportion to the amount of tuition set aside by each of those institutions under Section 56.465 (Tuition Set Aside For Program) for the preceding academic year, and requires each of those institutions to determine the amount of each loan awarded at that institution, not to exceed the amount determined under Subsection (a), rather than requires THECB, if in any academic year the amount of money in the Texas B-On-time student loan account is insufficient to provide the loans to all eligible persons in amounts specified by this section, to determine the amount of available money and to allocate that amount to eligible institutions in proportion to the number of full-time equivalent undergraduate students enrolled at each institution. Entitles each eligible institution that is a private or independent institution of higher education, in the manner prescribed by THECB for purposes of this subsection, to receive an allocation only from the general revenue appropriations made for that academic year to eligible private or independent institutions of higher education for the purposes of this subchapter.

SECTION 20. Amends Section 56.460(a), Education Code, as follows:

(a) Requires THECB, in consultation with all eligible institutions, to prepare materials designed to inform prospective students, their parents, and high school counselors about the program and eligibility for a Texas B-On-time loan. Requires THECB to distribute to each eligible institution and to each school district a copy of the materials prepared, rather than the rules adopted, under this subchapter.

SECTION 21. Amends Sections 56.461 and 56.462, Education Code, as follows:

56.461. LOAN PAYMENT DEFERRED. Provides that the repayment of a Texas-B-On-time loan received by a student under this subchapter is deferred as long as the student remains continuously enrolled in a baccalaureate degree program, rather than an undergraduate degree or certificate program, at an eligible institution.

56.462. LOAN FORGIVENESS. Requires a student who receives a Texas B-On-time loan to be forgiven the amount of the student's loan if the student is awarded a baccalaureate degree at an eligible institution with a cumulative grade point average of at least 3.0 on a four-point scale or the equivalent within four calendar years after the date the student initially enrolled in an institution of higher education or private or independent institution of higher education, or five calendar years after the date the student initially enrolled in an institution of higher education or private or independent institution of higher education. Deletes existing text requiring a student who receives a Texas B-On-time loan to be forgiven the amount of the student's loan if the student is awarded an undergraduate certificate or degree at an eligible institution with a cumulative grade point average of at least 3.0 on a four-point scale or the equivalent within four calendar years after the date the student initially enrolled in the institution or another eligible institution if the institution is a four-year institution, and five calendar years after the date the student initially enrolled in the institution or another eligible institution if the institution is a four-year institution, and two years after the date the student initially enrolled in the institution or another eligible institution if the institution is a public junior college or public technical institute. Makes nonsubstantive changes.

SECTION 22. Amends Subchapter A, Chapter 57, Education Code, by adding Section 57.011, as follows:

Sec. 57.011. STATUS OF TEXAS GUARANTEED STUDENT LOAN CORPORATION. (a) Provides that the Texas Guaranteed Student Loan Corporation is converted as provided by this section from a public nonprofit corporation to a nonprofit corporation under Chapter 22 (Nonprofit Corporations), Business Organizations Code.

(b) Requires the corporation, on or immediately after September 1, 2013, to effectuate the conversion under Subsection (a), to file a certificate of formation with the secretary of state (SOS) or, if SOS determines it appropriate, the corporation shall file a certificate of conversion under Chapter 10 (Mergers, Interest Exchanges, Conversions, and Sales of Assets), Business Organizations Code.

(c) Provides that the corporation as converted under this section continues in existence uninterrupted from the date of its creation, August 27, 1979. Requires SOS to recognize the continuous existence of the corporation from that date in the certificate of formation or certificate of conversion, as applicable.

(d) Provides that the corporation continues to serve as the designated guaranty agency for the State of Texas under the Higher Education Act of 1965 (20 U.S.C. Section 1001 et seq.).

(e) Provides that student loan borrower information collected, assembled, or maintained by the corporation is confidential and is not subject to public disclosure.

SECTION 23. Transfers Section 57.01, Education Code, to Section 61.002, Education Code, redesignates it as Section 61.002(c), Education Code, and amends it as follows:

(c) Provides that postsecondary education for qualified Texans who desire to pursue such education is important to the welfare and security of this state and the nation and, consequently, is an important public purpose, rather than providing that the legislature, giving due consideration to the historical and continuing interest of the people of the State of Texas in encouraging deserving and qualified persons to realize their aspirations for education beyond high school, finds and declares that postsecondary education for those who desire such an education and are properly qualified therefor is important to the welfare and security of this state and the nation and, consequently, is an important public purpose. Authorizes THECB, in order to facilitate the removal of those barriers, in consultation with one or more nonprofit entities with experience providing the services on a statewide basis, to provide necessary and desirable services related to financial aid services, rather than related to the loan program, including cooperative awareness efforts with appropriate educational and civic associations designed to disseminate postsecondary education awareness information, including information regarding available grant and loan programs and the prevention of student loan default. Deletes existing text providing that it is, therefore, the purpose of this chapter to establish the Texas Guaranteed Student Loan Corporation to administer a guaranteed student loan program to assist qualified Texas students in receiving a postsecondary education in this state or elsewhere in the nation, and provide necessary and desirable services related to the loan program, including cooperative awareness efforts with appropriate educational and civic associations designed to disseminate postsecondary education awareness information, including information regarding student financial aid and the Federal Family Education Loan Program, and other relevant topics including the prevention of student loan default. Makes nonsubstantive changes.

SECTION 24. Amends Section 58.002(a), Education Code, to redefine "resident physician" and "compensation" and delete the existing definition for "primary teaching hospital."

SECTION 25. Amends Section 61.002, Education Code, by adding Subsection (d), as follows:

(d) Provides that THECB has only the powers expressly provided by law or necessarily implied from an express grant of power. Provides that any function or power not expressly granted to THECB by this code or other law in regard to the administration, organization, control, management, jurisdiction, or governance of an institution of higher education is reserved to and is required to be performed by the governing board of the institution, the applicable system administration, or the institution of higher education.

SECTION 26. Amends Section 61.0211, Education Code, to provide that unless continued in existence as provided by Chapter 325 (Sunset Law), Government Code, THECB is abolished and this chapter expires September 1, 2025, rather than September 1, 2013.

SECTION 27. Amends Section 61.025(d), Education Code, to require THECB to develop and implement policies that provide the public with a reasonable opportunity to appear before THECB and to speak on any issue under the jurisdiction of THECB, including a policy to specifically provide, as an item on THECB's agenda at each meeting, an opportunity for public comment before THECB makes a decision on any agenda item.

SECTION 28. Amends Section 61.026, Education Code, as follows:

Sec. 61.026. COMMITTEES AND ADVISORY COMMITTEES. (a) Creates this subsection from existing text. Authorizes the chair to appoint committees from THECB's membership as the chair or THECB considers necessary. Makes nonsubstantive changes.

(b) Authorizes THECB to appoint advisory committees from outside its membership as THECB considers necessary. Provides that Chapter 2110 (State Agency Advisory Committees), Government Code, applies to an advisory committee appointed by the chair or THECB. Requires THECB to adopt rules, in compliance with Chapter 2110, Government Code, regarding an advisory committee that primarily functions to advise THECB, including rules governing an advisory committee's purpose, tasks, reporting requirements, and abolishment date. Prohibits a THECB member from serving on a THECB advisory committee. Makes a nonsubstantive change.

(c) Authorizes THECB to adopt rules under this section regarding an advisory committee's size and quorum requirements; qualifications for membership, including experience requirements and geographic representation; appointment procedures; terms of service; and compliance with the requirements for open meetings under Chapter 551 (Open Meetings), Government Code.

(d) Requires each advisory committee to report its recommendations directly to THECB.

SECTION 29. Amends Subchapter B, Chapter 61, Education Code, by adding Section 61.0331, as follows:

Sec. 61.0331. NEGOTIATED RULEMAKING REQUIRED. Requires THECB to engage institutions of higher education in a negotiated rulemaking process as described by Chapter 2008 (Negotiated Rulemaking), Government Code, when adopting a policy, procedure, or rule relating to:

(1) an admission policy regarding the common admission application under Section 51.762 (Common Admission Application Forms), a uniform admission policy under Section 51.807 (Rulemaking), graduate and professional admissions under Section 51.843 (Rulemaking), or the transfer of credit under Section 61.827 (Rules);

(2) the allocation or distribution of funds, including financial aid or other trusteed funds under Section 61.07761;

(3) the reevaluation of data requests under Section 51.406 (Expiration of Certain Reporting Requirements Applicable to Institutions of Higher Education and University Systems); or

(4) compliance monitoring under Section 61.035.

SECTION 30. Amends Subchapter B, Chapter 61, Education Code, by adding Section 61.035, as follows:

Sec. 61.035. COMPLIANCE MONITORING. (a) Requires THECB, in consultation with affected stakeholders, to adopt rules to establish an agency-wide, risk-based compliance monitoring function for funds allocated by THECB to institutions of higher education, private or independent institutions of higher education, and other entities, including student financial assistance funds, academic support grants, and any other grants, to ensure that those funds are distributed in accordance with applicable law and THECB rule and data reported by institutions of higher education to THECB and used by THECB for funding or policymaking decisions, including data used for formula funding allocations, to ensure the data is reported accurately.

(b) Provides that for purposes of this section, student financial assistance includes grants, scholarships, loans, and work-study.

(c) Requires THECB, after considering potential risks and THECB's resources, to review a reasonable portion of the total funds allocated by THECB and of data reported to THECB. Requires THECB to use various levels of monitoring, according to risk, ranging from checking reported data for errors and inconsistencies to conducting comprehensive audits, including site visits.

(d) Requires THECB, in developing THECB's risk-based approach to compliance monitoring under this section, to consider the following factors relating to an institution of higher education or private or independent institution of higher education:

(1) the amount of student financial assistance or grant funds allocated to the institution by THECB;

(2) whether the institution is required to obtain and submit an independent audit;

(3) the institution's internal controls;

(4) the length of time since the institution's last desk review or site visit;

(5) past misuse of funds or misreported data by the institution;

(6) in regard to data verification, whether the data reported to THECB by the institution is used for determining funding allocations; and

(7) other factors as considered appropriate by THECB.

(e) Requires THECB to train compliance monitoring staff to ensure that the staff has the ability to monitor both funds compliance and data reporting accuracy. Requires program staff in other THECB divisions who conduct limited monitoring and contract administration to coordinate with the compliance monitoring function to identify risks and avoid duplication.

(f) Requires THECB, if THECB determines through its compliance monitoring function that funds awarded by THECB to an institution of higher education or private or independent institution of higher education have been misused or misallocated by the institution, to present its determination to institution's governing board, or to the institution's chief executive officer if the institution is a private or independent institution of higher education, and provide an opportunity for a response from the institution. Requires THECB, following the opportunity for response, to report its determination and the institution's response, together with any recommendations, to the institution's governing board or chief executive officer, as applicable, the governor, and LBB.

(g) Provides that, if THECB determines through its compliance monitoring function that an institution of higher education has included errors in the institution's data reported for formula funding, THECB:

(1) for a public junior college, is authorized to adjust the appropriations made to the college for a fiscal year as necessary to account for the corrected data; and

(2) for a general academic teaching institution, a medical and dental unit, or a public technical institute, is required to calculate a revised appropriation amount for the applicable fiscal year based on the corrected data and report that revised amount to the governor and LBB for consideration as the basis for budget execution or other appropriate action, and to the comptroller of public accounts of the State of Texas (comptroller).

(h) Authorizes THECB, in conducting the compliance monitoring function under this section, to partner with internal audit offices at institutions of higher education and private or independent institutions of higher education, as institutional resources allow, to examine the institutions' use of funds allocated by, and data reported to, THECB. Requires an internal auditor at an institution, to avoid duplication of effort and assist THECB in identifying risk, to notify THECB of any audits conducted by the auditor involving funds administered by THECB or data reported to THECB. Authorizes THECB by rule to prescribe the timing and format of the notification required by this subsection. Requires THECB by rule to require a private or independent institution of higher education to provide to THECB the institution's external audit involving funds administered by THECB. Requires that the private or independent institution of higher education's external audit comply with THECB's rules for auditing those funds.

(i) Authorizes THECB to seek technical assistance from the state auditor in establishing the compliance monitoring function under this section. Authorizes the state auditor to periodically audit THECB's compliance monitoring function as the state auditor considers appropriate.

(j) Defines "desk review" and "site visit" for this section.

SECTION 31. Amends Section 61.051, Education Code, by amending Subsections (a), (a-1), (a-2), and (a-3), and adding Subsection (a-5), as follows:

(a) Provides that THECB represents the highest authority in the state in matters of public higher education and is charged with the duty to take an active part in promoting quality education throughout the state by providing a statewide perspective to ensure the efficient and effective use of higher education resources and to eliminate unnecessary duplication; developing and evaluating progress toward a long-range master plan for higher education and providing analysis and recommendations to link state spending for higher education with the goals of the long-range master plan; collecting and making accessible data on higher education in the state and aggregating and analyzing that data to support policy recommendations; making recommendations to improve the efficiency and effectiveness of transitions, including between high school and postsecondary education, between institutions of higher education for transfer purposes, and between postsecondary education and the workforce; and administering programs and trusteed funds for financial aid and other grants as necessary to achieve the state's long-range goals and as directed by the legislature. Deletes existing text requiring THECB to be responsible for assuring that there is no discrimination in the distribution of programs and resources throughout the state on the basis of race, national origin, or sex. Makes nonsubstantive changes.

(a-1) Requires THECB to develop a long-range, rather than five-year, master plan for higher education in this state. Requires that the plan establish long-term, measurable

goals and provide strategies for implementing those goals; assess the higher education needs of each region of the state; and provide for regular evaluation and revision of the plan, as THECB considers necessary, to ensure the relevance of goals and strategies; and take into account the resources of private or independent institutions of higher education. Deletes existing text requiring the five-year plan to take into account the resources of private institutions of higher education in this state.

(a-2) Requires THECB to establish methods for obtaining input from stakeholders and the general public when developing or revising the long-range master plan developed under Subsection (a-1), rather than requiring THECB to periodically review and revise the five-year master plan developed under Subsection (a-1). Deletes existing text requiring THECB, as a specific element of its review, to identify and analyze the degree to which the plan reflects the continuing higher education needs of this state, as well as any policy changes necessary to improve overall implementation of the plan and the fiscal impact of those changes. Deletes existing text requiring THECB to establish procedures for monitoring THECB's implementation of the plan, including an analysis of the degree to which its current activities support implementation of the plan and any change in THECB rules or practices necessary to improve implementation of the plan. Deletes existing text requiring THECB to identify additional strategies necessary to achieve the goals of the plan, emphasizing implementation by institutions of higher education and specific recommendations for the different regions of the state. Deletes existing text requiring THECB to notify each institution of higher education of all strategies for implementing the plan.

(a-3) Requires THECB, not later than December 1 of each even-numbered year, to prepare and deliver a report to the governor, the lieutenant governor, the speaker of the house of representatives, and the standing committees of the senate and house of representatives with primary jurisdiction over higher education. Requires THECB, in the report, rather than the biennial report, to assess the state's progress in meeting the goals established, rather than stated, in the long-range master plan developed under Subsection (a-1) and recommend legislative action, including statutory or funding changes, to assist the state in meeting those goals. Requires the report to include updates on implementation strategies provided for in the long-range master plan, rather than the analyses performed in connection with THECB's periodic review, under Subsection (a-2). Deletes existing text requiring THECB to inform the legislature on matters pertaining to higher education, including the state's activities in the Board of Control for Southern Regional Education, and requires THECB to report to the legislature not later than January 1 of each odd-numbered year on the state of higher education in Texas. Makes a nonsubstantive change.

(a-5) Requires THECB, in conjunction with development of the long-range master plan under Subsection (a-1), to evaluate the role and mission of each general academic teaching institution, other than a public state college, to ensure that the roles and missions of the institutions collectively contribute to the state's goals identified in the master plan.

SECTION 32. Amends Section 61.0512, Education Code, as follows:

Sec. 61.0512. New heading: BOARD APPROVAL OF ACADEMIC PROGRAMS. (a) Authorizes a new degree or certificate program to be added at an institution of higher education only with specific prior approval of THECB. Provides that a new degree or certificate program is considered approved if THECB has not completed a review under this section and acted to approve or disapprove the proposed program before the first anniversary of the date on which an institution of higher education submits a completed application for approval to the board. Prohibits THECB from summarily disapproving a program without completing the review required by this section. Requires THECB to specify by rule the elements that constitute a completed application and to make an administrative determination of the completeness of the application not later than the fifth business day after receiving the application. Provides that a request for additional information in support of an application that has been determined administratively

complete does not toll the period within which the application is considered approved under this section.

(b) Creates this subsection from existing text. Requires the institution, at the time an institution of higher education begins preliminary planning for a new degree program, to notify THECB before the institution is authorized to carry out that planning. Deletes existing text requiring a college or university, at the time a public senior college or university begins preliminary planning for a new degree program or a new organizational unit to administer a new degree program, to notify THECB. Deletes existing text prohibiting THECB, in the implementation of this subsection, from requiring additional reports from the institutions.

(c) Requires THECB to review each degree or certificate program offered by an institution of higher education at the time the institution requests to implement a new program to ensure that the program is needed by the state and the local community and does not unnecessarily duplicate programs offered by other institutions of higher education or private or independent institutions of higher education; has adequate financing from legislative appropriation, funds allocated by THECB, or funds from other sources; has necessary faculty and other resources to ensure student success; and meets academic standards specified by law or prescribed by THECB rule, including rules adopted by THECB for purposes of this section, or workforce standards established by the Texas Workforce Investment Council.

(d) Authorizes THECB to review the number of degrees or certificates awarded through a degree or certificate program every four years or more frequently, at THECB's discretion.

(e) Requires THECB to review each degree or certificate program offered by an institution of higher education at least every 10 years after a new program is established using the criteria prescribed by Subsection (c).

(f) Prohibits THECB from ordering the consolidation or elimination of any degree or certificate program offered by an institution of higher education but authorizes THECB, based on THECB's review under Subsections (d) and (e), to recommend such action to an institution's governing board. Requires the university system or, where a system does not exist, the institution, if an institution's governing board does not accept recommendations to consolidate or eliminate a degree or certificate program, to identify the programs recommended for consolidation or elimination on the next legislative appropriations request submitted by the system or institution.

(g) Authorizes an institution of higher education to offer off-campus courses for credit within the state or distance learning courses only with specific prior approval of THECB. Requires an institution to certify to THECB that a course offered for credit outside the state meets THECB's academic criteria. Requires an institution to include the certification in submitting any other reports required by THECB.

(h) Provides that, in approving a degree or certificate under this section, THECB:

(1) for a doctoral program, is prohibited from considering undergraduate graduation or persistence rates; and

(2) for a baccalaureate degree program proposed to be offered by a public junior college previously authorized by THECB to offer baccalaureate degree programs under Section 130.0012:

(A) is required to approve the degree program within 60 days after the date THECB receives notice of the degree program if the

degree program is approved by the governing board of the junior college district and is not an engineering program; and

(B) is considered to have approved the degree program after the date described by Paragraph (A) if the conditions of that paragraph are satisfied.

SECTION 33. Amends Subchapter C, Chapter 61, Education Code, by adding Section 61.05151, as follows:

Sec. 61.05151. SEMESTER CREDIT HOURS REQUIRED FOR ASSOCIATE DEGREE. (a) Prohibits a student, to earn an associate degree, from being required by an institution of higher education to complete more than the minimum number of semester credit hours required for the degree by the Southern Association of Colleges and Schools or its successor unless the institution determines that there is a compelling academic reason for requiring the completion of additional semester credit hours for the degree.

(b) Authorizes THECB to review one or more of an institution's associate degree programs to ensure compliance with this section.

(c) Provides that Subsection (a) does not apply to an associate degree awarded by an institution to a student enrolled in the institution before the 2015 fall semester. Provides that this subsection does not prohibit the institution from reducing the number of semester credit hours the student is required to complete to receive the degree.

SECTION 34. Amends Section 61.052, Education Code, by amending Subsections (a) and (b) and adding Subsection (b-1), as follows:

(a) Requires each governing board shall submit to THECB once each year on dates designated by THECB a comprehensive list by department, division, and school of all courses, together with a description of content, scope, and prerequisites of all these courses, that will be offered by each institution under the supervision of that governing board during the following academic year. Requires that the list for each institution also specifically identify any course included in the common course numbering system under Section 61.832 (Common Course Numbering System) that has been added to or removed from the institution's list for the current academic year, and requires THECB to distribute that information as necessary to accomplish the purposes of Section 61.832.

(b) Requires the governing board, after the comprehensive list of courses is submitted by a governing board under Subsection (a), to submit on dates designated by THECB any changes in the comprehensive list of courses to be offered, including any changes relating to offering a course included in the common course numbering system. Makes a nonsubstantive change.

(b-1) Requires each governing board to certify at the time of submission under Subsection (a) that the institution does not prohibit the acceptance of transfer credit based solely on the accreditation of the sending institution or include language in any materials published by the institution, whether in printed or electronic form, suggesting that such a prohibition exists.

SECTION 35. Amends the heading to Section 61.055, Education Code, to read as follows:

Sec. 61.055. PARTNERSHIPS OR AFFILIATIONS.

SECTION 36. Amends Section 61.055(a), Education Code, as follows:

(a) Requires THECB to encourage cooperative programs and agreements among institutions of higher education, including programs and agreements relating to degree offerings, research activities, and library and computer sharing. Deletes existing text

prohibiting a new department, school, or degree or certificate program approved by THECB or its predecessor, the Texas Commission on Higher Education, except as otherwise provided by law, from being initiated by any institution of higher education until THECB has made a written finding that the department, school, or degree or certificate program is adequately financed by legislative appropriation, by funds allocated by THECB, or by funds from other sources.

SECTION 37. Transfers Section 61.051(1), Education Code, to Subchapter C, Chapter 61, Education Code, redesignates it as Section 61.0571, Education Code, and amends it as follows:

Sec. 61.0571. BOARD ASSISTANCE TO INSTITUTIONS. Redesignates existing Section 61.051(1) as Section 61.0571. (a) Creates this subsection from existing text. Requires THECB to advise and offer technical assistance on the request of any institution of higher education or system administration.

SECTION 38. Transfers Section 61.051(n), Education Code, to Section 61.0571, Education Code, as added by this Act, and redesignates it as Section 61.0571(b), Education Code, as follows:

(b) Redesignates existing Section 61.051(n) as Section 61.0571(b). Makes no further change to this subsection.

SECTION 39. Amends Sections 61.0572(b), (d), and (e), Education Code, as follows:

(b) Requires THECB to:

(1)-(4) Makes no change to these subdivisions;

(5) by rule adopt standards to guide THECB's review of new construction and the repair and rehabilitation of all buildings and facilities regardless of proposed use, rather than endorse, or delay until the next succeeding session of the legislature has the opportunity to approve or disapprove, the proposed purchase of any real property by an institution of higher education, except a public junior college; and

(6) ascertain that THECB's standards and specifications for new construction, repair, and rehabilitation of all buildings and facilities are in accordance with Chapter 469 (Elimination of Architectural Barriers), Government Code, rather than develop and publish standards, rules, and regulations to guide the institutions and agencies of higher education in making application for the approval of new construction and major repair and rehabilitation of all buildings and facilities regardless of proposed use.

Deletes existing Subdivision (7) requiring THECB to ascertain that the standards and specifications for new construction, repair, and rehabilitation of all buildings and facilities are in accordance with Article 9102, Revised Statutes.

(d) Authorizes THECB to review purchases of improved real property added to an institution's educational and general buildings and facilities inventory to determine whether the property meets the standards adopted by THECB for cost, efficiency, space need, and space use, but provides that the purchase of the improved real property is not contingent on THECB review. Requires that standards be adopted by THECB using the negotiated rulemaking procedures under Chapter 2008, Government Code. Requires THECB, if the property does not meet those standards, to notify the governor, the lieutenant governor, the speaker of the house of representatives, the governing board of the applicable institution, and the Legislative Budget Board (LBB). Provides that this subsection does not impair THECB's authority to collect data relating to the improved real property that is added each year to the educational and general buildings and facilities inventory of institutions of higher education. Deletes existing text authorizing THECB, for purposes of state funding, to review and approve as an addition to an institution's educational and general buildings and facilities inventory any improved real

property acquired by gifts or lease-purchase only if the institution requests to place the improved real property on its educational and general buildings and facilities inventory and the value of the improved real property is more than \$300,000 at the time the institution requests the property to be added to the educational and general buildings and facilities inventory. Deletes existing text providing that this subsection does not apply to gifts, grants, or lease-purchase arrangements intended for clinical or research facilities.

Deletes existing Subsection (e) providing that approval of THECB is not required to acquire real property that is financed by bonds issued under Section 55.17(e)(3) (relating to authorizing the board of regents of Texas Tech University and the Texas Tech University Health Sciences Center to issue bonds in accordance with this subchapter and in accordance with a systemwide revenue financing program adopted by the board in an additional aggregate principal amount not to exceed \$25 million to finance the items) or (4) (relating to authorizing the board of regents of Texas Tech University and the Texas Tech University Health Sciences Center to issue bonds in accordance with this subchapter and in accordance with a systemwide revenue financing program adopted by the board to finance the items in an additional aggregate principal amount for Texas Tech University not to exceed \$30 million, and in an additional aggregate principal amount for the Texas Tech University Health Sciences Center not to exceed \$32.5 million), 55.1713 (The Texas A&M University System), 55.1714 (The University of Texas System), 55.1715 (The University of Houston System), 55.1716 (Texas State University System), 55.1717 (University of North Texas and Texas College of Osteopathic Medicine), 55.1718 (Texas Woman's University), 55.1721 (The Texas A&M University System), 55.1722 (The University of Texas System), 55.1723 (The University of Houston System), 55.1724 (Texas State University System), 55.1725 (University of North Texas and University of North Texas Health Science Center at Fort Worth), 55.1726 (Texas Woman's University), 55.1727 (Midwestern State University), 55.1728 (Stephen F. Austin State University), 55.1735(a)(1) (relating to authorizing the board of regents of the University of North Texas System to issue certain monies to the University of North Texas for the construction of certain buildings), 55.174 (Texas Southern University), 55.1742 (The University of Texas System; Additional Revenue Bonds), 55.1743 (The University of Houston System), 55.1744 (Southwest Texas State University; Additional Bonds), 55.1751 (The Texas A&M University System; Additional Bonds), 55.1752 (The University of Texas System; Additional Bonds), 55.17521 (The University of Texas at Dallas: Limitations on Certain Debt Service Reimbursement), 55.1753 (University of Houston System; Additional Bonds), 55.1754 (Texas State University System; Additional Bonds), 55.1755 (University of North Texas System; Additional Bonds), 55.1756 (Texas Woman's University), 55.1757 (Midwestern State University; Additional Bonds), 55.1758 (Stephen F. Austin State University), 55.1759 (Texas Tech University System; Additional Bonds), 55.17591 (Texas Southern University; Additional Bonds), 55.17592 (Texas State Technical College System), 55.1768 (Stephen F. Austin State University; Additional Bonds), 55.1771 (Texas A&M University at Galveston), or 55.17721 (The University of Texas Medical Branch at Galveston), except that THECB is required to review all real property to be financed by bonds issued under these sections to determine whether the property meets the standards adopted by THECB for cost, efficiency, and space use.

SECTION 40. Amends Sections 61.058(a) and (b), Education Code, as follows:

(a) Provides that this section does not apply to buildings and facilities that are to be used exclusively for auxiliary enterprises and will not require appropriations from the legislature for operation, maintenance, or repair. Deletes existing text requiring THECB, except as provided by Subsection (b) of this section, to approve or disapprove all new construction and repair and rehabilitation of all buildings and facilities at institutions of higher education financed from any source provided that THECB's consideration and determination is required to be limited to the purpose for which the new or remodeled buildings are to be used to assure conformity with approved space utilization standards and the institution's approved programs and role and mission if the cost of the project is not more than \$4,000,000, but THECB is authorized to consider cost factors and the financial implications of the project to the state if the total cost is in excess of \$4,000,000;

the requirement of approval for new construction applies only to projects the total cost of which is in excess of \$4,000,000; the requirement of approval for major repair and rehabilitation of buildings and facilities applies only to a project the total cost of which is more than \$4,000,000; the requirement of approval or disapproval by THECB does not apply to any new construction or major repair and rehabilitation project that is specifically approved by the legislature; the requirement of approval by THECB does not apply to a junior college's construction, repair, or rehabilitation financed entirely with funds from a source other than the state, including funds from ad valorem tax receipts of the college, gifts, grants, and donations to the college, and student fees; and the requirement of approval by THECB does not apply to construction, repair, or rehabilitation of privately owned buildings and facilities located on land leased from an institution of higher education if the construction, repair, or rehabilitation is financed entirely from funds not under the control of the institution, and provided further that the buildings and facilities are to be used exclusively for auxiliary enterprises and the buildings will not require appropriations from the legislature for operation, maintenance, or repair unless approval by THECB has been obtained.

(b) Authorizes THECB to review all construction, repair, or rehabilitation of buildings and facilities at institutions of higher education to determine whether the construction, rehabilitation, or repair meets the standards adopted by THECB rule for cost, efficiency, space need, and space use, but the construction, rehabilitation, or repair is not contingent on board review. Requires that standards be adopted by THECB using the negotiated rulemaking procedures under Chapter 2008, Government Code. Requires THECB, if the construction, rehabilitation, or repair does not meet those standards, to notify the governor, the lieutenant governor, the speaker of the house of representatives, the governing boards of the applicable institutions, and LBB. Provides that this subsection does not impair THECB's authority to collect data relating to the construction, repair, or rehabilitation of buildings and facilities occurring each year at institutions of higher education. Deletes existing text providing that this section does not apply to construction, repair, or rehabilitation financed by bonds issued under Section 55.17(e)(3) or (4), 55.1713-55.1718, 55.1721-55.1728, 55.174, 55.1742, 55.1743, 55.1744, 55.1751-55.17592, 55.1768, 55.1771, or 55.17721, except that THECB is required to review all construction, repair, or rehabilitation to be financed by bonds issued under those sections to determine whether the construction, rehabilitation, or repair meets the standards adopted by THECB rule for cost, efficiency, and space use.

SECTION 41. Amends Subchapter C, Chapter 61, Education Code, by adding Section 61.05821, as follows:

Sec. 61.05821. **CONDITION OF BUILDINGS AND FACILITIES; ANNUAL REPORT REQUIRED.** Requires each institution of higher education, excluding each public junior college and excluding other agencies of higher education, annually to report to the governing board of the institution information regarding the condition of the buildings and facilities of the institution, including information concerning deferred maintenance with respect to those buildings and facilities as defined by THECB.

SECTION 42. Transfers Section 61.051(a-4), Education Code, to Subchapter C, Chapter 61, Education Code, redesignates it as Section 61.0661, Education Code, and amends it as follows:

Sec. 61.0661. **New heading: OPPORTUNITIES FOR GRADUATE MEDICAL EDUCATION.** Redesignates existing Section 61.051(a-4) as Section 61.0661. (a) Requires THECB to conduct, rather than include in the five-year master plan developed under Subsection (a-1) (relating to requiring THECB to develop a five-year plan for higher education in this state), an assessment of the adequacy of opportunities for graduates of medical schools in this state to enter graduate medical education in this state.

(b) Requires THECB, not later than December 1 of each even-numbered year, to report the results of the assessment to the governor, the lieutenant governor, the speaker of the house of representatives, and the standing committees of the senate and house of representatives with primary jurisdiction over higher education.

SECTION 43. Transfers Section 61.051(h), Education Code, to Subchapter C, Chapter 61, Education Code, redesignates it as Section 61.0662, Education Code, and amends it as follows:

Sec. 61.0662. New heading: INFORMATION ON RESEARCH CONDUCTED BY INSTITUTIONS. Redesignates existing Section 61.051(h) as Section 61.0662. (a) Requires THECB to maintain an inventory of all institutional and programmatic research activities being conducted by the various institutions of higher education, whether state-financed or not. Deletes existing text requiring THECB to make continuing studies of the needs of the state for research and designate the institutions of higher education to perform research as needed, and to also maintain an inventory of all institutional and programmatic research activities being conducted by the various institutions, whether state-financed or not.

(b) Creates this subsection from existing text. Makes a nonsubstantive change.

(c) Creates this subsection from existing text. Requires that all reports required by this section, rather than subsection, be made subject to the limitations imposed by security regulations governing defense contracts for research.

SECTION 44. Amends Subchapter C, Chapter 61, Education Code, by adding Section 61.069, as follows:

Sec. 61.069. BOARD ROLE IN ESTABLISHING BEST PRACTICES. (a) Authorizes THECB to administer or oversee a program to identify best practices only in cases where funding or other restrictions prevent entities other than THECB from administering the program.

(b) Authorizes THECB to initiate a new pilot project only if other entities, including nonprofit organizations and institutions of higher education, are not engaging in similar projects or if the initiative cannot be performed by another entity.

(c) Authorizes THECB to use its position as a statewide coordinator to assist with matching nonprofit organizations or grant-funding entities with institutions of higher education and private or independent institutions of higher education to implement proven programs and best practices.

(d) Authorizes THECB to compile best practices and strategies resulting from its review of external studies for use in providing technical assistance to institutions of higher education and as the basis for THECB's statewide policy recommendations.

SECTION 45. Amends Subchapter C, Chapter 61, Education Code, by adding Section 61.0763, as follows:

Sec. 61.0763. STUDENT LOAN DEFAULT PREVENTION AND FINANCIAL AID LITERACY PILOT PROGRAM. (a) Defines "career school or college" for this section.

(b) Requires THECB, not later than January 1, 2014, to establish and administer a pilot program at selected postsecondary educational institutions to ensure that students of those institutions are informed consumers with regard to all aspects of student financial aid, including:

(1) the consequences of borrowing to finance a student's postsecondary education;

(2) the financial consequences of a student's academic and career choices; and

(3) strategies for avoiding student loan delinquency and default.

(c) Requires THECB to select at least one institution from each of the following categories of postsecondary educational institutions to participate in the program:

(1) general academic teaching institutions;

(2) public junior colleges;

(3) private or independent institutions of higher education; and

(4) career schools or colleges.

(d) Requires THECB, in selecting postsecondary educational institutions to participate in the pilot program, to give priority to institutions that have a three-year cohort student loan default rate, as reported by the United States Department of Education, of more than 20 percent or that has above average growth as compared to the rates of other postsecondary educational institutions in this state.

(e) Requires THECB, in consultation with postsecondary educational institutions, to adopt rules for the administration of the pilot program, including rules governing the selection of postsecondary educational institutions to participate in the pilot program consistent with the requirements of Subsection (d).

(f) Authorizes THECB to contract with one or more entities to administer the pilot program according to criteria established by THECB rule.

(g) Provides that, not later than January 1 of each year, beginning in 2016:

(1) THECB is required to submit a report to the governor, the lieutenant governor, and the speaker of the house of representatives regarding the outcomes of the pilot program, as reflected in the federal student loan default rates reported for the participating institutions; and

(2) each participating institution is required to submit a report to the governor, the lieutenant governor, and the speaker of the house of representatives regarding the outcomes of the pilot program at the institution, as reflected in the federal student loan default rate reported for the institution.

(h) Provides that this section expires December 31, 2020.

SECTION 46. Amends Subchapter C, Chapter 61, Education Code, by adding Section 61.07761, as follows:

Sec. 61.07761. FINANCIAL AID AND OTHER TRUSTEED FUNDS ALLOCATION.

(a) Requires THECB by rule, for any funds trusted to THECB for allocation to institutions of higher education and private or independent institutions of higher education, including financial aid program funds, to establish and publish the allocation methodologies and develop procedures to verify the accuracy of the application of those allocation methodologies by THECB staff.

(b) Requires THECB to consult with affected stakeholders before adopting rules under this section.

SECTION 47. Amends Section 61.306, Education Code, by adding Subsection (c), as follows:

(c) Prohibits THECB from issuing a certificate of authority for a private postsecondary institution to grant a professional degree or to represent that credits earned in this state are applicable toward a degree if the institution is chartered in a foreign country or has its

principal office or primary educational program in a foreign country. Provides that, in this subsection, "professional degree" includes a Doctor of Medicine (M.D.), Doctor of Osteopathy (D.O.), Doctor of Dental Surgery (D.D.S.), Doctor of Veterinary Medicine (D.V.M.), Juris Doctor (J.D.), and Bachelor of Laws (LL.B.).

SECTION 48. Amends the heading to Section 61.822, Education Code, to read as follows:

Sec. 61.822. TRANSFER OF CREDITS; CORE CURRICULUM.

SECTION 49. Amends Section 61.822, Education Code, by amending Subsection (a) and adding Subsection (a-1), as follows:

(a) Requires THECB to encourage the transferability of lower division course credit among institutions of higher education.

(a-1) Creates this subsection from existing text. Makes no further change to this subsection.

SECTION 50. Amends Subchapter C, Chapter 62, Education Code, as follows:

SUBCHAPTER C. New heading: TEXAS COMPETITIVE KNOWLEDGE FUND

Sec. 62.051. DEFINITIONS. Redefines "eligible institution" and defines "fund" for this subchapter.

Sec. 62.052. PURPOSE. Provides that the purpose of this subchapter is to provide funding to eligible research universities and emerging research universities to support faculty to ensure excellence in instruction and research, rather than provide funding to research universities and emerging research universities for the recruitment and retention of highly qualified faculty and the enhancement of research productivity at those universities.

Sec. 62.053. New heading: FUND. (a) Provides that the Texas competitive knowledge fund consists of money appropriated by the legislature for the purposes of this subchapter to eligible institutions. Deletes existing text requiring THECB, for each state fiscal year, to distribute any funds appropriated by the legislature for the purposes of this subchapter, and any other funds made available for the purposes of this subchapter, to eligible institutions based on the average amount of total research funds expended by each institution annually during the three most recent state fiscal years, according to the following rates: at least \$1 million for every \$10 million of the average annual amount of those research funds expended by the institution, if that average amount for the institution is \$50 million or more; and at least \$500,000 for every \$10 million of the average annual amount of those research funds expended by the institution, if that average amount for the institution is less than \$50 million.

(b) Provides that, for purposes of this section, rather than Subsection (a), the amount of total research funds expended by an eligible institution in a state fiscal year is the amount of those funds as reported to THECB by the institution for that fiscal year, subject to any adjustment by THECB in accordance with the standards and accounting methods THECB prescribes for purposes of this section. Deletes existing text requiring that the available amount, if the funds available for distribution for a state fiscal year under Subsection (a) are not sufficient to provide the amount specified by Subsection (a) for each eligible institution or exceed the amount sufficient for that purpose, be distributed in proportion to the total amount to which each institution is otherwise entitled under Subsection (a).

Sec. 62.0535. INITIAL CONTRIBUTION. Requires that the institution's other general revenue appropriations, for the first state fiscal biennium in which an eligible institution receives an appropriation under this subchapter, be reduced by \$5 million for the biennium or the amount of the institution's appropriation under this subchapter for the

biennium. Requires that the bill making the appropriation expressly identify the purpose for which the appropriations were reduced in accordance with this section.

Deletes existing Section 62.054 requiring THECB to adopt rules for the administration of this subchapter, including any rules THECB considers necessary regarding the submission to THECB by eligible institutions of any student data required for THECB to carry out its duties under this subchapter.

SECTION 51. Amends the heading to Chapter 142, Education Code, to read as follows:

CHAPTER 142. NORMAN HACKERMAN ADVANCED RESEARCH PROGRAM;
ADVANCED TECHNOLOGY PROGRAM

SECTION 52. Amends Section 142.001, Education Code, by amending Subdivisions (1) and (4) to redefine "basic research" and "research program" and adding Subdivisions (1-a) and (6) to define "applied research" and "technology program" and for this section.

SECTION 53. Amends the heading to Section 142.002, Education Code, to read as follows:

Sec. 142.002. NORMAN HACKERMAN ADVANCED RESEARCH PROGRAM;
PURPOSE.

SECTION 54. Transfers Section 143.002, Education Code, to Chapter 142, Education Code, redesignates it as Section 142.0025, Education Code, and amends it as follows:

Sec. 142.0025. New heading: ADVANCED TECHNOLOGY PROGRAM; PURPOSE.
Redesignates existing Section 143.002 as Section 142.0025. (a) Makes a nonsubstantive change.

(b) Provides that providing appropriated funds to faculty members of institutions of higher education and private or independent institutions of higher education, rather than faculty members of public and private institutions of higher education, to conduct applied research is important to the state's welfare and, consequently, is an important public purpose for the expenditure of public funds because the applied research will enhance the state's economic growth by certain means.

SECTION 55. Amends Section 142.003, Education Code, as follows:

Sec. 142.003. ADMINISTRATION; GUIDELINES AND PROCEDURES. (a) Requires THECB to administer the technology program and the research program.

(b) Requires THECB to appoint an advisory committee that consists of experts in the specified research areas of both programs to advise THECB regarding THECB's development of research priorities, guidelines, and procedures for the selection of specific projects at eligible institutions.

(c) Requires that the guidelines and procedures developed for the research program by THECB:

(1) Makes no change to this subdivision; and

(2) require that, as a condition of receiving an award, an eligible institution must use a portion of the award to support, in connection with the project for which the award is made, basic research conducted by certain students, including undergraduate students, if the eligible institution is any other eligible institution, rather than any other institution of higher education.

(d) Requires that the guidelines and procedures developed for the technology program by THECB:

(1) provide for determining whether an institution of higher education or private or independent institution of higher education qualifies as an eligible institution for the purposes of the technology program by demonstrating exceptional capability to attract federal, state, and private funding for scientific and technical research and having an exceptionally strong research staff and the necessary equipment and facilities; and

(2) provide for awards on a competitive, peer review basis for specific projects at eligible institutions.

(e) Requires THECB to encourage projects under the technology program that leverage funds from other sources and projects that propose innovative, collaborative efforts:

(1) across academic disciplines;

(2) among two or more eligible institutions; or

(3) between an eligible institution or institutions and private industry.

SECTION 56. Transfers Section 143.003, Education Code, to Chapter 142, Education Code, redesignates it as Section 142.0035, Education Code, and amends it as follows:

Sec. 142.0035. New heading: TECHNOLOGY PROGRAM: PRIORITY RESEARCH AREAS. Redesignates existing Section 143.003 as Section 142.0035. Authorizes the advisory committee appointed under Section 142.003(b) to add or delete priority research areas as the advisory committee considers warranted, rather than authorizes the advisory panel to add or delete priority research areas as the panel considers warranted.

SECTION 57. Amends Section 142.004, Education Code, by amending Subsections (a) and (c) and adding Subsections (c-1) and (f), as follows:

(a) Provides that the programs created under this chapter are funded by appropriations and by gifts, grants, and donations made for purposes of each program, rather than providing that the program is funded by appropriations and by gifts, grants, and donations made for purposes of the program.

(c) Authorizes the funds allocated, rather than appropriated, for the research program to be expended to support the particular projects for which an award is made and prohibits the funds from being expended for the general support of ongoing research at an eligible institution or for the construction or remodeling of a facility.

(c-1) Authorizes funds allocated for the technology program to be:

(1) expended to support particular research projects for which an award is made, and prohibits the funds from being expended for the general support of ongoing research and instruction at an eligible institution or for the construction or remodeling of a facility; and

(2) used to match a grant provided by private industry for a particular collaborative research project with an eligible institution.

(f) Requires the advisory committee appointed under Section 142.003(b) to determine when and to what extent funds appropriated under this chapter will be allocated to each program under this chapter unless the legislature specifies a division in the General Appropriations Act.

SECTION 58. Amends Sections 142.006 and 142.007, Education Code, as follows:

Sec. 142.006. MERIT REVIEW. (a) Creates this subsection from existing text. Requires THECB to appoint a committee that consists of experts in the specified research areas to evaluate the research program's effectiveness and report its findings to THECB not later than January 31 of each odd-numbered year.

(b) Requires THECB to appoint a committee consisting of representatives of higher education and private enterprise advanced technology research organizations to evaluate the technology program's effectiveness and report its findings to THECB not later than January 31 of each odd-numbered year.

Sec. 142.007. CONFIDENTIALITY. Provides that information submitted as part of a pre-proposal or proposal or related to the evaluation and selection of research projects to be funded by the research program or technology program is confidential unless made public by THECB rule.

SECTION 59. Transfers Section 143.0051, Education Code, to Chapter 142, Education Code, redesignates it as Section 142.009, Education Code, and amends it as follows:

Sec. 142.009. APPLIED RESEARCH FOR CLEAN COAL PROJECT AND OTHER PROJECTS FOR ELECTRICITY GENERATION. Redesignates existing Section 143.0051 as Section 142.009 and makes no further change to this section.

SECTION 60. Amends Section 130.0012(f), Education Code, to provide that each public junior college that offers a baccalaureate degree program under this section must enter into an articulation agreement for the first five years of the program with one or more general academic teaching institutions to ensure that students enrolled in the degree program have an opportunity to complete the degree if the public junior college ceases to offer the degree program.

SECTION 61. Amends Section 42.0421(f), Human Resources Code, as added by Chapter 82 (S.B. 265), Acts of the 82nd Legislature, Regular Session, 2011, as follows:

(f) Requires that the training required by this section be appropriately targeted and relevant to the age of the children who will receive care from the individual receiving training and is required to be provided by a person who fulfills certain qualifications, including a person who is an instructor at a public or private secondary school; an institution of higher education, as defined by Section 61.003, rather than at a public or private institution of higher education as defined by Section 61.801 (Definitions), Education Code; or a private college or university accredited by a recognized accrediting agency who teaches early childhood development or another relevant course, as determined by rules adopted by the commissioner of education and the commissioner of higher education. Makes nonsubstantive changes.

SECTION 62. Repealers: Chapters 144 (Research Assessment Program), 147 (The Texas-Mexico Educational Development Program), 148 (The Texas-International Educational Development Program), and 152 (High Priority Program Fund), Education Code;

Repealers: Subchapters J (Engineering Excellence Fund), M (Engineering and Science Recruitment Fund), Q (Medical and Health Care Professions Recruitment Fund), and X (Technology Workforce Development), Chapter 51, Education Code;

Repealers: Subchapters B (Administration) and D (Fiscal Provisions), Chapter 57, Education Code;

Repealers: Subchapters K (Repayment of Certain Physical Therapist Education Loans), P (Texas Academy of Foreign Languages and Culture), Q (Texas Partnership and Scholarship Program), U (Early Childhood Child-Care Worker Student Loan Repayment Program), and W (Roberta High Memorial Pharmacy Residency Program), Chapter 61, Education Code;

Repealers: Sections 51.916 (Grants for Teaching and Education Research), 52.17(f) (relating to THECB filing semiannually a report on the performance of loans and funds), 52.56 (Annual Report), 56.307(c) (relating to providing that the amount of a TEXAS grant for a semester or term for a student enrolled full-time at a public technical institute is the amount determined by THECB as the average statewide amount of tuition and required fees that a resident student enrolled full-time in an associate degree or certificate program would be charged for that semester or term at public technical institutes) and (d) (relating to providing that the amount of a TEXAS grant for a semester or term for a student enrolled full-time at a public junior college is the amount determined by THECB as the average statewide amount of tuition and required fees that a student who is a resident of the junior college district and is enrolled full-time in an associate degree or certificate program would be charged for that semester or term at public junior colleges), 56.456(d) (relating to a person who qualifies for and receives a Texas B-On-time loan), and 56.459(c) (relating to the amount of a Texas B-On-time loan for a student at public technical institutes) and (d) (relating to the amount of a Texas B-On-time loan for a student at public junior colleges), 56.407(e) (relating to prohibiting the total amount of grants that a student is authorized to receive in an academic year under this subchapter from exceeding the maximum amount authorized), 58.002(b) (relating to prohibiting a person from being considered a resident physician for a period of time longer than is ordinarily and customarily required for a resident physician to complete a graduate medical specialty program approved by the Accrediting Council on Graduate Medical Education or the American Osteopathic Association for the specialty in which the resident physician seeks certification as a diplomate and to obtain the certification from the appropriate board or agency approved by the American Board of Medical Specialties or the American Osteopathic Association), (c) (relating to prohibiting a person from being considered a resident physician under this Act for a period of time longer than four years), (d) (relating to prohibiting the total number of the first-year resident physicians compensated from exceeding the combined total number of persons in the previous year's graduating classes of certain schools), and (e) (relating to requiring that at least 50 percent of resident physicians be in the areas of certain medicines), 61.0573 (Expedited Process for Certain Projects), and 61.058(c) (relating to authorizing THECB by rule to increase the total cost threshold required for THECB approval under this section), Education Code;

Repealers: Sections 57.02(1) (defining "board") and (3) (defining "postsecondary educational institution"), Education Code;

Repealers: Sections 57.41 (Guaranteed Student Loans), 57.42 (Reinsurance), 57.43 (Insurance Premiums), 57.44 (Eligible Borrowers), 57.45 (Eligible Lenders), 57.46 (Eligible Institutions), 57.461 (Postsecondary Educational Institutions and Lender Advisory Committees), 57.47 (Suits on Default), 57.471 (Appointment of Master), 57.481 (Loan Default Prevention and Reduction), 57.50 (Nondiscrimination), 58.001 (Legislative Finding and Intent), 58.003 (Authorization for Legislative Appropriations of Funds; Conditions Regarding Those Funds), 58.004 (Contingent Arrangement in the Event of Insufficient Funds), and 58.005 (Appointment of Resident Physicians Under Certain Conditions), Education Code

Repealers: Sections 61.051(b) (relating to requiring THECB to define certain institutes, colleges, and universities), (c) (relating to THECB developing and publishing criteria for classifications of institutions), (d) (relating to THECB developing the role and mission for each institution), (e) (relating to THECB reviewing the role and mission statements of institutions), (f) (relating to THECB encouraging and developing new certificate programs in institutions), (g) (relating to THECB developing and promulgating a basic core of general academic courses), (i) (relating to THECB developing and revising long-range statewide plans to provide information and guidance for institutions), (j) (relating to offering off-campus courses for credit at institutions without prior approval), (k) (relating to THECB establishing and maintaining a management information system), (m) (relating to THECB publishing and distributing materials on matters of interest to persons choosing an institution in which to enroll), (o) (relating to THECB encouraging cooperative programs and agreements among institutions), (p) (relating to THECB

administering funds and programs as directed), and (q) (relating to THECB developing a statewide telecommunications network among institutions), Education Code;

Repealers: Sections 61.059(i) (relating to THECB making continuing studies of the financial needs of institutions) and (i-1) (relating to THECB making and submitting findings and recommendations for institutions of the five-year plan), 61.0591 (Incentive and Special Initiative Funding), 61.0631 (Teacher Training Programs for Teachers of Disadvantaged Students), 61.066 (Studies and Recommendations; Reports), 61.0761(d) (relating to the commissioner of education and THECB submitting a report describing progress in implementing the college readiness and success strategic action plan), 61.078 (Public Senior College or University Cooperative Education Program), 61.088 (Higher Education Enrollment Assistance Program), 61.660 (Tuition Assistance for Vocational Nursing Students Agreeing to Practice in Long-Term Care Facilities), and 62.096(c) (relating to THECB providing the comptroller with verified information relating to the amounts of restricted research funds expended by eligible institutions), Education Code; and

Repealers: Sections 143.001 (Definitions), 143.004 (Administration; Guidelines and Procedures), 143.005 (Funds), 143.007 (Merit Review), and 143.008 (Confidentiality), Education Code.

SECTION 63. Provides that the changes in law made by this Act to Section 52.39, Education Code, apply only to a suit filed under that section on or after the effective date of this Act. Provides that a suit filed under Section 52.39, Education Code, before the effective date of this Act is governed by the law in effect on the date the suit is filed, and the former law is continued in effect for that purpose.

SECTION 64. (a) Provides that the change in law made by this Act to Subchapter M (Toward Excellence, Access, & Success (TEXAS) Grant Program), Chapter 56, Education Code, applies beginning with TEXAS grants awarded for the 2014 fall semester. Provides that grants awarded for a semester or term before the 2014 fall semester are governed by the applicable law in effect immediately before the effective date of this Act, and the former law is continued in effect for that purpose.

(b) Authorizes a student who first receives a TEXAS grant for attendance at a public junior college, public state college, or public technical institute for a semester or other academic term before the 2014 fall semester, notwithstanding Subsection (a) of this section, to continue to receive a TEXAS grant under Subchapter M, Chapter 56, Education Code, as that subchapter existed immediately before the effective date of this Act, as long as the student remains eligible for a TEXAS grant under the former law, and, if eligible, may continue to receive a TEXAS grant if the student enrolls at an eligible institution under Subchapter M, Chapter 56, Education Code, as amended by this Act. Requires THECB to adopt rules to administer this subsection and to notify each student who receives a TEXAS grant in the 2013-2014 academic year of the provisions of this subsection.

SECTION 65. (a) Provides that the change in law made by this Act in amending Subchapter Q, Chapter 56, Education Code, applies beginning with Texas B-On-time loans awarded for the 2014-2015 academic year.

(b) Authorizes a student, notwithstanding Subsection (a) of this section, who first receives a Texas B-On-time loan for a semester or other academic term before the 2014 fall semester to continue to receive Texas B-On-time loans under Subchapter Q, Chapter 56, Education Code, as that subchapter existed immediately before the effective date of this Act, as long as the student remains eligible for a Texas B-On-time loan under the former law, and entitles the student to obtain forgiveness of the loans as permitted by Section 56.462, Education Code, as that section existed immediately before the effective date of this Act. Requires THECB to adopt rules to administer this subsection and to notify each student who receives a Texas B-On-time loan in the 2013-2014 academic year of the provisions of this subsection.

SECTION 66. Provides that the changes in law made by this Act to Section 61.052, Education Code, apply to the comprehensive lists of courses offered by public institutions of higher education beginning with lists required to be submitted for the 2014-2015 academic year. Provides that course lists for an academic year before that academic year are covered by the law in effect before the effective date of this Act, and that law is continued in effect for that purpose.

SECTION 67. Requires THECB to adopt rules for the administration of Section 61.0763, Education Code, as added by this Act, as soon as practicable after this Act takes effect. Authorizes THECB, for that purpose, to adopt the initial rules in the manner provided by law for emergency rules.

SECTION 68. Requires THECB to adopt rules as required by Section 61.07761, Education Code, as added by this Act, as soon as practicable after this Act takes effect. Authorizes THECB, for that purpose, to adopt the initial rules in the manner provided by the law for emergency rules.

SECTION 69. Effective date: September 1, 2013.