

AN ACT

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.

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

SECTION 1. Section 61.0511, Education Code, is transferred to Subchapter G, Chapter 51, Education Code, and redesignated as Section 51.359, Education Code, to read as follows:

Sec. 51.359 [~~61.0511~~]. ROLE AND MISSION STATEMENT. Each institution of higher education shall develop a statement regarding the role and mission of the institution reflecting the three missions of higher education: teaching, research, and public service.

SECTION 2. Section 51.406, Education Code, is amended by adding Subsection (d) to read as follows:

(d) At least every five years, the Texas Higher Education Coordinating Board shall reevaluate its rules and policies to ensure the continuing need for the data requests the coordinating board imposes on university systems, institutions of higher education, or private or independent institutions of higher education. The coordinating board shall consult with those entities to identify unnecessary data requests and shall eliminate data requests identified as unnecessary from its rules and

1 policies. In this subsection, "private or independent institution
2 of higher education" has the meaning assigned by Section 61.003.

3 SECTION 3. Section 52.39, Education Code, is amended to
4 read as follows:

5 Sec. 52.39. DEFAULT; SUIT. When any person who has received
6 or cosigned as a guarantor for a loan authorized by this chapter has
7 failed or refused to make as many as six monthly payments due in
8 accordance with an executed note, then the full amount of the
9 remaining principal and interest becomes due and payable
10 immediately, and the amount due, the person's name and ~~[his]~~ last
11 known address, and other necessary information shall be reported by
12 the board to the attorney general. Suit for the remaining sum shall
13 be instituted by the attorney general, ~~[or any county or district~~
14 ~~attorney acting for him, in the county of the person's residence,~~
15 ~~the county in which is located the institution at which the person~~
16 ~~was last enrolled, or in Travis County,]~~ unless the attorney
17 general finds reasonable justification for delaying suit and so
18 advises the board in writing. Venue for a suit arising under this
19 section is exclusively conferred on a court of competent
20 jurisdiction in Travis County.

21 SECTION 4. Subchapter A, Chapter 56, Education Code, is
22 amended by adding Section 56.009 to read as follows:

23 Sec. 56.009. FINANCIAL ASSISTANCE FOR STUDENTS ENROLLED AT
24 WGU TEXAS OR SIMILAR ONLINE COLLEGES OR UNIVERSITIES. (a) In this
25 section, "general academic teaching institution" and "private or
26 independent institution of higher education" have the meanings
27 assigned by Section 61.003.

1 (b) The Texas Higher Education Coordinating Board shall, in
2 consultation with representatives of the coordinating board's
3 financial aid advisory committee, representatives of financial aid
4 offices of WGU Texas and any similar nonprofit, tax-exempt,
5 regionally accredited college or university operating in
6 accordance with a memorandum of understanding with this state
7 pursuant to an executive order issued by the governor and offering
8 competency-based, exclusively online or other distance education,
9 and representatives of financial aid offices of institutions of
10 higher education and private or independent institutions of higher
11 education offering online or other distance education courses and
12 programs similar to those offered by WGU Texas or any similar
13 nonprofit colleges or universities:

14 (1) conduct a study regarding, and prepare proposed
15 draft legislation for, the creation of a state-funded student
16 financial assistance program:

17 (A) that is available only to students of
18 nonprofit, tax-exempt, regionally accredited colleges or
19 universities domiciled in this state that offer competency-based,
20 exclusively online or other distance education; and

21 (B) under which the highest priority is given to
22 awarding grants to those eligible students who demonstrate the
23 greatest financial need; and

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

1 prepared under that subdivision.

2 (c) This section expires January 1, 2016.

3 SECTION 5. Subdivisions (2) and (3), Section 56.301,
4 Education Code, are amended to read as follows:

5 (2) "Eligible institution" means a general academic
6 teaching [~~an~~] institution or a medical and dental unit [~~of higher~~
7 ~~education~~] that offers one or more undergraduate degree or
8 certification programs. The term does not include a public state
9 college.

10 (3) "General academic teaching institution,"
11 "institution of higher education," "medical and dental unit,"
12 "public [~~"Public~~] junior college," "public state college," and
13 "public technical institute" have the meanings assigned by Section
14 61.003.

15 SECTION 6. Subsection (b), Section 56.302, Education Code,
16 is amended to read as follows:

17 (b) The purpose of this subchapter is to provide a grant of
18 money to enable eligible students to attend eligible [~~public~~]
19 institutions [~~of higher education~~] in this state.

20 SECTION 7. Subsections (d-1), (e), and (f), Section 56.303,
21 Education Code, are amended to read as follows:

22 (d-1) In allocating among eligible [~~general academic~~
23 ~~teaching~~] institutions money available for initial TEXAS grants for
24 an academic year, the coordinating board shall ensure that each of
25 those institutions' proportional [~~percentage~~] share of the total
26 amount of money for initial grants that is allocated to eligible
27 [~~general academic teaching~~] institutions under this section

1 ~~[subsection]~~ for that year does not, as a result of the number of
2 students who establish eligibility at the institution for an
3 initial grant under Section 56.3041(2)(A), change from the
4 institution's proportional ~~[percentage]~~ share of the total amount
5 of money for initial grants that is allocated to those institutions
6 under this section ~~[subsection]~~ for the preceding academic year.

7 (e) In determining who should receive a TEXAS grant, the
8 coordinating board and the eligible institutions shall give
9 priority to awarding TEXAS grants to students who demonstrate the
10 greatest financial need and whose expected family contribution, as
11 determined according to the methodology used for federal student
12 financial aid, does not exceed 60 percent of the average statewide
13 amount of tuition and required fees described by Section
14 56.307(a). In giving priority based on financial need as required
15 by this subsection to students who meet the requirements for the
16 highest priority as provided by Subsection (f), an eligible ~~[a
17 general academic teaching]~~ institution shall determine financial
18 need according to the relative expected family contribution of
19 those students, beginning with students who have the lowest
20 expected family contribution.

21 (f) Beginning with TEXAS grants awarded for the 2013-2014
22 academic year, in determining who should receive an initial TEXAS
23 grant, each eligible ~~[general academic teaching]~~ institution, in
24 addition to giving priority as provided by Subsection (e), shall
25 give highest priority to students who meet the eligibility criteria
26 described by Section 56.3041(2)(A). If there is money available in
27 excess of the amount required to award an initial TEXAS grant to all

1 students meeting those criteria, an eligible [~~a general academic~~
2 ~~teaching~~] institution shall make awards to other students who meet
3 the eligibility criteria described by Section 56.304(a)(2)(A),
4 provided that the institution continues to give priority to
5 students as provided by Subsection (e).

6 SECTION 8. Subsections (a) and (e-1), Section 56.304,
7 Education Code, are amended to read as follows:

8 (a) To be eligible initially for a TEXAS grant, a person who
9 graduated from high school before May 1, 2013, must:

10 (1) be a resident of this state as determined by
11 coordinating board rules;

12 (2) meet either of the following academic
13 requirements:

14 (A) be a graduate of a public or accredited
15 private high school in this state who graduated not earlier than the
16 1998-1999 school year and who completed the recommended or advanced
17 high school curriculum established under Section 28.002 or 28.025
18 or its equivalent; or

19 (B) have received an associate degree from a
20 public or private institution of higher education not earlier than
21 May 1, 2001;

22 (3) meet financial need requirements as defined by the
23 coordinating board;

24 (4) be enrolled in a baccalaureate [~~an undergraduate~~]
25 degree [~~or certificate~~] program at an eligible institution;

26 (5) be enrolled as:

27 (A) an entering undergraduate student for at

1 least three-fourths of a full course load for an entering
2 undergraduate student, as determined by the coordinating board, not
3 later than the 16th month after the date of the person's graduation
4 from high school; or

5 (B) an entering student for at least
6 three-fourths of a full course load for an undergraduate student as
7 determined by the coordinating board, not later than the 12th month
8 after the month the person receives an associate degree from a
9 public or private institution of higher education;

10 (6) have applied for any available financial aid or
11 assistance; and

12 (7) comply with any additional nonacademic
13 requirement adopted by the coordinating board under this
14 subchapter.

15 (e-1) If a person is initially awarded a TEXAS grant during
16 or after the 2005 fall semester, unless the person is provided
17 additional time during which the person may receive a TEXAS grant
18 under Subsection (e-2), the person's eligibility for a TEXAS grant
19 ends on:

20 (1) the fifth anniversary of the initial award of a
21 TEXAS grant to the person, if the person is enrolled in a degree [~~or~~
22 ~~certificate~~] program of four years [~~or less~~]; or

23 (2) the sixth anniversary of the initial award of a
24 TEXAS grant to the person, if the person is enrolled in a degree
25 program of more than four years.

26 SECTION 9. Section 56.3041, Education Code, is amended to
27 read as follows:

1 Sec. 56.3041. INITIAL ELIGIBILITY OF PERSON GRADUATING FROM
2 HIGH SCHOOL ON OR AFTER MAY 1, 2013 [~~, AND ENROLLING IN A GENERAL~~
3 ~~ACADEMIC TEACHING INSTITUTION~~]. To [~~Notwithstanding Section~~
4 ~~56.304(a), to~~] be eligible initially for a TEXAS grant, a person
5 graduating from high school on or after May 1, 2013, and enrolling
6 in an eligible [~~a general academic teaching~~] institution must:

7 (1) be a resident of this state as determined by
8 coordinating board rules;

9 (2) meet the academic requirements prescribed by
10 Paragraph (A), (B), [~~or~~] (C), or (D) as follows:

11 (A) be a graduate of a public or accredited
12 private high school in this state who completed the recommended
13 high school program established under Section 28.025 or its
14 equivalent and have accomplished any two or more of the following:

15 (i) graduation under the advanced high
16 school program established under Section 28.025 or its equivalent,
17 successful completion of the course requirements of the
18 international baccalaureate diploma program, or earning of the
19 equivalent of at least 12 semester credit hours of college credit in
20 high school through courses described in Sections 28.009(a)(1),
21 (2), and (3);

22 (ii) satisfaction of the Texas Success
23 Initiative (TSI) college readiness benchmarks prescribed by the
24 coordinating board under Section 51.3062(f) on any assessment
25 instrument designated by the coordinating board under Section
26 51.3062(c) [~~or (e)~~] or qualification for an exemption as described
27 by Section 51.3062(p), (q), or (q-1);

1 (iii) graduation in the top one-third of
2 the person's high school graduating class or graduation from high
3 school with a grade point average of at least 3.0 on a four-point
4 scale or the equivalent; or

5 (iv) completion for high school credit of
6 at least one advanced mathematics course following the successful
7 completion of an Algebra II course, as permitted by Section
8 28.025(b-3), or at least one advanced career and technical course,
9 as permitted by Section 28.025(b-2);

10 (B) have received an associate degree from a
11 public or private institution of higher education; ~~or~~

12 (C) be an undergraduate student who has:

13 (i) previously attended another
14 institution of higher education;

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

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

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

23 (D) if sufficient money is available, meet the
24 eligibility criteria described by Section 56.304(a)(2)(A);

25 (3) meet financial need requirements established by
26 the coordinating board;

27 (4) be enrolled in an undergraduate degree or

1 certificate program at an eligible [~~the general academic teaching~~]
2 institution;

3 (5) except as provided under rules adopted under
4 Section 56.304(h), be enrolled as:

5 (A) an entering undergraduate student for at
6 least three-fourths of a full course load, as determined by the
7 coordinating board, not later than the 16th month after the
8 calendar month in which the person graduated from high school;

9 (B) an entering undergraduate student who
10 entered military service not later than the first anniversary of
11 the date the person graduated from high school and who enrolled for
12 at least three-fourths of a full course load, as determined by the
13 coordinating board, at the eligible [~~general academic teaching~~]
14 institution not later than 12 months after being honorably
15 discharged from military service; [~~or~~]

16 (C) a continuing undergraduate student for at
17 least three-fourths of a full course load, as determined by the
18 coordinating board, not later than the 12th month after the
19 calendar month in which the person received an associate degree
20 from a public or private institution of higher education; or

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

23 (6) have applied for any available financial aid or
24 assistance; and

25 (7) comply with any additional nonacademic
26 requirements adopted by the coordinating board under this
27 subchapter.

1 SECTION 10. Subsections (b) and (d), Section 56.3042,
2 Education Code, are amended to read as follows:

3 (b) The coordinating board or the eligible institution may
4 require the student to forgo or repay the amount of an initial TEXAS
5 grant awarded to the student as described by Subsection (a) or (a-1)
6 if the student fails to meet the eligibility requirements described
7 by Subsection (a) or (a-1) [~~of Section 56.304(a)(2)(A),~~
8 ~~56.3041(2)(A), 56.304(a)(2)(B), or 56.3041(2)(B)~~], as applicable
9 to the student, after the issuance of the available high school or
10 college transcript.

11 (d) A person who receives an initial TEXAS grant under
12 Subsection (a) or (a-1) but does not satisfy the applicable
13 eligibility requirement that the person was considered to have
14 satisfied under the applicable subsection and who is not required
15 to forgo or repay the amount of the grant under Subsection (b) may
16 become eligible to receive a subsequent TEXAS grant under Section
17 56.305 only by satisfying the associate degree requirement
18 prescribed by Section 56.304(a)(2)(B) or 56.3041(2)(B), as
19 applicable to the person, in addition to the requirements of
20 Section 56.305 at the time the person applies for the subsequent
21 grant.

22 SECTION 11. Subsection (a), Section 56.305, Education Code,
23 is amended to read as follows:

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

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

3 (2) is enrolled in a baccalaureate [~~an undergraduate~~]
4 degree [~~or certificate~~] program at an eligible institution;

5 (3) is enrolled for at least three-fourths of a full
6 course load for an undergraduate student, as determined by the
7 coordinating board;

8 (4) makes satisfactory academic progress toward a
9 baccalaureate [~~an undergraduate~~] degree [~~or certificate~~]; and

10 (5) complies with any additional nonacademic
11 requirement adopted by the coordinating board.

12 SECTION 12. Section 56.306, Education Code, is amended to
13 read as follows:

14 Sec. 56.306. GRANT USE. A person receiving a TEXAS grant
15 may use the money to pay any usual and customary cost of attendance
16 at an eligible institution [~~of higher education~~] incurred by the
17 student. The institution may disburse all or part of the proceeds
18 of a TEXAS grant directly to an eligible person only if the tuition
19 and required fees incurred by the person at the institution have
20 been paid.

21 SECTION 13. Subsections (a), (d-1), (i-1), and (j), Section
22 56.307, Education Code, are amended to read as follows:

23 (a) The amount of a TEXAS grant for a semester or term for a
24 person enrolled full-time at an eligible institution [~~other than an~~
25 ~~institution covered by Subsection (c) or (d)~~] is an [~~the~~] amount
26 determined by the coordinating board as the average statewide
27 amount of tuition and required fees that a resident student

1 enrolled full-time in a baccalaureate degree program would be
2 charged for that semester or term at general academic teaching
3 institutions.

4 (d-1) The coordinating board shall determine the average
5 statewide tuition and fee amounts for a semester or term of the next
6 academic year for purposes of this section by using the amounts of
7 tuition and required fees that will be charged by the ~~[applicable]~~
8 eligible institutions for that semester or term in that academic
9 year. The board may estimate the amount of the charges for a
10 semester or term in the next academic year by an institution if the
11 relevant information is not yet available to the board.

12 (i-1) A public institution of higher education may elect to
13 award a TEXAS grant to any student in an amount that is less than the
14 applicable amount established under Subsection (a) ~~[(c), (d)]~~ or
15 (e).

16 (j) A public institution of higher education shall use other
17 available sources of financial aid, other than a loan, to cover any
18 difference in the amount of a TEXAS grant awarded to the student and
19 the actual amount of tuition and required fees at the institution if
20 the difference results from:

21 (1) a reduction in the amount of a TEXAS grant under
22 Subsection (i-1); or

23 (2) a deficiency in the amount of the grant as
24 established under Subsection (a) ~~[(c), (d)]~~ or (e), as
25 applicable, to cover the full amount of tuition and required fees
26 charged to the student by the institution.

27 SECTION 14. Subdivisions (2) and (3), Section 56.451,

1 Education Code, are amended to read as follows:

2 (2) "Eligible institution" means:

3 (A) a general academic teaching institution,
4 other than a public state college [~~an institution of higher~~
5 ~~education~~]; [~~or~~]

6 (B) a medical and dental unit that offers
7 baccalaureate degrees; or

8 (C) a private or independent institution of
9 higher education that offers baccalaureate degree programs.

10 (3) "General academic teaching institution," "medical
11 and dental unit," "private or independent institution of higher
12 education," and "public state [~~junior~~] college," [~~and "public~~
13 ~~technical institute"~~] have the meanings assigned by Section 61.003.

14 SECTION 15. Subsection (b), Section 56.452, Education Code,
15 is amended to read as follows:

16 (b) The purpose of this subchapter is to provide no-interest
17 loans to eligible students to enable those students to earn
18 baccalaureate degrees at [~~attend all~~] public and private or
19 independent institutions of higher education in this state.

20 SECTION 16. Section 56.453, Education Code, is amended by
21 adding Subsections (d), (e), and (f) to read as follows:

22 (d) The coordinating board, in collaboration with eligible
23 institutions and other appropriate entities, shall adopt and
24 implement measures to:

25 (1) improve student participation in the Texas
26 B-On-time loan program, including strategies to better inform
27 students and prospective students about the program; and

1 (2) improve the rate of student satisfaction of the
2 requirements for obtaining Texas B-On-time loan forgiveness.

3 (e) The coordinating board, in collaboration with eligible
4 institutions and appropriate nonprofit or college access
5 organizations, shall:

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

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

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

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

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

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

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

27 SECTION 17. Section 56.455, Education Code, is amended to

1 read as follows:

2 Sec. 56.455. INITIAL ELIGIBILITY FOR LOAN. To be eligible
3 initially for a Texas B-On-time loan, a person must:

4 (1) be a resident of this state under Section 54.052 or
5 be entitled, as a child of a member of the armed forces of the United
6 States, to pay tuition at the rate provided for residents of this
7 state under Section 54.241;

8 (2) meet one of the following academic requirements:

9 (A) be a graduate of a public or private high
10 school in this state who graduated not earlier than the 2002-2003
11 school year under the recommended or advanced high school program
12 established under Section 28.025(a) or its equivalent;

13 (B) be a graduate of a high school operated by the
14 United States Department of Defense who:

15 (i) graduated from that school not earlier
16 than the 2002-2003 school year; and

17 (ii) at the time of graduation from that
18 school was a dependent child of a member of the armed forces of the
19 United States; or

20 (C) have received an associate degree from an
21 ~~[eligible]~~ institution of higher education or private or
22 independent institution of higher education not earlier than May 1,
23 2005;

24 (3) be enrolled for a full course load for an
25 undergraduate student, as determined by the coordinating board, in
26 a baccalaureate ~~[an undergraduate]~~ degree ~~[or certificate]~~ program
27 at an eligible institution;

1 (4) be eligible for federal financial aid, except that
2 a person is not required to meet any financial need requirement
3 applicable to a particular federal financial aid program; and

4 (5) comply with any additional nonacademic
5 requirement adopted by the coordinating board under this
6 subchapter.

7 SECTION 18. Subsection (a), Section 56.456, Education Code,
8 is amended to read as follows:

9 (a) After initially qualifying for a Texas B-On-time loan, a
10 person may continue to receive a Texas B-On-time loan for each
11 semester or term in which the person is enrolled at an eligible
12 institution only if the person:

13 (1) is enrolled for a full course load for an
14 undergraduate student, as determined by the coordinating board, in
15 a baccalaureate [~~an undergraduate~~] degree [~~or certificate~~] program
16 at an eligible institution;

17 (2) is eligible for federal financial aid, except that
18 a person is not required to meet any financial need requirement
19 applicable to a particular federal financial aid program;

20 (3) makes satisfactory academic progress toward a
21 degree [~~or certificate~~] as determined by the institution at which
22 the person is enrolled, if the person is enrolled in the person's
23 first academic year at the institution;

24 (4) completed at least 75 percent of the semester
25 credit hours attempted by the person in the most recent academic
26 year and has a cumulative grade point average of at least 2.5 on a
27 four-point scale or the equivalent on all coursework previously

1 attempted at institutions of higher education or private or
2 independent institutions of higher education, if the person is
3 enrolled in any academic year after the person's first academic
4 year; and

5 (5) complies with any additional nonacademic
6 requirement adopted by the coordinating board.

7 SECTION 19. Subsections (a), (b), and (f), Section 56.459,
8 Education Code, are amended to read as follows:

9 (a) The amount of a Texas B-On-time loan for a semester or
10 term for a student enrolled full-time at an eligible institution
11 other than an institution covered by Subsection (b) [~~, (c), or (d)~~]
12 is an amount determined by the coordinating board as the average
13 [~~statewide~~] amount of tuition and required fees that a resident
14 student enrolled full-time in a baccalaureate [~~an undergraduate~~]
15 degree program would be charged for that semester or term at general
16 academic teaching institutions.

17 (b) The amount of a Texas B-On-time loan for a student
18 enrolled full-time at a private or independent institution of
19 higher education is an amount determined by the coordinating board
20 as the average statewide amount of tuition and required fees that a
21 resident student enrolled full-time in a baccalaureate [~~an~~
22 ~~undergraduate~~] degree program would be charged for that semester or
23 term at general academic teaching institutions.

24 (f) If in any academic year the amount of money in the Texas
25 B-On-time student loan account, other than money appropriated to
26 the account exclusively for loans at eligible institutions that are
27 private or independent institutions of higher education, is

1 insufficient to provide the loans in the amount determined under
2 Subsection (a) to all eligible persons at eligible institutions
3 that are institutions of higher education [~~in amounts specified by~~
4 ~~this section~~], the coordinating board shall determine the amount of
5 that available money and shall allocate that amount to those
6 eligible institutions in proportion to the amount of tuition set
7 aside by [~~number of full-time equivalent undergraduate students~~
8 ~~enrolled at~~] each of those institutions under Section 56.465 for
9 the preceding academic year, and each of those institutions shall
10 determine the amount of each loan awarded at that institution, not
11 to exceed the amount determined under Subsection (a). In the manner
12 prescribed by the coordinating board for purposes of this
13 subsection, each eligible institution that is a private or
14 independent institution of higher education is entitled to receive
15 an allocation only from the general revenue appropriations made for
16 that academic year to eligible private or independent institutions
17 of higher education for the purposes of this subchapter. Each
18 institution shall use the money allocated to award Texas B-On-time
19 loans to eligible students enrolled at the institution selected
20 according to financial need.

21 SECTION 20. Subsection (a), Section 56.460, Education Code,
22 is amended to read as follows:

23 (a) The coordinating board, in consultation with all
24 eligible institutions, shall prepare materials designed to inform
25 prospective students, their parents, and high school counselors
26 about the program and eligibility for a Texas B-On-time loan. The
27 coordinating board shall distribute to each eligible institution

1 and to each school district a copy of the materials prepared [~~rules~~
2 ~~adopted~~] under this subchapter.

3 SECTION 21. Sections 56.461 and 56.462, Education Code, are
4 amended to read as follows:

5 Sec. 56.461. LOAN PAYMENT DEFERRED. The repayment of a
6 Texas B-On-time loan received by a student under this subchapter is
7 deferred as long as the student remains continuously enrolled in a
8 baccalaureate [~~an undergraduate~~] degree [~~or certificate~~] program
9 at an eligible institution.

10 Sec. 56.462. LOAN FORGIVENESS. A student who receives a
11 Texas B-On-time loan shall be forgiven the amount of the student's
12 loan if the student is awarded a baccalaureate [~~an undergraduate~~
13 ~~certificate or~~] degree at an eligible institution with a cumulative
14 grade point average of at least 3.0 on a four-point scale or the
15 equivalent:

16 (1) within:

17 (A) four calendar years after the date the
18 student initially enrolled in an [~~the~~] institution of higher
19 education or private or independent institution of higher education
20 [~~or another eligible institution~~] if [+
21

22 [~~(i) the institution is a four-year~~
~~institution; and~~

23 [~~(ii)~~] the student is awarded a degree
24 other than a degree in engineering, architecture, or any other
25 program determined by the coordinating board to require more than
26 four years to complete; or

27 (B) five calendar years after the date the

1 student initially enrolled in an ~~[the]~~ institution of higher
2 education or private or independent institution of higher education
3 ~~[or another eligible institution]~~ if ~~[+~~

4 ~~[(i) the institution is a four-year~~
5 ~~institution; and~~

6 ~~[(ii)]~~ the student is awarded a degree in
7 engineering, architecture, or any other program determined by the
8 coordinating board to require more than four years to complete; ~~[or~~

9 ~~[(C) two years after the date the student~~
10 ~~initially enrolled in the institution or another eligible~~
11 ~~institution if the institution is a public junior college or public~~
12 ~~technical institute;]~~ or

13 (2) with a total number of semester credit hours,
14 including transfer credit hours and excluding hours earned
15 exclusively by examination, hours earned for a course for which the
16 student received credit toward the student's high school academic
17 requirements, and hours earned for developmental coursework that an
18 institution of higher education required the student to take under
19 Section 51.3062 or under the former provisions of Section 51.306,
20 that is not more than six hours more than the minimum number of
21 semester credit hours required to complete the ~~[certificate or]~~
22 degree.

23 SECTION 22. Subchapter A, Chapter 57, Education Code, is
24 amended by adding Section 57.011 to read as follows:

25 Sec. 57.011. STATUS OF TEXAS GUARANTEED STUDENT LOAN
26 CORPORATION. (a) The Texas Guaranteed Student Loan Corporation is
27 converted as provided by this section from a public nonprofit

1 corporation to a nonprofit corporation under Chapter 22, Business
2 Organizations Code.

3 (b) On or immediately after September 1, 2013, to effectuate
4 the conversion under Subsection (a), the corporation shall file a
5 certificate of formation with the secretary of state or, if the
6 secretary of state determines it appropriate, the corporation shall
7 file a certificate of conversion under Chapter 10, Business
8 Organizations Code.

9 (c) The corporation as converted under this section
10 continues in existence uninterrupted from the date of its creation,
11 August 27, 1979. The secretary of state shall recognize the
12 continuous existence of the corporation from that date in the
13 certificate of formation or certificate of conversion, as
14 applicable.

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

18 (e) Student loan borrower information collected, assembled,
19 or maintained by the corporation is confidential and is not subject
20 to public disclosure.

21 SECTION 23. Section 57.01, Education Code, is transferred
22 to Section 61.002, Education Code, redesignated as Subsection (c),
23 Section 61.002, Education Code, and amended to read as follows:

24 (c) Postsecondary [~~Sec. 57.01. DECLARATION OF POLICY. The~~
25 ~~legislature, giving due consideration to the historical and~~
26 ~~continuing interest of the people of the State of Texas in~~
27 ~~encouraging deserving and qualified persons to realize their~~

1 ~~aspirations for education beyond high school, finds and declares~~
 2 ~~that postsecondary]~~ education for qualified Texans [~~those~~] who
 3 desire to pursue such [~~an~~] education [~~and are properly qualified~~
 4 ~~therefor~~] is important to the welfare and security of this state and
 5 the nation and, consequently, is an important public purpose. The
 6 legislature finds and declares that the state can achieve its full
 7 economic and social potential only if every individual has the
 8 opportunity to contribute to the full extent of the individual's
 9 [~~his or her~~] capabilities and only when financial barriers to the
 10 individual's [~~his or her~~] economic, social, and educational goals
 11 are removed. In order to facilitate the removal of those barriers,
 12 the board, in consultation with one or more nonprofit entities with
 13 experience providing the services on a statewide basis, may [~~It is,~~
 14 ~~therefore, the purpose of this chapter to establish the Texas~~
 15 ~~Guaranteed Student Loan Corporation to:~~

16 ~~[(1) administer a guaranteed student loan program to~~
 17 ~~assist qualified Texas students in receiving a postsecondary~~
 18 ~~education in this state or elsewhere in the nation, and~~

19 ~~[(2)]~~ provide necessary and desirable services
 20 related to financial aid services [~~the loan program~~], including
 21 cooperative awareness efforts with appropriate educational and
 22 civic associations designed to disseminate postsecondary education
 23 awareness information, including information regarding available
 24 grant and loan programs and [~~student financial aid and the Federal~~
 25 ~~Family Education Loan Program, and other relevant topics including]~~
 26 the prevention of student loan default.

27 SECTION 24. Subsection (a), Section 58.002, Education Code,

1 is amended to read as follows:

2 (a) In this chapter:

3 (1) "Resident physician" means a person who is
4 appointed a resident physician by a school of medicine in The
5 University of Texas System, the Texas Tech University System, The
6 Texas A&M University System, or the University of North Texas
7 System or by the Baylor College of Medicine [~~one of the schools of~~
8 ~~medicine listed in Section 58.001 of this code~~] and who:

9 (A) has received a Doctor of Medicine or a Doctor
10 of Osteopathic Medicine degree from the Baylor College of Medicine
11 or from an approved school of medicine [~~one of the schools listed in~~
12 ~~Section 58.001 of this code~~]; or

13 (B) is a citizen of Texas and has received a
14 Doctor of Medicine or a Doctor of Osteopathic Medicine degree from
15 some other school of medicine that is accredited by the Liaison
16 Committee on Medical Education or by the Bureau of Professional
17 Education of the American Osteopathic Association.

18 (2) [~~"Primary teaching hospital" means a hospital at~~
19 ~~which one of the schools listed in Section 58.001 of this code~~
20 ~~educates and trains both resident physicians and undergraduate~~
21 ~~medical students.~~

22 [~~(3)~~] "Compensation" includes:

23 (A) stipends;

24 (B) payments, if any, for services rendered; and

25 (C) fringe benefits when applied to payments to
26 or for the benefit of resident physicians.

27 SECTION 25. Section 61.002, Education Code, is amended by

1 adding Subsection (d) to read as follows:

2 (d) The Texas Higher Education Coordinating Board has only
3 the powers expressly provided by law or necessarily implied from an
4 express grant of power. Any function or power not expressly granted
5 to the board by this code or other law in regard to the
6 administration, organization, control, management, jurisdiction,
7 or governance of an institution of higher education is reserved to
8 and shall be performed by the governing board of the institution,
9 the applicable system administration, or the institution of higher
10 education.

11 SECTION 26. Section 61.0211, Education Code, is amended to
12 read as follows:

13 Sec. 61.0211. SUNSET PROVISION. The Texas Higher Education
14 Coordinating Board is subject to Chapter 325, Government Code
15 (Texas Sunset Act). Unless continued in existence as provided by
16 that chapter, the board is abolished and this chapter expires
17 September 1, 2025 [~~2013~~].

18 SECTION 27. Subsection (d), Section 61.025, Education Code,
19 is amended to read as follows:

20 (d) The board shall develop and implement policies that
21 provide the public with a reasonable opportunity to appear before
22 the board and to speak on any issue under the jurisdiction of the
23 board, including a policy to specifically provide, as an item on the
24 board's agenda at each meeting, an opportunity for public comment
25 before the board makes a decision on any agenda item.

26 SECTION 28. Section 61.026, Education Code, is amended to
27 read as follows:

1 Sec. 61.026. COMMITTEES AND ADVISORY COMMITTEES. (a) The
2 chair [~~chairman~~] may appoint committees from the board's membership
3 as the chair [~~he~~] or the board considers [~~may find~~] necessary [~~from~~
4 ~~time to time~~].

5 (b) The board may appoint advisory committees from outside
6 its membership as the board considers [~~it may deem~~] necessary.
7 Chapter 2110, Government Code, applies to an advisory committee
8 appointed by the chair or the board. The board shall adopt rules,
9 in compliance with Chapter 2110, Government Code, regarding an
10 advisory committee that primarily functions to advise the board,
11 including rules governing an advisory committee's purpose, tasks,
12 reporting requirements, and abolishment date. A board member may
13 not serve on a board advisory committee.

14 (c) The board may adopt rules under this section regarding
15 an advisory committee's:

- 16 (1) size and quorum requirements;
17 (2) qualifications for membership, including
18 experience requirements and geographic representation;
19 (3) appointment procedures;
20 (4) terms of service; and
21 (5) compliance with the requirements for open meetings
22 under Chapter 551, Government Code.

23 (d) Each advisory committee must report its recommendations
24 directly to the board.

25 SECTION 29. Subchapter B, Chapter 61, Education Code, is
26 amended by adding Section 61.0331 to read as follows:

27 Sec. 61.0331. NEGOTIATED RULEMAKING REQUIRED. The board

1 shall engage institutions of higher education in a negotiated
2 rulemaking process as described by Chapter 2008, Government Code,
3 when adopting a policy, procedure, or rule relating to:

4 (1) an admission policy regarding the common admission
5 application under Section 51.762, a uniform admission policy under
6 Section 51.807, graduate and professional admissions under Section
7 51.843, or the transfer of credit under Section 61.827;

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

10 (3) the reevaluation of data requests under
11 Section 51.406; or

12 (4) compliance monitoring under Section 61.035.

13 SECTION 30. Subchapter B, Chapter 61, Education Code, is
14 amended by adding Section 61.035 to read as follows:

15 Sec. 61.035. COMPLIANCE MONITORING. (a) The board, in
16 consultation with affected stakeholders, shall adopt rules to
17 establish an agency-wide, risk-based compliance monitoring
18 function for:

19 (1) funds allocated by the board to institutions of
20 higher education, private or independent institutions of higher
21 education, and other entities, including student financial
22 assistance funds, academic support grants, and any other grants, to
23 ensure that those funds are distributed in accordance with
24 applicable law and board rule; and

25 (2) data reported by institutions of higher education
26 to the board and used by the board for funding or policymaking
27 decisions, including data used for formula funding allocations, to

1 ensure the data is reported accurately.

2 (b) For purposes of this section, student financial
3 assistance includes grants, scholarships, loans, and work-study.

4 (c) After considering potential risks and the board's
5 resources, the board shall review a reasonable portion of the total
6 funds allocated by the board and of data reported to the board. The
7 board shall use various levels of monitoring, according to risk,
8 ranging from checking reported data for errors and inconsistencies
9 to conducting comprehensive audits, including site visits.

10 (d) In developing the board's risk-based approach to
11 compliance monitoring under this section, the board shall consider
12 the following factors relating to an institution of higher
13 education or private or independent institution of higher
14 education:

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

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

19 (3) the institution's internal controls;

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

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

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

27 (7) other factors as considered appropriate by the

1 board.

2 (e) The board shall train compliance monitoring staff to
3 ensure that the staff has the ability to monitor both funds
4 compliance and data reporting accuracy. Program staff in other
5 board divisions who conduct limited monitoring and contract
6 administration shall coordinate with the compliance monitoring
7 function to identify risks and avoid duplication.

8 (f) If the board determines through its compliance
9 monitoring function that funds awarded by the board to an
10 institution of higher education or private or independent
11 institution of higher education have been misused or misallocated
12 by the institution, the board shall present its determination to
13 the institution's governing board, or to the institution's chief
14 executive officer if the institution is a private or independent
15 institution of higher education, and provide an opportunity for a
16 response from the institution. Following the opportunity for
17 response, the board shall report its determination and the
18 institution's response, together with any recommendations, to the
19 institution's governing board or chief executive officer, as
20 applicable, the governor, and the Legislative Budget Board.

21 (g) If the board determines through its compliance
22 monitoring function that an institution of higher education has
23 included errors in the institution's data reported for formula
24 funding, the board:

25 (1) for a public junior college, may adjust the
26 appropriations made to the college for a fiscal year as necessary to
27 account for the corrected data; and

1 (2) for a general academic teaching institution, a
2 medical and dental unit, or a public technical institute, shall
3 calculate a revised appropriation amount for the applicable fiscal
4 year based on the corrected data and report that revised amount to
5 the governor and Legislative Budget Board for consideration as the
6 basis for budget execution or other appropriate action, and to the
7 comptroller.

8 (h) In conducting the compliance monitoring function under
9 this section, the board may partner with internal audit offices at
10 institutions of higher education and private or independent
11 institutions of higher education, as institutional resources
12 allow, to examine the institutions' use of funds allocated by, and
13 data reported to, the board. To avoid duplication of effort and
14 assist the board in identifying risk, an internal auditor at an
15 institution shall notify the board of any audits conducted by the
16 auditor involving funds administered by the board or data reported
17 to the board. The board by rule may prescribe the timing and format
18 of the notification required by this subsection. The board by rule
19 shall require a private or independent institution of higher
20 education to provide to the board the institution's external audit
21 involving funds administered by the board. The private or
22 independent institution of higher education's external audit must
23 comply with the board's rules for auditing those funds.

24 (i) The board may seek technical assistance from the state
25 auditor in establishing the compliance monitoring function under
26 this section. The state auditor may periodically audit the board's
27 compliance monitoring function as the state auditor considers

1 appropriate.

2 (j) In this section:

3 (1) "Desk review" means an administrative review by
4 the board that is based on information reported by an institution of
5 higher education or private or independent institution of higher
6 education, including supplemental information required by the
7 board for the purposes of compliance monitoring, except that the
8 term does not include information or accompanying notes gathered by
9 the board during a site visit.

10 (2) "Site visit" means an announced or unannounced
11 in-person visit by a representative of the board to an institution
12 of higher education or private or independent institution of higher
13 education for the purposes of compliance monitoring.

14 SECTION 31. Section 61.051, Education Code, is amended by
15 amending Subsections (a), (a-1), (a-2), and (a-3) and adding
16 Subsection (a-5) to read as follows:

17 (a) The board represents [~~shall represent~~] the highest
18 authority in the state in matters of public higher education and is
19 charged with the duty to take an active part in promoting quality
20 education throughout [~~in the various regions of~~] the state by:

21 (1) providing a statewide perspective to ensure the
22 efficient and effective use of higher education resources and to
23 eliminate unnecessary duplication;

24 (2) developing and evaluating progress toward a
25 long-range master plan for higher education and providing analysis
26 and recommendations to link state spending for higher education
27 with the goals of the long-range master plan;

1 (3) collecting and making accessible data on higher
2 education in the state and aggregating and analyzing that data to
3 support policy recommendations;

4 (4) making recommendations to improve the efficiency
5 and effectiveness of transitions, including between high school and
6 postsecondary education, between institutions of higher education
7 for transfer purposes, and between postsecondary education and the
8 workforce; and

9 (5) administering programs and trusteed funds for
10 financial aid and other grants as necessary to achieve the state's
11 long-range goals and as directed by the legislature. [The board
12 shall be responsible for assuring that there is no discrimination
13 in the distribution of programs and resources throughout the state
14 on the basis of race, national origin, or sex.]

15 (a-1) The board shall develop a long-range [~~five-year~~]
16 master plan for higher education in this state. The [~~five-year~~]
17 plan shall:

18 (1) establish long-term, measurable goals and provide
19 strategies for implementing those goals;

20 (2) assess the higher education needs of each region
21 of the state;

22 (3) provide for regular evaluation and revision of the
23 plan, as the board considers necessary, to ensure the relevance of
24 goals and strategies; and

25 (4) take into account the resources of private or
26 independent institutions of higher education [in this state].

27 (a-2) The board shall establish methods for obtaining input

1 from stakeholders and the general public when developing or
2 revising [~~periodically review and revise~~] the long-range
3 [~~five-year~~] master plan developed under Subsection (a-1). [~~As a~~
4 ~~specific element of its review, the board shall identify and~~
5 ~~analyze the degree to which the plan reflects the continuing higher~~
6 ~~education needs of this state, as well as any policy changes~~
7 ~~necessary to improve overall implementation of the plan and the~~
8 ~~fiscal impact of those changes. The board shall establish~~
9 ~~procedures for monitoring the board's implementation of the plan,~~
10 ~~including an analysis of the degree to which its current activities~~
11 ~~support implementation of the plan and any change in board rules or~~
12 ~~practices necessary to improve implementation of the plan. The~~
13 ~~board shall identify additional strategies necessary to achieve the~~
14 ~~goals of the plan, emphasizing implementation by institutions of~~
15 ~~higher education and specific recommendations for the different~~
16 ~~regions of the state. The board shall notify each institution of~~
17 ~~higher education of all strategies for implementing the plan.]~~

18 (a-3) Not later than December 1 of each even-numbered year,
19 the board shall prepare and deliver a report to the governor, the
20 lieutenant governor, the speaker of the house of representatives,
21 and the standing committees of the senate and house of
22 representatives with primary jurisdiction over higher education
23 [~~The board shall inform the legislature on matters pertaining to~~
24 ~~higher education, including the state's activities in the Board of~~
25 ~~Control for Southern Regional Education, and shall report to the~~
26 ~~legislature not later than January 1 of each odd-numbered year on~~
27 ~~the state of higher education in Texas]. In the [~~biennial~~] report,~~

1 the board shall assess the state's progress in meeting the goals
 2 established [~~stated~~] in the long-range master plan developed under
 3 Subsection (a-1) and [~~shall~~] recommend legislative action,
 4 including statutory or funding changes, to assist the state in
 5 meeting those goals. The report must include updates on
 6 implementation strategies provided for in the long-range master
 7 plan [~~the analyses performed in connection with the board's~~
 8 ~~periodic review~~] under Subsection (a-1) [~~(a-2)~~].

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

15 SECTION 32. Section 61.0512, Education Code, is amended to
 16 read as follows:

17 Sec. 61.0512. BOARD APPROVAL OF ACADEMIC [~~NEW DECREE~~]
 18 PROGRAMS [~~, NOTIFICATION TO BOARD~~]. (a) A new degree or
 19 certificate program may be added at an institution of higher
 20 education only with specific prior approval of the board. A new
 21 degree or certificate program is considered approved if the board
 22 has not completed a review under this section and acted to approve
 23 or disapprove the proposed program before the first anniversary of
 24 the date on which an institution of higher education submits a
 25 completed application for approval to the board. The board may not
 26 summarily disapprove a program without completing the review
 27 required by this section. The board shall specify by rule the

1 elements that constitute a completed application and shall make an
2 administrative determination of the completeness of the
3 application not later than the fifth business day after receiving
4 the application. A request for additional information in support
5 of an application that has been determined administratively
6 complete does not toll the period within which the application is
7 considered approved under this section.

8 (b) At the time an institution of higher education [a public
9 senior college or university] begins preliminary planning for a new
10 degree program [or a new organizational unit to administer a new
11 degree program], the institution must [college or university shall]
12 notify the board before the institution may carry out that
13 planning[. In the implementation of this subsection, the board may
14 not require additional reports from the institutions].

15 (c) The board shall review each degree or certificate
16 program offered by an institution of higher education at the time
17 the institution requests to implement a new program to ensure that
18 the program:

19 (1) is needed by the state and the local community and
20 does not unnecessarily duplicate programs offered by other
21 institutions of higher education or private or independent
22 institutions of higher education;

23 (2) has adequate financing from legislative
24 appropriation, funds allocated by the board, or funds from other
25 sources;

26 (3) has necessary faculty and other resources to
27 ensure student success; and

1 (4) meets academic standards specified by law or
2 prescribed by board rule, including rules adopted by the board for
3 purposes of this section, or workforce standards established by the
4 Texas Workforce Investment Council.

5 (d) The board may review the number of degrees or
6 certificates awarded through a degree or certificate program every
7 four years or more frequently, at the board's discretion.

8 (e) The board shall review each degree or certificate
9 program offered by an institution of higher education at least
10 every 10 years after a new program is established using the criteria
11 prescribed by Subsection (c).

12 (f) The board may not order the consolidation or elimination
13 of any degree or certificate program offered by an institution of
14 higher education but may, based on the board's review under
15 Subsections (d) and (e), recommend such action to an institution's
16 governing board. If an institution's governing board does not
17 accept recommendations to consolidate or eliminate a degree or
18 certificate program, the university system or, where a system does
19 not exist, the institution, must identify the programs recommended
20 for consolidation or elimination on the next legislative
21 appropriations request submitted by the system or institution.

22 (g) An institution of higher education may offer off-campus
23 courses for credit within the state or distance learning courses
24 only with specific prior approval of the board. An institution must
25 certify to the board that a course offered for credit outside the
26 state meets the board's academic criteria. An institution shall
27 include the certification in submitting any other reports required

1 by the board.

2 (h) In approving a degree or certificate program under this
3 section, the board:

4 (1) for a doctoral program, may not consider
5 undergraduate graduation or persistence rates; and

6 (2) for a baccalaureate degree program proposed to be
7 offered by a public junior college previously authorized by the
8 board to offer baccalaureate degree programs under Section
9 130.0012:

10 (A) shall approve the degree program within 60
11 days after the date the board receives notice of the degree program
12 if the degree program:

13 (i) is approved by the governing board of
14 the junior college district; and

15 (ii) is not an engineering program; and

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

19 SECTION 33. Subchapter C, Chapter 61, Education Code, is
20 amended by adding Section 61.05151 to read as follows:

21 Sec. 61.05151. SEMESTER CREDIT HOURS REQUIRED FOR ASSOCIATE
22 DEGREE. (a) To earn an associate degree, a student may not be
23 required by an institution of higher education to complete more
24 than the minimum number of semester credit hours required for the
25 degree by the Southern Association of Colleges and Schools or its
26 successor unless the institution determines that there is a
27 compelling academic reason for requiring the completion of

1 additional semester credit hours for the degree.

2 (b) The board may review one or more of an institution's
3 associate degree programs to ensure compliance with this section.

4 (c) Subsection (a) does not apply to an associate degree
5 awarded by an institution to a student enrolled in the institution
6 before the 2015 fall semester. This subsection does not prohibit
7 the institution from reducing the number of semester credit hours
8 the student must complete to receive the degree.

9 SECTION 34. Section 61.052, Education Code, is amended by
10 amending Subsections (a) and (b) and adding Subsection (b-1) to
11 read as follows:

12 (a) Each governing board shall submit to the board once each
13 year on dates designated by the board a comprehensive list by
14 department, division, and school of all courses, together with a
15 description of content, scope, and prerequisites of all these
16 courses, that will be offered by each institution under the
17 supervision of that governing board during the following academic
18 year. The list for each institution must also specifically
19 identify any course included in the common course numbering system
20 under Section 61.832 that has been added to or removed from the
21 institution's list for the current academic year, and the board
22 shall distribute that information as necessary to accomplish the
23 purposes of Section 61.832.

24 (b) After the comprehensive list of courses is submitted by
25 a governing board under Subsection (a) [~~of this section~~], the
26 governing board shall submit on dates designated by the board any
27 changes in the comprehensive list of courses to be offered,

1 including any changes relating to offering a course included in the
2 common course numbering system.

3 (b-1) Each governing board must certify at the time of
4 submission under Subsection (a) that the institution does not:

5 (1) prohibit the acceptance of transfer credit based
6 solely on the accreditation of the sending institution; or

7 (2) include language in any materials published by the
8 institution, whether in printed or electronic form, suggesting that
9 such a prohibition exists.

10 SECTION 35. The heading to Section 61.055, Education Code,
11 is amended to read as follows:

12 Sec. 61.055. [~~INITIATION OF NEW DEPARTMENTS, SCHOOLS, AND~~
13 ~~PROGRAMS,~~] PARTNERSHIPS OR AFFILIATIONS.

14 SECTION 36. Subsection (a), Section 61.055, Education Code,
15 is amended to read as follows:

16 (a) The board shall encourage cooperative programs and
17 agreements among institutions of higher education, including
18 programs and agreements relating to degree offerings, research
19 activities, and library and computer sharing. [~~Except as otherwise~~
20 ~~provided by law, a new department, school, or degree or certificate~~
21 ~~program approved by the board or its predecessor, the Texas~~
22 ~~Commission on Higher Education, may not be initiated by any~~
23 ~~institution of higher education until the board has made a written~~
24 ~~finding that the department, school, or degree or certificate~~
25 ~~program is adequately financed by legislative appropriation, by~~
26 ~~funds allocated by the board, or by funds from other sources.]~~

27 SECTION 37. Subsection (1), Section 61.051, Education Code,

1 is transferred to Subchapter C, Chapter 61, Education Code,
2 redesignated as Section 61.0571, Education Code, and amended to
3 read as follows:

4 Sec. 61.0571. BOARD ASSISTANCE TO INSTITUTIONS.

5 (a) [~~(1)~~] The board shall advise and offer technical assistance on
6 the request of any institution of higher education or system
7 administration.

8 SECTION 38. Subsection (n), Section 61.051, Education Code,
9 is transferred to Section 61.0571, Education Code, as added by this
10 Act, and redesignated as Subsection (b), Section 61.0571, Education
11 Code, to read as follows:

12 (b) [~~(n)~~] The board shall develop guidelines for
13 institutional reporting of student performance.

14 SECTION 39. Subsections (b), (d), and (e), Section 61.0572,
15 Education Code, are amended to read as follows:

16 (b) The board shall:

17 (1) determine formulas for space utilization in all
18 educational and general buildings and facilities at institutions of
19 higher education;

20 (2) devise and promulgate methods to assure maximum
21 daily and year-round use of educational and general buildings and
22 facilities, including but not limited to maximum scheduling of day
23 and night classes and maximum summer school enrollment;

24 (3) consider plans for selective standards of
25 admission when institutions of higher education approach capacity
26 enrollment;

27 (4) require, and assist the public technical

1 institutes, public senior colleges and universities, medical and
2 dental units, and other agencies of higher education in developing
3 long-range campus master plans for campus development;

4 (5) by rule adopt [~~endorse, or delay until the next~~
5 ~~succeeding session of the legislature has the opportunity to~~
6 ~~approve or disapprove, the proposed purchase of any real property~~
7 ~~by an institution of higher education, except a public junior~~
8 ~~college,~~

9 [~~(6) develop and publish~~] standards[, ~~rules, and~~
10 ~~regulations~~] to guide the board's review [~~institutions and agencies~~
11 ~~of higher education in making application for the approval~~] of new
12 construction and the [~~major~~] repair and rehabilitation of all
13 buildings and facilities regardless of proposed use; and

14 (6) [~~(7)~~] ascertain that the board's standards and
15 specifications for new construction, repair, and rehabilitation of
16 all buildings and facilities are in accordance with Chapter 469,
17 Government Code [~~Article 9102, Revised Statutes~~].

18 (d) [~~(1)~~] The board[, ~~for purposes of state funding,~~] may
19 review purchases of [~~and approve as an addition to an institution's~~
20 ~~educational and general buildings and facilities inventory any~~]
21 improved real property added to an institution's educational and
22 general buildings and facilities inventory [~~acquired by gifts or~~
23 ~~lease-purchase only if:~~

24 [~~(A) the institution requests to place the~~
25 ~~improved real property on its educational and general buildings and~~
26 ~~facilities inventory, and~~

27 [~~(B) the value of the improved real property is~~

1 ~~more than \$300,000 at the time the institution requests the~~
2 ~~property to be added to the educational and general buildings and~~
3 ~~facilities inventory.~~

4 ~~[(2) This subsection does not apply to gifts, grants,~~
5 ~~or lease-purchase arrangements intended for clinical or research~~
6 ~~facilities.~~

7 ~~[(c) Approval of the board is not required to acquire real~~
8 ~~property that is financed by bonds issued under Section 55.17(e)(3)~~
9 ~~or (4), 55.1713-55.1718, 55.1721-55.1728, 55.1735(a)(1), 55.174,~~
10 ~~55.1742, 55.1743, 55.1744, 55.1751-55.17592, 55.1768, 55.1771, or~~
11 ~~55.17721, except that the board shall review all real property to be~~
12 ~~financed by bonds issued under those sections] to determine whether~~
13 the property meets the standards adopted by the board for cost,
14 efficiency, space need, and space use, but the purchase of the
15 improved real property is not contingent on board review.
16 Standards must be adopted by the board using the negotiated
17 rulemaking procedures under Chapter 2008, Government Code. If the
18 property does not meet those standards, the board shall notify the
19 governor, the lieutenant governor, the speaker of the house of
20 representatives, the governing board of the applicable
21 institution, and the Legislative Budget Board. This subsection
22 does not impair the board's authority to collect data relating to
23 the improved real property that is added each year to the
24 educational and general buildings and facilities inventory of
25 institutions of higher education.

26 SECTION 40. Subsections (a) and (b), Section 61.058,
27 Education Code, are amended to read as follows:

1 (a) This section does not apply to ~~[Except as provided by~~
2 ~~Subsection (b) of this section, the board shall approve or~~
3 ~~disapprove all new construction and repair and rehabilitation of~~
4 ~~all buildings and facilities at institutions of higher education~~
5 ~~financed from any source provided that:~~

6 ~~[(A) the board's consideration and determination~~
7 ~~shall be limited to the purpose for which the new or remodeled~~
8 ~~buildings are to be used to assure conformity with approved space~~
9 ~~utilization standards and the institution's approved programs and~~
10 ~~role and mission if the cost of the project is not more than~~
11 ~~\$4,000,000, but the board may consider cost factors and the~~
12 ~~financial implications of the project to the state if the total cost~~
13 ~~is in excess of \$4,000,000;~~

14 ~~[(B) the requirement of approval for new~~
15 ~~construction applies only to projects the total cost of which is in~~
16 ~~excess of \$4,000,000;~~

17 ~~[(C) the requirement of approval for major repair~~
18 ~~and rehabilitation of buildings and facilities applies only to a~~
19 ~~project the total cost of which is more than \$4,000,000;~~

20 ~~[(D) the requirement of approval or disapproval~~
21 ~~by the board does not apply to any new construction or major repair~~
22 ~~and rehabilitation project that is specifically approved by the~~
23 ~~legislature;~~

24 ~~[(E) the requirement of approval by the board~~
25 ~~does not apply to a junior college's construction, repair, or~~
26 ~~rehabilitation financed entirely with funds from a source other~~
27 ~~than the state, including funds from ad valorem tax receipts of the~~

1 ~~college, gifts, grants, and donations to the college, and student~~
2 ~~fees; and~~

3 ~~[(F) the requirement of approval by the board~~
4 ~~does not apply to construction, repair, or rehabilitation of~~
5 ~~privately owned buildings and facilities located on land leased~~
6 ~~from an institution of higher education if the construction,~~
7 ~~repair, or rehabilitation is financed entirely from funds not under~~
8 ~~the control of the institution, and provided further that:~~

9 ~~[(i) the]~~ buildings and facilities that are
10 to be used exclusively for auxiliary enterprises~~[+]~~ and

11 ~~[(ii) the buildings and facilities]~~ will
12 not require appropriations from the legislature for operation,
13 maintenance, or repair ~~[unless approval by the board has been~~
14 ~~obtained]~~.

15 (b) The ~~[This section does not apply to construction,~~
16 ~~repair, or rehabilitation financed by bonds issued under Section~~
17 ~~55.17(e)(3) or (4), 55.1713-55.1718, 55.1721-55.1728, 55.174,~~
18 ~~55.1742, 55.1743, 55.1744, 55.1751-55.17592, 55.1768, 55.1771, or~~
19 ~~55.17721, except that the]~~ board may ~~[shall]~~ review all
20 construction, repair, or rehabilitation of buildings and
21 facilities at institutions of higher education ~~[to be financed by~~
22 ~~bonds issued under those sections]~~ to determine whether the
23 construction, rehabilitation, or repair meets the standards
24 adopted by board rule for cost, efficiency, space need, and space
25 use, but the construction, rehabilitation, or repair is not
26 contingent on board review. Standards must be adopted by the board
27 using the negotiated rulemaking procedures under Chapter 2008,

1 Government Code. If the construction, rehabilitation, or repair
2 does not meet those standards, the board shall notify the governor,
3 the lieutenant governor, the speaker of the house of
4 representatives, the governing boards of the applicable
5 institutions, and the Legislative Budget Board. This subsection
6 does not impair the board's authority to collect data relating to
7 the construction, repair, or rehabilitation of buildings and
8 facilities occurring each year at institutions of higher education.

9 SECTION 41. Subchapter C, Chapter 61, Education Code, is
10 amended by adding Section 61.05821 to read as follows:

11 Sec. 61.05821. CONDITION OF BUILDINGS AND FACILITIES;
12 ANNUAL REPORT REQUIRED. Each institution of higher education,
13 excluding each public junior college and excluding other agencies
14 of higher education, annually shall report to the governing board
15 of the institution information regarding the condition of the
16 buildings and facilities of the institution, including information
17 concerning deferred maintenance with respect to those buildings and
18 facilities as defined by the board.

19 SECTION 42. Subsection (a-4), Section 61.051, Education
20 Code, is transferred to Subchapter C, Chapter 61, Education Code,
21 redesignated as Section 61.0661, Education Code, and amended to
22 read as follows:

23 Sec. 61.0661. OPPORTUNITIES FOR GRADUATE MEDICAL
24 EDUCATION. (a) [~~(a-4)~~] The board shall conduct [~~include in the~~
25 ~~five-year master plan developed under Subsection (a-1)~~] an
26 assessment of the adequacy of opportunities for graduates of
27 medical schools in this state to enter graduate medical education

1 in this state. The assessment must:

2 (1) compare the number of first-year graduate medical
3 education positions available annually with the number of medical
4 school graduates;

5 (2) include a statistical analysis of recent trends in
6 and projections of the number of medical school graduates and
7 first-year graduate medical education positions in this state;

8 (3) develop methods and strategies for achieving a
9 ratio for the number of first-year graduate medical education
10 positions to the number of medical school graduates in this state of
11 at least 1.1 to 1;

12 (4) evaluate current and projected physician
13 workforce needs of this state, by total number and by specialty, in
14 the development of additional first-year graduate medical
15 education positions; and

16 (5) examine whether this state should ensure that a
17 first-year graduate medical education position is created in this
18 state for each new medical student position established by a
19 medical and dental unit.

20 (b) Not later than December 1 of each even-numbered year,
21 the board shall report the results of the assessment to the
22 governor, the lieutenant governor, the speaker of the house of
23 representatives, and the standing committees of the senate and
24 house of representatives with primary jurisdiction over higher
25 education.

26 SECTION 43. Subsection (h), Section 61.051, Education Code,
27 is transferred to Subchapter C, Chapter 61, Education Code,

1 redesignated as Section 61.0662, Education Code, and amended to
2 read as follows:

3 Sec. 61.0662. INFORMATION ON RESEARCH CONDUCTED BY
4 INSTITUTIONS. (a) [~~(h) The board shall make continuing studies of~~
5 ~~the needs of the state for research and designate the institutions~~
6 ~~of higher education to perform research as needed.~~] The board
7 shall [~~also~~] maintain an inventory of all institutional and
8 programmatic research activities being conducted by the various
9 institutions of higher education, whether state-financed or not.

10 (b) Once a year, on dates prescribed by the board, each
11 institution of higher education shall report to the board all
12 research conducted at that institution during the [~~last~~] preceding
13 year.

14 (c) All reports required by this section [~~subsection~~] shall
15 be made subject to the limitations imposed by security regulations
16 governing defense contracts for research.

17 SECTION 44. Subchapter C, Chapter 61, Education Code, is
18 amended by adding Section 61.069 to read as follows:

19 Sec. 61.069. BOARD ROLE IN ESTABLISHING BEST PRACTICES.
20 (a) The board may administer or oversee a program to identify best
21 practices only in cases where funding or other restrictions prevent
22 entities other than the board from administering the program.

23 (b) The board may initiate a new pilot project only if other
24 entities, including nonprofit organizations and institutions of
25 higher education, are not engaging in similar projects or if the
26 initiative cannot be performed by another entity.

27 (c) The board may use its position as a statewide

1 coordinator to assist with matching nonprofit organizations or
2 grant-funding entities with institutions of higher education and
3 private or independent institutions of higher education to
4 implement proven programs and best practices.

5 (d) The board may compile best practices and strategies
6 resulting from its review of external studies for use in providing
7 technical assistance to institutions of higher education and as the
8 basis for the board's statewide policy recommendations.

9 SECTION 45. Subchapter C, Chapter 61, Education Code, is
10 amended by adding Section 61.0763 to read as follows:

11 Sec. 61.0763. STUDENT LOAN DEFAULT PREVENTION AND FINANCIAL
12 AID LITERACY PILOT PROGRAM. (a) In this section, "career school
13 or college" has the meaning assigned by Section 132.001.

14 (b) Not later than January 1, 2014, the board shall
15 establish and administer a pilot program at selected postsecondary
16 educational institutions to ensure that students of those
17 institutions are informed consumers with regard to all aspects of
18 student financial aid, including:

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

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

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

25 (c) The board shall select at least one institution from
26 each of the following categories of postsecondary educational
27 institutions to participate in the program:

- 1 (1) general academic teaching institutions;
- 2 (2) public junior colleges;
- 3 (3) private or independent institutions of higher
4 education; and
- 5 (4) career schools or colleges.

6 (d) In selecting postsecondary educational institutions to
7 participate in the pilot program, the board shall give priority to
8 institutions that have a three-year cohort student loan default
9 rate, as reported by the United States Department of Education:

- 10 (1) of more than 20 percent; or
- 11 (2) that has above average growth as compared to the
12 rates of other postsecondary educational institutions in this
13 state.

14 (e) The board, in consultation with postsecondary
15 educational institutions, shall adopt rules for the administration
16 of the pilot program, including rules governing the selection of
17 postsecondary educational institutions to participate in the pilot
18 program consistent with the requirements of Subsection (d).

19 (f) The board may contract with one or more entities to
20 administer the pilot program according to criteria established by
21 board rule.

22 (g) Not later than January 1 of each year, beginning in
23 2016:

- 24 (1) the board shall submit a report to the governor,
25 the lieutenant governor, and the speaker of the house of
26 representatives regarding the outcomes of the pilot program, as
27 reflected in the federal student loan default rates reported for

1 the participating institutions; and

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

7 (h) This section expires December 31, 2020.

8 SECTION 46. Subchapter C, Chapter 61, Education Code, is
9 amended by adding Section 61.07761 to read as follows:

10 Sec. 61.07761. FINANCIAL AID AND OTHER TRUSTEED FUNDS
11 ALLOCATION. (a) For any funds trusteeed to the board for
12 allocation to institutions of higher education and private or
13 independent institutions of higher education, including financial
14 aid program funds, the board by rule shall:

15 (1) establish and publish the allocation
16 methodologies; and

17 (2) develop procedures to verify the accuracy of the
18 application of those allocation methodologies by board staff.

19 (b) The board shall consult with affected stakeholders
20 before adopting rules under this section.

21 SECTION 47. Section 61.306, Education Code, is amended by
22 adding Subsection (c) to read as follows:

23 (c) The board may not issue a certificate of authority for a
24 private postsecondary institution to grant a professional degree or
25 to represent that credits earned in this state are applicable
26 toward a degree if the institution is chartered in a foreign country
27 or has its principal office or primary educational program in a

1 foreign country. In this subsection, "professional degree"
2 includes a Doctor of Medicine (M.D.), Doctor of Osteopathy (D.O.),
3 Doctor of Dental Surgery (D.D.S.), Doctor of Veterinary Medicine
4 (D.V.M.), Juris Doctor (J.D.), and Bachelor of Laws (LL.B.).

5 SECTION 48. The heading to Section 61.822, Education Code,
6 is amended to read as follows:

7 Sec. 61.822. TRANSFER OF CREDITS; CORE CURRICULUM.

8 SECTION 49. Section 61.822, Education Code, is amended by
9 amending Subsection (a) and adding Subsection (a-1) to read as
10 follows:

11 (a) The board shall encourage the transferability of lower
12 division course credit among institutions of higher education.

13 (a-1) The board, with the assistance of advisory committees
14 composed of representatives of institutions of higher education,
15 shall develop a recommended core curriculum of at least 42 semester
16 credit hours, including a statement of the content, component
17 areas, and objectives of the core curriculum. At least a majority
18 of the members of any advisory committee named under this section
19 shall be faculty members of an institution of higher education. An
20 institution shall consult with the faculty of the institution
21 before nominating or recommending a person to the board as the
22 institution's representative on an advisory committee.

23 SECTION 50. Subchapter C, Chapter 62, Education Code, is
24 amended to read as follows:

25 SUBCHAPTER C. TEXAS COMPETITIVE KNOWLEDGE [~~RESEARCH UNIVERSITY~~
26 ~~DEVELOPMENT~~] FUND

27 Sec. 62.051. DEFINITIONS. In this subchapter:

1 (1) "Eligible institution" means an institution of
2 higher education that:

3 (A) is designated as a research university [~~or~~
4 ~~emerging research university~~] under the coordinating board's
5 accountability system and, for any three consecutive state fiscal
6 years beginning on or after September 1, 2010, made total annual
7 research expenditures in an average annual amount of not less than
8 \$450 million; or

9 (B) is designated as an emerging research
10 university under the coordinating board's accountability system
11 and, for any three consecutive state fiscal years beginning on or
12 after September 1, 2010, made total annual research expenditures in
13 an average annual amount of not less than \$50 million.

14 (2) "Fund" means the Texas competitive knowledge fund.

15 (3) "Institution of higher education" has the meaning
16 assigned by Section 61.003.

17 Sec. 62.052. PURPOSE. The purpose of this subchapter is to
18 provide funding to eligible research universities and emerging
19 research universities to support faculty to ensure excellence in
20 instruction and research [~~for the recruitment and retention of~~
21 ~~highly qualified faculty and the enhancement of research~~
22 ~~productivity at those universities~~].

23 Sec. 62.053. FUND [~~FUNDING~~]. (a) The Texas competitive
24 knowledge fund consists of money [~~For each state fiscal year, the~~
25 ~~coordinating board shall distribute any funds~~] appropriated by the
26 legislature for the purposes of this subchapter [~~, and any other~~
27 ~~funds made available for the purposes of this subchapter,~~] to

1 eligible institutions [~~based on the average amount of total~~
2 ~~research funds expended by each institution annually during the~~
3 ~~three most recent state fiscal years, according to the following~~
4 ~~rates:~~

5 ~~[(1) at least \$1 million for every \$10 million of the~~
6 ~~average annual amount of those research funds expended by the~~
7 ~~institution, if that average amount for the institution is \$50~~
8 ~~million or more; and~~

9 ~~[(2) at least \$500,000 for every \$10 million of the~~
10 ~~average annual amount of those research funds expended by the~~
11 ~~institution, if that average amount for the institution is less~~
12 ~~than \$50 million].~~

13 (b) For purposes of this section [~~Subsection (a)~~], the
14 amount of total research funds expended by an eligible institution
15 in a state fiscal year is the amount of those funds as reported to
16 the coordinating board by the institution for that fiscal year,
17 subject to any adjustment by the coordinating board in accordance
18 with the standards and accounting methods the coordinating board
19 prescribes for purposes of this section. [~~If the funds available~~
20 ~~for distribution for a state fiscal year under Subsection (a) are~~
21 ~~not sufficient to provide the amount specified by Subsection (a)~~
22 ~~for each eligible institution or exceed the amount sufficient for~~
23 ~~that purpose, the available amount shall be distributed in~~
24 ~~proportion to the total amount to which each institution is~~
25 ~~otherwise entitled under Subsection (a).~~]

26 Sec. 62.0535. INITIAL CONTRIBUTION. For the first state
27 fiscal biennium in which an eligible institution receives an

1 appropriation under this subchapter, the institution's other
2 general revenue appropriations shall be reduced by \$5 million for
3 the biennium or the amount of the institution's appropriation under
4 this subchapter for the biennium. The bill making the
5 appropriation must expressly identify the purpose for which the
6 appropriations were reduced in accordance with this section.

7 ~~[Sec. 62.054. RULES. The coordinating board shall adopt~~
8 ~~rules for the administration of this subchapter, including any~~
9 ~~rules the coordinating board considers necessary regarding the~~
10 ~~submission to the coordinating board by eligible institutions of~~
11 ~~any student data required for the coordinating board to carry out~~
12 ~~its duties under this subchapter.]~~

13 SECTION 51. The heading to Chapter 142, Education Code, is
14 amended to read as follows:

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

17 SECTION 52. Section 142.001, Education Code, is amended by
18 amending Subdivisions (1) and (4) and adding Subdivisions (1-a) and
19 (6) to read as follows:

20 (1) "Applied research" means research directed at
21 gaining the knowledge or understanding necessary to meet a specific
22 and recognized need, including the discovery of new scientific
23 knowledge that has specific objectives relating to products or
24 processes.

25 (1-a) "Basic research" means research the primary
26 object of which is to gain a fuller fundamental knowledge of the
27 subject under study.

1 (4) "Research program [~~Program~~]" means the Norman
2 Hackerman advanced research program established under this
3 chapter.

4 (6) "Technology program" means the advanced
5 technology program established under this chapter.

6 SECTION 53. The heading to Section 142.002, Education Code,
7 is amended to read as follows:

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

10 SECTION 54. Section 143.002, Education Code, is transferred
11 to Chapter 142, Education Code, redesignated as Section 142.0025,
12 Education Code, and amended to read as follows:

13 Sec. 142.0025 [~~143.002~~]. ADVANCED TECHNOLOGY PROGRAM
14 [~~ESTABLISHMENT~~]; PURPOSE. (a) It is essential to the state's
15 economic growth that the state [~~it~~] exploit the potential of
16 technology to advance the development and growth of technology and
17 that industry be promoted and expanded. The advanced technology
18 program is established as a means to accomplish this purpose.

19 (b) Providing appropriated funds to faculty members of
20 institutions of higher education [~~public~~] and private or
21 independent institutions of higher education to conduct applied
22 research is important to the state's welfare and, consequently, is
23 an important public purpose for the expenditure of public funds
24 because the applied research will enhance the state's economic
25 growth by:

- 26 (1) educating the state's scientists and engineers;
27 (2) creating new products and production processes;

1 and

2 (3) contributing to the application of science and
3 technology to state businesses.

4 SECTION 55. Section 142.003, Education Code, is amended to
5 read as follows:

6 Sec. 142.003. ADMINISTRATION; GUIDELINES AND PROCEDURES.

7 (a) The coordinating board shall administer the technology program
8 and the research program.

9 (b) The coordinating board shall appoint an advisory
10 committee that consists of experts in the specified research areas
11 of both programs to advise the coordinating board regarding the
12 coordinating board's development of research priorities,
13 guidelines, and procedures for the selection of specific projects
14 at eligible institutions.

15 (c) The guidelines and procedures developed for the
16 research program by the coordinating board must:

17 (1) provide for awards on a competitive, peer review
18 basis for specific projects at eligible institutions; and

19 (2) require that, as a condition of receiving an
20 award, an eligible institution must use a portion of the award to
21 support, in connection with the project for which the award is made,
22 basic research conducted by:

23 (A) graduate or undergraduate students, if the
24 eligible institution is a medical and dental unit; or

25 (B) undergraduate students, if the eligible
26 institution is any other eligible institution [~~of higher~~
27 ~~education~~].

1 (d) The guidelines and procedures developed for the
2 technology program by the coordinating board must:

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

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

12 (e) The coordinating board shall encourage projects under
13 the technology program that leverage funds from other sources and
14 projects that propose innovative, collaborative efforts:

15 (1) across academic disciplines;

16 (2) among two or more eligible institutions; or

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

19 SECTION 56. Section 143.003, Education Code, is transferred
20 to Chapter 142, Education Code, redesignated as Section 142.0035,
21 Education Code, and amended to read as follows:

22 Sec. 142.0035 [~~143.003~~]. TECHNOLOGY PROGRAM: PRIORITY
23 RESEARCH AREAS. The technology program may provide support for
24 faculty members to conduct research in areas determined by an
25 advisory panel appointed by the coordinating board. Initial
26 research areas shall include: agriculture, biotechnology,
27 biomedicine, energy, environment, materials science,

1 microelectronics, aerospace, marine science, aquaculture,
2 telecommunications, manufacturing science, environmental issues
3 affecting the Texas-Mexico border region, the reduction of
4 industrial, agricultural, and domestic water use, recycling, and
5 related disciplines. The advisory committee appointed under
6 Section 142.003(b) [~~panel~~] may add or delete priority research
7 areas as the advisory committee [~~panel~~] considers warranted.

8 SECTION 57. Section 142.004, Education Code, is amended by
9 amending Subsections (a) and (c) and adding Subsections (c-1) and
10 (f) to read as follows:

11 (a) The programs created under this chapter are [~~program is~~]
12 funded by appropriations and by gifts, grants, and donations made
13 for purposes of each [~~the~~] program.

14 (c) The funds allocated [~~appropriated~~] for the research
15 program may be expended to support the particular projects for
16 which an award is made and may not be expended for the general
17 support of ongoing research at an eligible institution or for the
18 construction or remodeling of a facility.

19 (c-1) The funds allocated for the technology program may be:

20 (1) expended to support particular research projects
21 for which an award is made, and may not be expended for the general
22 support of ongoing research and instruction at an eligible
23 institution or for the construction or remodeling of a facility;
24 and

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

1 (f) The advisory committee appointed under Section
2 142.003(b) shall determine when and to what extent funds
3 appropriated under this chapter will be allocated to each program
4 under this chapter unless the legislature specifies a division in
5 the General Appropriations Act.

6 SECTION 58. Sections 142.006 and 142.007, Education Code,
7 are amended to read as follows:

8 Sec. 142.006. MERIT REVIEW. (a) The coordinating board
9 shall appoint a committee that consists of experts in the specified
10 research areas to evaluate the research program's effectiveness and
11 report its findings to the coordinating board not later than
12 January 31 of each odd-numbered year.

13 (b) The coordinating board shall appoint a committee
14 consisting of representatives of higher education and private
15 enterprise advanced technology research organizations to evaluate
16 the technology program's effectiveness and report its findings to
17 the coordinating board not later than January 31 of each
18 odd-numbered year.

19 Sec. 142.007. CONFIDENTIALITY. Information submitted as
20 part of a pre-proposal or proposal or related to the evaluation and
21 selection of research projects to be funded by the research program
22 or technology program is confidential unless made public by
23 coordinating board rule.

24 SECTION 59. Section 143.0051, Education Code, is
25 transferred to Chapter 142, Education Code, and redesignated as
26 Section 142.009, Education Code, to read as follows:

27 Sec. 142.009 [~~143.0051~~]. APPLIED RESEARCH FOR CLEAN COAL

1 PROJECT AND OTHER PROJECTS FOR ELECTRICITY GENERATION. The
2 coordinating board shall use money available for the purpose from
3 legislative appropriations, including gifts, grants, and
4 donations, to support at one or more eligible institutions applied
5 research related to:

6 (1) the development, construction, and operation in
7 this state of a clean coal project, as defined by Section 5.001,
8 Water Code; or

9 (2) electricity generation using lignite coal
10 deposits in this state or integrated gasification combined cycle
11 technology.

12 SECTION 60. Subsection (f), Section 130.0012, Education
13 Code, is amended to read as follows:

14 (f) Each public junior college that offers a baccalaureate
15 degree program under this section must enter into an articulation
16 agreement for the first five years of the program with one or more
17 general academic teaching institutions to ensure that students
18 enrolled in the degree program have an opportunity to complete the
19 degree if the public junior college ceases to offer the degree
20 program. The coordinating board may require a general academic
21 teaching institution that offers a comparable degree program to
22 enter into an articulation agreement with the public junior college
23 as provided by this subsection.

24 SECTION 61. Subsection (f), Section 42.0421, Human
25 Resources Code, as added by Chapter 82 (S.B. 265), Acts of the 82nd
26 Legislature, Regular Session, 2011, is amended to read as follows:

27 (f) The training required by this section must be

1 appropriately targeted and relevant to the age of the children who
2 will receive care from the individual receiving training and must
3 be provided by a person who:

4 (1) is a training provider registered with the Texas
5 Early Care and Education Career Development System's Texas Trainer
6 Registry that is maintained by the Texas Head Start State
7 Collaboration Office;

8 (2) is an instructor at a public or private secondary
9 school, an [~~or at a public or private~~] institution of higher
10 education, as defined by Section 61.003 [~~61.801~~], Education Code,
11 or a private college or university accredited by a recognized
12 accrediting agency who teaches early childhood development or
13 another relevant course, as determined by rules adopted by the
14 commissioner of education and the commissioner of higher education;

15 (3) is an employee of a state agency with relevant
16 expertise;

17 (4) is a physician, psychologist, licensed
18 professional counselor, social worker, or registered nurse;

19 (5) holds a generally recognized credential or
20 possesses documented knowledge relevant to the training the person
21 will provide;

22 (6) is a registered family home care provider or
23 director of a day-care center or group day-care home in good
24 standing with the department, if applicable, and who:

25 (A) has demonstrated core knowledge in child
26 development and caregiving; and

27 (B) is only providing training at the home or

1 center in which the provider or director and the person receiving
2 training are employed; or

3 (7) has at least two years of experience working in
4 child development, a child development program, early childhood
5 education, a childhood education program, or a Head Start or Early
6 Head Start program and:

7 (A) has been awarded a Child Development
8 Associate (CDA) credential; or

9 (B) holds at least an associate's degree in child
10 development, early childhood education, or a related field.

11 SECTION 62. The following provisions of the Education Code
12 are repealed:

13 (1) Chapters 144, 147, 148, and 152;

14 (2) Subchapters J, M, Q, and X, Chapter 51;

15 (3) Subchapters B and D, Chapter 57;

16 (4) Subchapters K, P, Q, U, and W, Chapter 61;

17 (5) Section 51.916; Subsection (f), Section 52.17;
18 Section 52.56; Subsections (c) and (d), Section 56.307; Subsection
19 (d), Section 56.456; Subsections (c) and (d), Section 56.459;
20 Subsection (e), Section 56.407; Subsections (b), (c), (d), and (e),
21 Section 58.002; Section 61.0573; and Subsection (c), Section
22 61.058;

23 (6) Subdivisions (1) and (3), Section 57.02;

24 (7) Sections 57.41, 57.42, 57.43, 57.44, 57.45, 57.46,
25 57.461, 57.47, 57.471, 57.481, 57.50, 58.001, 58.003, 58.004, and
26 58.005;

27 (8) Subsections (b), (c), (d), (e), (f), (g), (i),

1 (j), (k), (m), (o), (p), and (q), Section 61.051;

2 (9) Subsections (i) and (i-1), Section 61.059;
3 Sections 61.0591, 61.0631, and 61.066; Subsection (d), Section
4 61.0761; Sections 61.078, 61.088, and 61.660; and Subsection (c),
5 Section 62.096; and

6 (10) Sections 143.001, 143.004, 143.005, 143.007, and
7 143.008.

8 SECTION 63. The changes in law made by this Act to Section
9 52.39, Education Code, apply only to a suit filed under that section
10 on or after the effective date of this Act. A suit filed under
11 Section 52.39, Education Code, before the effective date of this
12 Act is governed by the law in effect on the date the suit is filed,
13 and the former law is continued in effect for that purpose.

14 SECTION 64. (a) The change in law made by this Act to
15 Subchapter M, Chapter 56, Education Code, applies beginning with
16 TEXAS grants awarded for the 2014 fall semester. Grants awarded for
17 a semester or term before the 2014 fall semester are governed by the
18 applicable law in effect immediately before the effective date of
19 this Act, and the former law is continued in effect for that
20 purpose.

21 (b) Notwithstanding Subsection (a) of this section, a
22 student who first receives a TEXAS grant for attendance at a public
23 junior college, public state college, or public technical institute
24 for a semester or other academic term before the 2014 fall semester
25 may continue to receive a TEXAS grant under Subchapter M, Chapter
26 56, Education Code, as that subchapter existed immediately before
27 the effective date of this Act, as long as the student remains

1 eligible for a TEXAS grant under the former law, and, if eligible,
2 may continue to receive a TEXAS grant if the student enrolls at an
3 eligible institution under Subchapter M, Chapter 56, Education
4 Code, as amended by this Act. The Texas Higher Education
5 Coordinating Board shall adopt rules to administer this subsection
6 and shall notify each student who receives a TEXAS grant in the
7 2013-2014 academic year of the provisions of this subsection.

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

12 (b) Notwithstanding Subsection (a) of this section, a
13 student who first receives a Texas B-On-time loan for a semester or
14 other academic term before the 2014 fall semester may continue to
15 receive Texas B-On-time loans under Subchapter Q, Chapter 56,
16 Education Code, as that subchapter existed immediately before the
17 effective date of this Act, as long as the student remains eligible
18 for a Texas B-On-time loan under the former law, and is entitled to
19 obtain forgiveness of the loans as permitted by Section 56.462,
20 Education Code, as that section existed immediately before the
21 effective date of this Act. The Texas Higher Education
22 Coordinating Board shall adopt rules to administer this subsection
23 and shall notify each student who receives a Texas B-On-time loan in
24 the 2013-2014 academic year of the provisions of this subsection.

25 SECTION 66. The changes in law made by this Act to Section
26 61.052, Education Code, apply to the comprehensive lists of courses
27 offered by public institutions of higher education beginning with

1 lists required to be submitted for the 2014-2015 academic year.
2 Course lists for an academic year before that academic year are
3 covered by the law in effect before the effective date of this Act,
4 and that law is continued in effect for that purpose.

5 SECTION 67. The Texas Higher Education Coordinating Board
6 shall adopt rules for the administration of Section 61.0763,
7 Education Code, as added by this Act, as soon as practicable after
8 this Act takes effect. For that purpose, the coordinating board may
9 adopt the initial rules in the manner provided by law for emergency
10 rules.

11 SECTION 68. The Texas Higher Education Coordinating Board
12 shall adopt rules as required by Section 61.07761, Education Code,
13 as added by this Act, as soon as practicable after this Act takes
14 effect. For that purpose, the coordinating board may adopt the
15 initial rules in the manner provided by the law for emergency rules.

16 SECTION 69. This Act takes effect September 1, 2013.

President of the Senate

Speaker of the House

I hereby certify that S.B. No. 215 passed the Senate on April 11, 2013, by the following vote: Yeas 30, Nays 1; May 20, 2013, Senate refused to concur in House amendments and requested appointment of Conference Committee; May 21, 2013, House granted request of the Senate; May 25, 2013, Senate adopted Conference Committee Report by the following vote: Yeas 31, Nays 0.

Secretary of the Senate

I hereby certify that S.B. No. 215 passed the House, with amendments, on May 16, 2013, by the following vote: Yeas 143, Nays 2, one present not voting; May 21, 2013, House granted request of the Senate for appointment of Conference Committee; May 26, 2013, House adopted Conference Committee Report by the following vote: Yeas 135, Nays 5, two present not voting.

Chief Clerk of the House

Approved:

Date

Governor