

1-1 By: Birdwell, Nichols S.B. No. 215
 1-2 (In the Senate - Filed March 5, 2013; March 12, 2013, read
 1-3 first time and referred to Committee on Higher Education;
 1-4 April 2, 2013, reported adversely, with favorable Committee
 1-5 Substitute by the following vote: Yeas 7, Nays 0; April 2, 2013,
 1-6 sent to printer.)

1-7 COMMITTEE VOTE

	Yea	Nay	Absent	PNV
1-8				
1-9	X			
1-10	X			
1-11	X			
1-12	X			
1-13	X			
1-14	X			
1-15	X			

1-16 COMMITTEE SUBSTITUTE FOR S.B. No. 215 By: Birdwell

1-17 A BILL TO BE ENTITLED
 1-18 AN ACT

1-19 relating to the continuation and functions of the Texas Higher
 1-20 Education Coordinating Board.

1-21 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

1-22 SECTION 1. Section 61.0511, Education Code, is transferred
 1-23 to Subchapter G, Chapter 51, Education Code, and redesignated as
 1-24 Section 51.359, Education Code, to read as follows:

1-25 Sec. 51.359 [~~61.0511~~]. ROLE AND MISSION STATEMENT. Each
 1-26 institution of higher education shall develop a statement regarding
 1-27 the role and mission of the institution reflecting the three
 1-28 missions of higher education: teaching, research, and public
 1-29 service.

1-30 SECTION 2. Section 51.406, Education Code, is amended by
 1-31 adding Subsection (d) to read as follows:

1-32 (d) At least every five years, the Texas Higher Education
 1-33 Coordinating Board shall reevaluate its rules and policies to
 1-34 ensure the continuing need for the data requests the coordinating
 1-35 board imposes on university systems, institutions of higher
 1-36 education, or private or independent institutions of higher
 1-37 education. The coordinating board shall consult with those
 1-38 entities in identifying unnecessary requests or ways to streamline
 1-39 those requests. The coordinating board shall eliminate data
 1-40 requests identified as unnecessary from its rules and policies. In
 1-41 this subsection, "private or independent institution of higher
 1-42 education" has the meaning assigned by Section 61.003.

1-43 SECTION 3. Subdivisions (2) and (3), Section 56.451,
 1-44 Education Code, are amended to read as follows:

1-45 (2) "Eligible institution" means:

1-46 (A) a general academic teaching institution,
 1-47 other than a public state college [an institution of higher
 1-48 education]; [or]

1-49 (B) a medical and dental unit that offers
 1-50 baccalaureate degrees; or

1-51 (C) a private or independent institution of
 1-52 higher education that offers baccalaureate degree programs.

1-53 (3) "General academic teaching institution," "medical
 1-54 and dental unit," "private or independent institution of higher
 1-55 education," and "public state [junior] college," [and "public
 1-56 technical institute"] have the meanings assigned by Section 61.003.

1-57 SECTION 4. Subsection (b), Section 56.452, Education Code,
 1-58 is amended to read as follows:

1-59 (b) The purpose of this subchapter is to provide no-interest
 1-60 loans to eligible students to enable those students to earn

2-1 baccalaureate degrees at [~~attend all~~] public and private or
2-2 independent institutions of higher education in this state.

2-3 SECTION 5. Section 56.455, Education Code, is amended to
2-4 read as follows:

2-5 Sec. 56.455. INITIAL ELIGIBILITY FOR LOAN. To be eligible
2-6 initially for a Texas B-On-time loan, a person must:

2-7 (1) be a resident of this state under Section 54.052 or
2-8 be entitled, as a child of a member of the armed forces of the United
2-9 States, to pay tuition at the rate provided for residents of this
2-10 state under Section 54.241;

2-11 (2) meet one of the following academic requirements:

2-12 (A) be a graduate of a public or private high
2-13 school in this state who graduated not earlier than the 2002-2003
2-14 school year under the recommended or advanced high school program
2-15 established under Section 28.025(a) or its equivalent;

2-16 (B) be a graduate of a high school operated by the
2-17 United States Department of Defense who:

2-18 (i) graduated from that school not earlier
2-19 than the 2002-2003 school year; and

2-20 (ii) at the time of graduation from that
2-21 school was a dependent child of a member of the armed forces of the
2-22 United States; or

2-23 (C) have received an associate degree from an
2-24 [eligible] institution of higher education or private or
2-25 independent institution of higher education not earlier than May 1,
2-26 2005;

2-27 (3) be enrolled for a full course load for an
2-28 undergraduate student, as determined by the coordinating board, in
2-29 a baccalaureate [~~an undergraduate~~] degree [~~or certificate~~]
2-30 at an eligible institution;

2-31 (4) be eligible for federal financial aid, except that
2-32 a person is not required to meet any financial need requirement
2-33 applicable to a particular federal financial aid program; and

2-34 (5) comply with any additional nonacademic
2-35 requirement adopted by the coordinating board under this
2-36 subchapter.

2-37 SECTION 6. Subsection (a), Section 56.456, Education Code,
2-38 is amended to read as follows:

2-39 (a) After initially qualifying for a Texas B-On-time loan, a
2-40 person may continue to receive a Texas B-On-time loan for each
2-41 semester or term in which the person is enrolled at an eligible
2-42 institution only if the person:

2-43 (1) is enrolled for a full course load for an
2-44 undergraduate student, as determined by the coordinating board, in
2-45 a baccalaureate [~~an undergraduate~~] degree [~~or certificate~~]
2-46 at an eligible institution;

2-47 (2) is eligible for federal financial aid, except that
2-48 a person is not required to meet any financial need requirement
2-49 applicable to a particular federal financial aid program;

2-50 (3) makes satisfactory academic progress toward a
2-51 degree [~~or certificate~~] as determined by the institution at which
2-52 the person is enrolled, if the person is enrolled in the person's
2-53 first academic year at the institution;

2-54 (4) completed at least 75 percent of the semester
2-55 credit hours attempted by the person in the most recent academic
2-56 year and has a cumulative grade point average of at least 2.5 on a
2-57 four-point scale or the equivalent on all coursework previously
2-58 attempted at institutions of higher education or private or
2-59 independent institutions of higher education, if the person is
2-60 enrolled in any academic year after the person's first academic
2-61 year; and

2-62 (5) complies with any additional nonacademic
2-63 requirement adopted by the coordinating board.

2-64 SECTION 7. Subsections (a) and (b), Section 56.459,
2-65 Education Code, are amended to read as follows:

2-66 (a) The amount of a Texas B-On-time loan for a semester or
2-67 term for a student enrolled full-time at an eligible institution
2-68 other than an institution covered by Subsection (b) [~~, (c), or (d)~~]
2-69 is an amount determined by the coordinating board as the average

3-1 statewide amount of tuition and required fees that a resident
 3-2 student enrolled full-time in a baccalaureate [~~an undergraduate~~]
 3-3 degree program would be charged for that semester or term at general
 3-4 academic teaching institutions.

3-5 (b) The amount of a Texas B-On-time loan for a student
 3-6 enrolled full-time at a private or independent institution of
 3-7 higher education is an amount determined by the coordinating board
 3-8 as the average statewide amount of tuition and required fees that a
 3-9 resident student enrolled full-time in a baccalaureate [~~an~~
 3-10 ~~undergraduate~~] degree program would be charged for that semester or
 3-11 term at general academic teaching institutions.

3-12 SECTION 8. Sections 56.461 and 56.462, Education Code, are
 3-13 amended to read as follows:

3-14 Sec. 56.461. LOAN PAYMENT DEFERRED. The repayment of a
 3-15 Texas B-On-time loan received by a student under this subchapter is
 3-16 deferred as long as the student remains continuously enrolled in a
 3-17 baccalaureate [~~an undergraduate~~] degree [~~or certificate~~] program
 3-18 at an eligible institution.

3-19 Sec. 56.462. LOAN FORGIVENESS. A student who receives a
 3-20 Texas B-On-time loan shall be forgiven the amount of the student's
 3-21 loan if the student is awarded a baccalaureate [~~an undergraduate~~
 3-22 ~~certificate or~~] degree at an eligible institution with a cumulative
 3-23 grade point average of at least 3.0 on a four-point scale or the
 3-24 equivalent:

3-25 (1) within:

3-26 (A) four calendar years after the date the
 3-27 student initially enrolled in an [~~the~~] institution of higher
 3-28 education or private or independent institution of higher education
 3-29 [~~or another eligible institution~~] if [+]

3-30 [(i) ~~the institution is a four-year~~
 3-31 ~~institution; and~~

3-32 [(ii)] the student is awarded a degree
 3-33 other than a degree in engineering, architecture, or any other
 3-34 program determined by the coordinating board to require more than
 3-35 four years to complete; or

3-36 (B) five calendar years after the date the
 3-37 student initially enrolled in an [~~the~~] institution of higher
 3-38 education or private or independent institution of higher education
 3-39 [~~or another eligible institution~~] if [+]

3-40 [(i) ~~the institution is a four-year~~
 3-41 ~~institution; and~~

3-42 [(ii)] the student is awarded a degree in
 3-43 engineering, architecture, or any other program determined by the
 3-44 coordinating board to require more than four years to complete; [~~or~~

3-45 [(C) ~~two years after the date the student~~
 3-46 ~~initially enrolled in the institution or another eligible~~
 3-47 ~~institution if the institution is a public junior college or public~~
 3-48 ~~technical institute;] or~~

3-49 (2) with a total number of semester credit hours,
 3-50 including transfer credit hours and excluding hours earned
 3-51 exclusively by examination, hours earned for a course for which the
 3-52 student received credit toward the student's high school academic
 3-53 requirements, and hours earned for developmental coursework that an
 3-54 institution of higher education required the student to take under
 3-55 Section 51.3062 or under the former provisions of Section 51.306,
 3-56 that is not more than six hours more than the minimum number of
 3-57 semester credit hours required to complete the [~~certificate or~~]
 3-58 degree.

3-59 SECTION 9. Section 61.0211, Education Code, is amended to
 3-60 read as follows:

3-61 Sec. 61.0211. SUNSET PROVISION. The Texas Higher Education
 3-62 Coordinating Board is subject to Chapter 325, Government Code
 3-63 (Texas Sunset Act). Unless continued in existence as provided by
 3-64 that chapter, the board is abolished and this chapter expires
 3-65 September 1, 2025 [~~2013~~].

3-66 SECTION 10. Subsection (a), Section 61.022, Education Code,
 3-67 is amended to read as follows:

3-68 (a) The board shall consist of nine members appointed by the
 3-69 governor so as to provide representation from all areas of the state

4-1 with the advice and consent of the senate, and as the constitution
 4-2 provides. One-third of the members must possess experience in the
 4-3 field of higher education governance or administration so that the
 4-4 board includes experience from both general academic teaching
 4-5 institutions and public junior colleges or public technical
 4-6 institutes. In making an appointment under this section, the
 4-7 governor may consider appointing a person with experience in higher
 4-8 education governance or administration from a private or
 4-9 independent institution of higher education. Members of the board
 4-10 serve staggered six-year terms. The terms of one-third of the
 4-11 members expire August 31 of each odd-numbered year.

4-12 SECTION 11. Subsection (d), Section 61.025, Education Code,
 4-13 is amended to read as follows:

4-14 (d) The board shall develop and implement policies that
 4-15 provide the public with a reasonable opportunity to appear before
 4-16 the board and to speak on any issue under the jurisdiction of the
 4-17 board, including a policy to specifically provide, as an item on the
 4-18 board's agenda at each meeting, an opportunity for public comment
 4-19 before the board makes a decision on any agenda item.

4-20 SECTION 12. Section 61.026, Education Code, is amended to
 4-21 read as follows:

4-22 Sec. 61.026. COMMITTEES AND ADVISORY COMMITTEES. (a) The
 4-23 chair [~~chairman~~] may appoint committees from the board's membership
 4-24 as the chair [~~he~~] or the board considers [~~may find~~] necessary [~~from~~
 4-25 ~~time to time~~].

4-26 (b) The board may appoint advisory committees from outside
 4-27 its membership as the board considers [~~it may deem~~] necessary.
 4-28 Chapter 2110, Government Code, applies to an advisory committee
 4-29 appointed by the chair or the board. The board shall adopt rules,
 4-30 in compliance with Chapter 2110, Government Code, regarding an
 4-31 advisory committee that primarily functions to advise the board,
 4-32 including rules governing an advisory committee's purpose, tasks,
 4-33 reporting requirements, and abolishment date. A board member may
 4-34 not serve on a board advisory committee.

4-35 (c) The board may adopt rules under this section regarding
 4-36 an advisory committee's:

- 4-37 (1) size and quorum requirements;
 4-38 (2) qualifications for membership, including
 4-39 experience requirements and geographic representation;
 4-40 (3) appointment procedures;
 4-41 (4) terms of service; and
 4-42 (5) compliance with the requirements for open meetings
 4-43 under Chapter 551, Government Code.

4-44 (d) Each advisory committee must report its recommendations
 4-45 directly to the board.

4-46 SECTION 13. Subchapter B, Chapter 61, Education Code, is
 4-47 amended by adding Section 61.035 to read as follows:

4-48 Sec. 61.035. COMPLIANCE MONITORING. (a) The board shall
 4-49 establish an agency-wide, risk-based compliance monitoring
 4-50 function for:

4-51 (1) funds allocated by the board to institutions of
 4-52 higher education, private or independent institutions of higher
 4-53 education, and other entities, including student financial
 4-54 assistance funds, academic support grants, and any other grants, to
 4-55 ensure that those funds are distributed in accordance with
 4-56 applicable law and board rule; and

4-57 (2) data reported by institutions of higher education
 4-58 to the board and used by the board for funding or policymaking
 4-59 decisions, including data used for formula funding allocations, to
 4-60 ensure the data is reported accurately.

4-61 (b) For purposes of this section, student financial
 4-62 assistance includes grants, scholarships, loans, and work-study.

4-63 (c) The board shall develop written policies and procedures
 4-64 to guide its risk-based approach to compliance monitoring. After
 4-65 considering potential risks and the board's resources, the board
 4-66 shall review a reasonable portion of the total funds allocated by
 4-67 the board and of data reported to the board. The board shall use
 4-68 various levels of monitoring, according to risk, ranging from
 4-69 checking reported data for errors and inconsistencies to conducting

5-1 comprehensive audits, including site visits.

5-2 (d) In developing the board's risk-based approach under
5-3 Subsection (c), the board shall consider the following factors
5-4 relating to an institution of higher education or private or
5-5 independent institution of higher education:

5-6 (1) the amount of student financial assistance or
5-7 grant funds allocated to the institution by the board;

5-8 (2) whether the institution is required to obtain and
5-9 submit an independent audit;

5-10 (3) the institution's internal controls;

5-11 (4) the length of time since the institution's last
5-12 desk review or site visit;

5-13 (5) past misuse of funds or misreported data by the
5-14 institution;

5-15 (6) in regard to data verification, whether the data
5-16 reported to the board by the institution is used for determining
5-17 funding allocations; and

5-18 (7) other factors as considered appropriate by the
5-19 board.

5-20 (e) The board shall train compliance monitoring staff to
5-21 ensure that the staff has the ability to monitor both funds
5-22 compliance and data reporting accuracy. Program staff in other
5-23 board divisions who conduct limited monitoring and contract
5-24 administration shall coordinate with the compliance monitoring
5-25 function to identify risks and avoid duplication.

5-26 (f) If the board determines through its compliance
5-27 monitoring function that funds awarded by the board to an
5-28 institution of higher education or private or independent
5-29 institution of higher education have been misused or misallocated
5-30 by the institution, the board may require the institution to refund
5-31 the amount of the misallocation to the board for remittance to the
5-32 state treasury or directly to the treasury, as appropriate, to the
5-33 credit of the appropriate account.

5-34 (g) If the board determines through its compliance
5-35 monitoring function that an institution of higher education has
5-36 included errors in the institution's data reported for formula
5-37 funding, the board:

5-38 (1) for a public junior college, may adjust the
5-39 appropriations made to the college for a fiscal year as necessary to
5-40 account for the corrected data; and

5-41 (2) for a general academic teaching institution, a
5-42 medical and dental unit, or a public technical institute, shall
5-43 calculate a revised appropriation amount for the applicable fiscal
5-44 year based on the corrected data and report that revised amount to
5-45 the governor and Legislative Budget Board for consideration as the
5-46 basis for budget execution or other appropriate action, and to the
5-47 comptroller.

5-48 (h) In conducting the compliance monitoring function under
5-49 this section, the board may partner with internal audit offices at
5-50 institutions of higher education and private or independent
5-51 institutions of higher education, as institutional resources
5-52 allow, to examine the institutions' use of funds allocated by, and
5-53 data reported to, the board. To avoid duplication of effort and
5-54 assist the board in identifying risk, an internal auditor at an
5-55 institution shall notify the board of any audits conducted by the
5-56 auditor involving funds administered by the board or data reported
5-57 to the board. The board by rule may determine the timing and format
5-58 of the notification required by this subsection.

5-59 (i) The board may seek technical assistance from the state
5-60 auditor in establishing the compliance monitoring function under
5-61 this section. The state auditor may periodically audit the board's
5-62 compliance monitoring function as the state auditor considers
5-63 appropriate.

5-64 SECTION 14. Section 61.051, Education Code, is amended by
5-65 amending Subsections (a), (a-1), (a-2), and (a-3) and adding
5-66 Subsection (a-5) to read as follows:

5-67 (a) The board represents [~~shall represent~~] the highest
5-68 authority in the state in matters of public higher education and is
5-69 charged with the duty to take an active part in promoting quality

6-1 education throughout ~~[in the various regions of]~~ the state by:

6-2 (1) providing a statewide perspective to ensure the
 6-3 efficient and effective use of higher education resources and to
 6-4 eliminate unnecessary duplication;

6-5 (2) developing and evaluating progress toward a
 6-6 long-range master plan for higher education and providing analysis
 6-7 and recommendations to link state spending for higher education
 6-8 with the goals of the long-range master plan;

6-9 (3) collecting and making accessible data on higher
 6-10 education in the state and aggregating and analyzing that data to
 6-11 support policy recommendations;

6-12 (4) making recommendations to improve the efficiency
 6-13 and effectiveness of transitions, including between high school and
 6-14 postsecondary education, between institutions of higher education
 6-15 for transfer purposes, and between postsecondary education and the
 6-16 workforce; and

6-17 (5) administering programs and trusteed funds for
 6-18 financial aid and other grants as necessary to achieve the state's
 6-19 long-range goals and as directed by the legislature. [The board
 6-20 shall be responsible for assuring that there is no discrimination
 6-21 in the distribution of programs and resources throughout the state
 6-22 on the basis of race, national origin, or sex.]

6-23 (a-1) The board shall develop a long-range ~~[five-year]~~
 6-24 master plan for higher education in this state. The ~~[five-year]~~
 6-25 plan shall:

6-26 (1) establish long-term, measurable goals and provide
 6-27 strategies for implementing those goals;

6-28 (2) assess the higher education needs of each region
 6-29 of the state;

6-30 (3) provide for regular evaluation and revision of the
 6-31 plan, as the board considers necessary, to ensure the relevance of
 6-32 goals and strategies; and

6-33 (4) take into account the resources of private or
 6-34 independent institutions of higher education [in this state].

6-35 (a-2) The board shall establish methods for obtaining input
 6-36 from stakeholders and the general public when developing or
 6-37 revising ~~[periodically review and revise]~~ the long-range
 6-38 [five-year] master plan developed under Subsection (a-1). [As a
 6-39 specific element of its review, the board shall identify and
 6-40 analyze the degree to which the plan reflects the continuing higher
 6-41 education needs of this state, as well as any policy changes
 6-42 necessary to improve overall implementation of the plan and the
 6-43 fiscal impact of those changes. The board shall establish
 6-44 procedures for monitoring the board's implementation of the plan,
 6-45 including an analysis of the degree to which its current activities
 6-46 support implementation of the plan and any change in board rules or
 6-47 practices necessary to improve implementation of the plan. The
 6-48 board shall identify additional strategies necessary to achieve the
 6-49 goals of the plan, emphasizing implementation by institutions of
 6-50 higher education and specific recommendations for the different
 6-51 regions of the state. The board shall notify each institution of
 6-52 higher education of all strategies for implementing the plan.]

6-53 (a-3) Not later than December 1 of each even-numbered year,
 6-54 the board shall prepare and deliver a report to the governor, the
 6-55 lieutenant governor, the speaker of the house of representatives,
 6-56 and the standing committees of the senate and house of
 6-57 representatives with primary jurisdiction over higher education
 6-58 [The board shall inform the legislature on matters pertaining to
 6-59 higher education, including the state's activities in the Board of
 6-60 Control for Southern Regional Education, and shall report to the
 6-61 legislature not later than January 1 of each odd-numbered year on
 6-62 the state of higher education in Texas]. In the [biennial] report,
 6-63 the board shall assess the state's progress in meeting the goals
 6-64 established [stated] in the long-range master plan developed under
 6-65 Subsection (a-1) and [shall] recommend legislative action,
 6-66 including statutory or funding changes, to assist the state in
 6-67 meeting those goals. The report must include updates on
 6-68 implementation strategies provided for in the long-range master
 6-69 plan [the analyses performed in connection with the board's

7-1 ~~periodic review~~] under Subsection (a-1) [~~(a-2)~~].

7-2 (a-5) In conjunction with development of the long-range
7-3 master plan under Subsection (a-1), the board shall evaluate the
7-4 role and mission of each general academic teaching institution,
7-5 other than a public state college, to ensure that the roles and
7-6 missions of the institutions collectively contribute to the state's
7-7 goals identified in the master plan.

7-8 SECTION 15. Section 61.0512, Education Code, is amended to
7-9 read as follows:

7-10 Sec. 61.0512. BOARD APPROVAL OF ACADEMIC [NEW DEGREE]
7-11 PROGRAMS[~~, NOTIFICATION TO BOARD~~]. (a) A new degree or
7-12 certificate program may be added at an institution of higher
7-13 education only with specific prior approval of the board.

7-14 (b) At the time an institution of higher education [~~a public~~
7-15 ~~senior college or university~~] begins preliminary planning for a new
7-16 degree program [~~or a new organizational unit to administer a new~~
7-17 ~~degree program~~], the institution must secure preliminary approval
7-18 from [~~college or university shall notify~~] the board to carry out
7-19 that planning[. ~~In the implementation of this subsection, the~~
7-20 ~~board may not require additional reports from the institutions~~].

7-21 (c) The board shall review each degree or certificate
7-22 program offered by an institution of higher education at the time
7-23 the institution begins preliminary planning for a new program to
7-24 ensure that the program:

7-25 (1) is needed by the state and the local community and
7-26 does not unnecessarily duplicate programs offered by other
7-27 institutions of higher education or private or independent
7-28 institutions of higher education;

7-29 (2) has adequate financing from legislative
7-30 appropriation, funds allocated by the board, or funds from other
7-31 sources;

7-32 (3) has necessary faculty and other resources to
7-33 ensure student success; and

7-34 (4) meets academic standards specified by law or
7-35 prescribed by board rule, including rules adopted by the board for
7-36 purposes of this section, or workforce standards established by the
7-37 Texas Workforce Investment Council.

7-38 (d) The board may review the number of degrees or
7-39 certificates awarded through a degree or certificate program every
7-40 four years or more frequently, at the board's discretion.

7-41 (e) The board shall review each degree or certificate
7-42 program offered by an institution of higher education at least
7-43 every 10 years after a new program is established using the criteria
7-44 prescribed by Subsection (c).

7-45 (f) Based on the board's reviews under Subsections (d) and
7-46 (e), the board may order the consolidation or elimination of a
7-47 degree or certificate program at an institution of higher
7-48 education.

7-49 (g) The board may require an institution of higher education
7-50 to report to the board any administrative or organizational change
7-51 affecting a degree or certificate program, including the
7-52 establishment of a new department or school or the transfer of a
7-53 program between schools or departments.

7-54 (h) An institution of higher education may offer off-campus
7-55 courses for credit within the state or distance learning courses
7-56 only with specific prior approval of the board. An institution must
7-57 certify to the board that a course offered for credit outside the
7-58 state meets the board's academic criteria. An institution shall
7-59 include the certification in submitting any other reports required
7-60 by the board.

7-61 SECTION 16. The heading to Section 61.055, Education Code,
7-62 is amended to read as follows:

7-63 Sec. 61.055. [~~INITIATION OF NEW DEPARTMENTS, SCHOOLS, AND~~
7-64 ~~PROGRAMS,~~] PARTNERSHIPS OR AFFILIATIONS.

7-65 SECTION 17. Subsection (a), Section 61.055, Education Code,
7-66 is amended to read as follows:

7-67 (a) The board shall encourage cooperative programs and
7-68 agreements among institutions of higher education, including
7-69 programs and agreements relating to degree offerings, research

8-1 activities, and library and computer sharing. [Except as otherwise
 8-2 provided by law, a new department, school, or degree or certificate
 8-3 program approved by the board or its predecessor, the Texas
 8-4 Commission on Higher Education, may not be initiated by any
 8-5 institution of higher education until the board has made a written
 8-6 finding that the department, school, or degree or certificate
 8-7 program is adequately financed by legislative appropriation, by
 8-8 funds allocated by the board, or by funds from other sources.]

8-9 SECTION 18. Subsection (l), Section 61.051, Education Code,
 8-10 is transferred to Subchapter C, Chapter 61, Education Code,
 8-11 redesignated as Section 61.0571, Education Code, and amended to
 8-12 read as follows:

8-13 Sec. 61.0571. BOARD ASSISTANCE TO INSTITUTIONS.

8-14 (a) ~~[(1)]~~ The board shall advise and offer technical assistance on
 8-15 the request of any institution of higher education or system
 8-16 administration.

8-17 SECTION 19. Subsection (n), Section 61.051, Education Code,
 8-18 is transferred to Section 61.0571, Education Code, as added by this
 8-19 Act, and redesignated as Subsection (b), Section 61.0571, Education
 8-20 Code, to read as follows:

8-21 (b) ~~[(n)]~~ The board shall develop guidelines for
 8-22 institutional reporting of student performance.

8-23 SECTION 20. Subsection (a-4), Section 61.051, Education
 8-24 Code, is transferred to Subchapter C, Chapter 61, Education Code,
 8-25 redesignated as Section 61.0661, Education Code, and amended to
 8-26 read as follows:

8-27 Sec. 61.0661. OPPORTUNITIES FOR GRADUATE MEDICAL
 8-28 EDUCATION. (a) ~~[(a-4)]~~ The board shall conduct ~~[include in the~~
 8-29 ~~five-year master plan developed under Subsection (a-1)]~~ an
 8-30 assessment of the adequacy of opportunities for graduates of
 8-31 medical schools in this state to enter graduate medical education
 8-32 in this state. The assessment must:

8-33 (1) compare the number of first-year graduate medical
 8-34 education positions available annually with the number of medical
 8-35 school graduates;

8-36 (2) include a statistical analysis of recent trends in
 8-37 and projections of the number of medical school graduates and
 8-38 first-year graduate medical education positions in this state;

8-39 (3) develop methods and strategies for achieving a
 8-40 ratio for the number of first-year graduate medical education
 8-41 positions to the number of medical school graduates in this state of
 8-42 at least 1.1 to 1;

8-43 (4) evaluate current and projected physician
 8-44 workforce needs of this state, by total number and by specialty, in
 8-45 the development of additional first-year graduate medical
 8-46 education positions; and

8-47 (5) examine whether this state should ensure that a
 8-48 first-year graduate medical education position is created in this
 8-49 state for each new medical student position established by a
 8-50 medical and dental unit.

8-51 (b) Not later than December 1 of each even-numbered year,
 8-52 the board shall report the results of the assessment to the
 8-53 governor, the lieutenant governor, the speaker of the house of
 8-54 representatives, and the standing committees of the senate and
 8-55 house of representatives with primary jurisdiction over higher
 8-56 education.

8-57 SECTION 21. Subsection (h), Section 61.051, Education Code,
 8-58 is transferred to Subchapter C, Chapter 61, Education Code,
 8-59 redesignated as Section 61.0662, Education Code, and amended to
 8-60 read as follows:

8-61 Sec. 61.0662. INFORMATION ON RESEARCH CONDUCTED BY
 8-62 INSTITUTIONS. (a) ~~[(h)]~~ The board shall make continuing studies of
 8-63 the needs of the state for research and designate the institutions
 8-64 of higher education to perform research as needed.] The board
 8-65 shall ~~[also]~~ maintain an inventory of all institutional and
 8-66 programmatic research activities being conducted by the various
 8-67 institutions of higher education, whether state-financed or not.

8-68 (b) Once a year, on dates prescribed by the board, each
 8-69 institution of higher education shall report to the board all

9-1 research conducted at that institution during the [~~last~~] preceding
9-2 year.

9-3 (c) All reports required by this section [~~subsection~~] shall
9-4 be made subject to the limitations imposed by security regulations
9-5 governing defense contracts for research.

9-6 SECTION 22. Subchapter C, Chapter 61, Education Code, is
9-7 amended by adding Section 61.069 to read as follows:

9-8 Sec. 61.069. BOARD ROLE IN ESTABLISHING BEST PRACTICES.

9-9 (a) The board may administer or oversee a program to identify best
9-10 practices only in cases where funding or other restrictions prevent
9-11 entities other than the board from administering the program.

9-12 (b) The board may initiate a new pilot project only if other
9-13 entities, including nonprofit organizations and institutions of
9-14 higher education, are not engaging in similar projects or if the
9-15 initiative cannot be performed by another entity.

9-16 (c) The board may use its position as a statewide
9-17 coordinator to assist with matching nonprofit organizations or
9-18 grant-funding entities with institutions of higher education and
9-19 private or independent institutions of higher education to
9-20 implement proven programs and best practices.

9-21 (d) The board may compile best practices and strategies
9-22 resulting from its review of external studies for use in providing
9-23 technical assistance to institutions of higher education and as the
9-24 basis for the board's statewide policy recommendations.

9-25 SECTION 23. Subchapter C, Chapter 61, Education Code, is
9-26 amended by adding Section 61.07761 to read as follows:

9-27 Sec. 61.07761. FINANCIAL AID ALLOCATION. (a) The board by
9-28 rule shall:

9-29 (1) establish allocation methodologies for each
9-30 financial aid program for which the board administers the
9-31 allocation of funds to institutions of higher education and private
9-32 or independent institutions of higher education; and

9-33 (2) develop procedures to verify the accuracy of the
9-34 application of those allocation methodologies by board staff.

9-35 (b) The board shall consult with affected stakeholders
9-36 before adopting rules under this section.

9-37 SECTION 24. The heading to Section 61.822, Education Code,
9-38 is amended to read as follows:

9-39 Sec. 61.822. TRANSFER OF CREDITS; CORE CURRICULUM.

9-40 SECTION 25. Section 61.822, Education Code, is amended by
9-41 amending Subsection (a) and adding Subsection (a-1) to read as
9-42 follows:

9-43 (a) The board shall develop and implement policies to
9-44 promote the transferability of lower division course credit among
9-45 institutions of higher education.

9-46 (a-1) The board, with the assistance of advisory committees
9-47 composed of representatives of institutions of higher education,
9-48 shall develop a recommended core curriculum of at least 42 semester
9-49 credit hours, including a statement of the content, component
9-50 areas, and objectives of the core curriculum. At least a majority
9-51 of the members of any advisory committee named under this section
9-52 shall be faculty members of an institution of higher education. An
9-53 institution shall consult with the faculty of the institution
9-54 before nominating or recommending a person to the board as the
9-55 institution's representative on an advisory committee.

9-56 SECTION 26. Subsection (f), Section 42.0421, Human
9-57 Resources Code, as added by Chapter 82 (S.B. 265), Acts of the 82nd
9-58 Legislature, Regular Session, 2011, is amended to read as follows:

9-59 (f) The training required by this section must be
9-60 appropriately targeted and relevant to the age of the children who
9-61 will receive care from the individual receiving training and must
9-62 be provided by a person who:

9-63 (1) is a training provider registered with the Texas
9-64 Early Care and Education Career Development System's Texas Trainer
9-65 Registry that is maintained by the Texas Head Start State
9-66 Collaboration Office;

9-67 (2) is an instructor at a public or private secondary
9-68 school, an [or at a public or private] institution of higher
9-69 education, as defined by Section 61.003 [61.801], Education Code,

10-1 or a private college or university accredited by a recognized
 10-2 accrediting agency who teaches early childhood development or
 10-3 another relevant course, as determined by rules adopted by the
 10-4 commissioner of education and the commissioner of higher education;

10-5 (3) is an employee of a state agency with relevant
 10-6 expertise;

10-7 (4) is a physician, psychologist, licensed
 10-8 professional counselor, social worker, or registered nurse;

10-9 (5) holds a generally recognized credential or
 10-10 possesses documented knowledge relevant to the training the person
 10-11 will provide;

10-12 (6) is a registered family home care provider or
 10-13 director of a day-care center or group day-care home in good
 10-14 standing with the department, if applicable, and who:

10-15 (A) has demonstrated core knowledge in child
 10-16 development and caregiving; and

10-17 (B) is only providing training at the home or
 10-18 center in which the provider or director and the person receiving
 10-19 training are employed; or

10-20 (7) has at least two years of experience working in
 10-21 child development, a child development program, early childhood
 10-22 education, a childhood education program, or a Head Start or Early
 10-23 Head Start program and:

10-24 (A) has been awarded a Child Development
 10-25 Associate (CDA) credential; or

10-26 (B) holds at least an associate's degree in child
 10-27 development, early childhood education, or a related field.

10-28 SECTION 27. The following provisions of the Education Code
 10-29 are repealed:

10-30 (1) Chapters 143, 144, 147, 148, and 152;

10-31 (2) Subchapters J, M, Q, and X, Chapter 51;

10-32 (3) Subchapters K, P, Q, U, and W, Chapter 61;

10-33 (4) Section 51.916; Subsection (f), Section 52.17;
 10-34 Section 52.56; Subsection (d), Section 56.456; and Subsections (c)
 10-35 and (d), Section 56.459;

10-36 (5) Subsections (b), (c), (d), (e), (f), (g), (i),
 10-37 (j), (k), (m), (o), (p), and (q), Section 61.051; and

10-38 (6) Subsections (i) and (i-1), Section 61.059;
 10-39 Sections 61.0591, 61.0631, and 61.066; Subsection (d), Section
 10-40 61.0761; Sections 61.078, 61.088, and 61.660; and Subsection (c),
 10-41 Section 62.096.

10-42 SECTION 28. (a) The change in law made by this Act in
 10-43 amending Subchapter Q, Chapter 56, Education Code, applies
 10-44 beginning with Texas B-On-time loans awarded for the 2014-2015
 10-45 academic year.

10-46 (b) Notwithstanding Subsection (a) of this section, a
 10-47 student who first receives a Texas B-On-time loan for a semester or
 10-48 other academic term before the 2014 fall semester may continue to
 10-49 receive Texas B-On-time loans under Subchapter Q, Chapter 56,
 10-50 Education Code, as that subchapter existed immediately before the
 10-51 effective date of this Act, as long as the student remains eligible
 10-52 for a Texas B-On-time loan under the former law, and is entitled to
 10-53 obtain forgiveness of the loans as permitted by Section 56.462,
 10-54 Education Code, as that section existed immediately before the
 10-55 effective date of this Act. The Texas Higher Education
 10-56 Coordinating Board shall adopt rules to administer this subsection
 10-57 and shall notify each student who receives a Texas B-On-time loan in
 10-58 the 2013-2014 academic year of the provisions of this subsection.

10-59 SECTION 29. The change in law made by Subsection (a),
 10-60 Section 61.022, Education Code, as amended by this Act, regarding
 10-61 the qualifications of members of the Texas Higher Education
 10-62 Coordinating Board does not affect the entitlement of a member
 10-63 serving on the coordinating board immediately before the effective
 10-64 date of this Act to continue to serve as a member of the
 10-65 coordinating board for the remainder of the member's term. As the
 10-66 terms of coordinating board members expire, the governor shall
 10-67 appoint or reappoint a member who has the required experience until
 10-68 the composition of the coordinating board meets the requirements
 10-69 under Subsection (a), Section 61.022, Education Code, as amended by

11-1 this Act.

11-2 SECTION 30. The Texas Higher Education Coordinating Board
11-3 shall adopt rules as required by Section 61.07761, Education Code,
11-4 as added by this Act, as soon as practicable after this Act takes
11-5 effect. For that purpose, the coordinating board may adopt the
11-6 initial rules in the manner provided by the law for emergency rules.

11-7 SECTION 31. This Act takes effect September 1, 2013.

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