

By: Lucio III

H.B. No. 727

A BILL TO BE ENTITLED

1 AN ACT

2 relating to the establishment of a pilot program under which high
3 school students may accrue prepaid tuition units at public
4 institutions of higher education by completing certain community
5 service activities.

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

7 SECTION 1. Subchapter H, Chapter 54, Education Code, is
8 amended by adding Section 54.7522 to read as follows:

9 Sec. 54.7522. SERVE YOUR WAY TO COLLEGE PILOT PROGRAM. (a)

10 In this section:

11 (1) "Participating organization" means a nonprofit,
12 charitable, or community organization that registers with and is
13 approved by the board to participate in the Serve Your Way to
14 College pilot program under this section.

15 (2) "Pilot program" means the Serve Your Way to
16 College pilot program established under this section.

17 (3) "Qualifying community service activity" includes
18 work performed by a student for a participating organization, other
19 than:

20 (A) fund-raising activities;

21 (B) political activities;

22 (C) any activity for which the student may earn
23 course credit; or

24 (D) any activity that reduces the work of or

1 displaces a current employee of the organization.

2 (b) The board by rule shall develop and implement the Serve
3 Your Way to College pilot program, under which students enrolled in
4 grades 7-12 at public schools in participating school districts in
5 this state may accrue prepaid tuition units under this subchapter
6 for completing qualifying community service activities.

7 (c) The board, in cooperation with the commissioner of
8 education, shall select to participate in the pilot program one
9 school district from each of the following geographic regions of
10 this state:

- 11 (1) North Texas;
- 12 (2) South Texas;
- 13 (3) East Texas;
- 14 (4) West Texas; and
- 15 (5) Central Texas.

16 (d) The school districts selected under Subsection (c) to
17 participate in the pilot program must include at least one urban
18 district, one rural district, one small district, and one large
19 district.

20 (e) To participate in the pilot program, a student must
21 register with the board, in the manner prescribed by the board, not
22 later than 3-1/2 academic years before the student's expected high
23 school graduation date.

24 (f) Except as provided by Subsection (h)(2), for each hour a
25 participating student engages in a qualifying community service
26 activity, the student earns a credit in the amount prescribed by the
27 board to be applied toward the purchase of tuition units on behalf

1 of the student under this subchapter. The hourly amount of the
2 credit prescribed under this subsection may not be less than the
3 federal minimum hourly wage.

4 (g) The board shall act as purchaser under this subchapter
5 for each student who participates in the pilot program. In
6 purchasing prepaid tuition credits for the student, the board shall
7 purchase the type of unit as directed by the student or, if the
8 student is a minor, as directed by the student's parents or
9 guardian. If the student or the student's parents or guardian does
10 not direct the board regarding the type of unit to be purchased, the
11 board shall purchase the type of prepaid tuition unit the board
12 considers appropriate.

13 (h) Each participating student:

14 (1) is responsible for securing the student's
15 placement with a participating organization; and

16 (2) may accrue prepaid tuition units under this
17 section for qualifying community service activities performed by
18 the student for one or more participating organizations, except
19 that the student:

20 (A) must perform at least 50 hours of qualifying
21 community service activities before any tuition unit may be
22 purchased on behalf of the student under this section; and

23 (B) may not accrue tuition units under this
24 section for qualifying community service activities performed by
25 the student for one or more participating organizations in excess
26 of 250 hours per year.

27 (i) Notwithstanding any other provision of this subchapter,

1 a student:

2 (1) may redeem tuition units purchased by the board on
3 behalf of the student under this section only to pay costs of
4 tuition and required fees for enrollment at a general academic
5 teaching institution or two-year institution of higher education;
6 and

7 (2) may not redeem tuition units purchased by the
8 board on behalf of the student under this section:

9 (A) before the third anniversary of the date the
10 tuition units were purchased; or

11 (B) after the 10th anniversary of the date the
12 beneficiary was projected to graduate from high school when the
13 beneficiary initially registered with the board to participate in
14 the pilot program.

15 (j) Sections 54.759(a) and (b) do not apply to tuition units
16 purchased under this section. For tuition units purchased on
17 behalf of a beneficiary under this section, the board shall
18 designate a new beneficiary only if:

19 (1) the original beneficiary has died;

20 (2) the original beneficiary's parents or guardian has
21 requested the designation of the new beneficiary; and

22 (3) the new beneficiary:

23 (A) is related to the original beneficiary by
24 consanguinity or marriage;

25 (B) is currently enrolled in a high school or
26 institution of higher education in this state;

27 (C) meets the requirements for a beneficiary

1 under this subchapter on the date the designation is changed; and

2 (D) meets the requirements of Section 529,
3 Internal Revenue Code of 1986, to prevent the change of beneficiary
4 from being treated as a distribution under that law.

5 (k) Notwithstanding Section 54.763, money used to purchase
6 tuition units under this section may not be refunded to the board or
7 any other person.

8 (l) The board shall adopt forms for the administration of
9 this section, including registration forms for students and
10 participating organizations.

11 (m) The board may solicit and accept gifts, grants, and
12 donations from any public or private source for the purposes of this
13 section.

14 (n) Each participating school district, as soon as
15 practicable at the beginning of a student's seventh, eighth, and
16 ninth grade years, shall provide information to the student and the
17 student's parents or guardian regarding the pilot program.

18 (o) Not later than January 1, 2023, the board shall prepare
19 and deliver to the lieutenant governor, the speaker of the house of
20 representatives, and the presiding officer of the standing
21 committee of each house of the legislature with primary
22 jurisdiction over higher education a report addressing the success
23 of the pilot program under this section. This subsection expires
24 September 1, 2024.

25 SECTION 2. The Prepaid Higher Education Tuition Board shall
26 adopt rules to implement the Serve Your Way to College pilot program
27 as required by Section 54.7522, Education Code, as added by this

1 Act, beginning with the 2016-2017 school year.

2 SECTION 3. This Act takes effect immediately if it receives
3 a vote of two-thirds of all the members elected to each house, as
4 provided by Section 39, Article III, Texas Constitution. If this
5 Act does not receive the vote necessary for immediate effect, this
6 Act takes effect September 1, 2015.