

BILL ANALYSIS

S.B. 1799
By: West
Higher Education
Committee Report (Unamended)

BACKGROUND AND PURPOSE

Interested parties call for certain changes to the law relating to the student loan default prevention and financial aid literacy pilot program resulting from a memorandum of understanding entered into by the Texas Higher Education Coordinating Board and the Texas Guaranteed Student Loan Corporation. S.B. 1799 seeks to make those changes.

CRIMINAL JUSTICE IMPACT

It is the committee's opinion that this bill does not expressly create a criminal offense, increase the punishment for an existing criminal offense or category of offenses, or change the eligibility of a person for community supervision, parole, or mandatory supervision.

RULEMAKING AUTHORITY

It is the committee's opinion that this bill does not expressly grant any additional rulemaking authority to a state officer, department, agency, or institution.

ANALYSIS

S.B. 1799 amends the Education Code to add temporary provisions, set to expire December 31, 2019, requiring the Texas Guaranteed Student Loan Corporation to administer the student loan default prevention and financial aid literacy pilot program in accordance with an agreement with the Texas Higher Education Coordinating Board and requiring the corporation to submit to the governor, the lieutenant governor, and the speaker of the house of representatives any annual report or end of program report the corporation submits to the U.S. Department of Education in administering the pilot program.

S.B. 1799 removes career schools or colleges as a category of postsecondary educational institution from which at least one institution must be selected to participate in the pilot program. The bill changes the institutions to which priority is required to be given in selecting institutions to participate in the pilot program from institutions that have a three-year cohort student loan default rate, as reported by the U.S. Department of Education, of more than 20 percent or that has above average growth as compared to the rates of other postsecondary educational institutions in Texas to institutions that are recognized by the U.S. Department of Education as minority-serving institutions.

S.B. 1799 repeals provisions requiring the coordinating board to adopt rules for the administration of the pilot program in consultation with postsecondary educational institutions, authorizing the coordinating board to contract with one or more entities to administer the pilot program according to criteria established by coordinating board rule, and requiring the coordinating board and each institution participating in the pilot program to submit annual reports regarding the outcomes of the pilot program, as reflected in the federal student loan default rates reported for the participating institutions.

S.B. 1799 repeals Sections 61.0763(e), (f), and (g), Education Code.

EFFECTIVE DATE

On passage, or, if the bill does not receive the necessary vote, September 1, 2017.