

1-1 By: West S.B. No. 1799
 1-2 (In the Senate - Filed March 9, 2017; March 23, 2017, read
 1-3 first time and referred to Committee on Higher Education;
 1-4 April 27, 2017, reported favorably by the following vote: Yeas 7,
 1-5 Nays 0; April 27, 2017, sent to printer.)

1-6 COMMITTEE VOTE

	Yea	Nay	Absent	PNV
1-7				
1-8	X			
1-9	X			
1-10	X			
1-11	X			
1-12	X			
1-13	X			
1-14	X			

1-15 A BILL TO BE ENTITLED
 1-16 AN ACT

1-17 relating to the student loan default prevention and financial aid
 1-18 literacy pilot program.

1-19 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

1-20 SECTION 1. Sections 61.0763(a), (b), (c), and (d),
 1-21 Education Code, are amended to read as follows:

1-22 (a) ~~[In this section, "career school or college" has the~~
 1-23 ~~meaning assigned by Section 132.001.~~

1-24 ~~[(b)]~~ Not later than January 1, 2014, ~~[the board shall~~
 1-25 ~~establish and administer]~~ a pilot program shall be established at
 1-26 selected postsecondary educational institutions to ensure that
 1-27 students of those institutions are informed consumers with regard
 1-28 to all aspects of student financial aid, including:

1-29 (1) the consequences of borrowing to finance a
 1-30 student's postsecondary education;

1-31 (2) the financial consequences of a student's academic
 1-32 and career choices; and

1-33 (3) strategies for avoiding student loan delinquency
 1-34 and default.

1-35 (b) At ~~[(c) The board shall select at]~~ least one
 1-36 institution from each of the following categories of postsecondary
 1-37 educational institutions must be selected to participate in the
 1-38 program:

1-39 (1) general academic teaching institutions;

1-40 (2) public junior colleges; and

1-41 (3) private or independent institutions of higher
 1-42 education~~[, and~~

1-43 ~~[(4) career schools or colleges].~~

1-44 (c) ~~[(d)]~~ In selecting postsecondary educational
 1-45 institutions to participate in the pilot program, ~~[the board shall~~
 1-46 ~~give]~~ priority shall be given to institutions that are recognized
 1-47 by the United States Department of Education as minority-serving
 1-48 institutions, including minority institutions under Section 1067k
 1-49 of the Higher Education Act of 1965 (20 U.S.C. Section 1001 et seq.)
 1-50 ~~[have a three-year cohort student loan default rate, as reported by~~
 1-51 ~~the United States Department of Education:~~

1-52 ~~[(1) of more than 20 percent; or~~

1-53 ~~[(2) that has above average growth as compared to the~~
 1-54 ~~rates of other postsecondary educational institutions in this~~
 1-55 ~~state].~~

1-56 SECTION 2. Section 57.011, Education Code, is amended by
 1-57 adding Subsection (f) to read as follows:

1-58 (f) In accordance with an agreement with the Texas Higher
 1-59 Education Coordinating Board, the Texas Guaranteed Student Loan
 1-60 Corporation shall administer the pilot program established under
 1-61 Section 61.0763. The corporation shall submit to the governor, the
 1-62 lieutenant governor, and the speaker of the house of

2-1 representatives any annual report or end of program report the
2-2 corporation submits to the United States Department of Education in
2-3 administering the pilot program. This subsection expires December
2-4 31, 2019.

2-5 SECTION 3. Sections 61.0763(e), (f), and (g), Education
2-6 Code, are repealed.

2-7 SECTION 4. This Act takes effect immediately if it receives
2-8 a vote of two-thirds of all the members elected to each house, as
2-9 provided by Section 39, Article III, Texas Constitution. If this
2-10 Act does not receive the vote necessary for immediate effect, this
2-11 Act takes effect September 1, 2017.

2-12 * * * * *