SENATE AMENDMENTS

2nd Printing

By: Burns, González of El Paso, VanDeaver, H.B. No. 1590 Collier, et al.

A BILL TO BE ENTITLED

1	AN ACT
2	relating to the establishment of the Texas Leadership Scholars
3	Program.
4	BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:
5	SECTION 1. Chapter 61, Education Code, is amended by adding
6	Subchapter T-3 to read as follows:
7	SUBCHAPTER T-3. TEXAS LEADERSHIP SCHOLARS PROGRAM
8	Sec. 61.891. DEFINITION. In this subchapter, "program"
9	means the Texas Leadership Scholars Program established under this
10	subchapter.
11	Sec. 61.892. ESTABLISHMENT; ADMINISTRATION. (a) The Texas
12	<u>Leadership Scholars Program is established to serve as a</u>
13	merit-based scholarship and leadership opportunity program for
14	high-achieving, emerging leaders with financial need.
15	(b) The board shall administer the program.
16	(c) Using money appropriated or otherwise available for the
17	purpose, the board shall award scholarships and provide academic
18	achievement support and leadership development to eligible
19	students under the program.
20	Sec. 61.893. INITIAL ELIGIBILITY. To be initially eligible
21	to participate in the program, a student must:
22	(1) have graduated from a public high school in this
23	state;
24	(2) either:

1	(A) have qualified for automatic admission to a
2	general academic teaching institution under Section 51.803; or
3	(B) be nominated by the student's high school for
4	participation in the program and hold another academic distinction
5	recognized by the board;
6	(3) be enrolled in a baccalaureate degree program at a
7	general academic teaching institution;
8	(4) be economically disadvantaged, as determined by
9	board rule; and
10	(5) comply with any additional requirement adopted by
11	the board.
12	Sec. 61.894. CONTINUING ELIGIBILITY. After establishing
13	initial eligibility to participate in the program under Section
14	61.893, a student may continue participating in the program only if
15	the student:
16	(1) is enrolled in a baccalaureate degree program at a
17	general academic teaching institution;
18	(2) maintains a minimum overall grade point average
19	determined by board rule; and
20	(3) complies with any additional requirement adopted
21	by the board.
22	Sec. 61.895. ACADEMIC ACHIEVEMENT SUPPORT AND LEADERSHIP
23	DEVELOPMENT. The board may enter into agreements with general
24	academic teaching institutions or other institutions of higher
25	education to provide students participating in the program with:
26	(1) research-based support to make satisfactory

academic progress and graduate on time; and

27

H.B. No. 1590

1 (2) leadership development opportunities, including: 2 (A) program cohort learning communities; 3 (B) mentoring, research, and internship 4 opportunities; 5 (C) networking with state government, business, and civic leaders; and 6 7 (D) statewide cohort learning institutes or 8 seminars. 9 Sec. 61.896. GRANTS, GIFTS, AND DONATIONS. The board may solicit, accept, and spend grants, gifts, and donations from any 10 public or private source for the purposes of the program. 11 12 Sec. 61.897. RULES. The board shall adopt rules for the administration of the program, including rules providing for the 13 14 amount and permissible uses of a scholarship awarded under the 15 program. SECTION 2. The Texas Higher Education Coordinating Board 16 17 shall adopt rules to administer Subchapter T-3, Chapter 61, Education Code, as added by this Act, as soon as practicable after 18 the effective date of this Act. 19 SECTION 3. This Act takes effect immediately if it receives 20 a vote of two-thirds of all the members elected to each house, as 21 provided by Section 39, Article III, Texas Constitution. If this 22 23 Act does not receive the vote necessary for immediate effect, this

Act takes effect September 1, 2023.

24

ADOPTED

MAY 23 2023

By: Kyn W

Latey Saw H.B. No. 1590

Substitute the following for __.B. No. ____:

By: Veter V. Flore

C.S.___.B. No. ____

A BILL TO BE ENTITLED

1 AN ACT

2 relating to the establishment of the Texas Leadership Scholars

- 3 Program.
- 4 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:
- 5 SECTION 1. Chapter 61, Education Code, is amended by adding
- 6 Subchapter T-3 to read as follows:
- 7 SUBCHAPTER T-3. TEXAS LEADERSHIP SCHOLARS PROGRAM
- 8 Sec. 61.891. DEFINITIONS. In this subchapter:
- 9 (1) "Leadership scholarship" means a scholarship
- 10 awarded to an undergraduate student under the program.
- 11 (2) "Program" means the Texas Leadership Scholars
- 12 Program established under this subchapter.
- 13 (3) "Research scholarship" means a scholarship
- 14 awarded to a graduate student under the program.
- Sec. 61.892. ESTABLISHMENT; ADMINISTRATION. (a) The Texas
- 16 Leadership Scholars Program is established to serve as a
- 17 merit-based scholarship and leadership opportunity program for
- 18 high-achieving, emerging leaders with financial need.
- 19 (b) Using money appropriated or otherwise available for the
- 20 purpose, the board shall award scholarships and provide academic
- 21 achievement support and leadership development to eligible
- 22 students under the program.
- (c) The board shall administer the program. The board may
- 24 contract with one or more institutions of higher education to

- 1 assist in administering the program, including receiving and
- 2 reviewing applications, recommending the distribution of funds to
- 3 institutions of higher education, and developing criteria for the
- 4 selection of students for the program.
- 5 (d) The board may establish one or more advisory committees
- 6 for the purpose of recommending rules for the administration of the
- 7 program.
- 8 Sec. 61.893. INITIAL ELIGIBILITY. (a) To be initially
- 9 eligible for the award of a leadership scholarship, an
- 10 undergraduate student must:
- 11 (1) have graduated from a public high school in this
- 12 state;
- 13 (2) either:
- (A) have qualified for automatic admission to a
- 15 general academic teaching institution under Section 51.803; or
- 16 (B) be nominated by the student's high school for
- 17 participation in the program and hold another academic distinction
- 18 recognized by the board;
- 19 (3) be enrolled in a baccalaureate degree program at a
- 20 general academic teaching institution;
- 21 (4) be economically disadvantaged, as determined by
- 22 board rule; and
- (5) comply with any additional requirement adopted by
- 24 the board.
- 25 (b) To be initially eligible for the award of a research
- 26 scholarship, a graduate student must:
- 27 (1) be enrolled in a research doctoral degree program

```
1
    at a general academic teaching institution;
 2
               (2) either:
 3
                    (A) have graduated from a public high school in
 4
   this state during the 10 years preceding the date of the student's
 5
    application to the program; or
 6
                    (B) have graduated from an institution of higher
 7
    education or a private or independent institution of higher
8
   education;
 9
               (3) be economically disadvantaged, as determined by
10
   board rule;
               (4) be nominated by the institution at which the
11
12
    student is enrolled on the basis of the student's academic merit and
13
    leadership potential; and
14
               (5) comply with any additional requirements adopted by
15
   the board.
16
          Sec. 61.894. CONTINUING ELIGIBILITY. After establishing
17
   initial eligibility to participate in the program under Section
18
   61.893, a student may continue participating in the program only if
   the student:
19
20
               (1) remains:
21
                    (A) for a leadership scholarship, enrolled in a
22
   baccalaureate degree program at a general academic teaching
23
   institution; or
24
                    (B) for a research scholarship, enrolled in a
25
   research doctoral degree program at a general academic teaching
26
   institution;
               (2) maintains a minimum overall grade point average
27
```

```
1
   determined by board rule; and
2
               (3) complies with any additional requirement adopted
3
   by the board.
4
         Sec. 61.895. ACADEMIC ACHIEVEMENT SUPPORT AND LEADERSHIP
5
   DEVELOPMENT. The board may enter into agreements with general
   academic teaching institutions or other institutions of higher
6
7
   education to provide students participating in the program with:
               (1) research-based support to make satisfactory
8
   academic progress and graduate on time; and
9
10
               (2) leadership development opportunities, including:
11
                    (A) program cohort learning communities;
12
                    (B) mentoring, research, and internship
13
   opportunities;
                    (C) networking with state government, business,
14
   and civic leaders; and
15
                    (D) statewide cohort learning institutes or
16
17
   seminars.
         Sec. 61.896. GRANTS, GIFTS, AND DONATIONS. The board may
18
   solicit, accept, and spend grants, gifts, and donations from any
19
   public or private source for the purposes of the program.
20
         Sec. 61.897. RULES. (a) The board, in consultation with
21
   general academic teaching institutions, shall adopt rules for the
22
   administration of the program, including rules providing for the
23
   amount and permissible uses of a scholarship awarded under the
24
   program. The rules must provide that:
25
               (1) the amount of a research scholarship is at least
26
```

150 percent of the amount of a leadership scholarship; and

27

- 1 (2) a student may not receive a scholarship under the
- 2 program for more than four years.
- 3 (b) Notwithstanding Section 61.033, the board is not
- 4 required to use negotiated rulemaking procedures under Chapter
- 5 2008, Government Code, for the adoption of rules under this
- 6 subchapter.
- 7 SECTION 2. The Texas Higher Education Coordinating Board
- 8 shall adopt rules to administer Subchapter T-3, Chapter 61,
- 9 Education Code, as added by this Act, as soon as practicable after
- 10 the effective date of this Act.
- 11 SECTION 3. This Act takes effect immediately if it receives
- 12 a vote of two-thirds of all the members elected to each house, as
- 13 provided by Section 39, Article III, Texas Constitution. If this
- 14 Act does not receive the vote necessary for immediate effect, this
- 15 Act takes effect September 1, 2023.

FISCAL NOTE, 88TH LEGISLATIVE REGULAR SESSION

May 23, 2023

TO: Honorable Dade Phelan, Speaker of the House, House of Representatives

FROM: Jerry McGinty, Director, Legislative Budget Board

IN RE: HB1590 by Burns (Relating to the establishment of the Texas Leadership Scholars Program.), As Passed 2nd House

Estimated Two-year Net Impact to General Revenue Related Funds for HB1590, As Passed 2nd House: a negative impact of (\$20,000,000) through the biennium ending August 31, 2025.

The fiscal implications of the bill relating to research scholarships cannot be determined due to the unavailability of data related to the number of graduate students that would participate in the program and the award amount through the program.

The bill would make no appropriation but could provide the legal basis for an appropriation of funds to implement the provisions of the bill.

General Revenue-Related Funds, Five- Year Impact:

Fiscal Year	Probable Net Positive/(Negative) Impact to General Revenue Related Funds
2024	(\$10,000,000)
2025	(\$10,000,000)
2026	(\$10,000,000)
2027	(\$10,000,000)
2028	(\$10,000,000)

All Funds, Five-Year Impact:

Fiscal Yea r	Probable (Cost) from General Revenue Fund 1
2024	(\$10,000,000)
2025	(\$10,000,000)
2026	(\$10,000,000)
2027	(\$10,000,000)
2028	(\$10,000,000)

Fiscal Analysis

The bill establishes the Texas Leadership Scholars Program which includes two scholarship programs: a leadership scholarship, that would be awarded to undergraduate students, and a research scholarship that would be awarded to graduate students. Under provisions of the bill, the Higher Education Coordinating Board would administer the program but may contract with one or more institutions of higher education to assist in some of

the relevant duties, including receiving and reviewing applications, recommending the distribution of funds to institutions of higher education, and developing criteria for the selection of students for the program. The bill would establish certain eligibility requirements for the two scholarships including that the amount of the research scholarship is at least 150 percent of the amount of the leadership scholarship.

Methodology

In the 2022-23 academic year the Higher Education Coordinating Board received Governor's Emergency Education Relief (GEER) funds to support the Texas Leadership Scholar's Program. This funding was allocated to participating institutions of higher education to provide tuition and fee assistance; a housing and living stipend; and academic, professional and experiential supports for participating undergraduate students. Funding was provided up front: for each entering cohort, the institution received funding to pay for the subsequent four years of the students' participation in the program. A cohort of 250 students initially enrolled in the program and the Higher Education Coordinating Board provided institutions \$10 million (\$2.5 million per year over four years, or \$40,000 per student for four years). Based on information provided by the Higher Education Coordinating Board, enrolling similar size cohorts in 2023-24 and 2024-25 would cost \$10 million per year in General Revenue for the leadership scholarship program. This fiscal note analysis assumes similar costs in fiscal year 2026 and beyond.

The Higher Education Coordinating Board indicates that the fiscal implications for the research scholarship component of the program cannot be determined due the unavailability of data regarding the number of graduate students that would be eligible for the program and at what award amount.

Local Government Impact

No significant fiscal implication to units of local government is anticipated.

Source Agencies: 710 Texas A&M University System Administrative and General Offices, 720 The University of Texas System Administration, 758 Texas State University System, 768 Texas Tech University System Administration, 769 University of North Texas System Administration, 775 Texas Woman's University

System, 781 Higher Education Coordinating Board, 783 University of Houston System Administration,

978 San Jacinto College

LBB Staff: JMc, SD, MOc, JSM, GO, CMA, NV

FISCAL NOTE, 88TH LEGISLATIVE REGULAR SESSION

May 22, 2023

TO: Honorable Brandon Creighton, Chair, Senate Committee on Education

FROM: Jerry McGinty, Director, Legislative Budget Board

IN RE: HB1590 by Burns (relating to the establishment of the Texas Leadership Scholars Program.), Committee Report 2nd House, Substituted

Estimated Two-year Net Impact to General Revenue Related Funds for HB1590, Committee Report 2nd House, Substituted: a negative impact of (\$20,000,000) through the biennium ending August 31, 2025.

The fiscal implications of the bill relating to research scholarships cannot be determined due to the unavailability of data related to the number of graduate students that would participate in the program and the award amount through the program.

The bill would make no appropriation but could provide the legal basis for an appropriation of funds to implement the provisions of the bill.

General Revenue-Related Funds, Five- Year Impact:

Fiscal Year	Probable Net Positive/(Negative) Impact to General Revenue Related Funds
2024	(\$10,000,000)
2025	(\$10,000,000)
2026	(\$10,000,000)
2027	(\$10,000,000)
2028	(\$10,000,000)

All Funds, Five-Year Impact:

Fiscal Year	Probable (Cost) from General Revenue Fund 1
2024	(\$10,000,000)
2025	(\$10,000,000)
2026	(\$10,000,000)
2027	(\$10,000,000)
2028	(\$10,000,000)

Fiscal Analysis

The bill establishes the Texas Leadership Scholars Program which includes two scholarship programs: a leadership scholarship, that would be awarded to undergraduate students, and a research scholarship that would be awarded to graduate students. Under provisions of the bill, the Higher Education Coordinating Board would administer the program but may contract with one or more institutions of higher education to assist in some of

the relevant duties, including receiving and reviewing applications, recommending the distribution of funds to institutions of higher education, and developing criteria for the selection of students for the program. The bill would establish certain eligibility requirements for the two scholarships including that the amount of the research scholarship is at least 150 percent of the amount of the leadership scholarship.

In the 2022-23 academic year the Higher Education Coordinating Board received Governor's Emergency Education Relief (GEER) funds to support the Texas Leadership Scholar's Program. This funding was allocated to participating institutions of higher education to provide tuition and fee assistance; a housing and living stipend; and academic, professional and experiential supports for participating undergraduate students. Funding was provided up front: for each entering cohort, the institution received funding to pay for the subsequent four years of the students' participation in the program. A cohort of 250 students initially enrolled in the program and the Higher Education Coordinating Board provided institutions \$10 million (\$2.5 million per year over four years, or \$40,000 per student for four years). Based on information provided by the Higher Education Coordinating Board, enrolling similar size cohorts in 2023-24 and 2024-25 would cost \$10 million per year in General Revenue for the leadership scholarship program. This fiscal note analysis assumes similar costs in fiscal year 2026 and beyond.

The Higher Education Coordinating Board indicates that the fiscal implications for the research scholarship component of the program cannot be determined due the unavailability of data regarding the number of graduate students that would be eligible for the program and at what award amount.

Local Government Impact

No significant fiscal implication to units of local government is anticipated.

Source Agencies: 710 Texas A&M University System Administrative and General Offices, 720 The University of Texas

System Administration, 758 Texas State University System, 768 Texas Tech University System Administration, 769 University of North Texas System Administration, 775 Texas Woman's University System, 781 Higher Education Coordinating Board, 783 University of Houston System Administration,

978 San Jacinto College

LBB Staff: JMc, MOc, JSM, GO, CMA, NV

FISCAL NOTE, 88TH LEGISLATIVE REGULAR SESSION

May 16, 2023

TO: Honorable Brandon Creighton, Chair, Senate Committee on Education

FROM: Jerry McGinty, Director, Legislative Budget Board

IN RE: HB1590 by Burns (Relating to the establishment of the Texas Leadership Scholars Program.), As Engrossed

Estimated Two-year Net Impact to General Revenue Related Funds for HB1590, As Engrossed : a negative impact of (\$20,000,000) through the biennium ending August 31, 2025.

The bill would make no appropriation but could provide the legal basis for an appropriation of funds to implement the provisions of the bill.

General Revenue-Related Funds, Five- Year Impact:

Fiscal Year	Probable Net Positive/(Negative) Impact to General Revenue Related Funds
2024	(\$10,000,000)
2025	(\$10,000,000)
2026	(\$10,000,000)
2027	(\$10,000,000)
2028	(\$10,000,000)

All Funds, Five-Year Impact:

Fiscal Year	Probable (Cost) from General Revenue Fund 1
2024	(\$10,000,000)
2025	(\$10,000,000)
2026	(\$10,000,000)
2027	(\$10,000,000)
2028	(\$10,000,000)

Fiscal Analysis

The bill would require the Higher Education Coordinating Board to establish and administer the Texas Leadership Scholars Program from funds appropriated or otherwise available for scholarships and provide academic support and leadership development to eligible students. The bill would establish certain eligibility requirements for the program.

In the 2022-23 academic year the Higher Education Coordinating Board received Governor's Emergency Education Relief (GEER) funds to support this program. This funding was allocated to participating institutions of higher education to provide tuition and fee assistance; a housing and living stipend; and academic, professional and experiential supports for participating students. Funding was provided up front: for each entering cohort, the institution received funding to pay for the subsequent four years of the students' participation in the program. A cohort of 250 students initially enrolled in the program and the Higher Education Coordinating Board provided institutions \$10 million (\$2.5 million per year over four years, or \$40,000 per student for four years). Based on information provided by the Higher Education Coordinating Board, enrolling similar size cohorts in 2023-24 and 2024-25 would cost \$10 million per year in General Revenue. This fiscal note analysis assumes similar costs in fiscal year 2026 and beyond.

Local Government Impact

No significant fiscal implication to units of local government is anticipated.

Source Agencies: 710 Texas A&M University System Administrative and General Offices, 720 The University of Texas System Administration, 758 Texas State University System, 768 Texas Tech University System Administration, 769 University of North Texas System Administration, 781 Higher Education Coordinating Board, 783 University of Houston System Administration, 978 San Jacinto College

LBB Staff: JMc, MOc, GO, CMA, JSM, NV

FISCAL NOTE, 88TH LEGISLATIVE REGULAR SESSION

March 22, 2023

TO: Honorable John Kuempel, Chair, House Committee on Higher Education

FROM: Jerry McGinty, Director, Legislative Budget Board

IN RE: HB1590 by Burns (relating to the establishment of the Texas Leadership Scholars Program.), Committee Report 1st House, Substituted

Estimated Two-year Net Impact to General Revenue Related Funds for HB1590, Committee Report 1st House, Substituted: a negative impact of (\$20,000,000) through the biennium ending August 31, 2025.

The bill would make no appropriation but could provide the legal basis for an appropriation of funds to implement the provisions of the bill.

General Revenue-Related Funds, Five- Year Impact:

Fiscal Year	Probable Net Positive/(Negative) Impact to General Revenue Related Funds
2024	(\$10,000,000)
2025	(\$10,000,000)
2026	(\$10,000,000)
2027	(\$10,000,000)
2028	(\$10,000,000)

All Funds, Five-Year Impact:

Fiscal Year	Probable (Cost) from General Revenue Fund 1
2024	(\$10,000,000)
2025	(\$10,000,000)
2026	(\$10,000,000)
2027	(\$10,000,000)
2028	(\$10,000,000)

Fiscal Analysis

The bill would require the Higher Education Coordinating Board to establish and administer the Texas Leadership Scholars Program from funds appropriated or otherwise available for scholarships and provide academic support and leadership development to eligible students. The bill would establish certain eligibility requirements for the program.

In the 2022-23 academic year the Higher Education Coordinating Board received Governor's Emergency Education Relief (GEER) funds to support this program. This funding was allocated to participating institutions of higher education to provide tuition and fee assistance; a housing and living stipend; and academic, professional and experiential supports for participating students. Funding was provided up front: for each entering cohort, the institution received funding to pay for the subsequent four years of the students' participation in the program. A cohort of 250 students initially enrolled in the program and the Higher Education Coordinating Board provided institutions \$10 million (\$2.5 million per year over four years, or \$40,000 per student for four years). Based on information provided by the Higher Education Coordinating Board, enrolling similar size cohorts in 2023-24 and 2024-25 would cost \$10 million per year in General Revenue. This fiscal note analysis assumes similar costs in fiscal year 2026 and beyond.

Local Government Impact

No significant fiscal implication to units of local government is anticipated.

Source Agencies: 710 Texas A&M University System Administrative and General Offices, 720 The University of Texas

System Administration, 758 Texas State University System, 768 Texas Tech University System Administration, 769 University of North Texas System Administration, 781 Higher Education Coordinating Board, 783 University of Houston System Administration, 978 San Jacinto College

LBB Staff: JMc, MOc, GO, CMA, JSM, NV

FISCAL NOTE, 88TH LEGISLATIVE REGULAR SESSION

March 19, 2023

TO: Honorable John Kuempel, Chair, House Committee on Higher Education

FROM: Jerry McGinty, Director, Legislative Budget Board

IN RE: HB1590 by Burns (Relating to the establishment of the Texas Leadership Scholars Program to serve as a merit-based scholarship and leadership opportunity for high-achieving, emerging leaders with financial need.), As Introduced

Estimated Two-year Net Impact to General Revenue Related Funds for HB1590, As Introduced : a negative impact of (\$20,000,000) through the biennium ending August 31, 2025.

The bill would make no appropriation but could provide the legal basis for an appropriation of funds to implement the provisions of the bill.

General Revenue-Related Funds, Five- Year Impact:

Fiscal Year	Probable Net Positive/(Negative) Impact to General Revenue Related Funds
2024	(\$10,000,000)
2025	(\$10,000,000)
2026	(\$10,000,000)
2027	(\$10,000,000)
2028	(\$10,000,000)

All Funds, Five-Year Impact:

Fiscal Year	Probable (Cost) from General Revenue Fund 1
2024	(\$10,000,000)
2025	(\$10,000,000)
2026	(\$10,000,000)
2027	(\$10,000,000)
2028	(\$10,000,000)

Fiscal Analysis

The bill would require the Higher Education Coordinating Board to establish and administer the Texas Leadership Scholars Program from funds appropriated or otherwise available for scholarships for high-achieving, low-income students, as well as academic achievement support and leadership development for student awarded program scholarships. The bill would establish certain eligibility requirements for the program.

In the 2022-23 academic year the Higher Education Coordinating Board received Governor's Emergency Education Relief (GEER) funds to support this program. This funding was allocated to participating institutions of higher education to provide tuition and fee assistance; a housing and living stipend; and academic, professional and experiential supports for participating students. Funding was provided up front: for each entering cohort, the institution received funding to pay for the subsequent four years of the students' participation in the program. A cohort of 250 students initially enrolled in the program and the Higher Education Coordinating Board provided institutions \$10 million (\$2.5 million per year over four years, or \$40,000 per student for four years). Based on information provided by the Higher Education Coordinating Board, enrolling similar size cohorts in 2023-24 and 2024-25 would cost \$10 million per year in General Revenue. This fiscal note analysis assumes similar costs in fiscal year 2026 and beyond.

Local Government Impact

No significant fiscal implication to units of local government is anticipated.

Source Agencies: 710 Texas A&M University System Administrative and General Offices, 720 The University of Texas

System Administration, 758 Texas State University System, 768 Texas Tech University System Administration, 769 University of North Texas System Administration, 781 Higher Education Coordinating Board, 783 University of Houston System Administration, 978 San Jacinto College

LBB Staff: JMc, MOc, CMA, JSM, GO, NV