

BILL ANALYSIS

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DIGEST AND PURPOSE

The Texas Higher Education Coordinating Board (THECB) provides leadership and coordination among Texas' higher education institutions to ensure quality and efficiency in the state's public higher education system. To accomplish its goals, THECB has developed a new master plan for higher education in Texas, *Closing the Gaps by 2015*, which allows the agency and institutions to focus on the most critical challenges to overcome for the future social, educational, and economic health of the state. As proposed, S.B. 286 continues THECB for the standard 12-year period and requires THECB to articulate implementation strategies for the higher education plan and to report to the legislature on statutory and institutional funding changes that best support the plan.

RULEMAKING AUTHORITY

Rulemaking authority is expressly granted to the Texas Higher Education Coordinating Board in SECTION 20 (Section 61.832, Education Code) and in SECTION 28 (Section 56.3575, Education Code) of this bill.

SECTION BY SECTION ANALYSIS

SECTION 1. Amends Section 61.0211, Education Code, to continue the Texas Higher Education Coordinating Board (THECB) for the standard 12-year period until September 1, 2015.

SECTION 2. Amends Section 61.022, Education Code, to update standard Sunset language on appointment and terms of office to THECB. Reduces THECB from 18 to 15 members.

SECTION 3. Amends Sections 61.0222(b)-(e), Education Code, to update standard Sunset language relating to prohibitions against certain persons from being a member or employee of THECB.

SECTION 4. Amends Sections 61.0223(a) and (c), Education Code, to update standard Sunset language relating to grounds for removal from THECB.

SECTION 5. Amends Chapter 61B, Education Code, by adding Section 61.0224, as follows:

Sec. 61.0224. TRAINING OF BOARD MEMBERS. Adds standard Sunset language relating to the training of THECB members.

SECTION 6. Amends Sections 61.028(f) and (g), Education Code, to update standard Sunset language requiring the commissioner of higher education or commissioner's designee to develop an equal opportunity program.

SECTION 7. Amends Chapter 61B, Education Code, by adding Section 61.0281, as follows:

Sec. 61.0281. STATE EMPLOYEE INCENTIVE PROGRAM. Applies standard Sunset language requiring training on participation in the state employee incentive program.

SECTION 8. Amends Section 61.031, Education Code, to update standard Sunset language requiring information to be maintained on complaints.

SECTION 9. Amends Chapter 61B, Education Code, by adding Section 61.033, as follows:

Sec. 61.033. NEGOTIATED RULEMAKING; ALTERNATIVE DISPUTE RESOLUTION. Adds standard Sunset language requiring THECB to develop and implement a policy to encourage the use of negotiated rulemaking and alternative dispute resolution procedures.

SECTION 10. Amends Chapter 61B, Education Code, by adding Section 61.034, as follows:

Sec. 61.034. EFFECTIVE USE OF TECHNOLOGY. Adds standard Sunset language requiring THECB to develop and implement a policy to research and propose appropriate technological solutions.

SECTION 11. Amends Section 61.051, Education Code, by amending Subsections (a) and (i) and adding Subsections (a-1), (a-2), and (i-1), as follows:

(a) Created from existing text.

(a-1) Created from existing text.

(a-2) Requires THECB to report to the legislature not later than the January 1 of each odd-numbered year on the state of higher education in Texas. Requires THECB, in the biennial report, to assess the state's progress in meeting the goals stated in the plan developed under Subsection (i) and to recommend legislative action to assist the state in meeting those goals. Requires the report to include the analyses performed in connection with THECB's periodic review under Subsection (i-1).

(i) Deletes current language requiring periodic revision of a statewide plan.

(i-1) Requires THECB to periodically review and revise the long-range statewide plan developed under Subsection (i). Requires THECB, as a specific element of its review, to identify and analyze the degree to which the plan reflects the continuing higher education needs of each region of this state, as well as any policy changes necessary to improve overall implementation of the plan and the fiscal impact of those changes. Requires THECB to establish procedures for monitoring the implementation of the plan, including an analysis of the degree to which its current activities support implementation of the plan and any change in THECB rules or practices necessary to improve implementation of the plan. Requires THECB to identify additional strategies necessary to achieve the goals of the plan, emphasizing implementation by institutions of higher education and specific recommendations for the different regions of the state. Requires THECB to notify each institution of higher education of all strategies for implementing the plan.

SECTION 12. Amends Section 61.059, Education Code, by amending Subsections (a) and (i) and adding Subsection (i-1), as follows:

(a) Requires funding policies to ensure that certain conditions are met.

(i) Makes a conforming and a nonsubstantive change.

(i-1) Requires THECB, not later than January 1 of each odd-numbered year, to make and submit to the legislature findings and recommendations regarding the degree to which the

current higher education funding system, including formula funding and any other transfers of legislative appropriations to institutions of higher education, supports the implementation of the long-range statewide plan developed and revised under Section 61.051. Authorizes THECB to include its findings and recommendations in the biennial report submitted to the legislature under Section 61.051. Requires THECB, in its findings, to perform certain actions

SECTION 13. Amends Section 61.066, Education Code, by adding Subsection (c), to require THECB to conduct a study and make findings and recommendations regarding methods for reducing administrative burdens and increasing participation in student financial aid programs to maximize the value of those programs to the state. Requires THECB, in conducting the study, to seek input from financial aid officers and student groups at institutions of higher education. Requires THECB, not later than November 1, 2004, to report to the standing committee of each house of the legislature with primary jurisdiction over higher education its findings and recommendations for legislative action necessary to consolidate, expand, or otherwise modify existing student financial aid programs. Provides that this subsection expires January 1, 2005.

SECTION 14. Amends Section 61.076, Education Code, as follows:

- (a) Requires THECB to use the P-16 Council, rather than a Joint Advisory Committee, in assuring that plans and programs are coordinated.
- (b) Makes a conforming change. Adds new language to plans and programs.

SECTION 15. Amends Section 61.077, Education Code, as follows:

- Sec. 61.077. New heading: P-16 COUNCIL. (a) Makes a conforming change.
- (b) Provides that the P-16 Council (council) is composed of the commissioner of education, the commissioner of higher education, the executive director of the Texas Workforce Commission, and the executive director of the State Board for Educator Certification. Provides that the position of presiding officer rotates among the members of the council in the order the members are listed in this subsection, with each member serving as the presiding officer for one two-year term.
 - (c) Requires the council to meet at least once each calendar quarter and authorizes it to hold other meetings as necessary at the call of the presiding officer. Requires each member of the council or the member's designee to make a report of the council's activities at least twice annually to the governing body of the member's agency or, in the case of the commissioner of education, to the State Board of Education.
 - (d) Makes a conforming change. Adds new language relating to the duties of the council.

SECTION 16. Amends Section 61.532(a), Education Code, to delete existing text relating to conditions for repayment assistance.

SECTION 17. Amends Chapter 61J, Education Code, by adding Section 61.540, as follows:

Sec. 61.540. SERVICE AGREEMENTS ENTERED INTO UNDER FORMER LAW; SAVING PROVISION. (a) Provides that this section applies only to a person who entered into a written agreement to perform service as a physician in exchange for loan repayment assistance under this subchapter before September 1, 2003.

- (b) Provides that the agreement continues in effect and this subchapter, as it existed when the person entered into the agreement, is continued in effect for purposes of that

agreement until the person satisfies all the conditions of the agreement or repays all amounts due under the agreement if the person does not satisfy the conditions of the agreement.

SECTION 18. Amends Section 61.822(b), Education Code, to make nonsubstantive changes.

SECTION 19. Amends Section 61.830, Education Code, to make nonsubstantive changes.

SECTION 20. Amends Chapter 61S, Education Code, by adding Section 61.832, as follows:

Sec. 61.832. COMMON COURSE NUMBERING SYSTEM. (a) Requires THECB to adopt a common course numbering system to promote consistency in the designation and identification of courses among institutions of higher education.

(b) Requires THECB, in developing the common course numbering system, to consider common course numbering systems already developed or in common use in this state or any other state.

(c) Authorizes THECB to appoint a committee of the board to oversee the development of the common course numbering system, including the taxonomy to be used, and of rules for the administration and applicability of the system.

(d) Requires an institution of higher education to use the common course numbering system adopted by the board under this section. Authorizes THECB, for good cause, to grant to an institution of higher education an exemption from the requirements of this subsection.

SECTION 21. Amends Sections 61.873 and 61.876, Education Code, as added by Chapter 833, Acts of the 76th Legislature, Regular Session, 1999, as follows:

Sec. 61.873. Adds new condition to be eligible to receive loan repayment assistance.

Sec. 61.876. Makes conforming changes. Deletes current language in existing text relating to the amount of repayment assistance.

SECTION 22. Amends Chapter 61T, Education Code, as added by Chapter 833, Acts of the 76th Legislature, Regular Session, 1999, by adding Section 61.879, as follows:

Sec. 61.879. SERVICE AGREEMENTS ENTERED INTO UNDER FORMER LAW; SAVING PROVISION. (a) Provides that this section applies only to a person who was awarded loan repayment assistance under this subchapter and entered into a written agreement to perform service as an early childhood child-care worker in exchange for that assistance under this subchapter before September 1, 2003.

(b) Provides that the agreement continues in effect and this subchapter, as it existed when the person entered into the agreement, is continued in effect for purposes of that agreement until the person satisfies all the conditions of the agreement or repays all amounts due under the agreement if the person does not satisfy the conditions of the agreement.

SECTION 23. Amends Sections 61.952 and 61.954, Education Code, as added by Chapter 1403, Acts of the 77th Legislature, Regular Session, 2001, as follows:

Sec. 61.952. Adds a new condition for an attorney to be eligible to receive repayment assistance.

Sec. 61.954. New heading: MAXIMUM AMOUNT OF REPAYMENT ASSISTANCE. (a) Makes a conforming change.

SECTION 24. Amends Section 7.005, Education Code, to make a conforming change.

SECTION 25. Amends Section 52.34, Education Code, as follows:

Sec. 52.34. (a) through (e). Creates these subsections from existing text. Makes nonsubstantive changes.

(f) Requires THECB to distribute money to a participating institution through the electronic funds transfer system maintained by the Texas Guaranteed Student Loan Corporation for disbursing loan funds from commercial lenders participating in the guaranteed student loan program under Chapter 57. Requires THECB to enter into a contract with the corporation for the use of the system, and requires the corporation to make the system available to THECB as necessary to carry out this subsection.

SECTION 26. Amends Chapter 52C, Education Code, by adding Section 52.41, as follows:

Sec. 52.41. RESTRICTION ON ISSUANCE OF CERTAIN FEDERALLY INSURED STUDENT LOANS. (a) Authorizes THECB to issue student loans under the Federal Family Education Loan Program (20 U.S.C. Section 1071 et seq.), as amended, only to a person who applied for and was issued a student loan under this chapter before October 1, 2003, but who is not yet required to make payments on the loan as of that date, according to the terms of the loan.

(b) Authorizes THECB to continue to service outstanding student loans issued by the board under the Federal Family Education Loan Program.

SECTION 27. Amends the heading to Chapter 56O, Education Code, as added by Chapter 1261, Acts of the 77th Legislature, Regular Session, 2001, to read as follows:

**SUBCHAPTER O. TEACH FOR TEXAS
LOAN REPAYMENT ASSISTANCE PROGRAM**

SECTION 28. Amends Chapter 56O, Education Code, as added by Chapter 1261, Acts of the 77th Legislature, Regular Session, 2001, by amending Sections 56.351, 56.352, 56.353, 56.354, and 56.355 and adding Sections 56.3575 and 56.359, as follows:

Sec. 56.351. New heading: DEFINITION. Defines “coordinating board.”

Sec. 56.352. New heading: PURPOSE OF PROGRAM; LOAN REPAYMENT AUTHORIZED. (a) Provides that the purpose of this subchapter is to attract to the teaching profession persons who have expressed interest in teaching and to support the employment of those persons as classroom teachers by providing student loan repayment assistance for service as a classroom teacher in the public schools of this state.

(b) Requires THECB to provide, in accordance with this subchapter and board rules, assistance in the repayment of eligible student loans for persons who apply and qualify for the assistance.

Sec. 56.353. ELIGIBILITY (a) Provides that Teach for Texas repayment assistance is available only to a person who applies for the assistance and who meets certain requirements.

- (b) Requires THECB in awarding repayment assistance to give priority to applicants who demonstrate financial need.
- (c) Requires THECB, if the money available for loan repayment assistance in a period for which assistance is awarded is insufficient to provide assistance to all eligible applicants described by Subsection (b), to establish priorities for awarding repayment assistance to address the most critical teacher shortages described by Subsection (a).
- (d) Provides that a person may not receive loan repayment assistance for more than five, rather than three academic, years.

Sec. 56.354. ELIGIBLE LOANS. (a) Authorizes a person to receive Teach for Texas loan repayment assistance under this subchapter for the repayment of any student loan for education at any public or private institution of higher education through any lender. Requires the note or other writing governing the terms of the loan, if the loan is not a state or federal guaranteed student loan, to require the loan proceeds to be used for expenses incurred by a person to attend a public or private institution of higher education.

- (b) Prohibits THECB from providing loan repayment assistance for a student loan that is in default at the time of the person's application. Deletes text of existing Section 56.354 (Amount of Grant; Payment of Grant).

Sec. 56.355. PAYMENT OF ASSISTANCE. (a) Authorizes THECB to determine the manner in which Teach for Texas loan repayment assistance is to be paid. Authorizes THECB to provide for the payment of a portion of the repayment assistance in one or more installments before the person completes a full year of service as a teacher and for the payment of the remainder of the repayment assistance for that year after the completion of the full year of service.

- (b) Authorizes loan repayment assistance received under this subchapter to be applied to the principal amount of the loan and to interest that accrues.

Deletes text of existing Section 56.355 (Eligibility for Texas Grant Not Affected).

Sec. 56.3575. ADMINISTRATION; RULES. (a) Requires THECB to adopt rules necessary for the administration of this subchapter.

- (b) Requires THECB to distribute a copy of the rules adopted under this section and pertinent information relating to this subchapter to each public or private institution of higher education in this state that offers an educator certification program, including an alternative educator certification program or another equivalent program.

Sec. 56.359. GRANTS AND SERVICE AGREEMENTS ENTERED INTO UNDER FORMER LAW; SAVING PROVISION. (a) Provides that this section applies only to a person who was awarded a Teach for Texas grant and entered into a written agreement to perform service as a public school teacher in this state in order to receive the grant under this subchapter before September 1, 2003.

- (b) Authorizes a person to whom this section applies to receive any unpaid installments of the grant as provided by the agreement and in accordance with this subchapter as it existed when the grant was awarded. Provides that the agreement continues in effect and this subchapter, as it existed when the person entered into the agreement, is continued in effect for purposes of that agreement until the person satisfies all the conditions of the agreement or repays all amounts due under the agreement if the person does not satisfy the conditions of the agreement.

SECTION 29. Repealer: Chapter 61Q, Education Code (State Postsecondary Review Program).

SECTION 30. (a) Repealer: Section 56.356, Education Code, as added by Chapter 1261, Acts of the 77th Legislature, Regular Session, 2001(Grant Use).

(b) Repealer: Section 61.875, Education Code, as added by Chapter 833, Acts of the 76th Legislature, Regular Session, 1999 (Agreement).

(c) Repealer: Section 61.953, Education Code, as added by Chapter 1403, Acts of the 77th Legislature, Regular Session, 2001 (Coordination with Other Agencies).

SECTION 31. (a) Provides that of the six positions on the Texas Higher Education Coordinating Board that have terms scheduled to expire on August 31, 2003, one of the positions is abolished on September 1, 2003. Requires the governor, on or before September 1, 2003, to designate which of the six positions must be abolished and to appoint five persons to fill the other positions for terms expiring August 31, 2009.

(b) Provides that of the six positions on the Texas Higher Education Coordinating Board that have terms scheduled to expire on August 31, 2005, one of the positions is abolished on September 1, 2003. Requires the members whose terms are scheduled to expire on August 31, 2005, on or before September 1, 2003, to determine by unanimous agreement or by lot which of the six positions must be abolished and to inform the presiding officer of the Texas Higher Education Coordinating Board of that determination.

(c) Provides that of the six positions on the Texas Higher Education Coordinating Board that have terms scheduled to expire on August 31, 2007, one of the positions is abolished on September 1, 2003. Requires the members whose terms are scheduled to expire on August 31, 2007, on or before September 1, 2003, to determine by unanimous agreement or by lot which of the six positions must be abolished and to inform the presiding officer of the Texas Higher Education Coordinating Board of that determination.

SECTION 32. Makes application of this Act prospective.

SECTION 33. Provides that on the effective date of this Act:

- (1) the P-16 Council replaces the Joint Advisory Committee as the advisory board for the Texas Higher Education Coordinating Board and the State Board of Education;
- (2) all functions and activities performed by the Joint Advisory Committee are transferred to the P-16 Council to the extent consistent with the functions and duties of the P-16 Council provided by law; and
- (3) a reference in law to the Joint Advisory Committee that relates to providing advisory functions to the Texas Higher Education Coordinating Board and the State Board of Education means the P-16 Council.

SECTION 34. (a) Requires THECB, not later than June 1, 2004, to perform certain tasks.

(b) Authorizes each public institution of higher education to retain all or part of its preexisting course catalog system as permitted by the timetable established by THECB under this section until the institution is required by the timetable to be in full compliance with the common course numbering system.

SECTION 35. Requires THECB to enter into a contract with the Texas Guaranteed Student Loan

Corporation to use the corporation's electronic funds transfer system, as required by Section 52.34, Education Code, as amended by this Act, not later than January 1, 2004.

SECTION 36. Effective date: September 1, 2003.