



**SUMMARY OF
HIGHER EDUCATION LEGISLATION
78th TEXAS LEGISLATURE**

**TEXAS HIGHER EDUCATION
COORDINATING BOARD**

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TEXAS HIGHER EDUCATION COORDINATING BOARD

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Mission

The mission of the Texas Higher Education Coordinating Board is to provide the Legislature advice and comprehensive planning capability for higher education, to coordinate the effective delivery of higher education, to administer programs efficiently, and to improve higher education for the people of Texas.

Philosophy

The Texas Higher Education Coordinating Board will promote access to quality higher education across the state with the conviction that access without quality is mediocrity and that quality without access is unacceptable. The Board will be open, ethical, responsive, and committed to public service. The Board will approach its work with a sense of purpose and responsibility to the people of Texas and is committed to the best use of public monies.

Summary of Higher Education Legislation

78th Texas Legislature

TABLE OF CONTENTS

	<u>PAGE</u>
INTRODUCTION	5
SUMMARY OF HIGHER EDUCATION LEGISLATION BY TOPIC	
ADMISSIONS	6
COMMUNITY COLLEGES	7
CONCURRENT / DUAL CREDIT	8
COORDINATING BOARD / AGENCY OPERATIONS	9
DEVELOPMENTAL EDUCATION	13
FACULTY	14
FEES	15
FINANCIAL AID	18
HEALTH-RELATED	22
INSTITUTIONAL OPERATIONS	25
P-16 INITIATIVES	28
RETENTION	29
RESEARCH	30
ROLE & MISSION / INSTITUTIONAL CHANGES	31
TECHNOLOGY	33
TUITION	34
TUITION AND FEES – WAIVERS AND EXEMPTIONS	36
TUITION REVENUE BONDS	37
MISCELLANEOUS	38
CROSS-REFERENCE TABLE	
LEGISLATION LISTED BY BILL NUMBER	39
LEGISLATION LISTED BY BILL AUTHOR	40

Summary of Higher Education Legislation

78th Texas Legislature

INTRODUCTION

Many challenges faced the 78th Texas Legislature as it convened in January 2003. A revenue shortfall initially projected to be about \$5 billion rose to over \$10 billion, and the fear of major state budget cuts rose with it. A large amount of turnover in the Legislature – especially in the House of Representatives – meant that many members were new to the process with a steep learning curve ahead of them. The election of a new Lieutenant Governor and the selection of a new Speaker of the House translated into new leadership and membership of key legislative committees. Toward the end of the legislative session, still another challenge arose as disagreement over a redistricting bill resulted in 51 Democratic House members leaving the state for four days to prevent a quorum.

All of these challenges made a focus on the message of *Closing the Gaps by 2015* more important than ever to help legislators keep higher education as a top priority in the face of strongly competing demands. Considering the daunting task of balancing the budget while keeping state government as whole as possible, higher education fared relatively well in the legislative process, and important initiatives were retained or created. Legislators kept important financial aid programs in place, such as TEXAS Grants, even though the funding could not be as high as hoped. They created a new zero interest loan program, B-On-Time, and required additional tuition set-asides for financial aid. They allowed institutions more flexibility in setting tuition while strengthening the requirement that the institutions meet the goals of *Closing the Gaps*. They instituted the Success Initiative that gives institutions more flexibility in meeting individual student needs regarding assessment, advising, and developmental education.

This report contains a synopsis of 48 pieces of legislation regarding higher education issues that passed during the regular session of the 78th Texas Legislature. Also included is a short summary of legislation that did not pass but that reflect the issues considered by the Legislature. Many of these issues likely will be considered in future legislative sessions. The legislation is organized by topic with cross-reference tables by bill number and by bill author at the end of the report.

The report does not contain information regarding appropriations since those figures are preliminary and still being reconciled. In general, the total budget for the State of Texas for the 2004-2005 biennium is about \$117.5 billion, an increase of about 3.2 percent over the current biennium. The all funds budget for higher education is approximately \$15.2 billion, or 12.9 percent of the state budget. The general revenue portion of the higher education budget is a little over \$10 billion which represents a 1.7 percent decrease from the current biennium. A more complete report on the appropriations for higher education will be issued in October 2003.

Summary of Higher Education Legislation by Topic

78th Texas Legislature

ADMISSIONS

House Bill 944 (King/Estes) – Persons with nontraditional secondary education. Prohibits a public institution of higher education from having different admissions requirements for students who have completed a nontraditional secondary education. An institution may not require these students to obtain or submit a GED certificate or an equivalency to a public high school degree and may not require these students to take an examination or comply with any other application or admission requirement that is not applicable to other applicants.

This act takes effect on September 1, 2003 and applies to admissions on or after this date.

Admissions legislation that failed to pass:

House Bill 91 (McClendon) – Would have required public universities to automatically admit an applicant as an undergraduate transfer student if, in the year preceding the student's application for admission, the applicant received a degree or certificate from a public community or technical college in a program requiring at least 30 semester credit hours (including courses in the core curriculum), and completed the program with at least a 3.0 GPA.

House Bill 484/Senate Bill 1008 (Wilson/West) – Would have granted students graduating with a baccalaureate degree and a grade point average in the top 10 percent of their graduating class automatic admission to a graduate or professional degree program of a Texas public institution of higher education.

House Bill 760 (Wilson) – Would have required universities to consider the same admissions factors and apply the same standards to all applicants for admission to the institution as entering freshmen.

House Bill 838 (Smith, Todd) – Beginning with admissions in 2008-2009, would have required students to graduate in the top 15 percent of their high school graduating class and complete the recommended or advanced high school program to be eligible for automatic admission.

House Bill 1057 (Alonzo) – Would have required public universities to automatically admit transfer students who qualified for automatic admission under the top 10 percent law within the preceding four years, and who have completed the core curriculum at another institution of higher education.

House Bill 1212 (Wilson) – Would have limited the total number of foreign students enrolled in graduate and professional degree programs.

Senate Bill 86/House Bill 2507 (Wentworth/Morrison) – Would have required students to complete the Recommended or Advanced High School Program and graduate in the top 10 percent of their high school graduating class to be eligible for automatic admission to a public university. An amendment added to SB 86 on the House Floor would have placed a cap on the total number of students who could be automatically admitted at The University of Texas at Austin and Texas A&M University to not exceed 60 percent of the incoming freshman.

COMMUNITY COLLEGES

Senate Bill 286 (Shapleigh/Morrison) – Baccalaureate degrees at two-year institutions. Requires the Coordinating Board to establish a pilot project for two-year institutions to offer certain baccalaureate degree programs (originally filed as HB 1544/SB 1500 by Bonnen/Janek and HB 1888 by Morrison; the provisions also passed in SB 976 by Shapiro/Morrison). Three public junior colleges will be selected by the Coordinating Board to participate in the pilot project. No community college participating in the pilot may offer more than five baccalaureate degree programs. Each community college must enter into an articulation agreement with one or more general academic teaching institutions to ensure students enrolled in the programs have an opportunity to complete their degrees if the community college ceases to offer the programs. The Coordinating Board must prepare a progress report on the pilot project by January 1, 2009 and a report on the effectiveness of the program by January 1, 2011.

This act takes effect on September 1, 2003.

Senate Bill 286 (Shapleigh/Morrison) – Mexican American studies. Requires the governing board of a public community college district located in one or more counties with a substantial and growing Mexican American population to evaluate the demand for and feasibility of establishing a Mexican American studies program or other course work in Mexican American studies at one or more community colleges in the district. It requires the Coordinating Board to approve such programs if they are established (originally filed as HB 1058 by Alonzo).

This act takes effect on September 1, 2003.

Senate Bill 437 (Lindsay/Callegari) – Service area change. Includes Cypress-Fairbanks Independent School District in the North Harris Montgomery Community College District service area.

This act takes effect immediately.

Community college legislation that failed to pass:

Senate Bill 315 (Hinojosa/Luna) – Annexation. Authorizes a community college district to annex territory that is contiguous to the district and is located wholly within the district's service area. It applies to community college districts that have a population of 250,000 or more that borders the Gulf of Mexico and has a service area established by Subchapter J, Chapter 130, Education Code that includes four or more whole counties. Prior to annexation, the community college district must provide a petition to its governing body. The petition must describe the territory proposed to be annexed and be signed by a number of registered voters residing in the proposed annexed territory that equals or exceeds the lesser of 50 or a majority of the total number of registered voters in the proposed annexed territory as the most recent November uniform election. The governing body may order an election to be held. The order must describe the proposed annexed territory and set a date for the election.

This act was vetoed by the governor.

CONCURRENT/DUAL CREDIT

House Bill 415 (Flores/West) – Funding / Commissioner M.O.U. Repeals the section of the law that requires the commissioners of higher education and public education to establish a memorandum of understanding to prohibit duplication of funding (i.e., funding for both the college and the high school) for concurrent/dual credit courses.

This act takes effect on September 1, 2003.

House Bill 1621 (Wise/West) – Tuition waiver and funding. Authorizes community colleges to waive all or part of the tuition and fees for a high school student enrolled in a concurrent/dual credit course. It provides for these contact hours to be used to determine the community college's proportionate share of state appropriations, even if the community college waives all or part of the tuition or fees.

It also increases the amount of tuition that can be pledged to the payment of bonds issued by community college districts from \$15 per student per semester to 25 percent of the tuition collected from each student. In addition, it does not require community colleges to set aside a percentage of out-of-district charges for the purposes of supporting the Texas Public Education Grant Program.

This act takes effect immediately.

Senate Bill 258 (West/Deshotel) – Tuition waiver. Authorizes the governing board of an institution of higher education to waive all or part of the tuition and fees charged by the institution for a student enrolled in a concurrent/dual credit course.

This act takes effect immediately.

COORDINATING BOARD / AGENCY OPERATIONS

Senate Bill 286 (Shapleigh/Morrison) – Coordinating Board Sunset Bill

- **Sunset date.** Extends the Coordinating Board until September 1, 2015.
- **Board member provisions.**
 - Reduces the number of board members from eighteen to nine with staggered six-year terms. The terms of one-third of the members expire August 31 of each odd-numbered year (similar provision also passed in SB 287 by Ellis/Chisum).
 - In the transition to the nine-member board, it provides for the governor to make only three appointments at the end of the 2003 fiscal year (six current members' terms will expire at that time). Four appointments are to be made at the end of the 2005 fiscal year (another six members' terms will expire at that time). Two appointments are to be made at the end of the 2007 fiscal year (the last six members' terms of the current board will expire at that time). From then on, three new members will be appointed at the end of odd-numbered fiscal years.
 - Changes employment provisions so that a board member may also be an employee of the Coordinating Board if that board member is not in a bona fide executive, administrative, or professional capacity as defined by the federal Fair Labor Standards Act. It allows spouses of board members to be employed by the Coordinating Board in any capacity.
 - It requires that new board members receive certain training (regarding enabling legislation, rules of the board, agency programs, etc.) before they may vote, deliberate or be counted as a member in attendance at a board meeting.
- **Internal auditor.** Requires that the internal auditor report to the board on all policy matters, other than administrative matters, that require the decision of the commissioner of higher education.
- **Standard Sunset provisions.** Incorporates standard Sunset language applicable to all agencies regarding state employee incentive program training, complaint handling, negotiated rulemaking, alternative dispute resolution, and effective use of technology.
- **Higher education master plan.** Adds directives for developing and reviewing the higher education master plan *Closing the Gaps* and on monitoring progress toward the goals within the plan.
- **Higher education funding.** Requires the Coordinating Board to develop higher education funding policies that provide incentives for supporting the higher education master plan. It also requires the board to report findings and recommendations to the Legislature regarding the degree to which the current funding system supports implementation of the plan.

- **Financial reporting by institutions.** Authorizes the Coordinating Board to require institutions to report additional financial information to the board as the board considers necessary.
- **Financial aid administration.** Directs the Coordinating Board to conduct a study and make recommendations for reducing administrative burdens and increasing participation in student financial aid programs. The board shall report its findings to the standing committee of each house of the Legislature with primary jurisdiction over higher education by November 1, 2004.
- **P-16 Council.** Repeals the Joint Advisory Committee and replaces it with the P-16 Council, designates composition of the membership in the council, and outlines duties of the council.
- **Reporting by higher education authorities and certain non-profits.** Requires the Coordinating Board to collect and make available to the public information regarding higher education authorities and non-profit corporations serving as secondary markets for student loans. It delineates what types of information must be included.
- **Institution performance data.** Requires the Coordinating Board to publish certain performance data of general academic institutions on the agency's Internet site. It requires general academic teaching institutions to report certain information to the Coordinating Board not later than November 1 following the completion of an academic year, beginning with data for the 2003-2004 academic year. The information to be reported includes such items as overall grade point average of the class for the academic year covered by the report, enrollment percentages by ethnicity, retention of full-time students after completion of one academic year, statistics regarding job placement rates, and other measures. The board must publish and post the data on its Internet site no later than March 1, 2005 (originally filed as SB 337/HB 652 by Shapleigh/Rangel).
- **Use of term "college."** Permits the use of term "college" under certain conditions (originally filed as HB 1722 by Farabee and applies to only one entity in Wichita Falls, Texas).
- **Common course numbering system.** Requires the Coordinating Board to approve the common course numbering system already in use at many state institutions of higher education and requires the institutions to use this numbering system in their course listings. It allows the Coordinating Board to exempt institutions from this requirement for good cause. The Coordinating Board must approve the system and establish a timetable for its implementation by June 1, 2004.
- **Sale of promotional items.** Allows the board to sell or contract for the sale of promotional items, including clothing, posters, and banners, designed to promote the *College for Texans* statewide public awareness and motivation campaign.
- **Research project confidentiality.** Adds confidentiality provisions regarding information submitted as part of a pre-proposal or proposal related to the evaluation and selection

of research projects funded by the Advanced Research Program and the Advanced Technology Program.

- **TASP repeal/Success Initiative.** Repeals Section 51.306 (Texas Academic Skills Program) and Section 51.3061 (Testing and Remedial Coursework for Deaf Students). It enacts the “Success Initiative” regarding student assessment and developmental education (originally filed as HB 3375 by Rangel, and subsequently substituted into HB 796 by Delisi/West; for more details, see SB 286 under “Developmental Education”). It also adds an exemption for students on active duty in the armed forces, the Texas National Guard, or in the reserves (also passed as SB 824 by Averitt/Haggerty; for more details, see SB 824 under “Developmental Education”).
- **Institutional partnerships.** Authorizes partnership agreements to be made between community/junior colleges and general academic institutions (formerly limited to upper-level universities).
- **Student loan funds distribution.** Requires that the Coordinating Board distribute money to institutions that participate in student loan programs through the electronic funds transfer system maintained by the Texas Guaranteed Student Loan Corporation (TGSLC), except that at the request of a participating institution the Coordinating Board may distribute the money through other means. The Coordinating Board must enter into a contract with TGSLC to use the electronic funds transfer system by January 1, 2004. It restricts the issuance of certain federally insured student loans by the board.
- **Doctoral incentive loan repayment program.** Establishes the Doctoral Incentive Loan Repayment Program to increase the number of persons in faculty and administrative positions at institutions where those persons are in an underrepresented group (originally filed as SB 722/HB 2977 by Van de Putte/Chavez; for more details, see SB 286 under “Faculty”).
- **Loan forgiveness to loan repayment programs.** Changes certain loan forgiveness programs into loan repayment programs (Teach for Texas, the Early Childhood Care Provider Loan Program, and the Conditional Loan for Attorneys Employed by the Office of the Attorney General Program). It restructures eligibility and other requirements for these programs.
- **Baccalaureate degrees at two-year institutions.** Requires the Coordinating Board to establish a pilot project for three two-year institutions to offer certain baccalaureate degree programs (originally filed as HB 1544/SB 1500 by Bonnen/Janek; for more details, see SB 286 under “Community Colleges”).
- **Mexican American studies.** Requires governing boards of junior college districts with a substantial and growing Mexican American population to evaluate the demand for and feasibility of establishing a Mexican American studies program or other course work (originally filed as HB 1058 by Alonzo; for more details, see SB 286 under “Community Colleges”).

This act takes effect on September 1, 2003.

Coordinating Board operations legislation that failed to pass:

House Bill 2/Senate Bill 1952 (Swinford/Ellis) – Would have reorganized and consolidated state governmental functions and entities. These bills would have also required the Coordinating Board to perform a review of the organization and operation of each university system office. Early versions of the bills included a provision to sell the Hinson Hazelwood Student Loan Program currently administered by the Coordinating Board. A later version of SB 1952 revised this provision to require the Comptroller of Public Accounts in consultation with the Coordinating Board, Bond Review Board, and the Governor's Office of Budget, Planning, and Policy to conduct a performance audit of the student loan program.

DEVELOPMENTAL EDUCATION

Senate Bill 286 (Shapleigh/Morrison) – Success Initiative. Section 58 of the legislation repeals Sections 51.306 and 51.3061 of the Education Code relating to the Texas Academic Skills Program. Section 37 of the legislation establishes the “Success Initiative” relating to student assessment and developmental education as Section 51.3062 of the Education Code (originally filed as HB 3375 by Rangel, and subsequently substituted into HB 796 by Delisi/West).

It requires mandatory advising for students who enter college, mandatory assessment to identify skill deficiencies (using prescribed assessment instruments with a statewide passing standard), and mandatory re-testing upon a student’s completion of developmental education.

It provides flexibility for institutions and advisors in designing and determining appropriate courses, or non-course based experiences to best meet student needs and flexibility in determining that a student has become college ready. To facilitate transfer, once a student has been deemed college-ready by one institution, another institution cannot require additional developmental education.

Formula funding continues for developmental education courses with funding limit of 27 contact hours at community colleges and 18 semester credit hours at universities. It authorizes for funding for non-course based developmental education (such as computer-based instruction and tutoring) if funding becomes available. In addition, it provides for institutional funding incentives for successful course/program completion if funding becomes available.

It requires the Coordinating Board to establish a system of measurements to evaluate the program’s effectiveness and student success. It requires annual reports by institutions to the Coordinating Board on the effectiveness of their Success Initiatives.

It provides for the use of one assessment instrument (Texas Assessment of Knowledge and Skill – TAKS) to be used for both high school graduation (which the State Board of Education has set scores) and college readiness (the Coordinating Board will set score in January 2004).

It adds an exemption for students on active duty in the armed forces or the Texas National Guard or in the reserves (originally filed as SB 814 by Averitt/Haggerty – see below).

This act takes effect on September 1, 2003.

Senate Bill 814 (Averitt/Haggerty) – Exemptions from TASP. Exempts members of the Texas National Guard from the requirements of the Texas Academic Skills Program (TASP). In addition, it exempts students who are currently serving as, for at least three years prior to enrollment, or has served as a member of a reserve component of the U.S. armed forces; and, students who on or after August 1, 1990, were honorably discharged, retired, or released from active duty as a member of the U.S. armed forces or the Texas National Guard or service as a member of a reserve component of the U.S. armed forces.

This act takes effect immediately. *Note:* the provisions of this legislation regarding TASP apply until September 1, 2003 after which similar provisions take effect in SB 286 regarding the Success Initiative.

FACULTY

Senate Bill 286 (Shapleigh/Morrison) – Doctoral Incentive Loan Repayment Program.

Requires the Coordinating Board to establish and administer the Doctoral Incentive Loan Repayment Program (originally filed as SB 722/HB 2977 by Van de Putte/Chavez). The purpose of the program is to increase the number of people from underrepresented groups in faculty and administrative positions at public and independent institutions of higher education.

It defines “underrepresented group” as people from a low socioeconomic background while pursuing undergraduate education or people who resided in an area from which a disproportionately low number of high school graduates enrolled in higher education institutions.

To be eligible to participate in the program, a person must be employed as a full-time faculty or administrative member in a public or independent institution of higher education for at least one year, be a Texas resident, be from a group that is underrepresented among the faculty and administration of public and independent institutions of higher education in this state, have qualified for student financial aid based on financial need while enrolled in a graduate-level degree program, and meet other requirements adopted by the Coordinating Board.

The amount an individual may receive in loan repayment assistance may not exceed \$100,000.

The program will be funded through a \$2 per semester credit hour set-aside from tuition charged to students enrolled in state-supported doctoral degree programs other than a law or health professional degree program.

This act takes effect on September 1, 2003 and the Coordinating Board must provide loan repayments beginning with the 2004-2005 academic year.

FEES

House Bill 882 (Christian/Staples) – University center fees at SFASU. Authorizes the board of regents of Stephen F. Austin State University to increase fees charged per student for a university center or additions to the center in the amount of \$9 for each semester credit hour, in a total amount of at least \$35, but not to exceed \$85 per student for each semester or summer session. The increase must be approved by a majority vote of the students.

This act takes effect immediately and applies only to fees imposed for a semester or term that begins on or after the effect date of this act.

House Bill 1055 (Luna/Hinojosa) – Athletics fee at TAMU-CC . Authorizes the board of regents of The Texas A&M University System to impose an intercollegiate athletics fee on each student enrolled at Texas A&M University-Corpus Christi. The amount of the fee may not exceed \$8 per semester credit hour for each semester or summer session. The increase requires a majority vote of the students at the institution. If the increase does not exceed 5 percent from one academic year to another, only a majority vote of the legislative body of the student government is needed.

This act takes effect immediately and applies beginning with the fall 2003 semester.

House Bill 1537 (Dukes/Barrientos) – Fees for statutes and scholarships at UT Austin. Authorizes the board of regents of The University of Texas System to charge and collect from students registered at The University of Texas at Austin a fee of \$2 for any semester or summer session. It requires the fee to be used for funding the construction of a Barbara Jordan statue and a Cesar Chavez statue on the campus of The University of Texas at Austin and to establish Barbara Jordan and Cesar Chavez student scholarships. The fee may not be charged after August 31, 2007.

This act takes effect immediately and applies beginning with fees due for the fall 2003 semester.

House Bill 1649 (Mercer/Van de Putte) – Transportation fee at UTSA. Authorizes the board of regents of The University of Texas System to impose on each student enrolled at The University of Texas at San Antonio a transportation fee (with the majority vote of the students), not to exceed \$50 for each regular semester and \$25 for each term of the summer session, for financing transportation services. It also authorizes the board of regents to impose on each student enrolled at the same institution an intercollegiate athletics fee (with the majority vote of the students) not to exceed \$7 per semester credit hour for each regular semester and not to exceed a total of \$84 per semester.

This act takes effect immediately and applies only to fees imposed for a semester for a semester or term that begins on or after the effective date.

House Bill 1650 (Mercer/Van de Putte) – Student union fee at UTSA . Authorizes the board of regents of The University of Texas System to increase the student union fee at The University of Texas at San Antonio by not less than \$20 or more than \$150 (was \$75) for each semester or summer session and the recreational fee to not more than \$100 (was \$30) for

each semester or summer session. In each case, the board may not increase these amounts without a majority vote of the students.

This act takes effect immediately. The increase in the student union fee applies only to fees imposed in the 2007 fall semester. Otherwise, this act applies only to fees imposed for a semester or term that begins on or after the effective date.

House Bill 1817 (Ritter/Duncan) – Fees at TSUS. Raises the cap on certain fees set by the board of regents of the Texas State University System for students at component institutions. The changes apply to the medical services fee cap (increased by \$45 for regular term or summer session of 12 weeks or longer and by \$25 for each summer session of less than 12 weeks); bus service fee cap (increased by \$54 for regular term and by \$27 per summer term of six weeks or less); student center fee cap (increased by \$30 for regular term and by \$15 per summer term of six weeks or less); and recreational sports fee cap (increased by \$50 for regular term or summer session of 10 weeks or longer and by \$25 per summer session of less than 10 weeks). In total, the bill increases the maximum fee amounts by \$179 for a regular term and by \$92 for a shorter term.

This act also authorizes the board of regents to increase the medical services fee not more than once a year. If the increase is more than 10 percent, it must be approved by a majority vote of those students participating in a general student election called for that purpose.

This act takes effect immediately and applies beginning with the fall 2003 semester.

House Bill 2379 (Hill/Shapiro) – Recreational fee at UT Dallas. Authorizes The University of Texas at Dallas to increase its recreational facility fee by \$25 for regular term or summer session of 12 weeks or longer and by \$16.66 for each summer session of less than 12 weeks.

This act takes effect immediately.

House Bill 2457 (Luna/Lucio) – Athletics fee at TAMUK. Authorizes the board of regents of The Texas A&M University System to impose an intercollegiate athletics fee on each student enrolled at Texas A&M University-Kingsville. It requires a majority vote of the students at the institution. The amount of the fee may not exceed \$12 per semester credit hour for each semester or summer session, unless approved by a majority vote of the students.

This act takes effect immediately and applies beginning with the fall 2003 semester.

Senate Bill 1230 (Wentworth/Brown, Fred) – Environmental service fee at SWTSU. Authorizes the board of regents of the Texas State University System to charge each student enrolled at Southwest Texas State University an environmental service fee in an initial amount not to exceed \$1 per semester of the regular term or summer session. The board may increase the fee not more than once in a academic year with the approval by a majority vote of the students voting in an election in which at least 1,000 student cast ballots. The increased fee may not exceed \$6 per student for a regular semester or each term of the summer session or \$3 per student for each six-week or shorter term.

This act takes effect immediately and applies beginning with the fall 2003 semester.

Senate Bill 1367 (Duncan/Isett) – Facilities fee at TTUS. Authorizes the board of regents of the Texas Tech University System to impose a fee in a “fixed amount” (does not specify an amount) on each student enrolled in a component institution. The fee will provide revenue for financing, operating, maintaining, improving, and equipping student union facilities or acquiring or constructing additions to those facilities. The board may not increase the amount of the fee by more than 10 percent without a majority vote of the students or the legislative body of the student government at the institution.

It repeals the current statute authorizing the board of regents to impose these fees at an amount not less than \$25 and not more than \$50.

This act takes effect on September 1, 2003 and applies beginning with the fall 2004 semester.

Senate Bill 1546 (Janek/Nixon) – Laboratory fees at community colleges. Eliminates the semester cap on laboratory fees charged at community colleges. It replaces the \$24 cap with a fee of up to \$24 per credit hour but not exceeding the actual cost of materials and supplies. It also authorizes the governing board of a public junior college to apply an additional fee of no more than \$4 per contact hour for a student enrolled in an aerospace mechanic certification program.

This act takes effect immediately and applies only to fees imposed for a semester or term that begins on or after the effective date.

Senate Bill 1652 (Shapiro/Morrison) – Athletics fee at PVAMU. Authorizes the board of regents of The Texas A&M University System to impose an intercollegiate athletics fee on each student enrolled at Prairie View A&M University in an amount not to exceed \$10 per semester credit hour after a majority vote of the students (originally filed as HB 3425 by Lewis and SB 1515 by Armbrister).

This act takes effect immediately and expires on September 1, 2013.

FINANCIAL AID

House Bill 529 (Brown, Betty/Deuell) – Child support obligors. Prohibits delinquent child support obligors who are more than six months delinquent in paying child support from receiving state-funded or state-administered student financial assistance. Obligor who submit to the comptroller a sworn affidavit that the obligor is current on child support payments or a written statement that the obligor has made a request to the Title IV-D agency to correct the errors in the obligor's payment record are exempt from this act.

This act takes effect on September 1, 2003 and applies to a contract, grant, or loan that is executed on or after this date.

House Bill 1882 (Deshotel/Lucio) – Early High School Graduation Scholarship Program. Expands the Early High School Graduation Scholarship Program by providing an eligible student with state credit to pay tuition and mandatory fees at a public or private institution of higher education. A person's eligibility for the program ends on the sixth anniversary of the date the person becomes eligible for the program.

It requires the Coordinating Board to establish rules to allow additional time for eligible students to use the state credit due to hardship or other good cause that prevents the person from enrolling in or continuing enrollment in an eligible institution during the required period. The amount of the state credit depends on the length of time it takes a student to graduate under the Recommended High School Program and whether a high school student earns college credit in a concurrent/dual credit program.

A person is exempt from the curriculum requirement if the person's transcript indicates that the person was unable to complete the curriculum due to unavailability of the courses, conflicts in course scheduling, lack of enrollment capacity, or another cause not within the person's control. (A similar bill also passed; see SB 1366 by Bivins/Eissler.)

A school district is also entitled to a one-time credit of varying amounts if a student from the district uses any part of the state credit for a certain dollar amount. The commissioner of education shall distribute money from the foundation school fund to the eligible districts.

This act takes effect on September 1, 2003 and applies only to a student who graduates from a public high school on or after the effective date.

Senate Bill 968 (Shapleigh/Naishtat) – IDA Programs. Requires dissemination of information and referrals regarding individual development account (IDA) programs, which are designed to assist qualifying individuals to accumulate savings and personal finance skills. A student who participates in an IDA program would have their savings deposited in a participating financial institution and their account would be administered by a participating community non-profit organization. These individuals may receive matching funds for their IDA from the federal government and/or the participating organization.

It requires the Coordinating Board to establish and administer a program to provide student financial aid offices at public community colleges with information and other assistance to enable those offices to provide appropriate students with information and referrals regarding the availability of and services offered by individual development account programs. It requires

the Coordinating Board to evaluate the program as necessary to determine the effectiveness of the program at increasing student awareness of and participation in individual development account programs.

This act takes effect immediately.

Senate Bill 1007 (West/Giddings) – TEXAS Grant requirements. Permits students to meet initial eligibility requirements for the TEXAS Grant program if, at the time the institution awards TEXAS grants, the student has not completed the Recommended or Advanced High School Program, but is on track to complete the curriculum. The student may be required to forgo or repay the amount of an initial TEXAS grant if the student fails to complete the required curriculum.

In addition to the current hardship provision for students who enroll for fewer hours than are required, it provides a hardship provision for students whose grade point average or completion rate falls below the satisfactory academic progress requirements.

It authorizes a qualifying student to receive both a TEXAS Grant and a Tuition Equalization Grant (TEG) in an academic year not to exceed tuition and fees charged to the student (originally filed as HB 3209 by Heflin/Ratliff).

It also allows institutions to use Pell grants to cover any difference in the amount of a TEXAS Grant and the actual amount of tuition and required fees at the institution (originally filed as HB 1761 by Wise).

This act takes effect immediately and applies beginning with the 2003-2004 academic year.

Senate Bill 1366 (Bivins/Eissler) – Early High School Graduation Scholarship Program. Requires students to complete the Recommended or Advanced High School Program in addition to graduating within 36 consecutive months to be eligible for the Early High School Graduation Scholarship Program (a similar bill also passed; see HB 1882 by Deshotel/Lucio).

A person is exempt from the curriculum requirement if the person's transcript indicates that the person was unable to complete the curriculum due to unavailability of the courses, conflicts in course scheduling, lack of enrollment capacity, or another cause not within the person's control.

This act takes effect on September 1, 2003 and applies to a person who enters the ninth grade during or after the 2003-2004 school year.

Senate Bill 4 (Zaffirini/Morrison) – B-On-Time student loan program. Requires the Coordinating Board to administer the Texas B-On-Time Student Loan Program. The purpose of the program is to provide zero-interest loans to eligible students to enable them to attend a Texas public or independent institution of higher education.

- **Initial eligibility.** Eligible students must be a Texas resident, be either a graduate of a Texas public or accredited private high school not earlier than 2002-2003 school year with the Recommended or Advanced High School Program or have an associate degree not earlier than May 1, 2005, be enrolled full-time as an undergraduate student,

be eligible for federal financial aid (does not need to meet financial need requirement), and comply with any additional nonacademic requirements set by the Coordinating Board. A person is not eligible for the program if the person has been granted a baccalaureate degree and cannot receive a loan for more than 150 semester credit hours.

- **Continuing eligibility.** Continuing eligibility requires full-time enrollment, financial aid eligibility (without financial need), satisfactory academic progress, and completion of at least 75 percent of the semester credit hours attempted with a 2.5 GPA.
- **Use of funds.** A person receiving a loan may use the money to pay for any usual and customary costs of attendance, including tuition, fees, books, and room and board.
- **Amount of loan – university.** The amount of the loan for a person attending a public university or independent institution of higher education equals the average statewide amount of tuition and required fees that a full-time resident student enrolled in a public undergraduate degree program would be charged for that semester or term.
- **Amount of loan – community/technical college.** The amount of the loan for a person attending a public community college or technical institute equals the average amount of tuition and required fees that a full-time resident student enrolled in an associate degree or certificate program would be charged for that semester or term.
- **Rules/Notifications.** Not later than January 1 of each year, the Coordinating Board must publish the amounts of each loan for each type of institution for the academic year beginning in the next fall semester. It also requires the Coordinating Board to distribute to each eligible institution of higher education and school district a copy of the rules adopted for the program. It requires each school district to notify its middle school students, junior and high school students, teachers and counselors, and parents/guardians of the eligibility requirements.
- **Loan repayment.** The repayment of a loan is deferred as long as the student remains continuously enrolled in an undergraduate degree or certificate program. A loan shall be forgiven if the student is awarded an undergraduate certificate or degree with a 3.0 GPA within: 1) four calendar years after the date the student initially enrolled (if the institution is a four-year institution, and if the student is awarded a degree other than a degree in engineering, architecture, or any other program determined by the Coordinating Board that require more than four years to complete); 2) five calendar years (if the institution is a four-year institution, and if the student is awarded a degree in engineering, architecture, etc.); 3) two years (if the institution is a public community or technical college). The total number of hours, including transfer credit hours, cannot exceed more than six hours more than the minimum needed to complete the degree or certificate.
- **Tuition set aside.** In addition to soliciting and accepting gifts and grants to fund the program and issuing and selling general obligation bonds, this act requires the governing board of each institution of higher education to set aside 5 percent of tuition charged to a student that is in excess of the amount that would have been charged to the student in the 2002-2003 academic year.

- **Freshman SUCCESS Pilot.** It also requires the Coordinating Board to develop the Freshman SUCCESS Pilot Program that will focus on retention of high-risk students (originally filed as SB 26 by Zaffirini; for more details, see SB 4 under “Retention”).

This act takes effect immediately and the loans will be awarded beginning with the 2004 spring semester retroactively for students enrolled in the 2003 fall semester.

Financial aid legislation that failed to pass:

Senate Bill 1200/HB 1889 (Lucio/Morrison) and a similar bill, Senate Bill 1929 (West) – Would have created the TexasNextStep grant program, which would have paid for the tuition, required fees and books for students pursuing a certificate, associate degree, or a baccalaureate degree at a Texas public community, technical, or two-year state college for up to three consecutive years.

HEALTH-RELATED

House Bill 85 (McClendon/West) – Medical academy at Prairie View A&M. Establishes the Prairie View A&M Undergraduate Medical Academy to prepare students for medical school.

The academy must provide academic and career counseling, faculty mentorship, enriched undergraduate courses with a focus on preparing students for medical school and the Medical College Admission Test (MCAT), distance education interaction with medical schools, and visitation to medical schools and with medical school faculty.

Eligible students must be enrolled in Prairie View A&M University with a major that requires completion of basic science and mathematics courses needed as a foundation to gain admission into an accredited medical school, complete at least one year of undergraduate courses, demonstrate interest in a medical career, and meet academic standards as determined by the admissions committee for the academy. A student admitted to the academy must agree to continue enrollment in academy and repay any scholarship or stipend received in connection with the academy if the student fails to apply to medical school in Texas or declines an offer to attend a medical school in Texas.

This act takes effect on September 1, 2003.

House Bill 1420 (Hardcastle/Madla) – Physician student loans. In addition to the current statute requiring public medical schools to set aside 2 percent of tuition charges for Texas resident students for the purpose of repayment of student loans of physicians serving in a designated state agency or economically depressed or medically underserved areas of the state, it requires these institutions to set aside 2 percent of non-resident tuition for the same purpose.

It requires that medically underserved areas of health professional shortage areas be designated by the United States Department of Health and Human Services. It also requires the state Comptroller to prepare an annual report consisting of the number of students registered in a medical branch, school, or college, the total amount transferred to the treasury, and, the total amount available for the repayment of physicians' student loans.

This act takes effect immediately and begins with tuition and fees charged to medical students for the 2003-2004 academic year.

House Bill 3126 (Truitt/Janek) – Nursing enrollment growth. Requires the Coordinating Board to adopt procedures for assuring that money appropriated by the Legislature specifically to fund enrollment growth in a professional nursing program is distributed in a timely manner and expended on the professional nursing program by institutions receiving the money. It requires institutions that receive money for this purpose to file an annual report with the Coordinating Board to account for all money received. It authorizes the Coordinating Board to use up to 5 percent of the money appropriated for nursing programs under Subchapter U, Chapter 61, Education Code to pay for administrative costs.

It amends the current statutes relating to the Permanent Fund for Higher Education Nursing, Allied Health, and Other Health-Related Programs.

It creates the Health Care Profession Student Grant program and authorizes the Coordinating Board to award a grant in an amount not more than three times the amount that may be awarded under the TEXAS Grant program or, in awarding students enrolled at two-year institutions, not more than three times the amount that may be awarded under the TEXAS Grant II program. Eligibility requirements include enrollment in a program that fulfills the educational requirements for licensure or certification by the state in a health care profession that has been identified by the Coordinating Board (in consultation with the Texas Workforce Commission and the statewide health coordinating council) as having a critical shortage in the number of license holders needed in this state, completion of at least one-half of the work toward a degree or certificate in this area, and all requirements under the TEXAS Grant program or, in awarding students enrolled at two-year institutions, the TEXAS Grant II program. The Coordinating Board may give priority to students from a group underrepresented in health care programs and award different amounts based on the amount of course work a student has completed.

It increases the number of members on the statewide health coordinating council to include a registered nurse. It requires the council to form a nursing advisory committee in which the majority of the member must be nurses. The committee must be comprised of members of nursing associations, boards, and researchers and may include other members who are health care experts. The committee must review policy matters on the collection of data and reports, develop priorities and an operations plan for the nursing resource section under Section 105.002 (b), Health and Safety Code (subject to approval by the council), and review reports and information before dissemination.

It requires the council to establish a nursing resource section within the resource center established under Section 105.002 (a), Health and Safety Code, to the extent funding is available through fees collected under Sections 301.155 (c) and 302.153 (d), Occupations Code, as established by this act. The nursing resource section will collect and analyze education and employment trends for nurses in this state.

It repeals Chapter 304, Occupations Code, relating to the Nurse Licensure Compact.

This act takes effect immediately.

Senate Bill 1128 (Bivins/Brown, Fred) – JAMP provisions. Amends the current statutes relating to the Joint Admissions Medical Program (JAMP). It requires the JAMP Council to establish procedures, not later than November 1, 2003, for selecting program alternates to participate in the program when a participating student drops out of the program. It also provides that student education records are confidential and may only be released in accordance with the Family Educational Rights and Privacy Act (FERPA). In addition, council meetings at which education records and other personal information of individual students is discussed are not open to the public.

This act takes effect immediately and applies only to applications for admission to the JAMP filed on or after the effective date.

Senate Bill 1642 (Staples/Merritt) – Geriatric studies. Authorizes the board of regents of The University of Texas System to establish the East Texas Center for Rural Geriatric Studies at The University of Texas Health Science Center at Tyler. The purpose of the center is to

research issues in geriatrics, gerontology, and long-term care, with an emphasis on the elderly living in rural and non-metropolitan areas. It will also provide related resources in East Texas and other rural areas in the state for training and research for professionals in medicine that provide health care and other services to the elderly.

This act takes effect immediately.

INSTITUTIONAL OPERATIONS

House Bill 256 (Hochberg/Shapiro) – Religious holy days. Amends current statutes to require institutions of higher education to excuse a student from attending classes or other required activities, including examinations, for the observance of a religious holy day. The student shall also be excused for time necessary to travel.

It prohibits an institution from penalizing the student for the absence and allows for the student to take an exam or complete an assignment from which the student was excused.

The bill also repeals Section 51.911 (c), Education Code:

“(c) The notification provided by Subsection (b) of this section shall be in writing and shall be delivered by the student personally to the instructor of each class, with receipt of the notification acknowledged and dated by the instructor or by certified mail, return receipt requested, addressed to the instructor of each class.”

It requires the Coordinating Board to adopt rules or amend existing rules as soon as practicable. Before October 1, 2003, the Coordinating Board may adopt or amend the rules in the manner provided by law for emergency rules.

This act takes effect immediately.

House Bill 898 (Hamilton/Staples) – Travel services. Authorizes public community colleges and school districts that engage in official business to participate in the state's travel services contract for airline fares and reduced travel agent fees. It prohibits public community colleges and school districts from reimbursing employees and district officers for expenditures for travel services in excess of the applicable contract rate negotiated by the Texas Building and Procurement Commission. It also authorizes the commission to charge the public community colleges and school districts for any services provided.

This act takes effect on September 1, 2003. Reimbursement to an employee or officer of a public community college or school district applies to an expenditure for travel services made after August 31, 2003.

House Bill 2425 (McCall/Duncan) – Performance reviews. Authorizes the Comptroller to periodically review the effectiveness and efficiencies of the budgets and operations of public community colleges and general academic teaching institutions. A review may only be initiated by the Governor, the Legislative Budget Board, or the governing body of the college or university.

A review of a general academic teaching institution may be initiated by the comptroller if the rate of graduation within six years of initial enrollment for entering freshman students of the institution for the most recent six-year period for which that information is available is less than 35 percent, as determined by the Coordinating Board.

A review may be initiated by a public community college or general academic teaching institution only at the request of the president of the college or institution or by a resolution adopted by a majority of the governing body of the college or institution.

If a review is initiated by the public community college or general academic teaching institution, the college institution shall pay 25 percent of the cost incurred in conducting the review.

The comptroller shall file a report to the college or institution, and the commissioner of higher education and the report shall be available on the Internet.

This act takes effect immediately.

Senate Bill 1652 (Shapiro/Morrison) – Institution operations and administration.

- **Higher education authorities.** Provides that a higher education authority may own, hold title to, lease or operate certain education facilities only if the facility is or will be located within the limits of the city that created the authority, the institution of higher education agrees to accept title to the facility not later than the date on which any bonds to acquire the facility are paid in full, and the ownership of the facility by the authority is approved by the governing body of the city and by the school district and the county in which the facility will be located. It amends provisions regarding bonds issued from a higher education authority or a nonprofit instrumentality.
- **Adopted students.** Exempts a student from tuition and fees if the student was adopted and was the subject of an adoption assistance agreement under Subchapter D, Chapter 162, of the Family Code (also see SB 1652 under “Tuition and Fees – Waivers and Exemptions”).
- **Technology Council.** Provides that rules of the Department of Information Resources that now apply to institutions of higher education will no longer apply after September 1, 2004 unless the rules are re-adopted by the department on or after September 1, 2003. It sets out requirements for adopting such rules and creates the Information Technology Council for Higher Education consisting of the chief information officer of each of the systems and of one non-system general academic teaching institution.
- **Intellectual property policies.** It requires that each institution of higher education have a current copy of its intellectual property policies on file with the Coordinating Board or on the institution’s Internet website in a manner available to the public.
- **Purchasing and construction.** It exempts institutions of higher education from certain state purchasing and construction planning requirements.
- **Athletics fee.** It authorizes the board of regents of The Texas A&M University System to impose an intercollegiate athletics fee at Prairie View A&M University (for more details, see SB 1652 under “Fees”).
- **UNT Dallas.** It changes enrollment thresholds required to operate as a general academic teaching institution for the University of North Texas at Dallas to an equivalent of 1,000 full-time students for one semester. However, the institution may not receive general revenue in excess of the 2003 expended amount (with some exceptions) until enrollment reaches 2,500 full-time-equivalent students.

- **Importance of “Closing the Gaps.”** It states that it is vital to the economy that all areas of the state have access to quality higher education, that it is in the best interests of all residents that an efficient and sufficiently funded higher education infrastructure be in place, and that the Coordinating Board’s report on “Closing the Gaps” provides an appropriate starting point for constructing a plan for meeting those needs.
- **Select Committee on Higher Education.** It establishes an interim legislative committee (six representatives appointed by the speaker, six senators appointed by the lieutenant governor, and four public members appointed by the governor) to study the organization, operations, and funding of higher education.
 - It charges the interim committee to study the structure and organization of higher education in the state, study the equity and adequacy of higher education funding, examine the effects of student and community characteristics on the costs of higher education, identify the number and types of classified and unclassified positions in the administration, and examine other major functions of the institutions.
 - It requires the interim committee to make recommendations regarding changes in the organization and operations of institutions to improve opportunities for Texas residents, changes in the funding of higher education and university systems, accountability measures and performance incentives, consolidation or reorganization of university system office functions and services, and potential reductions in personnel and other costs savings.
 - It requires that the interim committee’s recommendations include a plan for deregulating seminaries and similar institutions offering exclusively religious education or training.

This act takes effect immediately.

Institution operations legislation that failed to pass

House Bill 1026 (Hupp) – Would have prohibited institutions of higher education from using social security numbers as the primary student identification number not later than September 1, 2007.

P-16 INITIATIVES

Senate Bill 976 by Shapiro/Morrison – Middle College Education Pilot Program. Requires the Commissioner of Education, in consultation with the Coordinating Board, to establish the Middle College Education Pilot Program for students who are at risk of dropping out of high school or who wish to accelerate high school completion. The program must provide for concurrent/dual credit during the 11th and 12th grade, allow a participating student to complete high school and receive at least a high school diploma and associate degree at the time of graduation, include articulation agreements with Texas institutions of higher education to provide access to higher education and training opportunities on campus, and provide student flexibility in class scheduling and academic mentoring.

It also requires the Coordinating Board to establish a pilot project for two-year institutions to offer certain baccalaureate degree programs (originally filed as HB 1544/SB 1500 by Bonnen/Janek and HB 1888 by Morrison; the provisions also passed in SB 286 by Shapleigh/Morrison; for more details, see SB 286 under “Community Colleges”).

This act takes effect on September 1, 2003.

P-16 legislation that failed to pass

House Bill 757 (Giddings/Van de Putte) – Would have permanently established the Higher Education Assistance Program, which is currently operating as a pilot program. It requires the Coordinating Board to provide prospective students from three areas in the state that have low college going rates with information and assistance on college enrollment and financial aid. (Note: a rider continuing the pilot program passed in the General Appropriations Act for the 2004-2005 biennium.)

Senate Bill 766 (Van de Putte) – Would have established a voluntary pilot program for counselors at participating schools to survey graduating seniors regarding their post-secondary education plans, including whether a student applies to college, where the student applies, where the student is accepted, and where the student will attend college.

RETENTION

Senate Bill 4 (Zaffirini/Morrison) – SUCCESS Pilot Program. Requires the Coordinating Board to develop and implement the Freshman SUCCESS Pilot Program (originally filed as SB 26 by Zaffirini), which will focus on retention of high-risk students who are first-generation-in-college, low-income, and/or educationally under-prepared by providing proactive intervention modalities to meet the demands of college. It requires the Coordinating Board to identify and evaluate the potential benefits of this program, make recommendations about the program, and indicate the program's impact on the goals for the *Closing the Gaps* plan. The report must be completed by December 1, 2004.

This act takes effect immediately.

RESEARCH

House Bill 1887 (Morrison/Ratliff) – Indirect research cost retention. Provides for universities to retain 100 percent of indirect cost income from research grants and contracts to encourage further research projects conducted by the universities.

This act provides that it only takes effect if House Bill 3015 or similar legislation providing for deregulation of tuition charged by institutions of high education to resident undergraduate students is enacted. (HB 3015 by Morrison/Shapiro did pass – see “Tuition”.)

This act takes effect immediately.

House Bill 3526 (Hamric/Duncan) – Research Development Fund. Repeals the Texas Excellence Fund and the University Research Fund created by the 77th Texas Legislature. The two funds are replaced by a Research Development Fund to promote increased research capacity at eligible universities. The new fund uses the same funding methodology that existed for the prior funds, but distributes the funds using a single methodology. It requires the Coordinating Board to prescribe standards and accounting methods for determining the amount of restricted research funds expended by an eligible university in a state fiscal year. The Coordinating Board must also convene a committee comprised of persons designated by the presidents of eligible institutions to approve the allocations standards and accounting methods established by the Coordinating Board by October 1, 2003.

This act takes effect on September 1, 2005. On or after this date, any amount remaining in or payable to the credit of the Texas Excellence Fund or the University Research Fund shall be transferred to the credit of the Research Development Fund.

ROLE AND MISSIONS / INSTITUTIONAL CHANGES

House Bill 1566 (Telford/Ratliff) – TAMU-Texarkana. Authorizes Texas A&M-Texarkana, which is currently an upper-level institution, to become a four-year institution offering lower-division undergraduate courses. It authorizes the institution to offer lower-division courses, but it is not required to do so unless the Legislature appropriates money specifically for that purpose. The university may offer lower-division courses on the campus of Texarkana College (with prior approval from the college) or in a permanent building located on property acquired by the university for a permanently relocated campus.

This act takes effect on September 1, 2003.

House Bill 3552 (Gallego/Lucio) – Irma Rangel School of Pharmacy. Names the school of pharmacy at Texas A&M University-Kingsville, which was established by the 77th Texas Legislature, the “Irma Rangel School of Pharmacy.” It requires that the building in which the school is operated include “Irma Rangel” in its official name.

This act takes effect immediately.

Senate Bill 800 (Madla/Corte) – TAMU-San Antonio and TAMU Central Texas. Establishes Texas A&M University-San Antonio as a component institution of the Texas A&M University System when the Coordinating Board certifies that enrollment at the Texas A&M University-Kingsville System Center in San Antonio reaches 2,500 full-time student equivalents for one semester.

It also establishes the Texas A&M University-Central Texas as a component institution of the Texas A&M University System when the Coordinating Board certifies that enrollment at the Tarleton State University System Center-Central Texas in Killeen reaches 2,500 full-time student equivalents for one semester. It includes legislative intent that the board of regents of The Texas A&M University System consult with existing institutions of higher education in the Central Texas area as well as local governments and community leaders prior to a decision by the board to offer lower-division courses at Texas A&M University-Central Texas.

It provides that Section 61.056, Education Code, Review of Legislation Establishing Additional Institutions, does not apply to this Act. It also does not affect the authority of the board of regents of the Texas A&M University System to operate a system or branch campus of any component institution of The Texas A&M University System in Bexar County or Bell County.

It also authorizes revenue bonds for Texas A&M University System (for more details, see SB 800 under “Tuition Revenue Bonds”).

This act takes effect immediately.

Senate Bill 1942 (Wentworth/Luna) – SWTSU to Texas State University. Renames Southwest Texas State University to Texas State University-San Marcos.

This act takes effect on September 1, 2003.

Senate Bill 1652 (Shapiro/Morrison) – UNT Dallas. It changes enrollment thresholds required to operate as a general academic teaching institution for the University of North Texas at Dallas to an equivalent of 1,000 full-time students for one semester. However, the institution may not receive general revenue in excess of the 2003 expended amount (with some exceptions) until enrollment reaches 2,500 full-time-equivalent students.

This act takes effect immediately.

Role and Mission / Institutional Changes that failed to pass

House Bill 2393/Senate Bill 1717 (Goodman/Brimer) – Would have removed The University of Texas at Arlington from The University of Texas System and created a new board of regents.

Senate Bill 1319/House Bill 2802 (Nelson/Giddings) – Would have established a school of pharmacy at the University of North Health Science Center – Fort Worth.

TECHNOLOGY

House Bill 242 (Seaman/Van de Putte) – Career and technology education. Requires the board of trustees of each independent school district to include business representatives on district- and campus-level planning and decision-making committees.

It authorizes the State Board of Education, by rule, to develop and implement a plan designed to incorporate curriculum requirements into the career and technology education curriculum

It authorizes the board of trustees of a school district to develop and offer a program under which a student may receive education in a career/technology profession that leads to a postsecondary education or meets or exceeds business or industry standards. The student may obtain an award from the district for distinguished achievement in career and technology education, and as a stamp or notation on the student's transcript, in addition to a diploma or certificate of coursework completion, will indicate receipt of the award.

In developing the program, the board of trustees must consider the state plan for career and technology education and may contract with an entity, including a local business or institution of higher education, for assistance. It allows the board of trustees to provide insurance to protect a business that contracts with the district in the event a student sustains bodily injury or death while working for the business as part of the program.

It encourages the governor to present a proclamation or certificate to each member of the business and industry community that the TWC determines has successfully assisted in the career and technology education program.

It provides flexibility to the Commissioner of Education in formulating Weighted Average Daily Attendance (WADA) rules to accommodate career and technology education programs.

It authorizes the board of trustees of a school district to provide career and technology education to other districts based on the equalized wealth requirements.

Finally, it requires the TWC, in cooperation with TEA, the comptroller, and the Coordinating Board, to prepare and make available a list of all awards and incentives available for business participation in a school district's career and technology education program and any other career and technology education training.

Legislative intent is included in the bill which states that public schools should provide career and technology education by teaching fundamental academic skills and providing practical, hands-on learning experiences. It further states that career and technology education should not include mandatory career-tracking for students or result in professional certification instead of receipt of a high school diploma. The purpose of career and technology education is to prepare students for postsecondary education and high-skill, high-wage employment opportunities.

This act takes effect on September 1, 2003 except for the following provisions, which will take effect immediately: 1) including business representatives on district- and campus-level planning and decision-making committees; 2) program and awards for distinguished achievement in career and technology education.

TUITION

House Bill 1890 (Morrison/Williams) – Undergraduate Tuition Rebate. Amends the Undergraduate Tuition Rebate Program, which gives a \$1,000 tuition refund to students who graduate with no more than three semester credit hours beyond the minimum required for their degree. It provides that the first nine hours of credit by examination a student earns is excluded from the total count of hours.

This act takes effect immediately.

House Bill 3015 (Morrison/Shapiro) – Tuition deregulation.

- **Tuition amount.** Provides that a governing board may charge any student an amount designated as tuition that the governing board considers necessary for the effective operation of the institution in addition to amounts that an institution is authorized to charge as tuition under other provisions of the Education Code. It allows a governing board to set a different tuition rate for each program and course level offered by each institution of higher education and to set a different tuition rate as the board considers appropriate to increase graduation rates, encourage efficient use of facilities, or enhance employee performance.
- **“Closing the Gaps” progress.** Expresses legislative intent that each institution of higher education shall make satisfactory progress towards the goals of “Closing the Gaps” and that each institution shall meet acceptable performance criteria, including measures such as graduation rates, retention rates, enrollment growth, educational quality, minority participation, financial aid, and affordability.
- **Legislative Oversight Committee.** Creates a 12-member Legislative Oversight Committee on Tuition Deregulation (six senators, six representatives) to make recommendation for any legislative action necessary to meet the criteria listed above and any other criteria to improve higher education affordability and access.
- **Prepaid Higher Education Tuition Program.** Changes the senior college plan provisions under the Prepaid Higher Education Tuition Program so that when students enroll under the plan, they pay the lesser of the amount of tuition and required fees charged by the institution or a weighted average of tuition and fees of all senior colleges and universities for that semester or other academic period as determined by the Prepaid Higher Education Tuition Board.
- **Financial aid set asides.** Requires the governing board to set aside not less than 20 percent of any amount of tuition charged to a resident undergraduate student in excess of \$46 per semester credit hour to be used for financial aid for undergraduate students. It also requires a set aside of 15 percent of any amount of tuition charged to a resident student enrolled in a graduate or professional degree program in excess of \$46 per semester credit hour for use in providing financial aid for such students.
- **Financial aid eligibility.** To be eligible for assistance, a student must establish financial need in accordance with rules and procedures established by the Coordinating Board. It requires that priority be given to students who meet the Coordinating Board’s definition of financial need, and whose cost for tuition and required fees is not met through other

non-loan financial assistance programs. Funds may also be used for student loans and student loan repayment assistance.

- **Information on financial aid.** It requires the Coordinating Board to disseminate information regarding financial assistance available under these provisions to each public or accredited private high school. The information also should educate students and parents on available opportunities and required preparation for higher education.
- **Affordability reports.** It requires CEOs of institutions to file a report with the governing board by November 1 of each year about the institution's affordability and access and sets forth criteria for the report.

The act authorizes changes in tuition to be made beginning with the fall 2003 semester. However, the bill did not receive the two-thirds vote necessary to make it effective immediately, so it doesn't become effective until September 1, 2003. As a practical matter, the institutions will not be able to increase tuition until spring 2004.

Tuition legislation that failed to pass:

House Bill 531 (Giddings) – Would have provided a \$500 tuition rebate to students enrolled in a public community college, technical institute, or lower-division general academic teaching institution who complete a degree or certificate program that required at least 60 semester credit hours with no more than three hours in excess of the minimum required for the degree or certificate.

Senate Bill 1521 (Zaffirini/Morrison) – Authorizes the governing board of an institution of higher education to set tuition for its graduate school of business at a rate that is up to three times the statutory tuition rate, similar to the maximum allowable rate for law schools. Currently, the maximum allowable amount for board authorized tuition for graduate schools is up to two times the statutory tuition rate.

This act was vetoed by the governor.

TUITION AND FEES – WAIVERS AND EXEMPTIONS

House Bill 261 (Hupp/Fraser) – Armed Forces members, spouses, and children. Allows the current waiver of nonresident tuition of spouses and children of a member of the U.S. armed forces to continue as long as the spouse and children continuously reside in Texas. It allows the spouse or child of a member who dies or is killed to come to Texas and be considered residents if they move to the state within 60 days of the member's death. It allows the spouse or child of a non-Texas member of the armed forces to come to Texas and pay the resident rate if they sign a letter of intent to make Texas their home. This section of the act applies beginning with tuition charged for the 2003 fall semester (originally filed as HB 405 by Miller/Fraser.)

It also allows members of the U.S. armed forces or their child or spouse who is statutorily entitled to pay resident tuition to continue paying resident tuition in any subsequent term or semester while the person is continuously enrolled in the same degree or certificate program. A student is not required to be enrolled in a summer term to remain continuously enrolled in a degree or certificate program. In addition, the student's eligibility to pay resident tuition does not expire if the person is no longer a member of the U.S. armed forces or the child or spouse of a member of the U.S. armed forces. This section of the act applies beginning with the 2003 fall semester for eligible persons enrolled in a degree or certificate program at a public institution of higher education in the 2003 spring semester or any term of the 2003 summer session.

This act takes effect immediately.

Senate Bill 1652 (Shapiro/Morrison) – Adopted students. Exempts from the payment of tuition and fees a student who was adopted and was the subject of an adoption assistance agreement under Subchapter D, Chapter 162, Family Code (originally filed as HB 1762 by Hunter).

This act takes effect immediately.

Tuition and fee waiver/exemption legislation that failed to pass

House Bill 2969/Senate Bill 1787 (Naishtat/Zaffirini) – Would have exempted certain persons in transitional living programs from the payment of tuition and fees at public institutions of higher education.

TUITION REVENUE BONDS

House Bill 1941 (Woolley/Bivins) – Various institutions. Authorizes the issuance of revenue bonds to the following institutions: (1) a maximum of \$12.5 million for Texas A&M International University for facilities and infrastructure; (2) a maximum of \$34.9 million for The University of Texas Health Science Center at Houston for facilities and infrastructure damaged by Tropical Storm Allison; (3) a maximum of \$20 million for The University of Texas M.D. Anderson Cancer Center for facilities and infrastructure to be used primarily for biotechnology research and development; (4) a maximum of \$56 million for The University of Texas Southwestern Medical Center at Dallas for facilities and infrastructure to be used primarily to conduct biomedical research; (5) a maximum of \$30 million for the University of Texas Health Science Center at Houston for the replacement of research and academic facilities lost in Tropical Storm Allison; and (6) a maximum of \$25 million for The University of Houston System for facilities and infrastructure.

Additionally, the act stipulates that the board of regents of The University of Texas System may not issue bonds authorized for The University of Texas Southwestern Medical Center at Dallas at a time that would require debt service on the bonds before September 1, 2004.

This act takes effect immediately.

House Bill 2522 (Krusee/Ogden) – Texas State University System. Authorizes the issuance of a maximum of \$27 million in revenue bonds by the Texas State University System for a Multi-Institutional Teaching Center in Williamson County for Southwest Texas State University. It also authorizes the University of North Texas to use existing revenue bond authority to develop the campus and facilities of the University of North Texas System Center at Dallas at the location to become the University of North Texas at Dallas. This Act does not require Coordinating Board approval. (A similar bill also passed; see SB 1297 by Ogden/Krusee.)

This act takes effect immediately.

Senate Bill 800 (Madla/Lucio) – TAMU biosciences research center. Authorizes the issuance of a maximum of \$15 million in revenue bonds by the Texas A&M University System for the development of a biosciences research center in the City of Temple. This section was added to the bill by Representative Delisi as a House floor amendment.

It also authorizes the establishment of The Texas A&M University-San Antonio and The Texas A&M University-Central Texas when certain enrollment levels are reached (for more details, see SB 800 under “Role & Mission/Institutional Changes”).

This act takes effect immediately.

Senate Bill 1297 (Ogden/Krusee) – SWTSU Multi-Institution Teaching Center and UNT System Center at Dallas. Authorizes the issuance of a maximum of \$27 million in revenue bonds by the Texas State University System for a Multi-Institutional Teaching Center in Williamson County for Southwest Texas State University. It also authorizes the University of North Texas to use existing revenue bond authority to develop the campus and facilities of the

University of North Texas System Center at Dallas at the location to become the University of North Texas at Dallas. (A similar bill also passed; see HB 2522 by Krusee/Ogden.)

This act takes effect immediately.

MISCELLANEOUS

Senate Bill 1127 (Van de Putte/Mercer) – Coaching education. Requires the San Antonio Life Sciences Institute to establish a coaching education program to be administered by The University of Texas Sport Sciences Institute. The program must address coaching philosophies consistent with goals of the local school district and school board, sport psychology, sport pedagogy, sport physiology, sport management, first-aid training, and other knowledge relating to character development.

This act takes effect on September 1, 2003 and the program must be established by January 1, 2004.

LEGISLATION BY BILL NUMBER

	<u>Page</u>		<u>Page</u>
HOUSE BILLS			
House Bill 2	*12	House Bill 2802	*32
House Bill 85	22	House Bill 2969	36
House Bill 91	*6	House Bill 3015	34
House Bill 242	33	House Bill 3126	22
House Bill 256	25	House Bill 3526	30
House Bill 261	36	House Bill 3552	31
House Bill 415	8		
House Bill 484	*6	SENATE BILLS	
House Bill 529	18	Senate Bill 4	19,29
House Bill 531	*35	Senate Bill 86	*6
House Bill 757	*28	Senate Bill 258	8
House Bill 760	*6	Senate Bill 286	7,9,13,14
House Bill 838	*6	Senate Bill 315	*7
House Bill 882	15	Senate Bill 437	7
House Bill 898	25	Senate Bill 766	*28
House Bill 944	6	Senate Bill 800	31,37
House Bill 1026	*27	Senate Bill 814	13
House Bill 1055	15	Senate Bill 968	18
House Bill 1057	*6	Senate Bill 976	28
House Bill 1212	*6	Senate Bill 1007	19
House Bill 1420	22	Senate Bill 1008	*6
House Bill 1537	15	Senate Bill 1717	*32
House Bill 1566	31	Senate Bill 1127	38
House Bill 1621	8	Senate Bill 1128	23
House Bill 1649	15	Senate Bill 1200	*21
House Bill 1650	15	Senate Bill 1230	16
House Bill 1817	16	Senate Bill 1297	37
House Bill 1882	18	Senate Bill 1319	*32
House Bill 1887	30	Senate Bill 1366	19
House Bill 1889	21	Senate Bill 1367	16
House Bill 1890	34	Senate Bill 1521	35
House Bill 2379	16	Senate Bill 1546	17
House Bill 2393	*32	Senate Bill 1642	23
House Bill 2425	25	Senate Bill 1652	17,26,32,36
House Bill 2457	16	Senate Bill 1787	*36
House Bill 2507	*6	Senate Bill 1942	31
House Bill 2522	37	Senate Bill 1952	*12

* Legislation did not pass

LEGISLATION BY AUTHOR

HOUSE BILLS	<u>Page</u>	SENATE BILLS	<u>PAGE</u> <u>Page</u>
Alonzo.....	*6	Averitt.....	13
Brown (Betty)	18	Bivins.....	19,23
Christian.....	15	Brimer.....	*32
Deshotel.....	18	Duncan.....	16
Dukes.....	15	Ellis.....	*12
Flores.....	8	Hinojosa	*7
Gallego	31	Janek.....	17
Giddings.....	*28,*32,*35	Lindsay.....	7
Goodman	*32	Lucio.....	*21
Hamilton.....	25	Madla	31,37
Hamric	30	Nelson	*32
Hardcastle.....	22	Ogden	37
Hill.....	16	Shapiro.....	17,26,28,32,36
Hochberg	25	Shapleigh	7,9,13,14,18
Hupp	*27,36	Staples	23
King.....	6	Van de Putte	*28,38
Krusee	37	Wentworth	*6,16,31
Luna	15,16	West.....	*6,8,19
McCall.....	25	Zaffirini	19,29,*35,*36
McClendon.....	*6,22		
Mercer.....	15		
Morrison	*6,*21, 30,34		
Naishtat.....	*36		
Ritter	16		
Seaman	33		
Smith (Todd).....	*6		
Swinford.....	*12		
Telford.....	31		
Truitt.....	22		
Wilson	*6		
Wise.....	8		
Woolley	37		

* Legislation did not pass

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