

BILL ANALYSIS

Senate Research Center
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S.B. 722
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Education
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DIGEST AND PURPOSE

Currently, the master plan for Texas higher education, "Closing the Gaps," calls for colleges and universities to make extra efforts in recruiting, retaining, and graduating new students, providing quality instruction and adding additional faculty and staff to meet current growth and the projected growth for the next five to ten years. As proposed, S.B. 722 establishes a loan program for Texas residents from underrepresented groups to pursue doctoral degrees and enter the faculty and administration of Texas institutions of higher education. The bill provides that upon completion of such a doctorate, the loan is forgiven at the rate of 20 percent for each consecutive year of service teaching or working at a Texas college or university.

RULEMAKING AUTHORITY

Rulemaking authority is expressly granted to the Texas Higher Education Coordinating Board in SECTION 1 (Section 56.091 and Section 56.094, Education Code) of this bill.

SECTION BY SECTION ANALYSIS

SECTION 1. Amends Chapter 56, Education Code, by adding Subchapter F, as follows:

SUBCHAPTER F. DOCTORAL INCENTIVE PROGRAM

Sec. 56.091. ESTABLISHMENT; ADMINISTRATION. (a) Requires the Texas Higher Education Coordinating Board (THECB) to establish and administer the doctoral incentive program and to adopt rules necessary to administer the program.

(b) Provides the purpose of the program.

(c) Provides that for purposes of this subchapter, an individual is from a group that is underrepresented among the faculty and administration of public and independent institutions of higher education in this state if the individual satisfies at least two certain criteria.

Sec. 56.092. ELIGIBILITY. Requires a person, to be eligible for a loan or loan guarantee under the program, to meet certain criteria.

Sec. 56.093. LOANS AND LOAN GUARANTEES. (a) Requires THECB to provide the institution a conditional guarantee of the loan, if an eligible student selected to participate in the program applies for a loan from a lending institution.

(b) Requires THECB to provide a loan to the student in an amount determined by THECB, if an eligible student selected to participate in the program applies for a loan from THECB.

(c) Requires THECB to determine the number of loans and loan guarantees to be

awarded under the program and the amount of the loans and loan guarantees considering the money available to fund the program.

(d) Authorizes THECB to adopt qualifications or limitations for loans for which THECB may provide a guarantee under the program.

(e) Prohibits a loan provided under the program from exceeding \$20,000 a year for each of not more than four years. Requires THECB to determine the other terms of the loan.

Sec. 56.094. LOAN SUSPENSION AND FORGIVENESS. (a) Provides that the recipient of a loan awarded under the program is eligible for forgiveness of the recipient's loan as provided by this section if, after the recipient obtains the doctorate degree, the recipient is employed as a full-time faculty member or academic administrator at a public or independent institution of higher education in this state for at least three consecutive academic years.

(b) Requires THECB to suspend the repayment of the loan if the recipient becomes employed as a full-time faculty member or academic administrator at a public or independent institution of higher education in this state until the recipient ceases the employment or completes the number of academic years of service required by Subsection (a) for forgiveness of the loan. Requires THECB, if the recipient completes that required service, to forgive the repayment of 20 percent of the unpaid principal balance and accrued interest for each year of that service and for each successive academic year of consecutive service.

(c) Requires THECB to adopt certain rules.

Sec. 56.095. CONDITIONAL GUARANTEE OF LOAN. (a) Requires THECB, for a loan recipient whose loan from a lending institution is conditionally guaranteed under this subchapter, to make the scheduled loan payments on behalf of the recipient during the period THECB would be required to suspend repayment of the loan under Section 56.094 if the loan were made by THECB.

(b) Requires THECB, if the loan recipient completes the number of academic years of service provided by Section 56.094(a) to qualify for loan forgiveness under that section, to continue making the scheduled loan payments for the recipient's conditionally guaranteed loan until the amount of loan payments made by THECB is equal to 20 percent of the total amount of scheduled payments on the loan for each year of that service and for each successive academic year of consecutive service.

(c) Requires THECB, if the loan recipient fails to complete the number of academic years of service provided by Section 56.094(a) to qualify for loan forgiveness under that section, to cease making payments on the loan, and provides that the payments previously made by THECB on the loan become a loan by THECB to the loan recipient. Requires THECB to establish the terms of the loan under this subsection at the time the loan recipient initially receives the conditional loan guarantee under this subchapter.

Sec. 56.096. FUNDING. (a) Authorizes THECB to solicit and accept gifts and grants from any public or private source for the purposes of the program.

(b) Authorizes the legislature to appropriate money for the purposes of this subchapter and to appropriate money to a trust fund with the treasurer outside the state treasury to be administered by THECB for the administration of the program.

SECTION 2. Effective date: upon passage or September 1, 2003.