

CHAPTER 75

S.B. No. 233

AN ACT

relating to establishing a minority doctoral incentive program.

*Be it enacted by the Legislature of the State of Texas:*

SECTION 1. Chapter 56, Education Code, is amended by adding Subchapter J to read as follows:

*SUBCHAPTER J. MINORITY DOCTORAL INCENTIVE PROGRAM*

*Sec. 56.161. DEFINITIONS. In this subchapter:*

(1) "Academic administrator" means a person employed by an institution as a supervisor in an educational department of the institution in a position that is not classified under the state position classification plan.

(2) "Board" means the Texas Higher Education Coordinating Board.

(3) "Faculty member" has the meaning assigned by Section 51.101 of this code.

(4) "Institution" means an institution of higher education, as defined by Section 61.003 of this code, or a private college or university that is located in this state and is accredited by a recognized accrediting agency, as defined by Section 61.003 of this code.

(5) "Minority" means a group that is significantly underrepresented in an academic discipline, as determined by board rule.

(6) "Program" means the minority doctoral incentive program established under this subchapter.

Sec. 56.162. **ESTABLISHMENT; ADMINISTRATION.** (a) The board shall establish and administer the minority doctoral incentive program to:

(1) provide loans to minority students who pursue doctorates or pursue master's degrees and commit to pursue a doctorate; and

(2) increase minority representation among the faculty and administration of institutions.

(b) The board shall adopt and distribute to the governing board of each institution copies of all rules adopted under this subchapter.

Sec. 56.163. **ELIGIBILITY.** (a) To be eligible for a loan under this subchapter, a person must:

(1) be accepted for admission to an institution as a full-time graduate student in a doctoral program approved by the board or be accepted for admission to an institution as a full-time graduate student in a master's program approved by the board and demonstrate a commitment to pursue a doctoral program approved by the board;

(2) be sponsored by a faculty member of the program in which the person is enrolled;

(3) be nominated by the institution in which the person is enrolled based on academic achievement, career interest, and other factors the institution considers relevant;

(4) not have defaulted on another student loan; and

(5) have complied with any other requirements adopted by the board under this subchapter.

(b) The board shall adopt eligibility requirements under Subsection (a)(5) of this section to ensure that Texas residents, as defined by board rule, are first given the opportunity to receive loans under this subchapter.

Sec. 56.164. **TUITION CHARGED CERTAIN NONRESIDENT LOAN RECIPIENTS.** If a loan recipient is a resident of another state that has a program that is similar to the program under this subchapter and the loan recipient enrolls at an institution of higher education, as defined by Section 61.003 of this code, the institution may charge the loan recipient only the tuition required for resident students under Subchapter B, Chapter 54, of this code.

Sec. 56.165. **LOAN DISBURSEMENT.** (a) If an eligible student applies for a loan from a lending institution, the board shall provide the institution a conditional guaranty of the loan, in accordance with Section 56.170 of this code, on the board's receipt of:

(1) the student's application to the board for a conditional guaranty;

(2) a verification of the student's enrollment from the institution enrolling the student;

(3) a certification from the institution enrolling the student of the amount of tuition and fees for the student; and

(4) a certification from the lending institution that the terms of the loan conform with the requirements of Section 56.166 of this code, including requirements adopted by the board under that section, and that the lending institution agrees to suspend interest on the student's loan as provided by Sections 56.168 and 56.169 of this code.

(b) If an eligible student applies for a loan from the board, the board shall provide a loan in an amount determined by the board to the student on the board's receipt of:

(1) the student's application to the board for a loan;

(2) a verification of the student's enrollment from the institution enrolling the student; and

(3) a certification from the institution enrolling the student of the amount of tuition and fees for the student.

*Sec. 56.166. TERMS OF LOAN. (a) A loan must be evidenced by a promissory note that provides for the repayment of the loan with interest and for the charging of necessary collection costs.*

*(b) Except as provided by Sections 56.168 and 56.169 of this code, a loan must be repayable, at the option of the board, in equal monthly installments over a period beginning with the first day of the seventh month after the date on which the recipient ceases to be enrolled in a graduate program at an institution.*

*(c) A loan must bear simple interest at a rate determined by the board.*

*(d) A loan provided under this subchapter may not exceed \$14,000 each year for a maximum of four years.*

*(e) The board shall determine the other terms of a loan.*

*Sec. 56.167. MENTORS. The institution at which a student who receives a loan is enrolled shall provide the student with a mentor who is a faculty member at the institution to assist the student in pursuing a master's or doctoral degree.*

*Sec. 56.168. POSTDOCTORAL FELLOWSHIP. (a) A loan recipient is eligible for suspension of the recipient's loan if the recipient enters a postdoctoral fellowship not later than the first day of the seventh month after the date on which the recipient ceases to be enrolled in a doctoral program at an institution.*

*(b) The board shall suspend the accrual of interest and the repayment of principal and interest on an eligible recipient's loan until a date determined by board rule.*

*Sec. 56.169. LOAN SUSPENSION AND FORGIVENESS. (a) A loan recipient is eligible for suspension and forgiveness of the recipient's loan if, after the recipient obtains a doctorate, the recipient is employed as a full-time faculty member or academic administrator at an institution.*

*(b) In accordance with Subsections (c), (d), and (e) of this section, the board shall suspend the accrual of interest and forgive the repayment of a loan made to an eligible recipient.*

*(c) The board shall suspend the accrual of interest and the repayment of principal and interest on an eligible recipient's loan until the recipient is not employed as a full-time faculty member or academic administrator at an institution.*

*(d) The board shall forgive the repayment of 20 percent of the unpaid principal balance and all accrued interest of an eligible recipient's loan for each academic year of service by the recipient as a full-time faculty member or academic administrator at an institution.*

*(e) A loan to an eligible recipient is repayable under the terms of Section 56.166 of this code beginning with the first day of the seventh month after the date on which the recipient discontinues full-time study and is not employed as a full-time faculty member or academic administrator at an institution and must be repaid in full not later than the 10th anniversary of the date on which the loan becomes repayable.*

*Sec. 56.170. CONDITIONAL GUARANTY. A conditional guaranty of a loan under Section 56.165(a) of this code must provide that the board shall repay the lending institution to which the guaranty is executed the amount of the loan that the board would be required to forgive under Section 56.169 of this code if the loan had been made by the board.*

*Sec. 56.171. FUNDING. (a) The board may accept gifts and grants from a public or private source for the program.*

*(b) Gifts, grants, and other funds appropriated by the legislature may be used for the program.*

**SECTION 2.** (a) The Texas Higher Education Coordinating Board shall adopt and distribute initial rules required by Subchapter J, Chapter 56, Education Code, as added by this Act, not later than January 1, 1994.

(b) The Texas Higher Education Coordinating Board shall make loans to eligible students under Subchapter J, Chapter 56, Education Code, as added by this Act, for use beginning with the fall semester in 1994.

**SECTION 3.** The importance of this legislation and the crowded condition of the calendars in both houses create an emergency and an imperative public necessity that the constitutional rule requiring bills to be read on three several days in each house be

suspended, and this rule is hereby suspended, and that this Act take effect and be in force from and after its passage, and it is so enacted.

Passed the Senate on April 14, 1993: Yeas 26, Nays 3; passed the House on April 26, 1993: Yeas 135, Nays 0, one present not voting.

Approved May 4, 1993.

Effective May 4, 1993.