

SUBJECT: Review of student loan programs at institutions of higher education

COMMITTEE: Higher Education — committee substitute recommended

VOTE: 7 ayes — Rangel, Ogden, Gallego, Goolsby, Harris, Moreno, Reyna
0 nays
2 absent — Kamel, Rodriguez

WITNESSES: For — None
Against — None
On — Don Brown, Texas Higher Education Coordinating Board

BACKGROUND: Congress in 1993 mandated that every state create a State Postsecondary Review Program (SPRP) to reduce the number of defaults on student loans.

Governor George W. Bush designated the Texas Higher Education Coordinating Board (THECB) as the Texas State Postsecondary Review Entity (TXSPRE).

DIGEST: CSHB 2486 would amend the Education Code to allow the governor to enter into an agreement with the U.S. Secretary of Education to participate in the postsecondary review program.

The coordinating board would be required to notify a higher education institution that it was under review and detail the allegations that had been made to prompt the review.

A person authorized by the coordinating board could require an institution of higher education to produce documents and records or permit inspection and copying of documents and records. If the institution did not comply with the demand for documents, the coordinating board could petition a local district court who could order the institution to produce the documents. An institution would be in contempt of court if they failed to

comply with a final court order. The final order could be appealed to the Texas Supreme Court.

An institution of higher education could appeal the coordinating board's decision in a contested case under the substantial evidence rule.

Review information gathered by the coordinating board would be privileged and confidential. Information obtained in the review could not be disclosed to anyone outside the coordinating board unless ordered by a court or could not be disclosed to a law enforcement authority involved in an out-of-state investigation of an institution with a campus in Texas, to the appropriate law enforcement officials when the coordinating board finds a crime may have been committed, or to the institution's governing board if information indicates a potential violation of another law.

A person who assists the coordinating board in the review would be immune from suits by a private party.

The bill would take effect September 1, 1995.

NOTES:

The committee substitute differs from the original by adding an agreement section involving the governor allowance to enter into an agreement with the U.S. Secretary of Education.