

- SUBJECT:** Loan program for underrepresented students pursuing doctoral degrees
- COMMITTEE:** Higher Education — favorable, without amendment
- VOTE:** 7 ayes — Morrison, F. Brown, Chavez, Giddings, Goolsby, Mercer, Smithee  
0 nays  
2 absent — J. Jones, Nixon
- SENATE VOTE:** On final passage, May 20 — 28-3 (Brimer, Estes, Nelson)
- WITNESSES:** *(On House Companion, HB 2977:)*  
For — Ana M. “Cha” Guzman and Jude Valdez, Texas Association of Chicanos in Education  
  
Against — None  
  
On — Teri Flack and Lesa Moller, Texas Higher Education Coordinating Board
- BACKGROUND:** The Texas Higher Education Coordinating Board (THECB) administers student financial assistance programs, including the Physician Education Loan Repayment Program, which uses state funds to repay student loans for physicians who practice in economically depressed or rural, medically underserved areas of the state. Public medical schools must help fund the program by setting aside 2 percent of tuition charges for resident medical students. The funds are submitted to the comptroller and deposited into general revenue, from which the Legislature appropriates program funds. THECB may accept funding for the program from other sources, such as private donations.
- DIGEST:** SB 722 would require THECB to establish and administer a doctoral incentive loan repayment program to help increase the number of people from underrepresented groups among the faculty and administration of public and independent higher education institutions in Texas. The bill would define a member of an underrepresented group as someone from a low socioeconomic

background while pursuing an undergraduate degree or who, when the person graduated from high school, lived in an area from which a disproportionately low number of high school graduates enrolled in postsecondary institutions.

To be eligible for loan repayment assistance, a person would have to be employed as a full-time faculty or administration member in a public or independent higher education institution for at least one year, be a Texas resident, be from an underrepresented group, and have qualified for financial aid based on financial need while enrolled in a graduate degree program.

THECB could provide assistance for the repayment of any education loan received by an eligible person through any lender in the amounts and under the terms THECB considered appropriate, but the total loan amount could not exceed \$100,000.

To fund this program, each higher education institution in Texas would have to set aside \$2 for each semester credit hour of tuition paid by each student in a doctoral degree program, other than a law or health professional degree program. The amount set aside would have to be deposited in a special account that could be used only to provide loan repayment and to cover the costs of administering the program. THECB could solicit and accept gifts and grants from public or private sources to help fund the program.

The bill would take immediate effect if finally passed by a two-thirds record vote of the membership of each house. Otherwise, it would take effect September 1, 2003. THECB would have to adopt rules for awarding loans as soon as practicable after the effective date and would have to begin awarding loan repayments beginning with the 2004 fall semester.

**SUPPORTERS  
SAY:**

SB 722 would encourage minority students and other members of underrepresented groups to pursue doctoral degrees and to join the faculty or administration of Texas higher education institutions. The bill would help make the faculty and administration of higher education institutions “look more like Texas” by encouraging members of underrepresented groups to pursue careers in higher education. Members of these groups can serve as role models and mentors to undergraduate students from similar backgrounds, and they can provide incentives for these students to succeed.

SB 722 would ensure that the program was not limited to a particular minority group but rather to students from backgrounds where few incentives or role models existed for pursuing a doctoral degree. Students would have to meet financial eligibility guidelines and prove that they had grown up in a community from which most high school graduates did not go on to college. While this might be somewhat difficult to administer, THECB has sufficient experience with these types of programs to develop appropriate standards to ensure that the program would serve those for whom it was established.

**OPPONENTS  
SAY:**

While well-intended, SB 722 would be difficult to administer because of its vague and unwieldy definition of underrepresented people. For each applicant, THECB would have to review material that could be 10 years old or older, during which time a neighborhood might have changed or a family's income might have improved. The bill should allow THECB to develop rules to define an underrepresented group, rather than specifying this definition in statute.

**NOTES:**

On May 26, the House adopted a third reading amendment by Rep. Chavez to SB 286, the THECB sunset bill, including the text of SB 722, before finally passing SB 286.

The House companion bill, HB 2977 by Chavez, was reported favorably, as substituted, by the Higher Education Committee on May 5.