

BILL ANALYSIS

Senate Research Center

S.B. 702
By: Paxton et al.
Higher Education
5/24/2021
Enrolled

AUTHOR'S / SPONSOR'S STATEMENT OF INTENT

The Prepaid Higher Education Tuition Board administers prepaid tuition and savings plans and programs created by the Education Code, Chapter 54, including the Texas Tomorrow Fund, Texas Tomorrow Fund II, Higher Education Savings Plan, Texas Achieving a Better Life Experience, and the Texas Save and Match Program. These tax-advantaged prepaid tuition and college savings plans allow individuals to prepay and save for college expenses.

The Prepaid Higher Education Tuition Board underwent a review by the Texas Sunset Advisory Commission in 2020-2021. S.B. 702 follows the Sunset Advisory Commission recommendations, continuing the Prepaid Higher Education Tuition Board for twelve (12) years, through September 1, 2033. Additionally, it amends provisions regarding board member training and complaint tracking, and authorizes the board to appoint advisory committees in rule, as necessary.

(Original Author's/Sponsor's Statement of Intent)

S.B. 702 amends current law relating to the continuation and functions of the Prepaid Higher Education Tuition Board.

RULEMAKING AUTHORITY

Rulemaking is expressly granted to the Prepaid Higher Education Tuition Board in SECTION 4 (Section 54.6181, Education Code) of this bill.

SECTION BY SECTION ANALYSIS

SECTION 1. Amends Section 54.603, Education Code, as follows:

Sec. 54.603. SUNSET PROVISION. Provides that the Prepaid Higher Education Tuition Board (board) is subject to Chapter 325 (Texas Sunset Act), Government Code. Provides that unless continued in existence as provided by that chapter, the board is abolished September 1, 2033, rather than September 1, 2021.

Deletes existing text providing that unless continued in existence as provided by Chapter 325, the programs established under Subchapter F (Prepaid Higher Education Tuition Program), G (Higher Education Savings Plan), and H (Prepaid Tuition Unit Undergraduate Education Program: Texas Tomorrow Fund II) terminate September 1, 2021.

SECTION 2. Amends Section 54.610, Education Code, by amending Subsection (b) and adding Subsection (d), as follows:

(b) Requires that the training program for board members provide a person appointed to the board with information regarding:

- (1) the law governing board operations, rather than enabling legislation that created the board;
- (2) the programs, functions, rules, and budget of the board, rather than the programs operated by the board;

- (3) the scope of and limitations on the rulemaking authority of the board, rather than the role and functions of the board;
- (4) the results of the most recent formal audit of the board;
- (5) the requirements of laws relating to open meetings, public information, administrative procedure, and disclosing conflicts of interest, and other laws applicable to members of a state policy-making body in performing their duties, rather than to Chapter 551 (Open Meetings), Government Code, Chapter 552 (Public Information), Government Code, and the administrative procedure law, Chapter 2001 (Administrative Procedure), Government Code; and the requirements of the conflict of interest laws, and other laws relating to public officials; and
- (6) applicable ethics policies adopted by the board of the Texas Ethics Commission.

Deletes existing text requiring that the training program include information on the rules of the board, with an emphasis on the rules that relate to disciplinary and investigatory authority, and the current budget for the board. Makes nonsubstantive changes.

- (d) Requires the executive director of the board (executive director) to create a training manual that includes the information required by Subsection (b). Requires the executive director to distribute a copy of the training manual annually to each board member. Requires each board member to sign and submit to the executive director a statement acknowledging that the member received and has reviewed the training manual.

SECTION 3. Amends Section 54.617(e), Education Code, to require the board to periodically notify the complaint parties of the status of the complaint until final disposition unless the notice would jeopardize an investigation.

SECTION 4. Amends Subchapter F, Chapter 54, Education Code, by adding Section 54.6181, as follows:

Sec. 54.6181. ADVISORY COMMITTEES. (a) Authorizes the board by rule to establish advisory committees to make recommendations to the board on programs, rules, and policies administered by the board.

- (b) Requires the board, in establishing an advisory committee under this section, to adopt rules, including rules regarding:

- (1) the purpose, role, responsibility, goals, and duration of the committee;
- (2) the size of and quorum requirement for the committee;
- (3) qualifications for committee membership;
- (4) appointment procedures for members;
- (5) terms of service for members;
- (6) training requirements for members;
- (7) policies to avoid conflicts of interest by members;
- (8) a periodic review process to evaluate the continuing need for the committee; and
- (9) policies to ensure the committee does not violate any provision of Chapter 551, Government Code, applicable to the board or the committee.

- (c) Provides that Chapter 2110 (State Agency Advisory Committees), Government Code, does not apply to an advisory committee created by the board.

SECTION 5. (a) Provides that Section 54.610 (Training of Board Members), Education Code, as amended by this Act, applies to a member of the board appointed before, on, or after the effective date of this Act, except as provided by Subsection (b) of this section.

(b) Provides that a member of the board who, before the effective date of this Act, completed the training program required by Section 54.610, Education Code, as that law existed before the effective date of this Act, is only required to complete additional training on the subjects added by this Act to the training program required by Section 54.610, Education Code. Prohibits a board member described by this subsection from voting, deliberating, or being counted as a member in attendance at a meeting of the board held on or after December 1, 2021, until the member completes the additional training.

SECTION 6. Effective date: September 1, 2021.