



1        (c) Not later than January 1, 2007, the council shall report  
2 to the legislature concerning the results of the analysis under  
3 Subsection (b).

4        (d) The council shall use existing resources to perform  
5 duties imposed under this section.

6        (e) This section expires June 1, 2007.

7        SECTION 2. Subchapter D, Chapter 54, Education Code, is  
8 amended by adding Sections 54.221 and 54.222 to read as follows:

9        Sec. 54.221. CHILDREN OF PROFESSIONAL NURSING PROGRAM  
10 FACULTY. (a) In this section:

11        (1) "Child" means a child 25 years of age or younger  
12 and includes an adopted child.

13        (2) "Graduate professional nursing program" means an  
14 educational program of a public or private institution of higher  
15 education that prepares students for a master's or doctoral degree  
16 in nursing.

17        (3) "Undergraduate professional nursing program"  
18 means a public or private educational program for preparing  
19 students for initial licensure as registered nurses.

20        (b) The governing board of an institution of higher  
21 education shall exempt from the payment of tuition a resident of  
22 this state enrolled as an undergraduate student at the institution  
23 who is a child of a person who, at the beginning of the semester or  
24 other academic term for which an exemption is sought, holds a  
25 master's or doctoral degree in nursing, if not employed or under  
26 contract as a teaching assistant under Subdivision (1) or (2), or a  
27 baccalaureate degree in nursing, if employed or under contract as a

1 teaching assistant under Subdivision (1) or (2), and:

2 (1) is employed by an undergraduate or graduate  
3 professional nursing program in this state as a full-time member of  
4 its faculty or staff with duties that include teaching, serving as a  
5 teaching assistant, performing research, serving as an  
6 administrator, or performing other professional services; or

7 (2) has contracted with an undergraduate or graduate  
8 professional nursing program in this state to serve as a full-time  
9 member of its faculty or staff to perform duties described by  
10 Subdivision (1) during all or part of the semester or other academic  
11 term for which an exemption is sought or, if the child is enrolled  
12 for a summer session, during all or part of that session or for the  
13 next academic year.

14 (c) A child who would qualify for an exemption under this  
15 section but for the fact that the child's parent is not employed  
16 full-time is eligible for an exemption on a pro rata basis equal to  
17 the percentage of full-time employment the parent is employed,  
18 except that a parent employed for less than 25 percent of full-time  
19 employment is considered to be employed for 25 percent of full-time  
20 employment.

21 (d) A person is not eligible for an exemption under this  
22 section if the person:

23 (1) has previously received an exemption under this  
24 section for 10 semesters or summer sessions at any institution or  
25 institutions of higher education; or

26 (2) has received a baccalaureate degree.

27 (e) For purposes of Subsection (d), a summer session that is

1 less than nine weeks in duration is considered one-half of a summer  
2 session.

3 (f) The tuition exemption provided by this section applies  
4 only to enrollment of a child at the institution at which the  
5 child's parent is employed or is under contract.

6 (g) The Texas Higher Education Coordinating Board shall  
7 adopt:

8 (1) rules governing the granting or denial of an  
9 exemption under this section, including rules relating to the  
10 determination of eligibility for an exemption; and

11 (2) a uniform application form for an exemption under  
12 this section.

13 Sec. 54.222. PRECEPTORS FOR PROFESSIONAL NURSING EDUCATION  
14 PROGRAMS. (a) In this section, "child" and "undergraduate  
15 professional nursing program" have the meanings assigned by Section  
16 54.221.

17 (b) The governing board of an institution of higher  
18 education shall exempt from the payment of \$500 of the total amount  
19 of tuition a resident of this state enrolled as a student at the  
20 institution who:

21 (1) is a registered nurse; and

22 (2) is serving under a written preceptor agreement  
23 with an undergraduate professional nursing program as a clinical  
24 preceptor for students enrolled in the program for the semester or  
25 other academic term for which the exemption is sought.

26 (c) The governing board of an institution of higher  
27 education shall exempt from the payment of \$500 of the total amount

1 of tuition a resident of this state enrolled as an undergraduate  
2 student at the institution who is a child of a person who meets the  
3 requirements of Subsections (b)(1) and (2).

4 (d) Notwithstanding Subsections (b) and (c), if a person  
5 eligible for an exemption under this section owes less than \$500 in  
6 tuition, the governing board of the institution of higher education  
7 in which the person is enrolled shall exempt the person from the  
8 payment of only the amount of tuition the person owes.

9 (e) A person is not eligible for an exemption under  
10 Subsection (c) if the person:

11 (1) has previously received an exemption under this  
12 section for 10 semesters or summer sessions at any institution or  
13 institutions of higher education; or

14 (2) has received a baccalaureate degree.

15 (f) For purposes of Subsection (e), a summer session that is  
16 less than nine weeks in duration is considered one-half of a summer  
17 session.

18 (g) The Texas Higher Education Coordinating Board shall  
19 adopt:

20 (1) rules governing the granting or denial of an  
21 exemption under this section, including rules relating to the  
22 determination of eligibility for an exemption; and

23 (2) a uniform application form for an exemption under  
24 this section.

25 SECTION 3. Subsection (a), Section 61.9623, Education Code,  
26 is amended to read as follows:

27 (a) A grant from the professional nursing shortage

1 reduction program to a professional nursing program or other entity  
2 involved with a professional nursing program in the preparation of  
3 students for initial licensure as registered nurses must be:

4 (1) expended exclusively on costs related to:

5 (A) enrolling additional students;

6 (B) nursing faculty enhancement in accordance  
7 with Section 61.96231 [~~assuring the retention of an adequate number~~  
8 ~~of qualified faculty, including providing faculty salaries~~]; [~~or~~]

9 (C) encouraging innovation in the recruitment  
10 and retention of students, including the recruitment and retention  
11 of Spanish-speaking and bilingual students; or

12 (D) identifying, developing, or implementing  
13 innovative methods to make the most effective use of limited  
14 professional nursing program faculty, instructional or clinical  
15 space, and other resources, including:

16 (i) sharing administrative or  
17 instructional personnel, facilities, and responsibilities between  
18 two or more professional nursing programs located in the same  
19 region of this state; and

20 (ii) using preceptors to provide clinical  
21 instruction in order to reduce the number of new faculty needed to  
22 accommodate increased student enrollment in the professional  
23 nursing program;

24 (2) contingent on the professional nursing program's  
25 having been approved as a professional nursing program by the board  
26 or the Board of Nurse Examiners, as appropriate, by September 1,  
27 2001;

1           (3) contingent on the professional nursing program's  
2 not being on probation with the Board of Nurse Examiners or other  
3 accrediting body; and

4           (4) if granted to increase enrollments, contingent on  
5 the professional nursing program's ability to enroll additional  
6 students, including having the necessary classroom space and  
7 clinical slots.

8           SECTION 4. Subchapter 2, Chapter 61, Education Code, is  
9 amended by adding Section 61.96231 to read as follows:

10           Sec. 61.96231. NURSING FACULTY ENHANCEMENT GRANTS.

11           (a) Under the professional nursing shortage reduction program,  
12 the board may award nursing faculty enhancement grants to  
13 professional nursing programs to assist the programs in the  
14 education, recruitment, and retention of a sufficient number of  
15 faculty members to enable the programs to enroll a sufficient  
16 number of students to meet the state's need for registered nurses.

17           (b) A grant awarded under this section may be used only for  
18 the purposes specified by Subsection (a), including providing  
19 salary supplements and enhancements and reducing the number of  
20 hours a faculty member must teach.

21           (c) In awarding a grant under this section, the board may  
22 require matching funds from a professional nursing program or may  
23 give preference in awarding a grant to a program providing matching  
24 funds.

25           (d) The board may appoint an advisory committee to advise  
26 the board on successful strategies, in addition to the grants  
27 awarded under this section, for educating, recruiting, and

1 retaining qualified professional nursing program faculty members  
2 who hold master's or doctoral degrees.

3 SECTION 5. Section 61.9624, Education Code, is amended to  
4 read as follows:

5 Sec. 61.9624. ADMINISTRATION. The board shall adopt rules  
6 [~~and regulations~~] for the administration of the professional  
7 nursing shortage reduction program. The board shall grant funds  
8 under Sections 61.9623(a)(1)(A) and (D) [~~(B)~~] in an equitable  
9 manner among the various types of professional nursing programs.  
10 The board shall grant funds under Section 61.6923(a)(1)(C) in a  
11 manner that best promotes innovation in the recruitment and  
12 retention of nursing students, including the recruitment and  
13 retention of Spanish-speaking and bilingual students.

14 SECTION 6. Subsection (a), Section 61.9626, Education Code,  
15 is amended to read as follows:

16 (a) Each institution of higher education that has a  
17 professional nursing program shall submit an annual report to the  
18 board detailing its strategy for increasing the number of students  
19 that graduate from the program prepared for licensure as registered  
20 nurses. The report must include:

21 (1) the capacity of the program, either alone or in  
22 cooperation with one or more other programs, to graduate more  
23 students prepared for licensure as registered nurses; and

24 (2) the resources allocated to increase the number of  
25 students that graduate from the program prepared for licensure as  
26 registered nurses.

27 SECTION 7. Subchapter 2, Chapter 61, Education Code, is



1 amended by adding Section 61.96261 to read as follows:

2 Sec. 61.96261. STRATEGIES FOR INCREASING GRADUATION RATES.

3 (a) The board shall:

4 (1) identify, develop, and study strategies for  
5 increasing graduation rates from professional nursing programs in  
6 this state; and

7 (2) determine which of those strategies are likely to  
8 be effective.

9 (b) Not later than January 1, 2007, the board shall report  
10 to the legislature concerning the results of the study conducted  
11 under Subsection (a). The report must include the board's  
12 recommendations for implementing effective strategies for  
13 increasing graduation rates from professional nursing programs.

14 (c) The board shall use existing resources to perform duties  
15 imposed under this section.

16 (d) This section expires June 1, 2007.

17 SECTION 8. Subsection (a), Section 824.602, Government  
18 Code, is amended to read as follows:

19 (a) Subject to Section 825.506, the retirement system may  
20 not, under Section 824.601, withhold a monthly benefit payment if  
21 the retiree is employed in a Texas public educational institution:

22 (1) as a substitute only with pay not more than the  
23 daily rate of substitute pay established by the employer and, if the  
24 retiree is a disability retiree, the employment has not exceeded a  
25 total of 90 days in the school year;

26 (2) in a position, other than as a substitute, on no  
27 more than a one-half time basis for the month;

1           (3) in one or more positions on as much as a full-time  
2 basis, if the work occurs in not more than six months of a school  
3 year that begins after the retiree's effective date of retirement;

4           (4) in a position, other than as a substitute, on no  
5 more than a one-half time basis for no more than 90 days in the  
6 school year, if the retiree is a disability retiree;

7           (5) in a position as a classroom teacher on as much as  
8 a full-time basis, if the retiree has retired under Section  
9 824.202(a), is certified under Subchapter B, Chapter 21, Education  
10 Code, to teach the subjects assigned, is teaching in an acute  
11 shortage area as determined by the board of trustees of a school  
12 district as provided by Subsection (m), and has been separated from  
13 service with all public schools for at least 12 months;

14           (6) in a position as a principal, including as an  
15 assistant principal, on as much as a full-time basis, if the retiree  
16 has retired under Section 824.202(a) without reduction for  
17 retirement at an early age, is certified under Subchapter B,  
18 Chapter 21, Education Code, to serve as a principal, and has been  
19 separated from service with all public schools for at least 12  
20 months; [~~or~~]

21           (7) as a bus driver for a school district on as much as  
22 a full-time basis, if the retiree has retired under Section  
23 824.202(a); or

24           (8) as a faculty member, during the period beginning  
25 with the 2005 fall semester and ending on the last day of the 2015  
26 spring semester, in an undergraduate professional nursing program  
27 or graduate professional nursing program, as defined by Section

1 54.221, Education Code, and if the retiree has been separated from  
2 service with all public schools for at least 12 months.

3 SECTION 9. Subchapter B, Chapter 1372, Government Code, is  
4 amended by adding Section 1372.0223 to read as follows:

5 Sec. 1372.0223. DEDICATION OF PORTION OF STATE CEILING FOR  
6 PROFESSIONAL NURSING PROGRAM FACULTY MEMBER HOME LOAN PROGRAM.  
7 Until August 1, out of that portion of the state ceiling that is  
8 available exclusively for reservations by issuers of qualified  
9 mortgage bonds under Section 1372.022, \$5 million shall be allotted  
10 each year and made available exclusively to the Texas State  
11 Affordable Housing Corporation for the purpose of issuing qualified  
12 mortgage bonds in connection with the professional nursing program  
13 faculty member home loan program established under Section  
14 2306.5622.

15 SECTION 10. (a) This section takes effect only if the Act  
16 of the 79th Legislature, Regular Session, 2005, relating to the  
17 nonsubstantive additions to and corrections in enacted codes (the  
18 general code update bill) is enacted and becomes law.

19 (b) Subsection (a), Section 2306.553, Government Code, is  
20 amended to read as follows:

21 (a) The public purpose of the corporation is to perform  
22 activities and services that the corporation's board of directors  
23 determines will promote the public health, safety, and welfare  
24 through the provision of adequate, safe, and sanitary housing  
25 primarily for individuals and families of low, very low, and  
26 extremely low income, for professional educators under the  
27 professional educators home loan program as provided by Section

1 2306.562, [~~and~~] for fire fighters and police officers under the  
2 fire fighter and police officer home loan program as provided by  
3 Section 2306.5621, and for professional nursing program faculty  
4 members under the professional nursing program faculty member home  
5 loan program as provided by Section 2306.5622 [~~2306.563~~]. The  
6 activities and services shall include engaging in mortgage banking  
7 activities and lending transactions and acquiring, holding,  
8 selling, or leasing real or personal property.

9 SECTION 11. (a) This section takes effect only if the Act  
10 of the 79th Legislature, Regular Session, 2005, relating to  
11 nonsubstantive additions to and corrections in enacted codes (the  
12 general code update bill) does not become law.

13 (b) Subsection (a), Section 2306.553, Government Code, is  
14 amended to read as follows:

15 (a) The public purpose of the corporation is to perform  
16 activities and services that the corporation's board of directors  
17 determines will promote the public health, safety, and welfare  
18 through the provision of adequate, safe, and sanitary housing  
19 primarily for individuals and families of low, very low, and  
20 extremely low income, for professional educators under the  
21 professional educators home loan program as provided by Section  
22 2306.562, [~~and~~] for fire fighters and police officers under the  
23 fire fighter and police officer home loan program as provided by  
24 Section 2306.563, and for professional nursing program faculty  
25 members under the professional nursing program faculty member home  
26 loan program as provided by Section 2306.5622. The activities and  
27 services shall include engaging in mortgage banking activities and

1 lending transactions and acquiring, holding, selling, or leasing  
2 real or personal property.

3 SECTION 12. Subsection (b), Section 2306.553, Government  
4 Code, is amended to read as follows:

5 (b) The corporation's primary public purpose is to  
6 facilitate the provision of housing by issuing qualified 501(c)(3)  
7 bonds and qualified residential rental project bonds and by making  
8 affordable loans to individuals and families of low, very low, and  
9 extremely low income, to professional educators under the  
10 professional educators home loan program, ~~and~~ to fire fighters  
11 and police officers under the fire fighter and police officer home  
12 loan program, and to professional nursing program faculty members  
13 under the professional nursing program faculty member home loan  
14 program. The corporation may make first lien, single family  
15 purchase money mortgage loans for single family homes only to  
16 individuals and families of low, very low, and extremely low income  
17 if the individual's or family's household income is not more than  
18 the greater of 60 percent of the median income for the state, as  
19 defined by the United States Department of Housing and Urban  
20 Development, or 60 percent of the area median family income,  
21 adjusted for family size, as defined by that department. The  
22 corporation may make loans for multifamily developments if:

23 (1) at least 40 percent of the units in a multifamily  
24 development are affordable to individuals and families with incomes  
25 at or below 60 percent of the median family income, adjusted for  
26 family size; or

27 (2) at least 20 percent of the units in a multifamily

1 development are affordable to individuals and families with incomes  
2 at or below 50 percent of the median family income, adjusted for  
3 family size.

4 SECTION 13. Subchapter Y, Chapter 2306, Government Code, is  
5 amended by adding Section 2306.5622 to read as follows:

6 Sec. 2306.5622. PROFESSIONAL NURSING PROGRAM FACULTY  
7 MEMBER HOME LOAN PROGRAM. (a) In this section:

8 (1) "Graduate professional nursing program" and  
9 "undergraduate professional nursing program" have the meanings  
10 assigned by Section 54.221, Education Code.

11 (2) "Home" means a dwelling in this state in which a  
12 professional nursing program faculty member intends to reside as  
13 the faculty member's principal residence.

14 (3) "Mortgage lender" has the meaning assigned by  
15 Section 2306.004.

16 (4) "Professional nursing program faculty member"  
17 means a full-time member of the faculty of either an undergraduate  
18 or graduate professional nursing program.

19 (5) "Program" means the professional nursing program  
20 faculty member home loan program.

21 (b) The corporation shall establish a program to provide  
22 eligible professional nursing program faculty members with  
23 low-interest home mortgage loans.

24 (c) To be eligible for a loan under this section, at the time  
25 a person files an application for the loan, the person must:

26 (1) be a faculty member of an undergraduate or  
27 graduate professional nursing program;

1           (2) reside in this state; and

2           (3) have an income of not more than 115 percent of area  
3 median family income, adjusted for family size.

4           (d) The corporation may contract with other agencies of the  
5 state or with private entities to determine whether applicants  
6 qualify as professional nursing program faculty members under this  
7 section or otherwise to administer all or part of this section.

8           (e) The board of directors of the corporation may set and  
9 collect from each applicant any fees the board considers reasonable  
10 and necessary to cover the expenses of administering the program.

11           (f) The board of directors of the corporation shall adopt  
12 rules governing:

13               (1) the administration of the program;

14               (2) the making of loans under the program;

15               (3) the criteria for approving mortgage lenders;

16               (4) the use of insurance on the loans and the homes  
17 financed under the program, as considered appropriate by the board  
18 to provide additional security for the loans;

19               (5) the verification of occupancy of the home by the  
20 professional nursing program faculty member as the professional  
21 nursing program faculty member's principal residence; and

22               (6) the terms of any contract made with any mortgage  
23 lender for processing, originating, servicing, or administering  
24 the loans.

25           (g) The corporation shall ensure that a loan under this  
26 section is structured in a way that complies with any requirements  
27 associated with the source of the funds used for the loan.

1           (h) In addition to funds set aside for the program under  
2 Section 1372.0223, the corporation may solicit and accept funding  
3 for the program from the following sources:

4           (1) gifts and grants for the purposes of this section;

5           (2) available money in the housing trust fund  
6 established under Section 2306.201, to the extent available to the  
7 corporation;

8           (3) federal block grants that may be used for the  
9 purposes of this section, to the extent available to the  
10 corporation;

11           (4) other state or federal programs that provide money  
12 that may be used for the purposes of this section; and

13           (5) amounts received by the corporation in repayment  
14 of loans made under this section.

15           (i) This section expires September 1, 2016.

16           SECTION 14. (a) Except as provided by Subsection (b) of  
17 this section, Sections 54.221 and 54.222, Education Code, as added  
18 by this Act, take effect beginning with the 2006 fall semester.

19           (b) Not later than January 1, 2006, the Texas Higher  
20 Education Coordinating Board shall adopt rules and forms relating  
21 to tuition exemptions under Sections 54.221 and 54.222, Education  
22 Code, as added by this Act.

23           SECTION 15. The change in law made by this Act to Subsection  
24 (a), Section 61.9623, Education Code, applies only to expenditure  
25 of grant money under that section after this Act takes effect.  
26 Expenditure of grant money under that section before this Act takes  
27 effect is governed by the law in effect at the time grant money was



1 spent, and that law is continued in effect for that purpose.

2 SECTION 16. The change in law made by this Act to Section  
3 824.602, Government Code, applies beginning with the 2005 fall  
4 semester.

5 SECTION 17. The Texas State Affordable Housing Corporation  
6 shall:

7 (1) aggressively pursue funding for the professional  
8 nursing program faculty member home loan program required by  
9 Section 2306.5622, Government Code, as added by this Act; and

10 (2) implement the professional nursing program  
11 faculty member home loan program required by that section not later  
12 than September 1, 2005, or as soon thereafter as practicable.

13 SECTION 18. This Act takes effect immediately if it  
14 receives a vote of two-thirds of all the members elected to each  
15 house, as provided by Section 39, Article III, Texas Constitution.  
16 If this Act does not receive the vote necessary for immediate  
17 effect, this Act takes effect September 1, 2005.

David Newkum  
President of the Senate

Tom Craddick  
Speaker of the House

I hereby certify that S.B. No. 132 passed the Senate on April 28, 2005, by the following vote: Yeas 31, Nays 0; and that the Senate concurred in House amendments on May 27, 2005, by the following vote: Yeas 29, Nays 0.

Sally Law  
Secretary of the Senate

I hereby certify that S.B. No. 132 passed the House, with amendments, on May 25, 2005, by the following vote: Yeas 144, Nays 0, two present not voting.

Robert Hanes  
Chief Clerk of the House

Approved:

17 JUNE '05

Date

RICK PERRY  
Governor

FILED IN THE OFFICE OF THE  
SECRETARY OF STATE  
11:20 AM O'CLOCK

ROGER WILLIAMS  
Secretary of State