

SUBJECT: Matching scholarships offered to Texans by out-of-state schools

COMMITTEE: Higher Education — committee substitute recommended

VOTE: 9 ayes — Rangel, Cuellar, F. Brown, Farabee, Goolsby, J. Jones, Morrison, E. Reyna, Wohlgemuth

0 nays

WITNESSES: For — Jim Coronado

Against — None

On — Frank Newton, Texas Tech University School of Law

DIGEST: HB 2867 would allow any Texas institution of higher education to use funds appropriated by the Legislature to match any non-athletic scholarship or grant offered by an out-of-state school to a graduate of a Texas public or private high school. The matching award could include tuition, fees, room and board, and stipends.

By September 1, 1999, the Texas Higher Education Coordinating Board would adopt rules for implementation of the bill. The board could not require a school to match an award.

The board also would have to report the bill's initial implementation to the chairs of the Senate Education Committee and House Higher Education Committee by December 31, 2000. The report would include the number of Texas students who attend school elsewhere and the methods used to retain Texas students.

The bill would take immediate effect if finally passed by a two-thirds record vote of the membership of each house.

SUPPORTERS SAY: HB 2867 would encourage Texas colleges and universities to provide the financial tools needed to compete for the best students, helping to alleviate the Texas brain drain. The best students often leave Texas because they can find better financial aid packages elsewhere.

HB 2867 would encourage diversity in universities, law schools, and medical schools. Three years after the federal courts and an attorney general's decision ended consideration of race or ethnic background in decisions on admissions and financial aid, black and Hispanic admissions to the most selective Texas public institutions of higher education generally declined. Professional schools in particular were affected.

Under HB 2867, Texas schools could use state appropriations compete for all Texas students, including minorities, who are offered attractive scholarships by out-of-state institutions. Studies show that about 85 percent of the students who attend professional schools, such as law or medicine, will get jobs within 200 miles of their school after graduation. That means bright Texans who study out-of-state may never return.

The state could benefit by its efforts to meet or beat innovative scholarship programs in other states. If a state created a stellar scholarship program, Texas could immediately benefit by developing a similar program of its own.

HB 2867 is a permissive bill that would make three clear public policy statements supporting higher education. First, the state has a strong commitment to Texas students. Second, the state supports admissions and financial aid officers in the attempt to retain Texas' best students. Finally, with a solid commitment to educate its people, the state also is committed to providing the work force needed to attract high quality jobs on the cutting-edge of the economy.

OPPONENTS
SAY:

Texas schools, even with HB 2867, would not be able to match out-of-state scholarships when race or ethnic background is a factor in awarding them. The Texas attorney general's opinion expanding on federal court decisions on affirmative action clearly forbids minority-based financial aid.

Currently, Texas schools have the ability to match scholarships and grants as they see fit. By allowing the Texas Higher Education Coordinating Board to adopt rules for its implementation, HB 2867 actually could tie the hands of universities when recruiting Texas students.

OTHER
OPPONENTS
SAY:

HB 2867 could promote a trend to throw many dollars at a few students, leaving less or no money for smaller scholarships. If the state truly wants to alleviate the Texas brain drain, a more comprehensive and better funded

scholarship and grant program is needed rather than just a reallocation of existing funds.

NOTES:

The committee substitute included public, private, or independent institutions are included under the bill. The substitute removes a provision in the original bill directing the coordinating board to encourage schools to direct scholarship funds to matching awards and to give preference to matching out-of-state awards when awarding Tuition Equalization Grants (Subchapter F, Chapter 61 of the Education Code).