

- SUBJECT:** College student endowment scholarship and internship program
- 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 — J.B. Horton, West Texas A&M University Student Body and The Texas A&M University System Student Bodies
Against — None
- BACKGROUND:** Students at West Texas A&M University voted to approve a student fee of 50 cents per credit hour to fund an endowment for scholarships and internships for eligible students. Generally, students are eligible if their families earn too much money to qualify for federal need-based financial aid but not enough to be able to afford to pay for college easily.
- DIGEST:** CSHB 3447 would create the Student Endowment Scholarship and Internship Program, an optional state grant program for all general academic teaching institutions. To participate, an institution's student body would have to approve, by majority vote, the additional student fee and potential state matching grant by September 1, 2004. The institution's governing board would have to impose and decide the structure of the additional fee.
- A participating institution would have to provide financial scholarships based on leadership, financial need, and academic achievement. The institution also would have to provide funding for student internship programs.
- Endowment fund.** Each participating institution would have to establish an endowment fund composed of the student fee, any state matching funds appropriated, and interest and other income from the fund. The governing board would have to manage the fund in accordance with the policies governing similar funds at the institution.

Principal and interest in the fund could be used to pay scholarships and internships. After the five-year state matching grant period, not more than 5 percent of the principal per year could be paid out. Five percent of the fund's capital gains per year could be expended.

Eligibility. With the assistance of an advisory committee, the governing board of the institution would have to determine eligibility requirements and select students to receive funding. A student on disciplinary or academic probation would not be eligible for funding. A student who received funding would have to comply with any conditions of the award.

Award amounts. During the five-year period in which the institution could receive state matching funds, a scholarship could not exceed \$500 per semester or summer session. Scholarship and internship funding could not exceed the amount of required tuition and fees that the institution would charge a student.

This bill would take effect September 1, 1999.

NOTES:

The committee substitute removed a provision from the original bill that would have required the Legislature to appropriate state matching funds for the first five years of the program.