

BILL ANALYSIS

Senate Research Center

S.B. 180
By: Ellis
Finance
2-6-97
As Filed

DIGEST

Currently, Texas trails the nation by 22.5 percent in producing college graduates. The attendance rate at four-year universities is almost 14 percent below the national average, and about one-half of those who enter a community college or university will not graduate.

In 1993, the State of Georgia created the HOPE Scholarship Program which rewards B-average high school graduates with free tuition to state public and private institutions of higher education and is paid for by lottery funds. To date, nearly 200,000 students have attended state universities, colleges, and technical institutes through this program.

S.B. 180 creates the Texas HOPE Scholarship program to provide grants and loans for college tuition and fees to eligible high school graduates who maintain a B-average and agree to community service.

PURPOSE

As proposed, S.B. 180 creates the Texas HOPE Scholarship program to provide grants and loans for college tuition and fees to eligible high school graduates who maintain a B-average and agree to community service.

RULEMAKING AUTHORITY

This bill does not grant any additional rulemaking authority to a state officer, institution, or agency.

SECTION BY SECTION ANALYSIS

SECTION 1. Amends Chapter 56G, Education Code, as follows:

SUBCHAPTER G. New heading: TEXAS HOPE TUITION SCHOLARSHIP PROGRAM

Sec. 56.101. PROGRAM NAME. Provides that the student financial assistance program authorized by this subchapter is known as the Texas Hope Tuition Scholarship Program, rather than tuition assistance grant program, and an individual grant is known as a Texas hope tuition grant (grant), rather than the Texas tuition assistance grant.

Sec. 56.102. PURPOSE. Provides that the purpose of this subchapter is to provide a grant of money for tuition and required fees to enable a qualified person to attend an institution of higher education if the person fulfills certain requirements.

Sec. 56.1025. TYPES OF GRANTS. Provides that there are two types of grants, the hope tuition grant for public service and the Teach for Texas hope tuition grant.

Sec. 56.103. ELIGIBLE PERSON. Deletes text requiring a person to meet certain requirements within the two years preceding the person's grant application in order to be eligible for a Texas hope tuition grant. Requires a person to meet the applicable requirements of Section 56.1031 or 56.1032 and have complied with any other administrative requirements adopted by the Texas Higher Education Coordinating Board (coordinating board) in order to be eligible for a grant. Provides that a person is not eligible to receive a grant while enrolled in an undergraduate program or if the person has been convicted of an offense under

Chapter 481, Health and Safety Code (Texas Controlled Substances Act), unless the person has had the record of the offense expunged from the person's record. Makes conforming changes.

Sec. 56.1031. REQUIREMENTS FOR HOPE TUITION GRANT FOR PUBLIC SERVICE. Sets forth the requirements for receiving a hope tuition grant for public service.

Sec. 56.1032. REQUIREMENTS FOR TEACH FOR TEXAS HOPE TUITION GRANT. Sets forth the requirements for receiving a Teach for Texas tuition grant.

Sec. 56.104. ADMINISTRATIVE AUTHORITY. Makes conforming changes.

Sec. 56.105. PAYMENT OF GRANT; AMOUNT. Sets forth the requirements for the coordinating board that are used to determine if a person is eligible for a grant and to distribute the amount of the grant to the institute of higher education. Makes conforming changes.

Sec. 56.1055. GRANT CONDITIONAL; REPAYMENT. Provides that a Texas hope tuition grant is conditioned on the person's maintenance of all qualifications and performance of the applicable public service or teaching requirements of Section 56.1031 or 56.1032. Provides that the grant is considered a loan until the conditions of the grant are fulfilled. Requires the coordinating board to requires a person who receives a grant to sign a promissory note outlining certain conditions of repayment. Requires all amounts collected in repayment of a grant to be deposited to the credit of the Texas hope tuition scholarship trust fund. Sets forth provisions regarding a person's failure to satisfy the conditions of the grant.

Sec. 56.106. New heading: ADOPTION AND DISTRIBUTION OF RULES. Created from existing Sec. 56.107. Deletes existing text.

Sec. 56.107. FUNDING. Provides that the Texas Hope Tuition Scholarship Program is funded from the Texas hope tuition scholarship trust fund, which is established outside the treasury but is held in trust by the comptroller of public accounts. Provides that the money in the trust fund may be spent without appropriation and only to fund the program. Requires interest and income from the assets of the trust fund to be credited to and deposited in the trust fund. Authorizes the coordinating board to spend a certain amount from the trust fund, in each state fiscal year, to cover the costs of administering the program. Authorizes the legislature to appropriate money to the Texas tuition scholarship trust fund. Makes a conforming change.

SECTION 2. Amends Section 466.355(b), Government Code, to require five percent of the balance of the money in the state lottery fund, after certain other conditions are met, to be transferred to the Texas hope tuition scholarship trust fund established by Chapter 56G, Government Code.

SECTION 3. (a) Effective date: September 1, 1997.

(b) Requires the state lottery proceeds to be transferred to the Texas hope tuition scholarship trust fund as provided by Section 466.355(b), Government Code, beginning with the month in which this Act takes effect.

(c) Requires the Texas Higher Education Coordinating Board to make grants under the Texas Hope Tuition Scholarship Program beginning with the 1998 fall semester.

SECTION 4. Emergency clause.