

BILL ANALYSIS

Senate Research Center

H.B. 3447
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Education
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Engrossed

DIGEST

Students from families who make enough money to disqualify the student for need-based loans and grants may still have difficulty paying for college without some financial assistance. This need was addressed by the student government of West Texas A&M University through a student referendum in which students voted to add a \$ 0.50 fee for each semester hour to fund an endowment to be used to fund scholarships and internships for such students. H.B. 3447 establishes an optional Student Endowment Scholarship and Internship Program (program), in which institutions of higher education may participate upon election to do so by the student government, to assist students with the payment of college costs through funded scholarships and internships. This bill further sets up methods of funding through an additional student fee and matching state funds.

PURPOSE

As proposed, H.B. 3447 creates a student endowment scholarship and internship program.

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 56, Education Code, by adding Subchapter M, as follows:

SUBCHAPTER M. STUDENT ENDOWMENT SCHOLARSHIP AND INTERNSHIP PROGRAM

Sec. 56.241. DEFINITION. Defines "general academic teaching institution."

Sec. 56.242. STUDENT ENDOWMENT SCHOLARSHIP AND INTERNSHIP PROGRAM. Provides that the Student Endowment Scholarship and Internship Program (program) is an optional grant program for all general academic teaching institutions (institutions).

Sec. 56.243. ELECTION TO PARTICIPATE. Authorizes an institution to elect to participate in the program no later than September 1, 2004. Provides that for the institution to elect to participate, the institution's student government must determine by official action that the program would benefit the institution, and if so determined, the majority of students of the institution must vote for the fee and potential matching grant from the state in a general election called for that purpose. Requires the governing board (board) of the institution to impose and decide the structure of the additional fee if so approved in the election.

Sec. 56.244. TYPES OF SCHOLARSHIPS; INTERNSHIP. Requires an institution to provide financial assistance under this subchapter through scholarships based on leadership, financial need, and academic achievement and through an internship program.

Sec. 56.245. ELIGIBILITY. Requires the board, with the assistance of an advisory committee (committee) established by the board, to implement certain eligibility requirements and selection methods with respect to the program. Specifies that a student is ineligible for a student endowment scholarship or student endowment internship funding if on disciplinary or academic probation, or if the student is not enrolled at the institution. Authorizes the institution to provide financial assistance under this subchapter to students in any field or major designated by the institution.

Sec. 56.246. AMOUNT OF SCHOLARSHIP OR INTERNSHIP FUNDING. Prohibits the amount of student endowment scholarship funding for an internship from exceeding \$500 per semester or summer session during the five-year period during which the institution may receive state matching funds. (b) Prohibits the amount of a student endowment scholarship from exceeding the amount of tuition and required fees a student would be charged by the institution. Prohibits the amount of student endowment internship funding from exceeding the amount of tuition and required fees that a student would be charged by the institution during the student's period of internship. (d) Provides that on receipt of a scholarship or internship funding under this subchapter, a student must comply with applicable conditions of the scholarship or funding.

Sec. 56.247. STUDENT ENDOWMENT FUND. Requires each institution to establish a student endowment fund consisting of the revenue from the additional student fee, the state matching funds, and the interest and other income from investment of the fund. Requires the fund to be invested by the board according to policies governing investment of such funds. Requires scholarships and internships to be paid from the fund, subject to the requirements of this section and Section 56.247, Education Code. Authorizes scholarships and internships to be paid from the income and principal of the fund, except that after the five-year period when state matching funds are payable, for any year no more than five percent of the principal of the fund may be expended for that purpose. Provides that five percent of the capital gains for any year from investment of the fund is considered income for purposes of this section.

SECTION 2. Effective date: September 1, 1999.

SECTION 3. Emergency clause.