

BILL ANALYSIS

Senate Research Center
76R14032 CAG-D

C.S.H.B. 713
By: Cuellar (Ellis)
Education
4/30/1999
Committee Report (Substituted)

DIGEST

A national study reviewed by the Texas Higher Education Coordinating Board showed that college participation and graduation rates decrease as family income decreases. In Texas, at least 46 percent of all households and 62 percent of African-American and Hispanic households have annual incomes of less than \$25,000. The rising cost of tuition, fees, and other expenses, such as room, board, books, and transportation, has made attending a Texas institution of higher education prohibitively expensive for many Texas students and their families. C.S.H.B. 713 would establish provisions regarding the Texas Hope Grant Program and the Teach for Texas Program, by consolidating financial aid, grant, and scholarship programs, as well as providing for the education, certification, and recruitment of teachers.

PURPOSE

As proposed, C.S.H.B. 713 establishes provisions regarding the Texas Hope Grant Program and the Teach for Texas Program, by consolidating financial aid, grant, and scholarship programs, as well as providing for the education, certification, and recruitment of teachers.

RULEMAKING AUTHORITY

Rulemaking authority is granted to the Texas Higher Education Coordinating Board in SECTION 1 (Sections 56.303(a) and (b), Education Code) of this bill.

SECTION BY SECTION ANALYSIS

SECTION 1. Amends Chapter 56, Education Code, by adding Subchapter M, as follows:

SUBCHAPTER M. TEXAS HOPE GRANT PROGRAM AND TEACH FOR TEXAS GRANT PROGRAM

Sec. 56.301. DEFINITIONS. Defines “coordinating board,” “eligible institution,” private or independent institution of higher education,” “public junior college,” and “public technical institute.”

Sec. 56.302. PROGRAM NAME; PURPOSE. Provides that the student financial assistance program authorized by this subchapter is known as the Texas Hope Grant Program (Hope program), and an individual grant awarded is known as a Texas Hope grant (Hope grant). Establishes that the purpose of this subchapter is to provide a grant of money to enable eligible students to attend public and private institutions of higher education in this state.

Sec. 56.303. ADMINISTRATION OF PROGRAM. Requires the Texas Higher Education Coordinating Board (THECB) to administer the program and to adopt any rules necessary to implement the Hope program or subchapter. Requires THECB to adopt rules to provide a grant to an eligible student in the most efficient way possible. Prohibits the amount of a grant from exceeding the amount available for the Hope program. Requires THECB to award grants to students who demonstrate the greatest financial need with the highest priority.

Sec. 56.304. ELIGIBLE PERSON. Sets forth initial Hope grant eligibility requirements for a person. Provides that a person with a baccalaureate degree is not eligible for a Hope grant. Prohibits a person from receiving a Hope grant for more than 150 semester credit hours or the equivalent. Provides that a person’s eligibility for a Hope grant ends on the sixth anniversary of the person’s initial enrollment in an eligible institution. Prohibits a person from being eligible for

a Hope grant if the person has been convicted of a felony or certain other offenses, unless the person has fulfilled certain conditions.

Sec. 56.305. **ACADEMIC PERFORMANCE REQUIREMENTS.** Authorizes a person to continue to receive a Hope grant during each semester or term in which the person is enrolled, after initially qualifying, only if the person continues to meet certain requirements. Prohibits the person from receiving a Hope grant, if the person fails to meet any of the requirements, during the next semester or term in which the person enrolls. Authorizes a person to become eligible to receive a Hope grant in a subsequent semester or term if certain requirements are fulfilled. Sets forth conditions by which a person makes satisfactory academic progress toward an undergraduate degree or certificate.

Sec. 36.306. **GRANT USE.** Authorizes a person receiving a Hope grant to use the money to pay certain standard costs incurred by a student, if the student is a first semester college student or the student maintains a 3.0 GPA or greater. Authorizes an institution to disburse all or part of the proceeds of a Hope grant to an eligible person only if all tuition and required fees incurred by the person at the institution have been paid. Requires a person receiving a Hope grant to use the money for payment of tuition, fees, or textbooks at an institution if the student maintains a GPA of 2.5 or greater but less than 3.0.

Sec. 36.307. **GRANT AMOUNT.** Sets forth the Hope grant amount awarded to a student by THECB per semester hour for a person enrolled in an eligible institution, a private or independent institution of higher education, public technical institute, or public junior college. Prohibits the amount of a grant from being reduced by any gift aid for which the person is eligible, with an exception. Requires THECB, not later than January 31 of each year, to publish the amounts of a Hope grant per semester hour for each type of institution established for the next academic year.

Sec. 56.308. **NOTIFICATION OF PROGRAM TO STUDENTS AND HIGH SCHOOLS.** Requires THECB to distribute to each eligible institution and to each school district a copy of the rules. Sets forth requirements for each school district. Requires certain information to be included on a student's transcript not later than the end of the student's junior year.

Sec. 56.309. **TEACH FOR TEXAS GRANT PROGRAM.** (a) Provides that a Teach for Texas tuition grant (TFT grant) is available only to a person who receives a Hope grant, applies for a grant, and is enrolled as a junior or senior in a baccalaureate degree program if certain conditions exist.

(b) Requires a person, in order to receive a TFT grant, to agree to teach full-time for five years in a public school in this state in the person's chosen critical field or in a community experiencing a critical teacher shortage.

(c) Establishes that the amount of a TFT grant is equal to double the amount of a Hope grant for the same semester or term. Authorizes a person to receive both a Hope grant and a TFT grant for the same semester or term.

(d) Requires a person to begin fulfilling the teaching obligation not later than the 18th month after the person completes the degree program and any related courses required for teacher certification, unless THECB grants the person additional time. Requires the person to complete the teaching obligation within six years after the date of beginning to fulfill the teaching obligation. Requires THECB to grant a person additional time to complete the teaching obligation for good cause.

(e) Requires THECB to cancel a person's teaching obligation if certain circumstances occur regarding the person.

(f) Requires THECB to require a person who receives a TFT grant to sign a promissory note acknowledging the conditional nature of the grant and promising to repay the amount of the TFT grant plus applicable interest and reasonable collection costs if the person does not satisfy the applicable conditions. Requires THECB to determine the terms of the promissory note.

(g) Requires the amount required to be repaid by a person who fails to complete the teaching

obligation of the person's TFT grant to be determined in proportion to the portion of the teaching obligation that the person has satisfied.

(h) Provides that a person receiving a TFT grant is considered to have failed to satisfy the conditions of the grant, and the grant automatically becomes a loan, if the person fails to fulfill certain conditions.

Sec. 56.310. FUNDING. Authorizes THECB to accept gifts and grants from any public or private source, and authorizes the legislature to appropriate money for the purposes of this subchapter.

SECTION 2. Amends Section 54.064, Education Code, to provide that the provisions of Subsection (a) requiring an academic scholarship do not apply to student athletes who meet the qualifications of the Americans with Disabilities Act of 1990. Makes conforming changes.

SECTION 3. Amends Section 54.5021(c), Education Code, to authorize the amount allocated to be used only for making Hope and TFT grant awards under Chapter 56M. Deletes text regarding a scholarship to needy and deserving students.

SECTION 4. Amends Section 56.033(a), Education Code, to require the governing boards of institutions of higher education and the Texas State Technical College System to cause certain percentages of each student's tuition to be set aside. Deletes text regarding provisions related to percentages withheld by the General Appropriations Act from a student's tuition for certain academic years. Makes conforming changes.

SECTION 5. Amends Chapter 56C, Education Code, by adding Section 56.0331, as follows:

Sec. 56.0331. INTERIM SET-ASIDE RATES. Provides that for the academic years listed in Subsections (b) and (c), the amounts of tuition set aside under Sections 56.033(a)(1), (4), and (5) are as provided by this section instead of as provided by Sections 56.033(a)(1), (4), and (5). Establishes the amount set aside under Section 56.033(a)(1). Sets forth the amount set aside under Sections 56.033(a)(4) and (5). Provides that Subsection (c) does not affect the amount set aside out of each nonresident student's hourly tuition charge under Section 56.033(a)(4). Provides that this section expires September 1, 2003.

SECTION 6. Amends Section 56.039, Education Code, to make conforming changes.

SECTION 7. Amends Section 151.423, Tax Code, to make conforming changes.

SECTION 8. Repealers: Section 54.207, 54.208, and 54.216, Education Code (regarding students from other nations of the American hemisphere, firemen enrolled in fire science courses, and the Texas New Horizons Scholarships).

SECTION 9. Repealers, effective June 1, 1999: Subchapters F, G, and J, Chapter 56, Education Code (regarding the Texas educational opportunity grant program, Texas tuition assistance grant program, and minority doctoral incentive programs).

SECTION 10. Provides that any money appropriated to, collected for, or that exists in an account to support any program abolished under SECTION 8 or 9 is transferred to THECB for use in the Hope and TFT grant programs.

SECTION 11. Authorizes a person receiving financial aid under Subchapter G or J, Chapter 56, Education Code, on the effective date of this Act, to continue to receive financial aid until the person is no longer eligible for the scholarship as the section exists on January 1, 1999. Requires the costs to be covered by the program.

SECTION 12. Require THECB to award grants under Hope and TFT grant programs beginning with the 1999 fall semester. Requires THECB to adopt rules for awarding Hope and TFT grants not later than July 31, 1999. Authorizes THECB to award a TFT grant to a person who has not received a Hope grant if the person meets all of the other qualifications for the award of a TFT and Hope grant. Provides that this

section expires September 1, 2001.

SECTION 13. Provides that Section 56.304(a)(2), Education Code, does not apply to a person if the person fulfills certain conditions. Provides that this section expires September 1, 2001.

SECTION 14. Emergency clause.
Effective date: upon passage.

SUMMARY OF COMMITTEE CHANGES

SECTION 1.

Amends Chapter 56M, Education Code, to add a new heading.

Amends Section 56.302, Education Code, to establish the purpose of the Texas Hope Grant Program, rather than the Texas Gateway to the Future Program.

Amends Section 56.303, Education Code, to make conforming changes.

Amends Section 56.304, Education Code, to add a new heading. Establishes additional requirements for a person for a Hope grant. Provides that a person's eligibility for a Hope grant ends on the sixth anniversary of the person's initial enrollment in an eligible institution. Prohibits a person from being eligible for a Hope grant if the person has been convicted of a felony or certain other offenses, unless the person has fulfilled certain conditions. Deletes proposed text regarding certain eligibility requirements and required school certification by the commissioner of education. Makes a conforming change.

Amends Section 56.305, Education Code, to add a new heading. Sets forth certain academic requirements for a person to continue to be eligible to receive a Hope grant. Establishes conditions by which a person makes satisfactory academic progress.

Amends Section 56.306, Education Code, to establish conditions regarding a student's use of a Hope grant in relation to the person's grade point average.

Amends Section 56.307, Education Code, to establish the amount of a grant per semester hour with regard to the type of institution of higher education.

Amends Section 56.308, Education Code, to add a new heading. Establishes conditions required by each school district.

Amends Section 56.309, Education Code, to establish the conditions and requirements of the Teach for Texas tuition grant.

Amends Section 56.310, Education Code, to authorize THECB to accept gifts and grants from any public or private source, and authorizes the legislature to appropriate money for the purposes of this subchapter. Redesignated from proposed Section 56.309.

SECTION 2.

Amends Section 54.064, Education Code, to provide that the provisions of Subsection (a) requiring an academic scholarship do not apply to student athletes who meet the qualifications of the Americans with Disabilities Act of 1990. Makes conforming changes.

SECTION 3.

Redesignated from proposed SECTION 2.

SECTION 4.

Amends Section 56.033(a), Education Code, to require the governing boards of institutions of higher education and the Texas State Technical College System to cause certain percentages of each student's tuition to be set aside. Deletes text regarding provisions related to percentages

withheld by the General Appropriations Act from a student's tuition for certain academic years. Makes conforming changes. Deletes proposed SECTIONS 4 through 13.

SECTION 5.

Amends Section 56.0331, Education Code, to establish conditions regarding interim set-aside rates. Provides that this section expires September 1, 2003.

SECTION 6.

Redesignated from proposed SECTION 3.

SECTION 7.

Redesignated from proposed SECTION 14.

SECTION 8.

Repealers: Sections 54.207 and 54.208, Education Code (regarding students from other nations of the American hemisphere and firemen enrolled in fire science courses). Redesignated from proposed SECTION 15.

SECTION 9.

Repealers: Chapters 56G and J, Education Code (regarding Texas tuition assistance grant program and minority doctoral incentive programs). Redesignated from proposed SECTION 16.

SECTION 10.

Makes conforming changes. Redesignated from proposed SECTION 17. Deletes proposed SECTION 18.

SECTION 11.

Makes conforming changes. Redesignated from proposed SECTION 19. Deletes proposed SECTION 20.

SECTION 12.

Requires THECB to adopt rules for awarding Hope and TFT grants not later than July 31, 1999. Authorizes THECB to award a TFT grant to a person who has not received a Hope grant if the person meets all of the other qualifications for the award of a TFT and Hope grant. Provides that this section expires September 1, 2001. Redesignated from proposed SECTION 19. Deletes SECTIONS 20 through 23.

SECTION 13.

Provides that Section 56.304(a)(2), Education Code, does not apply to a person if the person fulfills certain conditions. Provides that this section expires September 1, 2001.

SECTION 14.

Redesignated from proposed SECTION 24.