

BILL ANALYSIS

Senate Research Center
79R12039 CAS-F

H.B. 2041
By: Campbell (Duncan)
S/C on Higher Education
5/16/2005
Engrossed

AUTHOR'S/SPONSOR'S STATEMENT OF INTENT

The state's master plan for higher education, *Closing the Gaps*, calls for 600,000 more students to be educated by the year 2015. In order to accommodate this targeted growth, institutions of higher education will be required to substantially increase enrollments.

In order to manage the growing student population in an efficient manner, the state has the opportunity to encourage students to attend institutions where there is capacity. Specifically, financial aid incentives, such as the TEXAS Grant Program, can be provided for students to attend universities where the infrastructure to support and the capacity to enroll exists currently.

H.B. 2041 establishes a pilot project to provide incentives for students to attend either Angelo State University or Sul Ross State University, both of which have the capacity to enroll more students without the need for additional facilities. The Texas Higher Education Coordinating Board (THECB) is required to establish the pilot project and award grants in an amount equal to a TEXAS grant award to a student who enrolls in either of the pilot project institutions and who meets all the requirements to receive a TEXAS grant. The initial pilot project would be established for 1,000 students at Angelo State University and 600 students at Sul Ross State University for the 2005-2006 and 2006-2007 academic years and will award continuation grants to the pilot projects in future years. Funding for the awards to pilot project students shall be provided through TEXAS Grants and B-On-Time funding.

H.B. 2041 also requires THECB to report to the 80th Legislature in the spring of 2007.

RULEMAKING AUTHORITY

Rulemaking authority is expressly granted to the Texas Higher Education Coordinating Board in SECTION 2 of this bill.

SECTION BY SECTION ANALYSIS

SECTION 1. Amends Subchapter M, Chapter 56, Education Code, by adding Section 56.3012, as follows:

Sec. 56.3012. PILOT PROJECT TO PROVIDE INCENTIVES FOR ATTENDANCE AT UNDERUTILIZED PUBLIC INSTITUTIONS. (a) Requires the Texas Higher Education Coordinating Board (board) to establish a TEXAS grant pilot project as provided by this section to encourage students to attend eligible public institutions of higher education that offer extensive baccalaureate degree program options and that have sufficient facilities, administrative infrastructure, and faculty to serve additional students in order to reduce the need for this state to construct additional facilities or hire additional faculty at other institutions of higher education.

(b) Requires the board, from money available under Section 56.310 (Funding) for purposes of this subchapter and money available under Section 56.464 (Funding) for purposes of Subchapter Q (Texas B-On-Time Loan Program), to set aside sufficient money to provide TEXAS grants for the 2005-2006 and 2006-2007 academic years to certain students who are initially eligible for a grant under Section 56.304 (Initial Eligibility for Grant) or 56.3041 (Initial Eligibility of Person on Track to Complete Recommended or Advanced Curriculum) in either of those years.

(c) Authorizes a person awarded a grant as provided by Subsection (b) who continues to be eligible for a grant under Section 56.305 (Continuing Eligibility and Academic Performance Requirements), to the extent money set aside under Subsection (b) is available for the purpose, to receive a grant from the money set aside. Authorizes the person, if money set aside under Subsection (b) is not available to pay for a grant under Section 56.305, to receive a grant from money available under Section 56.310 on the same basis as other TEXAS grant applicants.

(d) Requires the board to reallocate for grants under this subchapter or for loans under Subchapter Q, as applicable, any money set aside for purposes of the TEXAS grant pilot project that is not used in the academic year for which the money is set aside. Authorizes money reallocated under this subsection to be used at any eligible institution under this subchapter or Subchapter Q.

(e) Provides that this subchapter, except as otherwise specifically provided by this section, applies to a TEXAS grant awarded under this section.

(f) Requires the board to develop criteria for evaluating the TEXAS grant pilot project and, based on that evaluation, not later than January 1, 2007, to report to the 80th Legislature the board's recommendations concerning whether to continue, expand to other underutilized eligible public institutions of higher education, or discontinue the TEXAS grant pilot project.

SECTION 2. Requires the Texas Higher Education Coordinating Board to adopt rules to administer Section 56.3012, Education Code, as added by this Act, as soon as practicable after the date this Act takes effect. Authorizes the board, for that purpose, to adopt the initial rules in the manner provided by law for adoption of emergency rules.

SECTION 3. Effective date: upon passage or September 1, 2005.