

BILL ANALYSIS

Senate Research Center
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H.B. 2907
By: Branch (Carona)
Higher Education
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Engrossed

AUTHOR'S / SPONSOR'S STATEMENT OF INTENT

Provisions of law authorizing tuition equalization grants (TEGs) are in need of an update to make clarifications and to better reflect a program that has moved from central administration to campus-based administration. H.B. 2907 seeks to harmonize TEG administrative practices with requirements of the Texas Higher Education Coordinating Board (THECB) auditing rules.

H.B. 2907 amends current law relating to the requirements for and procedures governing tuition equalization grants.

RULEMAKING AUTHORITY

Rulemaking authority previously granted to the Texas Higher Education Coordinating Board is modified in SECTION 3 (Section 61.2251, Education Code, as added by Chapter 1230 (H.B. 1172), Acts of the 79th Legislature, Regular Session, 2005) of this bill.

SECTION BY SECTION ANALYSIS

SECTION 1. Amends Sections 61.221 and 61.224, Education Code, as follows:

Sec. 61.221. TUITION EQUALIZATION GRANTS AUTHORIZED. Provides that, in order to provide the maximum possible utilization of existing educational resources and facilities within this state, both public and private, the Texas Higher Education Coordinating Board (THECB) is authorized to provide tuition equalization grants (TEGs) to Texas residents enrolled in any approved private Texas college or university, based on student financial need, but not to exceed a grant amount of more than that specified in the appropriation by the legislature or as provided by Section 61.227.

Sec. 61.224. APPLICATION OF GENERAL APPROPRIATIONS ACT RIDERS. Requires that those riders in the General Appropriations Act that apply to expenditure of state funds at state-supported colleges and universities also apply to expenditure of state funds at any college or university attended by a student receiving aid under this subchapter, rather than at any college or university which any student receiving aid under this subchapter may attend.

SECTION 2. Amends Section 61.225(b), Education Code, to require a person, to be eligible for a TEG, to meet certain conditions, including that the person be a Texas resident as defined under Subchapter B (Tuition Rates), Chapter 54 (Tuition and Fees), rather than as defined by THECB, and meet, at a minimum, the resident requirements defined by law for Texas resident tuition in fully state-supported institutions of higher education, and not be a recipient of any form of athletic scholarship while receiving the TEG.

SECTION 3. Amends Sections 61.2251(b), (c), and (e), Education Code, as added by Chapter 1230 (H.B. 1172), Acts of the 79th Legislature, Regular Session, 2005, as follows:

(b) Requires a person, to be eligible for a TEG in the first academic year in which the person receives the grant, to meet certain criteria, including that the person be a Texas resident as defined under Subchapter B, Chapter 54, and meet, at a minimum, the resident requirements defined by law for Texas resident tuition in fully state-supported institutions

of higher education, and not be a recipient of any form of athletic scholarship while receiving a TEG. Makes a conforming change.

(c) Authorizes a person, after qualifying for a TEG under Subsection (b), to receive a TEG in a subsequent academic year in which the person is enrolled at an approved institution only if the person:

(1) meets the requirements of Subsection (b), including, as of the end of the full academic year in which the person initially receives a TEG, making satisfactory academic progress toward a degree or certificate as determined by the institution at which the person is enrolled;

(2) as of the end of each subsequent academic year in which the person receives a TEG, has completed at least a certain amount of credit hours;

(3) has earned an overall grade point average of at least 2.5 on a four-point scale or the equivalent on coursework previously attempted at public or private institutions of higher education; and

(4) has completed at least 75 percent of the semester credit hours attempted in the person's most recent full academic year.

(e) Requires THECB to adopt rules to allow a person who is otherwise eligible to receive a TEG, in the event of a hardship or for other good cause shown, to receive a TEG if the person does not:

(1) make satisfactory academic progress as required under Subsection (b)(6) (relating to making satisfactory academic progress toward a degree or certificate as determined by the institution at which the person is enrolled) or (c)(1);

(2) complete the semester credit hours required by Subsection (c)(2) or (4);

(3) maintain the grade point average required by Subsection (c)(3); or

(4) complete the person's certificate or degree program within the period prescribed by Subsection (d) (relating to a person's eligibility for a TEG ending).

SECTION 4. Redesignates Section 61.2251, Education Code, as added by Chapter 1181 (S.B. 1227), Acts of the 79th Legislature, Regular Session, 2005, as Section 61.2252, Education Code, and makes no further changes.

SECTION 5. Amends Sections 61.227(a), (b), (c), and (e), Education Code, as follows:

(a) Requires the institution at which the student is enrolled, on determination of a person's financial aid, rather than requiring THECB on receipt of a certification of the amount of financial need from an approved institution, to certify the amount of the TEG based on financial need but not to exceed a grant amount of more than that specified in the appropriation by the legislature, or more than the difference between the tuition at the private institution attended and the tuition at public colleges and universities.

(b) Requires that the proper amount of the TEG be paid to the student through the college or university in which the student is enrolled.

(c) Prohibits a grant paid pursuant to this subchapter in behalf of any student during any one fiscal year, unless the legislature specifies the TEG amount by legislative appropriation, from exceeding an amount equal to 50 percent of the average state appropriation in the biennium preceding the biennium in which the grant is made for a full-time student or the equivalent at public senior colleges and universities, as determined by THECB, rather than requiring that a TEG paid pursuant to this subchapter in behalf of any student during any one fiscal year that in no event exceed an amount

equal to 50 percent of the average state appropriation in the biennium preceding the biennium in which the grant is made for a full-time student or the equivalent at public senior colleges and universities, as determined by THECB.

(e) Authorizes a TEG for an academic period for an undergraduate student who establishes exceptional financial need in accordance with the procedures and rules of THECB, notwithstanding any restrictions provided by Subsection (c) on the amount of a grant, to be certified by the institution at which the undergraduate student is enrolled, rather than by THECB, in an amount not to exceed 150 percent of the amount of the grant that the student would otherwise have been awarded for that period under the other provisions of this section.

SECTION 6. Amends Section 61.230, Education Code, as follows:

Sec. 61.230. ANNUAL REPORT. Deletes existing Subsection (a) designation. Requires THECB to include in its annual report to the legislature on financial aid in this state a breakdown of TEG recipients by ethnicity indicating the percentage of each ethnic group that received TEG money at each institution, rather than for each academic year at each institution.

SECTION 7. Provides that the changes in law made by this Act apply beginning with TEGs awarded for the 2011-2012 academic year. Provides that a TEG awarded for an academic year before that academic year is covered by the law in effect when the grant was awarded, and that law is continued in effect for that purpose.

SECTION 8. Effective date: upon passage or September 1, 2011.