

BILL ANALYSIS

Senate Research Center
85R3739 MM-F

S.B. 885
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Higher Education
3/6/2017
As Filed

AUTHOR'S / SPONSOR'S STATEMENT OF INTENT

Established in 1999, the Toward Excellence and Success (TEXAS) Grant program provides grants to financially needy students entering college. With the roughly \$3billion investment by the legislature in the TEXAS Grant program, more than 400,000 students have received an award. This program has a significant impact in increasing participation and success regarding higher education goals. Specifically, the TEXAS Grant program will go a long way to help meet the new higher education goals of the state, 60x30TX, improving access to higher education and increasing student outcomes. S.B. 885 allows for more new students to receive the award.

S.B. 885 limits TEXAS Grant awards to tuition and fees. Currently, awards are given to cover the cost of attendance, which includes room and board, supplies, transportation, and personal expenses. This would eliminate the possibility of students using these funds for non-educational expenses, and would allow more students to receive awards.

Currently, institutions must use non-loan funds or work-study to cover the difference in the students' tuition and fees and the amount of the TEXAS Grant. S.B. 885 eliminates work-study as a potential matching fund to cover any difference in the amount of a TEXAS Grant and the actual amount of tuition and required fees since work-study funds are not a direct payment to the student until after the tuition bill is due.

Finally this bill cleans up language and provides greater clarity on eligibility requirements, as well as aligning the due date of the report by the Texas Higher Education Coordinating Board to the legislature with the annual financial aid report.

As proposed, S.B. 885 amends current law relating to eligibility for a TEXAS grant and to administration of the TEXAS grant program.

RULEMAKING AUTHORITY

Rulemaking authority previously granted to the Texas Higher Education Coordinating Board (THECB) is modified in SECTION 3 (Section 56.304, Education Code) and SECTION 9 (Section 56.305, Education Code) of this bill.

Rulemaking authority previously granted to THECB is rescinded in SECTION 4 (Section 56.3041, Education Code) and SECTION 14 (Section 56.307, Education Code) of this bill.

SECTION BY SECTION ANALYSIS

SECTION 1. Amends Section 56.303(f), Education Code, as follows:

(f) Requires each eligible institution, beginning with Toward Excellence and Success (TEXAS) grants awarded for the 2013-2014 academic year, in determining who should receive an initial TEXAS grant, to give highest priority to students who meet the eligibility criteria described by Section 56.3041(a)(1)(A), rather than by Section 56.3041(2)(A). Requires an eligible institution, if there is money available in excess of the amount required to award an initial TEXAS grant to all criteria-meeting students, to make awards to other students meeting the eligibility criteria described by Section 56.3043(a)(1)(A), rather than Section 56.304(a)(2)(A).

SECTION 2. Amends the heading to Section 56.304, Education Code, to read as follows:

Sec. 56.304. GENERAL ELIGIBILITY FOR GRANT.

SECTION 3. Amends Sections 56.304(a), (e-1), and (h), Education Code, as follows:

(a) Requires a person, to be eligible for a TEXAS grant to, rather than to be eligible initially for a TEXAS grant a person who graduated from high school before May, 1 2013, must:

(1) makes no change to this subdivision;

(2) deletes existing Subdivision (2) (relating to meeting certain academic requirements). Redesignates existing Subdivision (3) as Subdivision (2) and makes no further changes;

(3) redesignates existing Subdivision (4) as Subdivision (3) and makes no further changes;

(4) subject to Sections 56.3041(a)(2) and 56.3043(a)(2), be enrolled in at least three-fourths of a full course load for an undergraduate student, as determined by the Texas Higher Education Coordinating Board (THECB);

(5) deletes existing Subdivision (5) (relating to certain enrollment criteria). Redesignates existing Subdivision (6) as Subdivision (5) and makes no further changes; and

(6) redesignates existing Subdivision (7) as Subdivision (6) and makes no further changes.

(e-1) Provides that, unless a person is provided additional time during which the person may receive a TEXAS grant, rather than if a person is initially awarded a TEXAS grant during or after the 2005 fall semester unless the person is provided additional time during which the person may receive a TEXAS grant, the person's eligibility for TEXAS grant ends at certain times.

(h) Requires THECB to adopt rules to allow a person who is otherwise eligible to receive a TEXAS grant, under certain circumstances, to receive a TEXAS grant while enrolled in a number of semester credit hours that is less than the number of semester credit hours required under Subsection (a)(4) or Section 56.3041(a)(2) or 56.3043(a)(2) as applicable, rather than under Subsection (a)(5) or Section 56.3041(5), as applicable.

SECTION 4. Amends Section 56.3041, Education Code, as follows:

Sec. 56.3041. New heading: ADDITIONAL REQUIREMENTS REGARDING INITIAL ELIGIBILITY. (a) Requires a person graduating from high school and enrolling in an eligible institution, in addition to the requirements under Section 56.304 and except as provided by Section 56.3043, rather than requires a person graduating from high school on or after May 1, 2013, and enrolling in an eligible institution, to be eligible initially for a TEXAS grant, to:

(1) deletes existing Subdivision (1), requiring a person to be a resident of this state as determined by THECB rules. Redesignates existing Subdivision (2) as Subdivision (1), requiring a person to meet certain academic requirements, including a qualification for exemption as described by Section 51.3062(p) (relating to certain exemptions determined by performance on SATs and ACTs), (q) (relating to certain exemptions determined by performance on end-of-course assessment instrument), (q-1) relating to certain exemptions for performance on certain postsecondary readiness assessment instruments), or (q-2) (relating to

certain exemptions for successfully completing a college preparatory course) and makes conforming and nonsubstantive changes; and

(2) deletes existing Subdivisions (3), (4), (6), and (7). Redesignates existing Subdivision (5) as Subdivision (2) and makes a conforming change.

(b) Makes a conforming change.

SECTION 5. Amends Sections 56.3042(a), (a-1), (c), and (d), Education Code, as follows:

(a) Makes a conforming change.

(a-1) Provides that the student is considered to have satisfied the associate degree requirements of Section 56.3041(a)(1)(B), rather than Section 56.304(a)(2)(B) or 56.3041(2)(B), under certain circumstances.

(c) Authorizes a person who is required to forgo or repay the amount of an initial TEXAS grant to subsequently become eligible to receive an initial TEXAS grant only by satisfying the associate degree requirement prescribed by Section 56.3041(a)(1)(B) and other requirements of that section and Section 56.304 applicable to the person at the time the person reapplies for the initial grant, rather than become eligible to receive an initial TEXAS grant under Section 56.304 or 56.3041 by satisfying the associate degree requirement prescribed by Section 56.304(a)(2)(B) or 56.3041(2)(B) and other requirements of those sections applicable to the person at the time the person reapplies for the grant.

(d) Authorizes certain persons to become eligible to receive a subsequent TEXAS grant under Section 56.305, only by satisfying certain requirements. Makes conforming and nonsubstantive changes.

SECTION 6. Amends Subchapter M, Chapter 56, Education Code, by adding Section 56.3043, as follows:

Sec. 56.3043. **ADDITIONAL REQUIREMENTS REGARDING INITIAL ELIGIBILITY OF PERSON GRADUATING FROM HIGH SCHOOL BEFORE MAY 1, 2013.** (a) Requires a person who graduated from high school before May 1, 2013, in addition to the requirements under Section 56.304, to be eligible initially for a TEXAS grant, to meet certain academic requirements.

(b) Provides that the requirement in Subsection (a)(1)(A) that a person must have complete the recommended or advanced high school curriculum does not apply to a person who attended a public high school in a school district that certifies to the commissioner of education (commissioner) that the high school did not offer all the necessary courses for a person to complete all parts of the recommended or advanced high school curriculum, and completed all courses at the high school offered toward the completion of the recommended or advanced high school curriculum.

(c) Requires the commissioner, not later than March 1 of each year, to provide to THECB a list of all the public high schools that do not offer all the courses necessary to complete all parts of the recommended or advanced high school curriculum described by Subsection (b)(1).

SECTION 7. Amends Section 56.3045(b), Education Code, to provide the eligibility of a person to receive an initial TEXAS grant, provided that the person meets the requirements described by Sections 56.304 and 56.305(a), rather than Section 56.305(a).

SECTION 8. Amends the heading to Section 56.305, Education Code, to read as follows:

Sec. 56.305. **CONTINUING ELIGIBILITY.**

SECTION 9. Amends Sections 56.305(a), (c), (e-1), and (g), Education Code, as follows:

(a) Authorizes a person, after initially qualifying for a TEXAS grant, to continue to receive a TEXAS grant during each semester or term in which the person is enrolled at an eligible institution only if, in addition to the requirements under Section 56.304, the person makes satisfactory academic progress toward a baccalaureate degree. Deletes existing text setting forth certain requirements.

(c) Prohibits a person, if the person fails to meet any of the requirements of Subsection (a) and Section 56.304(a), from receiving a TEXAS grant during the next semester or term in which the person enrolls. Makes a conforming change.

(e-1) Provides that a person, rather than that a person who is initially awarded a TEXAS grant during or after the 2005 fall semester, is making satisfactory academic progress toward an undergraduate degree or certificate, only if certain requirements are met.

(g) Requires THECB to adopt rules to allow a person who is otherwise eligible to receive a TEXAS grant, under certain circumstances, to receive a TEXAS grant if the student's grade point average or the student's completion rate or number of semester credit hours completed, as applicable, falls below the satisfactory academic progress requirements of Subsection (e-1). Deletes existing text allowing a person to receive a TEXAS grant while enrolled in a number of semester credit hours that is less than the number of semester credit hours required under Subsection (a)(3) in the event of a hardship or for other good cause.

SECTION 10. Amends Section 56.306, Education Code, as follows:

Sec. 56.306. GRANT USE. Authorizes a person receiving a TEXAS grant to use the money to pay tuition and required fees, rather than to pay any usual and customary cost of attendance, at an eligible institution incurred by the student. Prohibits the institution from disbursing any part of the proceeds of a TEXAS grant directly to an eligible person, rather than authorizing the institution to disburse all or part of the proceeds of a TEXAS grant directly to an eligible person only if the tuition and required fees incurred by the person at the institution have been paid.

SECTION 11. Amends Section 56.307, Education Code, by amending Subsections (a), (f), (i-1), and (j), and adding Subsections (b) and (j-1), as follows:

(a) Provides that the maximum amount of a TEXAS grant for a semester or term for a person enrolled at an eligible institution is an amount not to exceed the lesser of certain amounts or the person's unmet financial need for the semester or term. Deletes existing text providing that the amount of a TEXAS grant for a semester or term for a person enrolled full-time at an eligible institution is a certain amount determined by THECB.

(b) Prohibits the person, for purposes of Subsection (a)(1), if the amount of a person's Pell Grant exceeds the amount of tuition and required fees for a semester or term, from being eligible to receive a TEXAS grant for that semester or term.

(f) Prohibits the amount of TEXAS grant, except as otherwise provided by this subsection, from being reduced by any gift aid, other than a Pell Grant, for which the person receiving the grant is eligible, rather than prohibiting the amount of a TEXAS grant from being reduced by any gift aid for which the person receiving the grant is eligible. Requires the amount of the grant, if the total amount of the person's grant plus any gift aid received exceeds the person's, rather than student's, financial need, to be reduced so that the total amount of the person's grant plus any gift aid received equals the person's financial need.

(i-1) Authorizes a public institution of higher education (IHE) to elect to award a TEXAS grant to any student in an amount that is less than the applicable amount established under Subsection (a), rather than Subsection (a) or (e).

(j) Requires a public IHE to use other available sources of financial aid, other than a loan or work study, rather than other than a loan, to cover any difference in the amount of a TEXAS grant awarded to the student and the actual amount of tuition and required fees at the IHE if the difference results from certain circumstances. Makes a conforming change.

(j-1) Provides that a public IHE is exempted from the requirements under Subsection (j) for any person who did not receive a priority for the award under Section 56.303(e).

SECTION 12. Amends Sections 56.308(b) and (d), Education Code, as follows:

(b) Requires each school district to notify certain people of the TEXAS grant program, rather than the TEXAS grant and Teach for Texas grant programs, and ensure that each student's official transcript or diploma indicates whether the student has completed or is on schedule to complete, for a school district covered by Section 56.3043(b)(1), rather than Section 56.304(f)(1), the required portion of the recommended or advanced high school curriculum in the manner described by Section 56.3043(b)(2), rather than Section 56.304(f)(2). Makes a nonsubstantive change.

(d) Provides that a person who graduated from an accredited private high school, in addition to the eligibility requirements of Sections 56.304, 56.3041, and 56.3043, rather than Section 56.304, is only eligible to receive a grant if the student's official transcript or diploma includes certain information.

SECTION 13. Amends Sections 56.311(a), (b), (c), (c-1), (e), and (g), Education Code, as follows:

(a) to (c) Makes conforming changes.

(c-1) Requires THECB to include in its annual report to the legislature on financial aid in this state a report to the Legislative Oversight Committee on the TEXAS grant program (committee) regarding the operation of the TEXAS grant program, rather than requiring THECB, not later than September 1 of each year, to provide a report to the committee. Sets forth certain information to be included in the program, including information from the three preceding state fiscal years, disaggregated and reported in certain ways, of the number of TEXAS grants awarded to students who meet eligibility criteria described by Section 56.3041(a)(1)(A) or Section 56.3043(a)(1)(A), rather than only the eligibility criteria described by Section 56.304 or Section 56.3041(2)(A).

(e) and (g) Makes conforming and nonsubstantive changes.

SECTION 14. Repealers: Sections 56.303(d-1) (relating to allocations of money for the TEXAS grant program), Education Code.

Repealers: Sections 56.304(e) (relating to a person's eligibility for a TEXAS grant), (f) (relating to certain exceptions that a person must have completed certain curriculum), and (g) (relating to the requirement that the commissioner provide THECB with certain information), Education Code.

Repealers: Sections 56.305(b) (relating to the effects of certain felonies on a person's eligibility), (d) (relating to a continued eligibility under certain circumstances), and (e) (relating to the definition of "satisfactory academic progress"), Education Code.

Repealers: Sections 56.307(d-1) (relating to THECB determining average statewide tuition and fee amounts), (e) (relating to authorizing THECB to adopt rules to increase or decrease the amount of TEXAS grant aid, and (g) (relating to THECB's publication of the amount of grant aid), Education Code.

Repealer: Section 56.3071 (Effect of Eligibility For Tuition Equalization Grant), Education Code.

SECTION 15. Provides that this Act applies beginning with the 2018 fall semester.

SECTION 16. Effective date: upon passage or September 1, 2017.