

## **BILL ANALYSIS**

Senate Research Center  
78R2178 KEL-D

S.B. 1200  
By: Lucio  
Subcommittee on Higher Education  
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As Filed

### **DIGEST AND PURPOSE**

Current projections show that education levels are declining because of demographic changes. Tuition increases have made college inaccessible to many young people. As proposed, S.B. 1200 creates a new grant program to provide high school graduates free tuition, fees, and books for up to two years at any public community, technical, or lower-division institution in Texas.

### **RULEMAKING AUTHORITY**

Rulemaking authority is expressly granted to the Texas Higher Education Coordinating Board in SECTION 1 (Sections 56.453 and 56.457, Education Code) of this bill.

### **SECTION BY SECTION ANALYSIS**

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

#### **SUBCHAPTER Q. TEXASNEXTSTEP GRANT PROGRAM**

Sec. 56.451. DEFINITIONS. Defines "coordinating board," "eligible institution," "institution of higher education," "public junior college," "public technical institute," "public state college," and "textbook costs."

Sec. 56.452. PROGRAM NAME; PURPOSE. (a) Provides that the student financial assistance program authorized by this subchapter is known as the TexasNextStep grant program, and an individual grant awarded under this subchapter is known as a TexasNextStep grant.

(b) Provides that the purpose of this subchapter is to provide a grant of money to enable eligible students to attend two-year public institutions of higher education in this state.

Sec. 56.453. ADMINISTRATION OF PROGRAM. (a) Requires the Texas Higher Education Coordinating Board (THECB) to administer the TexasNextStep grant program and to adopt any rules necessary to implement the TexasNextStep grant program or this subchapter. Requires THECB to consult with the student financial aid officers of eligible institutions in developing the rules.

(b) Requires THECB to adopt rules to provide a TexasNextStep grant to an eligible student enrolled in an eligible institution in a manner consistent with the administration of federal student financial aid programs.

(c) Prohibits the total amount of grants awarded under the TexasNextStep grant program from exceeding the amount available for the program from appropriations, gifts, grants, or other funds.

Sec. 56.454. INITIAL ELIGIBILITY FOR GRANT. (a) Sets forth eligibility requirements for a grant under the TexasNextStep grant program.

(b) Sets forth characteristics of a person ineligible to receive a TexasNextStep grant.

(c) Prohibits a person from receiving a TexasNextStep grant for more than 90 semester credit hours or the equivalent, including any developmental course work required by an eligible institution.

(d) Authorizes a person, subject to Section 56.457(b)(2), to receive a TexasNextStep grant regardless of whether the person is eligible for a TEXAS grant or a TEXAS grant II.

(e) Prohibits a person from receiving a TexasNextStep grant for a semester or term that begins on or after the third anniversary of the initial award of a TexasNextStep grant to the person.

Sec. 56.455. CONTINUING ELIGIBILITY AND ACADEMIC PERFORMANCE REQUIREMENTS. (a) Authorizes a person, after initially qualifying for a TexasNextStep grant, to continue to receive a TexasNextStep grant during each semester or term in which the person is enrolled at an eligible institution only if the person meets certain qualifications.

(b) Exempts a person from the one-half course load requirement of Subsection (a)(2) if the TexasNextStep grant is awarded for the person's final semester or term before the person completes the person's degree or certificate program and the person enrolls in one or more courses that, if successfully completed, would allow the person to complete the degree or certificate requirements. Provides that a person who qualifies for an exemption under this subsection is not eligible for a TexasNextStep grant in a subsequent semester or term, regardless of whether the person graduates as planned.

(c) Prohibits a person, if the person fails to meet any of the requirements of Subsection (a) after the completion of any semester or term, from receiving a TexasNextStep grant during the next semester or term in which the person enrolls. Authorizes a person to become eligible to receive a TexasNextStep grant in a subsequent semester or term if the person meets certain qualifications.

(d) Provides that for purposes of this section, a person makes satisfactory academic progress toward an associate degree or certificate only if the person meets the standards for academic progress as determined by the eligible institution.

(e) Provides that a person's eligibility to receive a TexasNextStep grant is not affected by the person's enrollment in or transfer to another eligible institution.

Sec. 56.456. GRANT USE. Authorizes a person receiving a TexasNextStep grant to use the money to pay any usual and customary cost of attendance at an eligible institution incurred by the person. Authorizes the institution to disburse all or part of the proceeds of a TexasNextStep grant to an eligible person only if the tuition and required fees and textbook costs incurred by the person at the institution have been paid.

Sec. 56.457. GRANT AMOUNT. (a) Provides that the amount of a TexasNextStep grant for a student enrolled full-time at an eligible institution is the amount determined by THECB as the average amount of tuition and required fees and textbook costs that a resident student enrolled full-time in an associate degree or certificate program would be charged for that semester or term at the institution, except that if the eligible institution is a public junior college, the average amount of those charges shall be computed without including the portion of tuition

and required fees charged only to a student who resides outside the junior college district.

(b) Requires THECB to adopt rules that:

(1) allow THECB to increase or decrease, in proportion to the number of semester credit hours in which a student is enrolled, the amount of a TexasNextStep grant award under this section to a student who is enrolled in a number of semester credit hours in excess of or below the number of semester credit hours described in Section 56.454(a)(2) or 56.455(a)(2); and

(2) require THECB to reduce the amount of a TexasNextStep grant by the amount of any state or federal gift aid for which the person receiving the grant is eligible if that aid could be applied, according to the terms of the aid, toward the person's tuition and required fees and textbook costs at the eligible institution.

(c) Requires THECB, not later than January 31 of each year, to publish the amounts of each grant established by the board with respect to an eligible institution for the academic year beginning the next fall semester.

(d) Prohibits an eligible institution from:

(1) charging a person attending the institution who also receives a TexasNextStep grant an amount of tuition and required fees in excess of the amount of the TexasNextStep grant received by the person for tuition and required fees, except that if the eligible institution is a public junior college, the institution is authorized to charge an additional amount to the person based on the person's residence outside the junior college district; or

(2) denying admission to or enrollment in the institution based on a person's eligibility to receive a TexasNextStep grant or a person's receipt of a TexasNextStep grant.

SECTION 2. (a) Provides that Section 1 of this Act applies beginning with the 2003-2004 academic year, except that the Texas Higher Education Coordinating Board may not award a TexasNextStep grant under Chapter 56Q, Education Code, as added by this Act, to an entering student who enrolls in an eligible institution before the 2004-2005 academic year.

(b) Requires the Texas Higher Education Coordinating Board to adopt rules for the administration of Chapter 56Q, Education Code, as added by this Act, as soon as practicable after this Act takes effect. Authorizes THECB, for that purpose, to adopt the initial rules in the manner provided by law for emergency rules.

SECTION 3. Effective date: upon passage or September 1, 2003.