

By: Farabee

H.B. No. 1450

A BILL TO BE ENTITLED

AN ACT

relating to the creation of the TexasNextStep grant program to pay tuition and required fees and textbook costs of certain students enrolled in two-year public institutions of higher education in this state.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

SECTION 1. Chapter 56, Education Code, is amended by adding Subchapter R to read as follows:

SUBCHAPTER R. TEXASNEXTSTEP GRANT PROGRAM

Sec. 56.481. DEFINITIONS. In this subchapter:

(1) "Coordinating board" means the Texas Higher Education Coordinating Board.

(2) "Eligible institution" means:

(A) a public junior college;

(B) a public technical institute; or

(C) a public state college.

(3) "Institution of higher education," "public junior college," "public technical institute," and "public state college" have the meanings assigned by Section 61.003.

(4) "Textbook costs" means the costs of textbooks and similar educational materials required for course work at an eligible institution.

Sec. 56.482. PROGRAM NAME; PURPOSE. (a) The student financial assistance program authorized by this subchapter is known

1 as the TexasNextStep grant program, and an individual grant awarded
2 under this subchapter is known as a TexasNextStep grant.

3 (b) The purpose of this subchapter is to provide a grant of
4 money to enable eligible students to attend two-year public
5 institutions of higher education in this state.

6 Sec. 56.483. ADMINISTRATION OF PROGRAM. (a) The
7 coordinating board shall administer the TexasNextStep grant
8 program and shall adopt any rules necessary to implement the
9 TexasNextStep grant program or this subchapter. The coordinating
10 board shall consult with the student financial aid officers of
11 eligible institutions in developing the rules.

12 (b) The coordinating board shall adopt rules to provide a
13 TexasNextStep grant to an eligible student enrolled in an eligible
14 institution in a manner consistent with the administration of
15 federal student financial aid programs.

16 (c) The total amount of grants awarded under the
17 TexasNextStep grant program may not exceed the amount available for
18 the program from appropriations, gifts, grants, or other funds.

19 Sec. 56.484. INITIAL ELIGIBILITY FOR GRANT. (a) To be
20 eligible initially for a grant under the TexasNextStep grant
21 program, a person must:

22 (1) be a resident of this state as determined by
23 coordinating board rules;

24 (2) not later than the 16th month after the month in
25 which the person graduated from high school, enroll or have
26 enrolled as an entering student for at least one-half of a full
27 course load for an entering student, as determined by the

1 coordinating board, in an associate degree or certificate program
2 at an eligible institution;

3 (3) have graduated from:

4 (A) a public high school in this state; or

5 (B) an accredited private high school or a home
6 school or other nontraditional educational program in this state;

7 (4) have applied for any available financial aid or
8 assistance;

9 (5) meet eligibility requirements necessary to
10 receive federal student financial aid, other than requirements
11 regarding financial need; and

12 (6) comply with any additional nonacademic
13 requirement adopted by the coordinating board under this
14 subchapter.

15 (b) A person is not eligible to receive a TexasNextStep
16 grant if the person:

17 (1) has been granted an associate or baccalaureate
18 degree; or

19 (2) is concurrently enrolled in an institution of
20 higher education other than an eligible institution, unless the
21 person is enrolled in the person's final semester or term at the
22 eligible institution before completing the person's associate
23 degree or certificate program and the person enrolls in one or more
24 courses that, if successfully completed, would allow the person to
25 complete the degree or certificate requirements.

26 (c) A person may not receive a TexasNextStep grant for more
27 than 90 semester credit hours or the equivalent, including any

1 developmental course work required by an eligible institution.

2 (d) Subject to Section 56.487(b)(2), a person may receive a
3 TexasNextStep grant regardless of whether the person is eligible
4 for a TEXAS grant or a TEXAS grant II.

5 (e) A person may not receive a TexasNextStep grant for a
6 semester or term that begins on or after the third anniversary of
7 the initial award of a TexasNextStep grant to the person.

8 Sec. 56.485. CONTINUING ELIGIBILITY AND ACADEMIC
9 PERFORMANCE REQUIREMENTS. (a) After initially qualifying for a
10 TexasNextStep grant, a person may continue to receive a
11 TexasNextStep grant during each semester or term in which the
12 person is enrolled at an eligible institution only if the person:

13 (1) is enrolled in an associate degree or certificate
14 program at an eligible institution;

15 (2) except as provided by Subsection (b), is enrolled
16 for at least one-half of a full course load for a student in an
17 associate degree or certificate program, as determined by the
18 coordinating board;

19 (3) makes satisfactory academic progress toward an
20 associate degree or certificate;

21 (4) meets eligibility requirements necessary to
22 receive federal student financial aid, other than requirements
23 regarding financial need; and

24 (5) complies with any additional nonacademic
25 requirement adopted by the coordinating board.

26 (b) A person is exempt from the one-half course load
27 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. 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) If a person fails to meet any of the requirements of Subsection (a) after the completion of any semester or term, the person may not receive a TexasNextStep grant during the next semester or term in which the person enrolls. A person may become eligible to receive a TexasNextStep grant in a subsequent semester or term if the person:

(1) completes a semester or term during which the person is not eligible for the grant; and

(2) meets all the requirements of Subsection (a).

(d) 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) 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. 56.486. GRANT USE. A person receiving a TexasNextStep grant may use the money to pay any usual and customary cost of attendance at an eligible institution incurred by the person. The

1 institution may disburse all or part of the proceeds of a
2 TexasNextStep grant to an eligible person only if the tuition and
3 required fees and textbook costs incurred by the person at the
4 institution have been paid.

5 Sec. 56.487. GRANT AMOUNT. (a) The amount of a
6 TexasNextStep grant for a student enrolled full-time at an eligible
7 institution is the amount determined by the coordinating board as
8 the average amount of tuition and required fees and textbook costs
9 that a resident student enrolled full-time in an associate degree
10 or certificate program would be charged for that semester or term at
11 the institution, except that if the eligible institution is a
12 public junior college, the average amount of those charges shall be
13 computed without including the portion of tuition and required fees
14 charged only to a student who resides outside the junior college
15 district.

16 (b) The coordinating board shall adopt rules that:

17 (1) allow the coordinating board to increase or
18 decrease, in proportion to the number of semester credit hours in
19 which a student is enrolled, the amount of a TexasNextStep grant
20 award under this section to a student who is enrolled in a number of
21 semester credit hours in excess of or below the number of semester
22 credit hours described in Section 56.484(a)(2) or 56.485(a)(2); and

23 (2) require the coordinating board to reduce the
24 amount of a TexasNextStep grant by the amount of any state or
25 federal gift aid for which the person receiving the grant is
26 eligible if that aid could be applied, according to the terms of the
27 aid, toward the person's tuition and required fees and textbook

1 costs at the eligible institution.

2 (c) Not later than January 31 of each year, the coordinating
3 board shall publish the amounts of each grant established by the
4 board with respect to an eligible institution for the academic year
5 beginning the next fall semester.

6 (d) An eligible institution may not:

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

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

17 Sec. 56.488. BIENNIAL REPORT. The coordinating board
18 shall:

19 (1) for each eligible institution, track the academic
20 performance of and subsequent levels of education attained by grant
21 recipients; and

22 (2) report the data biennially to the legislature and
23 the comptroller.

24 SECTION 2. (a) Section 1 of this Act applies beginning
25 with the 2005–2006 academic year, except that the Texas Higher
26 Education Coordinating Board may not award a TexasNextStep grant
27 under Subchapter R, Chapter 56, Education Code, as added by this

1 Act, to an entering student who enrolls in an eligible institution
2 before the 2006-2007 academic year.

3 (b) The Texas Higher Education Coordinating Board shall
4 adopt rules for the administration of Subchapter R, Chapter 56,
5 Education Code, as added by this Act, as soon as practicable after
6 this Act takes effect. For that purpose, the coordinating board may
7 adopt the initial rules in the manner provided by law for emergency
8 rules. This subsection expires September 1, 2006.

9 SECTION 3. This Act takes effect immediately if it receives
10 a vote of two-thirds of all the members elected to each house, as
11 provided by Section 39, Article III, Texas Constitution. If this
12 Act does not receive the vote necessary for immediate effect, this
13 Act takes effect September 1, 2005.