

By: Lucio, et al.

S.B. No. 722

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

1 awarded for the person's final semester or term before the person  
2 completes the person's degree or certificate program and the person  
3 enrolls in one or more courses that, if successfully completed,  
4 would allow the person to complete the degree or certificate  
5 requirements. A person who qualifies for an exemption under this  
6 subsection is not eligible for a TexasNextStep grant in a  
7 subsequent semester or term, regardless of whether the person  
8 graduates as planned.

9 (c) If a person fails to meet any of the requirements of  
10 Subsection (a) after the completion of any semester or term, the  
11 person may not receive a TexasNextStep grant during the next  
12 semester or term in which the person enrolls. A person may become  
13 eligible to receive a TexasNextStep grant in a subsequent semester  
14 or term if the person:

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

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

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

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

25 Sec. 56.486. GRANT USE. A person receiving a TexasNextStep  
26 grant may use the money to pay any usual and customary cost of  
27 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 incurred by the person at the institution have been  
4 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 \$30 per semester credit hour for textbooks and the  
8 amount determined by the coordinating board as the average amount  
9 of tuition and required fees and that a resident student enrolled  
10 full-time in an associate degree or certificate program would be  
11 charged for that semester or term at the institution, except that if  
12 the eligible institution is a public junior college, the average  
13 amount of those charges shall be computed without including the  
14 portion of tuition and required fees charged only to a student who  
15 resides outside the junior college 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 \$30 per semester credit hour 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.