

By: Shapiro, West

S.B. No. 1227

Substitute the following for S.B. No. 1227:

By: Morrison

C.S.S.B. No. 1227

A BILL TO BE ENTITLED

1

AN ACT

2 relating to enrollment in public and private postsecondary
3 educational institutions, to payment of the costs of attending
4 those educational institutions, and to financial aid and other
5 measures to assist students to pay those costs.

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

7 SECTION 1. Subsection (e), Section 52.17, Education Code,
8 is amended to read as follows:

9 (e) Amounts paid to the board by the federal Lender's
10 Special Allowance program may:

11 (1) be deposited in:

12 (A) the Texas college interest and sinking fund;

13 or

14 (B) ~~[7]~~ a board interest and sinking fund; ~~[7]~~ or

15 (2) be used by the board for the administration of
16 student loan and grant programs ~~[and the Teacher Loan Program and~~
17 ~~Future Teacher Loan Program authorized under House Bill 72, 68th~~
18 ~~Legislature, 2nd Called Session, 1984, or other programs]~~
19 administered by the board, including the making of grants under
20 Subchapter M, Chapter 56 ~~[as specified by the legislature in the~~
21 ~~General Appropriations Act].~~

22 SECTION 2. Section 52.31, Education Code, is amended to
23 read as follows:

24 Sec. 52.31. PARTICIPATING INSTITUTIONS. In this

1 subchapter, "participating [A participating] higher educational
2 institution" means a public or private nonprofit [is any]
3 institution of higher education, [public or private nonprofit,]
4 including a junior college, [which is recognized or] accredited by
5 a recognized accrediting agency as defined by Section 61.003, or a
6 regional education service center or other entity that offers an
7 alternative educator certification program approved by the State
8 Board for Educator Certification, that:

9 (1) is located in this state; and

10 (2) [the Texas Education Agency or the Coordinating
11 Board, Texas College and University System, or its successors, and
12 which] complies with the provisions of this chapter and the rules
13 [and regulations] of the board promulgated in accordance with this
14 chapter.

15 SECTION 3. Section 52.32, Education Code, is amended by
16 amending Subsections (a) and (b) and adding Subsection (a-1) to
17 read as follows:

18 (a) The board may authorize loans from the Texas Opportunity
19 Plan Fund to a qualified ~~[students if the]~~ applicant who:

20 (1) is a resident of this state ~~[Texas]~~ as defined by
21 the board in accordance with Subchapter B, Chapter 54 ~~[of this~~
22 ~~code]~~;

23 (2) has been accepted for enrollment at a
24 participating higher educational institution, provided that if the
25 institution is a public or private [any] postsecondary educational
26 institution, the institution must be [within the State of Texas,
27 public or private, which has been] approved by an agency of the

1 United States government for the purpose of guaranteeing the maker
2 of such loans against loss due to the death, disability, or default
3 of the borrower [~~. If the postsecondary institution that the~~
4 ~~student has been accepted to attend was not a participating~~
5 ~~institution as defined in Section 52.31 of this code on May 1, 1985,~~
6 ~~the applicant must provide evidence that he is unable to obtain a~~
7 ~~guaranteed student loan from a commercial lender except as provided~~
8 ~~by Subsection (b) of this section];~~

9 (3) has established that the student [~~he~~] has
10 insufficient resources to finance the student's [~~his~~] college
11 education;

12 (4) has been recommended by reputable persons in the
13 student's [~~his~~] home community; and

14 (5) has complied with other requirements established
15 by the rules [~~and regulations~~] adopted by the board in conformity
16 with this chapter.

17 (a-1) Except as provided by Subsection (b), if the
18 institution to which the applicant has been accepted for enrollment
19 was not a participating institution, as defined by Section 52.31,
20 on May 1, 1985, the applicant must provide evidence that the
21 applicant is unable to obtain a guaranteed student loan from a
22 commercial lender.

23 (b) If a loan applicant is enrolled at a career school or
24 college in a degree program that is approved by the board or at a
25 regional education service center or other entity in an alternative
26 educator certification program that is approved by the State Board
27 for Educator Certification, the applicant is not required to

1 provide evidence that the applicant is unable to obtain a
2 guaranteed student loan from a commercial lender under Subsection
3 (a-1) [~~(a)(2) of this section~~].

4 SECTION 4. Subsection (c), Section 52.91, Education Code,
5 is amended to read as follows:

6 (c) The board shall repay bonds issued by the board to fund
7 the Texas B-On-time student loan program using legislative
8 appropriations and money collected by the board as repayment for
9 Texas B-On-time student loans awarded by the board. The board may
10 use tuition set aside under Section 56.465 to repay bonds issued by
11 the board for the Texas B-On-time student loan program. The board
12 may not use money collected by the board as repayment for student
13 loans awarded by the board under Subchapter C to repay bonds issued
14 by the board for the Texas B-On-time student loan program under
15 Section 56.464(b).

16 SECTION 5. Section 54.007, Education Code, is amended by
17 adding Subsection (f) to read as follows:

18 (f) A student may elect to pay the tuition and fees of an
19 institution of higher education by installment under this section
20 regardless of whether the student intends to apply a financial aid
21 award administered by the institution toward the tuition and fees,
22 except that a student whose financial aid award or awards are
23 available to cover the total amount of tuition and fees may not pay
24 by installment under this section. On receipt of notice of a
25 student's election to pay tuition and fees by installment, the
26 governing board of the institution shall apply any financial aid
27 award administered for the student toward the amount of tuition and

1 fees due for that semester or summer session until the tuition and
2 fees are paid in full and shall immediately release any remaining
3 amount of the award to the student, except that the institution is
4 not required to apply the award or awards toward the total amount of
5 tuition and fees in exigent circumstances as determined by the
6 institution.

7 SECTION 6. Subchapter A, Chapter 54, Education Code, is
8 amended by adding Section 54.0071 to read as follows:

9 Sec. 54.0071. AUTHORITY OF INSTITUTION TO PROVIDE PAYMENT
10 OPTIONS FOR STUDENT WITH DELAYED FINANCIAL AID. (a) The governing
11 board of an institution of higher education may postpone the due
12 date for the payment of all or part of the tuition and fees for a
13 student for a semester or summer session in which the student will
14 receive one or more delayed financial aid awards if:

15 (1) the student has not received the awards by the
16 regular due date for payment of the tuition and fees; and

17 (2) the student agrees to assign to the institution a
18 portion of the awards equal to the amount of tuition and fees for
19 which the due date is postponed.

20 (b) A postponed due date under Subsection (a) applies only
21 to the portion of tuition and fees to be covered by the student's
22 delayed financial aid awards. When the financial aid awards become
23 available, a governing board that postpones a due date under this
24 section shall apply the awards toward the amount of tuition and fees
25 due and immediately release any remaining amount of the awards to
26 the student.

27 (c) If after the due date for a student's tuition and fees is

1 postponed under this section the student becomes ineligible to
2 receive one or more of the delayed financial aid awards, or the
3 amount awarded is less than the amount of tuition and fees due, the
4 governing board shall provide the student a reasonable period, not
5 to exceed 30 days, to pay the unpaid amount of tuition and fees. The
6 board may deny a student credit for work done in the semester or
7 summer session if the student fails to pay the tuition and fees by
8 the end of that period.

9 (d) The Texas Higher Education Coordinating Board shall
10 prescribe procedures for the administration of this section.

11 (e) If a student with delayed financial aid awards has
12 elected to pay tuition and fees by installment as permitted by
13 Section 54.007 and if the governing board elects to postpone the due
14 date for the student's tuition and fees as authorized by this
15 section, the governing board in the manner provided by this section
16 shall postpone the due date for each installment payment that
17 becomes due before the student receives the awards.

18 SECTION 7. Subchapter B, Chapter 54, Education Code, is
19 amended by adding Section 54.0516 to read as follows:

20 Sec. 54.0516. SPECIAL SUMMER TUITION RATES AT TEXAS A&M
21 UNIVERSITY: PILOT PROGRAM. (a) This section applies only to a
22 resident undergraduate student enrolled for a summer term or
23 session at Texas A&M University.

24 (b) Tuition, other than tuition under Section 54.0513,
25 charged to a student to whom this section applies is three-fourths
26 of the amount otherwise provided by this subchapter.

27 (c) The amount that the board of regents may charge as

1 tuition under Section 54.0513 to a student to whom this section
2 applies may not exceed the amount of other tuition the board is
3 authorized to charge to the student under Subsection (b).

4 (d) This section applies only if the legislature
5 specifically appropriates money to Texas A&M University for the
6 state fiscal biennium ending August 31, 2007, to cover the tuition
7 revenue lost to the institution by the application of this section.

8 (e) This section applies only to a summer term or session in
9 2006 or 2007. This section expires January 1, 2008.

10 SECTION 8. Subsection (c), Section 54.214, Education Code,
11 is amended to read as follows:

12 (c) To be eligible for an exemption under this section, a
13 person must:

14 (1) be a resident of this state;

15 (2) be a school employee serving in any capacity;

16 (3) for the initial term or semester for which the
17 person receives an exemption under this section, have [who] worked
18 as an educational aide for at least one school year during the five
19 years preceding that [the] term or semester [for which the person
20 receives the exemption];

21 (4) [~~3~~] establish financial need as determined by
22 coordinating board rule;

23 (5) [~~4~~] be enrolled in courses required for teacher
24 certification at the institution of higher education granting the
25 exemption;

26 (6) [~~5~~] maintain an acceptable grade point average
27 as determined by coordinating board rule; and

1 (7) [~~(6)~~] comply with any other requirements adopted
2 by the coordinating board under this section.

3 SECTION 9. Section 54.2155, Education Code, is amended to
4 read as follows:

5 Sec. 54.2155. PAYMENT OF TUITION ASSISTANCE FOR MEMBERS OF
6 STATE MILITARY FORCES. (a) For [~~In the manner established by the~~
7 ~~Texas Higher Education Coordinating Board, for~~] each semester, the
8 adjutant general of the state military forces [~~coordinating board~~]
9 shall certify to institutions of higher education as described by
10 Section 431.090, Government Code, information identifying the
11 persons to whom the adjutant general [~~of the state military forces~~]
12 has awarded tuition assistance under that section [~~Section 431.090,~~
13 ~~Government Code, if the coordinating board has determined that~~
14 ~~sufficient money is available to reimburse institutions for tuition~~
15 ~~exemptions granted under this section and to make tuition~~
16 ~~assistance grants under Subsection (c)].~~

17 (b) An institution of higher education shall exempt a person
18 certified by the adjutant general as described by Subsection (a)
19 [~~coordinating board under this section~~] from the payment of tuition
20 for the semester credit hours for which the person enrolls, not to
21 exceed 12 semester credit hours. If the person is not charged
22 tuition at the rate provided for other Texas residents, the amount
23 of the exemption may not exceed the amount of tuition the person
24 would be charged as a Texas resident for the number of semester
25 credit hours for which the person enrolls, not to exceed 12 semester
26 credit hours.

27 [~~(b) From money appropriated for purposes of this section,~~

1 ~~the coordinating board shall reimburse an institution of higher~~
2 ~~education in an amount equal to the amount of the tuition exemption~~
3 ~~the institution grants to a person under Subsection (a).~~

4 ~~[(c) From money appropriated for purposes of this section,~~
5 ~~the coordinating board shall make a grant to a person attending a~~
6 ~~private or independent institution of higher education, as defined~~
7 ~~by Section 61.003, to whom the adjutant general has awarded tuition~~
8 ~~assistance for the semester under Section 431.090, Government Code.~~
9 ~~The amount of a grant under this section is an amount equal to the~~
10 ~~average amount of reimbursement the coordinating board estimates~~
11 ~~will be paid per student for the same semester under Subsection~~
12 ~~(b).]~~

13 SECTION 10. Subsection (b), Section 54.5021, Education
14 Code, is amended to read as follows:

15 (b) The student deposit fund of an institution of higher
16 education shall be used, at the discretion of the institution's
17 governing board, for making scholarship awards to needy and
18 deserving students of the institution and making grants under
19 Subchapter C, Chapter 56, to resident students of the institution.
20 The governing board shall administer the scholarship awards for the
21 institution, including the selection of recipients and the amounts
22 and conditions of the awards. The recipients of the scholarships
23 must be residents of the state as defined for tuition purposes.

24 SECTION 11. Section 56.033, Education Code, is amended by
25 adding Subsection (e) to read as follows:

26 (e) To supplement money set aside under Subsection (a), the
27 governing board of an institution of higher education may use money

1 received by the institution from the fee for issuance of collegiate
2 license plates under Section 504.615, Transportation Code, for
3 awarding Texas Public Educational Grants. The board may use the
4 money to award grants to both resident and nonresident students,
5 except that the board shall give priority to grants for resident
6 students. Notwithstanding Subsection (b), the board may not use
7 the money for emergency loans under Subchapter D.

8 SECTION 12. Section 56.051, Education Code, is amended to
9 read as follows:

10 Sec. 56.051. EMERGENCY LOANS. Each institution of higher
11 education may establish an emergency loan program under which
12 students are loaned money to pay tuition, ~~and~~ fees, and the costs
13 of textbooks.

14 SECTION 13. Section 56.052, Education Code, is amended to
15 read as follows:

16 Sec. 56.052. ELIGIBILITY. (a) The governing board of each
17 institution shall adopt rules establishing eligibility criteria.
18 The rules must allow eligible students to obtain loans on the basis
19 of the order of receipt of applications, except as provided by
20 Subsection (b).

21 (b) The governing board may adopt rules that allow the
22 institution to select loan recipients from the eligible applicants
23 according to financial need, regardless of when their applications
24 are received, if money available for the program is insufficient to
25 provide loans to each eligible applicant.

26 SECTION 14. Section 56.076, Education Code, is amended to
27 read as follows:

1 Sec. 56.076. ELIGIBLE EMPLOYER. An eligible institution
2 may enter into agreements with employers that participate in the
3 work-study program. To be eligible to participate in the
4 work-study program, an employer must:

5 (1) provide part-time employment to an eligible
6 student in nonpartisan and nonsectarian activities;

7 (2) provide, insofar as is practicable, employment to
8 an eligible student that is related to the student's academic
9 interests;

10 (3) use Texas college work-study program positions
11 only to supplement and not to supplant positions normally filled by
12 persons not eligible to participate in the work-study program;

13 (4) provide from sources other than federal college
14 work-study program funds a percentage [~~not less than 30 percent~~] of
15 an employed student's wages that is equal to the percentage of a
16 student's wages that the employer would be required to provide to
17 the student in that academic year under the [~~and 100 percent of~~
18 ~~other employee benefits for the employed student from sources other~~
19 ~~than~~] federal college work-study program [~~funds, if the employer is~~
20 ~~a nonprofit entity~~]; and

21 (5) provide from sources other than federal college
22 work-study funds [~~not less than 50 percent of an employed student's~~
23 ~~wages and~~] 100 percent of other employee benefits for the employed
24 student [~~, if the employer is a profit-making entity~~].

25 SECTION 15. Subchapter K, Chapter 56, Education Code, is
26 amended by adding Section 56.2011 to read as follows:

27 Sec. 56.2011. DEFINITION. In this subchapter,

1 "coordinating board" means the Texas Higher Education Coordinating
2 Board.

3 SECTION 16. Section 56.202, Education Code, is amended to
4 read as follows:

5 Sec. 56.202. PURPOSE. (a) The Early High School Graduation
6 Scholarship program is created to increase efficiency in the
7 Foundation School Program and to provide assistance for tuition or
8 tuition and mandatory fees, as provided by Section 56.204, to an
9 eligible person to enable that person to attend a [~~Texas~~] public or
10 private institution of higher education in this state.

11 (b) A portion of the savings to the Foundation School
12 Program that occur as a result of the program is dedicated to state
13 credits for tuition or tuition and mandatory fees, as applicable,
14 provided to an eligible person under the program.

15 SECTION 17. Section 56.203, Education Code, as amended by
16 Chapters 365 and 1317, Acts of the 78th Legislature, Regular
17 Session, 2003, is reenacted and amended to read as follows:

18 Sec. 56.203. ELIGIBLE PERSON. (a) To be eligible for an
19 award through the Early High School Graduation Scholarship program,
20 a person must:

21 (1) [~~have the written approval of at least one of the~~
22 ~~person's parents or a person standing in parental relation to the~~
23 ~~person, if the person graduated from high school in not more than 41~~
24 ~~consecutive months,~~

25 [(2)] have [~~successfully completed the recommended or~~
26 ~~advanced high school program established under Section 28.025 and~~
27 graduated from [~~a Texas public~~] high school:

1 (A) in not more than 41 consecutive months and
2 successfully completed the recommended or advanced high school
3 program established under Section 28.025, if the person graduated
4 on or after September 1, 2005;

5 (B) in not more than 45 consecutive months, [~~or,~~
6 ~~if the person graduated~~] with at least 30 hours of college credit,
7 and successfully completed the recommended or advanced high school
8 program established under Section 28.025, if the person graduated
9 on or after September 1, 2005 [~~in not more than 45 consecutive~~
10 months]; or

11 (C) in not more than 36 consecutive months after
12 successfully completing the requirements for a high school diploma,
13 if the person graduated before September 1, 2005, regardless of
14 whether the person successfully completed the recommended or
15 advanced high school program established under Section 28.025;

16 (2) [~~3~~] have attended high school exclusively in one
17 or more public high schools in this state [~~only~~]; and

18 (3) [~~4~~] be a Texas resident as defined by
19 coordinating board [~~Texas Higher Education Coordinating Board~~
20 rule.

21 (b) The [~~A person's~~] eligibility for the Early High School
22 Graduation Scholarship program of a person described by Subsection
23 (a)(1)(A) or (B) ends on the sixth anniversary of the date that the
24 person first becomes eligible to participate in the program, unless
25 the person is provided additional time to participate in the
26 program under Subsection (c).

27 (c) The coordinating board shall adopt rules to provide a

1 person described by Subsection (a)(1)(A) or (B) who is otherwise
2 eligible to participate in the Early High School Graduation
3 Scholarship program additional time to use a state credit for
4 tuition and mandatory fees under the program. The rules must
5 require a person seeking an extension under this subsection to show
6 hardship or other good cause that prevents the person from
7 enrolling in or continuing enrollment in an eligible institution
8 during the period provided by Subsection (b). For purposes of this
9 subsection, hardship or other good cause includes a severe illness
10 or other debilitating condition, ~~[or]~~ responsibility for the care
11 of a sick, injured, or needy person, or active duty or other service
12 in the United States armed forces.

13 (d) A person who does not satisfy the curriculum
14 requirements for the recommended or advanced high school program as
15 required to establish eligibility under Subsection (a)(1)(A) or (B)
16 ~~[of Subsection (a)(2)]~~ is considered to have satisfied those
17 requirements if the high school from which the person graduated
18 indicates on the person's transcript that the person was unable to
19 complete the appropriate curriculum within the time prescribed by
20 that subsection solely because of a reason beyond the person's
21 control, such as ~~[necessary courses were unavailable to the person~~
22 ~~at the appropriate times in the person's high school career as a~~
23 ~~result of course scheduling,~~] lack of enrollment capacity~~[7]~~ or a
24 shortage of qualified teachers ~~[another cause not within the~~
25 ~~person's control]~~.

26 SECTION 18. The heading to Section 56.204, Education Code,
27 is amended to read as follows:

1 Sec. 56.204. ENTITLEMENT[~~, MATCHING CREDIT~~].

2 SECTION 19. Section 56.204(a), Education Code, is amended
3 to read as follows:

4 (a) An eligible person under the Early High School
5 Graduation Scholarship program is entitled to a state credit to
6 apply toward tuition or [pay] tuition and mandatory fees, as
7 applicable, at a public or private institution of higher education
8 in this state in the following amounts:

9 (1) \$2,000 to apply toward tuition and mandatory fees
10 if the person successfully completed the recommended or advanced
11 high school program established under Section 28.025 and graduated
12 from high school on or after September 1, 2005, in 36 consecutive
13 months or less and an additional \$1,000 to apply toward tuition and
14 mandatory fees if the person graduated with at least 15 hours of
15 college credit;

16 (2) \$500 to apply toward tuition and mandatory fees if
17 the person successfully completed the recommended or advanced high
18 school program established under Section 28.025 and graduated from
19 high school on or after September 1, 2005, in more than 36
20 consecutive months but not more than 41 consecutive months and an
21 additional \$1,000 to apply toward tuition and mandatory fees if the
22 person graduated with at least 30 hours of college credit; [~~or~~]

23 (3) \$1,000 to apply toward tuition and mandatory fees
24 if the person successfully completed the recommended or advanced
25 high school program established under Section 28.025 and graduated
26 from high school on or after September 1, 2005, in more than 41
27 consecutive months but not more than 45 consecutive months with at

1 least 30 hours of college credit; or

2 (4) \$1,000 to apply only toward tuition if the person
3 graduated before September 1, 2005, after successfully completing
4 the requirements for a high school diploma in not more than 36
5 consecutive months.

6 SECTION 20. Section 56.205, Education Code, is amended to
7 read as follows:

8 Sec. 56.205. ISSUANCE OF CERTIFICATE. As soon as
9 practicable after the coordinating board confirms with the high
10 school from which a person graduated that the person is eligible for
11 an award through the Early High School Graduation Scholarship
12 program, the [The] coordinating board shall provide a certificate
13 for state credits for tuition or tuition and mandatory fees, as
14 applicable, to the [an] eligible person.

15 SECTION 21. Sections 56.206(a), (c), and (d), Education
16 Code, are amended to read as follows:

17 (a) On enrollment of an eligible person in an eligible
18 institution of higher education, the institution shall apply to the
19 person's charges for tuition or tuition and mandatory fees, as
20 applicable, for the enrollment period an amount equal to the lesser
21 of:

22 (1) the amount of the state credit available to the
23 person; or

24 (2) the person's actual tuition or tuition and
25 mandatory fees, as applicable.

26 (c) For each student using a state credit for tuition or
27 tuition and mandatory fees under this subchapter, the institution

1 of higher education shall report to the coordinating board the
2 following information:

3 (1) the student's name;

4 (2) the school district from which the student
5 graduated from high school; ~~and~~

6 (3) the amount of the state credit applied; and

7 (4) whether the state credit was applied toward
8 tuition or tuition and mandatory fees.

9 (d) Subject to Section 56.203(b), an eligible person may use
10 the state credit for enrollment in an eligible institution of
11 higher education during any semester or summer session, except the
12 ~~[person's]~~ initial use of the credit by a person who qualifies for
13 an award under Section 56.203(a)(1)(A) or (B) may not be for
14 enrollment during any term of a summer session immediately
15 following the person's graduation from high school.

16 SECTION 22. Section 56.207(b), Education Code, is amended
17 to read as follows:

18 (b) On receipt of a report from the coordinating board under
19 Subsection (a), the commissioner of education shall transfer to the
20 coordinating board, from funds appropriated for the Foundation
21 School Program, an amount sufficient to pay each eligible
22 institution of higher education the amount of state credit for
23 tuition or tuition and mandatory fees, as applicable, that is
24 applied by the institution during the period covered by the report.

25 SECTION 23. Section 56.2075(b), Education Code, is amended
26 to read as follows:

27 (b) The commissioner of education shall distribute money

1 from the foundation school fund in an amount sufficient to pay each
2 school district under Subsection (a).

3 SECTION 24. Subchapter K, Chapter 56, Education Code, is
4 amended by adding Section 56.210 to read as follows:

5 Sec. 56.210. NOTIFICATION BY HIGH SCHOOLS REGARDING PROGRAM
6 REQUIREMENTS. (a) When the student initially enrolls in the
7 school, each public high school in this state shall provide
8 information regarding the requirements of the Early High School
9 Graduation Scholarship program:

10 (1) to each freshman student enrolled when the school
11 year begins and to a parent, conservator, or guardian of the
12 student; and

13 (2) to each student who:

14 (A) enrolls in the school before the student's
15 senior year; and

16 (B) did not receive the information under
17 Subdivision (1).

18 (b) The information provided under Subsection (a) must
19 include:

20 (1) the number and type of high school course credits
21 necessary to satisfy the eligibility requirements for the Early
22 High School Graduation Scholarship program; and

23 (2) the appropriate order in which those high school
24 course credits must be earned to satisfy the eligibility
25 requirements, including course credits related to the curriculum
26 for the recommended or advanced high school program.

27 (c) The Texas Education Agency shall prepare a publication

1 that includes the information required to be provided under this
2 section and shall post that publication on the agency's website in a
3 form that enables a public high school to reproduce the information
4 for distribution to students, parents, and other persons as
5 required by this section.

6 SECTION 25. Section 56.304, Education Code, is amended by
7 amending Subsection (e) and adding Subsections (e-1) and (e-2) to
8 read as follows:

9 (e) If a person is initially awarded a TEXAS grant for an
10 academic period before the 2005 fall semester, the [A] person's
11 eligibility for a TEXAS grant ends on the sixth anniversary of the
12 initial award of a TEXAS grant to the person and the person's
13 enrollment in an eligible institution, unless the person is
14 provided additional time during which the person may receive a
15 TEXAS grant under Subsection (e-2) [~~this subsection~~].

16 (e-1) If a person is initially awarded a TEXAS grant for the
17 2005 fall semester or a later academic period, unless the person is
18 provided additional time during which the person may receive a
19 TEXAS grant under Subsection (e-2), the person's eligibility for a
20 TEXAS grant ends on:

21 (1) the fifth anniversary of the initial award of a
22 TEXAS grant to the person, if the person is enrolled in a degree or
23 certificate program of four years or less; or

24 (2) the sixth anniversary of the initial award of a
25 TEXAS grant to the person, if the person is enrolled in a degree
26 program of more than four years.

27 (e-2) The coordinating board shall adopt rules to provide a

1 person who is otherwise eligible to receive a TEXAS grant
2 additional time during which the person may receive a TEXAS grant in
3 the event of a hardship or other good cause shown that prevents the
4 person from continuing the person's enrollment during the period
5 the person would otherwise have been eligible to receive a TEXAS
6 grant, including a showing of a severe illness or other
7 debilitating condition or that the person is or was responsible for
8 the care of a sick, injured, or needy person.

9 SECTION 26. Section 56.305, Education Code, is amended by
10 amending Subsections (e) and (g) and adding Subsection (e-1) to
11 read as follows:

12 (e) For the purpose of this section, a person who is
13 initially awarded a TEXAS grant for an academic period before the
14 2005 fall semester makes satisfactory academic progress toward an
15 undergraduate degree or certificate only if:

16 (1) in the person's first academic year the person
17 meets the satisfactory academic progress requirements of the
18 institution at which the person is enrolled; and

19 (2) in a subsequent academic year, the person:

20 (A) completes at least 75 percent of the semester
21 credit hours attempted in the student's most recent academic year;
22 and

23 (B) earns an overall grade point average of at
24 least 2.5 on a four-point scale or the equivalent on coursework
25 previously attempted at institutions of higher education.

26 (e-1) For purposes of this section, a person who is
27 initially awarded a TEXAS grant for the 2005 fall semester or a

1 later academic period makes satisfactory academic progress toward
2 an undergraduate degree or certificate only if:

3 (1) in the person's first academic year the person
4 meets the satisfactory academic progress requirements of the
5 institution at which the person is enrolled; and

6 (2) in a subsequent academic year, the person:

7 (A) completed at least 24 semester credit hours
8 in the student's most recent academic year; and

9 (B) has earned an overall grade point average of
10 at least 2.5 on a four-point scale or the equivalent on coursework
11 previously attempted at institutions of higher education.

12 (g) The coordinating board shall adopt rules to allow a
13 person who is otherwise eligible to receive a TEXAS grant, in the
14 event of a hardship or for other good cause shown, including a
15 showing of a severe illness or other debilitating condition that
16 may affect the person's academic performance or that the person is
17 responsible for the care of a sick, injured, or needy person and
18 that the person's provision of care may affect the person's academic
19 performance, to receive a TEXAS grant:

20 (1) while enrolled in a number of semester credit
21 hours that is less than the number of semester credit hours required
22 under Subsection (a)(3); or

23 (2) if the student's grade point average or the
24 student's completion rate or number of semester credit hours
25 completed, as applicable, falls below the satisfactory academic
26 progress requirements of Subsection (e) or (e-1).

27 SECTION 27. Section 56.307, Education Code, is amended by

1 amending Subsections (b), (c), (d), (i), and (j) and adding
2 Subsections (d-1), (i-1), and (l) to read as follows:

3 (b) The amount of a TEXAS grant for a semester or term for a
4 student enrolled full-time at a private or independent institution
5 of higher education is the amount determined by the coordinating
6 board as the average statewide amount of tuition and required fees
7 that a resident student enrolled full-time in a baccalaureate
8 degree program would be charged for that semester or term at general
9 academic teaching institutions.

10 (c) The amount of a TEXAS grant for a semester or term for a
11 student enrolled full-time at a public technical institute is the
12 amount determined by the coordinating board as the average
13 statewide amount of tuition and required fees that a resident
14 student enrolled full-time in an associate degree or certificate
15 program would be charged for that semester or term at public
16 technical institutes.

17 (d) The amount of a TEXAS grant for a semester or term for a
18 student enrolled full-time at a public junior college is the amount
19 determined by the coordinating board as the average statewide
20 amount of tuition and required fees that a student who is a resident
21 of the junior college district and is enrolled full-time in an
22 associate degree or certificate program would be charged for that
23 semester or term at public junior colleges.

24 (d-1) The coordinating board shall determine the average
25 statewide tuition and fee amounts for a semester or term of the next
26 academic year for purposes of this section by using the amounts of
27 tuition and required fees that will be charged by the applicable

1 eligible institutions for that semester or term in that academic
2 year. The board may estimate the amount of the charges for a
3 semester or term in the next academic year by an institution if the
4 relevant information is not yet available to the board.

5 (i) A public institution of higher education may not:

6 (1) unless the institution complies with Subsection
7 (j), charge a person attending the institution who also receives a
8 TEXAS grant an amount of tuition and required fees in excess of the
9 amount of the TEXAS grant received by the person; or

10 (2) deny admission to or enrollment in the institution
11 based on a person's eligibility to receive a TEXAS grant or a
12 person's receipt of a TEXAS grant.

13 (i-1) A public institution of higher education may elect to
14 award a TEXAS grant to any student in an amount that is less than the
15 applicable amount established under Subsection (a), (c), (d), or
16 (e).

17 (j) A public [~~An~~] institution of higher education shall
18 [~~may~~] use other available sources of financial aid, other than a
19 loan, to cover any difference in the amount of a TEXAS grant awarded
20 to the student and the actual amount of tuition and required fees at
21 the institution if the difference results from:

22 (1) a reduction in the amount of a TEXAS grant under
23 Subsection (i-1); or

24 (2) a deficiency in the amount of the grant as
25 established under Subsection (a), (c), (d), or (e), as applicable,
26 to cover the full amount of tuition and required fees charged to the
27 student by the institution.

1 (1) The coordinating board shall provide information
2 regarding the Texas B-On-time loan program established under
3 Subchapter Q to each eligible applicant who receives less than the
4 full amount of a TEXAS grant.

5 SECTION 28. Subchapter M, Chapter 56, Education Code, is
6 amended by adding Section 56.3071 to read as follows:

7 Sec. 56.3071. EFFECT OF ELIGIBILITY FOR TUITION
8 EQUALIZATION GRANT. (a) Notwithstanding Section 56.307, the
9 total amount of financial aid that a student enrolled in a private
10 or independent institution of higher education is eligible to
11 receive in a state fiscal year from TEXAS grants awarded under this
12 subchapter may not exceed the maximum amount the student may
13 receive in tuition equalization grants in that fiscal year as
14 determined under Subchapter F, Chapter 61.

15 (b) Notwithstanding any other law, a student enrolled in a
16 private or independent institution of higher education may not
17 receive a TEXAS grant under this subchapter and a tuition
18 equalization grant under Subchapter F, Chapter 61, for the same
19 semester or other term, regardless of whether the student is
20 otherwise eligible for both grants during that semester or term. A
21 student who but for this subsection would be awarded both a TEXAS
22 grant and a tuition equalization grant for the same semester or
23 other term is entitled to receive only the grant of the greater
24 amount.

25 SECTION 29. Subsection (a), Section 56.3075, Education
26 Code, is amended to read as follows:

27 (a) If the money available for TEXAS grants in a period for

1 which grants are awarded is sufficient to provide grants to all
2 eligible applicants in amounts specified by Section 56.307, the
3 ~~[The]~~ coordinating board may use any excess money available for
4 TEXAS grants to award a grant in an amount not more than three times
5 the amount that may be awarded under Section 56.307 to a student
6 who:

7 (1) is enrolled in a program that fulfills the
8 educational requirements for licensure or certification by the
9 state in a health care profession that the coordinating board, in
10 consultation with the Texas Workforce Commission and the statewide
11 health coordinating council, has identified as having a critical
12 shortage in the number of license holders needed in this state;

13 (2) has completed at least one-half of the work toward
14 a degree or certificate that fulfills the educational requirement
15 for licensure or certification; and

16 (3) meets all the requirements to receive a grant
17 award under Section 56.307.

18 SECTION 30. The heading to Subchapter P, Chapter 56,
19 Education Code, is amended to read as follows:

20 SUBCHAPTER P. TEXAS EDUCATIONAL OPPORTUNITY ~~[TOWARD~~
21 ~~EXCELLENCE, ACCESS, & SUCCESS (TEXAS)]~~ GRANT ~~[II]~~ PROGRAM

22 SECTION 31. Subsection (a), Section 56.402, Education Code,
23 is amended to read as follows:

24 (a) The student financial assistance program authorized by
25 this subchapter is known as the Texas Educational Opportunity Grant
26 Program ~~[Toward Excellence, Access, & Success (TEXAS) grant II~~
27 ~~program, and an individual grant awarded under this subchapter is~~

1 ~~known as a TEXAS grant II~~].

2 SECTION 32. Section 56.403, Education Code, is amended to
3 read as follows:

4 Sec. 56.403. ADMINISTRATION OF PROGRAM. (a) The
5 coordinating board shall administer the [~~TEXAS~~] grant [~~II~~] program
6 and shall adopt any rules necessary to implement the [~~TEXAS~~] grant
7 [~~II~~] program or this subchapter. The coordinating board shall
8 consult with the student financial aid officers of eligible
9 institutions in developing the rules.

10 (b) The coordinating board shall adopt rules to provide a
11 [~~TEXAS~~] grant under this subchapter [~~II~~] to an eligible student
12 enrolled in an eligible institution in a manner consistent with the
13 administration of federal student financial aid programs.

14 (c) The total amount of grants awarded under the [~~TEXAS~~]
15 grant [~~II~~] program may not exceed the amount available for the
16 program from appropriations, gifts, grants, or other funds.

17 (d) In determining who should receive a [~~TEXAS~~] grant under
18 this subchapter [~~II~~], the coordinating board and the eligible
19 institutions shall give highest priority to awarding [~~TEXAS~~] grants
20 [~~II~~] to students who demonstrate the greatest financial need.

21 SECTION 33. Section 56.404, Education Code, is amended to
22 read as follows:

23 Sec. 56.404. INITIAL ELIGIBILITY FOR GRANT. (a) To be
24 eligible initially for a grant under the [~~TEXAS~~] grant [~~II~~]
25 program, a person must:

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

1 (2) meet financial need requirements as defined by the
2 coordinating board;

3 (3) be enrolled in an associate degree or certificate
4 program at an eligible institution;

5 (4) be enrolled as an entering student for at least
6 one-half of a full course load for an entering student in the
7 associate degree or certificate program, as determined by the
8 coordinating board;

9 (5) have applied for any available financial aid or
10 assistance; and

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

14 (b) A person is not eligible to receive a [~~TEXAS~~] grant
15 under this subchapter [~~++~~] if the person has been convicted of a
16 felony or an offense under Chapter 481, Health and Safety Code
17 (Texas Controlled Substances Act), or under the law of another
18 jurisdiction involving a controlled substance as defined by Chapter
19 481, Health and Safety Code, unless the person has met the other
20 applicable eligibility requirements under this subchapter and has:

21 (1) received a certificate of discharge by the Texas
22 Department of Criminal Justice or a correctional facility or
23 completed a period of probation ordered by a court and at least two
24 years have elapsed from the date of the receipt or completion; or

25 (2) been pardoned, had the record of the offense
26 expunged from the person's record, or otherwise been released from
27 the resulting ineligibility to receive a grant under this

1 subchapter.

2 (c) A person is not eligible to receive a [~~TEXAS~~] grant
3 under this subchapter [~~II~~] if the person has been granted an
4 associate or baccalaureate degree.

5 (d) A person may not receive a [~~TEXAS~~] grant under this
6 subchapter [~~II~~] for more than 75 semester credit hours or the
7 equivalent.

8 (e) A person may not receive a [~~TEXAS~~] grant under this
9 subchapter [~~II~~] if the person is eligible for a TEXAS grant.

10 (f) A person's eligibility for a [~~TEXAS~~] grant under this
11 subchapter [~~II~~] ends on the fourth anniversary of the initial award
12 of a [~~TEXAS~~] grant under this subchapter [~~II~~] to the person and the
13 person's enrollment in an eligible institution.

14 SECTION 34. Section 56.405, Education Code, is amended to
15 read as follows:

16 Sec. 56.405. CONTINUING ELIGIBILITY AND ACADEMIC
17 PERFORMANCE REQUIREMENTS. (a) After initially qualifying for a
18 [~~TEXAS~~] grant under this subchapter [~~II~~], a person may continue to
19 receive a [~~TEXAS~~] grant under this subchapter [~~II~~] during each
20 semester or term in which the person is enrolled at an eligible
21 institution only if the person:

22 (1) meets financial need requirements as defined by
23 the coordinating board;

24 (2) is enrolled in an associate degree or certificate
25 program at an eligible institution;

26 (3) is enrolled for at least one-half of a full course
27 load for a student in an associate degree or certificate program, as

1 determined by the coordinating board;

2 (4) makes satisfactory academic progress toward an
3 associate degree or certificate; and

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

6 (b) A person is not eligible to continue to receive a
7 [~~TEXAS~~] grant [~~++~~] under this section if the person has been
8 convicted of a felony or an offense under Chapter 481, Health and
9 Safety Code (Texas Controlled Substances Act), or under the law of
10 another jurisdiction involving a controlled substance as defined by
11 Chapter 481, Health and Safety Code, unless the person has met the
12 other applicable eligibility requirements under this subchapter
13 and has:

14 (1) received a certificate of discharge by the Texas
15 Department of Criminal Justice or a correctional facility or
16 completed a period of probation ordered by a court and at least two
17 years have elapsed from the date of the receipt or completion; or

18 (2) been pardoned, had the record of the offense
19 expunged from the person's record, or otherwise been released from
20 the resulting ineligibility to receive a grant under this
21 subchapter.

22 (c) If a person fails to meet any of the requirements of
23 Subsection (a) after the completion of any semester or term, the
24 person may not receive a [~~TEXAS~~] grant under this subchapter [~~++~~]
25 during the next semester or term in which the person enrolls. A
26 person may become eligible to receive a [~~TEXAS~~] grant under this
27 subchapter [~~++~~] in a subsequent semester or term if the person:

1 (1) completes a semester or term during which the
2 student is not eligible for a scholarship; and

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

4 (d) For the purpose of this section, a person makes
5 satisfactory academic progress toward an associate degree or
6 certificate only if:

7 (1) in the person's first academic year the person
8 meets the satisfactory academic progress requirements of the
9 institution at which the person is enrolled; and

10 (2) in a subsequent academic year, the person:

11 (A) [~~(1)~~] completes at least 75 percent of the
12 semester credit hours attempted in the student's most recent
13 academic year; and

14 (B) has earned [~~(2) earns~~] an overall grade point
15 average of at least 2.5 on a four-point scale or the equivalent on
16 course work previously attempted at institutions of higher
17 education.

18 (e) A person who is eligible to receive a [~~TEXAS~~] grant
19 under this subchapter [~~II~~] continues to remain eligible to receive
20 the [~~TEXAS~~] grant [~~II~~] if the person enrolls in or transfers to
21 another eligible institution.

22 (f) The coordinating board shall adopt rules to allow a
23 person who is otherwise eligible to receive a grant under this
24 subchapter, in the event of a hardship or for other good cause
25 shown, including a showing of a severe illness or other
26 debilitating condition that may affect the person's academic
27 performance or that the person is responsible for the care of a

1 sick, injured, or needy person and that the person's provision of
2 care may affect the person's academic performance, to receive a
3 grant under this subchapter:

4 (1) while enrolled in a number of semester credit
5 hours that is less than the number of semester credit hours required
6 under Subsection (a)(3); or

7 (2) if the student's grade point average or completion
8 rate falls below the satisfactory academic progress requirements of
9 Subsection (d).

10 SECTION 35. Section 56.406, Education Code, is amended to
11 read as follows:

12 Sec. 56.406. GRANT USE. A person receiving a [~~TEXAS~~] grant
13 under this subchapter [~~++~~] may use the money to pay any usual and
14 customary cost of attendance at an eligible institution incurred by
15 the student. The institution may disburse all or part of the
16 proceeds of a [~~TEXAS~~] grant under this subchapter [~~++~~] to an
17 eligible person only if the tuition and required fees incurred by
18 the person at the institution have been paid.

19 SECTION 36. Subsections (a), (b), (c), (f), and (g),
20 Section 56.407, Education Code, are amended to read as follows:

21 (a) The amount of a [~~TEXAS~~] grant under this subchapter [~~++~~]
22 for a student enrolled full-time at an eligible institution is the
23 amount determined by the coordinating board as the average
24 statewide amount of tuition and required fees that a resident
25 student enrolled full-time in an associate degree or certificate
26 program would be charged for that semester or term at eligible
27 institutions.

1 (b) The coordinating board may adopt rules that allow the
2 coordinating board to increase or decrease, in proportion to the
3 number of semester credit hours in which a student is enrolled, the
4 amount of a [~~TEXAS~~] grant [~~++~~] award under this section to a student
5 who is enrolled in a number of semester credit hours in excess of or
6 below the number of semester credit hours described in Section
7 56.404(a)(4) or 56.405(a)(3).

8 (c) The amount of a [~~TEXAS~~] grant under this subchapter [~~++~~]
9 may not be reduced by any gift aid for which the person receiving
10 the grant is eligible, unless the total amount of a person's grant
11 plus any gift aid received exceeds the total cost of attendance at
12 an eligible institution.

13 (f) An eligible institution may not:

14 (1) charge a person attending the institution who also
15 receives a [~~TEXAS~~] grant under this subchapter [~~++~~] an amount of
16 tuition and required fees in excess of the amount of the [~~TEXAS~~]
17 grant under this subchapter [~~++~~] received by the person; or

18 (2) deny admission to or enrollment in the institution
19 based on a person's eligibility to receive a [~~TEXAS~~] grant under
20 this subchapter [~~++~~] or a person's receipt of a [~~TEXAS~~] grant under
21 this subchapter [~~++~~].

22 (g) An institution may use other available sources of
23 financial aid, other than a loan or a Pell grant, to cover any
24 difference in the amount of a [~~TEXAS~~] grant under this subchapter
25 [~~++~~] and the actual amount of tuition and required fees at the
26 institution.

27 SECTION 37. Subsection (b), Section 56.463, Education Code,

1 is amended to read as follows:

2 (b) Money in the Texas B-On-time student loan account may be
3 used only to pay any costs of the coordinating board related to the
4 operation of the Texas B-On-time loan program and as otherwise
5 provided by this subchapter.

6 SECTION 38. Subsection (b), Section 56.465, Education Code,
7 is amended to read as follows:

8 (b) The amount of tuition set aside under Subsection (a)
9 shall be deposited to the credit of the Texas B-On-time student loan
10 account established under Section 56.463 or to the interest and
11 sinking fund established by the coordinating board under Section
12 52.91(b) in accordance with the resolution of the board
13 establishing such fund.

14 SECTION 39. Section 61.066, Education Code, is amended by
15 adding Subsection (c) to read as follows:

16 (c) The board shall conduct a biennial study to determine
17 the total cost of attending each institution of higher education
18 and the resources used by students to cover that cost, including the
19 amounts of money received by students at each institution from the
20 major sources of public and private financial aid, including
21 grants, loans, scholarships, gifts, and work-study programs. In
22 conducting the study, the board shall solicit information and
23 comments from the financial aid office at each institution of
24 higher education. Not later than November 1 of each even-numbered
25 year, the board shall report the findings of the study to each
26 legislative standing committee and subcommittee with primary
27 jurisdiction over higher education.

1 SECTION 40. Section 61.0776, Education Code, is amended by
2 adding Subsection (f) to read as follows:

3 (f) The board, in cooperation with the entities specified by
4 Subsection (a) and the advisory committee established by Subsection
5 (b), shall develop a comprehensive financial aid training program
6 for public school counselors, employees of student financial aid
7 offices of public and private or independent institutions of higher
8 education, members of appropriate community-based organizations,
9 and other appropriate persons. The board may adopt rules as
10 necessary to administer the training program. The board shall
11 design the training program to:

12 (1) use the information required by Subsection (e) and
13 any other information necessary to carry out this subdivision:

14 (A) to inform persons receiving the training
15 concerning:

16 (i) the opportunities available to students
17 for obtaining financial aid, including eligibility requirements;
18 and

19 (ii) the procedures for obtaining financial
20 aid; and

21 (B) to provide sufficient and accessible detail
22 to enable the persons receiving the training to provide timely and
23 consistent answers to the questions of students and their parents,
24 conservators, or guardians concerning the opportunities and
25 procedures;

26 (2) teach methods to enable the persons receiving the
27 training to effectively communicate financial aid information to

1 students and their parents, conservators, or guardians;

2 (3) support and promote the dissemination of financial
3 aid information to students and their parents, conservators, or
4 guardians throughout local areas; and

5 (4) publicize the training and make the training
6 easily available to public school counselors and other appropriate
7 persons throughout this state.

8 SECTION 41. Subchapter C, Chapter 61, Education Code, is
9 amended by adding Section 61.088 to read as follows:

10 Sec. 61.088. HIGHER EDUCATION ENROLLMENT ASSISTANCE
11 PROGRAM. (a) To the extent that funds are available for the
12 purpose, the board shall administer the Higher Education Enrollment
13 Assistance Program. Under the program, the board shall:

14 (1) provide information related to enrollment in
15 public or private or independent institutions of higher education,
16 including admissions and financial aid information, to prospective
17 students in three areas of this state identified by the board as
18 having a significant number of students who graduate from high
19 school and do not attend an institution of higher education; and

20 (2) assist those prospective students in completing
21 applications related to enrollment in those institutions,
22 including admissions and financial aid applications.

23 (b) To the extent that funds are available for the purpose,
24 the board shall expand the program to include additional areas
25 identified by the board as meeting the criteria specified by
26 Subsection (a).

27 (c) The board shall provide the information and assistance

1 required by this section at least twice each year at one or more
2 appropriate locations in each area served by the program.

3 (d) The board may coordinate with an institution of higher
4 education or other entity to provide the information and assistance
5 required by this section in each area served by the program.

6 (e) Not later than August 31 of each year, the board shall
7 submit to the legislature a report on the scope and effectiveness of
8 the program.

9 (f) The board shall adopt rules as necessary to implement
10 this section.

11 SECTION 42. Section 61.225, Education Code, is amended to
12 read as follows:

13 Sec. 61.225. ELIGIBILITY ~~[QUALIFICATIONS]~~ FOR GRANT;
14 PERSONS AWARDED GRANTS BEFORE 2005-2006 ACADEMIC YEAR. (a) This
15 section applies only to a person who initially received a tuition
16 equalization grant for an academic period before the 2005-2006
17 academic year.

18 (b) To be eligible for a tuition equalization grant, a
19 person must:

20 (1) be a Texas resident as defined by the coordinating
21 board and meet, at a minimum, the resident requirements defined by
22 law for Texas resident tuition in fully state-supported
23 institutions of higher education;

24 (2) be enrolled for at least one-half of a full course
25 load conforming to an individual degree plan in an approved college
26 or university;

27 (3) be required to pay more tuition than is required at

1 a public college or university and be charged no less than the
2 regular tuition required of all students enrolled at the
3 institution;

4 (4) establish financial need in accordance with
5 procedures and regulations of the coordinating board;

6 (5) not be a recipient of any form of athletic
7 scholarship; and

8 (6) have complied with other requirements adopted by
9 the coordinating board under this subchapter.

10 (c) A grant to a part-time student under this section shall
11 be made on a pro rata basis of a full-time equivalent.

12 SECTION 43. Subchapter F, Chapter 61, Education Code, is
13 amended by adding Section 61.2251 to read as follows:

14 Sec. 61.2251. ELIGIBILITY FOR GRANT; PERSONS INITIALLY
15 AWARDED GRANTS DURING OR AFTER 2005-2006 ACADEMIC YEAR. (a) This
16 section does not apply to a person who initially received a tuition
17 equalization grant for an academic period before the 2005-2006
18 academic year.

19 (b) To be eligible for a tuition equalization grant in the
20 first academic year in which the person receives the grant, a person
21 must:

22 (1) be a Texas resident as defined by the coordinating
23 board and meet, at a minimum, the resident requirements defined by
24 law for Texas resident tuition in fully state-supported
25 institutions of higher education;

26 (2) be enrolled for a full course load conforming to an
27 individual degree plan in an approved college or university;

1 (3) be required to pay more tuition than is required at
2 a public college or university and be charged no less than the
3 regular tuition required of all students enrolled at the
4 institution;

5 (4) establish financial need in accordance with
6 procedures and regulations of the coordinating board;

7 (5) not be a recipient of any form of athletic
8 scholarship; and

9 (6) have complied with other requirements adopted by
10 the coordinating board under this subchapter.

11 (c) After qualifying for a tuition equalization grant under
12 Subsection (b), a person may receive a tuition equalization grant
13 in a subsequent academic year in which the person is enrolled at an
14 approved institution only if the person:

15 (1) meets the requirements of Subsection (b);

16 (2) completed at least:

17 (A) 24 semester credit hours in the person's most
18 recent academic year, if the person is enrolled in an undergraduate
19 degree or certificate program; or

20 (B) 18 semester credit hours in the person's most
21 recent academic year, if the person is enrolled in a graduate or
22 professional degree program; and

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

27 (d) Notwithstanding Subsections (b) and (c), a person's

1 eligibility for a tuition equalization grant ends on:

2 (1) the fifth anniversary of the initial award of a
3 tuition equalization grant to the person, if the person is enrolled
4 in an undergraduate degree or certificate program of four years or
5 less; or

6 (2) the sixth anniversary of the initial award of a
7 tuition equalization grant to the person, if the person is enrolled
8 in an undergraduate degree program of more than four years.

9 (e) The coordinating board shall adopt rules to allow a
10 person who is otherwise eligible to receive a tuition equalization
11 grant, in the event of a hardship or for other good cause shown, to
12 receive a tuition equalization grant if the person does not:

13 (1) complete the semester credit hours required by
14 Subsection (c)(2);

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

17 (3) complete the person's certificate or degree
18 program within the period prescribed by Subsection (d).

19 SECTION 44. Section 61.227, Education Code, is amended by
20 adding Subsection (d) to read as follows:

21 (d) Notwithstanding any other law, a student enrolled in a
22 private or independent institution of higher education may not
23 receive a tuition equalization grant under this subchapter and a
24 TEXAS grant under Subchapter M, Chapter 56, for the same semester or
25 other term, regardless of whether the student is otherwise eligible
26 for both grants during that semester or term. A student who but for
27 this subsection would be awarded both a tuition equalization grant

1 and a TEXAS grant for the same semester or other term is entitled to
2 receive only the grant of the greater amount.

3 SECTION 45. Section 431.090, Government Code, is amended by
4 amending Subsection (g) and adding Subsections (h) and (i) to read
5 as follows:

6 (g) Before each semester at a time determined by the
7 adjutant general [~~Texas Higher Education Coordinating Board~~], the
8 adjutant general shall certify to the appropriate public and
9 private institutions of higher education [~~the coordinating board~~] a
10 list of the persons to whom the adjutant general has awarded tuition
11 assistance under this section for that semester. The amount of
12 tuition assistance awarded by the adjutant general under this
13 section may not exceed the amount of [~~After receipt of the list, the~~
14 ~~coordinating board shall determine whether sufficient~~] money [~~is~~]
15 available to fund the tuition assistance awards [~~under Section~~
16 ~~54.2155, Education Code. If the coordinating board determines that~~
17 ~~sufficient money is not available, the board shall notify the~~
18 ~~adjutant general, who shall reduce the number of awards according~~
19 ~~to the amount of money available and certify to the coordinating~~
20 ~~board a revised list of the persons to whom the adjutant general has~~
21 ~~awarded tuition assistance~~].

22 (h) From money appropriated for purposes of this section,
23 the adjutant general shall authorize the comptroller to reimburse
24 an institution of higher education in an amount equal to the amount
25 of the tuition exemption the institution grants to a person under
26 Section 54.2155, Education Code.

27 (i) From money appropriated for purposes of this section,

1 the adjutant general shall authorize the comptroller to make a
2 grant to a person attending a private or independent institution of
3 higher education to whom the adjutant general has awarded tuition
4 assistance for the semester under this section. The amount of a
5 grant under this subsection is an amount equal to the average amount
6 of reimbursement the adjutant general estimates will be paid per
7 student for the same semester under Subsection (h).

8 SECTION 46. Subsection (b), Section 504.615,
9 Transportation Code, is amended to read as follows:

10 (b) After deduction of the department's administrative
11 costs, the remainder of the fee for issuance of the license plates
12 shall be deposited to the credit of the general revenue fund. The
13 money may be used only for:

14 (1) scholarships to students who demonstrate a need
15 for financial assistance under Texas Higher Education Coordinating
16 Board rule; or

17 (2) Texas Public Educational Grants awarded under
18 Subchapter C, Chapter 56, Education Code, if the fee is for the
19 issuance of a license plate for a college described by Subsection
20 (e)(1).

21 SECTION 47. Subsection (h), Section 56.307, Education Code,
22 is repealed.

23 SECTION 48. The Texas Higher Education Coordinating Board
24 shall, as necessary, adopt rules consistent with Sections 52.91,
25 56.463, and 56.465, Education Code, as amended by this Act, as soon
26 as practicable after this Act takes effect. For that purpose, the
27 coordinating board may adopt the rules in the manner provided by law

1 for emergency rules.

2 SECTION 49. (a) The Texas Higher Education Coordinating
3 Board shall conduct a study of the tuition exemptions and waivers
4 authorized under Chapter 54, Education Code. The study must
5 include an evaluation of the extent to which the tuition exemptions
6 and waivers:

7 (1) are a cost-effective and efficient method of
8 providing financial assistance to students when compared to other
9 types of available financial aid;

10 (2) are consistent with one another in regard to
11 eligibility requirements and application procedures;

12 (3) are capable of being efficiently or properly
13 administered by public institutions of higher education or other
14 applicable entities;

15 (4) effectively target students having substantial
16 financial need or effectively accomplish the other purposes of
17 those exemptions or waivers; and

18 (5) distribute tuition assistance fairly among
19 similarly situated students.

20 (b) Not later than November 1, 2006, the Texas Higher
21 Education Coordinating Board shall report the results of the study,
22 including the board's recommendations for administrative or
23 statutory changes to address the board's findings, to the governing
24 board of each public institution of higher education and to the
25 presiding officer of each legislative standing committee and
26 subcommittee with primary jurisdiction over higher education.

27 (c) This section expires January 1, 2007.

1 SECTION 50. Subsection (f), Section 54.007, and Section
2 54.0071, Education Code, as added by this Act, apply beginning with
3 the 2006 spring semester.

4 SECTION 51. (a) The change in law made by this Act to
5 Section 54.214, Education Code, applies to eligibility for an
6 exemption from payment of tuition and fees for an academic period
7 beginning with the 2005 fall semester and applies regardless of
8 whether a person would have been exempt from payment of tuition and
9 fees under Subsection (c), Section 54.214, Education Code, as that
10 subsection existed before the amendment made by this Act.
11 Eligibility for an exemption from payment of tuition and fees for an
12 academic period before the 2005 fall semester is covered by the
13 applicable law in effect before the effective date of this Act, and
14 the former law is continued in effect for that purpose.

15 (b) The Texas Higher Education Coordinating Board shall, as
16 necessary, adopt rules consistent with Subsection (c), Section
17 54.214, Education Code, as amended by this Act, as soon as
18 practicable after this Act takes effect. For that purpose, the
19 coordinating board may adopt the rules in the manner provided by law
20 for emergency rules. This subsection expires May 1, 2006.

21 SECTION 52. The changes in law made by this Act to Section
22 54.2155, Education Code, and Section 431.090, Government Code,
23 apply beginning with tuition assistance awards for the 2006-2007
24 academic year. Tuition assistance awards for an academic year
25 before the 2006-2007 academic year are covered by the law in effect
26 immediately preceding the effective date of this Act, and the
27 former law is continued in effect for that purpose.

1 SECTION 53. Sections 56.051 and 56.052, Education Code, as
2 amended by this Act, apply beginning with the 2006 spring semester.
3 The law governing emergency student loans in effect immediately
4 before the effective date of this Act applies to those loans for a
5 semester or term before the 2006 spring semester, and the former law
6 is continued in effect for that purpose.

7 SECTION 54. The changes in law made by this Act to Section
8 56.076, Education Code, apply only to an agreement entered into by
9 an institution of higher education and an employer under that
10 section on or after the effective date of this Act.

11 SECTION 55. As soon as practicable after this Act takes
12 effect, the Texas Higher Education Coordinating Board shall revise
13 rules adopted under Section 56.209(a), Education Code, as necessary
14 to conform to changes made by this Act to Subchapter K, Chapter 56,
15 Education Code. For that purpose, the coordinating board may adopt
16 the revisions to those rules in the manner provided by law for
17 emergency rules. This section expires September 1, 2006.

18 SECTION 56. The change in law made by this Act to Subchapter
19 M, Chapter 56, Education Code, applies beginning with the 2005-2006
20 academic year, but does not affect the amount of or entitlement to
21 any grant awarded before the effective date of this Act.

22 SECTION 57. The change in law made by this Act relating to
23 the eligibility of a person to receive a Texas Educational
24 Opportunity Grant applies to each Texas Educational Opportunity
25 Grant awarded on or after the effective date of this Act.

26 SECTION 58. The Texas Higher Education Coordinating Board
27 shall make the initial report required by Subsection (c), Section

1 61.066, Education Code, as added by this Act, not later than
2 November 1, 2006.

3 SECTION 59. The Texas Higher Education Coordinating Board
4 shall implement the comprehensive financial aid training program
5 under Subsection (f), Section 61.0776, Education Code, as added by
6 this Act, not later than January 1, 2006.

7 SECTION 60. The changes in law made by this Act by amending
8 Sections 61.225 and 61.227, Education Code, and by adding Section
9 61.2251, Education Code, apply beginning with tuition equalization
10 grants for the 2005-2006 academic year, but only for tuition
11 equalization grants awarded on or after the effective date of this
12 Act. A tuition equalization grant awarded before the effective
13 date of this Act is governed by the law in effect immediately before
14 the effective date, and the former law is continued in effect for
15 that purpose.

16 SECTION 61. This Act takes effect September 1, 2005.