

BILL ANALYSIS

S.B. 1699
By: Shapiro
Higher Education
Committee Report (Unamended)

BACKGROUND AND PURPOSE

There are many concerns that have come up regarding the status of financial aid in Texas.

S.B. 1699 transfers the disbursement of the B-On-time program to the Texas Guaranteed Student Loan Corporation. The Texas Higher Education Coordinating Board took similar steps when it transferred the disbursement of Hinson Hazlewood funding to the Texas Guaranteed Student Loan Corporation. This bill creates a study on the use of debit cards for financial aid disbursement. This bill creates the TEXAS Technology Grant pilot program for engineering and computer science students in an addition to the TEXAS grant program, but does not affect the funding for TEXAS grants. The pilot program is contingent upon TEXAS grants being fully funded or the legislature appropriating funds for the specific purpose of funding the pilot program. This bill creates a study on increasing the grade point average (GPA) requirements for grant recipients. The GPA requirement would increase in small increments every few years until it reaches a 3.0. The GPA would first increase to 2.6, then to 2.75, then to 2.8 and finally students would need a 3.0 to continue receiving grant money from the state. This bill creates a study on "reverse pyramid" TEXAS grant awards. Students would receive more TEXAS grant money the longer they are enrolled in school.

RULEMAKING AUTHORITY

This bill does not expressly grant any additional rulemaking authority to a state officer, department, agency, or institution.

ANALYSIS

SECTION 1. Amends Section 56.302, Education Code, by adding Subsection (a-1), as follows:

(a-1) Provides that an individual grant awarded under Section 56.3076 is known as a TEXAS technology grant, notwithstanding Subsection (a). Provides that a TEXAS technology grant is not a TEXAS grant for purposes of this subchapter. Provides that this subsection expires September 1, 2013.

SECTION 2. Amends Section 56.3021(a), Education Code, to authorize a student who was awarded a TEXAS grant under this subchapter to pay the costs of enrollment in a private or independent institution of higher education for the 2005 fall semester or an earlier academic period to continue to receive a TEXAS grant, rather than grants under this subchapter, while enrolled in a private or independent institution of higher education if the student is otherwise eligible to receive a TEXAS grant under this subchapter, notwithstanding any other provision of this subchapter.

SECTION 3. Amends Section 56.304, Education Code, by amending Subsections (a), (b), and (f) and adding Subsection (b-1), as follows:

(a) Deletes existing text requiring a person to meet certain academic requirements to be initially eligible for a TEXAS grant.

(b) Provides that a person is not eligible to receive a TEXAS grant if the person has been convicted of a felony unless the person has met the other applicable eligibility requirements under this subchapter and has met certain criteria, except as otherwise provided by Subsection (b-1). Deletes existing text providing that a person is not eligible

to receive a TEXAS grant if the person has been convicted of an offense under Chapter 481 (Texas Controlled Substances Act), Health and Safety Code, or under the law of another jurisdiction involving a controlled substance as defined by Chapter 481, Health and Safety Code.

(b-1) Provides that a person who is convicted of any offense under a federal or state law, including the law of another state, involving the possession or sale of a controlled substance, as defined by Chapter 481, Health and Safety Code, for conduct that occurred during a period of enrollment in which the person is receiving a TEXAS grant is ineligible to receive a grant for a certain period of time and may become eligible under certain circumstances.

(f) Provides that the requirement in Subsection (a)(2) that a person is required to have completed the recommended or advanced high school curriculum does not apply to a person who attended a public high school in a school district if, not later than March 1 of the school year in which the person is scheduled to graduate from high school, the superintendent of that school district certifies to the Texas Higher Education Coordinating Board (coordinating board), rather than the commissioner of education, that the high school did not offer all the necessary courses for a person to complete all parts of the recommended or advanced high school curriculum.

SECTION 4. Amends Sections 56.305(a), (b), and (c), Education Code, as follows:

(a) Authorizes a person to continue to receive a TEXAS grant during each academic year, rather than each semester or term, in which the person is enrolled at an eligible institution under certain circumstances after initially qualifying for a TEXAS grant.

(b) Provides that a person who under Section 56.304(b) or (b-1) would not be eligible to receive a TEXAS grant is not eligible to continue to receive a grant under this section. Deletes existing text providing that a person is not eligible to receive a TEXAS grant if the person has been convicted of a felony or an offense under Chapter 481, Health and Safety Code, or a similar law of another jurisdiction unless the person has met the other applicable eligibility requirements under this subchapter and been released from ineligibility as a result of certain actions.

(c) Makes conforming changes.

SECTION 5. Amends Subchapter M, Chapter 56, Education Code, by adding Section 56.3076, as follows:

Sec. 56.3076. TEXAS TECHNOLOGY GRANT PILOT PROGRAM. (a) Authorizes grants to be awarded under this section only from certain funds.

(b) Authorizes the coordinating board to use money described by Subsection (a) to award a TEXAS technology grant to a student under certain circumstances.

(c) Provides that the amount of a TEXAS technology grant is determined by the coordinating board and may not exceed an amount equal to two times the amount that may be awarded as a TEXAS grant under Section 56.307(a) for the same academic period.

(d) Requires the coordinating board, in awarding a TEXAS technology grant, to give priority to certain students. Authorizes the coordinating board to award different amounts based on certain factors, and to give priority to certain students under certain circumstances.

(e) Provides that Section 56.306 applies to the use and disbursement of a TEXAS technology grant in the same manner as that section applies to the use and disbursement of a TEXAS grant.

(f) Prohibits a person from simultaneously receiving a TEXAS grant and a TEXAS technology grant.

(g) Provides that this section expires September 1, 2013.

SECTION 6. Amends Section 56.308(b), Education Code, as follows:

(b) Requires each school district to notify certain students, faculty, and parents of federal and state financial aid programs, rather than the TEXAS grant and Teach for Texas grant programs, to assist students with paying the costs of higher education, the primary eligibility requirements of the programs, rather than eligibility requirements of each program, and sources of information on financial aid in a manner that assists the district in implementing a strategy adopted by the district under Section 11.252(a)(4).

SECTION 7. Transfers Section 56.311, Education Code, to Subchapter A, Chapter 56, Education Code, redesignates it as Section 56.005, and amends it as follows:

Sec. 56.005. New heading: LEGISLATIVE OVERSIGHT COMMITTEE ON STATE FINANCIAL AID PROGRAMS FOR HIGHER EDUCATION. (a) Provides that the Legislative Oversight Committee on state financial aid programs for higher education (committee), rather than the Legislative Oversight Committee on the TEXAS grant program and Teach for Texas grant program, is composed of six certain members.

(b) Makes a conforming change.

(c) Authorizes the committee to request reports and other information from the coordinating board relating to the operation by the coordinating board of state financial aid programs for higher education. Makes a conforming change.

(e) Requires the committee to monitor the operation of state financial aid programs for higher education with emphasis on the manner of the award of financial aid, the total amount of financial aid awarded, the amount of financial aid awarded under each state financial aid program, and the education progress made by persons who have received financial aid under those programs, rather than the grants and number of grants. Makes a conforming change.

(g) Makes a conforming change.

SECTION 8. Amends Section 56.463, Education Code, by adding Subsection (c), to require the coordinating board to distribute money in the Texas B-On-time student loan account to be paid to an eligible institution under this subchapter through the electronic funds transfer system that is maintained by the Texas Guaranteed Student Loan Corporation (corporation) for disbursing loan money from commercial lenders participating in the guaranteed student loan program under Chapter 57, except that, at the request of an eligible institution, the coordinating board is authorized to distribute the money through another means specified by the institution. Requires the coordinating board and the corporation to enter into a contract that provides for the corporation to make the electronic funds transfer system available for the coordinating board's use as necessary to carry out this subsection.

SECTION 9. Amends Subchapter C, Chapter 61, Education Code, by adding Sections 61.0661, 61.0662, and 61.0663, as follows:

Sec. 61.0661. FEASIBILITY STUDY REGARDING ISSUANCE OF DEBIT CARDS TO STUDENTS AWARDED FINANCIAL AID. (a) Requires the coordinating board, in consultation with student financial aid officers of institutions of higher education and private or independent institutions of higher education, to conduct a certain feasibility study relating to the issuance of debit cards to students.

(b) Requires the coordinating board to complete the study required by Subsection (a) and to submit to certain officials a report that includes any recommendations that result from the study not later than September 30, 2008.

(c) Provides that this section expires January 1, 2009.

Sec. 61.0662. IMPACT STUDY: OVERALL GRADE POINT AVERAGE REQUIREMENT FOR FINANCIAL AID; COMPUTATION OF GRADE POINT AVERAGE. (a) Requires the coordinating board, in consultation with appropriate representatives of institutions of higher education and private or independent institutions of higher education, to conduct a certain study relating to a student's grade point average.

(b) Provides certain requirements and authorizations of the coordinating board for the study regarding grade point average requirements relating to financial aid provisions.

(c) Requires the coordinating board to complete the study required by this section and to submit to certain officials a report that includes any recommendations that result from the study not later than September 30, 2008.

(d) Provides that this section expires January 1, 2009.

Sec. 61.0663. FEASIBILITY STUDY REGARDING TEXAS GRANT AWARD AMOUNTS. (a) Requires the coordinating board, in consultation with appropriate representatives of institutions of higher education, to conduct a study to evaluate the feasibility of awarding to a student who is eligible for a TEXAS grant under Subchapter M, Chapter 56, until the student has completed 90 semester credit hours of higher education coursework, less than the full amount of the grant, as that amount is determined under Section 56.307. Requires the coordinating board and other study participants to consider awarding to an eligible student amounts equal to certain percentages of the full amount of a TEXAS grant.

(b) Authorizes the coordinating board and other study participants to consider certain factors while conducting the study.

(c) Requires the coordinating board to complete the study required by Subsection (a) and to submit to certain officials a report that includes any recommendations that result from the study, not later than September 30, 2008.

SECTION 10. Amends Sections 61.2251(b) and (c), Education Code, as added by Chapter 1230, Acts of the 79th Legislature, Regular Session, 2005, as follows:

(b) Requires a person to make satisfactory academic progress toward a degree or certificate by meeting the requirements established for that purpose by the approved college or university in which the person is enrolled for the person to be eligible for a tuition equalization grant in the first academic year in which the person receives the grant. Makes a conforming change.

(c) Authorizes a person to receive a tuition equalization grant in a subsequent academic year in which the person is enrolled at an approved institution only under certain circumstances after qualifying for a tuition equalization grant under Subsection (b).

SECTION 11. Repealer: Section 56.304(g), Education Code.

SECTION 12. (a) Provides that, except as provided by Subsection (b) of this section, the changes in law made by this Act to Subchapter M, Chapter 56, Education Code, and to Section 61.2251, Education Code, as added by Chapter 1230, Acts of the 79th Legislature, Regular Session, 2005, apply beginning with the 2008 fall semester.

(b) Requires the coordinating board to award TEXAS technology grants under Section 56.3076, Education Code, as added by this Act, beginning with the 2009 fall semester.

SECTION 13. Effective date.

S.B. 1699 80(R)

EFFECTIVE DATE

This Act takes effect immediately if it receives a vote of two-thirds of all members elected to each house, as provided by Section 39, Article III, Texas Constitution. If this Act does not receive the vote necessary for immediate effect, this Act takes effect on the 91st day after the last day of the legislative session.