

By: Shapiro

S.B. No. 1699

A BILL TO BE ENTITLED

AN ACT

1  
2 relating to financial aid to assist students with paying the costs  
3 of higher education.

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

5 SECTION 1. Section 56.302, Education Code, is amended by  
6 adding Subsection (a-1) to read as follows:

7 (a-1) Notwithstanding Subsection (a), an individual grant  
8 awarded under Section 56.3076 is known as a TEXAS technology grant.  
9 A TEXAS technology grant is not a TEXAS grant for purposes of this  
10 subchapter. This subsection expires September 1, 2013.

11 SECTION 2. Subsection (a), Section 56.3021, Education Code,  
12 is amended to read as follows:

13 (a) Notwithstanding any other provision of this subchapter,  
14 a student who was awarded a TEXAS grant under this subchapter to pay  
15 the costs of enrollment in a private or independent institution of  
16 higher education for the 2005 fall semester or an earlier academic  
17 period may continue to receive a TEXAS grant [~~grants under this~~  
18 ~~subchapter~~] while enrolled in a private or independent institution  
19 of higher education if the student is otherwise eligible to receive  
20 a TEXAS grant under this subchapter.

21 SECTION 3. Section 56.304, Education Code, is amended by  
22 amending Subsections (a), (b), and (f) and adding Subsection (b-1)  
23 to read as follows:

24 (a) To be eligible initially for a TEXAS grant, a person

1 must:

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

4 (2) meet either of the following academic  
5 requirements:

6 (A) be a graduate of a public or accredited  
7 private high school in this state [~~who graduated not earlier than~~  
8 ~~the 1998-1999 school year and~~] who completed the recommended or  
9 advanced high school curriculum established under Section 28.002 or  
10 28.025 or its equivalent; or

11 (B) have received an associate degree from a  
12 public or private institution of higher education [~~not earlier than~~  
13 ~~May 1, 2001~~];

14 (3) meet financial need requirements as defined by the  
15 coordinating board;

16 (4) be enrolled in an undergraduate degree or  
17 certificate program at an eligible institution;

18 (5) be enrolled as:

19 (A) an entering undergraduate student for at  
20 least three-fourths of a full course load for an entering  
21 undergraduate student, as determined by the coordinating board, not  
22 later than the 16th month after the date of the person's graduation  
23 from high school; or

24 (B) an entering student for at least  
25 three-fourths of a full course load for an undergraduate student as  
26 determined by the coordinating board, not later than the 12th month  
27 after the month the person receives an associate degree from a

1 public or private institution of higher education;

2 (6) have applied for any available financial aid or  
3 assistance; and

4 (7) comply with any additional nonacademic  
5 requirement adopted by the coordinating board under this  
6 subchapter.

7 (b) Except as otherwise provided by Subsection (b-1), a [A]  
8 person is not eligible to receive a TEXAS grant if the person has  
9 been convicted of a felony [~~or an offense under Chapter 481, Health  
10 and Safety Code (Texas Controlled Substances Act), or under the law  
11 of another jurisdiction involving a controlled substance as defined  
12 by Chapter 481, Health and Safety Code,~~] unless the person has met  
13 the other applicable eligibility requirements under this  
14 subchapter and has:

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

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

23 (b-1) A person who is convicted of any offense under a  
24 federal or state law, including the law of another state, involving  
25 the possession or sale of a controlled substance, as defined by  
26 Chapter 481, Health and Safety Code, for conduct that occurred  
27 during a period of enrollment in which the person is receiving a

1 TEXAS grant:

2 (1) is ineligible to receive a TEXAS grant for the same  
3 period for which 20 U.S.C. Section 1091(r) provides for  
4 ineligibility to receive a federal grant, loan, or work assistance  
5 had the conduct occurred during a period of enrollment in which the  
6 person was receiving a federal grant, loan, or work assistance; and

7 (2) may become eligible to receive a TEXAS grant  
8 before the end of the ineligibility period provided by Subdivision  
9 (1) in the same manner as provided by 20 U.S.C. Section 1091(r) for  
10 a person to resume eligibility for a federal grant, loan, or work  
11 assistance.

12 (f) The requirement in Subsection (a)(2) that a person must  
13 have completed the recommended or advanced high school curriculum  
14 does not apply to a person who:

15 (1) attended a public high school in a school district  
16 if, not later than March 1 of the school year in which the person is  
17 scheduled to graduate from high school, the superintendent of that  
18 district certifies to the coordinating board [~~commissioner of~~  
19 ~~education~~] that the high school did not offer all the necessary  
20 courses for a person to complete all parts of the recommended or  
21 advanced high school curriculum; and

22 (2) completed all courses at the high school offered  
23 toward the completion of the recommended or advanced high school  
24 curriculum.

25 SECTION 4. Subsections (a), (b), and (c), Section 56.305,  
26 Education Code, are amended to read as follows:

27 (a) After initially qualifying for a TEXAS grant, a person

1 may continue to receive a TEXAS grant during each academic year  
2 [~~semester or term~~] in which the person is enrolled at an eligible  
3 institution only if the person:

4 (1) meets financial need requirements as defined by  
5 the coordinating board;

6 (2) is enrolled in an undergraduate degree or  
7 certificate program at an eligible institution;

8 (3) is enrolled for at least three-fourths of a full  
9 course load for an undergraduate student, as determined by the  
10 coordinating board;

11 (4) makes satisfactory academic progress toward an  
12 undergraduate degree or certificate; and

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

15 (b) A person who under Section 56.304(b) or (b-1) would not  
16 be [~~is not~~] eligible [~~to continue~~] to receive a TEXAS grant is not  
17 eligible to continue to receive a grant under this section [~~if the~~  
18 ~~person has been convicted of a felony or an offense under Chapter~~  
19 ~~481, Health and Safety Code (Texas Controlled Substances Act), or~~  
20 ~~under the law of another jurisdiction involving a controlled~~  
21 ~~substance as defined by Chapter 481, Health and Safety Code, unless~~  
22 ~~the person has met the other applicable eligibility requirements~~  
23 ~~under this subchapter and has:~~

24 [~~(1) received a certificate of discharge by the Texas~~  
25 ~~Department of Criminal Justice or a correctional facility or~~  
26 ~~completed a period of probation ordered by a court, and at least two~~  
27 ~~years have elapsed from the date of the receipt or completion, or~~

1           ~~[(2) been pardoned, had the record of the offense~~  
2 ~~expunged from the person's record, or otherwise has been released~~  
3 ~~from the resulting ineligibility to receive a grant under this~~  
4 ~~subchapter].~~

5           (c) If a person fails to meet any of the requirements of  
6 Subsection (a) after the completion of any academic year [~~semester~~  
7 ~~or term~~], the person may not receive a TEXAS grant for a semester or  
8 term of [~~during~~] the next academic year [~~semester or term~~] in which  
9 the person enrolls. A person may become eligible to receive a TEXAS  
10 grant in a subsequent academic year [~~semester or term~~] if the  
11 person:

12           (1) completes an academic year [~~a semester or term~~]  
13 during which the student is not eligible for a scholarship; and

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

15           SECTION 5. Subchapter M, Chapter 56, Education Code, is  
16 amended by adding Section 56.3076 to read as follows:

17           Sec. 56.3076. TEXAS TECHNOLOGY GRANT PILOT PROGRAM.

18           (a) Grants may be awarded under this section only from:

19                   (1) the amount of money available for TEXAS grants for  
20 an award period that exceeds the amount necessary to award a TEXAS  
21 grant to each eligible applicant in the applicable amount  
22 determined under Section 56.307;

23                   (2) money specifically appropriated for purposes of  
24 this section; or

25                   (3) money, other than money described by Subdivision  
26 (1) or (2), that may lawfully be used for purposes of this section.

27           (b) The coordinating board may use money described by

1 Subsection (a) to award a TEXAS technology grant to a student who:

2 (1) is enrolled in an undergraduate engineering or  
3 computer science program;

4 (2) has completed at least 60 semester credit hours  
5 toward a baccalaureate degree in engineering or computer science;  
6 and

7 (3) meets all eligibility requirements under Section  
8 56.305 to receive a TEXAS grant.

9 (c) The amount of a TEXAS technology grant is determined by  
10 the coordinating board and may not exceed an amount equal to two  
11 times the amount that may be awarded as a TEXAS grant under Section  
12 56.307(a) for the same academic period.

13 (d) In awarding a TEXAS technology grant, the coordinating  
14 board:

15 (1) shall give priority to a student who is a member of  
16 a group underrepresented in engineering or computer science, as  
17 applicable, as established under coordinating board rule;

18 (2) may award different amounts based on the amount of  
19 coursework a student has completed toward earning a degree in  
20 engineering or computer science, as provided by coordinating board  
21 rule; and

22 (3) if the money available for TEXAS technology grants  
23 is insufficient to award a grant to each eligible applicant, may  
24 give priority in awarding grants to students who demonstrate the  
25 greatest financial need.

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

1 the use and disbursement of a TEXAS grant.

2 (f) A person may not simultaneously receive a TEXAS grant  
3 and a TEXAS technology grant.

4 (g) This section expires September 1, 2013.

5 SECTION 6. Subsection (b), Section 56.308, Education Code,  
6 is amended to read as follows:

7 (b) Each school district shall:

8 (1) notify its middle school students, junior high  
9 school students, and high school students, those students' teachers  
10 and counselors, and those students' parents of federal and state  
11 financial aid [~~the TEXAS grant and Teach for Texas grant~~] programs  
12 to assist students with paying the costs of higher education, the  
13 primary eligibility requirements of the programs [~~each program~~],  
14 the need for students to make informed curriculum choices to be  
15 prepared for success beyond high school, [~~and~~] sources of  
16 information on higher education admissions, and sources of  
17 information on financial aid in a manner that assists the  
18 district in implementing a strategy adopted by the district under  
19 Section 11.252(a)(4); and

20 (2) ensure that each student's official transcript or  
21 diploma indicates whether the student has completed or is on  
22 schedule to complete:

23 (A) the recommended or advanced high school  
24 curriculum required for grant eligibility under Section 28.002 or  
25 28.025; or

26 (B) for a school district covered by Section  
27 56.304(f)(1), the required portion of the recommended or advanced



1 high school curriculum in the manner described by Section  
2 56.304(f)(2).

3 SECTION 7. Section 56.311, Education Code, is transferred  
4 to Subchapter A, Chapter 56, Education Code, redesignated as  
5 Section 56.005, and amended to read as follows:

6 Sec. 56.005 [~~56.311~~]. LEGISLATIVE OVERSIGHT COMMITTEE ON  
7 STATE FINANCIAL AID PROGRAMS FOR HIGHER EDUCATION. (a) The  
8 Legislative Oversight Committee on state financial aid programs for  
9 higher education [~~the TEXAS grant program and Teach for Texas grant~~  
10 ~~program~~] is composed of six members as follows:

11 (1) three members of the senate appointed by the  
12 lieutenant governor; and

13 (2) three members of the house of representatives  
14 appointed by the speaker of the house of representatives.

15 (b) The committee shall:

16 (1) meet at least twice a year with the coordinating  
17 board; and

18 (2) receive information regarding rules relating to  
19 state financial aid programs for higher education [~~the TEXAS grant~~  
20 ~~program and Teach for Texas grant program~~] that have been adopted by  
21 the coordinating board or proposed for adoption by the coordinating  
22 board.

23 (c) The committee may request reports and other information  
24 from the coordinating board relating to the operation by the  
25 coordinating board of state financial aid programs for higher  
26 education [~~the TEXAS grant program and Teach for Texas grant~~  
27 ~~program by the coordinating board~~].

1 (d) The committee shall review the specific recommendations  
2 for legislation related to this subchapter that are proposed by the  
3 coordinating board.

4 (e) The committee shall monitor the operation of state  
5 financial aid programs for higher education [~~the TEXAS grant~~  
6 ~~program and Teach for Texas grant program~~], with emphasis on the  
7 manner of the award of financial aid [~~grants~~], the total amount of  
8 financial aid [~~number of grants~~] awarded, the amount of financial  
9 aid awarded under each state financial aid program, and the  
10 educational progress made by persons who have received financial  
11 aid [~~grants~~] under those programs.

12 (f) The committee shall file a report with the governor,  
13 lieutenant governor, and speaker of the house of representatives  
14 not later than December 31 of each even-numbered year.

15 (g) The report shall include identification of any problems  
16 in the state financial aid programs for higher education [~~TEXAS~~  
17 ~~grant program and Teach for Texas grant program~~] with recommended  
18 solutions for the coordinating board and for legislative action.

19 SECTION 8. Section 56.463, Education Code, is amended by  
20 adding Subsection (c) to read as follows:

21 (c) The coordinating board shall distribute money in the  
22 Texas B-On-time student loan account to be paid to an eligible  
23 institution under this subchapter through the electronic funds  
24 transfer system that is maintained by the Texas Guaranteed Student  
25 Loan Corporation for disbursing loan money from commercial lenders  
26 participating in the guaranteed student loan program under Chapter  
27 57, except that, at the request of an eligible institution, the

1 coordinating board may distribute the money through another means  
2 specified by the institution. The coordinating board and the Texas  
3 Guaranteed Student Loan Corporation shall enter into a contract  
4 that provides for the corporation to make the electronic funds  
5 transfer system available for the coordinating board's use as  
6 necessary to carry out this subsection.

7 SECTION 9. Subchapter C, Chapter 61, Education Code, is  
8 amended by adding Sections 61.0661, 61.0662, and 61.0663 to read as  
9 follows:

10 Sec. 61.0661. FEASIBILITY STUDY REGARDING ISSUANCE OF DEBIT  
11 CARDS TO STUDENTS AWARDED FINANCIAL AID. (a) The board, in  
12 consultation with student financial aid officers of institutions of  
13 higher education and private or independent institutions of higher  
14 education, shall conduct a study to evaluate:

15 (1) the feasibility of issuing to a student who is  
16 awarded state or institutional financial aid to pay higher  
17 education expenses a debit card for debiting the account to which  
18 the student's financial aid money is assigned;

19 (2) if feasible to issue a debit card, the financial  
20 aid programs for which use of a debit card would be suitable;

21 (3) the manner, if any, in which a debit card could be  
22 consolidated with another debit card issued to a student by an  
23 institution of higher education or a private or independent  
24 institution of higher education; and

25 (4) any other issue the study participants determine  
26 would be helpful in making decisions concerning the issuance of a  
27 debit card to a student who is awarded state or institutional

1 financial aid.

2 (b) Not later than September 30, 2008, the board shall  
3 complete the study required by Subsection (a) and shall submit to  
4 the governor, the lieutenant governor, the speaker of the house of  
5 representatives, and the presiding officer of each legislative  
6 standing committee or subcommittee with primary jurisdiction over  
7 higher education a report that includes any recommendations that  
8 result from the study.

9 (c) This section expires January 1, 2009.

10 Sec. 61.0662. IMPACT STUDY: OVERALL GRADE POINT AVERAGE  
11 REQUIREMENT FOR FINANCIAL AID; COMPUTATION OF GRADE POINT AVERAGE.

12 (a) The board, in consultation with appropriate representatives  
13 of institutions of higher education and private or independent  
14 institutions of higher education, shall conduct a study to evaluate  
15 the impact of:

16 (1) requiring a student to maintain an overall grade  
17 point average of at least 3.0 on a four-point scale or the  
18 equivalent in order for the student to retain eligibility for  
19 receiving state financial aid to pay higher education costs; and

20 (2) excluding from the computation of overall grade  
21 point average for purposes of determining eligibility to receive  
22 state financial aid, any grade a student receives in an elective  
23 course.

24 (b) In conducting the study required by Subsection (a)(1),  
25 the board:

26 (1) shall consider whether a grade point average  
27 requirement higher than 2.5 on a four-point scale or the equivalent

1 for retaining eligibility for receiving state financial aid should  
2 be phased in over time; and

3 (2) may consider the impact of establishing an overall  
4 grade point average requirement that is higher than 2.5 on a  
5 four-point scale or the equivalent but that is lower than 3.0 on a  
6 four-point scale or the equivalent.

7 (c) Not later than September 30, 2008, the board shall  
8 complete the study required by this section and shall submit to the  
9 governor, the lieutenant governor, the speaker of the house of  
10 representatives, and the presiding officer of each legislative  
11 standing committee and subcommittee with primary jurisdiction over  
12 higher education a report that includes any recommendations that  
13 result from the study.

14 (d) This section expires January 1, 2009.

15 Sec. 61.0663. FEASIBILITY STUDY REGARDING TEXAS GRANT AWARD  
16 AMOUNTS. (a) The board, in consultation with appropriate  
17 representatives of institutions of higher education, shall conduct  
18 a study to evaluate the feasibility of awarding to a student who is  
19 eligible for a TEXAS grant under Subchapter M, Chapter 56, until the  
20 student has completed 90 semester credit hours of higher education  
21 coursework, less than the full amount of a TEXAS grant, as that  
22 amount is determined under Section 56.307. The board and the other  
23 study participants shall consider awarding to an eligible student  
24 amounts equal to the following percentages of the full amount of a  
25 TEXAS grant:

26 (1) 50 percent, until the student has completed 30  
27 semester credit hours of higher education coursework;

1           (2) 60 percent, until the student has completed 60  
2 semester credit hours of higher education coursework; and

3           (3) 75 percent, until the student has completed 90  
4 semester credit hours of higher education coursework.

5           (b) The board and the other study participants may consider:

6           (1) awarding amounts based on percentages of the full  
7 amount of a TEXAS grant other than the percentages specified by  
8 Subsection (a); or

9           (2) basing reduced TEXAS grant award amounts on  
10 numbers of semester credit hour coursework completed other than the  
11 numbers specified by Subsection (a).

12           (c) Not later than September 30, 2008, the board shall  
13 complete the study required by Subsection (a) and shall submit to  
14 the governor, the lieutenant governor, the speaker of the house of  
15 representatives, and the presiding officer of each legislative  
16 standing committee and subcommittee with primary jurisdiction over  
17 higher education a report that includes any recommendations that  
18 result from the study.

19           SECTION 10. Subsections (b) and (c), Section 61.2251,  
20 Education Code, as added by Chapter 1230, Acts of the 79th  
21 Legislature, Regular Session, 2005, are amended to read as follows:

22           (b) To be eligible for a tuition equalization grant in the  
23 first academic year in which the person receives the grant, a person  
24 must:

25           (1) be a Texas resident as defined by the coordinating  
26 board and meet, at a minimum, the resident requirements defined by  
27 law for Texas resident tuition in fully state-supported

1 institutions of higher education;

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

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

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

10 (5) not be a recipient of any form of athletic  
11 scholarship; ~~and~~

12 (6) make satisfactory academic progress toward a  
13 degree or certificate by meeting the requirements established for  
14 that purpose by the approved college or university in which the  
15 person is enrolled; and

16 (7) have complied with other requirements adopted by  
17 the coordinating board under this subchapter.

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

22 (1) meets the requirements of Subsection (b), other  
23 than the requirements established under Subsection (b)(6);

24 (2) makes satisfactory academic progress toward a  
25 degree or certificate by completing ~~completed~~ at least:

26 (A) 24 semester credit hours in the person's most  
27 recent academic year, if the person is enrolled in an undergraduate

1 degree or certificate program; or

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

5 (3) has earned an overall grade point average of at  
6 least 2.5 on a four-point scale or the equivalent on coursework  
7 previously attempted at public or private institutions of higher  
8 education.

9 SECTION 11. Subsection (g), Section 56.304, Education Code,  
10 is repealed.

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

16 (b) The Texas Higher Education Coordinating Board shall  
17 award TEXAS technology grants under Section 56.3076, Education  
18 Code, as added by this Act, beginning with the 2009 fall semester.

19 SECTION 13. This Act takes effect immediately if it  
20 receives a vote of two-thirds of all the members elected to each  
21 house, as provided by Section 39, Article III, Texas Constitution.  
22 If this Act does not receive the vote necessary for immediate  
23 effect, this Act takes effect September 1, 2007.