

1-1 By: Shapiro S.B. No. 1699
1-2 (In the Senate - Filed March 9, 2007; March 21, 2007, read
1-3 first time and referred to Subcommittee on Higher Education;
1-4 April 23, 2007, reported adversely, with favorable Committee
1-5 Substitute from Committee on Education by the following vote:
1-6 Yeas 6, Nays 0; April 23, 2007, sent to printer.)

1-7 COMMITTEE SUBSTITUTE FOR S.B. No. 1699 By: Shapiro

1-8 A BILL TO BE ENTITLED
1-9 AN ACT

1-10 relating to financial aid to assist students with paying the costs
1-11 of higher education.

1-12 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

1-13 SECTION 1. Section 56.302, Education Code, is amended by
1-14 adding Subsection (a-1) to read as follows:

1-15 (a-1) Notwithstanding Subsection (a), an individual grant
1-16 awarded under Section 56.3076 is known as a TEXAS technology grant.
1-17 A TEXAS technology grant is not a TEXAS grant for purposes of this
1-18 subchapter. This subsection expires September 1, 2013.

1-19 SECTION 2. Subsection (a), Section 56.3021, Education Code,
1-20 is amended to read as follows:

1-21 (a) Notwithstanding any other provision of this subchapter,
1-22 a student who was awarded a TEXAS grant under this subchapter to pay
1-23 the costs of enrollment in a private or independent institution of
1-24 higher education for the 2005 fall semester or an earlier academic
1-25 period may continue to receive a TEXAS grant [~~grants under this~~
1-26 ~~subchapter~~] while enrolled in a private or independent institution
1-27 of higher education if the student is otherwise eligible to receive
1-28 a TEXAS grant under this subchapter.

1-29 SECTION 3. Section 56.304, Education Code, is amended by
1-30 amending Subsections (a), (b), and (f) and adding Subsection (b-1)
1-31 to read as follows:

1-32 (a) To be eligible initially for a TEXAS grant, a person
1-33 must:

1-34 (1) be a resident of this state as determined by
1-35 coordinating board rules;

1-36 (2) meet either of the following academic
1-37 requirements:

1-38 (A) be a graduate of a public or accredited
1-39 private high school in this state [~~who graduated not earlier than~~
1-40 ~~the 1998-1999 school year and~~] who completed the recommended or
1-41 advanced high school curriculum established under Section 28.002 or
1-42 28.025 or its equivalent; or

1-43 (B) have received an associate degree from a
1-44 public or private institution of higher education [~~not earlier than~~
1-45 ~~May 1, 2001~~];

1-46 (3) meet financial need requirements as defined by the
1-47 coordinating board;

1-48 (4) be enrolled in an undergraduate degree or
1-49 certificate program at an eligible institution;

1-50 (5) be enrolled as:

1-51 (A) an entering undergraduate student for at
1-52 least three-fourths of a full course load for an entering
1-53 undergraduate student, as determined by the coordinating board, not
1-54 later than the 16th month after the date of the person's graduation
1-55 from high school; or

1-56 (B) an entering student for at least
1-57 three-fourths of a full course load for an undergraduate student as
1-58 determined by the coordinating board, not later than the 12th month
1-59 after the month the person receives an associate degree from a
1-60 public or private institution of higher education;

1-61 (6) have applied for any available financial aid or
1-62 assistance; and

1-63 (7) comply with any additional nonacademic

2-1 requirement adopted by the coordinating board under this
2-2 subchapter.

2-3 (b) Except as otherwise provided by Subsection (b-1), a [A]
2-4 person is not eligible to receive a TEXAS grant if the person has
2-5 been convicted of a felony [or an offense under Chapter 481, Health
2-6 and Safety Code (Texas Controlled Substances Act), or under the law
2-7 of another jurisdiction involving a controlled substance as defined
2-8 by Chapter 481, Health and Safety Code,] unless the person has met
2-9 the other applicable eligibility requirements under this
2-10 subchapter and has:

2-11 (1) received a certificate of discharge by the Texas
2-12 Department of Criminal Justice or a correctional facility or
2-13 completed a period of probation ordered by a court, and at least two
2-14 years have elapsed from the date of the receipt or completion; or

2-15 (2) been pardoned, had the record of the offense
2-16 expunged from the person's record, or otherwise has been released
2-17 from the resulting ineligibility to receive a grant under this
2-18 subchapter.

2-19 (b-1) A person who is convicted of any offense under a
2-20 federal or state law, including the law of another state, involving
2-21 the possession or sale of a controlled substance, as defined by
2-22 Chapter 481, Health and Safety Code, for conduct that occurred
2-23 during a period of enrollment in which the person is receiving a
2-24 TEXAS grant:

2-25 (1) is ineligible to receive a TEXAS grant for the same
2-26 period for which 20 U.S.C. Section 1091(r) provides for
2-27 ineligibility to receive a federal grant, loan, or work assistance
2-28 had the conduct occurred during a period of enrollment in which the
2-29 person was receiving a federal grant, loan, or work assistance; and

2-30 (2) may become eligible to receive a TEXAS grant
2-31 before the end of the ineligibility period provided by Subdivision
2-32 (1) in the same manner as provided by 20 U.S.C. Section 1091(r) for
2-33 a person to resume eligibility for a federal grant, loan, or work
2-34 assistance.

2-35 (f) The requirement in Subsection (a)(2) that a person must
2-36 have completed the recommended or advanced high school curriculum
2-37 does not apply to a person who:

2-38 (1) attended a public high school in a school district
2-39 if, not later than March 1 of the school year in which the person is
2-40 scheduled to graduate from high school, the superintendent of that
2-41 district certifies to the coordinating board [commissioner of
2-42 education] that the high school did not offer all the necessary
2-43 courses for a person to complete all parts of the recommended or
2-44 advanced high school curriculum; and

2-45 (2) completed all courses at the high school offered
2-46 toward the completion of the recommended or advanced high school
2-47 curriculum.

2-48 SECTION 4. Subsections (a), (b), and (c), Section 56.305,
2-49 Education Code, are amended to read as follows:

2-50 (a) After initially qualifying for a TEXAS grant, a person
2-51 may continue to receive a TEXAS grant during each academic year
2-52 [semester or term] in which the person is enrolled at an eligible
2-53 institution only if the person:

2-54 (1) meets financial need requirements as defined by
2-55 the coordinating board;

2-56 (2) is enrolled in an undergraduate degree or
2-57 certificate program at an eligible institution;

2-58 (3) is enrolled for at least three-fourths of a full
2-59 course load for an undergraduate student, as determined by the
2-60 coordinating board;

2-61 (4) makes satisfactory academic progress toward an
2-62 undergraduate degree or certificate; and

2-63 (5) complies with any additional nonacademic
2-64 requirement adopted by the coordinating board.

2-65 (b) A person who under Section 56.304(b) or (b-1) would not
2-66 be [is not] eligible [to continue] to receive a TEXAS grant is not
2-67 eligible to continue to receive a grant under this section [if the
2-68 person has been convicted of a felony or an offense under Chapter
2-69 481, Health and Safety Code (Texas Controlled Substances Act), or

~~under the law of another jurisdiction involving a controlled substance as defined by Chapter 481, Health and Safety Code, unless the person has met the other applicable eligibility requirements under this subchapter and has:~~

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

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

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

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

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

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

Sec. 56.3076. TEXAS TECHNOLOGY GRANT PILOT PROGRAM.

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

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

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

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

(b) The coordinating board may use money described by Subsection (a) to award a TEXAS technology grant to a student who:

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

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

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

(c) 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) In awarding a TEXAS technology grant, the coordinating board:

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

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

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

(e) 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) A person may not simultaneously receive a TEXAS grant and a TEXAS technology grant.

(g) This section expires September 1, 2013.

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

(b) Each school district shall:

4-1 (1) notify its middle school students, junior high
 4-2 school students, and high school students, those students' teachers
 4-3 and counselors, and those students' parents of federal and state
 4-4 financial aid [~~the TEXAS grant and Teach for Texas grant~~] programs
 4-5 to assist students with paying the costs of higher education, the
 4-6 primary eligibility requirements of the programs [~~each program~~],
 4-7 the need for students to make informed curriculum choices to be
 4-8 prepared for success beyond high school, [~~and~~] sources of
 4-9 information on higher education admissions, and sources of
 4-10 information on financial aid in a manner that assists the district
 4-11 in implementing a strategy adopted by the district under Section
 4-12 11.252(a)(4); and

4-13 (2) ensure that each student's official transcript or
 4-14 diploma indicates whether the student has completed or is on
 4-15 schedule to complete:

4-16 (A) the recommended or advanced high school
 4-17 curriculum required for grant eligibility under Section 28.002 or
 4-18 28.025; or

4-19 (B) for a school district covered by Section
 4-20 56.304(f)(1), the required portion of the recommended or advanced
 4-21 high school curriculum in the manner described by Section
 4-22 56.304(f)(2).

4-23 SECTION 7. Section 56.311, Education Code, is transferred
 4-24 to Subchapter A, Chapter 56, Education Code, redesignated as
 4-25 Section 56.005, and amended to read as follows:

4-26 Sec. 56.005 [~~56.311~~]. LEGISLATIVE OVERSIGHT COMMITTEE ON
 4-27 STATE FINANCIAL AID PROGRAMS FOR HIGHER EDUCATION. (a) The
 4-28 Legislative Oversight Committee on state financial aid programs for
 4-29 higher education [~~the TEXAS grant program and Teach for Texas grant~~
 4-30 ~~program~~] is composed of six members as follows:

4-31 (1) three members of the senate appointed by the
 4-32 lieutenant governor; and

4-33 (2) three members of the house of representatives
 4-34 appointed by the speaker of the house of representatives.

4-35 (b) The committee shall:

4-36 (1) meet at least twice a year with the coordinating
 4-37 board; and

4-38 (2) receive information regarding rules relating to
 4-39 state financial aid programs for higher education [~~the TEXAS grant~~
 4-40 ~~program and Teach for Texas grant program~~] that have been adopted by
 4-41 the coordinating board or proposed for adoption by the coordinating
 4-42 board.

4-43 (c) The committee may request reports and other information
 4-44 from the coordinating board relating to the operation by the
 4-45 coordinating board of state financial aid programs for higher
 4-46 education [~~the TEXAS grant program and Teach for Texas grant~~
 4-47 ~~program by the coordinating board~~].

4-48 (d) The committee shall review the specific recommendations
 4-49 for legislation related to this subchapter that are proposed by the
 4-50 coordinating board.

4-51 (e) The committee shall monitor the operation of state
 4-52 financial aid programs for higher education [~~the TEXAS grant~~
 4-53 ~~program and Teach for Texas grant program~~], with emphasis on the
 4-54 manner of the award of financial aid [~~grants~~], the total amount of
 4-55 financial aid [~~number of grants~~] awarded, the amount of financial
 4-56 aid awarded under each state financial aid program, and the
 4-57 educational progress made by persons who have received financial
 4-58 aid [~~grants~~] under those programs.

4-59 (f) The committee shall file a report with the governor,
 4-60 lieutenant governor, and speaker of the house of representatives
 4-61 not later than December 31 of each even-numbered year.

4-62 (g) The report shall include identification of any problems
 4-63 in the state financial aid programs for higher education [~~TEXAS~~
 4-64 ~~grant program and Teach for Texas grant program~~] with recommended
 4-65 solutions for the coordinating board and for legislative action.

4-66 SECTION 8. Section 56.463, Education Code, is amended by
 4-67 adding Subsection (c) to read as follows:

4-68 (c) The coordinating board shall distribute money in the
 4-69 Texas B-On-time student loan account to be paid to an eligible

5-1 institution under this subchapter through the electronic funds
 5-2 transfer system that is maintained by the Texas Guaranteed Student
 5-3 Loan Corporation for disbursing loan money from commercial lenders
 5-4 participating in the guaranteed student loan program under Chapter
 5-5 57, except that, at the request of an eligible institution, the
 5-6 coordinating board may distribute the money through another means
 5-7 specified by the institution. The coordinating board and the Texas
 5-8 Guaranteed Student Loan Corporation shall enter into a contract
 5-9 that provides for the corporation to make the electronic funds
 5-10 transfer system available for the coordinating board's use as
 5-11 necessary to carry out this subsection.

5-12 SECTION 9. Subchapter C, Chapter 61, Education Code, is
 5-13 amended by adding Sections 61.0661, 61.0662, and 61.0663 to read as
 5-14 follows:

5-15 Sec. 61.0661. FEASIBILITY STUDY REGARDING ISSUANCE OF DEBIT
 5-16 CARDS TO STUDENTS AWARDED FINANCIAL AID. (a) The board, in
 5-17 consultation with student financial aid officers of institutions of
 5-18 higher education and private or independent institutions of higher
 5-19 education, shall conduct a study to evaluate:

5-20 (1) the feasibility of issuing to a student who is
 5-21 awarded state or institutional financial aid to pay higher
 5-22 education expenses a debit card for debiting the account to which
 5-23 the student's financial aid money is assigned;

5-24 (2) if feasible to issue a debit card, the financial
 5-25 aid programs for which use of a debit card would be suitable;

5-26 (3) the manner, if any, in which a debit card could be
 5-27 consolidated with another debit card issued to a student by an
 5-28 institution of higher education or a private or independent
 5-29 institution of higher education; and

5-30 (4) any other issue the study participants determine
 5-31 would be helpful in making decisions concerning the issuance of a
 5-32 debit card to a student who is awarded state or institutional
 5-33 financial aid.

5-34 (b) Not later than September 30, 2008, the board shall
 5-35 complete the study required by Subsection (a) and shall submit to
 5-36 the governor, the lieutenant governor, the speaker of the house of
 5-37 representatives, and the presiding officer of each legislative
 5-38 standing committee or subcommittee with primary jurisdiction over
 5-39 higher education a report that includes any recommendations that
 5-40 result from the study.

5-41 (c) This section expires January 1, 2009.

5-42 Sec. 61.0662. IMPACT STUDY: OVERALL GRADE POINT AVERAGE
 5-43 REQUIREMENT FOR FINANCIAL AID; COMPUTATION OF GRADE POINT AVERAGE.

5-44 (a) The board, in consultation with appropriate representatives
 5-45 of institutions of higher education and private or independent
 5-46 institutions of higher education, shall conduct a study to evaluate
 5-47 the impact of:

5-48 (1) requiring a student to maintain an overall grade
 5-49 point average of at least 3.0 on a four-point scale or the
 5-50 equivalent in order for the student to retain eligibility for
 5-51 receiving state financial aid to pay higher education costs; and

5-52 (2) excluding from the computation of overall grade
 5-53 point average for purposes of determining eligibility to receive
 5-54 state financial aid, any grade a student receives in an elective
 5-55 course.

5-56 (b) In conducting the study required by Subsection (a)(1),
 5-57 the board:

5-58 (1) shall consider whether a grade point average
 5-59 requirement higher than 2.5 on a four-point scale or the equivalent
 5-60 for retaining eligibility for receiving state financial aid should
 5-61 be phased in over time; and

5-62 (2) may consider the impact of establishing an overall
 5-63 grade point average requirement that is higher than 2.5 on a
 5-64 four-point scale or the equivalent but that is lower than 3.0 on a
 5-65 four-point scale or the equivalent.

5-66 (c) Not later than September 30, 2008, the board shall
 5-67 complete the study required by this section and shall submit to the
 5-68 governor, the lieutenant governor, the speaker of the house of
 5-69 representatives, and the presiding officer of each legislative

6-1 standing committee and subcommittee with primary jurisdiction over
6-2 higher education a report that includes any recommendations that
6-3 result from the study.

6-4 (d) This section expires January 1, 2009.

6-5 Sec. 61.0663. FEASIBILITY STUDY REGARDING TEXAS GRANT AWARD
6-6 AMOUNTS. (a) The board, in consultation with appropriate
6-7 representatives of institutions of higher education, shall conduct
6-8 a study to evaluate the feasibility of awarding to a student who is
6-9 eligible for a TEXAS grant under Subchapter M, Chapter 56, until the
6-10 student has completed 90 semester credit hours of higher education
6-11 coursework, less than the full amount of a TEXAS grant, as that
6-12 amount is determined under Section 56.307. The board and the other
6-13 study participants shall consider awarding to an eligible student
6-14 amounts equal to the following percentages of the full amount of a
6-15 TEXAS grant:

6-16 (1) 50 percent, until the student has completed 30
6-17 semester credit hours of higher education coursework;

6-18 (2) 60 percent, until the student has completed 60
6-19 semester credit hours of higher education coursework; and

6-20 (3) 75 percent, until the student has completed 90
6-21 semester credit hours of higher education coursework.

6-22 (b) The board and the other study participants may consider:

6-23 (1) awarding amounts based on percentages of the full
6-24 amount of a TEXAS grant other than the percentages specified by
6-25 Subsection (a); or

6-26 (2) basing reduced TEXAS grant award amounts on
6-27 numbers of semester credit hour coursework completed other than the
6-28 numbers specified by Subsection (a).

6-29 (c) Not later than September 30, 2008, the board shall
6-30 complete the study required by Subsection (a) and shall submit to
6-31 the governor, the lieutenant governor, the speaker of the house of
6-32 representatives, and the presiding officer of each legislative
6-33 standing committee and subcommittee with primary jurisdiction over
6-34 higher education a report that includes any recommendations that
6-35 result from the study.

6-36 SECTION 10. Subsections (b) and (c), Section 61.2251,
6-37 Education Code, as added by Chapter 1230, Acts of the 79th
6-38 Legislature, Regular Session, 2005, are amended to read as follows:

6-39 (b) To be eligible for a tuition equalization grant in the
6-40 first academic year in which the person receives the grant, a person
6-41 must:

6-42 (1) be a Texas resident as defined by the coordinating
6-43 board and meet, at a minimum, the resident requirements defined by
6-44 law for Texas resident tuition in fully state-supported
6-45 institutions of higher education;

6-46 (2) be enrolled for a full course load conforming to an
6-47 individual degree plan in an approved college or university;

6-48 (3) be required to pay more tuition than is required at
6-49 a public college or university and be charged no less than the
6-50 regular tuition required of all students enrolled at the
6-51 institution;

6-52 (4) establish financial need in accordance with
6-53 procedures and regulations of the coordinating board;

6-54 (5) not be a recipient of any form of athletic
6-55 scholarship; ~~and~~

6-56 (6) make satisfactory academic progress toward a
6-57 degree or certificate by meeting the requirements established for
6-58 that purpose by the approved college or university in which the
6-59 person is enrolled; and

6-60 (7) have complied with other requirements adopted by
6-61 the coordinating board under this subchapter.

6-62 (c) After qualifying for a tuition equalization grant under
6-63 Subsection (b), a person may receive a tuition equalization grant
6-64 in a subsequent academic year in which the person is enrolled at an
6-65 approved institution only if the person:

6-66 (1) meets the requirements of Subsection (b), other
6-67 than the requirements established under Subsection (b)(6);

6-68 (2) makes satisfactory academic progress toward a
6-69 degree or certificate by completing ~~completed~~ at least:

7-1 (A) 24 semester credit hours in the person's most
7-2 recent academic year, if the person is enrolled in an undergraduate
7-3 degree or certificate program; or

7-4 (B) 18 semester credit hours in the person's most
7-5 recent academic year, if the person is enrolled in a graduate or
7-6 professional degree program; and

7-7 (3) has earned an overall grade point average of at
7-8 least 2.5 on a four-point scale or the equivalent on coursework
7-9 previously attempted at public or private institutions of higher
7-10 education.

7-11 SECTION 11. Subsection (g), Section 56.304, Education Code,
7-12 is repealed.

7-13 SECTION 12. (a) Except as provided by Subsection (b) of
7-14 this section, the changes in law made by this Act to Subchapter M,
7-15 Chapter 56, Education Code, and to Section 61.2251, Education Code,
7-16 as added by Chapter 1230, Acts of the 79th Legislature, Regular
7-17 Session, 2005, apply beginning with the 2008 fall semester.

7-18 (b) The Texas Higher Education Coordinating Board shall
7-19 award TEXAS technology grants under Section 56.3076, Education
7-20 Code, as added by this Act, beginning with the 2009 fall semester.

7-21 SECTION 13. This Act takes effect immediately if it
7-22 receives a vote of two-thirds of all the members elected to each
7-23 house, as provided by Section 39, Article III, Texas Constitution.
7-24 If this Act does not receive the vote necessary for immediate
7-25 effect, this Act takes effect September 1, 2007.

7-26 * * * * *