

BILL ANALYSIS

C.S.H.B. 4556
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Higher Education
Committee Report (Substituted)

BACKGROUND AND PURPOSE

AmeriCorps is a network of programs that support the engagement of nearly 75,000 Americans in national service to meet critical needs in areas, such as education, public safety, and homeland security. The Segal AmeriCorps Education Award is a post-service benefit for AmeriCorps members who successfully complete service in AmeriCorps. The maximum award is \$4,725 for a year of full-time service and is prorated accordingly for service less than full time. An individual is eligible to receive no more than two awards, and the award may be used to pay education costs at qualified institutions of higher education or to repay qualified student loans. The award may be used for up to seven years after the AmeriCorps member's term of service has ended.

Since 2002, more than 300,000 AmeriCorps members have earned more than \$944 million nationally in Segal AmeriCorps Education Awards. Only 60 percent of those funds have been used, however, leaving \$382 million in Segal AmeriCorps Education Awards unclaimed by AmeriCorps alumni.

Institutions of higher education in 28 states and the District of Columbia currently provide matching funds or other incentives for the use of Segal AmeriCorps Education Awards. Texas is not one of those states.

C.S.H.B. 4556 reduces barriers to higher education by authorizing the provision of post-service education incentives for AmeriCorps alumni while bringing financial resources to higher education institutions in Texas. The bill authorizes the Texas Higher Education Coordinating Board to develop measures to encourage postsecondary education at Texas institutions of higher education by AmeriCorps alumni.

RULEMAKING AUTHORITY

It is the committee's opinion that this bill does not expressly grant any additional rulemaking authority to a state officer, department, agency, or institution.

ANALYSIS

C.S.H.B. 4556 amends the Education Code to require the Texas Higher Education Coordinating Board to develop measures to promote the pursuit of postsecondary education at institutions of higher education by current or former AmeriCorps participants. The bill requires the coordinating board to coordinate with institutions of higher education to promote the inclusion of information regarding the availability of Segal AmeriCorps Education Awards to AmeriCorps participants in written materials provided to prospective students and in financial aid application or informational materials. The bill authorizes the coordinating board, using money available to the board for student financial aid, including any money appropriated for purposes of these provisions and gifts, grants, donations, or federal funds, to develop and administer a program of financial assistance or other measures as the board considers appropriate to provide incentives to AmeriCorps participants to pursue postsecondary education at institutions of higher education.

The bill authorizes the program to include scholarships, grants that match any money received from a Segal AmeriCorps Education Award, or other incentives, such as reimbursement to institutions that waive application fees or other costs for applicants or students who are current or former AmeriCorps participants. The bill requires the coordinating board to examine whether, consistent with applicable academic standards, it is feasible for institutions of higher education to grant academic credit for all or part of a student's AmeriCorps service and to make recommendations for that purpose to institutions consistent with the board's findings.

EFFECTIVE DATE

On passage, or, if the act does not receive the necessary vote, the act takes effect September 1, 2009.

COMPARISON OF ORIGINAL AND SUBSTITUTE

C.S.H.B. 4556 differs from the original by authorizing the Texas Higher Education Coordinating Board to develop and administer a program of financial assistance or other measures to provide incentives to AmeriCorps participants to pursue postsecondary education at institutions of higher education, whereas the original requires the coordinating board to establish such a program.

C.S.H.B. 4556 differs from the original by authorizing the coordinating board's establishment of such a program with money available to the coordinating board for student financial aid, including any money appropriated for purposes of this section or other money available to the board, including gifts, grants, donations, or federal funds, whereas the original, in requiring the board to establish a program, specifies only the use of money available to the board for student financial aid, including any money appropriated for such purposes, and does not specify the use of gifts, grants, or federal funds.