

## **BILL ANALYSIS**

C.S.H.B. 10  
By: Branch  
Higher Education  
Committee Report (Substituted)

### **BACKGROUND AND PURPOSE**

The TEXAS grant program was established to provide academically prepared high school graduates with financial aid to pursue higher education. Since its inception, the program has received investments from the legislature and benefited more than 200,000 students.

In its current form, the TEXAS grant program bases eligibility for the award on demonstrated financial need and completion of the recommended high school program. Although this has arguably improved completion rates of the recommended high school program, Texas must make significant gains in annual bachelor's, associate's, and certificate awards to meet the goals set out in *Closing the Gaps by 2015* adopted by the Texas Higher Education Coordinating Board. Providing additional preference or priority for students who have earned academic distinction beyond completing the recommended high school program would help Texas meet its *Closing the Gaps* goals.

C.S.H.B. 10 directs general academic teaching institutions, in determining who should receive an initial TEXAS grant, to give priority to students who meet existing eligibility requirements as well as two of the four advanced academic criteria specified in the bill.

### **RULEMAKING AUTHORITY**

It is the committee's opinion that rulemaking authority is expressly granted to the Texas Higher Education Coordinating Board in SECTION 3 of this bill.

### **ANALYSIS**

C.S.H.B. 10 amends the Education Code to enact the TEXAS Grant College Readiness Reform Act to require a person graduating from high school on or after May 1, 2013, and enrolling in a general academic teaching institution, in order to be eligible initially for a TEXAS grant, to meet the following criteria: be a resident of Texas as determined by Texas Higher Education Coordinating Board rules, meet financial need requirements established by the coordinating board, be enrolled in an undergraduate degree or certificate program at the general academic teaching institution, have applied for any available financial aid or assistance, and comply with any additional nonacademic requirements adopted by the coordinating board.

C.S.H.B. 10 also requires a person graduating from high school on or after May 1, 2013, and enrolling in a general academic teaching institution, in order to be eligible initially for a TEXAS grant, to have received an associate degree from a public or private institution of higher education or to be a graduate of a public or accredited private high school in Texas who completed the recommended high school program or its equivalent having accomplished any two or more of the following:

- graduation under the advanced high school program or its equivalent, successful completion of the course requirements of the international baccalaureate diploma program, or earning at least 12 college credits in high school under the college credit program;
- satisfaction of the Texas Success Initiative college readiness benchmarks prescribed by the coordinating board on any assessment instrument designated by the coordinating

board or qualification for an exemption;

- graduation in the top one-third of the person's high school graduating class or graduation from high school with a grade point average of at least 3.0 on a four-point scale or the equivalent; or
- completion for high school credit of at least one advanced mathematics course following the successful completion of an Algebra II course or at least one advanced career and technical course, as permitted by provisions of law.

The bill, if sufficient money is available, allows a person graduating from a public or accredited private high school on or after May 1, 2013, and enrolling in a general academic teaching institution, who completed the recommended or advanced high school curriculum or its equivalent in addition to meeting the bill's eligibility requirements regarding residency, financial need, enrollment, application for financial aid, and compliance with additional nonacademic requirements, to be initially eligible for a TEXAS grant. The bill establishes that, if at the time an eligible institution awards TEXAS grants to initial recipients for an academic year an applicant who is an associate degree candidate has not completed that degree or the applicant's final college transcript is not yet available to the institution, the student is considered to have satisfied the associate degree requirement for eligibility if the student's available college transcript indicates that at the time the transcript was prepared the student was on schedule to complete the associate degree in time to be eligible for a TEXAS grant for the academic year. The bill makes related conforming changes.

C.S.H.B. 10 also requires a person graduating from high school on or after May 1, 2013, and enrolling in a general academic teaching institution, in order to be eligible initially for a TEXAS grant, except as provided under rules required by the bill's provisions to be adopted by the coordinating board, to be enrolled as follows: as an entering undergraduate student for at least three-fourths of a full course load, as determined by the coordinating board, not later than the 16th month after the calendar month in which the person graduated from high school; as an entering undergraduate student who entered military service not later than the first anniversary of the date the person graduated from high school and who enrolled for at least three-fourths of a full course load, as determined by the coordinating board, at the general academic teaching institution not later than 12 months after being honorably discharged from military service; or as a continuing undergraduate student for at least three-fourths of a full course load, as determined by the coordinating board, not later than the 12th month after the calendar month in which the person received an associate degree from a public or private institution of higher education.

C.S.H.B. 10 requires the coordinating board, from money appropriated by the legislature for the purposes of the TEXAS grant program, to annually determine the allocation among general academic teaching institutions and other eligible institutions of money available for the grants and to distribute the money accordingly. The bill requires the coordinating board, in allocating grant money available for initial TEXAS grants for an academic year among general academic teaching institutions, to ensure that each of those institutions' percentage share of the total amount of initial grant money allocated to general academic teaching institutions for that year does not, as a result of the number of students who establish eligibility at the institution for an initial TEXAS grant under the bill's provisions, change from the institution's percentage share of the total amount of money for initial grants that is allocated to those institutions for the preceding academic year. The bill requires the coordinating board and the eligible institutions, in determining who should receive a TEXAS grant, to give priority, rather than highest priority, to students who demonstrate the greatest financial need.

C.S.H.B. 10 requires each general academic teaching institution, beginning with TEXAS grants awarded for the 2013-2014 academic year and in addition to giving priority to students who demonstrate the greatest financial need, to give highest priority to graduates of a public or

accredited private high school in Texas who completed the recommended high school program or its equivalent having accomplished two or more of the four criteria established in the bill's provisions. The bill requires a general academic teaching institution, if there is money available in excess of the amount required to award an initial TEXAS grant to all students meeting that criteria, to make awards to other students who meet the TEXAS grant eligibility criteria under provisions of law concerning high school graduates, provided that the institution continues to give priority to students who demonstrate the greatest financial need.

C.S.H.B. 10 makes its provisions applicable beginning with TEXAS grants awarded for the 2013 fall semester. The bill makes conforming and nonsubstantive changes.

### **EFFECTIVE DATE**

September 1, 2011.

### **COMPARISON OF ORIGINAL AND SUBSTITUTE**

C.S.H.B. 10 omits a provision in the original redefining "eligible institution" and changes certain references to an eligible institution in the original to references to a general academic teaching institution in the substitute. The substitute contains a provision not included in the original specifying initial eligibility requirements for a TEXAS grant for a person who graduates from high school on or after May 1, 2013, apply if the person enrolls in a general academic teaching institution. The substitute contains a provision not included in the original establishing conditions under which a student is considered to have satisfied the associate degree requirement for grant eligibility. The substitute differs from the original by including among the eligibility requirements for a TEXAS grant candidate enrollment in a certificate program in addition to an undergraduate degree program at a general academic teaching institution, whereas the original requires enrollment only in an undergraduate degree program at an eligible institution. The substitute specifies that the condition of grant eligibility relating to the high school graduation date of an entering undergraduate student applies to a student required to have entered as an undergraduate not later than the 16th month after the calendar month in which the person graduated from high school, rather than not later than the 16th month after the date the person graduates from high school, as in the original. The substitute specifies that the condition of grant eligibility relating to an entering undergraduate student who entered military service applies to a student who entered that service not later than the first anniversary of the date the person graduated from high school and who enrolled for at least three-fourths of a full course load at a general academic teaching institution, rather than to a student who entered military service not later than 12 months after graduating from high school and who enrolled at an eligible institution, as in the original. The substitute specifies that the condition of grant eligibility relating to a continuing undergraduate student applies to the enrollment of such a student not later than the 12th month after the calendar month in which the person received an associate degree, rather than not later than the 12th month after the date the person receives such a degree, as in the original. The substitute omits provisions in the original setting restrictions on eligibility for a person convicted of certain offenses and a person granted a baccalaureate degree and provisions limiting the number of semester credit hours for which a person may receive a TEXAS grant. The substitute omits provisions included in the original establishing the expiration of a person's eligibility for a TEXAS grant and requiring the Texas Higher Education Coordinating Board to adopt rules relating to exceptions to those time limits. The substitute differs from the original by specifying that provisions relating to the allocation of grant money by the coordinating board and restrictions against a percentage in an institution's allocation from year to year, applies to money for initial grants, whereas the original refers to grant money allocated. The substitute contains a provision not in the original establishing the TEXAS Grant College Readiness Reform Act as a short title by which its collective provisions are to be known. The substitute contains conforming changes not in the original relating to a student being required to forgo or repay a grant and relating to the requirement that the coordinating board

adopt rules to allow a person who is otherwise eligible to receive a TEXAS grant, in the event of a hardship or for other good cause, to receive a TEXAS grant while enrolled in a number of semester credit hours that is less than the number required under the substitute's provisions. The substitute contains a provision not in the original making its provisions applicable beginning with TEXAS grants awarded for the 2013 fall semester. The substitute makes its provisions effective September 1, 2011, rather than January 1, 2013, as in the original. The substitute differs from the original in a citation to a provision in the substitute that is substantially the same as a provision in the original.