

BILL ANALYSIS

Senate Research Center

S.B. 28
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Higher Education
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Enrolled

AUTHOR'S / SPONSOR'S STATEMENT OF INTENT

The state does not fully fund the TEXAS grant program and often there are significant numbers of students (30 percent of those eligible) who do not receive the grant. Many of these students showed academic promise while in high school. During times of budgetary constraints, the state must decide to most efficiently use limited dollars, and this change to TEXAS grants will help to maximize state grant dollars per graduate.

This bill would establish priority criteria for the TEXAS grant program. Under this proposal, higher education institutions must prioritize students who have met two of four academic criteria: completing the equivalent of 12 semester credit hours of college level programs in high school (dual credit, Advanced Placement, or International Baccalaureate) or completing the Distinguished Achievement Program; satisfaction of the Texas Success Initiative college readiness benchmarks on an approved assessment instrument or through qualification for an authorized exemption; completing high school with a B average on a four-point scale or graduating in the top one-third of the student's high school class; or successfully completing a mathematics course higher than Algebra II. If a student meets two of these criteria, the student is placed ahead of those students who do not meet the criteria. Once an institution has provided all academically prioritized students with a TEXAS grant, it can then distribute remaining funds to need eligible yet academically ineligible students.

Additionally, S.B. 28 codifies the cap for the Expected Family Contribution (EFC) necessary to qualify for a TEXAS grant. It adds that greatest financial need is determined by an EFC that can be no greater than 60 percent of the average statewide amount of tuition and required fees described by Section 56.307(a).

S.B. 28 amends current law relating to eligibility for a TEXAS grant and to administration of the TEXAS grant program.

RULEMAKING AUTHORITY

Rulemaking authority previously granted to Texas Higher Education Coordinating Board is modified in SECTION 3 (Section 56.304, Education Code) of this bill.

SECTION BY SECTION ANALYSIS

SECTION 1. Provides that this Act shall be known as the TEXAS Grant College Readiness Reform Act.

SECTION 2. Amends Section 56.303, Education Code, by amending Subsection (d) and adding Subsections (d-1), (e), and (f), as follows:

(d) Requires the Texas Higher Education Coordinating Board (THECB) annually, from money appropriated by the legislature for the purposes of this subchapter, to determine the allocation of money available for TEXAS grants among general academic teaching institutions and other eligible institutions and to distribute the money accordingly.

(d-1) Requires THECB in allocating among general academic teaching institutions money available for initial TEXAS grants for an academic year, to ensure that each of

those institutions' percentage share of the total amount of money for initial grants that is allocated to general academic teaching institutions under this subsection for that year does not, as a result of the number of students who establish eligibility at the institution for an initial grant under Section 56.3041(2)(A), change from the institution's percentage share of the total amount of money for initial grants that is allocated to those institutions under this subsection for the preceding academic year.

(e) Creates this subsection from existing text. Requires THECB and the eligible institutions, in determining who should receive a TEXAS grant, to give priority, rather than highest priority, to awarding TEXAS grants to students who demonstrate the greatest financial need and whose expected family contribution, as determined according to the methodology used for federal student financial aid, does not exceed 60 percent of the average statewide amount of tuition and required fees described by Section 56.307(a) (relating to the amount of a TEXAS grant). Requires a general academic teaching institution, in giving priority based on financial need as required by this subsection to students who meet the requirements for the highest priority as provided by Subsection (f), to determine financial need according to the relative expected family contribution of those students, beginning with students who have the lowest expected family contribution.

(f) Requires each general academic teaching institution, beginning with TEXAS grants awarded for the 2013-2014 academic year, in determining who should receive an initial TEXAS grant, in addition to giving priority as provided by Subsection (e), to give highest priority to students who meet the eligibility criteria described by Section 56.3041(2)(A). 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 those criteria, to make awards to other students who meet the eligibility criteria described by Section 56.304(a)(2)(A), provided that the institution continues to give priority to students provided by Subsection (e).

SECTION 3. Amends Section 56.304(h), Education Code, to require THECB to 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 shown, including a showing of a severe illness or other debilitating condition that may affect the person's academic performance or that the person is responsible for the care of a sick, injured, or needy person and that the person's provision of care may affect the person's academic performance, to receive a TEXAS grant while enrolled in a number of semester credit hours that is less than the number of semester credit hours required under Subsection (a)(5) (relating to certain criteria to be eligible for a TEXAS grant) or Section 56.3041(5), as applicable.

SECTION 4. Amends Subchapter M, Chapter 56, Education Code, by amending Section 56.3041 and adding Section 56.3042, as follows:

Sec. 56.3041. INITIAL ELIGIBILITY OF PERSON GRADUATING FROM HIGH SCHOOL ON OR AFTER MAY 1, 2013, AND ENROLLING IN A GENERAL ACADEMIC TEACHING INSTITUTION. Requires a person graduating from high school on or after May 1, 2013, and enrolling in a general academic teaching institution, notwithstanding Section 56.304(a) (relating to certain criteria to be eligible for a TEXAS grant), to be eligible initially for a TEXAS grant, to:

(1) be a resident of this state as determined by THECB rules;

(2) meet the academic requirements prescribed by Paragraph (A), (B), or (C), as follows:

(A) be a graduate of a public or accredited private high school in this state who completed the recommended high school program established under Section 28.025 (High School Diploma and Certificate; Academic Achievement Record) or its equivalent and have accomplished any two or more of the following:

(i) graduation under the advanced high school program establish under Section 28.025 or its equivalent, successful completion of the course requirements of the international baccalaureate diploma program, or earning of the equivalent of at least 12 semester credit hours of college credit in high school through courses described in Sections 28.009(a)(1), (relating to college credit earned through international baccalaureate, advanced placement, or dual credit courses), (2), (relating to articulated postsecondary courses), and (3) (relating to college credit earned through a combination of (1) and (2));

(ii) satisfaction of the Texas Success Initiative (TSI) college readiness benchmarks prescribed by THECB under Section 51.3062(f) (relating to diagnostic assessment instruments) on any assessment instrument designated by THECB under Section 51.3062(c) (relating to requiring one or more assessments) or (e) (relating to additional assessment instruments), or qualification for an exemption as described by Section 51.3062(p) (relating to exemption for students who have a certain score on the SAT or ACT), (q) (relating to assessment exemption), or (q-1) (relating to exemption for students who completed a recommended or advanced high school program);

(iii) 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

(iv) completion for high school credit of at least one advanced mathematics course following the successful completion of an Algebra II course, as permitted by Section 28.025(b-3) (relating to requiring a variety of mathematics and science courses), or least one advanced career and technical course, as permitted by Section 28.025(b-2) (relating to curriculum requirements for a mathematics course);

(B) have received an associate degree from a public or private institution of higher education; or

(C) if sufficient money is available, meet the eligibility criteria described by Section 56.304(a)(2)(A);

(3) meet financial need requirements established by THECB;

(4) be enrolled in an undergraduate degree or certification program at the general academic teaching institution;

(5) except as provided under rules adopted under Section 56.304(h), be enrolled as:

(A) an entering undergraduate student for at least three-fourths of a full course load, as determined by THECB, not later than the 16th month after the calendar month in which the person graduated from high school;

(B) 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 THECB, at the general academic teaching institution not later than 12 months after being honorably discharged from military service; or

(C) a continuing undergraduate student for at least three-fourths of a full course load, as determined by THECB, 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;

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

(7) comply with any additional nonacademic requirements adopted by THECB under this subchapter.

Sec. 56.3042. New heading: INITIAL QUALIFICATION OF PERSON ON TRACK TO MEET ELIGIBILITY REQUIREMENTS. Redesignates existing Section 56.3041 as Section 56.3042. (a) Provides that if at the time an eligible institution awards TEXAS grants to initial recipients for an academic year an applicant has not completed high school or the applicant's final high school transcript is not yet available to the institution, the student is considered to have satisfied the eligibility requirements of Section 56.304(a)(2)(A) or 56.3041(2)(A) if the student's available high school transcript indicates that at the time the transcript was prepared the student was on schedule to graduate from high school and to meet the eligibility requirements as applicable to the student, rather than to complete the recommended or advanced high school curriculum or its equivalent, as applicable to the student, in time to be eligible for a TEXAS grant for the academic year.

(a-1) Provides 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 of Section 56.304(a)(2)(B) or 56.3041(2)(B) 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.

(b) Authorizes THECB or the eligible institution to require the student to forgo or repay the amount of an initial TEXAS grant awarded to the student as described by Subsection (a) or (a-1) if the student fails to meet the eligibility requirements of Section 56.304(a)(2)(A), 56.3041(2)(A), 56.304(a)(2)(B), or 56.3041(2)(B), as applicable to the student after the issuance of the available high school or college transcript, rather than an initial TEXAS grant awarded to the student as described by Subsection (a) if the student fails to complete the recommended or advanced high school curriculum or its equivalent after the issuance of the available high school transcript.

(c) Authorizes a person who is required to forgo or repay the amount of an initial TEXAS grant under Subsection (b) to subsequently become eligible to receive an initial TEXAS grant under Section 56.304 or 56.3041 by satisfying the associate degree requirement prescribed by Section 56.304(a)(2)(B) or 56.3041(2)(B) and the other requirements of those sections applicable to the person at the time the person reapplies for the grant. Makes nonsubstantive changes.

(d) Authorizes a person who receives an initial TEXAS grant under Subsection (a) or (a-1) and is not required to forgo or repay the amount of the grant under Subsection (b) to become eligible to receive a subsequent TEXAS grant under Section 56.305 (Continuing Eligibility and Academic Performance Requirements) only by satisfying the associate degree requirement prescribed by Section 56.304(a)(2)(B) or 56.3041(2)(B) as applicable to the person, in addition to the requirements of Section 56.305 at the time the person applies for the subsequent grant.

SECTION 5. Amends Subchapter M, Chapter 56, Education Code, by adding Section 56.3045, as follows:

Sec. 56.3045. TOLLING OF ELIGIBILITY FOR INITIAL AWARD. (a) Provides that this section applies only to a person who:

- (1) was eligible to receive an initial TEXAS grant in an academic year for which sufficient money was not available through legislative appropriations to allow THECB to award initial TEXAS grants to at least 10 percent of the persons eligible for initial TEXAS grants in that year, as determined by THECB;
- (2) has not previously been awarded a TEXAS grant; and
- (3) has not received a baccalaureate degree.

(b) Provides that provided that the person meets the requirements described by Section 56.305(a) (relating to eligibility requirements for continuing a TEXAS grant), a person to whom this section applies is eligible to receive an initial TEXAS grant in any academic year in which funding is sufficient to award initial TEXAS grants to eligible applicants for that year. Provides that the person's eligibility for an initial TEXAS grant under this section is not affected by:

- (1) the period for which the person has been enrolled at an eligible institution; or
- (2) any statutory changes to the eligibility requirements for initial TEXAS grants that are enacted after the person first established eligibility for an initial TEXAS grant as described by Subsection (a)(1).

(c) Entitles a person who is eligible for an initial TEXAS grant under this section to the highest priority as described by Section 56.303(f) if the person was entitled to that priority when the person first established eligibility for an initial TEXAS grant as described by Subsection (a)(1).

(d) Provides that a person who receives an initial TEXAS grant under this section:

- (1) may receive subsequent TEXAS grants as provided by Section 56.305; and
- (2) is not entitled to TEXAS grants for any previously completed academic year.

SECTION 6. Amends Section 56.311, Education Code, by adding Subsection (c-1), as follows:

(c-1) Requires THECB, not later than September 1 of each year, to provide a report to the committee regarding the operation of the TEXAS grant program, including information from the three preceding state fiscal years as follows:

- (1) allocations of TEXAS grants by eligible institution, disaggregated by initial and subsequent awards;
- (2) the number of TEXAS grants awarded to students disaggregated by race, ethnicity, and expected family contribution;
- (3) disaggregated as required by Subdivision (2) and reported both on a statewide basis and for each eligible institution, the number of TEXAS grants awarded to students who meet:

(A) only the eligibility criteria described by Section 56.304; or

(B) the eligibility criteria described by Section 56.3041(2)(A); and

(4) the persistence, retention, and graduation rates of students receiving TEXAS grants.

SECTION 7. Provides that the change in law made to Subchapter M, Chapter 56, Education Code, by this Act applies beginning with TEXAS grants awarded for the 2013 fall semester. Provides that grants awarded for a semester or term before the 2013 fall semester are governed by the applicable law in effect immediately before the effective date of this Act, and the former law is continued in effect for that purpose.

SECTION 8. Effective date: September 1, 2011.