By: Howard H.B. No. 2829

Substitute the following for H.B. No. 2829:
By: Branch C.S.H.B. No. 2829

## A BILL TO BE ENTITLED

AN ACT
relating to the applicability of the TEXAS grant program to institutions of higher education.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:
SECTION 1. Sections 56.301(2) and (3), Education Code, are amended to read as follows:
(2) "Eligible institution" means a general academic teaching [an] institution or a medical and dental unit [of highex ducion] that offers one or more undergraduate degree or certification programs. The term does not include a public state college.
(3) "General academic teaching institution," "institution of higher education," "medical and dental unit," "public ["Public] junior college," "public state college," and "public technical institute" have the meanings assigned by Section 61.003.

SECTION 2. Section 56.302(b), Education Code, is amended to read as follows:
(b) The purpose of this subchapter is to provide a grant of money to enable eligible students to attend eligible [public] institutions [ higher education] in this state.

SECTION 3. Sections 56.303(d-1), (e), and (f), Education Code, are amended to read as follows:
(d-1) In allocating among eligible [genal
teaching] institutions money available for initial TEXAS grants for an academic year, the coordinating board shall ensure that each of those institutions' proportional [percentage] share of the total amount of money for initial grants that is allocated to eligible [general achemic teching] institutions under this section [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 proportional [percent share of the total amount of money for initial grants that is allocated to those institutions under this section [section] for the preceding academic year.
(e) In determining who should receive a TEXAS grant, the coordinating board and the eligible institutions shall give 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). 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), an eligible [z general academic teaching] institution shall determine financial need according to the relative expected family contribution of those students, beginning with students who have the lowest expected family contribution.
(f) Beginning with TEXAS grants awarded for the 2013-2014 academic year, in determining who should receive an initial TEXAS
grant, each eligible [genexal academic teaching] institution, in addition to giving priority as provided by Subsection (e), shall give highest priority to students who meet the eligibility criteria described by Section 56.3041(2)(A). If there is money available in excess of the amount required to award an initial TEXAS grant to all students meeting those criteria, an eligible [a general academic aching] institution shall 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 as provided by Subsection (e).

SECTION 4. Sections 56.304(a) and (e-1), Education Code, are amended to read as follows:
(a) To be eligible initially for a TEXAS grant, a person must:
(1) be a resident of this state as determined by coordinating board rules;
(2) meet either of the following academic requirements:
(A) be a graduate of $a$ public or accredited private high school in this state who graduated not earlier than the 1998-1999 school year and who completed the recommended or advanced high school curriculum established under Section 28.002 or 28.025 or its equivalent; or
(B) have received an associate degree from a public or private institution of higher education not earlier than May 1, 2001;
(3) meet financial need requirements as defined by the
coordinating board;
(4) be enrolled in a baccalaureate [an undergraduate] degree [ox certificat program at an eligible institution;
(5) be enrolled as:
(A) an entering undergraduate student for at least three-fourths of a full course load for an entering undergraduate student, as determined by the coordinating board, not later than the 16 th month after the date of the person's graduation from high school; or
(B) an entering student for at least three-fourths of a full course load for an undergraduate student as determined by the coordinating board, not later than the 12 th month after the month the person receives 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 requirement adopted by the coordinating board under this subchapter.
(e-1) If a person is initially awarded a TEXAS grant during or after the 2005 fall semester, unless the person is provided additional time during which the person may receive a TEXAS grant under Subsection (e-2), the person's eligibility for a TEXAS grant ends on:
(1) the fifth anniversary of the initial award of a TEXAS grant to the person, if the person is enrolled in a degree [or eextificate] program of four years [or less]; or
(2) the sixth anniversary of the initial award of a TEXAS grant to the person, if the person is enrolled in a degree program of more than four years.

SECTION 5. Section 56.3041, Education Code, is amended to read as follows:

Sec. 56.3041. INITIAL ELIGIBILITY OF PERSON GRADUATING FROM HIGH SCHOOL ON OR AFTER MAY 1, 2013[, AND ENROLIING IN A GENERAI ACADEMIC TEACHING INSTITUTION]. Notwithstanding Section 56.304(a), to be eligible initially for a TEXAS grant, a person graduating from high school on or after May 1, 2013, and enrolling

(1) be a resident of this state as determined by coordinating board 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 or its equivalent and have accomplished any two or more of the following:
(i) graduation under the advanced high school program established 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), (2), and (3);
(ii) satisfaction of the Texas Success Initiative (TSI) college readiness benchmarks prescribed by the coordinating board under Section $51.3062(f)$ on any assessment instrument designated by the coordinating board under Section 51.3062(c) [or (e)] or qualification for an exemption as described by Section 51.3062(p), (q), or (q-1);
(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), or at least one advanced career and technical course, as permitted by Section 28.025(b-2);
(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 the coordinating board;
(4) be enrolled in an undergraduate degree or certificate program at an eligible [the genexal 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 the coordinating board, not later than the 16 th 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 the coordinating board, at the eligible [genex acadic 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 the coordinating board, not later than the 12 th 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 the coordinating board under this subchapter.

SECTION 6. Section 56.305(a), Education Code, is amended to read as follows:
(a) After initially qualifying for a TEXAS grant, a person may continue to receive a TEXAS grant during each semester or term in which the person is enrolled at an eligible institution only if the person:
(1) meets financial need requirements as defined by the coordinating board;
(2) is enrolled in a baccalaureate [an undergraduate] degree [or cextificate program at an eligible institution;
(3) is enrolled for at least three-fourths of a full course load for an undergraduate student, as determined by the coordinating board;
(4) makes satisfactory academic progress toward a baccalaureate [zundergraduate] degree [ox certificate]; and
(5) complies with any additional nonacademic requirement adopted by the coordinating board.

SECTION 7. Section 56.306, Education Code, is amended to read as follows:

Sec. 56.306. GRANT USE. A person receiving a TEXAS grant may use the money to pay any usual and customary cost of attendance at an eligible institution [ $\quad$ higher student. The institution may disburse all or part of the proceeds of a TEXAS grant to an eligible person only if the tuition and required fees incurred by the person at the institution have been paid.

SECTION 8. Section 56.307(a), Education Code, is amended to read as follows:
(a) The amount of a TEXAS grant for a semester or term for a person enrolled full-time at an eligible institution [other than an institution covered by subsection (c) or (d)] is the amount determined by the coordinating board as the average statewide amount of tuition and required fees that a resident student enrolled full-time in a baccalaureate degree program would be charged for that semester or term at general academic teaching
institutions.
SECTION 9. Sections 56.307(c) and (d), Education Code, are repealed.

SECTION 10. (a) The change in law made to Subchapter $M$, Chapter 56, Education Code, by this Act applies beginning with TEXAS grants awarded for the 2014 fall semester. Grants awarded for a semester or term before the 2014 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.
(b) Notwithstanding Subsection (a) of this section, a student who first receives a TEXAS grant for attendance at a public junior college, public state college, or public technical institute for a semester or other academic term before the 2014 fall semester may continue to receive a TEXAS grant under Subchapter M, Chapter 56, Education Code, as that subchapter existed immediately before the effective date of this Act, as long as the student remains eligible for a TEXAS grant under the former law, and, if eligible, may continue to receive a TEXAS grant if the student enrolls at an eligible institution under Subchapter M, Chapter 56, Education Code, as amended by this Act. The Texas Higher Education Coordinating Board shall adopt rules to administer this subsection and shall notify each student who receives a TEXAS grant in the 2013-2014 academic year of the provisions of this subsection.

SECTION 11. This Act takes effect immediately if it receives a vote of two-thirds of all the members elected to each house, as provided by Section 39, Article III, Texas Constitution.

1 If this Act does not receive the vote necessary for immediate 2 effect, this Act takes effect September 1, 2013.

