

By: Seliger, et al.

S.B. No. 18

A BILL TO BE ENTITLED

AN ACT

relating to public institutions of higher education setting aside portions of designated tuition for student financial assistance.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

SECTION 1. Subchapter A, Chapter 56, Education Code, is amended by adding Sections 56.0093 and 56.0094 to read as follows:

Sec. 56.0093. REPORT REGARDING DESIGNATED TUITION SET ASIDE FOR STUDENT FINANCIAL ASSISTANCE. (a) In this section, "coordinating board" means the Texas Higher Education Coordinating Board.

(b) This section applies only to the governing board of an institution of higher education that sets aside any portion of the tuition charged by the institution to a resident student under Section 54.0513 for the purpose of providing financial assistance for resident students enrolled in an undergraduate, graduate, or professional degree program at the institution.

(c) Not later than August 31 of each year, the governing board of an institution to which this section applies shall submit to the coordinating board a written report regarding any tuition set aside by the institution as described by Subsection (b) in the preceding fall, spring, or summer term. The report must include:

(1) the amount of tuition set aside by the institution as described by Subsection (b) for each applicable term;

(2) the percentage of the total amount of tuition

1 charged by the institution under Section 54.0513 for each
2 applicable term that was set aside by the institution as described
3 by Subsection (b); and

4 (3) the types of student financial assistance provided
5 using the funds set aside by the institution as described by
6 Subsection (b).

7 (d) The coordinating board shall disseminate to each public
8 or accredited private high school in this state the information
9 provided in Subsection (c) in a way designed to educate high school
10 students and the parents of those students on available
11 opportunities and required preparation with respect to
12 institutions of higher education.

13 (e) The coordinating board may adopt rules to administer
14 this section.

15 Sec. 56.0094. NOTICE TO STUDENTS REGARDING TUITION SET
16 ASIDE FOR FINANCIAL ASSISTANCE. (a) An institution of higher
17 education that sets aside a portion of a student's tuition payments
18 to provide financial assistance for students enrolled in the
19 institution shall provide to each student of the institution who
20 pays tuition from which a portion is set aside for that purpose a
21 notice regarding the specific amount that is set aside by the
22 institution.

23 (b) The institution shall provide the notice required by
24 Subsection (a) to the student in a prominently printed statement
25 that appears on or is included with:

26 (1) the student's tuition bill or billing statement,
27 if the institution provides the student with a printed bill or

1 billing statement for the payment of the student's tuition; or
2 (2) the student's tuition receipt, if the institution
3 provides the student with a printed receipt evidencing the payment
4 of the student's tuition.

5 (c) If for any semester or other academic term the
6 institution does not provide the student with a printed tuition
7 bill, tuition billing statement, or tuition receipt, the
8 institution shall include the notice required by Subsection (a) for
9 that semester or other term in a statement prominently displayed in
10 an e-mail sent to the student. The notice may be included in any
11 other e-mail sent to the student in connection with the student's
12 tuition charges for that semester or other term.

13 (d) The Texas Higher Education Coordinating Board by rule
14 shall prescribe minimum standards for the manner, form, and content
15 of the notice required by this section.

16 SECTION 2. Chapter 56, Education Code, is amended by adding
17 Subchapter U to read as follows:

18 SUBCHAPTER U. TEXAS STUDENTS FIRST GRANT PROGRAM

19 Sec. 56.641. DEFINITIONS. In this subchapter:

20 (1) "Coordinating board" means the Texas Higher
21 Education Coordinating Board.

22 (2) "General academic teaching institution" has the
23 meaning assigned by Section 61.003.

24 (3) "Eligible institution" means a general academic
25 teaching institution that satisfies the requirements of Section
26 56.644.

27 (4) "Program" means the Texas Students First Grant

1 Program established under this subchapter.

2 (5) "Tuition" includes:

3 (A) tuition for which the rates are prescribed by
4 Chapter 54; and

5 (B) tuition charged by a general academic
6 teaching institution under Section 54.0513 or another law
7 authorizing an institution to establish tuition rates.

8 Sec. 56.642. PURPOSE. The purpose of the Texas Students
9 First Grant Program is to provide financial assistance to students
10 with financial need at general academic teaching institutions that
11 have successfully controlled tuition costs charged to students at
12 the institution.

13 Sec. 56.643. ADMINISTRATION OF PROGRAM; PRIORITY FOR GRANT
14 AWARDS. (a) The coordinating board shall:

15 (1) administer the program;

16 (2) adopt rules for determining the allocation of
17 funds under the program among eligible institutions; and

18 (3) adopt any other rules necessary to implement the
19 program or this subchapter.

20 (b) The coordinating board shall consult with the student
21 financial aid officers of eligible institutions in developing rules
22 adopted under Subsection (a).

23 (c) In awarding grants under the program, priority shall be
24 given to eligible students whose cost for tuition and required fees
25 is not fully met through other non-loan financial assistance
26 programs.

27 Sec. 56.644. ELIGIBLE INSTITUTIONS. (a) A general

1 academic teaching institution is eligible to participate in the
2 program for an academic year only if the total amount of tuition
3 charged by the institution to each student for that academic year is
4 at least five percent less than the total amount of tuition that the
5 institution would have charged to a similarly situated student for
6 the 2017-2018 academic year.

7 (b) For purposes of this section, students are similarly
8 situated if they share the same residency status, degree program,
9 course load, course level, tuition exemption status, and other
10 circumstances affecting the tuition charged to the student.

11 Sec. 56.645. ELIGIBILITY FOR GRANT. To be eligible for a
12 grant under the program, a person must:

13 (1) be a resident of this state as determined by
14 coordinating board rules;

15 (2) be enrolled as an undergraduate student at an
16 eligible institution;

17 (3) meet financial need requirements as defined by
18 coordinating board rules;

19 (4) comply with any additional requirement adopted by
20 the coordinating board under this subchapter; and

21 (5) be eligible for federal financial aid, except that
22 a person is not required to meet any financial aid need requirement
23 applicable to a particular federal financial aid program.

24 Sec. 56.646. GRANT USE. A person receiving a grant under
25 this subchapter may use the money only to pay the amount of tuition
26 and required fees and the cost of required textbooks incurred by the
27 student at an eligible institution.

1 Sec. 56.647. GRANT AMOUNT. (a) The coordinating board by
2 rule shall prescribe the maximum amount of a grant awarded to a
3 person under the program for a semester or other academic term.

4 (b) The total amount of grants awarded under the program may
5 not exceed the amount available for the program from
6 appropriations, gifts, grants, or other funds.

7 Sec. 56.648. FUNDING. (a) The coordinating board may
8 solicit and accept gifts, grants, and donations from any public or
9 private source for the purposes of this subchapter.

10 (b) The legislature may appropriate money for the purposes
11 of this subchapter.

12 SECTION 3. Subchapter B, Chapter 56, Education Code, is
13 repealed.

14 SECTION 4. The changes in law made by this Act apply
15 beginning with tuition charged for the 2018 spring semester.
16 Tuition charged for any semester or other academic term before the
17 2018 spring semester is covered by the applicable law as it existed
18 before the effective date of this Act, and the former law is
19 continued in effect for that purpose.

20 SECTION 5. The Texas Higher Education Coordinating Board
21 shall adopt rules for the administration of Subchapter U, Chapter
22 56, Education Code, as added by this Act, as soon as practicable
23 after the effective date of this Act.

24 SECTION 6. This Act takes effect September 1, 2017.