

BILL ANALYSIS

Senate Research Center
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S.B. 884
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Higher Education
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As Filed

AUTHOR'S / SPONSOR'S STATEMENT OF INTENT

According to a 2017 student survey conducted by the United States Federal Reserve, 44 percent of respondents say they either could not cover an emergency expense costing \$400, or would cover it by selling a possession or borrowing money. Such financial emergencies can derail students' entire college education not only by distracting them from their studies, but also by forcing them to consider dropping out in order to pay debts.

Recognizing the severity of this issue, many Texas institutions have independently established emergency aid programs, constituting 56 percent of all public and private Texas two-year and four-year universities. However, not all schools have the resources to establish such programs, and even many of those who do cannot fulfill the emergency needs of all critical students. Furthermore, many of these institutions' emergency aid programs provide loans, rather than grants or scholarships, and borrowing money is not always the safest way for students to address certain emergencies.

S.B. 884 proposes an appropriation of \$2 million per academic year to be competitively distributed to institutions of higher education. Qualifying institutions must have a student enrollment in which at least 30 percent receive Pell grants or are underrepresented minorities, or are designated as Minority Serving Institutions. The Texas Higher Education Coordinating Board is tasked with the administration of this program, as well as with maintaining records of aid disbursement from recipient institutions.

As proposed, S.B. 884 amends current law relating to the establishment of the Texas Emergency Aid for Public Postsecondary Students (TEAPPS) grant program for students at public institutions of higher education.

RULEMAKING AUTHORITY

Rulemaking authority is expressly granted to the Texas Higher Education Coordinating Board in SECTION 1 (Section 56.063, Education Code) of this bill.

SECTION BY SECTION ANALYSIS

SECTION 1. Amends Chapter 56, Education Code, by adding Subchapter D-1, as follows:

SUBCHAPTER D-1. TEXAS EMERGENCY AID FOR PUBLIC POSTSECONDARY STUDENTS (TEAPPS) GRANT PROGRAM

Sec. 56.061. DEFINITIONS. Defines "coordinating board" to mean the Texas Higher Education Coordinating Board (THECB) and defines "program" to mean the Texas Emergency Aid for Public Postsecondary Students (TEAPPS) grant program established under this subchapter.

Sec. 56.062. PROGRAM PURPOSE. Provides that the purpose of the TEAPPS grant program is to enable eligible institutions of higher education to provide emergency aid grants to assist students in dealing with unexpected or unforeseen expenses, events, or circumstances that could cause a loss of momentum toward academic success.

SEC. 56.063. ADMINISTRATION OF PROGRAM. (a) Requires THECB to administer the program and adopt any rules necessary to implement the program. Requires THECB to consult with the student financial aid officers of institutions of higher education in developing rules under this subchapter.

(b) Requires THECB to develop a competitive application process to award grants to eligible institutions of higher education under the program.

Sec. 56.064. GRANT ELIGIBILITY. Requires an institution of higher education, to be eligible to receive a grant under the program, to offer at least one associate's or baccalaureate degree program and:

(1) have a student enrollment in which at least 30 percent of students receive a Pell grant or are members of an underrepresented minority population, as determined by THECB; or

(2) be designated by the United States Department of Education as a Minority Serving Institution (MSI).

Sec. 56.065. PROGRAM REQUIREMENTS. Requires an institution of higher education awarded a grant under this subchapter to:

(1) adopt a policy that clearly defines "emergency" for purposes of providing emergency aid to students under Section 56.067;

(2) use an additional amount of funds at least equal to 10 percent of the grant amount awarded under the program for purposes of providing emergency aid to students under Section 56.067;

(3) partner with at least one state agency and at least three nonprofit, community-based organizations or other private entities to offer to students receiving emergency aid under Section 56.067 wraparound support services, including assistance with food, housing, transportation, or health care; and

(4) implement basic components and adhere to best practices for successful emergency aid programs, as determined by THECB.

Sec. 56.066. GRANT FUNDING; AMOUNT OF GRANT. (a) Prohibits the total amount of money appropriated for an academic year to award grants to institutions of higher education under the program from exceeding \$2 million.

(b) Prohibits the amount of a grant awarded to an institution of higher education under the program from exceeding \$50,000 per academic year.

(c) Authorizes THECB to solicit and accept gifts, grants, and donations from any public or private source for the program.

Sec. 56.067. GRANT USE. (a) Provides that an institution of higher education that receives a grant under the program may use grant funds only to provide emergency aid to students enrolled at the institution in accordance with this subchapter.

(b) Prohibits the amount of emergency aid awarded to a student under this section from exceeding \$1,000 per award.

(c) Requires an institution of higher education that receives a grant under the program to establish an application process for students enrolled at the institution to apply for emergency aid awarded under this section. Requires the application process to:

- (1) allow students to apply electronically;
 - (2) be offered in both English and Spanish; and
 - (3) require the institution to:
 - (A) conclude review of an application not later than 48 hours after receipt of the application; and
 - (B) disburse any funds awarded not later than 48 hours after concluding review of an application.
- (d) Requires each institution of higher education that receives a grant under the program to:
- (1) inform students enrolled at the institution of the availability of emergency aid under this section in the manner required by THECB; and
 - (2) collect and maintain data regarding the awarding of emergency aid under this section.

SECTION 2. (a) Requires THECB to adopt rules to administer Subchapter D-1, Chapter 56, Education Code, as added by this Act, as soon as practicable after the effective date of this Act.

(b) Requires THECB to begin awarding grants under Subchapter D-1, Chapter 56, Education Code, as added by this Act, for the first academic year for which money is appropriated for that purpose, except that THECB is prohibited from awarding grants under that subchapter for an academic year before the 2020–2021 academic year.

SECTION 3. Effective date: upon passage or September 1, 2019.