87R18094 MM-F

By:  González of El Paso, VanDeaver H.B. No. 4387

Substitute the following for H.B. No. 4387:

By:  Raney C.S.H.B. No. 4387

A BILL TO BE ENTITLED

AN ACT

relating to the establishment of the Texas Transfer Grant Pilot Program.

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

SECTION 1.  Chapter 56, Education Code, is amended by adding Subchapter N to read as follows:

SUBCHAPTER N. TEXAS TRANSFER GRANT PILOT PROGRAM

Sec. 56.331.  DEFINITIONS. In this subchapter:

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

(2)  "Eligible institution" means a general academic teaching institution or a medical and dental unit that offers one or more baccalaureate degree programs. The term does not include a public state college.

(3)  "General academic teaching institution," "medical and dental unit," and "public state college" have the meanings assigned by Section 61.003.

(4)  "Pilot program" means the Texas Transfer Grant Pilot Program established under this subchapter.

(5)  "Transfer student" means a student who, at the time the student is admitted to the eligible institution disbursing the grant, has earned enough credit hours to no longer be considered a first-time entering undergraduate student, as defined by coordinating board rule.

Sec. 56.332.  PILOT PROGRAM. The Texas Transfer Grant Pilot Program is a pilot program under which the coordinating board may provide a grant to enable eligible students to attend eligible institutions of higher education.

Sec. 56.333.  ADMINISTRATION OF PILOT PROGRAM. (a) The coordinating board shall administer the pilot program and adopt any rules necessary to implement the pilot program or this subchapter. The coordinating board shall consult with the student financial aid officers of eligible institutions in developing the rules.

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

(c)  For each academic year during which eligible students are enrolled at an eligible institution, the coordinating board shall allocate to that institution the amount necessary to pay to eligible students grants under this subchapter.

(d)  In determining who should receive a grant under this subchapter, the coordinating board and the eligible institutions shall give priority to awarding grants to students who demonstrate the greatest financial need.

(e)  The coordinating board shall establish priorities for awarding grant assistance as the board determines appropriate to further the purpose of this subchapter in the event that in any year the amount of money available for grant assistance under this subchapter is insufficient to provide grant assistance to all eligible students described by Section 56.334.

Sec. 56.334.  ELIGIBILITY FOR GRANT. (a) To be eligible for a grant under the pilot program, a student must:

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

(2)  meet financial need requirements as defined by the coordinating board;

(3)  be enrolled in a baccalaureate degree program at an eligible institution;

(4)  be enrolled as a transfer student for at least three-fourths of a full course load for a student in a baccalaureate program, as determined by the coordinating board;

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

(6)  not be a recipient of a TEXAS Grant under Subchapter M for the same semester or term;

(7)  make satisfactory academic progress toward a baccalaureate degree, as determined by the coordinating board; and

(8)  comply with any additional nonacademic requirement adopted by the coordinating board under this subchapter.

(b)  A person is not eligible to receive a grant under this subchapter if the person has been granted a baccalaureate degree.

(c)  The coordinating board shall by rule establish the maximum semester credit hours, or semester credit hour equivalent, for which an eligible student may receive a grant under this subchapter.

(d)  If a student fails to meet any of the requirements established by the coordinating board under Subsection (a)(7) after the completion of any semester or term, the student may not receive a grant under this subchapter during the next semester or term in which the student enrolls. A student may become eligible to receive a grant under this subchapter in a subsequent semester or term if the student:

(1)  completes a semester or term during which the student is not eligible for a grant; and

(2)  meets all the requirements established under Subsection (a).

(e)  The coordinating board shall adopt rules to allow a student who is otherwise eligible to receive a grant under this subchapter, in the event of a hardship or for other good cause shown, to receive a grant under this subchapter:

(1)  while enrolled in a number of semester credit hours that is fewer than the number of semester credit hours required under Subsection (a)(4);

(2)  if the student fails to meet the satisfactory academic progress requirements established by the coordinating board under Subsection (a)(7); or

(3)  for a number of semester credit hours that exceeds the number of semester credit hours outlined in Subsection (c).

Sec. 56.335.  GRANT USE. A student receiving a grant under this subchapter may use the money to pay any usual and customary cost of attendance that is incurred by the student at an eligible institution. The institution may disburse all or part of the proceeds of a grant under this subchapter directly to an eligible student only if the tuition and required fees incurred by the student at the institution have been paid.

Sec. 56.336.  GRANT AMOUNT. (a) The maximum amount of a grant under this subchapter for an eligible student enrolled full-time at an eligible institution 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 eligible institutions.

(b)  The coordinating board shall determine the average statewide tuition and fee amounts for a semester or term of the next academic year for purposes of this section by using the amounts of tuition and required fees that will be charged by the eligible institutions for that semester or term in that academic year. The coordinating board may estimate the amount of the charges for a semester or term in the next academic year by an institution if the relevant information is not yet available to the board.

(c)  The coordinating board may adopt rules that allow the board to increase or decrease, in proportion to the number of semester credit hours in which a student is enrolled, the amount of a grant award under this section to a student who is enrolled in a number of semester credit hours that exceeds or that is less than the number of semester credit hours established under Section 56.334(a)(4).

(d)  The amount of a grant under this subchapter may not be reduced by any gift aid for which the person receiving the grant is eligible, unless the total amount of a person's grant plus any gift aid received exceeds the student's total financial need at an eligible institution.

(e)  An eligible institution may not:

(1)  unless the institution complies with Subsection (g), charge a person attending the institution who also receives a grant under this subchapter an amount of tuition and required fees that exceeds the amount of the grant received by the person; or

(2)  deny admission to or enrollment in the institution based on a person's eligibility to receive a grant or a person's receipt of a grant under this subchapter.

(f)  An eligible institution may elect to award a grant under this subchapter to any student in an amount that is less than the applicable amount established under Subsection (a) or (e).

(g)  An eligible institution shall use other available sources of financial aid, other than a loan, to cover any difference in the amount of a grant awarded under this subchapter to the student and the actual amount of tuition and required fees at the institution if the difference results from:

(1)  a reduction in the amount of a grant under Subsection (f); or

(2)  a deficiency in the amount of the grant as established under Subsection (a) or (c), as applicable, to cover the full amount of tuition and required fees charged to the student by the institution.

(h)  The legislature in an appropriations act shall account for tuition and required fees received under this section in a way that does not increase the general revenue appropriations to that institution.

Sec. 56.337.  REPORT. Not later than December 1 of each even-numbered year, the coordinating board shall submit to the legislature a report on the effectiveness of the pilot program. The coordinating board shall include in the report a recommendation regarding whether the pilot program should be continued, expanded, or terminated.

Sec. 56.338.  EXPIRATION. This subchapter expires September 1, 2025.

SECTION 2.  (a) The Texas Higher Education Coordinating Board shall adopt rules to administer the pilot program established under Subchapter N, Chapter 56, Education Code, as added by this Act, as soon as practicable after the effective date of this Act.

(b)  The Texas Higher Education Coordinating Board and eligible institutions shall award initial grants under Subchapter N, Chapter 56, Education Code, as added by this Act, beginning with the 2022 spring semester.

SECTION 3.  The Texas Higher Education Coordinating Board is required to implement this Act only if the legislature appropriates money specifically for that purpose. If the legislature does not appropriate money specifically for that purpose, the coordinating board may, but is not required to, implement this Act using other appropriations available for that purpose.

SECTION 4.  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. If this Act does not receive the vote necessary for immediate effect, this Act takes effect September 1, 2021.