By:  González of El Paso 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, and a heading is added to that subchapter to read as follows:

SUBCHAPTER N. TEXAS TRANSFER GRANT PILOT PROGRAM

SECTION 2.  Subchapter N, Chapter 56, Education Code, as added by this Act, is amended by adding Sections 56.321, 56.322, 56.323, 56.324, 56.325, and 56.326 to read as follows:

Sec. 56.321.  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," "institution of higher education," "medical and dental unit," and "public state college" have the meanings assigned by Section 61.003.

(4)  "Transfer student" means a student who earned enough credit hours prior to enrolling in an eligible institution to no longer be considered a first time in college entering undergraduate student, as defined by coordinating board rule, when admitted to the eligible institution disbursing the grant.

Sec. 56.322.  PROGRAM NAME; PURPOSE. (a) The student financial assistance pilot program authorized by this subchapter is known as the Texas Transfer Grant pilot program.

(b)  The purpose of this subchapter is to provide a grant of money to enable eligible students to attend eligible institutions of higher education in this state.

Sec. 56.323.  ADMINISTRATION OF PROGRAM. (a) The coordinating board shall administer the grant program and shall adopt any rules necessary to implement the grant program for 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 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 56.324.

Sec. 56.324.  ELIGIBILITY FOR GRANT. (a) To be eligible for a grant under the grant program, a student must:

(1)  be eligible for Texas resident tuition purposes as determined by coordinating board rules;

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

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

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

(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 coordinating board rules; 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 of 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 person 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 of 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 adopted by the coordinating board under Subsection (a)(7); or

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

Sec. 56.325.  GRANT USE. A student receiving a grant under this subchapter may use the money to pay any usual and customary cost of attendance at an eligible institution incurred by the student. The institution may disburse all or part of the proceeds of a grant under this subchapter to an eligible student only if the tuition and required fees incurred by the student at the institution have been paid.

Sec. 56.326.  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 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 in excess of or below the number of semester credit hours described in Section 56.324(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)  A public institution of higher education 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 in excess of 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)  A public institution of higher education 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)  A public institution of higher education 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.

SECTION 3.  (a) The coordinating board and eligible institutions shall make initial awards under the grant program established under Subchapter N, Chapter 56, Education Code, as added by this Act, beginning with the 2022 spring semester.

(b)  The coordinating board shall adopt the initial rules for the grant program established under Subchapter N, Chapter 56, Education Code, as added by this Act, as soon as practicable.

SECTION 4.  The coordinating board is required to implement a provision of this Act only if the legislature appropriates money specifically for that purpose.

SECTION 5.  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.