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By:  Menéndez S.B. No. 103

A BILL TO BE ENTITLED

AN ACT

relating to the establishment of the Texas First Generation Matching Scholarship Program for certain first generation students at public institutions of higher education.

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

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

SUBCHAPTER S. TEXAS FIRST GENERATION MATCHING SCHOLARSHIP PROGRAM

Sec. 56.501.  DEFINITIONS. In this subchapter:

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

(2)  "First generation student" means a person:

(A)  whose parents or legal guardians have not obtained a baccalaureate degree; or

(B)  who is or was in the conservatorship of the Department of Family and Protective Services.

(3)  "Program" means the Texas First Generation Matching Scholarship Program.

Sec. 56.502.  PROGRAM PURPOSE. The purpose of the Texas First Generation Matching Scholarship Program is to provide assistance in the payment of tuition and required fees to enable eligible first generation students to attend institutions of higher education.

Sec. 56.503.  FIRST GENERATION MATCHING SCHOLARSHIP ACCOUNT. (a) The first generation matching scholarship account is an account in the general revenue fund.

(b)  The account consists of:

(1)  money appropriated or transferred to the credit of the account by the legislature; and

(2)  interest earned on the investment of money in the account.

(c)  Money in the account may be used only to provide scholarships to eligible first generation students as provided by this subchapter.

Sec. 56.504.  ADMINISTRATION OF PROGRAM. The coordinating board shall administer the program and adopt any rules necessary to implement the program or this subchapter. The coordinating board shall consult with the student financial aid officers of institutions of higher education in developing the rules.

Sec. 56.505.  ALLOCATION AND DISTRIBUTION OF MATCHING FUNDS; REMISSION OF UNSPENT FUNDS. (a) For each academic year, the coordinating board shall allocate the total amount of funding available for purposes of the program for that year to institutions of higher education in proportion to the number of full-time equivalent students enrolled at each institution.

(b)  Before the last date on which the institution permits students enrolled at the institution to drop or add courses for a fall semester, the coordinating board shall distribute to each institution of higher education an amount of funding equal to the lesser of:

(1)  50 percent of the total amount of any gifts or endowment funds received by the institution that are designated to be used for purposes of providing matching funds for the program for the applicable academic year; or

(2)  the amount allocated to the institution under Subsection (a).

(c)  If the amount allocated to an institution of higher education under Subsection (a) is greater than the amount distributed to the institution under Subsection (b) for an academic year, the coordinating board shall distribute the remainder to each institution of higher education for which the total amount of gifts or endowment funds described by Subsection (b)(1) exceeds the amount allocated to the institution under Subsection (a). The coordinating board shall distribute the remainder to those institutions in proportion to the number of full-time equivalent students enrolled in those institutions.

(d)  An institution of higher education is not entitled to funding under Subsection (b) to match a gift or funding from an endowment if the gift or endowment has been pledged but has not been received by the institution.

(e)  Gifts or endowment funds matched under this section are not eligible for matching under any other state matching scholarship or grant program.

(f)  Not later than June 1 of each year, an institution of higher education shall remit to the coordinating board any amount distributed to the institution under this section during the preceding academic year that was not used to award scholarships under the program.

Sec. 56.506.  AWARD OF SCHOLARSHIP. (a) From money available for the purpose, each institution of higher education shall award scholarships to eligible students under the program.

(b)  Each institution of higher education shall establish an application process for a scholarship under the program.

Sec. 56.507.  INITIAL ELIGIBILITY FOR SCHOLARSHIP. (a) To be eligible initially for a scholarship under the program, a person must:

(1)  be a first generation student;

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

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

(4)  be enrolled in an associate or baccalaureate degree or certificate program at an institution of higher education;

(5)  be enrolled as an entering student for at least one-half of a full course load for an entering student in the associate or baccalaureate degree or certificate program, as determined by the coordinating board;

(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.

(b)  A person is not eligible to receive a scholarship under the program if the person has been convicted of a felony or an offense under Chapter 481, Health and Safety Code, or under the law of another jurisdiction involving a controlled substance as defined by Chapter 481, Health and Safety Code, unless the person has met the other applicable eligibility requirements under the program and has:

(1)  received a certificate of discharge by the Texas Department of Criminal Justice or a correctional facility or completed a period of probation ordered by a court, and at least two years have elapsed from the date of the receipt or completion; or

(2)  been pardoned, had the record of the offense expunged from the person's record, or otherwise been released from the resulting ineligibility to receive a scholarship under the program.

(c)  A person is not eligible to receive a scholarship under the program if the person has been granted:

(1)  a certificate for completion of a certificate program; or

(2)  a baccalaureate degree.

(d)  A person may not receive a scholarship under the program for more than:

(1)  75 semester credit hours or the equivalent, if the person is enrolled in a degree or certificate program of two years or less; or

(2)  150 semester credit hours or the equivalent, if the person is enrolled in a degree or certificate program of more than two years.

(e)  A person's eligibility for a scholarship under the program ends on:

(1)  the third anniversary of the initial award of a scholarship under the program to the person, if the person is enrolled in a degree or certificate program of two years or less;

(2)  the fifth anniversary of the initial award of a scholarship under the program to the person, if the person is enrolled in a degree or certificate program of more than two years but not more than four years; or

(3)  the sixth anniversary of the initial award of a scholarship under the program to the person, if the person is enrolled in a degree or certificate program of more than four years.

Sec. 56.508.  CONTINUING ELIGIBILITY AND ACADEMIC PERFORMANCE REQUIREMENTS. (a) After initially qualifying for a scholarship under the program, a person may continue to receive a scholarship under the program during each semester or term in which the person is enrolled at a participating institution only if the person:

(1)  meets financial need requirements as defined by the coordinating board;

(2)  is enrolled in an associate or baccalaureate degree or certificate program at a participating institution;

(3)  is enrolled for at least one-half of a full course load for a student in an associate or baccalaureate degree or certificate program, as determined by the coordinating board;

(4)  makes satisfactory academic progress toward an associate or baccalaureate degree or certificate; and

(5)  complies with any additional nonacademic requirement adopted by the coordinating board.

(b)  A person is not eligible to continue to receive a scholarship under this section if the person has been convicted of a felony or an offense under Chapter 481, Health and Safety Code, or under the law of another jurisdiction involving a controlled substance as defined by Chapter 481, Health and Safety Code, unless the person has met the other applicable eligibility requirements under the program and has:

(1)  received a certificate of discharge by the Texas Department of Criminal Justice or a correctional facility or completed a period of probation ordered by a court, and at least two years have elapsed from the date of the receipt or completion; or

(2)  been pardoned, had the record of the offense expunged from the person's record, or otherwise been released from the resulting ineligibility to receive a scholarship under the program.

(c)  If a person fails to meet any of the requirements of Subsection (a) after the completion of any semester or term, the person may not receive a scholarship under the program during the next semester or term in which the person enrolls. A person may become eligible to receive a scholarship under the program in a subsequent semester or term if the person:

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

(2)  meets all the requirements of Subsection (a).

(d)  For the purpose of this section, a person makes satisfactory academic progress toward an associate or baccalaureate degree or certificate only if:

(1)  in the person's first academic year, the person meets the satisfactory academic progress requirements of the institution at which the person is enrolled; and

(2)  in the subsequent academic year, the person:

(A)  completes at least 75 percent of the semester credit hours attempted in the student's most recent academic year; and

(B)  has earned an overall grade point average of at least 2.5 on a four-point scale or the equivalent on course work previously attempted at institutions of higher education.

(e)  A person who is eligible to receive a scholarship under the program continues to remain eligible to receive the scholarship if the person enrolls in or transfers to another institution of higher education.

(f)  The coordinating board shall adopt rules to allow a person who is otherwise eligible to receive a scholarship under the program, in the event of a hardship or for other good cause shown, including a showing of a severe illness or other debilitating condition that may affect the person's academic performance or that the person is responsible for the care of a sick, injured, or needy person and that the person's provision of care may affect the person's academic performance, to receive a scholarship under the program:

(1)  while enrolled in a number of semester credit hours that is less than the number of semester credit hours required under Subsection (a)(3); or

(2)  if the student's grade point average or completion rate falls below the satisfactory academic progress requirements of Subsection (d).

Sec. 56.509.  SCHOLARSHIP USE. A scholarship awarded under the program may be applied only to the payment of tuition and required fees at an institution of higher education.

Sec. 56.510.  SCHOLARSHIP AMOUNT; ALLOCATION. (a) The amount of a scholarship awarded by an institution of higher education to an eligible student under the program for a semester or other academic term in which the student is enrolled at the institution may not exceed the difference between the amount of tuition and required fees charged to the student by the institution for that semester or term and the amount of any other gift aid, including state or federal grants or scholarships, awarded to the student for that semester or term.

(b)  A scholarship may not be awarded under the program to an eligible student for a semester or other academic term until any other gift aid for which the student is eligible has been awarded to the student and the student's unmet financial need has been established for purposes of determining the appropriate amount of the student's scholarship under Subsection (a).

Sec. 56.511.  NOTIFICATION OF PROGRAM; RESPONSIBILITIES OF SCHOOL DISTRICTS. (a) The coordinating board, in consultation with all institutions of higher education, shall prepare materials designed to inform prospective students, their parents or guardians, and high school counselors about the program and eligibility for a scholarship under the program. The coordinating board shall distribute to each institution of higher education and to each school district a copy of the materials prepared under this section.

(b)  Each school district shall notify its high school students, those students' teachers and school counselors, and those students' parents or guardians of the program and the eligibility requirements of the program.

Sec. 56.512.  GIFTS, GRANTS, AND DONATIONS. Each institution of higher education may solicit and accept gifts, grants, and donations from any public or private source for the purposes of providing matching institutional funds under this subchapter.

Sec. 56.513.  REPORTING. (a) On or before a date established by coordinating board rule, each institution of higher education shall annually submit to the coordinating board a report on the award of scholarships by the institution under the program for the preceding academic year. The report must include the amount of the scholarship awarded to each student.

(b)  Not later than July 1 of each year, each institution of higher education shall submit to the governor, the lieutenant governor, the speaker of the house of representatives, and the coordinating board a report on the effectiveness of the program. The report must include:

(1)  the amounts of the scholarships awarded under the program for the preceding academic year;

(2)  the demographics of students who received a scholarship under the program for the preceding academic year; and

(3)  the retention and graduation rates of students who received a scholarship under the program.

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

(b)  Each public institution of higher education shall begin awarding scholarships under Subchapter S, Chapter 56, Education Code, as added by this Act, for the first academic year for which money is available for that purpose, except that an institution may not award scholarships under that subchapter for an academic year before the 2022-2023 academic year.

SECTION 3.  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.