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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.

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

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

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

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

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

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

27 Sec. 56.334. ELIGIBILITY FOR GRANT. (a) To be eligible for

1 a grant under the pilot program, a student must:

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

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

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

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

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

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

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

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

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

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

26 (d) If a student fails to meet any of the requirements
27 established by the coordinating board under Subsection (a)(7) after

1 the completion of any semester or term, the student may not receive
2 a grant under this subchapter during the next semester or term in
3 which the student enrolls. A student may become eligible to receive
4 a grant under this subchapter in a subsequent semester or term if
5 the student:

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

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

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

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

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

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

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

1 student at the institution have been paid.

2 Sec. 56.336. GRANT AMOUNT. (a) The maximum amount of a
3 grant under this subchapter for an eligible student enrolled
4 full-time at an eligible institution is the amount determined by
5 the coordinating board as the average statewide amount of tuition
6 and required fees that a resident student enrolled full-time in a
7 baccalaureate degree program would be charged for that semester or
8 term at eligible institutions.

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

17 (c) The coordinating board may adopt rules that allow the
18 board to increase or decrease, in proportion to the number of
19 semester credit hours in which a student is enrolled, the amount of
20 a grant award under this section to a student who is enrolled in a
21 number of semester credit hours that exceeds or that is less than
22 the number of semester credit hours established under Section
23 56.334(a)(4).

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

1 eligible institution.

2 (e) An eligible institution may not:

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

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

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

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

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

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

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

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

7 Sec. 56.338. EXPIRATION. This subchapter expires September
8 1, 2025.

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

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

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

23 SECTION 4. This Act takes effect immediately if it receives
24 a vote of two-thirds of all the members elected to each house, as
25 provided by Section 39, Article III, Texas Constitution. If this
26 Act does not receive the vote necessary for immediate effect, this
27 Act takes effect September 1, 2021.