

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

1 ACCOUNT. (a) The first generation matching scholarship account is  
2 an account in the general revenue fund.

3 (b) The account consists of:

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

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

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

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

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

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

27 (1) 50 percent of the total amount of any gifts or

1 endowment funds received by the institution that are designated to  
2 be used for purposes of providing matching funds for the program for  
3 the applicable academic year; or

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

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

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

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

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

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

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

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

9               (1) be a first generation student;

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

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

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

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

21              (6) have applied for any available financial aid or  
22 assistance; and

23              (7) comply with any additional nonacademic  
24 requirement adopted by the coordinating board under this  
25 subchapter.

26       (b) A person is not eligible to receive a scholarship under  
27 the program if the person has been convicted of a felony or an

1 offense under Chapter 481, Health and Safety Code, or under the law  
2 of another jurisdiction involving a controlled substance as defined  
3 by Chapter 481, Health and Safety Code, unless the person has met  
4 the other applicable eligibility requirements under the program and  
5 has:

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

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

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

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

18 (2) a baccalaureate degree.

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

21 (1) 75 semester credit hours or the equivalent, if the  
22 person is enrolled in a degree or certificate program of two years  
23 or less; or

24 (2) 150 semester credit hours or the equivalent, if  
25 the person is enrolled in a degree or certificate program of more  
26 than two years.

27 (e) A person's eligibility for a scholarship under the

1 program ends on:

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

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

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

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

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

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

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

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

27 (5) complies with any additional nonacademic

1 requirement adopted by the coordinating board.

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

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

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

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

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

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

26 (d) For the purpose of this section, a person makes  
27 satisfactory academic progress toward an associate or

1 baccalaureate degree or certificate only if:

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

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

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

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

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

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

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



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

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

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

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

22           Sec. 56.511. NOTIFICATION OF PROGRAM; RESPONSIBILITIES OF  
23 SCHOOL DISTRICTS. (a) The coordinating board, in consultation  
24 with all institutions of higher education, shall prepare materials  
25 designed to inform prospective students, their parents or  
26 guardians, and high school counselors about the program and  
27 eligibility for a scholarship under the program. The coordinating

1 board shall distribute to each institution of higher education and  
2 to each school district a copy of the materials prepared under this  
3 section.

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

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

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

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

23 The report must include:

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

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

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

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

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

13           SECTION 3. This Act takes effect immediately if it receives  
14 a vote of two-thirds of all the members elected to each house, as  
15 provided by Section 39, Article III, Texas Constitution. If this  
16 Act does not receive the vote necessary for immediate effect, this  
17 Act takes effect September 1, 2021.