

By: Zaffirini

S.B. No. 1237

A BILL TO BE ENTITLED

AN ACT

1
2 relating to authorizing the Texas Higher Education Coordinating
3 Board to award grants to public institutions of higher education
4 for alternative student financial assistance plans.

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

6 SECTION 1. Subchapter C, Chapter 61, Education Code, is
7 amended by adding Section 61.07763 to read as follows:

8 Sec. 61.07763. GRANTS FOR ALTERNATIVE FINANCIAL AID PLANS.

9 (a) Using funds described by Subsection (d), the board shall award
10 grants to eligible institutions of higher education for the
11 provision of student financial assistance in accordance with this
12 section.

13 (b) The board shall develop a competitive application
14 process to award grants to eligible institutions of higher
15 education under this section. In awarding grants, the board shall
16 consider the potential of proposals to use financial aid funds to
17 effectively achieve desired purposes and outcomes identified by the
18 board or targeted by a proposal. The board shall make a reasonable
19 effort to ensure that the selected institutions are geographically
20 diverse and serve students that represent the demographic diversity
21 of this state.

22 (c) To be eligible to receive a grant under this section, an
23 institution of higher education must adopt a plan to provide
24 financial assistance to students enrolled at the institution using

1 the grant funds. The plan must:

2 (1) provide that only students who meet the financial
3 need requirements as defined by the board are eligible to receive
4 financial assistance; and

5 (2) require a student receiving financial assistance
6 to use the funds only for costs associated with attending the
7 institution, as identified by the institution.

8 (d) The board may use a portion, not to exceed three
9 percent, of the funds appropriated for the TEXAS grant program
10 under Subchapter M, Chapter 56, and a portion, not to exceed three
11 percent, of the funds appropriated for the Texas Educational
12 Opportunity Grant Program under Subchapter P, Chapter 56, for
13 purposes of this section.

14 (e) The board shall include in its annual report to the
15 legislature on financial aid in this state a report on the
16 effectiveness of the student financial assistance plans funded by
17 grants awarded under this section and any recommendations for
18 legislative or other action.

19 (f) The board may adopt rules as necessary to implement this
20 section.

21 SECTION 2. The Texas Higher Education Coordinating Board
22 shall award grants under Section 61.07763, Education Code, as added
23 by this Act, beginning with the 2023-2024 academic year.

24 SECTION 3. The Texas Higher Education Coordinating Board
25 shall include the board's initial report required under Section
26 61.07763(e), Education Code, as added by this Act, in the board's
27 annual report to the legislature on financial aid in this state

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1 awarded during the 2023-2024 academic year.

2 SECTION 4. This Act takes effect September 1, 2021.