

BILL ANALYSIS

Senate Research Center
88R7525 MM-D

S.B. 2363
By: Creighton
Education
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As Filed

AUTHOR'S / SPONSOR'S STATEMENT OF INTENT

Under current law, community colleges are required to make up the remaining tuition and fees not covered by the state's allocation of Texas Education Opportunity Grants (TEOG) student financial aid. However, unlike TEXAS Grants, the state's financial aid program for public four-year universities, community colleges are not allowed to use Pell Grants for these TEOG "matching" funds. This prohibitive language goes back to 2001, when the original form of the TEOG program was created. Currently, many community colleges utilize limited funds from the Texas Public Educational Grants Program (TPEG) to satisfy the requirement, as TPEG funding is among the most flexible aid available.

In 2022, 41 community colleges dispersed their full allotment of TEOG funds to their students. Of those nine who did not, four distributed at least 78 percent of the available funds and the remaining five schools distributed less than 70 percent. Further, according to the most recent data available, as of February 2023, 26 colleges have dispersed 49 percent or less of their TEOG allocations within six months of receiving the grants.

S.B. 2263 would strike the prohibition on utilizing Pell Grants for the TEOG match, bringing the community college financial aid program in line with the TEXAS Grants program for university students.

As proposed, S.B. 2363 amends current law relating to the Texas Educational Opportunity Grant program.

RULEMAKING AUTHORITY

This bill does not expressly grant any additional rulemaking authority to a state officer, institution, or agency.

SECTION BY SECTION ANALYSIS

SECTION 1. Amends Section 56.407(g), Education Code, as follows:

(g) Deletes existing text authorizing an institution to use other available sources of financial aid, other than a Pell grant, to cover any difference in the amount of a grant under Subchapter P (Texas Educational Opportunity Grant Program) and the actual amount of tuition and required fees at the institution.

SECTION 2. Provides that the change in law made by this Act to Section 56.407(g), Education Code, applies beginning with Texas Educational Opportunity Grants awarded for the 2024 fall semester. Provides that grants awarded for a semester or term before the 2024 fall semester are governed by the applicable law in effect immediately before the effective date of this Act, and the former law is continued in effect for that purpose.

SECTION 3. Effective date: September 1, 2023.