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| BILL ANALYSIS |

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| C.S.H.B. 300 |
| By: Wilson |
| Higher Education |
| Committee Report (Substituted) |

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| **BACKGROUND AND PURPOSE** The purpose of the Texas Armed Services Scholarship Program, according to the program webpage, is to encourage students to complete a baccalaureate degree and become members of the Texas Army National Guard, Texas Air National Guard, Texas State Guard, U.S. Coast Guard, or U.S. Merchant Marine, or to become commissioned officers in any branch of the U.S. armed services. The author has informed the committee that the program has historically never been fully utilized and that there are certain issues with the program, like some students not being certified eligible by their institution of higher education if they decide to become a member of the Texas State Guard, stagnant funding levels, and the lack of a coordinator to interface with institution financial aid offices. C.S.H.B. 300 seeks to enable greater utilization of the program by doing the following, among other provisions:* increasing a formula component that serves as a cap on the scholarship amount;
* revising certain eligibility and service requirements;
* codifying a deadline for appointment of initial scholarship recipients and establishing a process for filling remaining slots after the deadline;
* establishing a repayment exemption for certain students unable to meet scholarship obligations; and
* requiring the designation of a scholarship coordinator.
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| **CRIMINAL JUSTICE IMPACT**It is the committee's opinion that this bill does not expressly create a criminal offense, increase the punishment for an existing criminal offense or category of offenses, or change the eligibility of a person for community supervision, parole, or mandatory supervision. |
| **RULEMAKING AUTHORITY** It is the committee's opinion that rulemaking authority is expressly granted to the Texas Higher Education Coordinating Board in SECTIONS 1 and 3 of this bill. |
| **ANALYSIS** C.S.H.B. 300 amends the Education Code to revise the formula for calculating the amount of a scholarship awarded in an academic year under the Texas Armed Services Scholarship Program, which is currently the lesser of $15,000 or the amount available for each scholarship from appropriations that may be used for scholarships under the program for that academic year. The bill replaces the $15,000 component of the formula with a component that equals the greater of $30,000 or an amount equal to the average cost of attendance at a public institution of higher education in Texas, as determined by Texas Higher Education Coordinating Board (THECB) rule.C.S.H.B. 300 revises the eligibility criteria for a student to receive an initial scholarship under the program by doing the following:* removing the specification that the officer commissioning programs in which the student may enroll while attending a public or private institution of higher education in Texas as an alternative to enrolling in a Reserve Officers' Training Corps (ROTC) program are undergraduate officer commissioning programs; and
* giving the student the option to submit the following documentation to the THECB as an alternative to being enrolled in an ROTC program or another officer commissioning program while attending the institution of higher education:
	+ proof of the student's successful completion of an ROTC program or another officer commissioning program; or
	+ proof of the student's acceptance into the officer commissioning program for the Texas State Guard.

C.S.H.B. 300 replaces the authorizations for the governor and the lieutenant governor to each annually appoint two students and two alternates to receive an initial scholarship under the program, and for each state senator and each state representative to annually appoint one student and one alternate for that purpose, with requirements for those officials to do so. The bill requires a state senator or a state representative to make the required appointments not later than September 30 of each year. If a state senator or a state representative fails to make a timely appointment in accordance with that deadline, the lieutenant governor or the speaker of the house, as appropriate, must promptly fill the vacancy in appointment or designate a member of their respective chamber to promptly make the appointment on their behalf. C.S.H.B. 300 makes the following changes to the requirements for a scholarship recipient under an agreement entered into with the THECB that are similar to the previously described initial scholarship eligibility changes:* with respect to the requirement for the student to complete one year of ROTC training for each year that the student receives the scholarship or completes another undergraduate officer commissioning program:
	+ provides the option for the student, as an alternative, to submit to the THECB proof that the student previously completed such training or program; and
	+ removes the specification that the applicable officer commissioning programs are undergraduate programs; and
* provides the option for the student to submit to the THECB proof of the student's acceptance into the officer commissioning program for the Texas State Guard as an alternative to completing or submitting proof that the student previously completed the requisite ROTC training or another officer commissioning program.

The bill requires the THECB to adopt rules to exempt a student from the repayment of a scholarship under such an agreement if the student is unable to meet the obligations of the agreement solely as a result of an extraordinary circumstance outside the student's control. If the THECB determines that a student who entered into an agreement with the THECB was erroneously removed from the program and is currently enrolled in a public or private institution of higher education in Texas, the THECB must reinstate the student's scholarship.C.S.H.B. 300 replaces the prohibition against a person receiving a scholarship under the program after earning a cumulative total of 150 credit hours or after being awarded a baccalaureate degree, whichever occurs first, with a prohibition against a person receiving the scholarship for more than four academic years. The bill removes the requirement for a scholarship awarded to a student under the program to be reduced for an academic year by the amount by which the full amount of the scholarship plus the total amount to be paid to the student for being under contract with one of the branches of the U.S. armed services exceeds the student's total cost of attendance for that academic year at the public or private institution of higher education in which the student is enrolled.C.S.H.B. 300 requires the THECB to designate a THECB employee to serve as a scholarship coordinator for scholarships awarded under the program. The coordinator must do the following:* serve as a liaison and point of contact for students appointed to receive such a scholarship; and
* coordinate with financial aid offices at public and private institutions of higher education in Texas and with relevant military personnel on behalf of scholarship recipients to ensure students fully understand the requirements of the program under state law.

C.S.H.B. 300 applies beginning with the 2025-2026 academic year. |
| **EFFECTIVE DATE** On passage, or, if the bill does not receive the necessary vote, September 1, 2025. |
| **COMPARISON OF INTRODUCED AND SUBSTITUTE**While C.S.H.B. 300 may differ from the introduced in minor or nonsubstantive ways, the following summarizes the substantial differences between the introduced and committee substitute versions of the bill.Both the introduced and the substitute replaced the $15,000 component of the formula for calculating the amount of a scholarship under the Texas Armed Services Scholarship Program with a component that equals the greater of $30,000 or another specified amount based on average cost of attendance, but whereas the introduced set that other amount as the average cost of attendance at all public institutions of higher education in Texas, as determined by the THECB, the substitute sets the other amount as an amount equal to the average cost of attendance at a public institution of higher education in Texas, as determined by THECB rule.Both the introduced and the substitute revise provisions establishing eligibility criteria for an initial scholarship and requirements for a scholarship recipient under an agreement with the THECB to include prior completion of an ROTC program or training, prior completion of another officer commissioning program, or acceptance to the officer commissioning program for the Texas State Guard as alternative qualifications, but the substitute requires that the student submit proof of the completion or acceptance to the THECB in order to qualify, whereas the introduced did not.The substitute includes a provision absent from the introduced making it mandatory for the governor, the lieutenant governor, each state senator, and each state representative to make appointments each year of students and alternate students to receive an initial scholarship under the program. Both the introduced and the substitute set September 30 as the deadline for a state senator or state representative to make appointments, but the two versions differ in their requirements for filling appointments in the event that deadline is not met. The introduced required the speaker of the house and the lieutenant governor to fill all vacant appointments and alternate appointments from the house and senate, respectively, whereas the substitute requires the lieutenant governor or the speaker of the house, as appropriate, to promptly fill the vacancy in appointment or designate a member of their respective chamber to promptly make the appointment on their behalf.The substitute includes the following requirements that did not appear in the introduced:* a requirement for the THECB to adopt rules to exempt a student from the repayment of a scholarship under an agreement entered into with the THECB if the student is unable to meet the obligations of the agreement solely as a result of an extraordinary circumstance outside the student's control; and
* a requirement for the THECB to reinstate a student's scholarship if the THECB determines that the student was erroneously removed from the program and the student is currently enrolled in a public or private institution of higher education in Texas.

Both the introduced and the substitute require the THECB to designate a scholarship coordinator, but the substitute specifies that the THECB must designate a THECB employee to serve in this role, whereas the introduced did not. Additionally, the substitute makes the following changes to the duties of the scholarship coordinator that were set out in the introduced:* replaces the duty to serve as a point of contact for students nominated for the scholarship with the duty to serve as a liaison and point of contact for students appointed to receive a scholarship; and
* regarding the duty to coordinate with financial aid offices at institutions of higher education in Texas on behalf of scholarship recipients, specifies that the applicable financial aid offices are those of public and private institutions, includes relevant military personnel among the entities with which the coordinator must coordinate, and specifies that the purpose of the coordination is to ensure students fully understand the requirements of the program under state law.
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