

1-1 By: West S.B. No. 2995
1-2 (In the Senate - Filed March 14, 2025; April 7, 2025, read
1-3 first time and referred to Committee on Education K-16;
1-4 May 7, 2025, reported adversely, with favorable Committee
1-5 Substitute by the following vote: Yeas 11, Nays 0; May 7, 2025,
1-6 sent to printer.)

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|------|--------------------|-----|-----|--------|-----|
| 1-7 | COMMITTEE VOTE | | | | |
| 1-8 | | Yea | Nay | Absent | PNV |
| 1-9 | Creighton | X | | | |
| 1-10 | Campbell | X | | | |
| 1-11 | Bettencourt | X | | | |
| 1-12 | Hagenbuch | X | | | |
| 1-13 | Hinojosa of Nueces | X | | | |
| 1-14 | King | X | | | |
| 1-15 | Menéndez | X | | | |
| 1-16 | Middleton | X | | | |
| 1-17 | Parker | X | | | |
| 1-18 | Paxton | X | | | |
| 1-19 | West | X | | | |

1-20 COMMITTEE SUBSTITUTE FOR S.B. No. 2995 By: West

1-21 A BILL TO BE ENTITLED
1-22 AN ACT

1-23 relating to the displacement of student financial aid at a public
1-24 institution of higher education.

1-25 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

1-26 SECTION 1. Subchapter A, Chapter 56, Education Code, is
1-27 amended by adding Section 56.0094 to read as follows:

1-28 Sec. 56.0094. FINANCIAL AID DISPLACEMENT. (a) In this
1-29 section:

1-30 (1) "Coordinating board" means the Texas Higher
1-31 Education Coordinating Board.

1-32 (2) "Gift aid" means a grant, scholarship, exemption,
1-33 waiver, or other financial aid awarded to a student without a
1-34 requirement to repay the aid or earn the aid through work.

1-35 (b) The coordinating board shall develop a financial aid
1-36 displacement advisory for use by institutions of higher education
1-37 under this section that contains:

1-38 (1) a statement bordered by a line one point in weight
1-39 in a font not less than 14 points in size in the following form:

1-40 "Financial aid displacement occurs when a student's
1-41 financial aid is reduced due to receipt of a private scholarship or
1-42 other reasons identified in this advisory. This practice occurs in
1-43 Texas and should be taken into consideration while applying for
1-44 financial aid. The institution to which you are applying is
1-45 providing in this application a list of recommendations describing
1-46 how to maximize your financial aid and ensure that you are prepared
1-47 when financial aid displacement occurs. You are encouraged to
1-48 reach out to the institution to which you are applying to receive
1-49 advice on how to avoid financial aid displacement."; and

1-50 (2) a list of the most common reasons, as identified by
1-51 the coordinating board, for which the amount of gift aid awarded may
1-52 be revised or reduced under this chapter.

1-53 (c) Each institution of higher education shall include in
1-54 the institution's admission application form or provide in the
1-55 institution's admission application form a link to the financial
1-56 aid displacement advisory developed under Subsection (b) and, in
1-57 plain language:

1-58 (1) how to apply for gift aid at the institution;

1-59 (2) the timeline for financial aid processes at the
1-60 institution, including application deadlines, suggested deadlines

2-1 to report gift aid, and other deadlines of which the institution
2-2 determines a prospective student should be made aware;
2-3 (3) a list of recommendations to aid a prospective
2-4 student in maximizing gift aid awards, as determined by the
2-5 institution;
2-6 (4) a list of recommendations for a prospective
2-7 student to ensure the student's gift aid will not be reduced; and
2-8 (5) contact information for an employee or office at
2-9 the institution from whom a prospective student may seek advice
2-10 regarding gift aid.
2-11 (d) The coordinating board shall adopt rules necessary to
2-12 implement this section.
2-13 SECTION 2. Section 56.0094, Education Code, as added by
2-14 this Act, applies beginning with the 2025-2026 academic year.
2-15 SECTION 3. This Act takes effect immediately if it receives
2-16 a vote of two-thirds of all the members elected to each house, as
2-17 provided by Section 39, Article III, Texas Constitution. If this
2-18 Act does not receive the vote necessary for immediate effect, this
2-19 Act takes effect September 1, 2025.

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