

BILL ANALYSIS

Senate Research Center
79R5640 KEL-D

S.B. 1227
By: Shapiro, West
S/C on Higher Education
4/4/2005
As Filed

AUTHOR'S/SPONSOR'S STATEMENT OF INTENT

Financial aid is essential for promoting participation and success by allowing students to prepare for, enroll in, and graduate from institutions of higher education. By providing access to institutions of higher education, Texas is making the necessary investments to meet the needs of the state in growing population and the goal of *Closing the Gaps by 2015*.

As proposed, S.B. 1227 proposes an array of amendments to the Education Code to promote access to institutions of higher education, allow for financial aid administrative savings, and make clarifying changes.

RULEMAKING AUTHORITY

Rulemaking authority is expressly granted to the Texas Higher Education Coordinating Board in SECTION 17 (Section 56.405, Education Code) and SECTION 24 of this bill.

SECTION BY SECTION ANALYSIS

SECTION 1. Amends Section 52.17(e), Education Code, as follows:

(e) Authorizes amounts paid to the Texas Higher Education Coordinating Board (board) by the federal Lender's Special Allowance program to be used by the board for the administration of student loan and grant programs administered by the board, including the making of grants under Subchapter M, Chapter 56. Deletes existing text relating to other loan programs.

SECTION 2. Amends Section 52.31, Education Code, to redefine "participating higher education institution."

SECTION 3. Amends Section 52.32, Education Code, by amending Subsections (a) and (b) and adding Subsection (a-1), as follows:

(a) Authorizes the board to authorize loans from the Texas Opportunity Plan Fund to an applicant who meets certain criteria, rather than qualified students who meet certain requirements.

(a-1) Requires the applicant, except as provided by Subsection (b), if the institution to which the applicant has been accepted for enrollment was not a participating institution, as defined by Section 52.31, on May 1, 1985, to provide evidence that the applicant is unable to obtain a guaranteed student loan from a commercial lender.

(b) Provides that the applicant, if a loan applicant is enrolled at a career school or college in a degree program that is approved by the board or at a Regional Education Service Center or other entity in an alternative educator certification program that is approved by the State Board for Educator Certification, is not required to provide evidence that the applicant is unable to obtain a guaranteed student loan from a commercial lender under Subsection (a-1), rather than (a)(2) of this section.

SECTION 4. Amends Section 54.0065, Education Code, by amending Subsections (a) and (c) and adding Subsections (a-1) and (a-2), as follows:

(a) Provides that a qualified student is eligible for a rebate of a portion of the undergraduate tuition the student has paid if the student is awarded a baccalaureate degree from a general academic teaching institution within the period prescribed by Section 56.462(1)(A) or (B), as applicable, to qualify for forgiveness of a Texas B-On-Time loan.

(a-1) Provides that a qualified student who is not eligible for a tuition rebate under subsection (a) is eligible for a rebate of a portion of the undergraduate tuition the student has paid if the student meets certain criteria. Makes conforming changes.

(a-2) Provides that Subsection (a-1) and this subsection expire January 1, 2011.

(c) Requires a student who has transferred from another institution of higher education to provide the institution awarding the degree an official transcript from each institution attended by the student in order that the information necessary to determine eligibility for a rebate under this section, rather than the total number of hours attempted by the student, can be verified.

SECTION 5. Amends Section 54.007, Education Code, by adding Subsection (f), as follows:

(f) Authorizes a student to elect to pay the tuition and fees of an institution of higher education by installment under this section regardless of whether the student intends to apply a financial aid award administered by the institution toward the tuition and fees. Requires the governing board of the institution, on receipt of notice of a student's election to pay tuition and fees by installment, to apply any financial aid award administered for the student toward the initial amount of tuition and fees due on installment and immediately release any remaining amount of the award to the student.

SECTION 6. Amends Subchapter A, Chapter 54, Education Code, by adding Section 54.0071, as follows:

Sec. 54.0071. PAYMENT OPTIONS FOR STUDENT WITH DELAYED FINANCIAL AID. (a) Requires the governing board of an institution of higher education to postpone the due date for the payment of all or part of the tuition and fees for a student for a semester or summer session in which the student will receive one or more delayed financial aid awards if the student meets certain criteria.

(b) Provides that the postponed due date under Subsection (a) applies only to the portion of tuition and fees to be covered by the student's delayed financial aid awards. Requires the governing board, when the financial aid awards become available, to apply the awards toward the amount due and immediately release any remaining amount of the awards to the student.

(c) Requires the governing board, if after the due date for a student tuition and fees is postponed under this section the student become ineligible to receive one or more of the delayed financial awards, or the amount awarded is less than the amount of tuition and fees due, to provide the student a reasonable period, not to exceed 30 days, to pay the unpaid amount of tuition and fees. Authorizes the board to deny a student credit for work done in the semester or summer session if the student fails to pay the tuition and fees by the end of that period.

(d) Requires the board to prescribe procedures for the administration of this section.

(e) Requires the governing board, if the student with delayed financial aid awards has elected to pay tuition and fees by installment as permitted by Section 54.007, to postpone the due date as provided by this section for each installment payment that becomes due before the student receives the awards.

SECTION 7. Amends Sections 54.010(a) and (c), Education Code, as follows:

(a) Authorizes the governing board, except as provided by Subsection (c), to reduce the amount of tuition charged to a student under this chapter to an amount less than the amount of tuition otherwise required by this chapter if the board determines that the student is enrolled in more than 12, rather than at least 15, semester credit hours at the institution during the semester or term for which the reduction is offered.

(c) Prohibits the amount of tuition charged, rather than the reduction offered, to a student under this section for a semester or term from being less than, rather than exceeding, the amount of tuition otherwise required to be, rather than would have been, charged to the student under this chapter for enrollment in 12, rather than three, semester credit hours during that semester or term.

SECTION 8. Amends Section 54.214(c), Education Code, as follows:

(c) Requires a person, to be eligible for an exemption under this section, for the initial term or semester for which the person receives an exemption under this section have, worked as an educational aide for at least one school year during the five years preceding that term or semester, rather than be a school employee who worked as an educational aide for at least one school year during the five years preceding the term or semester which the person receives the exemption. Makes conforming changes.

SECTION 9. Amends Section 54.2155, Education Code, as follows:

Sec. 54.2155. PAYMENT OF TUITION ASSISTANCE FOR MEMBERS OF STATE MILITARY FORCES. (a) Requires the adjutant general of the state military forces, rather than the board, for each semester, rather than in the manner established by the board, to certify to institutions of higher education as described by Section 431.090 (Tuition Assistance), Government Code, information identifying the persons to whom the adjutant general, rather than of state military forces, has awarded tuition assistance under that section. Deletes existing text relating to the board making certain determinations.

(b) Requires an institution of higher education to exempt a person certified by the adjutant general as described by Subsection (a), rather than the board under this section, from the payment of tuition for semester credit hours for which the person enrolls, not to exceed 12 semester credit hours. Deletes existing text referring to the board reimbursing and granting money under this section.

SECTION 10. Amends Section 54.5021(b), Education Code, as follows:

(b) Requires the student deposit fund of an institution of higher education to be used, at the discretion of the institution's governing board, for making scholarship awards to needy and deserving students of the institution and making grants under Subchapter C, Chapter 56, to resident students of the institution

SECTION 11. Amends Section 56.033, Education Code, by adding Subsection (e), as follows:

(e) Authorizes the governing board, to supplement money set aside under Subsection (a), to use money received by the institution from the fee for issuance of collegiate license plates under Section 504.615 (Collegiate License Plates), Transportation Code, for awarding Texas Public Educational Grants. Authorizes the board to use the money to award grants to both resident and nonresident students, except that the board is required to give priority to grants for resident students. Prohibits the board, notwithstanding Subsection (b), from using the money for emergency loans under Subchapter D.

SECTION 12. Amends Section 56.203, Education Code, as amended by Chapter 1317, Acts of the 78th Legislature, Regular Session, 2003, by adding Subsection (a-1), as follows:

(a-1) Provides that the requirement provided by Subsection (a)(2) that a person is required to have successfully completed the recommended or advanced high school program established under Section 28.025 to be eligible for the Early High School

Graduation Scholarship program does not apply to a person who entered grade nine before the 2003-2004 school year. Provides that this subsection expires January 1, 2007.

SECTION 13. Amends Section 56.304(a), Education Code, to require a person, to be eligible for a TEXAS grant, to be enrolled as an entering undergraduate student for a full, rather than three-fourths of a full, course load. Makes a conforming change.

SECTION 14. Amends Section 56.305(a), Education Code, to make a conforming change.

SECTION 15. Amends Section 56.307, Education Code, by adding Subsections (l) and (m), as follows:

(l) Requires the board, if the money available for TEXAS grants in a period for which grants are awarded is insufficient to provide grants to all eligible applicants in the amount specified by this section, to determine the amount of money for that period and to take certain actions relating to awarding money.

(m) Requires the board to provide information regarding the Texas B-On-Time loan program established under Subchapter Q to each eligible applicant who receives less than the full amount of a TEXAS grant.

SECTION 16. Amends Section 56.3075(a), Education Code, as follows:

(a) Authorizes the board, if the money available for TEXAS grants in a period for which grants are awarded is sufficient to provide grants to all eligible applicants in amounts specified by Section 56.307 to use any excess money available for TEXAS grants to award a grant in an amount not more than three times the amount that may be awarded under Section 56.307 to student who meets certain criteria.

SECTION 17. Amends Section 56.405, Education Code, by amending Subsection (d) and adding Subsection (f), as follows:

(d) Provides that a person, for the purposes of this section, makes satisfactory academic progress toward an associate degree or certificate only if the person meets certain goals in the person's first and subsequent academic years.

(f) Requires the board to adopt rules to allow a person who is otherwise eligible to receive a TEXAS grant II, in the event of a hardship or for other good cause shown, including a showing of a severe illness or other debilitating condition that may affect the person's academic performance or that the person is responsible for the care of a sick, injured, or needy person and that the person's provision of care may affect the person's academic performance, to receive a TEXAS grant II under certain conditions.

SECTION 18. Amends Section 61.066, Education Code, by adding Subsection (c), as follows:

(c) Requires the board to conduct a biennial study to determine the total cost of attending each institution of higher education and the resources used by students to cover that cost, including the amounts of money received by students at each institution from the major sources of public and private financial aid, including grants, loans, scholarships, gifts, and work-study programs. Requires the board, in conducting the study, to solicit information and comments from the financial aid office at each institution of higher education. Requires the board, not later than November 1 of each even-numbered year to report the findings of the study to each legislative standing committee and subcommittee with primary jurisdiction over higher education.

SECTION 19. Amends Section 431.090, Government Code, by amending Subsection (g) and adding Subsections (h) and (i), as follows:

(g) Requires the adjutant general, before each semester at a time determined by the adjutant general, rather than the board, to certify to the appropriate public and private institutions of higher education, rather than the board, a list of persons to whom the

adjutant general has awarded tuition assistance under this section for that semester. Prohibits the amount of tuition assistance awarded by the adjutant general under this section from exceeding the amount of money available to fund tuition assistance awards, rather than requiring the board, after receipt of the list, to determine whether sufficient money is available to fund tuition assistance awards under Section 54.2155, Education Code. Deletes existing text relating to the board determining whether sufficient funds are available.

(h) Requires the adjutant general, from money appropriated for purposes of this section, to authorize the comptroller to reimburse an institution of higher education in an amount equal to the amount of tuition exemption the institution grants to a person under Section 54.2155, Education Code.

(i) Requires the adjutant general, from money appropriated for purposes of this section, to authorize the comptroller to make a grant to a person attending a private or independent institution of higher education to whom the adjutant general has awarded tuition assistance for the semester under this section. Provides that the amount of a grant under this subsection is an amount equal to the average amount of reimbursement the adjutant general estimates will be paid per student for the same semester under Subsection (h).

SECTION 20. Amends Section 504.615(b), Transportation Code, to authorize money to be used only for Texas Public Educational Grants awarded under Subchapter C, Chapter 56, Education Code, if the fee is for the issuance of a license plate for a college described by Subsection (e)(1).

SECTION 21. Repealer: Section 56.203 (Eligible Person), Education Code, as amended by Chapter 365, Acts of the 78th Legislature, Regular Session, 2003.

SECTION 22. Makes the application of Sections 54.007(f) and 54.0071, Education Code, as added by this Act, prospective to the 2006 spring semester.

SECTION 23. Provides that the changes in law made by this Act to Section 54.010 (Reduction of Tuition), Education Code, apply beginning with tuition and fees charged by institution of higher education for the 2005 fall semester.

SECTION 24. (a) Provides that the changes made by this Act to Section 54.214 (Educational Aides), Education Code, applies to eligibility for an exemption from payment of tuition and fees for an academic period beginning with the 2005 fall semester and applies regardless of whether a person would have been exempt from payment of tuition and fees under Section 54.214(c), Education Code, as that subsection existed before the amendment made by this Act. Provides that eligibility for an exemption from payment of tuition and fees for an academic period before the 2005 fall semester is covered by the applicable law in effect before the effective date of this Act, and the former law is continued in effect for that purpose.

(b) Requires the board to, as necessary, adopt rules consistent with Section 54.214(c), as amended by this Act, as soon as practicable after this Act takes effect. Authorizes the board, for the purpose, to adopt the rules in the manner provided by law for emergency rules. Provides that this subsection expires May 1, 2006.

SECTION 25. Provides that the changes in law made this Act to Section 54.2155, Education Code, and Section 431.090, Government Code, apply beginning with tuition assistance awards for the 2006-2007 academic year. Provides that tuition assistance awards for an academic year before 2006-2007 academic year are covered by the law in effect immediately preceding the effective date of this Act, and the former law is continued in effect for that purpose.

SECTION 26. Provides that the change in law made by this Act to Sections 56.304, 56.305, 56.307, 56.3075, Education Code, applies beginning with the 2005-2006 academic year, but does not affect the amount of or entitlement to any grant awarded before the effective date of this Act.

SECTION 27. Provides that the change in law made by this Act to Section 56.405, Education Code, applies to the eligibility of a person to receive a TEXAS grant II awarded on or after the effective date of this Act.

SECTION 28. Requires the board to make the initial report required by Section 61.066(c), Education Code, as added by this Act, not later than November 1, 2006.

SECTION 29. Effective date: September 1, 2005.