

## **BILL ANALYSIS**

Senate Research Center  
80R5128 KEL-D

S.B. 1176  
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S/C on Higher Education  
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As Filed

### **AUTHOR'S / SPONSOR'S STATEMENT OF INTENT**

The legislature created the TEXAS Grants program (TEXAS Grant) in 1999 to pay for tuition and fees at institutions of higher education for every student who graduated from high school having completed the advanced or recommended coursework. Though funding for the TEXAS Grants has increased from \$100 million in the 2000-2001 biennium to \$334 million in the 2006-2007 biennium, there is not enough funding to keep up with the demand of eligible students. Over 70,000 students lost their TEXAS Grant in the last two years due to tuition deregulation and frozen funding, yet the number of eligible students continues to increase. If the current situation continues, 75 percent of students eligible for the TEXAS Grant will not receive financial aid through the TEXAS Grant.

As proposed, S.B. 1176 requires the Texas Higher Education Coordinating Board (THECB) to determine and certify to each eligible institution the total amount of money necessary for the institution to award the full amount of a TEXAS Grant to each eligible applicant who enrolls at that institution each year. The bill requires institutions to award the full amount of the TEXAS Grant to each eligible applicant; however, it also allows the institution to reduce the applicable amount awarded to a student under certain circumstances. The bill also prohibits an institution that fails to meet these requirements from using certain unobligated or appropriated funds.

### **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 56.307, Education Code, by adding Subsection (m), as follows:

(m) Requires the Texas Higher Education Coordinating Board (THECB), before the beginning of each academic year, to determine and certify to each eligible institution the total amount of money necessary for the institution to award, without reference to any factor that could affect a grant award such as financial need, the full amount of a TEXAS grant to each eligible applicant who enrolls at the institution during that academic year. Requires the institution, except as otherwise provided by this subsection, after THECB certifies the total amount necessary to award those grants with respect to an eligible institution, to award the full amount of the TEXAS grant to each eligible applicant who enrolls at the institution. Prohibits an eligible institution that fails to satisfy the requirements of this subsection from spending any of the institution's unobligated institutional funds or any money appropriated to the institution for instruction or operations in the academic year for which THECB certified the total amount necessary to award grants as required by this subsection, notwithstanding any other law. Authorizes an eligible institution to elect to reduce the amount of a grant awarded to any eligible applicant only as permitted by Subsection (i-1) (authorizing an institution to elect to award the TEXAS grant to any student in an amount less than the applicable amount) and (j) (requiring an institution to use other sources of financial aid, other than loans, to cover any difference in the amount awarded under the TEXAS grant and the tuition and fees in certain circumstances).

SECTION 2. Makes application of this Act prospective to the 2008 fall semester.

SECTION 3. Effective date: upon passage or September 1, 2007.