

- SUBJECT:** Establishing the TEXAS II Grant program
- COMMITTEE:** Higher Education — committee substitute recommended
- VOTE:** 7 ayes — Rangel, F. Brown, Farabee, J. Jones, Morrison, E. Reyna, Uher
0 nays
2 absent — Goolsby, West
- WITNESSES:** For — Jim Adams, The 21st Century Commission on Colleges and Universities; Dr. Marc Nigliazzo, Texas Association of Community Colleges
Against — None
- BACKGROUND:** The 76th Legislature enacted HB 713 by Cuellar, which established the Toward Excellence, Access, and Success (TEXAS) grant program. It provides grants to Texas high school students who have taken a college-preparatory curriculum and who subsequently enroll in a public or private Texas higher education institution. The TEXAS grant program primarily benefits students at four-year institutions because of its requirements for full-time status and recent high school graduation under the Recommended High School Program.
- DIGEST:** CSHB 3050 would establish the TEXAS Grant II program to provide a monetary grant to eligible students who attend public junior colleges and technical institutes in Texas. With the assistance of student financial aid officers at eligible institutions, the Texas Higher Education Coordinating Board (THECB) would adopt rules to implement and administer the program by July 31, 2001. Adopted rules would have to be consistent with the administration of federal student financial aid programs.
- THECB would give the highest priority to students with the greatest financial need. In addition to tuition and required fees, students could use the money to pay for usual and customary costs associated with attendance. An institution could use other available sources of financial aid to make up any difference in the actual amount of tuition and the amount of a TEXAS II

grant. An institution could not deny admission based on a student's eligibility for a TEXAS II grant. The grants would begin with the fall semester 2001.

Eligibility. To be eligible for a TEXAS II grant, a person would have to:

- ! be a Texas resident according to THECB's rules;
- ! meet THECB's financial need requirements;
- ! be enrolled in an associate degree or certificate program;
- ! be enrolled as an entering student for at least one-half a full course load;
- ! have applied for any available financial aid or assistance;
- ! comply with any additional nonacademic requirement adopted by THECB;
- ! not have earned a baccalaureate degree;
- ! not have completed more than 75 semester credit hours;
- ! not be eligible for a TEXAS grant

To continue receiving a TEXAS II grant award in subsequent semesters, a student would have to continue to meet THECB's requirements, remain enrolled in an associate degree or certificate program and enrolled for at least one-half a full course load, and make satisfactory academic progress that was consistent with the administration of federal financial aid programs. A student would continue to be eligible for a grant if the student transferred to another eligible institution. A student's eligibility would end on the fourth anniversary of the initial award.

An individual would not be eligible to receive TEXAS II grant funds if convicted of a felony or an offense under the Texas Controlled Substances Act unless the individual normally was eligible for a TEXAS II grant and:

- ! received a discharge certificate from the Texas Department of Criminal Justice or a correctional facility; or
- ! completed court-ordered probation; and
- ! at least two years had lapsed from the date of completion; or
- ! had been pardoned and the record of the offense expunged and had been released from the resulting ineligibility.

A student who lost the grant could become eligible again after completing one semester without the grant and meeting eligibility requirements. The total amount of TEXAS II grants awarded could not exceed the amount available for the program.

Grant amount. A TEXAS II grant would be determined by THECB and would be based on the average statewide cost of tuition and fees that a resident student enrolled full-time would be charged at public technical institutes or public junior colleges. THECB could adopt rules to allow for the decrease or increase, in proportion to the number of semester credit hours for which a student is enrolled, in the grant award.

A TEXAS II grant award amount could not be reduced by any other gift aid unless the total amount of a student's grant plus any gift aid exceeded the total cost of attendance. The total amount of grants a student would be authorized to receive for a TEXAS II grant and a tuition equalization grant (TEG) could not exceed an amount equal to 50 percent of the average state appropriation for a full-time student in the biennium preceding the biennium in which the grant was made.

By January 31, the coordinating board would publish the amount of each grant for the next academic year.

This bill would take immediate effect if finally passed by a two-thirds record vote of the membership of each house. Otherwise, it would take effect September 1, 2001.

SUPPORTERS
SAY:

The greatest obstacle to higher education is cost. CSHB 3050 would create a much-needed grant program designed to meet the needs of community and technical college students and to be a supplementary grant program to the TEXAS grant program. This proposal is one of the recommendations of the Special Commission on 21st Century Colleges and Universities.

The TEXAS II grant program would be easy to administer and would fit well into the spectrum of other financial aid programs. A program that puts grant money in the hands of more students would be the first step toward enhancing participation in higher education.

The TEXAS II grant would enhance participation in higher education by providing funding to students that would meet their needs. As part of a 15-year plan, the commission recommended that the state would need to attract a greater number of students into higher education in order to remain economically competitive, and enhanced participation by minority populations would be especially important. If Texas is to reach the goal of adding substantially more students by 2015, the community and technical colleges will play a crucial role in providing the necessary capacity.

The TEXAS II grant would focus on technical and junior colleges, which constitute the largest sector of higher education students, accounting for an enrollment of about 430,000 students or more than 50 percent of the total student enrollment. Yet, these institutions received only 14 percent of TEXAS grant financial aid funds in fiscal year 2000, compared to 72 percent of the allocation going to public universities and 13 percent going to private universities. The original TEXAS grant currently reaches only one percent of these students. The TEXAS II grant program would not have curriculum requirements; if a prospective student met the admission requirements of a particular community college, that student would be eligible for a TEXAS II grant.

This bill would target an important population group and improve their access to higher education. Community and technical colleges enroll 70 percent of freshmen and sophomore students and 75 percent of the state's minority freshmen and sophomore students in the state. CSHB 3050 would help the state develop an additional method to assist these students in completing their educational goals.

The TEXAS II grants would be based on the average cost of an education at a public junior college or public technical institute. Basing the program on the average tuition and fee cost for the particular type of institution would fairly and equitably help students throughout all Texas institutions. This would ensure that the most needy students could afford the institution of their choice.

The House version of SB 1 by Ellis, the general appropriation bill for fiscal 2002-03, would increase funding for the original TEXAS Grant program by

\$50 million, to \$145.3 million. The Senate-passed version would increase funding by \$300 million, by expanding the program to include

students with a household income of up to \$75,000. Funds to establish the TEXAS II grant program would be made available from TEXAS grant appropriations.

OPPONENTS
SAY:

The new grant program would be very expensive. According to the fiscal note, it would cost over \$27 million for the first biennium and over \$18 million each year after that, going up to over \$19 million in fiscal year 2006. It would require an undisclosed level of state appropriations in future years.

OTHER
OPPONENTS
SAY:

Because the grants would be based upon the average cost of education at a particular type of institution, the number of grants would be limited. All grant awards would be the same amount, but all students do not have the same financial need. Instead, the program should offer a maximum amount to the most needy students and award a smaller amount to less needy students, thereby reaching a greater number of students in need.

NOTES:

The committee substitute modified the original bill by removing a provision prohibiting an eligible institution from charging a person who received a TEXAS II grant more than the amount of a grant.

The companion bill, SB 1596 by Bivins, passed the Senate March 29, and was referred to the House Higher Education Committee, where it was reported favorably, as substituted, on April 24, making it eligible to be considered in lieu of HB 3050.