

- SUBJECT:** Requiring THECB to establish the Texas Transfer Grant Pilot Program
- COMMITTEE:** Higher Education — committee substitute recommended
- VOTE:** 9 ayes — Murphy, Pacheco, Cortez, Frullo, Muñoz, Ortega, Parker, Raney, J. Turner
- 1 nay — P. King
- 1 absent — C. Turner
- WITNESSES:** For — (*Registered, but did not testify:* Chris Walters, Texas 2036; Gilbert Zavala, The Greater Austin Chamber of Commerce; Molly Weiner, United Ways of Texas)
- Against — None
- On — Harrison Keller, Texas Higher Education Coordinating Board; (*Registered, but did not testify:* Priscilla Camacho, Alamo Colleges District)
- BACKGROUND:** Education Code ch. 56, subch. M governs the Toward Excellence, Access, and Success (TEXAS) Grant Program.
- Concerns have been raised that the majority of transfer students are unable to participate in the TEXAS Grant program because this program gives priority to high achieving, recent high school graduates and requires students to enroll in a four-year institution within certain timeframes. Due to the priority and time constraints of the TEXAS Grant program, thousands of transfer students do not qualify for grant funding. Suggestions have been made to create a pilot program to help eliminate barriers to grant funding for transfer students.
- DIGEST:** CSHB 4387 would require the Texas Higher Education Coordinating Board (THECB) to establish the Texas Transfer Grant Pilot Program under which the coordinating board could provide a grant to enable

transfer students to attend eligible institutions of higher education. The bill would establish eligibility criteria for students and specify the amount and authorized uses of the grants.

"Eligible institution" would mean a general academic teaching institution or a medical and dental unit that offered one or more baccalaureate degree programs. The term would not include a public state college.

The Texas Transfer Grant Pilot Program would expire September 1, 2025.

**Administration of pilot program.** THECB would be required to administer the pilot program and consult with the student financial aid officers of eligible institutions in developing necessary rules. The board would have to allocate to an institution for each academic year the amount necessary to award grants to eligible students. The total amount of grants awarded could not exceed the amount available for the program from appropriations, gifts, grants, or other funds.

The bill would require the coordinating board and the eligible institutions to give priority to awarding grants to students who demonstrated the greatest financial need.

The coordinating board and eligible institutions would be required to award initial grants beginning with the 2022 spring semester.

**Eligibility.** In order to qualify for a grant under the pilot program, a student would have to:

- be a resident of the state;
- meet certain financial need requirements;
- be enrolled in a baccalaureate degree program at an eligible institution;
- be enrolled as a transfer student for at least three-fourths of a full course load for a student in a baccalaureate program;
- have applied for any available financial aid or assistance;
- not be a recipient of a TEXAS Grant under current law for the

- same semester or term;
- make satisfactory academic progress toward a baccalaureate degree; and
- comply with any additional nonacademic requirement adopted by the coordinating board.

THECB by rule would have to establish the maximum semester credit hours or equivalent for which an eligible student could receive a grant.

A student who failed to make satisfactory academic progress toward a degree after the completion of a semester or term could not receive a grant during the next semester or term in which the student enrolled, but the student could become eligible to receive a grant in a subsequent semester or term if certain conditions were met.

The bill would require THECB to adopt rules that, in the event of a hardship or for other good cause, allowed an otherwise eligible student to receive a grant while the student did not meet certain eligibility criteria.

A person who held a baccalaureate degree would not be eligible to receive a grant under the pilot program.

**Grant use.** A student receiving a grant under the bill could use the money to pay any usual and customary cost of attendance incurred by the student at an eligible institution. The institution could disburse all or part of the proceeds of a grant directly to an eligible student only if the student's incurred tuition and fees at the institution had been paid.

**Grant amount.** Under the bill, the maximum amount of a grant for an eligible student would be determined by THECB as the average statewide amount of tuition and required fees that a resident student enrolled full-time in a baccalaureate degree program would be charged for that semester or term at eligible institutions.

The grant amount could not be reduced by any gift aid for which the person receiving the grant was eligible, unless the total amount of a

person's grant plus any gift aid received exceeded the student's total financial need at an eligible institution.

**Institution, legislative requirements.** An eligible institution would be required to use other available sources of financial aid, other than a loan, to cover any difference in the awarded grant amount to the student and the institution's required tuition and fees if certain criteria were met.

Among other provisions, the bill would prohibit an eligible institution from denying admission to or enrollment in the institution based on a person's eligibility to receive a grant or a person's receipt of a grant.

The bill would require the Legislature in an appropriations act to account for tuition and required fees received under the bill in a way that did not increase the general revenue appropriations to that eligible institution.

**Report.** By December 1 of each even-numbered year, THECB would have to submit to the Legislature a report on the effectiveness of the pilot program and a recommendation on whether the program should be continued, expanded, or terminated.

**Other provisions.** CSHB 4387 would require THECB to implement the bill's provisions only if the Legislature appropriated money specifically for that purpose. If the Legislature did not appropriate money, the coordinating board could, but would not be required to, implement the bill using other appropriations available for that purpose.

As soon as practicable after the bill's effective date, THECB would have to adopt certain rules to administer the pilot program.

The 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, 2021.

**NOTES:**

According to the Legislative Budget Board, the fiscal implications of the bill cannot be determined at this time due to lack of data regarding the

number of students who would participate in the grant pilot program and the grant amount that would be awarded through the program.