

## **BILL ANALYSIS**

Senate Research Center  
76R1978 JSA-D

S.B. 37  
By: Ellis  
Higher Education  
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As Filed

### **DIGEST**

Currently, Texas ranks 48th in the nation in the percentage of high school students earning college degrees. The average cost of tuition has increased significantly over the past few years, making it more difficult for students to finance their higher education. This bill would create the Texas HOPE Tuition Scholarship Program, to award scholarships to students who meet certain requirements, and agree, as part of their eligibility, to complete certain volunteer or charity work.

### **PURPOSE**

As proposed, S.B. 37 provides scholarships to students at higher education institutions who meet certain academic, citizenship, financial need, and other requirements in order to promote public service and provide qualified teachers in communities or teaching fields with a critical shortage of teachers.

### **RULEMAKING AUTHORITY**

Rulemaking authority is granted to the Texas Higher Education Coordinating Board in SECTION 1 (Section 56.310(a), Education Code) of this bill.

### **SECTION BY SECTION ANALYSIS**

SECTION 1. Amends Chapter 56, Education Code, by adding Subchapter M, as follows:

#### **SUBCHAPTER M. TEXAS HOPE TUITION SCHOLARSHIP PROGRAM**

Sec. 56.301. **DEFINITION.** Defines “coordinating board.”

Sec. 56.302. **PROGRAM NAME; PURPOSE.** Establishes that the financial assistance program created in this subchapter is named the Texas Hope Tuition Scholarship Program, and an individual grant is called a Texas hope tuition grant. Establishes that the purpose of this assistance program is to provide a tuition grant to certain people who provide public service or agree to teach in a primary or secondary state school in a community or teaching field with a critical shortage of teachers.

Sec. 56.303. **TYPES OF GRANTS.** Establishes that there are two types of grants: the hope tuition grant for public service, and the Teach for Texas hope tuition grant.

Sec. 56.304. **ELIGIBLE PERSON.** Establishes certain requirements for a person to be eligible for the grants.

Sec. 56.305. **REQUIREMENTS FOR HOPE TUITION GRANT FOR PUBLIC SERVICE.** Establishes specific requirements for a person to receive a hope tuition grant for public service.

Sec. 56.306. **REQUIREMENTS FOR TEACH FOR TEXAS HOPE TUITION GRANT.** Establishes specific requirements for a person to receive a Teach for Texas hope tuition grant.

Sec. 56.307. **ADMINISTRATIVE AUTHORITY.** Requires the Texas Higher Education Coordinating Board (THECB) to provide Texas hope tuition grants as determined by the amount of funding available and the financial need of the applicants.

Sec. 56.308. **PAYMENT OF GRANT; AMOUNT.** Establishes the information necessary to

determine the eligibility of a person in order for the grant to be paid, and the distribution system for payment of the grant. Sets limits on the tuition grants.

Sec. 56.309. GRANT CONDITIONAL; REPAYMENT. Establishes that the grant is conditioned on the person's maintenance of all qualifications and is considered a loan until all conditions are met. Requires THECB to require a grantee to sign a promissory note acknowledging the conditional nature of the grant and promising repayment of all of the grant if all of the conditions are not met. Requires THECB to determine the terms of the promissory note, with the terms the same as those applicable to state or federally guaranteed student loans at the same time, to the extent practicable. Requires all amounts collected in repayment of grants, excluding collection costs, to be deposited in the Texas hope tuition scholarship trust fund. Requires the amount required to be repaid by a person who fails to complete all of the teaching requirements to be proportional to the amount of time served toward the teaching obligation. Establishes that a person receiving a Teach for Texas hope tuition grant has failed to satisfy the conditions of the grant if the person fails to remain enrolled in or make steady progress in the degree program for which the grant was made without good cause to be determined by THECB.

Sec. 56.310. ADOPTION AND DISTRIBUTION OF RULES. Requires THECB to adopt administrative rules for this subchapter. Requires THECB to distribute to all higher education institutions and school districts the rules adopted under this subchapter.

Sec. 56.311. FUNDING. Establishes that the assistance program is funded from the Texas hope tuition scholarship trust fund, which is established outside the treasury but is held in trust by the comptroller. Authorizes money on the trust fund to be spent without appropriation and only to fund the assistance program. Requires interest and income from the trust's assets to be deposited into the trust fund. Authorizes THECB in each state fiscal year to use funds from the trust fund to cover administrative costs, not to exceed 2.5 percent of the total amount of funds deposited in the trust fund for that year. Authorizes THECB to accept gifts and grants from any public or private source. Authorizes the Texas Legislature to appropriate funds to the Texas hope tuition scholarship trust fund.

SECTION 2. (a) Effective date: September 1, 1999.

(b) Requires the Texas Higher Education Coordinating Board to make grants under the Texas Hope Tuition Scholarship Program beginning with the 2000 fall semester.

SECTION 3. Emergency clause.