

## **BILL ANALYSIS**

Senate Research Center  
85R6583 KJE-F

S.B. 886  
By: Seliger  
Higher Education  
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As Filed

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

The Texas Educational Opportunity Grant (TEOG) was established in 2001 to provide grant aid for students with financial need who are enrolled in Texas public two-year colleges. Fifty-three percent of Texas' public higher education students are enrolled in a two-year college and there is a growing demand for TEOG awards.

S.B. 886 limits TEOG awards to tuition, fees and books. Currently awards are given to cover the cost of attendance, which includes room and board, supplies, transportation and personal expenses. This would eliminate the possibility of students using these funds for non-educational expenses, and would allow more students to receive awards.

Currently, institutions must use non-loan funds or work-study to cover the difference in the students' tuition and fees and the amount of the TEOG award. S.B. 886 eliminates work-study as a potential matching fund to cover any difference in the amount of a TEOG and the actual amount of tuition and required fees since work-study funds are not a direct payment to the student until after the tuition bill is due.

Finally, this bill clarifies language in statute to allow institutions the discretion to continue a student's TEOG despite exceeding the number of allowable semester credit hours or years due to hardship.

As proposed, S.B. 886 amends current law relating to the Texas Educational Opportunity Grant program.

### **RULEMAKING AUTHORITY**

Rulemaking authority is previously granted to the Texas Higher Education Coordinating Board is modified in SECTION 1 (Section 56.405, Education Code) of this bill.

Rulemaking authority previously granted to the Texas Higher Education Coordinating Board is rescinded in SECTION 4 (56.407, Education Code) of this bill.

### **SECTION BY SECTION ANALYSIS**

SECTION 1. Amends Section 56.405(f), Education Code, as follows:

(f) Requires the Texas Higher Education Coordinating Board (THECB) to adopt rules to allow a person who is otherwise eligible to receive a grant under this subchapter, 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 grant under this subchapter for a number of semester credit hours that is greater than the number of semester credit hours permitted under Section 56.404(d) (relating to prohibiting a person from receiving a grant for more than 75 credit hours or the equivalent), Education Code; or for a number of years that is greater than the number of years for which the person is eligible to receive a grant under Section 56.404(f) (relating

to a person's eligibility for a grant ending on the fourth anniversary of the initial award), Education Code. Makes nonsubstantive changes.

SECTION 2. Amends Section 56.406, Education Code, as follows:

Sec. 56.406. GRANT USE. Authorizes a person receiving a grant under this subchapter to use the money only to pay the amount of tuition and required fees and the cost of required textbooks, rather than any usual and customary cost of attendance, at an eligible institution incurred by the student.

SECTION 3. Amends Sections 56.407(a), (c), and (g), Education Code as follows:

(a) Provides that the amount of a grant awarded to a student under this subchapter for a semester or other academic term is an amount not to exceed the lesser of the difference between the amount of tuition and required fees incurred by the student at an eligible institution for that semester or term plus a textbook stipend in an amount determined by THECB; and the amount of the Pell Grant for which the student is eligible, if any; or the student's unmet financial need for that semester or term. Deletes existing text providing that the amount of a grant under this subchapter for a student enrolled full-time at an eligible institution is the amount determined by THECB as the average statewide amount of tuition and required fees that a resident student enrolled full-time in an associate degree or certificate program would be charged for that semester or term at eligible institutions. Makes nonsubstantive changes.

(c) Prohibits the amount of a grant under this subchapter, except as provided by Subsection (a)(1), from being reduced by any gift aid for which the person receiving the grant is eligible, unless the total amount of a person's grant plus any gift aid exceeds the student's financial need, rather than exceeds the total cost of attendance at an eligible institution. Makes nonsubstantive changes.

(g) Authorizes an institution to use other available sources of financial aid, other than a loan or work-study program, rather than a Pell grant, to cover any difference in the amount of a grant under this subchapter and the actual amount of tuition and required fees at the institution.

SECTION 4. Repealer: Section 56.407(b) (relating to rules adopted by THECB to increase or decrease the amount of a grant to a student enrolled in a number of credit hours in excess of or below requirements), Education Code.

Repealer: Section 56.407(d) (relating to THECB publishing the amounts of each grant not later than January 31 of each year), Education Code.

SECTION 5. Makes application of this Act prospective to the 2018 fall semester.

SECTION 6. Effective date: January 1, 2018.