

## **BILL ANALYSIS**

Senate Research Center  
86R2685 KJE-D

S.B. 32  
By: Zaffirini  
Higher Education  
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As Filed

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

Higher education has never been more important for personal success and Texas' economic competitiveness. The fundamentals of the American economy, once rooted in manufacturing and agriculture, have changed. The jobs created today are in health care, technology, education, finance, and consulting; in other words, jobs that require not only more technical expertise, but also the problem solving, critical thinking, and communication skills typically fostered in colleges and universities. Whereas these jobs represented a quarter or less of the workforce 50 years ago, they comprise more than half of it today.

Though most young persons recognize the importance of a college education, as evidenced by record-high enrollment at colleges and universities, tuition has become a prohibitive barrier to success and economic mobility. Last year, Texas institutions of higher education almost universally raised tuition at a rate beyond inflation, with some increasing tuition as much as 10 percent. The consequences of these escalating costs are stark: Once a challenge mainly for low-income families, paying for college has become difficult for the more than 80 percent of Texas households with annual incomes of less than \$150,000.

To ensure Texas remains globally competitive and meets its 60x30TX affordability goals, S.B. 32 would create the Texas Promise grant program, administered by the Texas Higher Education Coordinating Board, to guarantee tuition and fees for eligible Texas students with household incomes of less than \$100,000 per year (and partial tuition coverage for eligible Texas students with household incomes between \$100,000 and \$150,000 per year) who choose to attend a public institution of higher education.

As proposed, S.B. 32 amends current law relating to the establishment of the Texas Promise Grant Program for certain students at public institutions of higher education.

### **RULEMAKING AUTHORITY**

Rulemaking authority is expressly granted to the Texas Higher Education Coordinating Board (THECB) in SECTION 1 (Sections 56.523, 56.525, and 56.527, Education Code) of this bill.

Rulemaking authority is expressly granted to THECB in SECTION 2 of this bill.

### **SECTION BY SECTION ANALYSIS**

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

#### **SUBCHAPTER T. TEXAS PROMISE GRANT PROGRAM**

Sec. 56.521. DEFINITIONS. Defines "coordinating board" and "program."

Sec. 56.522. PROGRAM PURPOSE. Provides that the purpose of the Texas Promise Grant Program (program) is to provide assistance in the payment of tuition and mandatory fees to enable eligible students to attend institutions of higher education.

Sec. 56.523. ADMINISTRATION OF PROGRAM; AWARD OF GRANT. (a) Requires the Texas Higher Education Coordinating Board (THECB) to administer the program and

adopt any rules necessary to implement the program or this subchapter. Requires THECB to consult with the student financial aid officers of institutions of higher education in developing the rules.

- (b) Requires THECB to award a grant to each eligible student under the program.

Sec. 56.524. INITIAL ELIGIBILITY FOR GRANT. (a) Provides that to be eligible initially for a grant under the program, a person is required to:

- (1) be a resident of this state as determined by THECB board rules;
- (2) have an annual household income of less than \$150,000;
- (3) have graduated from high school or received a high school equivalency certificate within the last 12 months;
- (4) be enrolled in an associate or baccalaureate degree or certificate program at an institution of higher education;
- (5) be enrolled as an entering student for at least one-half of a full course load for an entering student in the associate or baccalaureate degree or certificate program, as determined by THECB;
- (6) have applied for any available financial aid or assistance; and
- (7) comply with any additional nonacademic or nonfinancial requirement adopted by THECB under this subchapter.

(b) Provides that a person is ineligible to receive a grant under the program if the person has been convicted of a felony or an offense under Chapter 481, Health and Safety Code (Texas Controlled Substances Act), or under the law of another jurisdiction involving a controlled substance as defined by Chapter 481, Health and Safety Code, unless the person has met the other applicable eligibility requirements under the program and has:

- (1) received a certificate of discharge by the Texas Department of Criminal Justice or a correctional facility or completed a period of probation ordered by a court, and at least two years have elapsed from the date of the receipt or completion; or
- (2) been pardoned, had the record of the offense expunged from the person's record, or otherwise been released from the resulting ineligibility to receive a grant under the program.

(c) Provides that a person is ineligible to receive a grant under the program if the person has:

- (1) been granted:
  - (A) a certificate of completion of a certificate program; or
  - (B) an associate or baccalaureate degree; or
- (2) completed more than the following number of semester credit hours or the equivalent at an institution of higher education, excluding semester credit hours or the equivalent earned for a dual credit course:
  - (A) 90 semester credit hours or the equivalent, if the person is enrolled in a degree or certificate program of two years or less; or

- (B) 135 semester credit hours or the equivalent, if the person is enrolled in a degree or certificate program of more than two years.
- (d) Provides that a person is not authorized to receive a grant under the program for more than:
- (1) 75 semester credit hours or the equivalent, if the person is enrolled in a degree or certificate program of two years or less; or
  - (2) 150 semester credit hours or the equivalent, if the person is enrolled in a degree or certificate program of more than two years.

- (e) Provides that a person's eligibility for a grant under the program ends on:
- (1) the third anniversary of the initial award of a grant under the program to the person, if the person is enrolled in a degree or certificate program of two years or less;
  - (2) the fifth anniversary of the initial award of a grant under the program to the person, if the person is enrolled in a degree or certificate program of more than two years but not more than four years; or
  - (3) the sixth anniversary of the initial award of a grant under the program to the person, if the person is enrolled in a degree or certificate program of more than four years.

Sec. 56.525. CONTINUING ELIGIBILITY AND ACADEMIC PERFORMANCE REQUIREMENTS. (a) Authorizes a person, after initially qualifying for a grant under the program, to continue to receive a grant under the program during each semester or term in which the person is enrolled at an institution of higher education only if the person:

- (1) is enrolled in an associate or baccalaureate degree or certificate program at an institution of higher education;
- (2) has an annual household income of less than \$150,000;
- (3) is enrolled for at least one-half of a full course load for a student in an associate or baccalaureate degree or certificate program, as determined by THECB;
- (4) makes satisfactory academic progress toward an associate or baccalaureate degree or certificate; and
- (5) complies with any additional nonacademic or nonfinancial requirement adopted by THECB.

- (b) Provides that a person is ineligible to continue to receive a grant under this section if the person has been convicted of a felony or an offense under Chapter 481, Health and Safety Code, or under the law of another jurisdiction involving a controlled substance as defined by Chapter 481, Health and Safety Code, unless the person has met the other applicable eligibility requirements under this subchapter and has:
- (1) received a certificate of discharge by the Texas Department of Criminal Justice or a correctional facility or completed a period of probation ordered by a court, and at least two years have elapsed from the date of the receipt or completion; or

(2) been pardoned, had the record of the offense expunged from the person's record, or otherwise been released from the resulting ineligibility to receive a grant under the program.

(c) Prohibits a person from receiving a grant under the program during the next semester or term in which the person enrolls if the person fails to meet any of the requirements of Subsection (a) after the completion of any semester or term. Authorizes a person to become eligible to receive a grant under the program in a subsequent semester or term if the person completes a semester or term during which the person is not eligible for a grant and meets all the requirements of Subsection (a).

(d) Provides that, for the purpose of this section, a person makes satisfactory academic progress toward an associate or baccalaureate degree or certificate only if:

(1) in the person's first academic year, the person meets the satisfactory academic progress requirements of the institution at which the person is enrolled; and

(2) in the subsequent academic year, the person:

(A) completes at least 75 percent of the semester credit hours or the equivalent attempted in the person's most recent academic year; and

(B) has earned an overall grade point average of at least 2.5 on a four-point scale or the equivalent on course work previously attempted at institutions of higher education.

(e) Provides that a person who is eligible to receive a grant under the program continues to remain eligible to receive the grant if the person enrolls in or transfers to another institution of higher education.

(f) Requires THECB to adopt rules to allow a person who is otherwise eligible to receive a grant under the program, 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 a showing 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 the program:

(1) while enrolled in a number of semester credit hours that is less than the number of semester credit hours or the equivalent required under Subsection (a)(3); or

(2) if the person's grade point average or completion rate falls below the satisfactory academic progress requirements of Subsection (d).

**Sec. 56.526. GRANT USE.** Requires a grant awarded under the program to be applied first to the payment of tuition and mandatory fees at an institution of higher education.

**Sec. 56.527. GRANT AMOUNT.** (a) Provides that the amount of a grant awarded to an eligible student under the program for a semester or other academic term in which the student is enrolled at an institution of higher education is:

(1) for a student whose annual household income is less than \$100,000, an amount not to exceed the greater of:

(A) the difference between the amount of tuition and mandatory fees charged to the student by the institution for that semester or term and the amount of any other gift aid, including state or federal grants or scholarships, awarded to the student for that semester or term; or

(B) \$1,000; or

(2) for a student whose annual household income is \$100,000 or more, an amount not to exceed the product of:

(A) the difference between the amount of tuition and mandatory fees charged to the student by the institution for that semester or term and the amount of any other gift aid, including state or federal grants or scholarships, awarded to the student for that semester or term; and

(B) the quotient of the difference between the maximum annual household income for which a student may be eligible for a grant under the program and the student's annual household income and 50,000.

(b) Authorizes THECB to adopt rules that allow THECB to decrease, in proportion to the number of semester credit hours or the equivalent in which a student is enrolled, the amount of a grant award under Subsection (a)(1)(B) to a student who is enrolled in less than a full course load for a student in an associate or baccalaureate degree or certificate program, as determined by THECB.

(c) Prohibits a grant from being awarded under the program to an eligible student for a semester or other academic term until any other gift aid for which the student is eligible has been awarded to the student and the amount of tuition and mandatory fees owed by the student has been established for purposes of determining the appropriate amount of the student's grant under Subsection (a).

(d) Requires THECB to issue to each eligible student a certificate indicating the amount of the grant awarded to the student.

**Sec. 56.528. NOTIFICATION OF PROGRAM; RESPONSIBILITIES OF SCHOOL DISTRICTS.** (a) Requires THECB, in consultation with all institutions of higher education, to prepare materials designed to inform prospective students, their parents, and high school counselors about the program and eligibility for a grant under the program. Requires THECB to distribute to each institution of higher education and to each school district a copy of the materials prepared under this section.

(b) Requires each school district to notify its high school students, those students' teachers and school counselors, and those students' parents or guardians of the program and the eligibility requirements of the program.

**SECTION 2.** (a) Requires THECB to adopt rules to administer Subchapter T, Chapter 56, Education Code, as added by this Act, as soon as practicable after the effective date of this Act. Authorizes THECB, for that purpose, to adopt the initial rules in the manner provided by law for emergency rules.

(b) Requires THECB to begin awarding grants under Subchapter T, Chapter 56, Education Code, as added by this Act, for the first academic year for which money is appropriated for that purpose, except that THECB is prohibited from awarding grants under that subchapter for an academic year before the 2020–2021 academic year.

**SECTION 3.** Effective date: upon passage or September 1, 2019.