

BILL ANALYSIS

Senate Research Center
86R2212 MM-D

S.B. 34
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Higher Education
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As Filed

AUTHOR'S / SPONSOR'S STATEMENT OF INTENT

The Toward Excellence and Success (TEXAS) Grant program is, by far, the state's largest student financial aid program. Since its inception, the program has awarded more than \$3 billion to more than 400,000 students. The program, unfortunately, is not currently able to serve every eligible student. What's more, the need for TEXAS Grants is expected to keep growing, as roughly 60 percent of Texas public school students are economically disadvantaged. These students certainly will require financial assistance to pursue a higher education without accumulating crushing debt.

To achieve the goals of the statewide higher education strategic plan, 60x30TX, S.B. 34 would maximize the impact of TEXAS Grants by encouraging timely completion of degrees and allowing as many students as possible to receive an award. Specifically, S.B. 34 would reduce the number of semester credit hours students are allowed to receive TEXAS Grant aid for from 150 to 135 hours or 15 hours above degree requirements. S.B. 34 would also remove work-study as a potential matching fund to cover any difference in the amount of a TEXAS Grant and the actual tuition and fees. A recent analysis of S.B. 34 conducted by the Texas Higher Education Coordinating Board found that its passage would free approximately \$11 million in grant funds per biennium, enough for the creation of nearly 2,500 new TEXAS grants.

As proposed, S.B. 34 amends current law relating to the maximum number of semester credit hours allowed for and funding sources used to supplement a TEXAS grant.

RULEMAKING AUTHORITY

This bill does not expressly grant any additional rulemaking authority to a state officer, institution, or agency.

SECTION BY SECTION ANALYSIS

SECTION 1. Amends Subchapter M, Chapter 56, Education Code, by adding section 56.3051, as follows:

Sec. 56.3051. MAXIMUM NUMBER OF SEMESTER CREDIT HOURS. Prohibits a person from receiving a TEXAS grant for more than the lesser of:

- (1) 135 semester credit hours or the equivalent; or
- (2) 15 semester credit hours, or the equivalent, in addition to the number of credit hours needed to complete the student's degree program.

SECTION 2. Amends Section 56.307(j), Education Code, to require a public institution of higher education to use other available sources of financial aid, other than a loan or work study, rather than other than a loan, to cover any difference in the amount of a TEXAS grant awarded to a student and the actual amount of tuition and required fees at the institution if the difference results from certain conditions.

SECTION 3. Repealer: Section 56.304(d) (relating to prohibiting a person from receiving a TEXAS grant for more than 150 credit hours or the equivalent), Education Code.

SECTION 4. Makes application of this Act prospective to the 2019 fall semester.

SECTION 5. Effective date: upon passage or September 1, 2019.