

AN ACT

relating to eligibility for a TEXAS grant and to administration of the TEXAS grant program.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

SECTION 1. This Act shall be known as the TEXAS Grant College Readiness Reform Act.

SECTION 2. Section 56.303, Education Code, is amended by amending Subsection (d) and adding Subsections (d-1), (e), and (f) to read as follows:

(d) From money appropriated by the legislature for the purposes of this subchapter, the coordinating board annually shall determine the allocation of money available for TEXAS grants among general academic teaching institutions and other eligible institutions and shall distribute the money accordingly.

(d-1) In allocating among general academic teaching institutions money available for initial TEXAS grants for an academic year, the coordinating board shall ensure that each of those institutions' percentage share of the total amount of money for initial grants that is allocated to general academic teaching institutions under this subsection for that year does not, as a result of the number of students who establish eligibility at the institution for an initial grant under Section 56.3041(2)(A), change from the institution's percentage share of the total amount of money for initial grants that is allocated to those institutions

1 under this subsection for the preceding academic year.

2 (e) In determining who should receive a TEXAS grant, the
3 coordinating board and the eligible institutions shall give
4 [highest] priority to awarding TEXAS grants to students who
5 demonstrate the greatest financial need and whose expected family
6 contribution, as determined according to the methodology used for
7 federal student financial aid, does not exceed 60 percent of the
8 average statewide amount of tuition and required fees described by
9 Section 56.307(a). In giving priority based on financial need as
10 required by this subsection to students who meet the requirements
11 for the highest priority as provided by Subsection (f), a general
12 academic teaching institution shall determine financial need
13 according to the relative expected family contribution of those
14 students, beginning with students who have the lowest expected
15 family contribution.

16 (f) Beginning with TEXAS grants awarded for the 2013-2014
17 academic year, in determining who should receive an initial TEXAS
18 grant, each general academic teaching institution, in addition to
19 giving priority as provided by Subsection (e), shall give highest
20 priority to students who meet the eligibility criteria described by
21 Section 56.3041(2)(A). If there is money available in excess of the
22 amount required to award an initial TEXAS grant to all students
23 meeting those criteria, a general academic teaching institution
24 shall make awards to other students who meet the eligibility
25 criteria described by Section 56.304(a)(2)(A), provided that the
26 institution continues to give priority to students as provided by
27 Subsection (e).

1 SECTION 3. Subsection (h), Section 56.304, Education Code,
2 is amended to read as follows:

3 (h) The coordinating board shall adopt rules to allow a
4 person who is otherwise eligible to receive a TEXAS grant, in the
5 event of a hardship or for other good cause shown, including a
6 showing of a severe illness or other debilitating condition that
7 may affect the person's academic performance or that the person is
8 responsible for the care of a sick, injured, or needy person and
9 that the person's provision of care may affect the person's academic
10 performance, to receive a TEXAS grant while enrolled in a number of
11 semester credit hours that is less than the number of semester
12 credit hours required under Subsection (a)(5) or Section
13 56.3041(5), as applicable. The coordinating board may not allow a
14 person to receive a TEXAS grant while enrolled in fewer than six
15 semester credit hours.

16 SECTION 4. Subchapter M, Chapter 56, Education Code, is
17 amended by amending Section 56.3041 and adding Section 56.3042 to
18 read as follows:

19 Sec. 56.3041. INITIAL ELIGIBILITY OF PERSON GRADUATING FROM
20 HIGH SCHOOL ON OR AFTER MAY 1, 2013, AND ENROLLING IN A GENERAL
21 ACADEMIC TEACHING INSTITUTION. Notwithstanding Section 56.304(a),
22 to be eligible initially for a TEXAS grant, a person graduating from
23 high school on or after May 1, 2013, and enrolling in a general
24 academic teaching institution must:

25 (1) be a resident of this state as determined by
26 coordinating board rules;

27 (2) meet the academic requirements prescribed by

1 Paragraph (A), (B), or (C) as follows:

2 (A) be a graduate of a public or accredited
3 private high school in this state who completed the recommended
4 high school program established under Section 28.025 or its
5 equivalent and have accomplished any two or more of the following:

6 (i) graduation under the advanced high
7 school program established under Section 28.025 or its equivalent,
8 successful completion of the course requirements of the
9 international baccalaureate diploma program, or earning of the
10 equivalent of at least 12 semester credit hours of college credit in
11 high school through courses described in Sections 28.009(a)(1),
12 (2), and (3);

13 (ii) satisfaction of the Texas Success
14 Initiative (TSI) college readiness benchmarks prescribed by the
15 coordinating board under Section 51.3062(f) on any assessment
16 instrument designated by the coordinating board under Section
17 51.3062(c) or (e) or qualification for an exemption as described by
18 Section 51.3062(p), (q), or (q-1);

19 (iii) graduation in the top one-third of
20 the person's high school graduating class or graduation from high
21 school with a grade point average of at least 3.0 on a four-point
22 scale or the equivalent; or

23 (iv) completion for high school credit of
24 at least one advanced mathematics course following the successful
25 completion of an Algebra II course, as permitted by Section
26 28.025(b-3), or at least one advanced career and technical course,
27 as permitted by Section 28.025(b-2);

1 (B) have received an associate degree from a
2 public or private institution of higher education; or

3 (C) if sufficient money is available, meet the
4 eligibility criteria described by Section 56.304(a)(2)(A);

5 (3) meet financial need requirements established by
6 the coordinating board;

7 (4) be enrolled in an undergraduate degree or
8 certificate program at the general academic teaching institution;

9 (5) except as provided under rules adopted under
10 Section 56.304(h), be enrolled as:

11 (A) an entering undergraduate student for at
12 least three-fourths of a full course load, as determined by the
13 coordinating board, not later than the 16th month after the
14 calendar month in which the person graduated from high school;

15 (B) an entering undergraduate student who
16 entered military service not later than the first anniversary of
17 the date the person graduated from high school and who enrolled for
18 at least three-fourths of a full course load, as determined by the
19 coordinating board, at the general academic teaching institution
20 not later than 12 months after being honorably discharged from
21 military service; or

22 (C) a continuing undergraduate student for at
23 least three-fourths of a full course load, as determined by the
24 coordinating board, not later than the 12th month after the
25 calendar month in which the person received an associate degree
26 from a public or private institution of higher education;

27 (6) have applied for any available financial aid or

1 assistance; and

2 (7) comply with any additional nonacademic
3 requirements adopted by the coordinating board under this
4 subchapter.

5 Sec. 56.3042. INITIAL QUALIFICATION [~~ELIGIBILITY~~] OF
6 PERSON ON TRACK TO MEET ELIGIBILITY REQUIREMENTS [~~COMPLETE~~
7 ~~RECOMMENDED OR ADVANCED CURRICULUM~~]. (a) If at the time an
8 eligible institution awards TEXAS grants to initial recipients for
9 an academic year an applicant has not completed high school or the
10 applicant's final high school transcript is not yet available to
11 the institution, the student is considered to have satisfied the
12 eligibility requirements of Section 56.304(a)(2)(A) or
13 56.3041(2)(A) if the student's available high school transcript
14 indicates that at the time the transcript was prepared the student
15 was on schedule to graduate from high school and to meet the
16 eligibility requirements [~~complete the recommended or advanced~~
17 ~~high school curriculum or its equivalent~~], as applicable to the
18 student, in time to be eligible for a TEXAS grant for the academic
19 year.

20 (a-1) If at the time an eligible institution awards TEXAS
21 grants to initial recipients for an academic year an applicant who
22 is an associate degree candidate has not completed that degree or
23 the applicant's final college transcript is not yet available to
24 the institution, the student is considered to have satisfied the
25 associate degree requirement of Section 56.304(a)(2)(B) or
26 56.3041(2)(B) if the student's available college transcript
27 indicates that at the time the transcript was prepared the student

1 was on schedule to complete the associate degree in time to be
2 eligible for a TEXAS grant for the academic year.

3 (b) The coordinating board or the eligible institution may
4 require the student to forgo or repay the amount of an initial TEXAS
5 grant awarded to the student as described by Subsection (a) or (a-1)
6 if the student fails to meet the eligibility requirements of
7 Section 56.304(a)(2)(A), 56.3041(2)(A), 56.304(a)(2)(B), or
8 56.3041(2)(B), as applicable to the student, [~~complete the~~
9 ~~recommended or advanced high school curriculum or its equivalent]~~
10 after the issuance of the available high school or college
11 transcript.

12 (c) A person who is required to forgo or repay the amount of
13 an initial TEXAS grant under Subsection (b) may subsequently become
14 eligible to receive an initial TEXAS grant under Section 56.304 or
15 56.3041 by satisfying the associate degree requirement prescribed
16 by Section 56.304(a)(2)(B) or 56.3041(2)(B) and the other
17 [~~applicable~~] requirements of those sections applicable to the
18 person [~~that section~~] at the time the person reapplies for the
19 grant.

20 (d) A person who receives an initial TEXAS grant under
21 Subsection (a) or (a-1) and is not required to forgo or repay the
22 amount of the grant under Subsection (b) may become eligible to
23 receive a subsequent TEXAS grant under Section 56.305 only by
24 satisfying the associate degree requirement prescribed by Section
25 56.304(a)(2)(B) or 56.3041(2)(B), as applicable to the person, in
26 addition to the requirements of Section 56.305 at the time the
27 person applies for the subsequent grant.

1 SECTION 5. Subchapter M, Chapter 56, Education Code, is
2 amended by adding Section 56.3045 to read as follows:

3 Sec. 56.3045. TOLLING OF ELIGIBILITY FOR INITIAL AWARD.

4 (a) This section applies only to a person who:

5 (1) was eligible to receive an initial TEXAS grant in
6 an academic year for which sufficient money was not available
7 through legislative appropriations to allow the coordinating board
8 to award initial TEXAS grants to at least 10 percent of the persons
9 eligible for initial TEXAS grants in that year, as determined by the
10 coordinating board;

11 (2) has not previously been awarded a TEXAS grant; and

12 (3) has not received a baccalaureate degree.

13 (b) Provided that the person meets the requirements
14 described by Section 56.305(a), a person to whom this section
15 applies is eligible to receive an initial TEXAS grant in any
16 academic year in which funding is sufficient to award initial TEXAS
17 grants to eligible applicants for that year. The person's
18 eligibility for an initial TEXAS grant under this section is not
19 affected by:

20 (1) the period for which the person has been enrolled
21 at an eligible institution; or

22 (2) any statutory changes to the eligibility
23 requirements for initial TEXAS grants that are enacted after the
24 person first established eligibility for an initial TEXAS grant as
25 described by Subsection (a)(1).

26 (c) A person who is eligible for an initial TEXAS grant
27 under this section is entitled to the highest priority as described

1 by Section 56.303(f) if the person was entitled to that priority
2 when the person first established eligibility for an initial TEXAS
3 grant as described by Subsection (a)(1).

4 (d) A person who receives an initial TEXAS grant under this
5 section:

6 (1) may receive subsequent TEXAS grants as provided by
7 Section 56.305; and

8 (2) is not entitled to TEXAS grants for any previously
9 completed academic year.

10 SECTION 6. Section 56.311, Education Code, is amended by
11 adding Subsection (c-1) to read as follows:

12 (c-1) Not later than September 1 of each year, the
13 coordinating board shall provide a report to the committee
14 regarding the operation of the TEXAS grant program, including
15 information from the three preceding state fiscal years as follows:

16 (1) allocations of TEXAS grants by eligible
17 institution, disaggregated by initial and subsequent awards;

18 (2) the number of TEXAS grants awarded to students
19 disaggregated by race, ethnicity, and expected family
20 contribution;

21 (3) disaggregated as required by Subdivision (2) and
22 reported both on a statewide basis and for each eligible
23 institution, the number of TEXAS grants awarded to students who
24 meet:

25 (A) only the eligibility criteria described by
26 Section 56.304; or

27 (B) the eligibility criteria described by

1 Section 56.3041(2)(A); and
2 (4) the persistence, retention, and graduation rates
3 of students receiving TEXAS grants.

4 SECTION 7. The change in law made to Subchapter M, Chapter
5 56, Education Code, by this Act applies beginning with TEXAS grants
6 awarded for the 2013 fall semester. Grants awarded for a semester
7 or term before the 2013 fall semester are governed by the applicable
8 law in effect immediately before the effective date of this Act, and
9 the former law is continued in effect for that purpose.

10 SECTION 8. This Act takes effect September 1, 2011.

President of the Senate

Speaker of the House

I hereby certify that S.B. No. 28 passed the Senate on April 6, 2011, by the following vote: Yeas 24, Nays 7; May 5, 2011, Senate refused to concur in House amendments and requested appointment of Conference Committee; May 17, 2011, House granted request of the Senate; May 29, 2011, Senate adopted Conference Committee Report by the following vote: Yeas 28, Nays 3.

Secretary of the Senate

I hereby certify that S.B. No. 28 passed the House, with amendments, on April 21, 2011, by the following vote: Yeas 136, Nays 12, one present not voting; May 17, 2011, House granted request of the Senate for appointment of Conference Committee; May 24, 2011, House adopted Conference Committee Report by the following vote: Yeas 143, Nays 1, two present not voting.

Chief Clerk of the House

Approved:

Date

Governor