

EDUCATION CODE

TITLE 3. HIGHER EDUCATION

SUBTITLE A. HIGHER EDUCATION IN GENERAL

CHAPTER 56. STUDENT FINANCIAL ASSISTANCE

SUBCHAPTER A. GENERAL PROVISIONS

Sec. 56.001. SHORT TITLE. This Chapter may be cited as the Student Financial Assistance Act of 1975.

Added by Acts 1975, 64th Leg., p. 2323, ch. 720, Sec. 1, eff. Sept. 1, 1975.

Sec. 56.002. DECLARATION OF POLICY. The legislature, giving due consideration to the historical and continuing interest of the people of the State of Texas in encouraging deserving and qualified persons to realize their aspirations for education beyond high school finds and declares that postsecondary education for those who desire such an education and are properly qualified therefor is important to the welfare and security of this state and the nation and, consequently, is an important public purpose. The legislature finds and declares that the state can achieve its full economic and social potential only if every individual has the opportunity to contribute to the full extent of his capabilities and only when financial barriers to his economic, social, and educational goals are removed. It is, therefore, the policy of the legislature and the purpose of this Chapter to establish financial assistance programs to enable qualified students to receive a postsecondary education.

Added by Acts 1975, 64th Leg., p. 2323, ch. 720, Sec. 1, eff. Sept. 1, 1975.

Sec. 56.003. DEFINITIONS. In this Chapter:

(1) "Institution of higher education" has the same meaning as is assigned to it by Section 61.003 of this code.

(2) "Governing board" has the same meaning as is assigned to it by Section 61.003 of this code.

(3) "Postsecondary educational institution" means any

institution, public or private, which provides courses of instruction beyond that offered in secondary schools.

Added by Acts 1975, 64th Leg., p. 2323, ch. 720, Sec. 1, eff. Sept. 1, 1975.

Sec. 56.004. FILING FEES IN SUITS TO COLLECT DELINQUENT STUDENT LOANS. Notwithstanding any other law, if an institution of higher education brings suit to collect or enforce the repayment of a delinquent student loan, the institution is required to pay in advance one-half of the applicable filing fee and other costs payable in advance to the clerk of the court. If the defaulting borrower prevails in the suit, the institution shall pay the remaining one-half of the filing fee and costs on the date of the final disposition of the suit. If the institution prevails in the suit:

(1) the judgment shall include a finding that the defaulting borrower is liable to the institution for the full amount of the filing fee and costs; and

(2) the institution shall pay the remaining one-half of the filing fee and costs not later than the seventh day after the date on which the defaulting borrower pays to the institution the full amount, including the amount of the filing fee and costs, for which the borrower is liable to the institution.

Added by Acts 2003, 78th Leg., ch. 1266, Sec. 1.17, eff. June 20, 2003.

Sec. 56.006. EMPLOYEE TRAINED IN STUDENT FINANCIAL ASSISTANCE PROGRAMS FOR VETERANS AND FAMILIES. (a) Each institution of higher education shall ensure that one or more persons employed by the institution is trained:

(1) in understanding state and federal student financial assistance programs available to military veterans or their family members, especially programs specifically applicable to military veterans or their family members; and

(2) in assisting military veterans and eligible family members in understanding and obtaining the benefits available under those programs.

(b) A person described by Subsection (a) must be available to assist persons as described by Subsection (a)(2) during regular business hours at the financial aid or other office to which the person is assigned.

Added by Acts 2009, 81st Leg., R.S., Ch. 998 (H.B. 3951), Sec. 1, eff. June 19, 2009.

Sec. 56.0065. STUDENT FINANCIAL ASSISTANCE PROGRAMS FOR VETERANS AND FAMILIES; EQUAL PROTECTION. (a) In this section, "private or independent institution of higher education" has the meaning assigned by Section 61.003.

(b) An institution of higher education or a private or independent institution of higher education may not impose additional fees, obligations, or burdens concerning payment or registration on a student eligible for state or federal military related student financial assistance programs for military veterans or their family members that are not otherwise required by those programs to be imposed for the purpose of receiving that assistance.

(c) An institution of higher education or a private or independent institution of higher education must provide for a student described by Subsection (b) to defer payment of tuition and fees if the receipt of military related financial assistance awarded to the student is delayed by less than 60 days. The Texas Veterans Commission, in cooperation with institutions of higher education and private or independent institutions of higher education, shall prescribe a standard deferment request form for the purposes of this subsection.

(d) This section does not prohibit an institution of higher education or a private or independent institution of higher education from requiring a student described by Subsection (b) to submit a free application for federal student aid (FAFSA).

Added by Acts 2017, 85th Leg., R.S., Ch. 986 (H.B. 846), Sec. 1, eff. September 1, 2017.

Sec. 56.007. EXCLUSION OF ASSETS IN PREPAID TUITION PROGRAMS AND HIGHER EDUCATION SAVINGS PLANS. (a) Notwithstanding

any other law, the right of a person to assets held in or the right to receive payments or benefits under any fund or plan established under Subchapter G, H, or I, Chapter 54, including an interest in a savings trust account, prepaid tuition account, or related matching account, or any school-based account or bond described by Section 28.0024(b)(2), may not be considered an asset of the person, or otherwise included in the person's household income or other financial resources, for purposes of determining the person's eligibility for a TEXAS grant or any other state-funded student financial assistance.

(b) The amount of exclusion under Subsection (a) of assets held in or the right to receive payments or benefits under a school-based account or bond described by Section 28.0024(b)(2), except a fund or plan established under Subchapter G, H, or I, Chapter 54, as a school-based account, is limited to the amount of the cost of undergraduate resident tuition and required fees for one academic year consisting of 30 semester credit hours charged by the general academic teaching institution with the highest such tuition and fee costs for the most recent academic year, as determined by the Texas Higher Education Coordinating Board under Section 54.753.

Added by Acts 2011, 82nd Leg., R.S., Ch. 1186 (H.B. 3708), Sec. 4, eff. June 17, 2011.

Amended by:

Acts 2015, 84th Leg., R.S., Ch. 1265 (H.B. 3987), Sec. 2, eff. June 20, 2015.

Sec. 56.008. PRIORITY DEADLINE FOR STUDENT FINANCIAL ASSISTANCE. (a) The Texas Higher Education Coordinating Board by rule shall provide for a uniform priority application deadline for applications for financial assistance for an academic year.

(b) The priority deadline may not serve as a determination of eligibility for state financial assistance, but otherwise eligible applicants who apply on or before the deadline shall be given priority consideration for available state financial assistance before other applicants.

(c) The coordinating board shall consult with financial aid

personnel at institutions of higher education in adopting rules providing for the deadline required under this section.

(d) This section only applies to a general academic teaching institution as defined by Section 61.003.

Added by Acts 2011, 82nd Leg., R.S., Ch. 415 (S.B. 851), Sec. 1, eff. January 1, 2013.

Redesignated from Education Code, Section 56.007 by Acts 2013, 83rd Leg., R.S., Ch. 161 (S.B. 1093), Sec. 22.001(11), eff. September 1, 2013.

Sec. 56.009. ELIGIBILITY BASED ON GRADUATION UNDER CERTAIN HIGH SCHOOL PROGRAMS. To the extent that a person's eligibility to participate in any program under this chapter, including Subchapters K, Q, and R, is contingent on the person graduating under the recommended or advanced high school program, as those programs existed before the adoption of H.B. No. 5, 83rd Legislature, Regular Session, 2013, the Texas Higher Education Coordinating Board and the commissioner of education shall jointly adopt rules to modify, clarify, or otherwise establish for affected programs appropriate eligibility requirements regarding high school curriculum completion.

Added by Acts 2013, 83rd Leg., R.S., Ch. 211 (H.B. 5), Sec. 67(a), eff. June 10, 2013.

Sec. 56.0092. TEXAS B-ON-TIME STUDENT LOAN ACCOUNT; FORMER LOAN PROGRAM CONTINUED IN EFFECT FOR CERTAIN ACADEMIC YEARS ONLY.

(a) The Texas B-On-time student loan account previously established by former Section 56.463 continues as an account in the general revenue fund. The account consists of:

(1) gifts and grants;

(2) any legislative appropriations received for the purpose of awarding Texas B-On-time student loans to students who qualify and establish eligibility for the loans as described by Subsection (c) and for discharging any other remaining obligations under the former Texas B-On-time student loan program;

(3) tuition set aside under Section 56.465, as that section existed immediately before September 1, 2015, for a

semester or term occurring before the 2015 fall semester;

(4) bond proceeds deposited under Section 52.91(a);
and

(5) any other money in the account on September 1, 2015.

(b) Money in the Texas B-On-time student loan account may be used only to pay any costs of the coordinating board related to loans awarded under the Texas B-On-time student loan program as provided by Subsection (c) for a semester or term occurring before the 2020 fall semester.

(c) Beginning with the 2015 fall semester, the coordinating board may not award an initial Texas B-On-time student loan under the Texas B-On-time student loan program. The coordinating board may award, for a semester or term occurring before the 2020 fall semester, a subsequent Texas B-On-time student loan to an eligible student who received an initial Texas B-On-time student loan before the 2015-2016 academic year. For Texas B-On-time student loans to be awarded as described by this subsection:

(1) students may qualify and establish continued eligibility, as applicable, under Subchapter Q as that subchapter existed immediately before September 1, 2015; and

(2) the coordinating board may make loans using any money available for the purposes of the former Texas B-On-time student loan program.

(d) On September 1, 2024, the Texas B-On-time student loan account is abolished, and any remaining money in the account, notwithstanding Subsection (b), may be appropriated only to eligible institutions in the manner provided by Subsection (e).

(e) An appropriation under Subsection (d) must be made in accordance with a formula, adopted by coordinating board rule, that the coordinating board determines fairly allocates the appropriated amount to those eligible institutions at which the Texas B-On-time student loan program was underutilized. For purposes of this subsection, the Texas B-On-time student loan program is considered to have been underutilized by students of an institution in any period if the institution's percentage of the total amount of tuition set aside by all institutions under the

program during the period was greater than the institution's percentage of all students who received a Texas B-On-time student loan under the program for the same period. The coordinating board shall base the coordinating board's determination on a period of academic years occurring before the 2015-2016 academic year that the coordinating board considers representative of eligible institutions' student participation in the Texas B-On-time student loan program.

(e-1) An eligible institution that receives an appropriation of money under Subsection (d) may use the money only to support efforts to increase the number of at-risk students who graduate from the institution or the rate at which at-risk students graduate from the institution.

(f) In this section:

(1) "At-risk student" means an undergraduate student of an eligible institution:

(A) who has previously received a grant under the federal Pell Grant program or met the Expected Family Contribution (EFC) criterion for a grant under that program; or

(B) whose total score on the SAT or the ACT, excluding the optional essay test, is less than the national mean of students' scores on the applicable test.

(2) "Eligible institution" means a general academic teaching institution described by Section 56.451(2)(A) or a medical and dental unit described by Section 56.451(2)(B), as those paragraphs existed immediately before September 1, 2015.

Added by Acts 2015, 84th Leg., R.S., Ch. 1243 (H.B. 700), Sec. 6, eff. September 1, 2015.

Amended by:

Acts 2019, 86th Leg., R.S., Ch. 634 (S.B. 1504), Sec. 1, eff. June 10, 2019.

Acts 2019, 86th Leg., R.S., Ch. 1173 (H.B. 3317), Sec. 9(a), eff. June 14, 2019.

SUBCHAPTER B. FINANCIAL ASSISTANCE FUNDED FROM DESIGNATED TUITION

Sec. 56.011. RESIDENT UNDERGRADUATE STUDENT ASSISTANCE.

(a) The governing board of each institution of higher education shall cause to be set aside not less than 15 percent of any amount of tuition charged to a resident undergraduate student under Section [54.0513](#) in excess of \$46 per semester credit hour. The funds set aside under this section by an institution shall be used to provide financial assistance for resident undergraduate students enrolled in the institution.

(b) To be eligible for assistance under this section, a student must establish financial need in accordance with rules and procedures established by the Texas Higher Education Coordinating Board. Priority shall be given to students who meet the coordinating board definition of financial need and whose cost for tuition and required fees is not met through other non-loan financial assistance programs.

(c) The financial assistance provided under this section may include grants, scholarships, work-study programs, student loans, and student loan repayment assistance.

Added by Acts 2003, 78th Leg., ch. 1321, Sec. 5, eff. Sept. 1, 2003.

Amended by:

Acts 2015, 84th Leg., R.S., Ch. 1243 (H.B. [700](#)), Sec. 7, eff. September 1, 2015.

Sec. 56.012. RESIDENT GRADUATE STUDENT ASSISTANCE. (a) The governing board of each institution of higher education shall cause to be set aside not less than 15 percent of any amount of tuition charged to a resident student enrolled in a graduate or professional degree program under Section [54.0513](#) in excess of \$46 per semester credit hour. The funds set aside under this section by an institution shall be used to provide financial assistance for resident students enrolled in graduate and professional degree programs at the institution.

(b) To be eligible for assistance under this section, a student must establish financial need in accordance with rules and procedures established by the Texas Higher Education Coordinating Board. Priority shall be given to students who meet the coordinating board definition of financial need and whose cost for tuition and required fees is not met through other non-loan

financial assistance programs.

(c) The financial assistance provided under this section may include grants, scholarships, work-study programs, student loans, and student loan repayment assistance.

Added by Acts 2003, 78th Leg., ch. 1321, Sec. 5, eff. Sept. 1, 2003.

Sec. 56.013. INFORMATION REGARDING FINANCIAL ASSISTANCE FUNDED FROM DESIGNATED TUITION. The Texas Higher Education Coordinating Board shall disseminate to each public or accredited private high school in this state information regarding the financial assistance available under this subchapter and shall include information designed to educate high school students and the parents of those students on available opportunities and required preparation with respect to institutions of higher education. The coordinating board shall recommend a method of delivery of the information to parents and students under this section.

Added by Acts 2003, 78th Leg., ch. 1321, Sec. 5, eff. Sept. 1, 2003.

Sec. 56.014. NOTICE TO STUDENTS REGARDING TUITION SET ASIDE FOR FINANCIAL ASSISTANCE. (a) An institution of higher education that is required by this subchapter to set aside a portion of a student's tuition payments to provide financial assistance for students enrolled in the institution shall provide to each student of the institution who pays tuition from which a portion is required to be set aside for that purpose a notice regarding the specific amount that is required to be set aside by the institution.

(b) The institution shall provide the notice required by Subsection (a) to the student in a prominently printed statement that appears on or is included with:

(1) the student's tuition bill or billing statement, if the institution provides the student with a printed bill or billing statement for the payment of the student's tuition; or

(2) the student's tuition receipt, if the institution provides the student with a printed receipt evidencing the payment of the student's tuition.

(c) If for any semester or other academic term the

institution does not provide the student with a printed tuition bill, tuition billing statement, or tuition receipt, the institution shall include the notice required by Subsection (a) for that semester or other term in a statement prominently displayed in an e-mail sent to the student. The notice may be included in any other e-mail sent to the student in connection with the student's tuition charges for that semester or other term.

(d) The Texas Higher Education Coordinating Board by rule shall prescribe minimum standards for the manner, form, and content of the notice required by this section.

Added by Acts 2009, 81st Leg., R.S., Ch. 1223 (S.B. 1304), Sec. 1, eff. June 19, 2009.

SUBCHAPTER C. TEXAS PUBLIC EDUCATIONAL GRANTS

Sec. 56.031. SHORT TITLE. The grant program authorized by this subsection shall be cited as the Texas Public Educational Grants Program and individual grants awarded pursuant to this program shall be cited as Texas Public Educational Grants.

Added by Acts 1975, 64th Leg., p. 2323, ch. 720, Sec. 1, eff. Sept. 1, 1975.

Sec. 56.032. PURPOSE. The purpose of this subchapter is to provide a program to supply grants of money to students attending institutions of higher education in Texas whose educational costs are not met in whole or in part from other sources and to provide institutions of higher education with funds to supplement and add flexibility to existing financial aid programs.

Added by Acts 1975, 64th Leg., p. 2323, ch. 720, Sec. 1, eff. Sept. 1, 1975.

Sec. 56.033. SOURCE OF PROGRAM FUNDING. (a) The governing board of each institution of higher education, including the Texas State Technical College System, shall cause to be set aside:

(1) not less than 15 percent nor more than 20 percent out of each resident student's tuition charge under Section 54.051 as provided by the General Appropriations Act for the applicable

academic year;

(2) three percent out of each nonresident student's tuition charge under Section [54.051](#);

(3) not less than six percent nor more than 20 percent out of each resident student's hourly tuition charge exclusive of out-of-district charges, and \$1.50 out of each nonresident student's hourly tuition charge, for academic courses at a public community or junior college; and

(4) not less than six percent nor more than 20 percent of hourly tuition charges exclusive of out-of-district charges for vocational-technical courses at a public community or junior college.

(b) Of the funds set aside under this section by an institution, not less than 90 percent shall be used for Texas Public Educational Grants and not more than 10 percent shall be used for emergency loans under Subchapter D of this chapter.

(c) Except as otherwise provided by this subsection, funds set aside for Texas Public Educational Grants under this section from tuition paid by resident students may be used only for grants awarded to resident students, and funds set aside for those grants under this section from tuition paid by nonresident students may be used only for grants awarded to nonresident students and students who are citizens of countries other than the United States. After the end of the sixth class week of each semester, an institution may transfer any excess funds set aside from tuition paid by resident or nonresident students to the funds set aside for grants awarded to the other class of students. Priority for awarding grants from any excess funds set aside from tuition paid by resident students shall be given to resident students.

(d) Interest earned from the funds set aside for Texas Public Educational Grants may be spent only for grants to students as provided by this subchapter.

(e) To supplement money set aside under Subsection (a), the governing board of an institution of higher education may use money received by the institution from the fee for issuance of collegiate license plates under Section [504.615](#), Transportation Code, for awarding Texas Public Educational Grants. The board may use the

money to award grants to both resident and nonresident students, except that the board shall give priority to grants for resident students. Notwithstanding Subsection (b), the board may not use the money for emergency loans under Subchapter D.

Added by Acts 1975, 64th Leg., p. 2323, ch. 720, Sec. 1, eff. Sept. 1, 1975. Amended by Acts 1985, 69th Leg., ch. 708, Sec. 12, eff. Aug. 26, 1985; Acts 1989, 71st Leg., ch. 805, Sec. 3, eff. Aug. 28, 1989; Acts 1989, 71st Leg., ch. 1084, Sec. 2.09, eff. Sept. 1, 1989; Acts 1991, 72nd Leg., ch. 287, Sec. 27, eff. Sept. 1, 1991; Acts 1991, 72nd Leg., 1st C.S., ch. 5, Sec. 6.04, eff. Sept. 1, 1991; Acts 2001, 77th Leg., ch. 336, Sec. 1, eff. May 26, 2001; Acts 2003, 78th Leg., ch. 1070, Sec. 3, eff. June 20, 2003.

Amended by:

Acts 2005, 79th Leg., Ch. 1181 (S.B. [1227](#)), Sec. 16, eff. September 1, 2005.

Sec. 56.034. GUIDELINES FOR DETERMINING ELIGIBILITY AND AWARDING GRANTS. (a) The governing boards of institutions of higher education shall establish guidelines to determine eligibility for awarding Texas Public Educational Grants subject to the limitations of this section.

(b) Financial need shall be the only consideration in establishing guidelines to determine a student's eligibility for a grant except that returning students who are on scholastic probation or all students on disciplinary probation may be deemed ineligible at the governing board's discretion.

Added by Acts 1975, 64th Leg., p. 2323, ch. 720, Sec. 1, eff. Sept. 1, 1975.

Amended by:

Acts 2011, 82nd Leg., R.S., Ch. 1049 (S.B. [5](#)), Sec. 9.01(b)(5), eff. September 1, 2013.

Sec. 56.035. TYPE OF GRANTS TO BE AWARDED. Texas Public Educational Grants shall not be awarded for any specific purpose other than meeting all or part of a student's demonstrated financial need.

Added by Acts 1975, 64th Leg., p. 2323, ch. 720, Sec. 1, eff. Sept.

1, 1975. Amended by Acts 1985, 69th Leg., ch. 708, Sec. 14, eff. Aug. 26, 1986.

Sec. 56.036. TRANSFER OF GRANT FUNDS FOR USE AS MATCHING FUNDS. Each institution of higher education is authorized to transfer any or all of the funds set aside for the Texas Public Educational Grant Program to the coordinating board to be used for matching federal or other grant funds for awarding to students attending that institution. Said scholarship fund transferred to the coordinating board and all matching funds may be expended by the coordinating board for awarding scholarships as provided herein and in the general appropriation acts of the legislature.

Added by Acts 1975, 64th Leg., p. 2323, ch. 720, Sec. 1, eff. Sept. 1, 1975.

Sec. 56.037. PRIORITIES IN AWARDING MATCHING FUNDS. In awarding matching funds to be used in conjunction with Texas Public Educational Grants, the coordinating board shall give first priority to those institutions and students showing the highest amount of financial need.

Added by Acts 1975, 64th Leg., p. 2323, ch. 720, Sec. 1, eff. Sept. 1, 1975.

Sec. 56.038. RESTRICTIONS AND RETURN OF TRANSFERRED FUNDS. The coordinating board may not use funds transferred to it pursuant to this subchapter from one institution to award grants to students of a different institution. Should matching funds be unavailable for an institution, all funds transferred from that institution to the coordinating board shall be returned to that institution.

Added by Acts 1975, 64th Leg., p. 2323, ch. 720, Sec. 1, eff. Sept. 1, 1975.

Sec. 56.039. FULL USE OF FUNDS. At the end of a fiscal year, if the total amount of unencumbered funds that have been set aside under this subchapter by an institution of higher education, together with the total amount of unencumbered funds transferred by that institution to the Coordinating Board, Texas College and

University System, exceeds 150 percent of the amount of funds set aside by that institution in that fiscal year, the institution shall transfer the excess amount to the coordinating board. The coordinating board shall use funds transferred under this section to award grants under Subchapter M.

Added by Acts 1985, 69th Leg., ch. 708, Sec. 13, eff. Aug. 26, 1985.

Amended by Acts 1999, 76th Leg., ch. 1590, Sec. 3, eff. June 19, 1999.

SUBCHAPTER D. EMERGENCY TUITION, FEE, AND TEXTBOOK LOANS

Sec. 56.051. EMERGENCY LOANS. Each institution of higher education may establish an emergency loan program under which students are loaned money to pay tuition, fees, and the costs of textbooks.

Added by Acts 1985, 69th Leg., ch. 708, Sec. 15(a), eff. Aug. 26, 1985. Amended by Acts 1989, 71st Leg., ch. 805, Sec. 4, eff. Aug. 28, 1989.

Amended by:

Acts 2005, 79th Leg., Ch. 1181 (S.B. [1227](#)), Sec. 17, eff. September 1, 2005.

Sec. 56.052. ELIGIBILITY. (a) The governing board of each institution shall adopt rules establishing eligibility criteria. The rules must allow eligible students to obtain loans on the basis of the order of receipt of applications, except as provided by Subsection (b).

(b) The governing board may adopt rules that allow the institution to select loan recipients from the eligible applicants according to financial need, regardless of when their applications are received, if money available for the program is insufficient to provide loans to each eligible applicant.

Added by Acts 1985, 69th Leg., ch. 708, Sec. 15(a), eff. Aug. 26, 1985.

Amended by:

Acts 2005, 79th Leg., Ch. 1181 (S.B. [1227](#)), Sec. 18, eff. September 1, 2005.

Sec. 56.053. TERMS. (a) The governing board of each institution shall adopt rules providing for the terms of the loan, subject to the following:

(1) the loan must be repaid over a period not to exceed 90 days for a loan made for a regular semester or long summer session or over a proportionately shorter period for loans made for a six-week summer session;

(2) the loan must be evidenced by a written or electronic agreement providing for one of the following:

(A) interest on the loan at a rate of not more than five percent per year; or

(B) an origination fee of not more than 1.25 percent of the amount of the loan; and

(3) the loan amount per student may not exceed an amount equal to the tuition, mandatory fees, and cost of textbooks for the courses in which the student is actually enrolling.

(b) The loan program must provide for making loans to students whose tuition is paid on a basis other than semester credit hours, and must provide loan terms analogous to the terms for students paying tuition on the basis of semester credit hours.

Added by Acts 1985, 69th Leg., ch. 708, Sec. 15(a), eff. Aug. 26, 1985. Amended by Acts 2001, 77th Leg., ch. 80, Sec. 3, eff. May 14, 2001; Acts 2001, 77th Leg., ch. 655, Sec. 6, eff. Sept. 1, 2001.

Amended by:

Acts 2007, 80th Leg., R.S., Ch. 987 (S.B. [1232](#)), Sec. 2, eff. June 15, 2007.

Acts 2011, 82nd Leg., R.S., Ch. 844 (H.B. [3578](#)), Sec. 2, eff. June 17, 2011.

Sec. 56.054. SOURCE OF PROGRAM FUNDING. The loans shall be made from the funds set aside for that purpose under Section [56.033](#) of this code.

Added by Acts 1985, 69th Leg., ch. 708, Sec. 15(a), eff. Aug. 26, 1985.

Sec. 56.055. DEFERRED REPAYMENT. (a) It is the goal of

this state that no resident be denied the opportunity to receive an education in a public institution of higher education due to a lack of financial ability. Accordingly, on a finding that a resident would be deprived of an education due to a lack of financial ability, an institution shall defer repayment of emergency loans under this section. The deferral provided for by this section is not a property right of the borrower.

(b) The deferred repayment must begin on the earlier of the following dates:

(1) the first day of the ninth month after the last month in which the borrower was enrolled in a public institution of higher education; or

(2) the fifth anniversary of the date on which the loan was executed.

(c) Under rules adopted by the coordinating board, an institution may extend the time for repayment of undergraduate loans made to students who later enroll in a graduate or professional program at an institution of higher education. The coordinating board shall adopt guidelines for determinations of extreme financial hardship and other instances in which the public interest is served if a loan is forgiven. Each institution shall forgive loans in accordance with those guidelines.

Added by Acts 1985, 69th Leg., ch. 708, Sec. 15(a), eff. Aug. 26, 1985.

SUBCHAPTER E. TEXAS COLLEGE WORK-STUDY PROGRAM

Sec. 56.071. PROGRAM NAME. The student financial assistance program authorized by this subchapter shall be known as the Texas college work-study program.

Added by Acts 1989, 71st Leg., ch. 1151, Sec. 1, eff. Aug. 28, 1989.

Sec. 56.072. PURPOSE. The purpose of this subchapter is to provide eligible, financially needy students with jobs, funded in part by the State of Texas, to enable those students to attend eligible institutions of higher education, public or private, in Texas.

Added by Acts 1989, 71st Leg., ch. 1151, Sec. 1, eff. Aug. 28, 1989.

Sec. 56.073. ADMINISTRATIVE AUTHORITY. (a) The Texas Higher Education Coordinating Board shall administer the Texas college work-study program. The coordinating board shall work with eligible institutions and employers to provide eligible students with part-time jobs funded in part by the state.

(b) State support for this program may not exceed the amount specified by appropriation.

Added by Acts 1989, 71st Leg., ch. 1151, Sec. 1, eff. Aug. 28, 1989.

Sec. 56.074. ELIGIBLE INSTITUTION; PARTICIPATION REQUIREMENTS. (a) An eligible institution is:

- (1) an institution of higher education; or
- (2) a private or independent college, university, association, agency, institution, or facility that is located in this state which meets program standards and accreditation comparable to public institutions as determined by the board.

(b) To participate in the Texas college work-study program, an eligible institution must:

- (1) provide employment to an eligible student in nonpartisan and nonsectarian activities;
- (2) provide, insofar as is practicable, employment to an eligible student that is related to the student's academic interests;
- (3) use work-study program positions only to supplement and not supplant positions normally filled by persons not eligible to participate in the work-study program;
- (4) provide from sources other than federal college work-study program funds a percentage of an employed student's wages that is equal to the percentage of a student's wages that the eligible institution would be required to provide to the student in that academic year under the federal college work-study program; and
- (5) provide from sources other than federal college work-study funds 100 percent of other employee benefits for the employed student.

Added by Acts 1989, 71st Leg., ch. 1151, Sec. 1, eff. Aug. 28, 1989.

Amended by:

Acts 2019, 86th Leg., R.S., Ch. 1305 (H.B. 3808), Sec. 4, eff. June 14, 2019.

Sec. 56.075. ELIGIBLE STUDENT. (a) To be eligible for employment in the work-study program a person must:

(1) be a Texas resident as defined by coordinating board rules;

(2) be enrolled for at least one-half of a full course load and conform to an individual course of study in an eligible institution;

(3) establish financial need in accordance with coordinating board procedures and rules; and

(4) comply with other requirements adopted by the coordinating board under this subchapter.

(b) A person is not eligible to participate in the work-study program if the person:

(1) receives an athletic scholarship; or

(2) is enrolled in a seminary or other program leading to ordination or licensure to preach for a religious sect or to be a member of a religious order.

Added by Acts 1989, 71st Leg., ch. 1151, Sec. 1, eff. Aug. 28, 1989.

Sec. 56.076. ELIGIBLE EMPLOYER. (a) An eligible institution may enter into agreements with employers that participate in the work-study program. To be eligible to participate in the work-study program, an employer must:

(1) provide part-time employment to an eligible student in nonpartisan and nonsectarian activities;

(2) provide, insofar as is practicable, employment to an eligible student that is related to the student's academic interests;

(3) use Texas college work-study program positions only to supplement and not to supplant positions normally filled by persons not eligible to participate in the work-study program;

(4) provide from sources other than federal college

work-study program funds a percentage of an employed student's wages that is equal to the percentage of a student's wages that the employer would be required to provide to the student in that academic year under the federal college work-study program; and

(5) provide from sources other than federal college work-study funds 100 percent of other employee benefits for the employed student.

(b) Repealed by Acts 2019, 86th Leg., R.S., Ch. 1305 (H.B. 3808), Sec. 9, eff. June 14, 2019.

Added by Acts 1989, 71st Leg., ch. 1151, Sec. 1, eff. Aug. 28, 1989.

Amended by:

Acts 2005, 79th Leg., Ch. 1181 (S.B. 1227), Sec. 19, eff. September 1, 2005.

Acts 2005, 79th Leg., Ch. 1230 (H.B. 1172), Sec. 4, eff. June 18, 2005.

Acts 2015, 84th Leg., R.S., Ch. 1216 (S.B. 1750), Sec. 1, eff. June 19, 2015.

Acts 2019, 86th Leg., R.S., Ch. 1305 (H.B. 3808), Sec. 9, eff. June 14, 2019.

Sec. 56.077. ADOPTION AND DISTRIBUTION OF RULES. (a) The coordinating board may adopt reasonable rules, consistent with the purposes and policies of this subchapter, to enforce the requirements, conditions, and limitations expressed by this subchapter.

(b) The coordinating board shall adopt rules necessary to ensure compliance with the Civil Rights Act of 1964, Title VI (Pub. L. No. 88-352), concerning nondiscrimination in admissions or employment.

(c) The coordinating board shall distribute to each eligible institution copies of all rules adopted under this subchapter.

Added by Acts 1989, 71st Leg., ch. 1151, Sec. 1, eff. Aug. 28, 1989.

Sec. 56.078. FUNDING. Funding to cover the state's contribution toward the funding of the work-study program under this subchapter and the Texas WORKS internship program under

Subchapter E-1 is payable from funds appropriated for that purpose.
Added by Acts 1989, 71st Leg., ch. 1151, Sec. 1, eff. Aug. 28, 1989.

Amended by:

Acts 2019, 86th Leg., R.S., Ch. 1305 (H.B. 3808), Sec. 5, eff.
June 14, 2019.

Sec. 56.079. WORK-STUDY STUDENT MENTORSHIP PROGRAM. (a) In
this section:

(1) "Coordinating board" means the Texas Higher
Education Coordinating Board.

(2) "Eligible institution" means:

(A) an institution of higher education; or

(B) a private or independent institution of
higher education, as defined by Section 61.003(15), other than a
private or independent institution of higher education offering
only professional or graduate degrees.

(3) "Participating entity" means an eligible
institution, a school district, or a nonprofit organization that
has filed a memorandum of understanding with the coordinating board
under this section to participate in the work-study student
mentorship program established under this section.

(b) In accordance with this section and coordinating board
rules, the coordinating board shall administer a work-study student
mentorship program under which students who are enrolled at
participating eligible institutions and who meet the eligibility
requirements for employment in the Texas college work-study program
under Section 56.075 may be employed by participating entities
under the Texas college work-study program to:

(1) mentor students at participating eligible
institutions or high school students in participating school
districts;

(2) counsel high school students at GO Centers or
similar high school-based recruiting centers designed to improve
student access to higher education; or

(3) support student interventions at participating
eligible institutions that are focused on increasing completion of
degrees or certificates, such as interventions occurring through

advising or supplemental instruction.

(c) To participate in the work-study student mentorship program under Subsection (b)(1) or (2), an eligible institution and one or more school districts or nonprofit organizations interested in jointly participating in the program shall file with the coordinating board a joint memorandum of understanding detailing the roles and responsibilities of the participating entities.

(d) The coordinating board shall develop, when applicable and in consultation with eligible institutions, school districts, and nonprofit organizations that express interest in participating in the work-study student mentorship program, a standard contract establishing the roles and responsibilities of participating entities to be used as a model for a memorandum of understanding entered into by participating entities under Subsection (c).

(e) The coordinating board:

(1) shall establish criteria to ensure that the participating eligible institution's contribution toward the wages and benefits of a student employed under the work-study student mentorship program as provided by Subsection (b)(1) or (2) is matched by funds provided by the participating entity benefiting from the services of the employed student in an amount that is at least equal to the amount of the participating eligible institution's contribution;

(2) may accept appropriate in-kind contributions from participating nonprofit organizations to satisfy the matching funds requirement of this subsection; and

(3) may waive the matching funds requirement of this subsection for a participating entity that meets criteria established by the coordinating board for a waiver.

(f) The coordinating board may partner with participating nonprofit organizations to establish additional GO Centers or similar high school-based recruiting centers designed to improve student access to and success in higher education in this state.

(g) The coordinating board shall ensure that each student employed under the work-study student mentorship program:

(1) receives appropriate training and supervision;
and

(2) is paid at least at the minimum wage required by law.

(h) The coordinating board may accept gifts, grants, and donations from any public or private source for the purposes of this section.

(i) An eligible institution participating in the work-study student mentorship program under this section may require students who are on academic probation at the institution to be matched with a student mentor or advisor employed under the program.

(j) Expired.

(k) Each eligible institution participating in the work-study student mentorship program under this section shall set aside a portion of the institution's Texas college work-study program funds to pay for the state's contribution toward the costs of the program.

(l) Notwithstanding Section 56.076(a), a participating entity that employs a student mentor under the work-study student mentorship program shall provide from sources other than federal college work-study funds:

(1) not less than 10 percent of the employed student's wages; and

(2) 100 percent of other employee benefits for the employed student.

Added by Acts 2005, 79th Leg., Ch. 1230 (H.B. 1172), Sec. 5, eff. June 18, 2005.

Amended by:

Acts 2007, 80th Leg., R.S., Ch. 804 (S.B. 1050), Sec. 1, eff. June 15, 2007.

Acts 2011, 82nd Leg., R.S., Ch. 1049 (S.B. 5), Sec. 9.01(b)(6), eff. September 1, 2013.

Acts 2015, 84th Leg., R.S., Ch. 1216 (S.B. 1750), Sec. 2, eff. June 19, 2015.

Acts 2017, 85th Leg., R.S., Ch. 187 (S.B. 2082), Sec. 1, eff. May 26, 2017.

Sec. 56.080. ONLINE LIST OF WORK-STUDY EMPLOYMENT OPPORTUNITIES. Each institution of higher education shall:

(1) establish and maintain an online list of work-study employment opportunities, sorted by department as appropriate, available to students on the institution's campus; and

(2) ensure that the list is easily accessible to the public through a clearly identifiable link that appears in a prominent place on the financial aid page of the institution's Internet website.

Added by Acts 2009, 81st Leg., R.S., Ch. 467 (S.B. 305), Sec. 1, eff. June 19, 2009.

Added by Acts 2009, 81st Leg., R.S., Ch. 681 (H.B. 2504), Sec. 2, eff. June 19, 2009.

Sec. 56.082. ANNUAL REPORT. Not later than January 1 of each year, the Texas Higher Education Coordinating Board shall submit to the governor, the lieutenant governor, the speaker of the house of representatives, and the standing legislative committees with primary jurisdiction over higher education and post on the coordinating board's Internet website a report on the Texas college work-study program and the Texas WORKS internship program under Subchapter E-1. The report must include the total number of students employed through the programs, disaggregated by:

(1) race, ethnicity, and gender;

(2) major and certificate or degree program;

(3) classification as a freshman, sophomore, junior, or senior or the equivalent;

(4) enrollment in a full course load or less than a full course load, as determined by the coordinating board;

(5) the employment position's location on or off campus; and

(6) the employer's status as a for-profit or nonprofit entity.

Added by Acts 2015, 84th Leg., R.S., Ch. 1216 (S.B. 1750), Sec. 3, eff. June 19, 2015.

Amended by:

Acts 2017, 85th Leg., R.S., Ch. 1159 (S.B. 1119), Sec. 1, eff. June 15, 2017.

Acts 2019, 86th Leg., R.S., Ch. 1305 (H.B. 3808), Sec. 6, eff.

June 14, 2019.

SUBCHAPTER E-1. TEXAS WORKING OFF-CAMPUS: REINFORCING KNOWLEDGE
AND SKILLS (WORKS) INTERNSHIP PROGRAM

Sec. 56.0851. DEFINITIONS. In this subchapter:

(1) "Coordinating board" means the Texas Higher Education Coordinating Board.

(2) "Eligible wages" means gross wages paid to an individual student in the student's program employment.

(3) "Program" or "Texas WORKS internship program" means the Texas Working Off-Campus: Reinforcing Knowledge and Skills (WORKS) Internship Program.

Added by Acts 2019, 86th Leg., R.S., Ch. 1305 (H.B. 3808), Sec. 7, eff. June 14, 2019.

Sec. 56.0852. PROGRAM NAME. The student financial assistance program authorized by this subchapter is the Texas Working Off-Campus: Reinforcing Knowledge and Skills (WORKS) Internship Program.

Added by Acts 2019, 86th Leg., R.S., Ch. 1305 (H.B. 3808), Sec. 7, eff. June 14, 2019.

Sec. 56.0853. PURPOSE. The purpose of the program is to provide jobs funded in part by the State of Texas to enable students employed through the program to attend public or private institutions of higher education in Texas while exploring career options and strengthening marketable skills.

Added by Acts 2019, 86th Leg., R.S., Ch. 1305 (H.B. 3808), Sec. 7, eff. June 14, 2019.

Sec. 56.0854. ADMINISTRATION. (a) The coordinating board shall administer the program and collaborate with eligible employers to provide students employed through the program with employment funded in part by the state.

(b) The coordinating board shall establish criteria to ensure that:

(1) a participating employer is reimbursed under the program at the rate established by the coordinating board only for fully paid eligible wages; and

(2) marketable skills to be strengthened or gained through a student's internship position are identified.

(c) The coordinating board shall develop a standard contract establishing the roles and responsibilities of eligible employers, base wages and minimum work hours for students employed through the program, and any other provisions identified by the coordinating board as necessary to administer the program. The coordinating board shall use the standard contract as a model for the memorandum of understanding required to be entered into by eligible employers.

(d) The coordinating board may use funds appropriated for the Texas college work-study program and the Texas WORKS internship program to establish and maintain an online portal for use by students and participating entities in fulfilling their responsibilities for participation in the Texas WORKS internship program. The coordinating board may use funds appropriated for the Texas college work-study program and the Texas WORKS internship program to cover the expenses and personnel costs of administering and assessing the Texas WORKS internship program.

(e) If funding for the program is insufficient to cover the cost of all students eligible for the program, as provided by coordinating board rule, priority for funding is based on eligibility criteria established by coordinating board rule to further the purposes of the program.

(f) Funds received by students employed through the program as eligible wages are not considered as financial aid for the academic year in which the funds are earned.

Added by Acts 2019, 86th Leg., R.S., Ch. 1305 (H.B. [3808](#)), Sec. 7, eff. June 14, 2019.

Sec. 56.0855. ELIGIBLE EMPLOYER. (a) The coordinating board may enter into agreements with employers that participate in the program.

(b) To be eligible to enter into an agreement with the

coordinating board to participate in the program, an employer must:

(1) except as provided by Subsection (c), be a private nonprofit or for-profit entity or a governmental entity;

(2) demonstrate the administrative and financial capacity to carry out the employer's responsibilities under the program, including the ability to pay full wages and benefits to a student employed through the program;

(3) enter into a memorandum of understanding with the coordinating board;

(4) provide employment to a student employed through the program in nonpartisan and nonsectarian activities that relate to the student's long-term career interests;

(5) use program positions only to supplement and not supplant positions normally filled by persons who are not eligible to participate in the program, as provided by coordinating board rule;

(6) provide the entirety of an employed student's wages and employee benefits;

(7) submit eligible wages to the coordinating board for reimbursement; and

(8) comply with other requirements adopted by the coordinating board under this subchapter.

(c) An employer is not eligible to participate in the program if the employer is:

(1) a public or private institution of higher education in Texas; or

(2) a career school or college, as defined by Section [132.001](#).

Added by Acts 2019, 86th Leg., R.S., Ch. 1305 (H.B. [3808](#)), Sec. 7, eff. June 14, 2019.

Sec. 56.0856. ADOPTION OF RULES. (a) The coordinating board shall adopt reasonable rules, consistent with the purpose of the program, to enforce the requirements, conditions, and limitations provided by this subchapter.

(b) The coordinating board shall adopt rules necessary to ensure compliance with the Civil Rights Act of 1964, Title VI (Pub.

L. No. 88-352), concerning nondiscrimination in admissions or employment.

Added by Acts 2019, 86th Leg., R.S., Ch. 1305 (H.B. 3808), Sec. 7, eff. June 14, 2019.

Sec. 56.0857. ONLINE LIST OF TEXAS WORKS EMPLOYMENT OPPORTUNITIES. The coordinating board shall:

(1) establish and maintain an online listing of Texas WORKS internship program employment opportunities available to students, sortable by employer, and include other relevant features such as job description, job field, or skills required, as appropriate; and

(2) ensure that the list is easily accessible to the public through a clearly identifiable link that appears in a prominent place on the coordinating board's Internet website.

Added by Acts 2019, 86th Leg., R.S., Ch. 1305 (H.B. 3808), Sec. 7, eff. June 14, 2019.

SUBCHAPTER F. DOCTORAL INCENTIVE LOAN REPAYMENT PROGRAM

Sec. 56.091. ESTABLISHMENT; ADMINISTRATION. (a) The Texas Higher Education Coordinating Board shall establish and administer the doctoral incentive loan repayment program as provided by this subchapter and shall adopt rules as necessary to administer the program.

(b) The purpose of the doctoral incentive loan repayment program is to provide education loan repayment assistance to individuals from groups that are underrepresented among the faculty and administration of public and independent institutions of higher education in this state to increase the number of individuals from those underrepresented groups among the faculty and administration of public and independent institutions of higher education in this state.

(c) For purposes of this subchapter, an individual is from a group that is underrepresented among the faculty and administration of public and independent institutions of higher education in this state if:

(1) the individual was from a low socioeconomic background while pursuing the individual's undergraduate education; or

(2) when the individual graduated from high school the individual resided in an area from which a disproportionately low number of high school graduates enrolled in postsecondary educational institutions.

Added by Acts 2003, 78th Leg., ch. 820, Sec. 47, eff. Sept. 1, 2003.

Sec. 56.092. ELIGIBILITY. To be eligible for loan repayment assistance under the doctoral incentive loan repayment program, an individual must:

(1) be employed as a full-time faculty or administration member in a public or independent institution of higher education in this state for at least one year;

(2) be a Texas resident;

(3) be from a group that is underrepresented among the faculty and administration of public and independent institutions of higher education in this state;

(4) have qualified for student financial aid based on financial need while enrolled in a graduate-level degree program; and

(5) comply with any other requirements adopted by the coordinating board for the effective administration of the program.

Added by Acts 2003, 78th Leg., ch. 820, Sec. 47, eff. Sept. 1, 2003.

Sec. 56.093. ELIGIBLE LOANS. The coordinating board may provide repayment assistance under the doctoral incentive loan repayment program for the repayment of any education loan received by an eligible individual through any lender.

Added by Acts 2003, 78th Leg., ch. 820, Sec. 47, eff. Sept. 1, 2003.

Sec. 56.094. LOAN REPAYMENT ASSISTANCE. (a) The coordinating board may provide assistance in the repayment of an eligible loan to an eligible individual in the amounts and under the terms the coordinating board considers appropriate to further the purposes of the doctoral incentive loan repayment program and the

best interests of this state.

(b) An individual may receive loan repayment assistance under the doctoral incentive loan repayment program in a total amount not to exceed \$100,000.

Added by Acts 2003, 78th Leg., ch. 820, Sec. 47, eff. Sept. 1, 2003.

Sec. 56.095. FUNDING; LIMITATION ON FUNDING. (a) The doctoral incentive loan repayment program may be funded only from a source provided by this section. The total amount of loan repayment assistance paid under the program may not exceed the amount of money available for the program under this section.

(b) Repealed by Acts 2013, 83rd Leg., R.S., Ch. 835, Sec. 19, eff. September 1, 2015.

(c) The coordinating board may solicit and accept gifts and grants from any public or private source for the purposes of the doctoral incentive loan repayment program.

Added by Acts 2003, 78th Leg., ch. 820, Sec. 47, eff. Sept. 1, 2003.

Amended by:

Acts 2013, 83rd Leg., R.S., Ch. 835 (H.B. 7), Sec. 19, eff. September 1, 2015.

SUBCHAPTER G. RURAL VETERINARIAN INCENTIVE PROGRAM

Sec. 56.101. DEFINITIONS. In this subchapter:

(1) "Account" means the rural veterinarian incentive program account.

(2) "College" means a college of veterinary medicine located in this state and accredited by the American Veterinary Medical Association Council on Education.

(3) "Committee" means the rural veterinarian incentive program committee.

(4) "Eligible participant" means a person eligible to participate in the program under Section 56.104.

(5) "General academic teaching institution" has the meaning assigned by Section 61.003.

(6) "Program" means the rural veterinarian incentive program established by this subchapter.

(7) "Rural county" means a county in this state with a population of less than 150,000.

(8) "University system" has the meaning assigned by Section 61.003.

Added by Acts 1999, 76th Leg., ch. 435, Sec. 1, eff. Aug. 30, 1999.

Transferred, redesignated and amended from Education Code, Section 88.621 by Acts 2021, 87th Leg., R.S., Ch. 459 (H.B. 1259), Sec. 2, eff. September 1, 2021.

Amended by:

Acts 2023, 88th Leg., R.S., Ch. 1007 (H.B. 2026), Sec. 1, eff. June 18, 2023.

Sec. 56.102. ADMINISTRATION OF PROGRAM. The Texas Animal Health Commission shall administer the program in accordance with the rules adopted by the committee.

Added by Acts 1999, 76th Leg., ch. 435, Sec. 1, eff. Aug. 30, 1999.

Transferred, redesignated and amended from Education Code, Section 88.622 by Acts 2021, 87th Leg., R.S., Ch. 459 (H.B. 1259), Sec. 2, eff. September 1, 2021.

Sec. 56.103. RURAL VETERINARIAN INCENTIVE PROGRAM COMMITTEE; RULES. (a) The rural veterinarian incentive program committee consists of:

(1) the executive director of the Texas Animal Health Commission, or the executive director's designee;

(2) the executive director of the State Board of Veterinary Medical Examiners, or the executive director's designee;

(3) the dean of each accredited college of veterinary medicine located in this state, or the dean's designee;

(4) a veterinarian with a mixed animal practice, representing each university system located in Texas with an accredited college of veterinary medicine, appointed by the board of regents of each university system;

(5) a veterinarian with a large animal practice, representing each university system located in Texas with an accredited college of veterinary medicine, appointed by the board

of regents of each university system; and

(6) a practitioner of veterinary medicine who serves as a commissioner of the Texas Animal Health Commission, appointed by the chair of the Texas Animal Health Commission.

(b) The executive director of the Texas Animal Health Commission serves as the presiding officer of the committee.

(c) An appointed member of the committee serves a term of two years.

(d) The committee shall adopt rules:

(1) establishing criteria to determine whether a person is an eligible participant as the committee considers reasonable, including the person's:

(A) background and interest in rural practice; and

(B) financial need;

(2) providing for requesting the distribution of money from the account for the program;

(3) establishing the criteria necessary for a community or political subdivision in a rural county to qualify as a student sponsor under Section [56.105](#);

(4) governing agreements of financial support between a rural sponsor and an eligible student; and

(5) establishing other procedures necessary to administer the program.

(e) In adopting rules under this section related to the selection, submission, or certification of areas identified as having a veterinary shortage for the purpose of this subchapter, the committee shall consider any applicable regulations adopted under 7 U.S.C. Section 3151a and previous work of the Texas Animal Health Commission.

Added by Acts 1999, 76th Leg., ch. 435, Sec. 1, eff. Aug. 30, 1999.

Transferred, redesignated and amended from Education Code, Section 88.623 by Acts 2021, 87th Leg., R.S., Ch. 459 (H.B. [1259](#)), Sec. 2, eff. September 1, 2021.

Sec. 56.104. ELIGIBLE VETERINARY STUDENT OR GRADUATE.

(a) Except as provided by Subsection (b), a person is eligible to

participate in the program only if the person:

(1) is enrolled as a student of the college or applies to participate in the program on or before the fourth anniversary of the date the person graduates from the college;

(2) will receive or has received from a student loan at least 50 percent of the funds for tuition and fees for one or more academic years while enrolled in the college; and

(3) meets any additional qualifications adopted by the committee.

(b) A person enrolled as a student in an accredited college of veterinary medicine located outside of this state may apply under Subsection (a) to participate in the program if the student graduated from a high school located in this state or a general academic teaching institution located in this state.

Added by Acts 1999, 76th Leg., ch. 435, Sec. 1, eff. Aug. 30, 1999.

Transferred, redesignated and amended from Education Code, Section 88.624 by Acts 2021, 87th Leg., R.S., Ch. 459 (H.B. 1259), Sec. 2, eff. September 1, 2021.

Sec. 56.105. RURAL SPONSORS; AGREEMENT TO PROVIDE FINANCIAL SUPPORT. (a) A community or political subdivision located in a rural county that qualifies under the rules of the committee may become a sponsor of an eligible participant and may provide financial support to the eligible participant under the program.

(b) To participate as a sponsor in the program, the community or political subdivision must enter into an agreement with the eligible participant to provide financial support to the eligible participant in an amount not less than the tuition and fees required for a full academic year for a student enrolled in a college in exchange for the eligible participant's agreement to practice veterinary medicine in the sponsoring community or political subdivision.

(c) Financial support under this section:

(1) may be provided in whole or part by a grant, scholarship, or funds provided by a private foundation; and

(2) shall be deposited in the account for distribution to the eligible participant.

Added by Acts 1999, 76th Leg., ch. 435, Sec. 1, eff. Aug. 30, 1999.
Transferred, redesignated and amended from Education Code, Section 88.625 by Acts 2021, 87th Leg., R.S., Ch. 459 (H.B. 1259), Sec. 2, eff. September 1, 2021.

Amended by:

Acts 2023, 88th Leg., R.S., Ch. 1007 (H.B. 2026), Sec. 2, eff. June 18, 2023.

Sec. 56.106. FINANCIAL SUPPORT; COMMITMENT TO PRACTICE IN RURAL COUNTY. (a) To participate in the program, an eligible participant must enter into an agreement with the Texas Higher Education Coordinating Board that:

(1) requires the participant to practice veterinary medicine in a rural county for one calendar year for each academic year for which the participant receives financial support under the program;

(2) specifies the conditions the participant must satisfy to receive financial support under the program;

(3) provides that any financial support the participant receives under the program constitutes a loan until the participant satisfies the conditions of the agreement; and

(4) requires the participant to sign a promissory note acknowledging the conditional nature of the financial support received under the program and promising to repay the amount of the financial support, any applicable interest, and reasonable collection costs if the participant does not satisfy the conditions of the agreement.

(b) The financial support received by an eligible participant under this subchapter must be used to retire student loan debt or to pay tuition and fees to a college while the eligible participant is enrolled in the college.

(c) Financial support from the account shall be awarded as a lump sum payable:

(1) to both the participant and the lender or other holder of the affected loan; or

(2) directly to the lender or other holder of the affected loan on the participant's behalf.

Added by Acts 1999, 76th Leg., ch. 435, Sec. 1, eff. Aug. 30, 1999.
Transferred, redesignated and amended from Education Code, Section 88.626 by Acts 2021, 87th Leg., R.S., Ch. 459 (H.B. 1259), Sec. 2, eff. September 1, 2021.

Amended by:

Acts 2023, 88th Leg., R.S., Ch. 1007 (H.B. 2026), Sec. 3, eff. June 18, 2023.

SUBCHAPTER H. STUDENT LOAN REVENUE BOND PROGRAM

Sec. 56.121. PURPOSE. The purpose of this subchapter is to provide loans to qualified students to enable those students to attend institutions of higher education.

Added by Acts 1991, 72nd Leg., ch. 330, Sec. 1, eff. June 5, 1991.

Sec. 56.122. DEFINITIONS. In this subchapter:

(1) "Board" means the Texas Higher Education Coordinating Board.

(2) "Fund" means the student loan revenue bond fund.

Added by Acts 1991, 72nd Leg., ch. 330, Sec. 1, eff. June 5, 1991.

Sec. 56.123. CREATION. (a) A special fund to be known as the student loan revenue bond fund is created in the state treasury.

(b) The fund consists of proceeds from the sale of revenue bonds and gifts or grants made to the board for purposes of the fund.

Added by Acts 1991, 72nd Leg., ch. 330, Sec. 1, eff. June 5, 1991.

Sec. 56.124. ADMINISTRATION. (a) The board shall administer this subchapter.

(b) The board shall adopt and distribute to each institution of higher education rules to administer this subchapter.

(c) The board may accept a gift or grant from a public or private source for the purpose of this subchapter.

(d) The board shall create accounts in the fund that will facilitate the administration of the fund and the program of making loans from the fund under this subchapter.

Added by Acts 1991, 72nd Leg., ch. 330, Sec. 1, eff. June 5, 1991.

Sec. 56.125. LOANS FROM FUND. (a) The board shall make a loan from the fund to a student who qualifies for a loan under Subchapter C, Chapter 52, of this code.

(b) Loans from the fund are governed by Subchapter C, Chapter 52, of this code as if made under that subchapter, except to the extent of conflict with this subchapter.

(c) The board may charge and collect a loan origination fee from a student who receives a loan from the fund. The board may use the fee to pay operating expenses for making loans under this section.

Added by Acts 1991, 72nd Leg., ch. 330, Sec. 1, eff. June 5, 1991.

Sec. 56.126. REVENUE BONDS. (a) The board may by resolution authorize the issuance of revenue bonds to operate the program of making loans from the fund under this subchapter. The board may issue the bonds in the form, with the characteristics, and bearing the designations provided in the resolution.

(b) The board may pledge all or part of the revenue derived from the operation of the program of making loans from the fund to secure the bonds.

(c) The board must issue the bonds in the manner provided by Chapter 1201, Government Code.

(d) The bonds are special obligations of the board payable only from designated income and receipts of the board, including principal and interest payments on loans from the fund, income from the accounts created in the fund, and receipts and other revenues pledged to the retirement of the bonds.

(e) The bonds do not constitute indebtedness of the state.

Added by Acts 1991, 72nd Leg., ch. 330, Sec. 1, eff. June 5, 1991.

Amended by Acts 2001, 77th Leg., ch. 1420, Sec. 8.221, eff. Sept. 1, 2001.

Sec. 56.127. REFUNDING BONDS. The board may by resolution authorize the issuance of refunding bonds. The board may issue refunding bonds in the manner and for the purposes provided by law.

Added by Acts 1991, 72nd Leg., ch. 330, Sec. 1, eff. June 5, 1991.

Sec. 56.128. AMOUNT OF BONDS. The total amount of revenue and refunding bonds issued by the board in a state fiscal year may not exceed \$75 million.

Added by Acts 1991, 72nd Leg., ch. 330, Sec. 1, eff. June 5, 1991.

Sec. 56.129. INTEREST RATE. The revenue bonds or refunding bonds must bear interest at a rate not to exceed the rate provided by Chapter 1204, Government Code.

Added by Acts 1991, 72nd Leg., ch. 330, Sec. 1, eff. June 5, 1991.

Amended by Acts 2001, 77th Leg., ch. 1420, Sec. 8.222, eff. Sept. 1, 2001.

Sec. 56.130. MATURITY. Bonds issued under this subchapter may mature serially or otherwise not later than the 40th year after the date of their issuance.

Added by Acts 1991, 72nd Leg., ch. 330, Sec. 1, eff. June 5, 1991.

Sec. 56.131. EXECUTION OF BONDS. The commissioner of higher education shall execute bonds issued under this subchapter in the name of the board.

Added by Acts 1991, 72nd Leg., ch. 330, Sec. 1, eff. June 5, 1991.

Sec. 56.132. APPROVAL AND REGISTRATION OF BONDS. (a) The attorney general shall examine bonds issued under this subchapter and the records relating to the bonds' issuance.

(b) If the attorney general finds that the bonds have been issued in accordance with law, the attorney general shall approve the bonds, and the comptroller of public accounts shall register the bonds.

(c) Following approval and registration, the bonds are incontestable and are binding obligations according to their terms.

Added by Acts 1991, 72nd Leg., ch. 330, Sec. 1, eff. June 5, 1991.

Sec. 56.133. REPLACEMENT OF BOND. The board may provide for the replacement of a bond issued under this subchapter that is

mutilated, lost, or destroyed.

Added by Acts 1991, 72nd Leg., ch. 330, Sec. 1, eff. June 5, 1991.

Sec. 56.134. PROCEEDS. (a) The board shall deposit the proceeds from the sale of the bonds issued under this subchapter in the fund.

(b) The board may use the proceeds from the sale of the bonds to pay the costs of issuing, marketing, or distributing the bonds.
Added by Acts 1991, 72nd Leg., ch. 330, Sec. 1, eff. June 5, 1991.

Sec. 56.135. LIMITATION OF AUTHORITY. The board may not further issue bonds under this subchapter after the date on which a constitutional amendment relating to the issuance of general obligation bonds by the board for the purposes of student loans is approved by the voters.

Added by Acts 1991, 72nd Leg., ch. 330, Sec. 1, eff. June 5, 1991.

SUBCHAPTER I. TEXAS DEPARTMENT OF TRANSPORTATION CONDITIONAL GRANT
PROGRAM

Sec. 56.141. DEFINITIONS. In this subchapter:

(1) "Department" means the Texas Department of Transportation.

(2) "Institution" means an institution of higher education, as defined by Section 61.003 of this code, but does not include a medical or dental unit or other agency of higher education.

(3) "Eligible degree" means a baccalaureate degree from an institution in a field of study that satisfies the department's minimum education requirement for an eligible profession.

(4) "Eligible profession" means the profession of engineering or another profession as defined by department rule for which the department determines there is a need in the department's workforce.

(5) "Profession" means a state classified position for which the minimum requirements include a baccalaureate degree.

Added by Acts 1991, 72nd Leg., ch. 551, Sec. 29, eff. Sept. 1, 1991. Renumbered from Education Code Sec. 56.121 by Acts 1991, 72nd Leg., 1st C.S., ch. 14, Sec. 8.01(9), eff. Nov. 12, 1991. Amended by Acts 1995, 74th Leg., ch. 151, Sec. 1, eff. Sept. 1, 1995; Acts 1995, 74th Leg., ch. 165, Sec. 22(26), eff. Sept. 1, 1995; Acts 2003, 78th Leg., ch. 985, Sec. 1, eff. Sept. 1, 2003; Acts 2003, 78th Leg., ch. 1325, Sec. 14.01, eff. Sept. 1, 2003.

Sec. 56.142. ESTABLISHMENT; ADMINISTRATION. (a) The department shall establish and administer a conditional grant program under this subchapter to provide financial assistance to eligible students who agree to work for the department in an eligible profession for the two academic years immediately following the date of the student's receipt of an eligible degree.

(b) The department shall adopt and distribute to the governing board of each institution copies of all rules adopted under this subchapter.

Added by Acts 1991, 72nd Leg., ch. 551, Sec. 29, eff. Sept. 1, 1991. Renumbered from Education Code Sec. 56.122 by Acts 1991, 72nd Leg., 1st C.S., ch. 14, Sec. 8.01(9), eff. Nov. 12, 1991. Amended by Acts 1995, 74th Leg., ch. 151, Sec. 2, eff. Sept. 1, 1995; Acts 2003, 78th Leg., ch. 985, Sec. 2, eff. Sept. 1, 2003; Acts 2003, 78th Leg., ch. 1325, Sec. 14.02, eff. Sept. 1, 2003.

Sec. 56.143. ELIGIBLE STUDENT. (a) To be eligible for a conditional grant under this subchapter, a student must:

(1) complete and file with the department, on forms prescribed by the department, a conditional grant application and a declaration of intent to become a member of an eligible profession and work for the department for the two academic years immediately following the date of the student's receipt of an eligible degree;

(2) enroll in an institution;

(3) be a Texas resident, as defined by Texas Higher Education Coordinating Board rule;

(4) be economically disadvantaged, as defined by department rule; and

(5) have complied with any other requirements adopted

by the department under this subchapter.

(b) In determining who should receive a grant under this program, the department:

(1) shall give highest priority to students who demonstrate the greatest financial need; and

(2) may consider whether the applicant would be the first generation of the applicant's family to attend or graduate from an undergraduate program or from a graduate or professional program.

Added by Acts 1991, 72nd Leg., ch. 551, Sec. 29, eff. Sept. 1, 1991. Renumbered from Education Code Sec. 56.123 by Acts 1991, 72nd Leg., 1st C.S., ch. 14, Sec. 8.01(9), eff. Nov. 12, 1991. Amended by Acts 1995, 74th Leg., ch. 151, Sec. 3, eff. Sept. 1, 1995; Acts 2003, 78th Leg., ch. 985, Sec. 3, eff. Sept. 1, 2003; Acts 2003, 78th Leg., ch. 1325, Sec. 14.03, eff. Sept. 1, 2003.

Sec. 56.144. AMOUNT AND PAYMENT OF CONDITIONAL GRANTS. (a) The department by rule shall prescribe criteria for the selection of applicants for grants under this subchapter. The criteria must include consideration of a student's secondary school scholastic record.

(b) Each semester the department shall distribute a conditional grant to each student selected under the criteria adopted under Subsection (a) on receipt of an enrollment report from the institution enrolling the student and certification from the institution of the amount of tuition and fees for the student.

(c) The amount of a conditional grant is the sum of:

(1) the certified amount of tuition and fees for the student; and

(2) a stipend for each whole calendar month in the semester in an amount determined by the department based on financial need.

(d) The total amount of all conditional grants distributed by the department may not exceed the amount appropriated for the grant program under this subchapter.

(e) The department shall proportionately reduce the amount of each unpaid conditional grant if the amount appropriated for the

conditional grants is less than the estimated amount of all unpaid conditional grants.

Added by Acts 1991, 72nd Leg., ch. 551, Sec. 29, eff. Sept. 1, 1991. Renumbered from Education Code Sec. 56.124 by Acts 1991, 72nd Leg., 1st C.S., ch. 14, Sec. 8.01(9), eff. Nov. 12, 1991. Amended by Acts 1995, 74th Leg., ch. 151, Sec. 4, eff. Sept. 1, 1995.

Sec. 56.145. REPAYMENT OF CONDITIONAL GRANT. (a) The department by rule may establish conditions under which a student who has received a conditional grant may be required to repay all or part of the grant because the student has withdrawn from or dropped out of the student's institution or has otherwise failed to maintain eligibility for the grant.

(b) A student who does not become a member of an eligible profession and work for the department for the two academic years immediately following the date of the student's receipt of an eligible degree must repay all conditional grants received by the student.

(c) The department shall establish a schedule for installment repayment under this section.

Added by Acts 1991, 72nd Leg., ch. 551, Sec. 29, eff. Sept. 1, 1991. Renumbered from Education Code Sec. 56.125 by Acts 1991, 72nd Leg., 1st C.S., ch. 14, Sec. 8.01(9), eff. Nov. 12, 1991. Amended by Acts 1995, 74th Leg., ch. 151, Sec. 5, eff. Sept. 1, 1995.

Sec. 56.147. FUNDING. (a) The department may accept gifts and grants from any public or private source for the conditional grant program under this subchapter and may also use for that purpose available money credited to the state highway fund.

(b) The department shall issue not less than \$400,000 annually in conditional grants under this subchapter from money available to fund the conditional grant program.

(c) The department may provide outreach programs to recruit students into the conditional grant program.

Added by Acts 1991, 72nd Leg., ch. 551, Sec. 29, eff. Sept. 1, 1991. Renumbered from Education Code Sec. 56.127 by Acts 1991, 72nd Leg., 1st C.S., ch. 14, Sec. 8.01(9), eff. Nov. 12, 1991. Amended by Acts

1995, 74th Leg., ch. 151, Sec. 6, eff. Sept. 1, 1995; Acts 1995, 74th Leg., ch. 165, Sec. 22(28), eff. Sept. 1, 1995; Acts 2003, 78th Leg., ch. 985, Sec. 4, eff. Sept. 1, 2003; Acts 2003, 78th Leg., ch. 1325, Sec. 14.04, eff. Sept. 1, 2003.

SUBCHAPTER J. MINORITY DOCTORAL INCENTIVE PROGRAM

Sec. 56.161. DEFINITIONS. In this subchapter:

(1) "Academic administrator" means a person employed by an institution as a supervisor in an educational department of the institution in a position that is not classified under the state position classification plan.

(2) "Board" means the Texas Higher Education Coordinating Board.

(3) "Faculty member" has the meaning assigned by Section 51.101 of this code.

(4) "Institution" means an institution of higher education, as defined by Section 61.003 of this code, or a private college or university that is located in this state and is accredited by a recognized accrediting agency, as defined by Section 61.003 of this code.

(5) "Minority" means a group that is significantly underrepresented in an academic discipline, as determined by board rule.

(6) "Program" means the minority doctoral incentive program established under this subchapter.

Added by Acts 1993, 73rd Leg., ch. 75, Sec. 1, eff. May 4, 1993.

Sec. 56.162. ESTABLISHMENT; ADMINISTRATION. (a) The board shall establish and administer the minority doctoral incentive program to:

(1) provide loans to minority students who pursue doctorates or pursue master's degrees and commit to pursue a doctorate; and

(2) increase minority representation among the faculty and administration of institutions.

(b) The board shall adopt and distribute to the governing

board of each institution copies of all rules adopted under this subchapter.

Added by Acts 1993, 73rd Leg., ch. 75, Sec. 1, eff. May 4, 1993.

Sec. 56.163. ELIGIBILITY. (a) To be eligible for a loan under this subchapter, a person must:

(1) be accepted for admission to an institution as a full-time graduate student in a doctoral program approved by the board or be accepted for admission to an institution as a full-time graduate student in a master's program approved by the board and demonstrate a commitment to pursue a doctoral program approved by the board;

(2) be sponsored by a faculty member of the program in which the person is enrolled;

(3) be nominated by the institution in which the person is enrolled based on academic achievement, career interest, and other factors the institution considers relevant;

(4) not have defaulted on another student loan; and

(5) have complied with any other requirements adopted by the board under this subchapter.

(b) The board shall adopt eligibility requirements under Subsection (a)(5) of this section to ensure that Texas residents, as defined by board rule, are first given the opportunity to receive loans under this subchapter.

Added by Acts 1993, 73rd Leg., ch. 75, Sec. 1, eff. May 4, 1993.

Sec. 56.164. TUITION CHARGED CERTAIN NONRESIDENT LOAN RECIPIENTS. If a loan recipient is a resident of another state that has a program that is similar to the program under this subchapter and the loan recipient enrolls at an institution of higher education, as defined by Section 61.003 of this code, the institution may charge the loan recipient only the tuition required for resident students under Subchapter B, Chapter 54, of this code.

Added by Acts 1993, 73rd Leg., ch. 75, Sec. 1, eff. May 4, 1993.

Sec. 56.165. LOAN DISBURSEMENT. (a) If an eligible student applies for a loan from a lending institution, the board shall

provide the institution a conditional guaranty of the loan, in accordance with Section 56.170 of this code, on the board's receipt of:

(1) the student's application to the board for a conditional guaranty;

(2) a verification of the student's enrollment from the institution enrolling the student;

(3) a certification from the institution enrolling the student of the amount of tuition and fees for the student; and

(4) a certification from the lending institution that the terms of the loan conform with the requirements of Section 56.166 of this code, including requirements adopted by the board under that section, and that the lending institution agrees to suspend interest on the student's loan as provided by Sections 56.168 and 56.169 of this code.

(b) If an eligible student applies for a loan from the board, the board shall provide a loan in an amount determined by the board to the student on the board's receipt of:

(1) the student's application to the board for a loan;

(2) a verification of the student's enrollment from the institution enrolling the student; and

(3) a certification from the institution enrolling the student of the amount of tuition and fees for the student.

Added by Acts 1993, 73rd Leg., ch. 75, Sec. 1, eff. May 4, 1993.

Sec. 56.166. TERMS OF LOAN. (a) A loan must be evidenced by a promissory note that provides for the repayment of the loan with interest and for the charging of necessary collection costs.

(b) Except as provided by Sections 56.168 and 56.169 of this code, a loan must be repayable, at the option of the board, in equal monthly installments over a period beginning with the first day of the seventh month after the date on which the recipient ceases to be enrolled in a graduate program at an institution.

(c) A loan must bear simple interest at a rate determined by the board.

(d) A loan provided under this subchapter may not exceed \$14,000 each year for a maximum of four years.

(e) The board shall determine the other terms of a loan.
Added by Acts 1993, 73rd Leg., ch. 75, Sec. 1, eff. May 4, 1993.

Sec. 56.167. MENTORS. The institution at which a student who receives a loan is enrolled shall provide the student with a mentor who is a faculty member at the institution to assist the student in pursuing a master's or doctoral degree.
Added by Acts 1993, 73rd Leg., ch. 75, Sec. 1, eff. May 4, 1993.

Sec. 56.168. POSTDOCTORAL FELLOWSHIP. (a) A loan recipient is eligible for suspension of the recipient's loan if the recipient enters a postdoctoral fellowship not later than the first day of the seventh month after the date on which the recipient ceases to be enrolled in a doctoral program at an institution.

(b) The board shall suspend the accrual of interest and the repayment of principal and interest on an eligible recipient's loan until a date determined by board rule.
Added by Acts 1993, 73rd Leg., ch. 75, Sec. 1, eff. May 4, 1993.

Sec. 56.169. LOAN SUSPENSION AND FORGIVENESS. (a) A loan recipient is eligible for suspension and forgiveness of the recipient's loan if, after the recipient obtains a doctorate, the recipient is employed as a full-time faculty member or academic administrator at an institution.

(b) In accordance with Subsections (c), (d), and (e) of this section, the board shall suspend the accrual of interest and forgive the repayment of a loan made to an eligible recipient.

(c) The board shall suspend the accrual of interest and the repayment of principal and interest on an eligible recipient's loan until the recipient is not employed as a full-time faculty member or academic administrator at an institution.

(d) The board shall forgive the repayment of 20 percent of the unpaid principal balance and all accrued interest of an eligible recipient's loan for each academic year of service by the recipient as a full-time faculty member or academic administrator at an institution.

(e) A loan to an eligible recipient is repayable under the

terms of Section [56.166](#) of this code beginning with the first day of the seventh month after the date on which the recipient discontinues full-time study and is not employed as a full-time faculty member or academic administrator at an institution and must be repaid in full not later than the 10th anniversary of the date on which the loan becomes repayable.

Added by Acts 1993, 73rd Leg., ch. 75, Sec. 1, eff. May 4, 1993.

Sec. 56.170. **CONDITIONAL GUARANTY.** A conditional guaranty of a loan under Section [56.165](#)(a) of this code must provide that the board shall repay the lending institution to which the guaranty is executed the amount of the loan that the board would be required to forgive under Section [56.169](#) of this code if the loan had been made by the board.

Added by Acts 1993, 73rd Leg., ch. 75, Sec. 1, eff. May 4, 1993.

Sec. 56.171. **FUNDING.** (a) The board may accept gifts and grants from a public or private source for the program.

(b) Gifts, grants, and other funds appropriated by the legislature may be used for the program.

Added by Acts 1993, 73rd Leg., ch. 75, Sec. 1, eff. May 4, 1993.

SUBCHAPTER K-1. TEXAS FIRST SCHOLARSHIP PROGRAM

Sec. 56.221. **DEFINITIONS.** In this subchapter:

(1) "Coordinating board" means the Texas Higher Education Coordinating Board.

(2) "Eligible institution" means an institution of higher education, as that term is defined by Section [61.003](#).

(3) "Program" means the Texas First Scholarship Program.

Added by Acts 2021, 87th Leg., R.S., Ch. 962 (S.B. [1888](#)), Sec. 3, eff. June 18, 2021.

Amended by:

Acts 2023, 88th Leg., R.S., Ch. 265 (S.B. [2294](#)), Sec. 3, eff. September 1, 2023.

Acts 2023, 88th Leg., R.S., Ch. 378 (H.B. [8](#)), Sec. 15, eff.

September 1, 2023.

Sec. 56.222. PURPOSE. The purpose of the program, in conjunction with the Texas Early High School Completion Program established under Section 28.0253, is to promote efficiency in the state public education system and incentivize the enrollment of high performing students at eligible institutions.

Added by Acts 2021, 87th Leg., R.S., Ch. 962 (S.B. 1888), Sec. 3, eff. June 18, 2021.

Sec. 56.223. ELIGIBILITY. To be eligible for an award under the program, a student must:

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

(2) have graduated early from high school under the Texas First Early High School Completion Program established under Section 28.0253; and

(3) comply with Section 28.0256.

Added by Acts 2021, 87th Leg., R.S., Ch. 962 (S.B. 1888), Sec. 3, eff. June 18, 2021.

Sec. 56.224. ENTITLEMENT; CALCULATION OF AID; EXPIRATION.

(a) The coordinating board shall award to each eligible student state credit in an amount equal to:

(1) for a student who graduated from high school two or more semesters or the equivalent earlier than the student's high school cohort, the maximum annual TEXAS grant award determined by the coordinating board for the applicable academic year under Section 56.307; or

(2) for a student who graduated from high school less than two semesters or the equivalent earlier than the student's high school cohort, half of the amount described by Subdivision (1).

(b) The amount of state credit awarded to a student under the program may not be considered in the calculation of any state or institutional need-based aid awards or the calculation of the student's overall financial need, unless the combination of the

credit and other federal, state, and institutional financial aid for which the student would otherwise be eligible exceeds the estimated total cost of attendance at the eligible institution at which the student is enrolled.

(c) The coordinating board shall issue to the student a certificate indicating the amount of the state credit awarded under this section.

(d) State credit awarded to a student under this section expires at the end of the first academic year following the student's graduation from high school.

Added by Acts 2021, 87th Leg., R.S., Ch. 962 (S.B. 1888), Sec. 3, eff. June 18, 2021.

Sec. 56.225. APPLICATION OF SCHOLARSHIP. On enrollment of an eligible student at an eligible institution, the institution shall apply to the student's charges for tuition, mandatory fees, and other costs of attendance for the enrollment period an amount equal to the lesser of:

(1) the amount of the state credit awarded to the student under Section 56.224; or

(2) the student's actual tuition, mandatory fees, and other costs of attendance at the institution.

Added by Acts 2021, 87th Leg., R.S., Ch. 962 (S.B. 1888), Sec. 3, eff. June 18, 2021.

Sec. 56.226. PAYMENT OF STATE CREDIT. (a) At least once each year, the coordinating board shall submit to the commissioner of education a report on state credit awarded under the program during the preceding academic year. The report must include:

(1) the name of each student who used the state credit during that academic year;

(2) the school district or open-enrollment charter school from which each student graduated from high school; and

(3) the amount of the state credit used by each student during that academic year.

(b) As soon as practicable after receipt of the report under Subsection (a), the commissioner of education shall transfer to the

coordinating board an amount of funds equal to the total amount by which school district and open-enrollment charter school entitlements are reduced under Section [48.2642\(b\)](#).

(c) As soon as practicable after receipt of funds transferred under Subsection (b), the coordinating board shall distribute to each eligible institution an amount of funds equal to the amount of state credit applied by the institution under Section [56.225](#) during the preceding academic year.

Added by Acts 2021, 87th Leg., R.S., Ch. 962 (S.B. [1888](#)), Sec. 3, eff. June 18, 2021.

Sec. 56.227. RULES. The coordinating board may adopt rules necessary to implement this subchapter.

Added by Acts 2021, 87th Leg., R.S., Ch. 962 (S.B. [1888](#)), Sec. 3, eff. June 18, 2021.

SUBCHAPTER L. STUDENT ENDOWMENT SCHOLARSHIP AND INTERNSHIP PROGRAM

Sec. 56.241. DEFINITION. In this subchapter, "general academic teaching institution" has the meaning assigned by Section [61.003](#).

Added by Acts 1999, 76th Leg., ch. 1473, Sec. 1, eff. Sept. 1, 1999.

Sec. 56.242. STUDENT ENDOWMENT SCHOLARSHIP AND INTERNSHIP PROGRAM. The Student Endowment Scholarship and Internship Program is an optional state grant program for all general academic teaching institutions.

Added by Acts 1999, 76th Leg., ch. 1473, Sec. 1, eff. Sept. 1, 1999.

Sec. 56.243. ELECTION TO PARTICIPATE. A general academic teaching institution may elect to participate in the Student Endowment Scholarship and Internship Program. For the institution to make the election, the student government of the institution must determine by official action that the program would benefit the institution. If the student government determines that the program would benefit the institution, in a general election called for that purpose a majority of the students of the institution

voting in the election must approve an additional fee and the potential matching grant from the state. If the majority approves the additional fee and potential matching grant from the state, the governing board of the institution shall impose and decide the structure of the additional fee.

Added by Acts 1999, 76th Leg., ch. 1473, Sec. 1, eff. Sept. 1, 1999.

Amended by:

Acts 2007, 80th Leg., R.S., Ch. 555 (S.B. 1417), Sec. 2, eff. September 1, 2007.

Sec. 56.244. TYPES OF SCHOLARSHIPS; INTERNSHIP. A general academic teaching institution shall provide financial assistance under this subchapter through scholarships based on leadership, financial need, and academic achievement and through an internship program.

Added by Acts 1999, 76th Leg., ch. 1473, Sec. 1, eff. Sept. 1, 1999.

Sec. 56.245. ELIGIBILITY. (a) With the assistance of an advisory committee established by the governing board, the governing board of the general academic teaching institution shall:

(1) determine the eligibility requirements for scholarships or internship funding; and

(2) select students to receive the scholarships or internship funding.

(b) A student is not eligible for a student endowment scholarship or student endowment internship funding if the student is on disciplinary or academic probation or if the student is not enrolled at the institution.

(c) The institution may provide financial assistance under this subchapter to students in any field or major designated by the institution.

Added by Acts 1999, 76th Leg., ch. 1473, Sec. 1, eff. Sept. 1, 1999.

Sec. 56.246. AMOUNT OF SCHOLARSHIP OR INTERNSHIP FUNDING.

(a) The amount of a student endowment scholarship may not exceed the amount of tuition and required fees that a student would be charged by the institution.

(b) The amount of student endowment internship funding may not exceed the amount of tuition and required fees that a student would be charged by the institution during the student's period of internship.

(c) On receipt of a scholarship or internship funding under this subchapter, a student must comply with any applicable conditions of the scholarship or internship funding.

Added by Acts 1999, 76th Leg., ch. 1473, Sec. 1, eff. Sept. 1, 1999.

Amended by:

Acts 2007, 80th Leg., R.S., Ch. 555 (S.B. 1417), Sec. 3, eff. September 1, 2007.

Sec. 56.247. STUDENT ENDOWMENT FUND. (a) Each institution shall establish a student endowment fund consisting of the revenue from the additional student fee and the interest and other income from investment of the fund. The fund shall be invested by the governing board in accordance with the policies governing investment of other funds held and invested by the board on behalf of the institution.

(b) Scholarships and internships shall be paid from the fund, subject to the requirements of this section and Section 56.246.

(c) Scholarships and internships may be paid from both the income and the principal of the fund, except that after the first five-year period after the date the fund is established, not more than five percent of the principal of the fund may be expended for scholarships and internships for any year.

(d) For purposes of this section, five percent of the capital gains for any year from investment of the fund is considered income.

Added by Acts 1999, 76th Leg., ch. 1473, Sec. 1, eff. Sept. 1, 1999.

Amended by:

Acts 2007, 80th Leg., R.S., Ch. 555 (S.B. 1417), Sec. 4, eff. September 1, 2007.

SUBCHAPTER M. TOWARD EXCELLENCE, ACCESS, & SUCCESS (TEXAS) GRANT
PROGRAM

Sec. 56.301. DEFINITIONS. In this subchapter:

(1) "Coordinating board" means the Texas Higher Education Coordinating Board.

(2) "Eligible institution" means a general academic teaching institution or a medical and dental unit that offers one or more undergraduate degree or certification programs. The term does not include a public state college.

(3) "General academic teaching institution," "institution of higher education," "medical and dental unit," "public junior college," "public state college," and "public technical institute" have the meanings assigned by Section 61.003. Added by Acts 1999, 76th Leg., ch. 1590, Sec. 1, eff. June 19, 1999. Amended by:

Acts 2005, 79th Leg., Ch. 1181 (S.B. 1227), Sec. 30, eff. September 1, 2005.

Acts 2013, 83rd Leg., R.S., Ch. 1155 (S.B. 215), Sec. 5, eff. September 1, 2013.

Sec. 56.302. PROGRAM NAME; PURPOSE. (a) Except as provided under Section 56.310(c), the student financial assistance program authorized by this subchapter is known as the Toward EXcellence, Access, & Success (TEXAS) grant program, and an individual grant awarded under this subchapter is known as a TEXAS grant.

(b) The purpose of this subchapter is to provide a grant of money to enable eligible students to attend eligible institutions in this state.

Added by Acts 1999, 76th Leg., ch. 1590, Sec. 1, eff. June 19, 1999. Amended by:

Acts 2005, 79th Leg., Ch. 1181 (S.B. 1227), Sec. 31, eff. September 1, 2005.

Acts 2011, 82nd Leg., R.S., Ch. 91 (S.B. 1303), Sec. 7.015, eff. September 1, 2011.

Acts 2013, 83rd Leg., R.S., Ch. 1155 (S.B. 215), Sec. 6, eff. September 1, 2013.

Sec. 56.303. ADMINISTRATION OF PROGRAM. (a) The coordinating board shall administer the TEXAS grant program and shall adopt any rules necessary to implement the TEXAS grant program or this subchapter. The coordinating board shall consult with the student financial aid officers of eligible institutions in developing the rules.

(b) The coordinating board shall adopt rules to provide a TEXAS grant to an eligible student enrolled in an eligible institution in the most efficient manner possible.

(c) The total amount of TEXAS grants awarded may not exceed the amount available for the program from appropriations, gifts, grants, or other funds.

(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 eligible institutions money available for initial TEXAS grants for an academic year, the coordinating board shall ensure that each of those institutions' proportional share of the total amount of money for initial grants that is allocated to eligible institutions under this section 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 proportional share of the total amount of money for initial grants that is allocated to those institutions under this section for the preceding academic year.

(e) In determining who should receive a TEXAS grant, the coordinating board and the eligible institutions shall give priority to awarding TEXAS grants to students who demonstrate the greatest financial need and whose expected family contribution, as determined according to the methodology used for federal student financial aid, does not exceed 60 percent of the average statewide amount of tuition and required fees described by Section 56.307(a). In giving priority based on financial need as required by this subsection to students who meet the requirements for the

highest priority as provided by Subsection (f), an eligible institution shall determine financial need according to the relative expected family contribution of those students, beginning with students who have the lowest expected family contribution.

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

Added by Acts 1999, 76th Leg., ch. 1590, Sec. 1, eff. June 19, 1999.

Amended by:

Acts 2011, 82nd Leg., R.S., Ch. 1197 (S.B. 28), Sec. 2, eff. September 1, 2011.

Acts 2013, 83rd Leg., R.S., Ch. 1155 (S.B. 215), Sec. 7, eff. September 1, 2013.

Sec. 56.304. INITIAL ELIGIBILITY FOR GRANT. (a) To be eligible initially for a TEXAS grant, a person who graduated from high school before May 1, 2013, must:

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

(2) meet either of the following academic requirements:

(A) be a graduate of a public or accredited private high school in this state who graduated not earlier than the 1998-1999 school year and who completed the recommended or advanced high school curriculum established under Section 28.002 or 28.025 or its equivalent; or

(B) have received an associate degree from a public or private institution of higher education not earlier than May 1, 2001;

(3) meet financial need requirements as defined by the coordinating board;

(4) be enrolled in a baccalaureate degree program at an eligible institution;

(5) be enrolled as:

(A) an entering undergraduate student for at least three-fourths of a full course load for an entering undergraduate student, as determined by the coordinating board, not later than the 16th month after the date of the person's graduation from high school; or

(B) an entering student for at least three-fourths of a full course load for an undergraduate student as determined by the coordinating board, not later than the 12th month after the month the person receives an associate degree from a public or private institution of higher education;

(6) have applied for any available financial aid or assistance; and

(7) comply with any additional nonacademic requirement adopted by the coordinating board under this subchapter.

(b) A person is not eligible to receive a TEXAS grant 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 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 has been released from the resulting ineligibility to receive a grant under this subchapter.

(c) A person is not eligible to receive a TEXAS grant if the person has been granted a baccalaureate degree.

(d) A person may not receive a TEXAS grant for more than 150 semester credit hours or the equivalent.

(e) If a person is initially awarded a TEXAS grant before the 2005 fall semester, the person's eligibility for a TEXAS grant ends on the sixth anniversary of the initial award of a TEXAS grant to the person and the person's enrollment in an eligible institution, unless the person is provided additional time during which the person may receive a TEXAS grant under Subsection (e-2).

(e-1) If a person is initially awarded a TEXAS grant during or after the 2005 fall semester, unless the person is provided additional time during which the person may receive a TEXAS grant under Subsection (e-2), the person's eligibility for a TEXAS grant ends on:

(1) the fifth anniversary of the initial award of a TEXAS grant to the person, if the person is enrolled in a degree program of four years; or

(2) the sixth anniversary of the initial award of a TEXAS grant to the person, if the person is enrolled in a degree program of more than four years.

(e-2) The coordinating board shall adopt rules to provide a person who is otherwise eligible to receive a TEXAS grant additional time during which the person may receive a TEXAS grant in the event of a hardship or other good cause shown that prevents the person from continuing the person's enrollment during the period the person would otherwise have been eligible to receive a TEXAS grant, including a showing of a severe illness or other debilitating condition or that the person is or was responsible for the care of a sick, injured, or needy person.

(f) The requirement in Subsection (a)(2) that a person must have completed the recommended or advanced high school curriculum does not apply to a person who:

(1) attended a public high school in a school district if that district certifies to the commissioner of education that the high school did not offer all the necessary courses for a person to complete all parts of the recommended or advanced high school curriculum; and

(2) completed all courses at the high school offered

toward the completion of the recommended or advanced high school curriculum.

(g) Not later than March 1 of each year, the commissioner of education shall provide to the coordinating board a list of all the public high schools that do not offer all the courses necessary to complete all parts of the recommended or advanced high school curriculum as described by Subsection (f)(1).

(h) The coordinating board shall adopt rules to allow a person who is otherwise eligible to receive a TEXAS grant, 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 TEXAS grant while enrolled in a number of semester credit hours that is less than the number of semester credit hours required under Subsection (a)(5) or Section [56.3041\(5\)](#), as applicable. The coordinating board may not allow a person to receive a TEXAS grant while enrolled in fewer than six semester credit hours.

Added by Acts 1999, 76th Leg., ch. 1590, Sec. 1, eff. June 19, 1999.
Amended by Acts 2001, 77th Leg., ch. 1261, Sec. 1, eff. June 15, 2001.

Amended by:

Acts 2005, 79th Leg., Ch. 1181 (S.B. [1227](#)), Sec. 33, eff. September 1, 2005.

Acts 2005, 79th Leg., Ch. 1230 (H.B. [1172](#)), Sec. 6, eff. June 18, 2005.

Acts 2011, 82nd Leg., R.S., Ch. 1197 (S.B. [28](#)), Sec. 3, eff. September 1, 2011.

Acts 2013, 83rd Leg., R.S., Ch. 1155 (S.B. [215](#)), Sec. 8, eff. September 1, 2013.

Sec. 56.3041. INITIAL ELIGIBILITY OF PERSON GRADUATING FROM HIGH SCHOOL ON OR AFTER MAY 1, 2013. (a) To be eligible initially for a TEXAS grant, a person graduating from high school on or after May 1, 2013, and enrolling in an eligible institution must:

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

(2) meet the academic requirements prescribed by Paragraph (A), (B), (C), or (D) as follows:

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

(i) successful completion of the course requirements of the international baccalaureate diploma program or earning of the equivalent of at least 12 semester credit hours of college credit in high school through courses described in Sections 28.009(a)(1), (2), and (3);

(ii) satisfaction of the Texas Success Initiative (TSI) college readiness benchmarks prescribed by the coordinating board under Section 51.334 on any assessment instrument designated by the coordinating board under that section or qualification for an exemption as described by Section 51.338(b), (c), or (d);

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

(iv) completion for high school credit of at least one advanced mathematics course following the successful completion of an Algebra II course or at least one advanced career and technical or technology applications course;

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

(C) be an undergraduate student who has:

(i) previously attended another institution of higher education;

(ii) received an initial Texas Educational Opportunity Grant under Subchapter P for the 2014 fall semester or a subsequent academic term;

(iii) completed at least 24 semester credit hours at any institution or institutions of higher education; and

(iv) earned an overall grade point average of at least 2.5 on a four-point scale or the equivalent on all course work previously attempted; or

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

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

(4) be enrolled in an undergraduate degree or certificate program at an eligible institution;

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

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

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

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

(D) an undergraduate student described by Subdivision (2)(C) who has never previously received a TEXAS grant;

(6) have applied for any available financial aid or assistance; and

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

(b) Expired.

Added by Acts 2003, 78th Leg., ch. 919, Sec. 1, eff. June 20, 2003.

Amended by:

Acts 2011, 82nd Leg., R.S., Ch. 1197 (S.B. 28), Sec. 4, eff.

September 1, 2011.

Acts 2013, 83rd Leg., R.S., Ch. 211 (H.B. 5), Sec. 68(a), eff. June 10, 2013.

Acts 2013, 83rd Leg., R.S., Ch. 1155 (S.B. 215), Sec. 9, eff. September 1, 2013.

Acts 2017, 85th Leg., R.S., Ch. 842 (H.B. 2223), Sec. 2.08, eff. June 15, 2017.

Sec. 56.3042. INITIAL QUALIFICATION OF PERSON ON TRACK TO MEET ELIGIBILITY REQUIREMENTS. (a) If at the time an eligible institution awards TEXAS grants to initial recipients for an academic year an applicant has not completed high school or the applicant's final high school transcript is not yet available to the institution, the student is considered to have satisfied the eligibility requirements of Section 56.304(a)(2)(A) or 56.3041(2)(A) if the student's available high school transcript indicates that at the time the transcript was prepared the student was on schedule to graduate from high school and to meet the eligibility requirements, as applicable to the student, in time to be eligible for a TEXAS grant for the academic year.

(a-1) If at the time an eligible institution awards TEXAS grants to initial recipients for an academic year an applicant who is an associate degree candidate has not completed that degree or the applicant's final college transcript is not yet available to the institution, the student is considered to have satisfied the associate degree requirement of Section 56.304(a)(2)(B) or 56.3041(2)(B) if the student's available college transcript indicates that at the time the transcript was prepared the student was on schedule to complete the associate degree in time to be eligible for a TEXAS grant for the academic year.

(b) The coordinating board or the eligible institution may require the student to forgo or repay the amount of an initial TEXAS grant awarded to the student as described by Subsection (a) or (a-1) if the student fails to meet the eligibility requirements described by Subsection (a) or (a-1), as applicable to the student, after the issuance of the available high school or college transcript.

(c) A person who is required to forgo or repay the amount of

an initial TEXAS grant under Subsection (b) may subsequently become eligible to receive an initial TEXAS grant under Section 56.304 or 56.3041 by satisfying the associate degree requirement prescribed by Section 56.304(a)(2)(B) or 56.3041(2)(B) and the other requirements of those sections applicable to the person at the time the person reapplies for the grant.

(d) A person who receives an initial TEXAS grant under Subsection (a) or (a-1) but does not satisfy the applicable eligibility requirement that the person was considered to have satisfied under the applicable subsection and who is not required to forgo or repay the amount of the grant under Subsection (b) may become eligible to receive a subsequent TEXAS grant under Section 56.305 only by satisfying the associate degree requirement prescribed by Section 56.304(a)(2)(B) or 56.3041(2)(B), as applicable to the person, in addition to the requirements of Section 56.305 at the time the person applies for the subsequent grant.

Added by Acts 2011, 82nd Leg., R.S., Ch. 1197 (S.B. 28), Sec. 4, eff. September 1, 2011.

Amended by:

Acts 2013, 83rd Leg., R.S., Ch. 1155 (S.B. 215), Sec. 10, eff. September 1, 2013.

Sec. 56.3045. TOLLING OF ELIGIBILITY FOR INITIAL AWARD.

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

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

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

(3) has not received a baccalaureate degree.

(b) Provided that the person meets the requirements described by Section 56.305(a), a person to whom this section applies is eligible to receive an initial TEXAS grant in any academic year in which funding is sufficient to award initial TEXAS

grants to eligible applicants for that year. The person's eligibility for an initial TEXAS grant under this section is not affected by:

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

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

(c) A person who is eligible for an initial TEXAS grant under this section is entitled to the highest priority as described by Section 56.303(f) if the person was entitled to that priority when the person first established eligibility for an initial TEXAS grant as described by Subsection (a)(1).

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

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

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

Added by Acts 2011, 82nd Leg., R.S., Ch. 1197 (S.B. 28), Sec. 5, eff. September 1, 2011.

Sec. 56.305. CONTINUING ELIGIBILITY AND ACADEMIC PERFORMANCE REQUIREMENTS. (a) After initially qualifying for a TEXAS grant, a person may continue to receive a TEXAS grant during each semester or term in which the person is enrolled at an eligible institution only if the person:

(1) meets financial need requirements as defined by the coordinating board;

(2) is enrolled in a baccalaureate degree program at an eligible institution;

(3) is enrolled for at least three-fourths of a full course load for an undergraduate student, as determined by the coordinating board;

(4) makes satisfactory academic progress toward a baccalaureate degree; and

(5) complies with any additional nonacademic requirement adopted by the coordinating board.

(b) A person is not eligible to continue to receive a TEXAS grant under this section 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 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 has been released from the resulting ineligibility to receive a grant under this subchapter.

(c) If a person fails to meet any of the requirements of Subsection (a) after the completion of any semester or term, the person may not receive a TEXAS grant during the next semester or term in which the person enrolls. A person may become eligible to receive a TEXAS grant in a subsequent semester or term if the person:

(1) completes a semester or term during which the student is not eligible for a scholarship; and

(2) meets all the requirements of Subsection (a).

(d) A person who qualifies for and subsequently receives a TEXAS grant, who receives an undergraduate certificate or associate degree, and who, not later than the 12th month after the month the person receives the certificate or degree, enrolls in a program leading to a higher-level undergraduate degree continues to be eligible for a TEXAS grant to the extent other eligibility requirements are met.

Text of subsection as amended by Acts 2005, 79th Leg., R.S., Ch.

1230 (H.B. 1172), Sec. 7

(e) For the purpose of this section, a person who is initially awarded a TEXAS grant before the 2005 fall semester makes satisfactory academic progress toward an undergraduate 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 a subsequent academic year, the person:

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

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

Text of subsection as amended by Acts 2005, 79th Leg., R.S., Ch.
1181 (S.B. [1227](#)), Sec. 34

(e) For the purpose of this section, a person makes satisfactory academic progress toward an undergraduate 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 a subsequent academic year, the person:

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

(B) earns an overall grade point average of at least 2.5 on a four-point scale or the equivalent on coursework previously attempted at public or private institutions of higher education.

(e-1) For purposes of this section, a person who is initially awarded a TEXAS grant during or after the 2005 fall semester makes satisfactory academic progress toward an undergraduate 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 a subsequent academic year, the person:

(A) completed at least 24 semester credit hours in the student'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 coursework previously attempted at institutions of higher education.

(f) A person who is eligible to receive a TEXAS grant continues to remain eligible to receive the TEXAS grant if the person enrolls in or transfers to another eligible institution.

(g) The coordinating board shall adopt rules to allow a person who is otherwise eligible to receive a TEXAS grant, 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 TEXAS grant:

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

(2) if the student's grade point average or the student's completion rate or number of semester credit hours completed, as applicable, falls below the satisfactory academic progress requirements of Subsection (e) or (e-1).

Added by Acts 1999, 76th Leg., ch. 1590, Sec. 1, eff. June 19, 1999.

Amended by Acts 2003, 78th Leg., ch. 919, Sec. 2, eff. June 20, 2003.

Amended by:

Acts 2005, 79th Leg., Ch. 1181 (S.B. [1227](#)), Sec. 34, eff. September 1, 2005.

Acts 2005, 79th Leg., Ch. 1230 (H.B. [1172](#)), Sec. 7, eff. June 18, 2005.

Acts 2013, 83rd Leg., R.S., Ch. 1155 (S.B. [215](#)), Sec. 11, eff. September 1, 2013.

Sec. 56.306. GRANT USE. A person receiving a TEXAS grant may use the money to pay any usual and customary cost of attendance at an eligible institution incurred by the student. The institution may disburse all or part of the proceeds of a TEXAS grant directly to an eligible person only if the tuition and required fees incurred by the person at the institution have been paid.

Added by Acts 1999, 76th Leg., ch. 1590, Sec. 1, eff. June 19, 1999.

Amended by:

Acts 2013, 83rd Leg., R.S., Ch. 1155 (S.B. 215), Sec. 12, eff. September 1, 2013.

Sec. 56.307. GRANT AMOUNT. (a) The amount of a TEXAS grant for a semester or term for a person enrolled full-time at an eligible institution is an amount determined by the coordinating board as the average statewide amount of tuition and required fees that a resident student enrolled full-time in a baccalaureate degree program would be charged for that semester or term at general academic teaching institutions.

(b) Repealed by Acts 2005, 79th Leg., Ch. 1181, Sec. 55, eff. September 1, 2005.

(c) Repealed by Acts 2013, 83rd Leg., R.S., Ch. 1155, Sec. 62(5), eff. September 1, 2013.

(d) Repealed by Acts 2013, 83rd Leg., R.S., Ch. 1155, Sec. 62(5), eff. September 1, 2013.

(d-1) The coordinating board shall determine the average statewide tuition and fee amounts for a semester or term of the next academic year for purposes of this section by using the amounts of tuition and required fees that will be charged by the eligible institutions for that semester or term in that academic year. The board may estimate the amount of the charges for a semester or term in the next academic year by an institution if the relevant information is not yet available to the board.

(e) The coordinating board may adopt rules that allow the coordinating board to increase or decrease, in proportion to the number of semester credit hours in which a student is enrolled, the amount of a TEXAS grant award under this section to a student who is

enrolled in a number of semester credit hours in excess of or below the number of semester credit hours described in Section 56.304(a)(5) or 56.305(a)(3).

(f) The amount of a TEXAS grant may not be 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 received exceeds the student's financial need.

(g) Not later than January 31 of each year, the coordinating board shall publish the amounts of each grant established by the board for each type of institution for the academic year beginning the next fall semester.

(h) Repealed by Acts 2005, 79th Leg., Ch. 1230, Sec. 17, eff. June 18, 2005.

(i) A public institution of higher education may not:

(1) unless the institution complies with Subsection (j), charge a person attending the institution who also receives a TEXAS grant an amount of tuition and required fees in excess of the amount of the TEXAS grant received by the person; or

(2) deny admission to or enrollment in the institution based on a person's eligibility to receive a TEXAS grant or a person's receipt of a TEXAS grant.

(i-1) A public institution of higher education may elect to award a TEXAS grant to any student in an amount that is less than the applicable amount established under Subsection (a) or (e).

(j) A public institution of higher education shall use other available sources of financial aid, other than a loan, to cover any difference in the amount of a TEXAS grant awarded to the student and the actual amount of tuition and required fees at the institution if the difference results from:

(1) a reduction in the amount of a TEXAS grant under Subsection (i-1); or

(2) a deficiency in the amount of the grant as established under Subsection (a) or (e), as applicable, to cover the full amount of tuition and required fees charged to the student by the institution.

(k) The legislature in an appropriations act shall account for tuition and required fees received under this section in a way

that does not increase the general revenue appropriations to that institution.

(1) Repealed by Acts 2015, 84th Leg., R.S., Ch. 1243 , Sec. 8(2), eff. September 1, 2015.

Added by Acts 1999, 76th Leg., ch. 1590, Sec. 1, eff. June 19, 1999.

Amended by Acts 2003, 78th Leg., ch. 919, Sec. 3, eff. June 20, 2003.

Amended by:

Acts 2005, 79th Leg., Ch. 1181 (S.B. [1227](#)), Sec. 35, eff. September 1, 2005.

Acts 2005, 79th Leg., Ch. 1181 (S.B. [1227](#)), Sec. 55, eff. September 1, 2005.

Acts 2005, 79th Leg., Ch. 1230 (H.B. [1172](#)), Sec. 17, eff. June 18, 2005.

Acts 2013, 83rd Leg., R.S., Ch. 1155 (S.B. [215](#)), Sec. 13, eff. September 1, 2013.

Acts 2013, 83rd Leg., R.S., Ch. 1155 (S.B. [215](#)), Sec. 62(5), eff. September 1, 2013.

Acts 2015, 84th Leg., R.S., Ch. 1243 (H.B. [700](#)), Sec. 8(2), eff. September 1, 2015.

Sec. 56.3071. EFFECT OF ELIGIBILITY FOR TUITION EQUALIZATION GRANT. (a) Notwithstanding Section [56.307](#), the total amount of financial aid that a student enrolled in a private or independent institution of higher education is eligible to receive in a state fiscal year from TEXAS grants awarded under this subchapter may not exceed the maximum amount the student may receive in tuition equalization grants in that fiscal year as determined under Subchapter [F](#), Chapter [61](#).

(b) Notwithstanding any other law, a student enrolled in a private or independent institution of higher education may not receive a TEXAS grant under this subchapter and a tuition equalization grant under Subchapter [F](#), Chapter [61](#), for the same semester or other term, regardless of whether the student is otherwise eligible for both grants during that semester or term. A student who but for this subsection would be awarded both a TEXAS grant and a tuition equalization grant for the same semester or

other term is entitled to receive only the grant of the greater amount.

Added by Acts 2005, 79th Leg., Ch. 1230 (H.B. [1172](#)), Sec. 8, eff. June 18, 2005.

Sec. 56.3075. HEALTH CARE PROFESSION STUDENT GRANT. (a) If the money available for TEXAS grants in a period for which grants are awarded is sufficient to provide grants to all eligible applicants in amounts specified by Section [56.307](#), the coordinating board may use any excess money available for TEXAS grants to award a grant in an amount not more than three times the amount that may be awarded under Section [56.307](#) to a student who:

(1) is enrolled in a program that fulfills the educational requirements for licensure or certification by the state in a health care profession that the coordinating board, in consultation with the Texas Workforce Commission and the statewide health coordinating council, has identified as having a critical shortage in the number of license holders needed in this state;

(2) has completed at least one-half of the work toward a degree or certificate that fulfills the educational requirement for licensure or certification; and

(3) meets all the requirements to receive a grant award under Section [56.307](#).

(b) In awarding a grant under Subsection (a), the coordinating board may:

(1) give priority to students from a group underrepresented in the programs preparing students for licensure or certification by the state; and

(2) award different amounts based on the amount of course work a student has completed toward earning the degree required for licensure or certification.

Added by Acts 2003, 78th Leg., ch. 728, Sec. 3, eff. June 20, 2003.

Amended by:

Acts 2005, 79th Leg., Ch. 1181 (S.B. [1227](#)), Sec. 36, eff. September 1, 2005.

Sec. 56.308. NOTIFICATION OF PROGRAM; RESPONSIBILITIES OF

SCHOOL DISTRICTS. (a) The coordinating board shall distribute to each eligible institution and to each school district a copy of the rules adopted under this subchapter.

(b) Each school district shall:

(1) notify its middle school students, junior high school students, and high school students, those students' teachers and school counselors, and those students' parents of the TEXAS grant, Teach for Texas grant, and Future Texas Teachers Scholarship programs, the eligibility requirements of each program, the need for students to make informed curriculum choices to be prepared for success beyond high school, and sources of information on higher education admissions and financial aid in a manner that assists the district in implementing a strategy adopted by the district under Section 11.252(a)(4); and

(2) ensure that each student's official transcript or diploma indicates whether the student has completed or is on schedule to complete:

(A) the recommended or advanced high school curriculum required for grant eligibility under Section 28.002 or 28.025; or

(B) for a school district covered by Section 56.304(f)(1), the required portion of the recommended or advanced high school curriculum in the manner described by Section 56.304(f)(2).

(c) The information required by Subsection (b)(2) must be included on a student's transcript not later than the end of the student's junior year.

(d) In addition to the eligibility requirements of Section 56.304, a person who graduated from an accredited private high school is eligible to receive a grant under this subchapter only if the student's official transcript or diploma includes the information required as provided by Subsections (b)(2)(A) and (c).
Added by Acts 1999, 76th Leg., ch. 1590, Sec. 1, eff. June 19, 1999.
Amended by Acts 2001, 77th Leg., ch. 1261, Sec. 5, eff. June 15, 2001.

Amended by:

Acts 2013, 83rd Leg., R.S., Ch. 443 (S.B. 715), Sec. 36, eff.

June 14, 2013.

Acts 2023, 88th Leg., R.S., Ch. 877 (H.B. [4363](#)), Sec. 2, eff.
June 13, 2023.

Sec. 56.310. FUNDING. (a) The coordinating board may solicit and accept gifts, grants, and donations from any public or private source for the purposes of this subchapter.

(b) The legislature may appropriate money for the purposes of this subchapter.

(c) In performing its duties under Subsection (a), the coordinating board may develop and implement an appropriate process for the naming and sponsoring of the program created under this subchapter, an individual grant awarded under this subchapter, or any item received by the coordinating board under Subsection (a).

Added by Acts 1999, 76th Leg., ch. 1590, Sec. 1, eff. June 19, 1999.

Amended by:

Acts 2005, 79th Leg., Ch. 1181 (S.B. [1227](#)), Sec. 37, eff.
September 1, 2005.

Sec. 56.311. LEGISLATIVE OVERSIGHT COMMITTEE. (a) The Legislative Oversight Committee on the TEXAS grant program and Teach for Texas grant program is composed of six members as follows:

(1) three members of the senate appointed by the lieutenant governor; and

(2) three members of the house of representatives appointed by the speaker of the house of representatives.

(b) The committee shall:

(1) meet at least twice a year with the coordinating board; and

(2) receive information regarding rules relating to the TEXAS grant program and Teach for Texas grant program that have been adopted by the coordinating board or proposed for adoption by the coordinating board.

(c) The committee may request reports and other information from the coordinating board relating to the operation of the TEXAS grant program and Teach for Texas grant program by the coordinating board.

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

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

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

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

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

(B) the eligibility criteria described by Section 56.3041(2)(A); and

(4) the persistence, retention, and graduation rates of students receiving TEXAS grants.

(d) The committee shall review the specific recommendations for legislation related to this subchapter that are proposed by the coordinating board.

(e) The committee shall monitor the operation of the TEXAS grant program and Teach for Texas grant program, with emphasis on the manner of the award of grants, the number of grants awarded, and the educational progress made by persons who have received grants under those programs.

(f) The committee shall file a report with the governor, lieutenant governor, and speaker of the house of representatives not later than December 31 of each even-numbered year.

(g) The report shall include identification of any problems in the TEXAS grant program and Teach for Texas grant program with recommended solutions for the coordinating board and for legislative action.

Added by Acts 1999, 76th Leg., ch. 1590, Sec. 1, eff. June 19, 1999.
Amended by Acts 2001, 77th Leg., ch. 1261, Sec. 6, eff. June 15, 2001.

Amended by:

Acts 2011, 82nd Leg., R.S., Ch. 1197 (S.B. 28), Sec. 6, eff. September 1, 2011.

SUBCHAPTER O. TEACH FOR TEXAS LOAN REPAYMENT ASSISTANCE PROGRAM

Sec. 56.351. DEFINITION. In this subchapter, "coordinating board" means the Texas Higher Education Coordinating Board.

Added by Acts 2001, 77th Leg., ch. 1261, Sec. 3, eff. June 15, 2001.

Amended by Acts 2003, 78th Leg., ch. 820, Sec. 49, eff. Sept. 1, 2003.

Sec. 56.352. PURPOSE OF PROGRAM; LOAN REPAYMENT AUTHORIZED. (a) The purpose of this subchapter is to attract to the teaching profession persons who have expressed interest in teaching and to support the employment of those persons as classroom teachers by providing student loan repayment assistance for service as a classroom teacher in the public schools of this state.

(b) The coordinating board shall provide, in accordance with this subchapter and board rules, assistance in the repayment of eligible student loans for persons who apply and qualify for the assistance.

Redesignated from Sec. 56.309(a) and amended by Acts 2001, 77th Leg., ch. 1261, Sec. 3, eff. June 15, 2001; Acts 2003, 78th Leg., ch. 820, Sec. 49, eff. Sept. 1, 2003.

Sec. 56.353. ELIGIBILITY. (a) Teach for Texas repayment assistance is available only to a person who applies for the assistance and who:

(1) is certified in a teaching field identified by the commissioner of education as experiencing a critical shortage of teachers in this state in the year in which the person receives the assistance and has for at least one year taught full-time at, and is currently teaching full-time at, the preschool, primary, or secondary level in a public school in this state in that teaching field; or

(2) is a certified educator who has for at least one year taught full-time at, and is currently teaching full-time at, the preschool, primary, or secondary level in a public school in this state in a community identified by the commissioner of education as experiencing a critical shortage of teachers in the year in which the person receives the assistance.

(b) The coordinating board in awarding repayment assistance shall give priority to applicants who demonstrate financial need.

(c) If the money available for loan repayment assistance in a period for which assistance is awarded is insufficient to provide assistance to all eligible applicants described by Subsection (b), the coordinating board shall establish priorities for awarding repayment assistance to address the most critical teacher shortages described by Subsection (a).

(d) A person may not receive loan repayment assistance for more than five years.

Redesignated from Sec. 56.309(b) and amended by Acts 2001, 77th Leg., ch. 1261, Sec. 3, eff. June 15, 2001; Acts 2003, 78th Leg., ch. 820, Sec. 49, eff. Sept. 1, 2003.

Sec. 56.354. ELIGIBLE LOANS. (a) A person may receive Teach for Texas loan repayment assistance under this subchapter for the repayment of any student loan for education at any public or private institution of higher education through any lender. If the loan is not a state or federal guaranteed student loan, the note or other writing governing the terms of the loan must require the loan proceeds to be used for expenses incurred by a person to attend a public or private institution of higher education.

(b) The coordinating board may not provide loan repayment assistance for a student loan that is in default at the time of the person's application.

Redesignated from Sec. 56.309(d) and amended by Acts 2001, 77th Leg., ch. 1261, Sec. 3, eff. June 15, 2001; Acts 2003, 78th Leg., ch. 820, Sec. 49, eff. Sept. 1, 2003.

Sec. 56.355. PAYMENT OF ASSISTANCE. (a) The coordinating board may determine the manner in which Teach for Texas loan

repayment assistance is to be paid. The coordinating board may provide for the payment of a portion of the repayment assistance in one or more installments before the person completes a full year of service as a teacher and for the payment of the remainder of the repayment assistance for that year after the completion of the full year of service.

(b) Loan repayment assistance received under this subchapter may be applied to the principal amount of the loan and to interest that accrues.

Amended by Acts 2003, 78th Leg., ch. 820, Sec. 49, eff. Sept. 1, 2003.

Sec. 56.357. TEACH FOR TEXAS ALTERNATIVE CERTIFICATION ASSISTANCE PROGRAM. (a) The coordinating board shall establish a program under which the coordinating board awards grants to assist persons seeking educator certification through alternative educator certification programs as provided by this section.

(b) To be eligible for a grant under the program, a person must apply for a grant and:

(1) have received a baccalaureate degree from an eligible institution of higher education or an accredited out-of-state institution of higher education; and

(2) enroll in an alternative educator certification program described by Section [21.049](#) and satisfy either of the following conditions:

(A) be seeking educator certification in a teaching field certified by the commissioner of education as experiencing a critical shortage of teachers in this state in the year in which the person receives the grant and agree to teach for five years in a public school in this state in that teaching field; or

(B) agree to teach for five years in a public school in this state in a community, which is not required to be specifically designated at the time the person receives the grant, certified by the commissioner of education as experiencing a critical shortage of teachers in any year in which the person receives a grant under this section or in any subsequent year in

which the person fulfills the teaching obligation.

(c) A person is not eligible 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 this section 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 has been released from the resulting ineligibility to receive a grant under the program.

(d) In selecting applicants to receive grants under the program, the coordinating board shall consider:

(1) the financial resources of an applicant;

(2) the efficient use of the money available for grants;

(3) the opportunity of applicants from all regions of this state to receive grants; and

(4) any other factor the coordinating board considers appropriate to further the purposes of this subchapter.

(e) The amount of a grant under the program is equal to two times the current amount of a TEXAS grant under Subchapter M for a student enrolled in a general academic teaching institution. The coordinating board may pay the amount of the grant in installments during the period in which the person is enrolled in the person's alternative educator certification program.

(f) The person must begin fulfilling the person's teaching obligation not later than the 18th month after the person completes the alternative educator certification program, unless the coordinating board for good cause grants the person additional time to begin fulfilling the teaching obligation. The person must complete the teaching obligation not later than the sixth year

after the date the person begins to fulfill the teaching obligation. The coordinating board shall grant a person additional time to complete the teaching obligation for good cause.

(g) The coordinating board shall cancel a person's teaching obligation if the coordinating board determines that the person:

(1) has become permanently disabled so that the person is not able to teach; or

(2) has died.

(h) The coordinating board shall require a person who receives a grant to sign a promissory note acknowledging the conditional nature of the grant and promising to repay the amount of the grant plus applicable interest and reasonable collection costs if the person does not satisfy the applicable conditions of the grant. The coordinating board shall determine the terms of the promissory note.

(i) The amount required to be repaid by a person who fails to complete the teaching obligation of the person's grant shall be determined in proportion to the portion of the teaching obligation that the person has not satisfied.

(j) A person receiving a grant is considered to have failed to satisfy the conditions of the grant, and the grant automatically becomes a loan, if the person, without good cause as determined by the coordinating board, fails to:

(1) remain enrolled in or to make steady progress in the alternative educator certification program for which the grant was made or, with the approval of the coordinating board, in another alternative educator certification program; or

(2) become certified as a classroom teacher not later than the 18th month after the date the person completes the alternative educator certification program.

Added by Acts 2001, 77th Leg., ch. 1261, Sec. 3, eff. June 15, 2001.

Sec. 56.3575. ADMINISTRATION; RULES. (a) The coordinating board shall adopt rules necessary for the administration of this subchapter.

(b) The coordinating board shall distribute a copy of the rules adopted under this section and pertinent information relating

to this subchapter to each public or private institution of higher education in this state that offers an educator certification program, including an alternative educator certification program or another equivalent program.

Acts 2003, 78th Leg., ch. 820, Sec. 49, eff. Sept. 1, 2003.

Sec. 56.358. FUNDING; ALLOCATION OF FUNDING. (a) The coordinating board may solicit and accept gifts and grants from any public or private source for the purposes of this subchapter.

(b) The legislature may appropriate money for the purposes of this subchapter.

Added by Acts 2001, 77th Leg., ch. 1261, Sec. 3, eff. June 15, 2001.

Sec. 56.359. GRANTS AND SERVICE AGREEMENTS ENTERED INTO UNDER FORMER LAW; SAVING PROVISION. (a) This section applies only to a person who was awarded a Teach for Texas grant and entered into a written agreement to perform service as a public school teacher in this state in order to receive the grant under this subchapter before September 1, 2003.

(b) A person to whom this section applies may receive any unpaid installments of the grant as provided by the agreement and in accordance with this subchapter as it existed when the grant was awarded. The agreement continues in effect and this subchapter, as it existed when the person entered into the agreement, is continued in effect for purposes of that agreement until the person satisfies all the conditions of the agreement or repays all amounts due under the agreement if the person does not satisfy the conditions of the agreement.

Added by Acts 2003, 78th Leg., ch. 820, Sec. 49, eff. Sept. 1, 2003.

SUBCHAPTER P. TEXAS EDUCATIONAL OPPORTUNITY GRANT PROGRAM

Sec. 56.401. DEFINITIONS. In this subchapter:

(1) "Coordinating board" means the Texas Higher Education Coordinating Board.

(2) "Eligible institution" means:

(A) a public junior college;

(B) a public technical institute; or

(C) a public state college.

(3) "Public junior college," "public technical institute," and "public state college" have the meanings assigned by Section [61.003](#).

Added by Acts 2001, 77th Leg., ch. 624, Sec. 1, eff. June 11, 2001.

Renumbered from Education Code Sec. 56.351 by Acts 2003, 78th Leg., ch. 1275, Sec. 2(35), eff. Sept. 1, 2003.

Sec. 56.402. PROGRAM NAME; PURPOSE. (a) The student financial assistance program authorized by this subchapter is known as the Texas Educational Opportunity Grant Program.

(b) The purpose of this subchapter is to provide a grant of money to enable eligible students to attend two-year public institutions of higher education in this state.

Added by Acts 2001, 77th Leg., ch. 624, Sec. 1, eff. June 11, 2001.

Renumbered from Education Code Sec. 56.352 by Acts 2003, 78th Leg., ch. 1275, Sec. 2(35), eff. Sept. 1, 2003.

Amended by:

Acts 2005, 79th Leg., Ch. 1181 (S.B. [1227](#)), Sec. 39, eff. September 1, 2005.

Sec. 56.403. ADMINISTRATION OF PROGRAM. (a) The coordinating board shall administer the grant program and shall adopt any rules necessary to implement the grant program or this subchapter. The coordinating board shall consult with the student financial aid officers of eligible institutions in developing the rules.

(b) The coordinating board shall adopt rules to provide a grant under this subchapter to an eligible student enrolled in an eligible institution in a manner consistent with the administration of federal student financial aid programs.

(c) The total amount of grants awarded under the grant program may not exceed the amount available for the program from appropriations, gifts, grants, or other funds.

(d) In determining who should receive a grant under this subchapter, the coordinating board and the eligible institutions

shall give highest priority to awarding grants to students who demonstrate the greatest financial need.

Added by Acts 2001, 77th Leg., ch. 624, Sec. 1, eff. June 11, 2001.

Renumbered from Education Code Sec. 56.353 by Acts 2003, 78th Leg., ch. 1275, Sec. 2(35), eff. Sept. 1, 2003.

Amended by:

Acts 2005, 79th Leg., Ch. 1181 (S.B. [1227](#)), Sec. 40, eff. September 1, 2005.

Sec. 56.404. INITIAL ELIGIBILITY FOR GRANT. (a) To be eligible initially for a grant under the grant program, a person must:

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

(2) meet financial need requirements as defined by the coordinating board;

(3) be enrolled in an associate degree or certificate program at an eligible institution;

(4) be enrolled as an entering student for at least one-half of a full course load for an entering student in the associate degree or certificate program, as determined by the coordinating board;

(5) have applied for any available financial aid or assistance; and

(6) comply with any additional nonacademic requirement adopted by the coordinating board under this subchapter.

(b) A person is not eligible to receive a grant under this subchapter 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 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 this subchapter.

(c) A person is not eligible to receive a grant under this subchapter if the person has been granted an associate or baccalaureate degree.

(d) A person may not receive a grant under this subchapter for more than 75 semester credit hours or the equivalent.

(e) A person may not receive a grant under this subchapter and a TEXAS grant under Subchapter M for the same semester or other term, regardless of whether the person is otherwise eligible for both grants during that semester or term. A person who but for this subsection would be awarded both a grant under this subchapter and a TEXAS grant for the same semester or other term is entitled to receive only the grant of the greater amount.

(f) A person's eligibility for a grant under this subchapter ends on the fourth anniversary of the initial award of a grant under this subchapter to the person and the person's enrollment in an eligible institution.

Added by Acts 2001, 77th Leg., ch. 624, Sec. 1, eff. June 11, 2001.

Renumbered from Education Code Sec. 56.354 by Acts 2003, 78th Leg., ch. 1275, Sec. 2(35), eff. Sept. 1, 2003.

Amended by:

Acts 2005, 79th Leg., Ch. 1181 (S.B. [1227](#)), Sec. 41, eff. September 1, 2005.

Acts 2011, 82nd Leg., R.S., Ch. 1185 (H.B. [3577](#)), Sec. 1, eff. June 17, 2011.

Sec. 56.405. CONTINUING ELIGIBILITY AND ACADEMIC PERFORMANCE REQUIREMENTS. (a) After initially qualifying for a grant under this subchapter, a person may continue to receive a grant under this subchapter during each semester or term in which the person is enrolled at an eligible institution only if the person:

(1) meets financial need requirements as defined by

the coordinating board;

(2) is enrolled in an associate degree or certificate program at an eligible institution;

(3) is enrolled for at least one-half of a full course load for a student in an associate degree or certificate program, as determined by the coordinating board;

(4) makes satisfactory academic progress toward an associate degree or certificate; and

(5) complies with any additional nonacademic requirement adopted by the coordinating board.

(b) A person is not eligible 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 (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 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 this subchapter.

(c) If a person fails to meet any of the requirements of Subsection (a) after the completion of any semester or term, the person may not receive a grant under this subchapter during the next semester or term in which the person enrolls. A person may become eligible to receive a grant under this subchapter in a subsequent semester or term if the person:

(1) completes a semester or term during which the student is not eligible for a scholarship; and

(2) meets all the requirements of Subsection (a).

(d) For the purpose of this section, a person makes satisfactory academic progress toward an associate 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 a subsequent academic year, the person:

(A) completes at least 75 percent of the semester credit hours attempted in the student'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) A person who is eligible to receive a grant under this subchapter continues to remain eligible to receive the grant if the person enrolls in or transfers to another eligible institution.

(f) The coordinating board shall 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:

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

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

Added by Acts 2001, 77th Leg., ch. 624, Sec. 1, eff. June 11, 2001. Renumbered from Education Code Sec. 56.355 by Acts 2003, 78th Leg., ch. 1275, Sec. 2(35), eff. Sept. 1, 2003.

Amended by:

Acts 2005, 79th Leg., Ch. 1181 (S.B. [1227](#)), Sec. 42, eff. September 1, 2005.

Sec. 56.406. GRANT USE. A person receiving a grant under this subchapter may use the money to pay any usual and customary

cost of attendance at an eligible institution incurred by the student. The institution may disburse all or part of the proceeds of a grant under this subchapter to an eligible person only if the tuition and required fees incurred by the person at the institution have been paid.

Added by Acts 2001, 77th Leg., ch. 624, Sec. 1, eff. June 11, 2001.
Renumbered from Education Code Sec. 56.356 by Acts 2003, 78th Leg., ch. 1275, Sec. 2(35), eff. Sept. 1, 2003.

Amended by:

Acts 2005, 79th Leg., Ch. 1181 (S.B. [1227](#)), Sec. 43, eff. September 1, 2005.

Sec. 56.407. GRANT AMOUNT. (a) The amount of a grant under this subchapter for a student enrolled full-time at an eligible institution is the amount determined by the coordinating board 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.

(b) The coordinating board may adopt rules that allow the coordinating board to increase or decrease, in proportion to the number of semester credit hours in which a student is enrolled, the amount of a grant award under this section to a student who is enrolled in a number of semester credit hours in excess of or below the number of semester credit hours described in Section [56.404\(a\)\(4\)](#) or [56.405\(a\)\(3\)](#).

(c) The amount of a grant under this subchapter may not be 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 received exceeds the total cost of attendance at an eligible institution.

(d) Not later than January 31 of each year, the coordinating board shall publish the amounts of each grant established by the board for the academic year beginning the next fall semester.

(e) Repealed by Acts 2013, 83rd Leg., R.S., Ch. 1155, Sec. 62(5), eff. September 1, 2013.

(f) An eligible institution may not:

(1) charge a person attending the institution who also receives a grant under this subchapter an amount of tuition and required fees in excess of the amount of the grant under this subchapter received by the person; or

(2) deny admission to or enrollment in the institution based on a person's eligibility to receive a grant under this subchapter or a person's receipt of a grant under this subchapter.

(g) An institution may use other available sources of financial aid, other than a loan, 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.

Added by Acts 2001, 77th Leg., ch. 624, Sec. 1, eff. June 11, 2001.

Renumbered from Education Code Sec. 56.357 and amended by Acts 2003, 78th Leg., ch. 1275, Sec. 2(35), 3(9), eff. Sept. 1, 2003.

Amended by:

Acts 2005, 79th Leg., Ch. 1181 (S.B. [1227](#)), Sec. 44, eff. September 1, 2005.

Acts 2013, 83rd Leg., R.S., Ch. 1155 (S.B. [215](#)), Sec. 62(5), eff. September 1, 2013.

Acts 2023, 88th Leg., R.S., Ch. 378 (H.B. [8](#)), Sec. 16, eff. September 1, 2023.

Sec. 56.4075. HEALTH CARE PROFESSION STUDENT GRANT. (a) The coordinating board may award a grant in an amount not more than three times the amount that may be awarded under Section [56.407](#) to a student who:

(1) is enrolled in a program that fulfills the educational requirements for licensure or certification by the state in a health care profession that the coordinating board, in consultation with the Texas Workforce Commission and the statewide health coordinating council, has identified as having a critical shortage in the number of license holders needed in this state;

(2) has completed at least one-half of the work toward a degree or certificate that fulfills the educational requirement for licensure or certification; and

(3) meets all the requirements to receive a grant award under Section [56.407](#).

(b) In awarding a grant under Subsection (a), the coordinating board may:

(1) give priority to students from a group underrepresented in the programs preparing students for licensure or certification by the state; and

(2) award different amounts based on the amount of course work a student has completed toward earning the degree required for licensure or certification.

Added by Acts 2003, 78th Leg., ch. 728, Sec. 4, eff. June 20, 2003.

Renumbered from Education Code, Section 56.3575 by Acts 2005, 79th Leg., Ch. 728 (H.B. 2018), Sec. 23.001(20), eff. September 1, 2005.

Amended by:

Acts 2005, 79th Leg., Ch. 728 (H.B. 2018), Sec. 23.002(4), eff. September 1, 2005.

SUBCHAPTER R. SCHOLARSHIPS FOR STUDENTS GRADUATING
IN TOP 10 PERCENT OF HIGH SCHOOL CLASS

Sec. 56.481. PURPOSE. The purpose of this program is to encourage attendance at public institutions of higher education in this state by outstanding high school students in the top 10 percent of their graduating class.

Added by Acts 2009, 81st Leg., R.S., Ch. 1342 (S.B. 175), Sec. 5, eff. June 19, 2009.

Sec. 56.482. DEFINITIONS. In this subchapter:

(1) "Coordinating board" means the Texas Higher Education Coordinating Board.

(2) "Institution of higher education" has the meaning assigned by Section 61.003.

(3) "Program" means the scholarship program authorized by this subchapter.

Added by Acts 2009, 81st Leg., R.S., Ch. 1342 (S.B. 175), Sec. 5, eff. June 19, 2009.

Sec. 56.483. AWARD OF SCHOLARSHIP. (a) The coordinating board shall award scholarships to eligible students under this

subchapter.

(b) An institution of higher education shall provide to a student who receives a scholarship under the program for a semester or other academic term:

(1) a credit in the amount of the scholarship, to be applied toward the payment of any amount of educational costs charged by the institution for that semester or term; and

(2) a check, electronic transfer, or other disbursement of any remaining scholarship amount.

(c) An amount paid under Subsection (b)(2) may be applied only to any usual and customary cost incurred by the student to attend the institution of higher education.

Added by Acts 2009, 81st Leg., R.S., Ch. 1342 (S.B. 175), Sec. 5, eff. June 19, 2009.

Sec. 56.484. INITIAL ELIGIBILITY FOR SCHOLARSHIP. To be eligible for a scholarship under this subchapter, a student must:

(1) have graduated from a public or accredited private high school in this state while ranked in the top 10 percent or as the valedictorian of the student's graduating class, subject to Section 56.487(b);

(2) have completed the recommended or advanced high school curriculum established under Section 28.025 or its equivalent;

(3) have applied for admission as a first-time freshman student for the 2010-2011 academic year or a subsequent academic year to an institution of higher education that has elected to offer admissions for that academic year to applicants as provided by Section 51.803(a-1);

(4) enroll as a first-time freshman student in an institution of higher education not later than the 16th month after the date of the student's high school graduation;

(5) have been awarded a TEXAS grant under Subchapter M for the same semester or other academic term for which the scholarship will be awarded;

(6) be a Texas resident under Section 54.052; and

(7) comply with any other eligibility requirements

established by coordinating board rule.

Added by Acts 2009, 81st Leg., R.S., Ch. 1342 (S.B. 175), Sec. 5, eff. June 19, 2009.

Amended by:

Acts 2019, 86th Leg., R.S., Ch. 730 (H.B. 539), Sec. 2, eff. June 10, 2019.

Sec. 56.485. INELIGIBILITY FOR SCHOLARSHIP. Notwithstanding Section 56.484, a student is not eligible for an initial or subsequent scholarship under this subchapter if the student was offered admission as a first-time freshman student to any institution of higher education for an academic year for which that institution made admissions under Section 51.803(a-1), regardless of whether the student subsequently enrolls at that institution.

Added by Acts 2009, 81st Leg., R.S., Ch. 1342 (S.B. 175), Sec. 5, eff. June 19, 2009.

Sec. 56.486. AMOUNT OF SCHOLARSHIP. (a) Except as provided by Subsection (b), the amount of a scholarship for each semester or other academic term in which an eligible student is enrolled at an institution of higher education is an amount sufficient to cover, but not exceed, the amount of tuition charged to the student for that semester or term.

(b) The amount of a scholarship for each semester or other academic term may not exceed the amount of the student's unmet financial need for that semester or term after any other gift aid has been awarded.

(c) The coordinating board shall issue to each eligible student a certificate indicating the amount of the scholarship awarded to the student.

Added by Acts 2009, 81st Leg., R.S., Ch. 1342 (S.B. 175), Sec. 5, eff. June 19, 2009.

Sec. 56.487. APPLICATION PROCEDURE. (a) The coordinating board shall establish application procedures for the program. The procedures may require an officer of the applicable high school or

school district to verify the eligibility of a student to receive a scholarship under the program.

(b) The coordinating board may permit a student to establish initial eligibility based on the student's class rank at the end of the student's seventh semester in high school. The board may revoke an initial scholarship awarded to a student who subsequently loses eligibility based on the student's class rank on graduation from high school.

(c) The coordinating board may consider applications received after the application deadline only if sufficient funding for scholarships remains after the board awards scholarships to all eligible students who applied on or before the deadline.

(d) The coordinating board shall establish procedures to notify each eligible student of the receipt of a scholarship under the program and to enable an institution of higher education to verify the award of a scholarship to a student who is enrolled at that institution.

Added by Acts 2009, 81st Leg., R.S., Ch. 1342 (S.B. 175), Sec. 5, eff. June 19, 2009.

Sec. 56.488. CONTINUING ELIGIBILITY FOR SCHOLARSHIP. (a) After establishing eligibility to receive an initial scholarship under the program, a student may continue to receive additional scholarships during each subsequent semester or other academic term in which the student is enrolled at an institution of higher education if the student:

(1) makes satisfactory academic progress as required by Section 56.489;

(2) submits to the institution transcripts for any coursework completed at other public or private institutions of higher education;

(3) has been awarded a TEXAS grant under Subchapter M for the same semester or other academic term for which the scholarship will be awarded; and

(4) complies with any other eligibility requirements established by coordinating board rule.

(b) If a student fails to meet any of the requirements of

Subsection (a) after completing a semester or other academic term, the student may not receive a scholarship during the next semester or other academic term in which the student enrolls. A student may become eligible to receive a scholarship in a subsequent semester or term if the student:

(1) completes a semester or term during which the student is not eligible for a scholarship; and

(2) meets all the requirements of Subsection (a).

(c) Except as provided by Section 56.490(b), a student's eligibility for a scholarship under the program ends on the fourth anniversary of the first day of the semester or other academic term for which the student was awarded an initial scholarship under the program.

Added by Acts 2009, 81st Leg., R.S., Ch. 1342 (S.B. 175), Sec. 5, eff. June 19, 2009.

Sec. 56.489. SATISFACTORY ACADEMIC PROGRESS. For each academic year in which a student receives one or more scholarships under the program, the student must:

(1) complete for that year:

(A) at least 75 percent of all credit hours attempted, as determined by the institution of higher education in which the student is enrolled; and

(B) at least 30 credit hours or the number of credit hours needed to complete the student's degree or certificate program, whichever is less; and

(2) maintain an overall grade point average of at least 3.25 on a four-point scale or its equivalent for all coursework attempted at any public or private institution of higher education.

Added by Acts 2009, 81st Leg., R.S., Ch. 1342 (S.B. 175), Sec. 5, eff. June 19, 2009.

Sec. 56.490. EXCEPTION FOR HARDSHIP OR OTHER GOOD CAUSE.

(a) Each institution of higher education shall adopt a policy to allow a student who fails to make satisfactory academic progress as required by Section 56.489 to receive a scholarship in a subsequent

semester or other academic term on a showing of hardship or other good cause, including:

(1) a showing of a severe illness or other debilitating condition that could affect the student's academic performance;

(2) an indication that the student is responsible for the care of a sick, injured, or needy person and that the student's provision of care could affect the student's academic performance; or

(3) any other cause considered acceptable by the coordinating board.

(b) An institution of higher education may extend the eligibility period described by Section 56.488(c) in the event of hardship or other good cause as provided by the institution's policy adopted under Subsection (a).

(c) An institution of higher education shall maintain documentation of each exception granted to a student under this section and shall provide timely notice of those exceptions to the coordinating board.

Added by Acts 2009, 81st Leg., R.S., Ch. 1342 (S.B. 175), Sec. 5, eff. June 19, 2009.

Sec. 56.491. PUBLICATION OF PROGRAM INFORMATION. (a) The coordinating board shall publish and disseminate general information and rules for the program as provided by Subsection (b) and as otherwise considered appropriate by the board.

(b) The coordinating board shall provide application instructions to:

(1) each school district and each institution of higher education; and

(2) an individual student on request.

Added by Acts 2009, 81st Leg., R.S., Ch. 1342 (S.B. 175), Sec. 5, eff. June 19, 2009.

Sec. 56.492. REIMBURSEMENT. (a) Each institution of higher education that provides scholarships under the program to eligible students enrolled at the institution is entitled to reimbursement

by the coordinating board of the amounts provided. The institution must request reimbursement in the manner specified by coordinating board rule.

(b) On approval of an institution's request for reimbursement, the coordinating board shall direct the comptroller to transfer the appropriate amount to the institution. The institution may use the transferred funds as reimbursement for any credits provided to students under this subchapter, to reimburse students for charges previously paid to the institution, or to make scholarship payments to students, as applicable.

Added by Acts 2009, 81st Leg., R.S., Ch. 1342 (S.B. 175), Sec. 5, eff. June 19, 2009.

Sec. 56.493. RULES. The coordinating board shall adopt rules as necessary to administer the program under this subchapter. Added by Acts 2009, 81st Leg., R.S., Ch. 1342 (S.B. 175), Sec. 5, eff. June 19, 2009.

SUBCHAPTER S. FUTURE TEXAS TEACHERS SCHOLARSHIP PROGRAM

Sec. 56.501. DEFINITIONS. In this subchapter:

(1) "Coordinating board" means the Texas Higher Education Coordinating Board.

(2) "Eligible institution" means a general academic teaching institution or a private or independent institution of higher education, as those terms are defined by Section 61.003, that operates an eligible educator preparation program.

(3) "Enrolled full-time" means enrolled for at least 12 semester credit hours or participating in a clinical teaching assignment or internship that meets criteria established by State Board for Educator Certification rule for initial certification as a classroom teacher.

(4) "Scholarship program" means the Future Texas Teachers Scholarship Program authorized by this subchapter.

Added by Acts 2023, 88th Leg., R.S., Ch. 877 (H.B. 4363), Sec. 1, eff. June 13, 2023.

Sec. 56.502. PURPOSE. The Future Texas Teachers Scholarship Program is created to recruit, prepare, and retain a talented and diverse workforce of career teachers to be leaders in their field and to provide assistance for tuition, mandatory fees, and other usual and customary costs of attendance at an eligible institution as provided by Sections 56.506 and 56.507.

Added by Acts 2023, 88th Leg., R.S., Ch. 877 (H.B. 4363), Sec. 1, eff. June 13, 2023.

Sec. 56.503. ELIGIBLE EDUCATOR PREPARATION PROGRAMS. To be eligible to participate in the scholarship program, an educator preparation program must:

- (1) be operated by an eligible institution;
- (2) provide a structured system of support to assist scholarship recipients to successfully complete the educator preparation program;
- (3) require additional hours of field-based experience for students above the minimum hours required by State Board for Educator Certification rule;
- (4) require additional hours of clinical teaching experience for students above the minimum hours required by State Board for Educator Certification rule;
- (5) provide or facilitate opportunities for scholarship recipients to participate in learning opportunities beyond the university classroom setting; and
- (6) comply with other eligibility criteria established by coordinating board rule.

Added by Acts 2023, 88th Leg., R.S., Ch. 877 (H.B. 4363), Sec. 1, eff. June 13, 2023.

Sec. 56.504. INITIAL STUDENT ELIGIBILITY FOR SCHOLARSHIP. (a) To be eligible initially for a scholarship under the scholarship program, a person must:

- (1) be a Texas resident under Section 54.052;
- (2) either:
 - (A) be enrolled full-time in an eligible institution; or

(B) have applied for admission to an eligible institution and enroll full-time in that institution in the academic year immediately following the person's application;

(3) once enrolled full-time in an eligible institution, be working toward a baccalaureate or master's degree and on track to be admitted to an eligible educator preparation program, as verified by the eligible institution operating the educator preparation program;

(4) demonstrate a commitment to pursuing a career as a classroom teacher in a public school in this state:

(A) in a teaching field identified by the commissioner of education as experiencing a critical shortage of teachers in this state; or

(B) in a public school in this state in which a majority of students enrolled are educationally disadvantaged;

(5) comply with Section [28.0256](#);

(6) complete a criminal history background check from:

(A) any law enforcement or criminal justice agency; or

(B) a private entity that is a consumer reporting agency governed by the Fair Credit Reporting Act (15 U.S.C. Section 1681 et seq.);

(7) provide the educator preparation program with the completed background check report and any supplemental documentation the program may request to evaluate the background check report for the purposes of this section; and

(8) comply with any other academic or nonacademic requirements adopted by the coordinating board under this subchapter.

(b) A person is not eligible to receive a scholarship under the scholarship program if the person has been convicted of a felony or misdemeanor offense relating to the duties and responsibilities of the education profession, including:

(1) an offense involving moral turpitude;

(2) an offense involving a form of sexual or physical abuse of a minor or student or other illegal conduct in which the victim is a minor or student;

(3) a felony offense involving the possession, transfer, sale, or distribution of or conspiracy to possess, transfer, sell, or distribute a controlled substance, as defined by Chapter 481, Health and Safety Code, or by 21 U.S.C. Section 801 et seq.;

(4) an offense involving the illegal transfer, appropriation, or use of school district funds or other district property; or

(5) an offense involving an attempt by fraudulent or unauthorized means to obtain or alter a professional certificate or license issued under Subchapter B, Chapter 21.

(c) An educator preparation program shall review the background check documentation provided under Subsection (a)(7) for the purposes of making a determination under Subsection (b).

Added by Acts 2023, 88th Leg., R.S., Ch. 877 (H.B. 4363), Sec. 1, eff. June 13, 2023.

Sec. 56.505. CONTINUING STUDENT ELIGIBILITY AND ACADEMIC PERFORMANCE REQUIREMENTS. (a) After initially qualifying for a scholarship under this subchapter, a person may continue to receive a scholarship under the scholarship program during each semester or term in which the person is enrolled at an eligible institution only if the person:

(1) demonstrates a continued commitment to pursuing a career as a classroom teacher:

(A) in a teaching field identified by the commissioner of education as experiencing a critical shortage of teachers in this state; or

(B) in a public school in this state in which a majority of students enrolled are educationally disadvantaged;

(2) remains enrolled full-time in an eligible institution;

(3) remains enrolled in or is on track to be admitted to an eligible educator preparation program, as verified by the eligible institution in which the person is enrolled;

(4) makes satisfactory academic progress toward completion of a baccalaureate or master's degree and approval to

take a teacher certification exam, as verified by the eligible institution; and

(5) complies with any other academic or nonacademic requirements adopted by the coordinating board under this subchapter.

(b) A person is not eligible to continue to receive a scholarship under the scholarship program if the person has been convicted of a felony or misdemeanor offense described by Section [56.504\(b\)](#).

(c) If a person fails to meet any of the requirements of Subsection (a) after the completion of any semester or term, the person may not receive a scholarship under this subchapter during the next semester or term in which the person enrolls. A person may become eligible to receive a scholarship under this subchapter in a subsequent semester or term if the person:

(1) completes a semester or term during which the person is not eligible for a scholarship; and

(2) meets all the requirements of Subsection (a).

(d) For the purpose of this section, a person makes satisfactory academic progress toward a baccalaureate or master's degree only if:

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

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

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

(B) has earned an overall grade point average of at least 3.0 on a four-point scale or the equivalent on coursework previously attempted at an eligible institution.

(e) A person who is eligible to receive a scholarship under this subchapter continues to remain eligible to receive the scholarship if the person enrolls in or transfers to an eligible educator preparation program at another eligible institution.

(f) The coordinating board shall adopt rules to allow a person who is otherwise eligible to receive a scholarship 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 scholarship under this subchapter:

(1) while enrolled in a number of semester credit hours that is less than the number required to be enrolled full-time; or

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

(g) A person's eligibility for a scholarship under this subchapter ends on the earlier of:

(1) the fourth anniversary of the initial award of a scholarship under this subchapter to the person and the person's enrollment in an eligible institution; or

(2) the person's completion of the baccalaureate or master's degree program described by Section 56.504(a)(3).

Added by Acts 2023, 88th Leg., R.S., Ch. 877 (H.B. 4363), Sec. 1, eff. June 13, 2023.

Sec. 56.506. SCHOLARSHIP AMOUNT. (a) Beginning with the 2024-2025 academic year, the amount of a scholarship under this subchapter is equal to the amount of the scholarship for the preceding academic year, adjusted for inflation using the college tuition and fees index component of the consumer price index produced by the United States Bureau of Labor Statistics.

(a-1) For the 2023-2024 academic year, the amount of a scholarship under this subchapter is \$12,000. This subsection expires September 1, 2024.

(b) The amount of a scholarship under this subchapter may not be reduced by any other scholarship, grant, or financial aid which the scholarship recipient receives.

(c) Not later than January 31 of each year, the coordinating board shall publish the amounts of each scholarship established by

the board for the academic year beginning the next fall semester.
Added by Acts 2023, 88th Leg., R.S., Ch. 877 (H.B. 4363), Sec. 1,
eff. June 13, 2023.

Sec. 56.507. SCHOLARSHIP USE. A person receiving a scholarship under this subchapter may use the money to pay any usual and customary cost of attendance at an eligible institution incurred by the person. The institution may disburse all or part of the proceeds of a scholarship under this subchapter to an eligible person only if the tuition and required fees incurred by the person at the institution have been paid.

Added by Acts 2023, 88th Leg., R.S., Ch. 877 (H.B. 4363), Sec. 1,
eff. June 13, 2023.

Sec. 56.508. ADMINISTRATION OF PROGRAM. (a) The coordinating board shall adopt any rules necessary to:

(1) establish eligibility criteria for educator preparation programs in accordance with Section 56.503 and for scholarship recipients in accordance with Sections 56.504 and 56.505;

(2) establish procedures for the application process and for selecting scholarship recipients from among eligible applicants; and

(3) administer the scholarship program.

(b) In establishing criteria for eligible educator preparation programs under Section 56.503, the coordinating board shall consult with the State Board for Educator Certification. The coordinating board shall consider the standards used by the State Board for Educator Certification in identifying effective, high-quality educator preparation programs grounded in evidence-based best practices and, to the maximum extent possible, align the eligibility criteria to those standards.

(c) In establishing criteria for eligible persons under Sections 56.504 and 56.505, the coordinating board shall consult with representatives of the educator preparation programs from eligible institutions.

(d) In developing rules related to distributing a

scholarship, the coordinating board shall consult with financial aid coordinators of eligible institutions.

(e) The total amount of scholarships awarded may not exceed the amount available for the program from appropriations, gifts, grants, or other funds.

(f) From money appropriated by the legislature for the purposes of this subchapter, the coordinating board annually shall determine the allocation of money available for scholarships among eligible institutions and shall distribute the money accordingly.

(g) In determining who should receive a scholarship under this subchapter, the coordinating board shall give priority to awarding scholarships to:

(1) persons who demonstrate the greatest financial need and whose expected family contribution, as determined according to the methodology used for federal student financial aid, does not exceed 60 percent of the average statewide amount of tuition and required fees;

(2) first-generation college students, as defined by coordinating board rule; and

(3) persons who demonstrate a commitment both to entering a teaching field identified by the commissioner of education as experiencing a critical shortage of teachers and to teaching in a public school in this state in which a majority of students enrolled are educationally disadvantaged.

Added by Acts 2023, 88th Leg., R.S., Ch. 877 (H.B. [4363](#)), Sec. 1, eff. June 13, 2023.

SUBCHAPTER T. TEXAS COMPETENCY-BASED EDUCATION GRANT PROGRAM

Sec. 56.521. DEFINITIONS. In this subchapter:

(1) "Competency-based baccalaureate degree program" means a baccalaureate degree program under which academic credit is awarded based solely on a student's attainment of competencies. The term may include a program that is organized around traditional course-based units, including for online or other distance education, that a student must earn for degree completion.

(2) "Coordinating board" means the Texas Higher Education Coordinating Board.

(3) "Eligible institution" means:

(A) a general academic teaching institution;

(B) a private or independent institution of higher education;

(C) a public junior college authorized to offer baccalaureate degree programs under Subchapter L, Chapter 130; or

(D) a nonprofit, tax-exempt, regionally accredited college or university operating in accordance with a memorandum of understanding with this state under an executive order issued by the governor and offering competency-based, exclusively online baccalaureate degree programs.

(4) "Expected family contribution" means the amount of discretionary income that should be available to a student from the resources of the student and of the student's family, as determined by the coordinating board following the methodology prescribed by the United States Department of Education for the purpose of determining a student's eligibility for need-based student financial assistance.

(5) "General academic teaching institution," "private or independent institution of higher education," and "public junior college" have the meanings assigned by Section 61.003.

(6) "Program" means the Texas Competency-Based Education Grant Program established under this subchapter.

Added by Acts 2023, 88th Leg., R.S., Ch. 754 (H.B. 4005), Sec. 1, eff. June 12, 2023.

Sec. 56.522. PURPOSE. The purpose of the Texas Competency-Based Education Grant Program is to provide financial assistance to enable eligible students to enroll in competency-based baccalaureate degree programs at eligible institutions.

Added by Acts 2023, 88th Leg., R.S., Ch. 754 (H.B. 4005), Sec. 1, eff. June 12, 2023.

Sec. 56.523. ADMINISTRATION OF PROGRAM; PRIORITY FOR

FINANCIAL NEED. (a) The coordinating board shall:

(1) administer the program;

(2) using the negotiated rulemaking procedures under Chapter 2008, Government Code, adopt rules for determining the allocation of funds under the program among eligible institutions; and

(3) adopt any other rules necessary to implement the program or this subchapter.

(b) The coordinating board shall consult with the student financial aid officers of eligible institutions in developing the rules adopted under Subsection (a).

(c) The total amount of grants awarded under the program may not exceed the amount available for the program from appropriations, gifts, grants, or other funds.

(d) In determining who should receive a grant under the program, the coordinating board and the eligible institutions shall give highest priority to awarding grants to students who demonstrate the greatest unmet financial need.

Added by Acts 2023, 88th Leg., R.S., Ch. 754 (H.B. 4005), Sec. 1, eff. June 12, 2023.

Sec. 56.524. INITIAL ELIGIBILITY FOR GRANT. (a) To be eligible initially for a grant under the program, a person must:

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

(2) meet financial need requirements as defined by coordinating board rules, including a requirement that the person's expected family contribution for the academic year does not exceed the maximum expected family contribution established for this purpose by the coordinating board;

(3) be enrolled in a competency-based baccalaureate degree program at an eligible institution;

(4) not be receiving a TEXAS grant under Subchapter M, a tuition equalization grant under Subchapter F, Chapter 61, or any other state-funded student financial assistance for the same academic period; and

(5) comply with any additional nonacademic

requirement adopted by the coordinating board under this subchapter.

(b) A person is not eligible to receive a grant under the program if the person has been granted a baccalaureate degree.

(c) A person's eligibility for a grant under the program ends on the earliest of the following dates:

(1) the fourth anniversary of the initial award of a grant under the program to the person, if at the time of the initial award the person had earned less than 60 semester credit hours or an equivalent number of competency units or credits toward the person's degree;

(2) the second anniversary of the initial award of a grant under the program to the person, if at the time of the initial award the person had earned 60 or more semester credit hours or an equivalent number of competency units or credits toward the person's degree; or

(3) the date the person receives a baccalaureate degree.

Added by Acts 2023, 88th Leg., R.S., Ch. 754 (H.B. 4005), Sec. 1, eff. June 12, 2023.

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

(1) meets the criteria for initial eligibility under Section 56.524(a);

(2) makes satisfactory academic progress toward a baccalaureate degree; and

(3) complies with any additional nonacademic requirement adopted by the coordinating board.

(b) If a person fails to meet any of the requirements of Subsection (a) after the completion of any semester or term, the person may not receive a grant under the program during the next semester or term in which the person enrolls. Unless the person's eligibility for a grant expires under Section 56.524(c), a person

may become eligible to receive a grant under the program in a subsequent semester or term if the person:

(1) completes at least 12 semester credit hours or an equivalent number of competency units or credits in a semester or term during which the student is not eligible for a grant; and

(2) meets all the requirements of Subsection (a).

(c) For the purpose of this section, a person makes satisfactory academic progress toward a baccalaureate degree only if the person completes at least 12 semester credit hours or an equivalent number of competency units or credits in each semester or term in which the person is enrolled.

(d) The coordinating board shall adopt rules to allow a person who is otherwise eligible to receive a grant under the program to receive a grant if the student's completion rate falls below the satisfactory academic progress requirements of this section in the event of a hardship or for other good cause shown, including:

(1) a showing of a severe illness or other debilitating condition that may affect the person's academic performance; or

(2) 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.

Added by Acts 2023, 88th Leg., R.S., Ch. 754 (H.B. 4005), Sec. 1, eff. June 12, 2023.

Sec. 56.526. GRANT USE. A grant awarded under the program may be applied only to the payment of tuition and required fees at an eligible institution.

Added by Acts 2023, 88th Leg., R.S., Ch. 754 (H.B. 4005), Sec. 1, eff. June 12, 2023.

Sec. 56.527. GRANT AMOUNT. (a) The amount of a grant awarded under the program to a full-time undergraduate student equivalent enrolled at an eligible institution for an academic year may not exceed the lesser of:

(1) the difference between the amount of tuition and

required fees charged to the student by the institution for that academic year and the amount of any other gift aid, including state or federal grants or scholarships, awarded to the student for that academic year; or

(2) \$500.

(b) The coordinating board may adopt rules that allow the coordinating board to increase or decrease, in proportion to the number of semester credit hours or competency units or credits in which a student is enrolled, the amount of a grant award to a student who is enrolled in a number of semester credit hours or competency units or credits in excess of or below 12 semester credit hours or an equivalent number of competency units or credits.

Added by Acts 2023, 88th Leg., R.S., Ch. 754 (H.B. 4005), Sec. 1, eff. June 12, 2023.

Sec. 56.528. GRANT NOT TO AFFECT ADMISSION. An eligible institution may not deny admission to or enrollment in the institution based on a person's eligibility to receive a grant under the program or a person's receipt of a grant under the program.

Added by Acts 2023, 88th Leg., R.S., Ch. 754 (H.B. 4005), Sec. 1, eff. June 12, 2023.