PROPOSED RULES PREAMBLE

Brief explanation of proposed rule
The Texas Higher Education Coordinating Board proposes amendments to Chapter 22, Subchapter H, Sections 22.145 and 22.147 of Board rules, concerning the Provisions for the License Plate Insignia Scholarship Program.

Specifically, the amendment in Section 22.145(c) aligns the language in rule with the statute, and clarifies that funds received through the License Plate Insignia Program are to be used to make scholarships to students with need or to make grants through the Texas Public Educational Grant Program.

The amendments in Sections 22.147(2) and (3) clarify new procedures for community colleges and private institutions regarding the frequency and process by which the Board will issue funds to the institutions, and eliminates scholarship application processing at the Coordinating Board for students receiving scholarships at private or independent institutions.

Fiscal note and estimated cost to state and local government (or estimated reduction in costs to state and local government, and/or estimated loss of increase in revenue to state and local government)
Dan Weaver, Assistant Commissioner for Business and Support Services, has estimated that for each year of the first five years the amendments are in effect, there will be no fiscal implications to state or local government as a result of enforcing or administering the rules.

Public Benefit and local employment impact
Dan Weaver has also determined that for each year of the first five years the amendments are in effect the public benefit anticipated as a result of administering the sections will be clarification of program requirements and procedures. There is no effect on small businesses. There are no anticipated economic costs to persons who are required to comply with the sections as proposed. There is no impact on local employment.

Request for comments
Comments on the proposal may be submitted to Dan Weaver, P. O. Box 12788, Austin, Texas 78711, 512-427-6465, or via email to Dan.Weaver@thecb.state.tx.us. Comments will be accepted for 30 days following publication of the proposal in the *Texas Register*.

Statutory basis for amendment
The amendments are adopted under the Texas Transportation Code, Section 504.615, which provides the Coordinating Board with the authority to adopt rules necessary to administer the License Plate Insignia Scholarship Program.

Statutes, articles, codes affected by the proposed action
The amendments affect the Texas Transportation Code, Section 504.615.

CHAPTER 22. GRANT AND SCHOLARSHIP PROGRAMS

SUBCHAPTER H. PROVISIONS FOR THE LICENSE PLATE INSIGNIA SCHOLARSHIP PROGRAM.

22.145. Award Amounts and Uses.

(a) Funding. No awards may be made by an institution in excess of the amount of money on balance at the State Comptroller's Office for that institution, generated through the sale of special license plates bearing the institution's insignia.

(1) The License Plate Insignia Scholarship Program is funded through funds paid to the department for the purchase of automobile license plates bearing the insignia of Texas colleges and universities. The amount of money available for scholarships to students at each institution will depend on the number of license plates purchased with that school's insignia.

(2) Funds for license plates bearing the insignia of public senior colleges and universities will be held on deposit by the State Comptroller's Office, for the institutions to draw down as needed. Funds for license plates bearing the insignia of other public, private and independent institutions will be deposited in the State Treasury to the credit of the Board, which in turn will allocate the funds to the relevant institutions.

(b) Award Amount. No award received through this program may exceed a student's financial need.

(c) Uses. [~~No scholarship disbursed to a student may be used for any purpose other than for meeting the cost of attending an approved institution.~~] Institutions may only use funds generated through the sale of license plates under Texas Transportation Code, Section 504.615, to issue scholarships to students with financial need or to issue need-based grants through the Texas Public Educational Grant Program, authorized in Texas Education Code, Sections 56.031 through 56.039.

(d) Over Awards. If, at a time after an award has been offered by the institution and accepted by the student, the student receives assistance that was not taken into account in the student's estimate of financial need, so that the resulting sum of assistance exceeds the student's financial need, the institution is not required to adjust the award under this program unless the sum of the excess resources is greater than $300.

22.147. Disbursements.

Awards are to be made to eligible students at each institution in accordance with this section.

(1) For public senior colleges and universities. The department deposits funds from purchased license plates directly into the institution's account at the State Comptroller's Office. Therefore, public senior colleges and universities may draw from those funds as appropriate to make awards to eligible students.

(2) For other [~~public~~] institutions. Funds will be made available to the institution through the Board. At least once per year [~~quarter~~] the Board will send the institution [~~a state warrant for~~] the amount of License Plate Insignia Scholarship funds generated through the sale of license plates and deposited by the department in the State Comptroller's Office for that institution. An institution that accumulates a balance of funds exceeding $500 may request and receive up to three supplemental disbursements in a given year.

[~~(3) For private or independent institutions. At the beginning of each fiscal year and periodically as funds are deposited in the State Comptroller's Office by the department, the Board will notify the institution as to the amount of funds available for awarding as scholarships. On receipt of a student's application and certification by the financial aid officer of the amount of the scholarship for which the student is eligible, the Board shall forward funds to the institution for disbursement to the students.~~]