

By: Deshotel, et al. (Senate Sponsor - Lucio) H.B. No. 1882  
(In the Senate - Received from the House April 24, 2003;  
April 25, 2003, read first time and referred to Committee on  
Education; May 22, 2003, reported favorably by the following vote:  
Yeas 7, Nays 0; May 22, 2003, sent to printer.)

A BILL TO BE ENTITLED  
AN ACT

relating to incentives for certain high schools and high school  
students to participate in the Early High School Graduation  
Scholarship program.

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

SECTION 1. Section 56.202, Education Code, is amended to  
read as follows:

Sec. 56.202. PURPOSE. (a) The Early High School  
Graduation Scholarship program is created to increase efficiency in  
the Foundation School Program and to provide ~~[tuition]~~ assistance  
for tuition and mandatory fees to an eligible person to enable that  
person to attend a Texas public or private institution of higher  
education.

(b) A portion of the savings to the Foundation School  
Program that occur as a result of the program is dedicated to state  
~~[tuition]~~ credits for tuition and mandatory fees provided to an  
eligible person under [by] the program.

SECTION 2. Section 56.203, Education Code, is amended to  
read as follows:

Sec. 56.203. ELIGIBLE PERSON. (a) To be eligible for  
the Early High School Graduation Scholarship program, a person  
must:

(1) have the written approval of at least one of the  
person's parents or a person standing in parental relation to the  
person, if the person graduated from high school in not more than 41  
consecutive months;

(2) have successfully completed the requirements for a  
public high school diploma ~~[in not more than 36 consecutive months]~~  
and graduated ~~[or be eligible for graduation]~~ from a Texas public  
high school in not more than 41 consecutive months or, if the person  
graduated with at least 30 hours of college credit, in not more than  
45 consecutive months;

(3) have attended high school in this state only; and  
(4) be a Texas resident as defined by Texas Higher  
Education Coordinating Board rule.

(b) A person's eligibility for the Early High School  
Graduation Scholarship program ends on the sixth anniversary of the  
date that the person first becomes eligible to participate in the  
program, unless the person is provided additional time to  
participate in the program under Subsection (c).

(c) The coordinating board shall adopt rules to provide a  
person who is otherwise eligible to participate in the Early High  
School Graduation Scholarship program additional time to use a  
state credit for tuition and mandatory fees under the program. The  
rules must require a person seeking an extension under this  
subsection to show hardship or other good cause that prevents the  
person from enrolling in or continuing enrollment in an eligible  
institution during the period provided by Subsection (b). For  
purposes of this subsection, hardship or other good cause includes  
a severe illness or other debilitating condition or responsibility  
for the care of a sick, injured, or needy person.

SECTION 3. Section 56.204, Education Code, is amended to  
read as follows:

Sec. 56.204. ENTITLEMENT; MATCHING CREDIT. (a) An  
eligible person under the Early High School Graduation Scholarship  
program is entitled to a ~~[\$1,000 in]~~ state credit to pay tuition and  
mandatory fees [credits] at a ~~[Texas]~~ public or private institution  
of higher education in this state in the following amounts:

(1) \$2,000 if the person successfully completed the requirements for a public high school diploma and graduated from high school in 36 consecutive months or less and an additional \$1,000 if the person graduated with at least 15 hours of college credit;

(2) \$500 if the person successfully completed the requirements for a public high school diploma and graduated from high school in more than 36 consecutive months but not more than 41 consecutive months and an additional \$1,000 if the person graduated with at least 30 hours of college credit; or

(3) \$1,000 if the person successfully completed the requirements for a public high school diploma and graduated from high school in more than 41 consecutive months but not more than 45 consecutive months with at least 30 hours of college credit.

(b) The use of a credit at a ~~[Texas]~~ private institution is contingent on a private institution's agreement to match the state ~~[tuition]~~ credit.

(c) A person eligible for a tuition credit under the tuition credit program authorized by Rider 23, page III-9, Chapter 19, Acts of the 72nd Legislature, 1st Called Session, 1991 (the General Appropriations Act), who did not receive a credit under that program is eligible for and entitled to \$1,000 in state tuition credits under this subchapter. This subsection expires September 1, 2005.

SECTION 4. Section 56.205, Education Code, is amended to read as follows:

Sec. 56.205. ISSUANCE OF CERTIFICATE. The coordinating board shall provide a certificate for state ~~[tuition]~~ credits for tuition and mandatory fees to an eligible person.

SECTION 5. Section 56.206, Education Code, is amended to read as follows:

Sec. 56.206. USE OF STATE ~~[TUITION]~~ CREDIT. (a) On enrollment of an eligible person in an eligible institution of higher education, the institution shall apply to the person's ~~[tuition]~~ charges for tuition and mandatory fees for the enrollment period an amount equal to the lesser of:

(1) the amount of the state ~~[tuition]~~ credit available to the person; or

(2) the person's actual tuition and mandatory fees.

(b) A private institution of higher education shall apply the state ~~[tuition]~~ credit and the matching credit required by Section 56.204(b) in equal amounts.

(c) For each student using a state ~~[tuition]~~ credit for tuition and mandatory fees under this subchapter, the institution of higher education shall report to the coordinating board:

(1) the student's name;

(2) the school district from which the student graduated from high school; and

(3) the amount of the state ~~[tuition]~~ credit applied.

(d) Subject to Section 56.203(b), an eligible person may use the state credit for enrollment in an eligible institution of higher education during any semester or summer session, except the person's initial use of the credit may not be for enrollment during any term of a summer session immediately following the person's graduation from high school.

SECTION 6. The heading to Section 56.207, Education Code, is amended to read as follows:

Sec. 56.207. PAYMENT OF STATE ~~[TUITION]~~ CREDIT.

SECTION 7. Sections 56.207(a) and (b), Education Code, are amended to read as follows:

(a) At least once each year the coordinating board shall submit a report to the commissioner of education that includes:

(1) the name of each student who used the state ~~[tuition]~~ credit under this subchapter during the period covered by the report;

(2) the school district from which each student graduated from high school; and

(3) the amount of the state ~~[tuition]~~ credit used by each student during the period covered by the report.

(b) On receipt of a report from the coordinating board under Subsection (a), the commissioner shall transfer to the coordinating board, from funds appropriated for the Foundation School Program, an amount sufficient to pay each eligible institution of higher education the amount of state ~~[tuition]~~ credit for tuition and mandatory fees that is applied by the institution during the period covered by the report.

SECTION 8. Subchapter K, Chapter 56, Education Code, is amended by adding Section 56.2075 to read as follows:

Sec. 56.2075. PAYMENT OF SCHOOL DISTRICT CREDIT. (a) A school district is entitled to a one-time credit of:

(1) \$1,000 for each eligible person graduating from high school in the district who uses any part of a state credit of \$2,000 or more under Section 56.204(a)(1); and

(2) \$250 for each eligible person graduating from high school in the district who uses any part of a state credit of \$500 or more under Section 56.204(a)(2).

(b) The commissioner shall distribute money from the foundation school fund in an amount sufficient to pay each school district under Subsection (a).

SECTION 9. Section 54.213(b), Education Code, is amended to read as follows:

(b) Savings to the foundation school fund that occur as a result of the Early High School Graduation Scholarship program created in Subchapter K, Chapter 56, and that are not required for the funding of state ~~[tuition]~~ credits for tuition and mandatory fees under Section 56.204 or school district credits under Section 56.2075 ~~[that program]~~ shall be used first to provide tuition exemptions under Section 54.212. Any of those savings remaining after providing tuition exemptions under Section 54.212 shall be used to provide tuition exemptions under Section 54.214. The Texas Education Agency shall also accept and make available to provide tuition exemptions under Section 54.214 gifts, grants, and donations made to the agency for that purpose. Payment of funds under this subsection shall be made in the manner provided by Section 56.207 for state ~~[tuition]~~ credits under Subchapter K, Chapter 56.

SECTION 10. (a) The change in law made by this Act applies only to a student who graduates from a public high school on or after the effective date of this Act. A student who graduates from a public high school before the effective date of this Act and the amount and treatment of tuition credit for that student is governed by the law in effect immediately before the effective date of this Act, and the former law is continued in effect for that purpose.

(b) This Act takes effect September 1, 2003.

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