

By: Lucio

S.B. No. 465

A BILL TO BE ENTITLED

1 AN ACT

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

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

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

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

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

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

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

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

1 consecutive months;

2 (2) have successfully completed the requirements for a
3 public high school diploma [~~in not more than 36 consecutive months~~]
4 and graduated [~~or be eligible for graduation~~] from a Texas public
5 high school in not more than 41 consecutive months or, if the person
6 graduated with at least 30 hours of college credit, in not more than
7 45 consecutive months;

8 (3) have attended high school in this state only; and

9 (4) be a Texas resident as defined by Texas Higher
10 Education Coordinating Board rule.

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

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

27 SECTION 3. Section 56.204, Education Code, is amended to

1 read as follows:

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

7 (1) \$2,000 if the person successfully completed the
8 requirements for a public high school diploma and graduated from
9 high school in 36 consecutive months or less and an additional
10 \$1,000 if the person graduated with at least 15 hours of college
11 credit;

12 (2) \$500 if the person successfully completed the
13 requirements for a public high school diploma and graduated from
14 high school in more than 36 consecutive months but not more than 41
15 consecutive months and an additional \$1,000 if the person graduated
16 with at least 30 hours of college credit; or

17 (3) \$1,000 if the person successfully completed the
18 requirements for a public high school diploma and graduated from
19 high school in more than 41 consecutive months but not more than 45
20 consecutive months with at least 30 hours of college credit.

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

24 (c) A person eligible for a tuition credit under the tuition
25 credit program authorized by Rider 23, page III-9, Chapter 19, Acts
26 of the 72nd Legislature, 1st Called Session, 1991 (the General
27 Appropriations Act), who did not receive a credit under that

1 program is eligible for and entitled to \$1,000 in state tuition
2 credits under this subchapter. This subsection expires September
3 1, 2005.

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

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

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

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

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

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

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

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

25 (1) the student's name;

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

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

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

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

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

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

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

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

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

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

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

1 covered by the report.

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

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

6 (1) \$1,000 for each eligible person graduating from
7 high school in the district who uses any part of a state credit of
8 \$2,000 or more under Section 56.204(a)(1); and

9 (2) \$250 for each eligible person graduating from high
10 school in the district who uses any part of a state credit of \$500 or
11 more under Section 56.204(a)(2).

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

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

17 (b) Savings to the foundation school fund that occur as a
18 result of the Early High School Graduation Scholarship program
19 created in Subchapter K, Chapter 56, and that are not required for
20 the funding of state [~~tuition~~] credits for tuition and mandatory
21 fees under Section 56.204 or school district credits under Section
22 56.2075 [~~that program~~] shall be used first to provide tuition
23 exemptions under Section 54.212. Any of those savings remaining
24 after providing tuition exemptions under Section 54.212 shall be
25 used to provide tuition exemptions under Section 54.214. The Texas
26 Education Agency shall also accept and make available to provide
27 tuition exemptions under Section 54.214 gifts, grants, and

1 donations made to the agency for that purpose. Payment of funds
2 under this subsection shall be made in the manner provided by
3 Section 56.207 for state [~~tuition~~] credits under Subchapter K,
4 Chapter 56.

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

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