

Amend CSHB 3826, by adding the following appropriately numbered SECTIONS to the bill and renumbering the remaining SECTIONS of the bill accordingly:

SECTION __. Subchapter D, Chapter 54, Education Code, is amended by adding Section 54.202 to read as follows:

Sec. 54.202. TOP 10 PERCENT HIGH SCHOOL GRADUATES. (a) This section only applies to a person who qualifies for automatic admission under Section 51.803.

(b) Each general academic teaching institution shall exempt a person to whom this section applies from the payment of tuition and special course fees, lab fees, and student teaching fees.

(c) The exemption from tuition under Subsection (b) does not apply to designated tuition charged under Section 54.0513.

(d) In order to continue to receive an exemption under this section after the person has received an exemption under this section for two or more academic years or the equivalent, a person must:

(1) enroll for a full course load for an undergraduate student, as determined by the coordinating board, in an undergraduate degree or certificate program at a general academic teaching institution; and

(2) have a cumulative grade point average of at least 2.5 on a four-point scale or the equivalent on all coursework previously attempted at institutions of higher education, if the person is enrolled in any academic year after the person's second academic year.

(e) The legislature shall account in the General Appropriations Act for the exemptions authorized by Subsection (b) in a way that provides a corresponding increase in the general revenue funds appropriated to the institution.

(f) The legislature may appropriate money to the Texas Higher Education Coordinating Board to be used to reimburse general academic teaching institutions for reducing as provided by this subsection the amount of designated tuition charged under Section 54.0513 to persons receiving exemptions from tuition and fees under Subsection (b). Based on the amount of appropriations under this subsection available for each academic year, the coordinating board

shall estimate the amount by which the designated tuition charged under Section 54.0513 to each person who receives an exemption from tuition and fees under Subsection (b) in that academic year may be reduced from the amount that the applicable institution would otherwise charge the person. The coordinating board shall distribute the amount of appropriations under this subsection available for the academic year to general academic teaching institutions in proportion to the number of semester credit hours for which the coordinating board estimates students will receive exemptions under Subsection (b) in that academic year at each institution. Each general academic teaching institution that receives money under this section shall reduce the amount of designated tuition charged to each student who receives an exemption under Subsection (b) by the amount determined by the coordinating board for that academic year.

SECTION __. The change in law made by this Act in adding Section 54.202, Education Code, applies beginning with tuition, fees, and other charges for the 2008 fall semester. Tuition, fees, and other charges for a term or semester before the 2008 fall semester are covered by the law in effect immediately before the effective date of this Act, and the former law is continued in effect for that purpose.