## AUTHOR'S / SPONSOR'S STATEMENT OF INTENT

Texas high schools face a major challenge in their efforts to retain students who are at risk of dropping out of school. If these students drop out, the cost to society is enormous, as they often are unable to secure gainful employment, experience increased incarceration rates, and cannot achieve their full potential as productive citizens of this state.
H.B. 3418 creates a pilot program of grants to fund student club activities for students at risk of dropping out of school.

## RULEMAKING AUTHORITY

This bill does not expressly grant any additional rulemaking authority to a state officer, institution, or agency.

## SECTION BY SECTION ANALYSIS

SECTION 1. Amends Subchapter C, Chapter 29, Education Code, by adding Section 29.095, as follows:

Sec. 29.095. GRANTS FOR STUDENT CLUBS. (a) Defines "students at risk of dropping out of school."
(b) Requires the commissioner of education (commissioner) to administer a pilot program to provide grants to school districts (districts) to fund student club activities for students at risk of dropping out of school. Requires the commissioner to spend an amount not to exceed $\$ 5$ million in any state fiscal biennium on the program, from funds appropriated for purposes of this subchapter (Compensatory Education Programs).
(c) Authorizes the commissioner to award a grant in an amount not to exceed $\$ 5,000$ in a school year to a district on behalf of a student club (club) at a district high school campus at which at least 60 percent of students are identified as students at risk of dropping out of school. Requires the club and the club's sponsor to be sanctioned by the campus and district to be eligible for a grant. Requires a grant awarded under this program to be matched by other state, federal, or local funds, including donations, in an amount equal to the amount of the grant. Requires a district to seek donations or sponsorships from local businesses or community organizations to raise the matching funds. Authorizes the commissioner to award a grant on behalf of more than one club at a campus in the same academic year.
(d) Requires the commissioner to establish application criteria for receipt of a grant under this section. Requires the criteria to require an applicant for a grant to provide certain information set forth in this subsection.
(e) Requires the commissioner to establish a grant agreement to be signed by the sponsor of a club receiving a grant and another authorized district officer. Requires the agreement to require the district and the club to participate in an evaluation, as determined by the commissioner, of the club's program and the program's effect on student achievement and dropout rates.
(f) Authorizes a club to use funds awarded under this section to support academic or co-curricular club activities, other than athletics, in which at least 50 percent of the participating students have been identified as students at risk of dropping out of school. Authorizes a club to use funds for materials, sponsor stipends, and other needs that directly support the club's activities. Requires a club to use the entire amount of the grant to directly fund the club's activities described in the application. Prohibits a club from using more than 50 percent of a grant to pay sponsor stipends.
(g) Requires a club that receives a grant to submit a report to the board of trustees of the school district summarizing the club's activities and the extent to which the club met the club's goals and achieved the club's intent at the end of the school year.

SECTION 2. Effective date: September 1, 2007.

