

Amend Floor Amendment No. 1 (floor substitute) by Representative Branch to CSSB 175 by adding the following appropriately numbered SECTIONS to the bill and renumbering existing SECTIONS of the bill accordingly:

SECTION _____. Chapter 56, Education Code, is amended by adding Subchapter R to read as follows:

SUBCHAPTER R. SCHOLARSHIPS FOR STUDENTS GRADUATING
IN TOP 10 PERCENT OF HIGH SCHOOL CLASS

Sec. 56.481. PURPOSE. The purpose of this program is to encourage attendance at public institutions of higher education in this state by outstanding high school students in the top 10 percent of their graduating class.

Sec. 56.482. DEFINITIONS. In this subchapter:

(1) "Coordinating board" means the Texas Higher Education Coordinating Board.

(2) "Institution of higher education" has the meaning assigned by Section 61.003.

(3) "Program" means the scholarship program authorized by this subchapter.

Sec. 56.483. AWARD OF SCHOLARSHIP. (a) The coordinating board shall award scholarships to eligible students under this subchapter.

(b) An institution of higher education shall provide to a student who receives a scholarship under the program for a semester or other academic term:

(1) a credit in the amount of the scholarship, to be applied toward the payment of any amount of educational costs charged by the institution for that semester or term; and

(2) a check, electronic transfer, or other disbursement of any remaining scholarship amount.

(c) An amount paid under Subsection (b)(2) may be applied only to any usual and customary cost incurred by the student to attend the institution of higher education.

Sec. 56.484. INITIAL ELIGIBILITY FOR SCHOLARSHIP. To be eligible for a scholarship under this subchapter, a student must:

(1) have graduated from a public or accredited private high school in this state while ranked in the top 10 percent of the

student's graduating class, subject to Section 56.487(b);

(2) have completed the recommended or advanced high school curriculum established under Section 28.025 or its equivalent;

(3) have applied for admission as a first-time freshman student for the 2010-2011 academic year or a subsequent academic year to an institution of higher education that has elected to offer admissions for that academic year to applicants as provided by Section 51.803(a-1);

(4) enroll as a first-time freshman student in an institution of higher education not later than the 16th month after the date of the student's high school graduation;

(5) have been awarded a TEXAS grant under Subchapter M, Chapter 56, Education Code, for the same semester or other academic term for which the scholarship will be awarded;

(6) be a Texas resident under Section 54.052; and

(7) comply with any other eligibility requirements established by coordinating board rule.

Sec. 56.485. INELIGIBILITY FOR SCHOLARSHIP.

Notwithstanding Section 56.484, a student is not eligible for an initial or subsequent scholarship under this subchapter if the student was offered admission as a first-time freshman student to any institution of higher education for an academic year for which that institution made admissions under Section 51.803(a-1), regardless of whether the student subsequently enrolls at that institution.

Sec. 56.486. AMOUNT OF SCHOLARSHIP. (a) Except as provided by Subsection (b), the amount of a scholarship for each semester or other academic term in which an eligible student is enrolled at an institution of higher education is an amount sufficient to cover, but not exceed, the amount of tuition charged to the student for that semester or term.

(b) The amount of a scholarship for each semester or other academic term may not exceed the amount of student's unmet financial need for that semester or term after any other gift aid has been awarded.

(c) The coordinating board shall issue to each eligible

student a certificate indicating the amount of the scholarship awarded to the student.

Sec. 56.487. APPLICATION PROCEDURE. (a) The coordinating board shall establish application procedures for the program. The procedures may require an officer of the applicable high school or school district to verify the eligibility of a student to receive a scholarship under the program.

(b) The coordinating board may permit a student to establish initial eligibility based on the student's class rank at the end of the student's seventh semester in high school. The board may revoke an initial scholarship awarded to a student who subsequently loses eligibility based on the student's class rank on graduation from high school.

(c) The coordinating board may consider applications received after the application deadline only if sufficient funding for scholarships remains after the board awards scholarships to all eligible students who applied on or before the deadline.

(d) The coordinating board shall establish procedures to notify each eligible student of the receipt of a scholarship under the program and to enable an institution of higher education to verify the award of a scholarship to a student who is enrolled at that institution.

Sec. 56.488. CONTINUING ELIGIBILITY FOR SCHOLARSHIP. (a) After establishing eligibility to receive an initial scholarship under the program, a student may continue to receive additional scholarships during each subsequent semester or other academic term in which the student is enrolled at an institution of higher education if the student:

(1) makes satisfactory academic progress as required by Section 56.489;

(2) submits to the institution transcripts for any coursework completed at other public or private institutions of higher education;

(3) has been awarded a TEXAS grant under Subchapter M, Chapter 56, Education Code, for the same semester or other academic term for which the scholarship will be awarded; and

(4) complies with any other eligibility requirements

established by coordinating board rule.

(b) If a student fails to meet any of the requirements of Subsection (a) after completing a semester or other academic term, the student may not receive a scholarship during the next semester or other academic term in which the student enrolls. A student may become eligible to receive a scholarship in a subsequent semester or term if the student:

(1) completes a semester or term during which the student is not eligible for a scholarship; and

(2) meets all the requirements of Subsection (a).

(c) Except as provided by Section 56.490(b), a student's eligibility for a scholarship under the program ends on the fourth anniversary of the first day of the semester or other academic term for which the student was awarded an initial scholarship under the program.

Sec. 56.489. SATISFACTORY ACADEMIC PROGRESS. For each academic year in which a student receives one or more scholarships under the program, the student must:

(1) complete for that year:

(A) at least 75 percent of all credit hours attempted, as determined by the institution of higher education in which the student is enrolled; and

(B) at least 30 credit hours or the number of credit hours needed to complete the student's degree or certificate program, whichever is less; and

(2) maintain an overall grade point average of at least 3.25 on a four-point scale or its equivalent for all coursework attempted at any public or private institution of higher education.

Sec. 56.490. EXCEPTION FOR HARDSHIP OR OTHER GOOD CAUSE.

(a) Each institution of higher education shall adopt a policy to allow a student who fails to make satisfactory academic progress as required by Section 56.489 to receive a scholarship in a subsequent semester or other academic term on a showing of hardship or other good cause, including:

(1) a showing of a severe illness or other debilitating condition that could affect the student's academic

performance;

(2) an indication that the student is responsible for the care of a sick, injured, or needy person and that the student's provision of care could affect the student's academic performance;
or

(3) any other cause considered acceptable by the coordinating board.

(b) An institution of higher education may extend the eligibility period described by Section 56.488(c) in the event of hardship or other good cause as provided by the institution's policy adopted under Subsection (a).

(c) An institution of higher education shall maintain documentation of each exception granted to a student under this section and shall provide timely notice of those exceptions to the coordinating board.

Sec. 56.491. PUBLICATION OF PROGRAM INFORMATION. (a) The coordinating board shall publish and disseminate general information and rules for the program as provided by Subsection (b) and as otherwise considered appropriate by the board.

(b) The coordinating board shall provide application instructions to:

(1) each school district and each institution of higher education; and

(2) an individual student on request.

Sec. 56.492. REIMBURSEMENT. (a) Each institution of higher education that provides scholarships under the program to eligible students enrolled at the institution is entitled to reimbursement by the coordinating board of the amounts provided. The institution must request reimbursement in the manner specified by coordinating board rule.

(b) On approval of an institution's request for reimbursement, the coordinating board shall direct the comptroller to transfer the appropriate amount to the institution. The institution may use the transferred funds as reimbursement for any credits provided to students under this subchapter, to reimburse students for charges previously paid to the institution, or to make scholarship payments to students, as applicable.

Sec. 56.493. RULES. The coordinating board shall adopt rules as necessary to administer the program under this subchapter.

SECTION _____. (a) The Texas Higher Education Coordinating Board shall adopt rules to administer Subchapter R, Chapter 56, Education Code, as added by this Act, as soon as practicable after the effective date of this Act. For that purpose, the coordinating board may adopt the initial rules in the manner provided by law for emergency rules.

(b) The Texas Higher Education Coordinating Board shall begin awarding scholarships under Subchapter R, Chapter 56, Education Code, as added by this Act, for the first academic year for which money is appropriated for that purpose, except that the coordinating board may not award scholarships under that subchapter for an academic year before the 2010-2011 academic year.