## A BILL TO BE ENTITLED

## AN ACT

relating to the admission of undergraduate students to general academic teaching institutions, including limitations on automatic admission, and to scholarships for certain students.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:
SECTION 1. Section 51.803, Education Code, is amended by amending Subsection (a) and adding Subsections (a-1), (a-2), and (g) to read as follows:
(a) Subject to Subsection (a-1), each [Each] general academic teaching institution shall admit an applicant for admission to the institution as an undergraduate student if the applicant graduated with a grade point average in the top 10 percent of the student's high school graduating class in one of the two school years preceding the academic year for which the applicant is applying for admission and:
(1) the applicant graduated from a public or private high school in this state accredited by a generally recognized accrediting organization or from a high school operated by the United States Department of Defense;
(2) the applicant:
(A) successfully completed:
(i) at a public high school, the curriculum requirements established under Section 28.025 for the recommended or advanced high school program; or
(ii) at a high school to which Section 28.025 does not apply, a curriculum that is equivalent in content and rigor to the recommended or advanced high school program; or
(B) satisfied ACT's College Readiness Benchmarks on the ACT assessment applicable to the applicant or earned on the SAT assessment a score of at least 1,500 out of 2,400 or the equivalent; and
(3) if the applicant graduated from a high school operated by the United States Department of Defense, the applicant is a Texas resident under Section 54.052 or is entitled to pay tuition fees at the rate provided for Texas residents under Section 54.058(d) for the term or semester to which admitted.
(a-1) Beginning with admissions for the 2010-2011 academic year, a general academic teaching institution is not required to admit under Subsection (a) more than 60 percent of the institution's first-time resident undergraduate students in an academic year. If the number of applicants who qualify for automatic admission to a general academic teaching institution under Subsection (a) exceeds 60 percent of the institution's enrollment capacity designated for first-time resident undergraduate students, the institution may elect to offer admission to those applicants as provided by this subsection and not as otherwise required by Subsection (a). If the institution elects to offer admission under this subsection, the institution shall offer admission to those applicants by percentile rank according to class standing based on grade point average, beginning with the top percentile rank, until the applicants qualified under

Subsection (a) have been offered admission in the number estimated in good faith by the institution as sufficient to fill 50 percent of the institution's enrollment capacity designated for first-time resident undergraduate students, except that the institution must offer admission to all applicants with the same percentile rank. In addition to those admissions, until applicants qualified under Subsection (a) have been offered admission in the number estimated in good faith by the institution as sufficient to fill 60 percent of the designated enrollment capacity described by this subsection, the institution shall offer to applicants qualified for automatic admission under subsection (a) admission in the same manner as other applicants for admission as first-time undergraduate students in accordance with Section 51.805, except that the institution may not consider applicants other than those applicants qualified under Subsection (a). After the applicants qualified for automatic admission under Subsection (a) have been offered admission under this subsection in the number estimated in good faith as sufficient to fill 60 percent of the designated enrollment capacity described by this subsection, the institution shall consider any remaining applicants qualified for automatic admission under Subsection (a) in the same manner as other applicants for admission as first-time undergraduate students in accordance with Section 51.805 . This subsection and Subsection (a-2) have no effect after the eighth consecutive academic year in which a general academic teaching institution has had the option of electing to offer admission to applicants under this subsection.
(a-2) In the manner prescribed by the Texas Education Agency

students for success at public institutions of higher education in this state. Under the program, the coordinating board, after gathering information and recommendations from available sources and examining current outreach practices by institutions in this state and in other states, shall prescribe best practices guidelines and standards to be used by general academic teaching institutions in conducting the student outreach described by this subsection.

SECTION 2. Section 28.026, Education Code, is amended to read as follows:

Sec. 28.026. NOTICE OF AUTOMATIC COLLEGE ADMISSION. (a) The board of trustees of a school district shall require each high school in the district to post appropriate signs in each counselor's office, in each principal's office, and in each administrative building indicating the substance of Section 51.803 regarding automatic college admission. To assist in the dissemination of this information, the school district shall:
(1) require that each high school counselor and class advisor be provided a detailed explanation of the substance of Section 51.803;
(2) provide each district student, at the time the student first registers for one or more classes required for high school graduation, with a written notification of the substance of Section 51.803;
(3) require that each high school counselor and senior class advisor explain to eligible students the substance of Section 51.803; and
(4) [(3)] provide each eligible senior student under Section 51.803, at the commencement of a class's senior year, with a written notification of the student's eligibility with a detailed explanation of the substance of Section 51.803.
(b) The commissioner shall adopt forms to use in providing notice under Subsections (a) (2) and (4). In providing notice under Subsection (a) (2) or (4), a school district shall use the appropriate form adopted by the commissioner.
(c) The commissioner shall adopt procedures to ensure that, as soon as practicable after this subsection becomes law, each school district provides written notification of the substance of Section 51.803, as amended by the 81st Legislature, Regular Session, 2009, to each district student who, for the 2009-2010 school year, registers for one or more courses required for high school graduation. The commissioner may adopt rules under this subsection in the manner provided by law for emergency rules. Each district shall comply with the procedures adopted by the commissioner under this subsection. This subsection expires September 1, 2010.

SECTION 3. 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 56.486(b);
(2) have completed the recommended or advanced high

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school curriculum established under Section 28.025 or its
equivalent;
    (3) have unmet financial need, as defined by
coordinating board rule;
    (4) enroll as a first-time freshman student in an
institution of higher education not earlier than the 2010-2011
academic year and not later than the 16th month after the date of
the student's high school graduation;
    (5) be a Texas resident under Section 54.052; and
    (6) comply with any other eligibility requirements
established by coordinating board rule.
    Sec. 56.485. AMOUNT OF SCHOLARSHIP; LIMITATION.
(a) Except as provided by Subsections (b) and (c), 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 not to exceed the student's tuition. The coordinating
board shall issue to each eligible student a certificate indicating
the amount of the scholarship awarded to the student.
    (b) The coordinating board may award a bonus amount, not to
exceed an additional $1,000 for each semester or other academic
term, to each eligible student who:
    (1) is classified as a junior or senior at an
    institution of higher education;
    (2) has declared a major in a field with a workforce
    shortage, as determined by coordinating board rule; and
    (3) makes satisfactory academic progress as required
    by Section 56.488.
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(c) The legislature shall account in the General Appropriations Act for the exemptions authorized by Subsection (a) in a way that provides a corresponding increase in the general revenue funds appropriated to the institution of higher education.
(d) The coordinating board shall issue to each eligible student a certificate indicating the amount of the scholarship awarded to the student.

Sec. 56.486. 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. 56.487. 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) has unmet financial need, as defined by coordinating board rule;
(2) makes satisfactory academic progress as required by Section 56.488;
(3) submits to the institution transcripts for any coursework completed at other public or private institutions of higher education; 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 56.489(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. 56.488. SATISFACTORY ACADEMIC PROGRESS. (a) 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) except as permitted by Subsection (b), 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.
(b) A student who receives a bonus amount under Section 56.485(b) must maintain during the student's junior or senior year an overall grade point average of at least 3.00 on a four-point scale or its equivalent for all coursework attempted at any public or private institution of higher education.

Sec. 56.489. 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 56.488 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; or
(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 any other cause deemed acceptable by the coordinating board.
(b) An institution of higher education may extend the eligibility period described by Section 56.487 (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. 56.490. 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. 56.491. 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. 56.492. RULES. The coordinating board shall adopt rules as necessary to administer the program under this subchapter.

SECTION 4. (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.

SECTION 5. This Act takes effect immediately if it receives a vote of two-thirds of all the members elected to each house, as provided by Section 39, Article III, Texas Constitution. If this

1 Act does not receive the vote necessary for immediate effect, this 2 Act takes effect September 1, 2009 .

