

BILL ANALYSIS

Senate Research Center
82R23900 KYF-D

H.B. 3708
By: Hochberg (Zaffirini)
Higher Education
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Engrossed

AUTHOR'S / SPONSOR'S STATEMENT OF INTENT

The Early High School Graduation Scholarship program was developed to provide tuition and fee assistance to students graduating from high school early or graduating with a certain amount of college credit as a means of enabling and encouraging students to attend college in Texas. This program is currently funded under the Foundation School Program, but interested parties assert that, given budgetary concerns, it is worth rethinking the program's funding. H.B. 3708 seeks to change the funding for the Early High School Graduation Scholarship program.

H.B. 3708 amends current law relating to the Early High School Graduation Scholarship program and to the funding of certain exemptions from tuition and fees at public institutions of higher education from savings attributable to the program.

RULEMAKING AUTHORITY

Rulemaking authority is expressly granted to the commissioner of education in SECTION 2 (Section 56.204, Education Code) of this bill.

Rulemaking authority previously granted to the Texas Higher Education Coordinating Board is modified in SECTION 5 of this bill.

SECTION BY SECTION ANALYSIS

SECTION 1. Amends Section 54.213(b), Education Code, as follows:

(b) Requires the Texas Education Agency (TEA) to accept and make available to provide tuition exemptions under Section 54.214 (Educational Aides) gifts, grants, and donations made to TEA for that purpose. Requires the commissioner of education (commissioner) to transfer those funds to the Texas Higher Education Coordinating Board (THECB) to distribute to institutions of higher education that provide exemptions under that section. Deletes existing text requiring that savings to the foundation school fund that occur as a result of the Early High School Graduation Scholarship program created in Subchapter K (Early High School Graduation Scholarship Program), Chapter 56 (Student Financial Assistance), and that are not required for the funding of state credits for tuition and mandatory fees under Section 56.204 (Entitlement) or school district credits under Section 56.2075 (Payment of School District Credit) be used first to provide tuition exemptions under Section 54.212 (One-Year Exemption for Certain TANF Students). Deletes existing text requiring that any of those savings remaining after providing tuition exemptions under Section 54.212 be used to provide tuition exemptions under Section 54.214. Deletes existing text requiring that payment of funds under this subsection be made in the manner provided by Section 56.207 (Payment of State Credit) for state credits under Subchapter K, Chapter 56.

SECTION 2. Amends Section 56.204, Education Code, by amending Subsection (a) and adding Subsection (a-1), as follows:

(a) Requires the commissioner, in a total amount not to exceed the amount of funds appropriated for the current state fiscal year to pay for a state credit to apply toward tuition or tuition and mandatory fees, as applicable, at a public or private institution of

higher education in this state, to award to eligible persons credits in certain amounts. Deletes existing text entitling an eligible person under the Early High School Graduation Scholarship program a state credit to apply toward tuition or tuition and mandatory fees, as applicable, at a public or private institution of higher education in this state, in certain amounts.

(a-1) Requires the commissioner by rule to establish the procedure to allocate awards under this section in the event that the amount of funds appropriated in a state fiscal year for the Early High School Graduation Scholarship program is insufficient to allow the commissioner to award credits to all students eligible to be awarded a state credit in that fiscal year.

SECTION 3. Amends Section 56.207(b), Education Code, to require the commissioner, on receipt of a report from THECB under Subsection (a), to transfer to THECB, from funds appropriated for the purpose of the Early High School Graduation Scholarship program, rather than the Foundation School Program, an amount sufficient to pay each eligible institution of higher education the amount of state credit for tuition or tuition and mandatory fees, as applicable, that is applied by the institution during the period covered by the report.

SECTION 4. Repealers: Sections 56.202(b) (providing that a portion of the savings to the Foundation School Program that occur as a result of the program is dedicated to state credits for tuition or tuition and mandatory fees, as applicable, provided to an eligible person under the program) and 56.208 (Funding), Education Code.

SECTION 5. Requires THECB, as soon as practicable after this Act takes effect, to revise rules adopted under Section 56.209(a) (requiring THECB to adopt rules to administer this subchapter), Education Code, as necessary to conform to changes made by this Act to Subchapter K, Chapter 56, Education Code. Authorizes THECB, for that purpose, to adopt the revisions to those rules in the manner provided by law for emergency rules. Provides that this section expires September 1, 2012.

SECTION 6. Provides that the changes in law made by this Act apply beginning with the 2011-2012 academic year, but do not affect any state credit awarded under Subchapter K, Chapter 56, Education Code, before the effective date of this Act.

SECTION 7. Effective date: upon passage or September 1, 2011.