

BILL ANALYSIS

C.S.H.B. 3708
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Public Education
Committee Report (Substituted)

BACKGROUND AND PURPOSE

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 the budgetary concerns, it is worth rethinking the program's funding. C.S.H.B. 3708 seeks to change the funding for the Early High School Graduation Scholarship program.

RULEMAKING AUTHORITY

It is the committee's opinion that rulemaking authority is expressly granted to the commissioner of education in SECTION 2 of this bill and to the Texas Higher Education Coordinating Board in SECTION 5 of this bill.

ANALYSIS

C.S.H.B. 3708 amends the Education Code to remove the requirement that savings to the foundation school fund that occur as a result of the Early High School Graduation Scholarship program that are not required for the funding of certain state credits or school district credits be used first to provide one-year tuition exemptions for specified Temporary Assistance for Needy Families students, with the remainder used for tuition exemptions for educational aides. The bill requires the commissioner of education to transfer funds from gifts, grants, and donations made to the Texas Education Agency for the purpose of tuition exemptions for educational aides to the Texas Higher Education Coordinating Board to distribute to institutions of higher education that provide such exemptions.

C.S.H.B. 3708 requires the commissioner to award to eligible persons under the Early High School Graduation Scholarship program state credit, in a total amount not to exceed the amount of funds appropriated for the current state fiscal year to pay for such credit, to apply toward tuition or tuition and mandatory fees, as applicable, at a state public or private institution of higher education, rather than entitling an eligible person to such a state credit. The bill requires the commissioner by rule to establish the procedure to allocate awards in the event that the amount of funds appropriated in a state fiscal year for the program is insufficient to allow the commissioner to award credits to all students eligible to be awarded a state credit in that fiscal year.

C.S.H.B. 3708, in a provision requiring the commissioner to transfer to the coordinating board an amount sufficient to pay each eligible institution the amount of state credit under the Early High School Graduation Scholarship program that is applied by the institution during a certain period, changes the source of the amount from funds appropriated for the Foundation School Program to funds appropriated for the purposes of the program.

C.S.H.B. 3708 adds temporary provisions, set to expire September 1, 2012, to require the coordinating board, as soon as practicable after the substitute's effective date, to revise rules

adopted to administer the Early High School Graduation Scholarship program as necessary to conform to changes made by the bill's provisions and, for that purpose, to authorize the coordinating board to adopt the revisions to those rules in the manner provided by law for emergency rules.

C.S.H.B. 3708 makes its provisions applicable beginning with the 2011-2012 academic year, but establishes that its provisions do not affect any state credit awarded under the Early High School Graduation Scholarship program before the bill's effective date.

C.S.H.B. 3708 repeals Sections 56.202(b) and 56.208, Education Code, relating to the funding of the Early High School Graduation Scholarship program under the Foundation School Program.

EFFECTIVE DATE

On passage, or, if the bill does not receive the necessary vote, September 1, 2011.

COMPARISON OF ORIGINAL AND SUBSTITUTE

C.S.H.B. 3708 contains provisions not included in the original removing the requirement that certain savings to the foundation school fund be used first for certain tuition exemptions and requiring the commissioner of education to transfer funds from gifts, grants, and donations made to the Texas Education Agency to provide tuition exemptions for educational aides to the Texas Higher Education Coordinating Board to distribute to institutions of higher education that provide such exemptions.

C.S.H.B. 3708 differs from the original, in a provision requiring the commissioner to award to eligible persons under the Early High School Graduation Scholarship program certain state credit, by capping the total amount of such credit at the amount of funds appropriated for the current state fiscal year to pay for it, whereas the original specifies that the credit be awarded out of funds appropriated for that purpose. The substitute contains a provision not included in the original requiring the commissioner by rule to establish the procedure to allocate program awards in the event that the amount of funds appropriated in a state fiscal year for the program is insufficient to allow the commissioner to award credits to all eligible students

C.S.H.B. 3708 contains a provision not included in the original changing the funding source of an amount the commissioner is required to transfer to the coordinating board with regard to the Early High School Graduation Scholarship program. The substitute contains temporary provisions not included in the original requiring the coordinating board, as soon as practicable after the substitute's effective date, to revise rules adopted to administer the program as necessary to conform to changes made by the substitute's provisions and authorizing the coordinating board to adopt the revisions to those rules in the manner provided by law for emergency rules.

C.S.H.B. 3708 differs from the original by making the substitute's provisions applicable beginning with the 2011-2012 academic year and establishing that the substitute's provisions do not affect any state credit awarded under the Early High School Graduation Scholarship program before the substitute's effective date, whereas the original makes its provisions applicable to tuition and fees charged beginning with the 2011 fall semester.