

By: West

S.B. No. 1656

A BILL TO BE ENTITLED

AN ACT

relating to the administration of the scholarship program for certain students graduating in the top 10 percent of the students' high school graduating class.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

SECTION 1. Sections 56.483, 56.484, and 56.486, Education Code, are amended to read as follows:

Sec. 56.483. ADMINISTRATION OF PROGRAM [~~AWARD OF SCHOLARSHIP~~]. (a) The coordinating board shall administer the Top 10 Percent Scholarship Program established [~~award scholarships to eligible students~~] under this subchapter and shall adopt rules as necessary to implement the program at institutions of higher education. The coordinating board shall consult with student financial aid officers at institutions of higher education in developing the rules.

(b) The total amount of scholarships awarded under this subchapter may not exceed the amount available for the program from legislative appropriations [~~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~~

1 ~~disbursement of any remaining scholarship amount].~~

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

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

7 (1) have graduated from a public or accredited private  
8 high school in this state while ranked in the top 10 percent of the  
9 student's graduating class, subject to Section [56.487\(b\)](#);

10 (2) have completed the recommended, ~~[or]~~ advanced, or  
11 distinguished high school curriculum established under Section  
12 [28.025](#), the distinguished level of achievement under the foundation  
13 high school program, or an [its] equivalent curriculum;

14 (3) demonstrate financial need as defined by  
15 coordinating board rules ~~[have applied for admission as a~~  
16 ~~first-time freshman student for the 2010-2011 academic year or a~~  
17 ~~subsequent academic year to an institution of higher education that~~  
18 ~~has elected to offer admissions for that academic year to~~  
19 ~~applicants as provided by Section [51.803\(a-1\)](#)];~~

20 (4) unless granted a hardship extension under Section  
21 [56.490](#), enroll as a first-time freshman student in an institution  
22 of higher education not later than the first fall semester  
23 following the student's high school graduation and maintain  
24 full-time enrollment through the census date of that fall semester  
25 ~~[not later than the 16th month after the date of the student's high~~  
26 ~~school graduation];~~

27 (5) ~~[have been awarded a TEXAS grant under Subchapter~~

1 ~~M for the same semester or other academic term for which the~~  
2 ~~scholarship will be awarded;~~

3 ~~[(6)]~~ be a Texas resident under Section 54.052; and  
4 (6) ~~[(7)]~~ comply with any other eligibility  
5 requirements established by coordinating board rule.

6 Sec. 56.486. AMOUNT OF SCHOLARSHIP. ~~The [(a) Except as~~  
7 ~~provided by Subsection (b), the]~~ amount of a scholarship for an  
8 academic year ~~[each semester or other academic term]~~ in which an  
9 eligible student is enrolled at an institution of higher education  
10 is an amount determined annually by the coordinating board based on  
11 available funds ~~[sufficient to cover, but not exceed, the amount of~~  
12 ~~tuition charged to the student for that semester or term].~~

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

17 ~~[(c) The coordinating board shall issue to each eligible~~  
18 ~~student a certificate indicating the amount of the scholarship~~  
19 ~~awarded to the student.]~~

20 SECTION 2. Subchapter R, Chapter 56, Education Code, is  
21 amended by adding Section 56.4865 to read as follows:

22 Sec. 56.4865. SCHOLARSHIP USE; PAYMENT. (a) A student  
23 receiving a scholarship under the program may use the money to pay  
24 any usual and customary cost of attendance incurred by the student  
25 at an institution of higher education.

26 (b) An institution of higher education may disburse all or  
27 part of a scholarship to an eligible student only if the tuition and

1 required fees incurred by the student at the institution have been  
2 paid.

3 SECTION 3. Sections 56.487(a), (b), and (c), Education  
4 Code, are amended to read as follows:

5 (a) The coordinating board shall establish application  
6 procedures for the program. [~~The procedures may require an officer~~  
7 ~~of the applicable high school or school district to verify the~~  
8 ~~eligibility of a student to receive a scholarship under the~~  
9 ~~program.~~]

10 (b) An institution of higher education shall obtain the  
11 necessary documentation from the applicable high school or school  
12 district to verify a student's eligibility. An institution of  
13 higher education shall verify a student's [~~The coordinating board~~  
14 ~~may permit a student to establish~~] initial eligibility based on the  
15 student's class rank at the end of the student's seventh semester in  
16 high school unless the institution uses a different semester in  
17 determining student eligibility for admission to the  
18 institution. [~~The board may revoke an initial scholarship awarded~~  
19 ~~to a student who subsequently loses eligibility based on the~~  
20 ~~student's class rank on graduation from high school.~~]

21 (c) An institution of higher education [~~The coordinating~~  
22 ~~board~~] may consider applications received after the uniform  
23 priority [~~application~~] deadline prescribed by the coordinating  
24 board under Section 56.008 only if sufficient funding for  
25 scholarships remains after the institution [~~board~~] awards  
26 scholarships to all eligible students who applied on or before the  
27 deadline.

1 SECTION 4. Sections 56.488, 56.489, 56.490, and 56.492,  
2 Education Code, are amended to read as follows:

3 Sec. 56.488. CONTINUING ELIGIBILITY FOR SCHOLARSHIP. (a)  
4 After establishing eligibility to receive an initial scholarship  
5 under the program, a student may qualify for a renewal scholarship  
6 award in a [~~continue to receive additional scholarships during~~  
7 ~~each~~] subsequent [~~semester or other~~] academic year [~~term~~] in which  
8 the student is enrolled at an institution of higher education if the  
9 student:

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

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

15 (3) [~~has been awarded a TEXAS grant under Subchapter M~~  
16 ~~for the same semester or other academic term for which the~~  
17 ~~scholarship will be awarded; and~~

18 [~~(4)~~] complies with any other eligibility  
19 requirements established by coordinating board rule.

20 (b) If a student fails to meet any of the requirements of  
21 Subsection (a) as of the end of an academic year [~~after completing a~~  
22 ~~semester or other academic term~~], the student may not receive a  
23 scholarship during the next [~~semester or other~~] academic year  
24 [~~term~~] in which the student enrolls. A student may become eligible  
25 to receive a scholarship in a subsequent academic year [~~semester or~~  
26 ~~term~~] if the student:

27 (1) completes an academic year [~~a semester or term~~]

1 during which the student is not eligible for a scholarship; and

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

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

8 Sec. 56.489. SATISFACTORY ACADEMIC PROGRESS. A [~~For each~~  
9 ~~academic year in which a~~] student initially awarded a scholarship  
10 under this subchapter in an academic year makes satisfactory  
11 academic progress in a subsequent academic year for purposes of  
12 this subchapter only if [~~receives one or more scholarships under~~  
13 ~~the program,~~] the student [~~must~~]:

14 (1) completes [~~complete~~] for that year [+  
15 [~~(A) at least 75 percent of all credit hours~~  
16 ~~attempted, as determined by the institution of higher education in~~  
17 ~~which the student is enrolled, and~~

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

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

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

26 (a) Each institution of higher education shall adopt a policy to  
27 allow a student who fails to enroll as a first-time freshman student

1 at an institution of higher education within the period prescribed  
2 by Section 56.484(4) or who fails to make satisfactory academic  
3 progress as required by Section 56.489 to receive a scholarship in a  
4 subsequent semester or other academic term on a showing of hardship  
5 or other good cause, including:

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

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

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

15 (b) An institution of higher education may extend the  
16 eligibility period described by Section 56.488(c) in the event of  
17 hardship or other good cause as provided by the institution's  
18 policy adopted under Subsection (a), except that the institution  
19 may not extend a student's eligibility beyond four annual  
20 scholarship awards or for less than full-time enrollment.

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

25 Sec. 56.492. DISBURSEMENTS [~~REIMBURSEMENT~~]. (a) Each  
26 institution of higher education that provides scholarships under  
27 the program to eligible students enrolled at the institution shall

1 receive, in accordance with coordinating board rules, a share of  
2 the funds appropriated for the program [~~is entitled to~~  
3 ~~reimbursement by the coordinating board of the amounts~~  
4 ~~provided. The institution must request reimbursement in the~~  
5 ~~manner specified by coordinating board rule~~].

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

14 SECTION 5. Sections 56.485 and 56.487(d), Education Code,  
15 are repealed.

16 SECTION 6. The changes in law made by this Act to Subchapter  
17 R, Chapter 56, Education Code, apply beginning with scholarships  
18 awarded under that subchapter for the 2015-2016 academic year.

19 SECTION 7. This Act takes effect immediately if it receives  
20 a vote of two-thirds of all the members elected to each house, as  
21 provided by Section 39, Article III, Texas Constitution. If this  
22 Act does not receive the vote necessary for immediate effect, this  
23 Act takes effect September 1, 2015.