relating to the establishment of certain programs to facilitate early high school graduation and enrollment at public institutions of higher education and to the repeal of the Early High School Graduation Scholarship program.

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

SECTION 1. Section 28.0253, Education Code, is amended to read as follows:

Sec. 28.0253. TEXAS FIRST EARLY HIGH SCHOOL COMPLETION [PILOT] PROGRAM[—HIGH SCHOOL DIPLOMAS FOR STUDENTS WHO DEMONSTRATE EARLY READINESS FOR COLLEGE]. (a) In this section:

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

(2) "Eligible institution" means an institution of higher education that is designated as a research university or emerging research university under the coordinating board's accountability system.

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

(4) "Program" means the Texas First Early High School Completion Program established under this section.

[42] "Research university" means an institution of higher education that is designated as a research university under the Texas Higher Education Coordinating Board's accountability...
The agency, in coordination with the coordinating board, shall establish the Texas First Early High School Completion Program to allow public high school students who demonstrate early readiness for college to graduate early from high school. The purpose of the program, in conjunction with the Texas First Scholarship Program established under Subchapter K-1, Chapter 56, is to promote efficiency in the state public education system and incentivize the enrollment of high performing students at eligible institutions.

The coordinating board, in consultation with the agency and eligible institutions, shall by rule establish:

1. not later than September 1 of each year, make available on the university's Internet website detailed standards for use in the program regarding:
   1. [A] the specific competencies that demonstrate a student's mastery of each subject area for which the coordinating board and the commissioner have adopted college readiness standards;
   2. [B] the specific competencies that demonstrate a student's mastery of a language other than English; and
   3. [C] acceptable assessments or other means by which a student may demonstrate the student's early readiness for college with respect to each subject area and the language described by Subdivision (2), subject to Subsection (d).
[(2)] partner with at least 10 school districts that reflect the geographic diversity of this state and the student compositions of which reflect the socioeconomic diversity of this state; and

[(3)] assist school administrators, school counselors, and other educators in each of those school districts in designing the specific requirements of and implementing the program in the district.

(d) [(e)] The assessments or other means the coordinating board establishes [filed by a research university] under Subsection (c)(3) [(b)(1)(C)] must be equivalent to the assessments or other means eligible institutions commonly use [the university uses] to place students at the institutions [university] in courses that may be credited toward a degree requirement.

(e) [(d)] A [research university that partners with a] school district or open-enrollment charter school [under this section shall enter into an agreement with the district under which the university and district agree that the district will assess a student's mastery of the subject areas described by Subsection (b)(1) and a language other than English in accordance with the standards the university filed under Subsection (b)(1). The district] may issue a high school diploma to a student under the program if, using the standards established under Subsection (c), the student demonstrates mastery of and early readiness for college in each of the [those] subject areas described by that subsection and in a language other than English, notwithstanding any other local or state requirements.
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(f) [{}]

A student who earns [receives] a high school diploma through the [pilot] program is considered to have earned a distinguished level of achievement under the foundation high school program adopted under Section 28.025. The student is not guaranteed admission to any institution of higher education or to any academic program at an institution of higher education solely on the basis of having received the diploma through the program. The student may apply for admission to an institution of higher education for the first semester or other academic term after the semester or other academic term in which the student earns a diploma through the [pilot] program.

(g) On a student's initial enrollment in high school in a grade level below grade 12 in a school district or open-enrollment charter school, the district or school shall provide to the student and the student's parent or guardian information regarding:

1. the requirements to earn a high school diploma under the program; and
2. the Texas First Scholarship Program established under Subchapter K-1, Chapter 56.

(h) The agency and the coordinating board shall jointly prepare and post on their respective Internet websites a publication that includes the information required to be provided under Subsection (g) in a form that enables a school district or open-enrollment charter school to reproduce the publication for distribution under that subsection.

[(f) A research university that participates in the pilot program shall enter into an agreement with an education research]
center established under Section 1.005 to conduct an evaluation of the program with respect to that university and the school districts with which the university partners. Not later than January 1, 2013, the education research center shall provide a written report of the evaluation to the commissioner and the commissioner of higher education and make the report available on the center's Internet website. The report may include an analysis of the effects of the program on the university's admissions review process.

SECTION 2. Subchapter F, Chapter 48, Education Code, is amended by adding Section 48.2642 to read as follows:

Sec. 48.2642. ADJUSTMENTS FOR TEXAS FIRST EARLY HIGH SCHOOL COMPLETION PROGRAM GRADUATES. (a) Notwithstanding any other provision of this chapter, the commissioner shall count toward a school district's or open-enrollment charter school's average daily attendance under Section 48.005 each student who graduates early from high school in the district or school under the Texas First Early High School Completion Program established under Section 28.0253 for the period in which the student is enrolled at an eligible institution using state credit awarded under the Texas First Scholarship Program established under Subchapter K-1, Chapter 56, based on a 100 percent attendance rate.

(b) As soon as practicable after receipt of the report under Section 56.226, the commissioner shall reduce the amount of a school district's or open-enrollment charter school's entitlement under this chapter for the school year by an amount equal to the total amount of state credit issued during the preceding school
year to the district's or school's high school graduates under the Texas First Scholarship Program established under Subchapter K-1, Chapter 56.

SECTION 3. Chapter 56, Education Code, is amended by adding Subchapter K-1 to read as follows:

SUBCHAPTER K-1. TEXAS FIRST SCHOLARSHIP PROGRAM

Sec. 56.221. DEFINITIONS. In this subchapter:

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

(2) "Eligible institution" means an institution of higher education, as that term is defined by Section 61.003, that is designated as a research university or emerging research university under the coordinating board's accountability system.

(3) "Program" means the Texas First Scholarship Program.

Sec. 56.222. PURPOSE. The purpose of the program, in conjunction with the Texas Early High School Completion Program established under Section 28.0253, is to promote efficiency in the state public education system and incentivize the enrollment of high performing students at eligible institutions.

Sec. 56.223. ELIGIBILITY. To be eligible for an award under the program, a student must:

(1) be a resident of this state as determined by coordinating board rules;

(2) have graduated early from high school under the Texas First Early High School Completion Program established under Section 28.0253; and
(3) comply with Section 28.0256.

Sec. 56.224. ENTITLEMENT; CALCULATION OF AID; EXPIRATION.

(a) The coordinating board shall award to each eligible student state credit in an amount equal to:

(1) for a student who graduated from high school two or more semesters or the equivalent earlier than the student's high school cohort, the maximum annual TEXAS grant award determined by the coordinating board for the applicable academic year under Section 56.307; or

(2) for a student who graduated from high school less than two semesters or the equivalent earlier than the student's high school cohort, half of the amount described by Subdivision (1).

(b) The amount of state credit awarded to a student under the program may not be considered in the calculation of any state or institutional need-based aid awards or the calculation of the student's overall financial need, unless the combination of the credit and other federal, state, and institutional financial aid for which the student would otherwise be eligible exceeds the estimated total cost of attendance at the eligible institution at which the student is enrolled.

(c) The coordinating board shall issue to the student a certificate indicating the amount of the state credit awarded under this section.

(d) State credit awarded to a student under this section expires at the end of the first academic year following the student's graduation from high school.
Sec. 56.225. APPLICATION OF SCHOLARSHIP. On enrollment of an eligible student at an eligible institution, the institution shall apply to the student's charges for tuition, mandatory fees, and other costs of attendance for the enrollment period an amount equal to the lesser of:

1. the amount of the state credit awarded to the student under Section 56.224; or
2. the student's actual tuition, mandatory fees, and other costs of attendance at the institution.

Sec. 56.226. PAYMENT OF STATE CREDIT. (a) At least once each year, the coordinating board shall submit to the commissioner of education a report on state credit awarded under the program during the preceding academic year. The report must include:

1. the name of each student who used the state credit during that academic year;
2. the school district or open-enrollment charter school from which each student graduated from high school; and
3. the amount of the state credit used by each student during that academic year.

(b) As soon as practicable after receipt of the report under Subsection (a), the commissioner of education shall transfer to the coordinating board an amount of funds equal to the total amount by which school district and open-enrollment charter school entitlements are reduced under Section 48.2642(b).

(c) As soon as practicable after receipt of funds transferred under Subsection (b), the coordinating board shall distribute to each eligible institution an amount of funds equal to
the amount of state credit applied by the institution under Section 56.225 during the preceding academic year.

Sec. 56.227. RULES. The coordinating board may adopt rules necessary to implement this subchapter.

SECTION 4. Subchapter K, Chapter 56, Education Code, is repealed.

SECTION 5. (a) As soon as practicable after the effective date of this Act:

(1) the Texas Education Agency and the Texas Higher Education Coordinating Board shall take all actions necessary to implement the Texas First Early High School Completion Program established under Section 28.0253, Education Code, as amended by this Act; and

(2) the Texas Higher Education Coordinating Board shall adopt rules to administer Subchapter K-1, Chapter 56, Education Code, as added by this Act.

(b) The Texas Higher Education Coordinating Board shall begin awarding scholarships under Subchapter K-1, Chapter 56, Education Code, as added by this Act, beginning with the 2021-2022 academic year.

SECTION 6. The Texas Education Agency and the Texas Higher Education Coordinating Board are required to implement this Act only if the legislature appropriates money specifically for that purpose. If the legislature does not appropriate money specifically for that purpose, the agency and the coordinating board may, but are not required to, implement this Act using other appropriations available for that purpose.
SECTION 7. 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 Act does not receive the vote necessary for immediate effect, this Act takes effect September 1, 2021.