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AN ACT

relating to incentives for certain high schools and high school students to participate in and to student eligibility requirements under the Early High School Graduation Scholarship program.

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

SECTION 1. Section 56.202, Education Code, is amended to read as follows:

Sec. 56.202. PURPOSE. (a) The Early High School Graduation Scholarship program is created to increase efficiency in the Foundation School Program and to provide ~~[tuition]~~ assistance for tuition and mandatory fees to an eligible person to enable that person to attend a Texas public or private institution of higher education.

(b) A portion of the savings to the Foundation School Program that occur as a result of the program is dedicated to state ~~[tuition]~~ credits for tuition and mandatory fees provided to an eligible person under ~~[by]~~ the program.

SECTION 2. Section 56.203, Education Code, is amended to read as follows:

Sec. 56.203. ELIGIBLE PERSON. (a) To be eligible for the Early High School Graduation Scholarship program, a person must:

(1) have the written approval of at least one of the person's parents or a person standing in parental relation to the person, if the person graduated from high school in not more than 41

1 consecutive months;

2 (2) have successfully completed the recommended or
3 advanced high school program established under Section 28.025
4 [requirements for a public high school diploma in not more than 36
5 consecutive months] and graduated' [or be eligible for graduation]
6 from a Texas public high school in not more than 41 consecutive
7 months or, if the person graduated with at least 30 hours of college
8 credit', in not more than 45 consecutive months;

9 (3) have attended high school in this state only; and

10 (4) be a Texas resident as defined by Texas Higher
11 Education Coordinating Board rule.

12 (b) A person's eligibility for the Early High School
13 Graduation Scholarship program ends on the sixth anniversary of the
14 date that the person first becomes eligible to participate in the
15 program, unless the person is provided additional time to
16 participate in the program under Subsection (c).

17 (c) The coordinating board shall adopt rules to provide a
18 person who is otherwise eligible to participate in the Early High
19 School Graduation Scholarship program additional time to use a
20 state credit for tuition and mandatory fees under the program. The
21 rules must require a person seeking an extension under this
22 subsection to show hardship or other good cause that prevents the
23 person from enrolling in or continuing enrollment in an eligible
24 institution during the period provided by Subsection (b). For
25 purposes of this subsection, hardship or other good cause includes
26 a severe illness or other debilitating condition or responsibility
27 for the care of a sick, injured, or needy person.

1 (d) A person who does not satisfy the curriculum
2 requirements of Subsection (a)(2) is considered to have satisfied
3 those requirements if the high school from which the person
4 graduated indicates on the person's transcript that the person was
5 unable to complete the appropriate curriculum within the time
6 prescribed by that subsection solely because necessary courses were
7 unavailable to the person at the appropriate times in the person's
8 high school career as a result of course scheduling, lack of
9 enrollment capacity, or another cause not within the person's
10 control.

11 SECTION 3. Section 56.204, Education Code, is amended to
12 read as follows:

13 Sec. 56.204. ENTITLEMENT; MATCHING CREDIT. (a) An
14 eligible person under the Early High School Graduation Scholarship
15 program is entitled to a [\$1,000 in] state credit to pay tuition and
16 mandatory fees [credits] at a [Texas] public or private institution
17 of higher education in this state in the following amounts:

18 (1) \$2,000 if the person successfully completed the
19 recommended or advanced high school program established under
20 Section 28.025 and graduated from high school in 36 consecutive
21 months or less and an additional \$1,000 if the person graduated with
22 at least 15 hours of college credit;

23 (2) \$500 if the person successfully completed the
24 recommended or advanced high school program established under
25 Section 28.025 and graduated from high school in more than 36
26 consecutive months but not more than 41 consecutive months and an
27 additional \$1,000 if the person graduated with at least 30 hours of

1 college credit; or

2 (3) \$1,000 if the person successfully completed the
3 recommended or advanced high school program established under
4 Section 28.025 and graduated from high school in more than 41
5 consecutive months but not more than 45 consecutive months with at
6 least 30 hours of college credit.

7 (b) The use of a credit at a [~~Texas~~] private institution is
8 contingent on a private institution's agreement to match the state
9 [~~tuition~~] credit.

10 (c) A person eligible for a tuition credit under the tuition
11 credit program authorized by Rider 23, page III-9, Chapter 19, Acts
12 of the 72nd Legislature, 1st Called Session, 1991 (the General
13 Appropriations Act), who did not receive a credit under that
14 program is eligible for and entitled to \$1,000 in state tuition
15 credits under this subchapter. This subsection expires September
16 1, 2005.

17 SECTION 4. Section 56.205, Education Code, is amended to
18 read as follows:

19 Sec. 56.205. ISSUANCE OF CERTIFICATE. The coordinating
20 board shall provide a certificate for state [~~tuition~~] credits for
21 tuition and mandatory fees to an eligible person.

22 SECTION 5. Section 56.206, Education Code, is amended to
23 read as follows:

24 Sec. 56.206. USE OF STATE [~~TUITION~~] CREDIT. (a) On
25 enrollment of an eligible person in an eligible institution of
26 higher education, the institution shall apply to the person's
27 [~~tuition~~] charges for tuition and mandatory fees for the enrollment

1 period an amount equal to the lesser of:

2 (1) the amount of the state [~~tuition~~] credit available
3 to the person; or

4 (2) the person's actual tuition and mandatory fees.

5 (b) A private institution of higher education shall apply
6 the state [~~tuition~~] credit and the matching credit required by
7 Section 56.204(b) in equal amounts.

8 (c) For each student using a state [~~tuition~~] credit for
9 tuition and mandatory fees under this subchapter, the institution
10 of higher education shall report to the coordinating board:

11 (1) the student's name;

12 (2) the school district from which the student
13 graduated from high school; and

14 (3) the amount of the state [~~tuition~~] credit applied.

15 (d) Subject to Section 56.203(b), an eligible person may use
16 the state credit for enrollment in an eligible institution of
17 higher education during any semester or summer session, except the
18 person's initial use of the credit may not be for enrollment during
19 any term of a summer session immediately following the person's
20 graduation from high school.

21 SECTION 6. The heading to Section 56.207, Education Code,
22 is amended to read as follows:

23 Sec. 56.207. PAYMENT OF STATE [~~TUITION~~] CREDIT.

24 SECTION 7. Sections 56.207(a) and (b), Education Code, are
25 amended to read as follows:

26 (a) At least once each year the coordinating board shall
27 submit a report to the commissioner of education that includes:

1 (1) the name of each student who used the state
2 [~~tuition~~] credit under this subchapter during the period covered by
3 the report;

4 (2) the school district from which each student
5 graduated from high school; and

6 (3) the amount of the state [~~tuition~~] credit used by
7 each student during the period covered by the report.

8 (b) On receipt of a report from the coordinating board under
9 Subsection (a), the commissioner shall transfer to the coordinating
10 board, from funds appropriated for the Foundation School Program,
11 an amount sufficient to pay each eligible institution of higher
12 education the amount of state [~~tuition~~] credit for tuition and
13 mandatory fees that is applied by the institution during the period
14 covered by the report.

15 SECTION 8. Subchapter K, Chapter 56, Education Code, is
16 amended by adding Section 56.2075 to read as follows:

17 Sec. 56.2075. PAYMENT OF SCHOOL DISTRICT CREDIT. (a) A
18 school district is entitled to a one-time credit of:

19 (1) \$1,000 for each eligible person graduating from
20 high school in the district who uses any part of a state credit of
21 \$2,000 or more under Section 56.204(a)(1); and

22 (2) \$250 for each eligible person graduating from high
23 school in the district who uses any part of a state credit of \$500 or
24 more under Section 56.204(a)(2).

25 (b) The commissioner shall distribute money from the
26 foundation school fund in an amount sufficient to pay each school
27 district under Subsection (a).

1 SECTION 9. Section 54.213(b), Education Code, is amended to
2 read as follows:

3 (b) Savings to the foundation school fund that occur as a
4 result of the Early High School Graduation Scholarship program
5 created in Subchapter K, Chapter 56, and that are not required for
6 the funding of state [~~tuition~~] credits for tuition and mandatory
7 fees under Section 56.204 or school district credits under Section
8 56.2075 [~~that program~~] shall be used first to provide tuition
9 exemptions under Section 54.212. Any of those savings remaining
10 after providing tuition exemptions under Section 54.212 shall be
11 used to provide tuition exemptions under Section 54.214. The Texas
12 Education Agency shall also accept and make available to provide
13 tuition exemptions under Section 54.214 gifts, grants, and
14 donations made to the agency for that purpose. Payment of funds
15 under this subsection shall be made in the manner provided by
16 Section 56.207 for state [~~tuition~~] credits under Subchapter K,
17 Chapter 56.

18 SECTION 10. Section 28.025, Education Code, is amended by
19 adding Subsections (g) and (g-1) to read as follows:

20 (g) If a student, other than a student permitted to take
21 courses under the minimum high school program as provided by
22 Subsection (b), is unable to complete the recommended or advanced
23 high school program solely because necessary courses were
24 unavailable to the student at the appropriate times in the
25 student's high school career as a result of course scheduling, lack
26 of enrollment capacity, or another cause not within the student's
27 control, the school district shall indicate that fact on the

1 student's transcript form described by Subsection (e).

2 (g-1) Subsection (g) applies to students entering grade
3 nine during or after the 2003-2004 school year. This subsection
4 expires January 1, 2004.

5 SECTION 11. (a) The change in law made by this Act applies
6 only to a student who graduates from a public high school on or
7 after the effective date of this Act. A student who graduates from
8 a public high school before the effective date of this Act and the
9 amount and treatment of tuition credit for that student is governed
10 by the law in effect immediately before the effective date of this
11 Act, and the former law is continued in effect for that purpose.

12 (b) This Act takes effect September 1, 2003.

David Swink

President of the Senate

Jim Cudde

Speaker of the House

I certify that H.B. No. 1882 was passed by the House on April 23, 2003, by a non-record vote; and that the House concurred in Senate amendments to H.B. No. 1882 on May 28, 2003, by a non-record vote.

Robert Hines
Chief Clerk of the House

I certify that H.B. No. 1882 was passed by the Senate, with amendments, on May 26, 2003, by a viva-voce vote.

Daisy Spaw
Secretary of the Senate

APPROVED: JUN 21, 2003

Date

Rick Peery
Governor

FILED IN THE OFFICE OF THE
SECRETARY OF STATE
4:52 P.M. O'CLOCK

JUN 22 2003
Luigi Shea
Secretary of State