

## **BILL ANALYSIS**

Senate Research Center  
78R1543 JRJ-D

S.B. 465  
By: Lucio  
Education  
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### **DIGEST AND PURPOSE**

Currently, students who graduate from high school within 36 months (3 years) can receive a \$1,000 tuition scholarship through the Texas Early High School Graduation Scholarship Program (program), yet few students seem to take advantage of this option. The scholarships can be used toward a public institution, or at a private institution if the private institution matches the \$1,000 scholarship. The program is funded entirely by the savings generated by students who graduate early from the public school system. Approximately 4,000 early graduates per year, out of an estimated 215,000 total graduates, take advantage of this program. As proposed, S.B. 465 improves the benefits as an incentive for graduates to take advantage of the current program.

### **RULEMAKING AUTHORITY**

Rulemaking authority is expressly granted to the Texas Higher Education Coordinating Board in SECTION 2 (Section 56.203, Education Code) of this bill.

### **SECTION BY SECTION ANALYSIS**

SECTION 1. Amends Section 56.202, Education Code, as follows:

Sec. 56.202. PURPOSE. (a) Amends the purpose of the Early High School Graduation Scholarship (EHSGS) program to provide assistance for mandatory fees in addition to the tuition assistance previously provided to an eligible person to enable that person to attend a Texas public or private institution of higher education.

(b) Provides 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 and mandatory fees provided to an eligible person under the program.

SECTION 2. Amends Section 56.203, Education Code, as follows:

Sec. 56.203. ELIGIBLE PERSON. (a) Requires a person, to be eligible for EHSGS, to meet certain criteria. Creates this subsection from existing text.

(b) Provides that a person's eligibility for the EHSGS program ends on the sixth anniversary of the date that the person first becomes eligible to participate in the program, unless the person is provided additional time to participate in the program under Subsection (c).

(c) Requires the Texas Higher Education Coordinating Board (THECB) to adopt rules to provide a person who is otherwise eligible to participate in the EHSGS program additional time to use a state credit for tuition and mandatory fees under the program. Requires the rules to require a person seeking an extension under this subsection to show hardship or other good cause that prevents the person from enrolling in or continuing enrollment in an eligible institution during the period provided by Subsection (b). Provides that hardship or other good cause

includes a severe illness or other debilitating condition or responsibility for the care of a sick, injured, or needy person.

SECTION 3. Amends Section 56.204, Education Code, as follows:

Sec. 56.204. ENTITLEMENT; MATCHING CREDIT. (a) Provides that an eligible person under EHS GS is entitled to a state credit to pay tuition and mandatory fees at a public or private institution of higher education in this state according to certain proscribed amounts.

(b) Provides that the use of a credit at a private institution, rather than a Texas private institution, is contingent on a private institution's agreement to match the state credit.

(c) No change to this Subsection.

SECTION 4. Amends Section 56.205, Education Code, to make conforming changes.

SECTION 5. Amends Section 56.206, Education Code, as follows:

Sec. 56.206. New heading: USE OF STATE CREDIT. (a) Makes conforming changes.

(b) Makes conforming changes.

(c) Makes conforming changes.

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

SECTION 6. Amends the heading to Section 56.207, Education Code, to read as follows:

Sec. 56.207. PAYMENT OF STATE CREDIT.

SECTION 7. Amends Sections 56.207(a) and (b), Education Code, to make conforming changes.

SECTION 8. Amends Chapter 56K, Education Code, by adding Section 56.2075, as follows:

Sec. 56.2075. PAYMENT OF SCHOOL DISTRICT CREDIT. (a) Provides that a school district is entitled to a one-time credit of \$1,000 for each eligible person graduating from high school in the district who uses any part of a state credit of \$2,000 or more under Section 56.204(a)(1) and \$250 for each eligible person graduating from high school in the district who uses any part of a state credit of \$500 or more under Section 56.204(a)(2).

(b) Requires the commissioner of education to distribute money from the foundation school fund in an amount sufficient to pay each school district under Subsection (a).

SECTION 9. Amends Section 54.213(b), Education Code, to make conforming changes.

SECTION 10. (a) Makes application of this Act prospective.

(b) Effective date: September 1, 2003.