

## **BILL ANALYSIS**

Senate Research Center  
76R272 JSA-D

S.B. 98  
By: Ellis  
Higher Education  
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As Filed

### **DIGEST**

Currently, Texas ranks 48th in the nation in the percent of high school students earning college degrees. The average cost of tuition has increased significantly over the past few years, making it more difficult for students to finance their higher education. This bill would create the Lone Star Scholars Program, which would provide scholarships to students who meet certain requirements, and would cover certain costs of tuition and required fees.

### **PURPOSE**

As proposed, S.B. 98 provides scholarships for students at institutions of higher education who meet certain academic and other requirements.

### **RULEMAKING AUTHORITY**

Rulemaking authority is granted to the Texas Higher Education Coordinating Board in SECTION 1 (Section 56.307, Education Code) of this bill.

### **SECTION BY SECTION ANALYSIS**

SECTION 1. Amends Chapter 56, Education Code, by adding Subchapter M, as follows:

#### **SUBCHAPTER M. LONE STAR SCHOLARS PROGRAM**

Sec. 56.301. DEFINITIONS. Defines “coordinating board,” “public junior college”

Sec. 56.302. PROGRAM NAME; PURPOSE. Provides that the student financial assistance program authorized by this subchapter is known as the Lone Star Scholars Program and scholarships awarded in the program are known as lone star scholarships. Specifies the purpose of the program as providing a grant of money to cover costs for a student at an institution of higher education as long as the person maintains good grades.

Sec. 56.303. ELIGIBILITY. Sets forth requirements for a person’s eligibility for a lone star scholarship. Provides that a person with a baccalaureate degree is not eligible to receive a lone star scholarship. Sets forth parameters for those not eligible for the lone star scholarship. Sets forth specifics regarding the number of semesters for which a person may receive a scholarship. Provides that a term or session of nine weeks or less is considered one-half of a semester and a term of nine weeks or more is considered one semester.

Sec. 56.304. ACADEMIC PERFORMANCE REQUIREMENTS. Sets forth requirements for a person’s grade point average.

Sec. 56.305. AMOUNT OF SCHOLARSHIP. Provides that the amount of a person’s lone star scholarship for the term or semester is determined by the Texas Higher Education Coordinating Board (THECB) as the sum of tuition, required fees, and amounts for certain necessary materials. Provides that the amount of a lone star scholarship for a person enrolled in an institution that offers primarily certificates or associate degrees is determined by THECB as the sum of certain amounts. Specifies that the lone star scholarship is in addition to any other financial aid a person receives, and eligibility for or acceptance of other financial aid does not affect eligibility for a lone star scholarship.

Sec. 56.306. PAYMENT OF SCHOLARSHIP. Requires the THECB to determine whether the person is eligible for a scholarship, and if so, to distribute the scholarship to the institution. Establishes that the total amount of scholarship funds granted each year may not exceed the amount available in the scholarship trust fund. Specifies that if there are insufficient funds to provide a scholarship for all eligible candidates, funds will be awarded to those with the greatest financial need.

Sec. 56.307. ADOPTION AND DISTRIBUTION OF RULES. Requires THECB to adopt rules to administer this subchapter and to distribute to each institution of higher education and school district copies of the rules.

Sec. 56.308. FUNDING. Funds the Lone Star Scholars program from the lone star scholarship trust fund, which is established outside the treasury, but held in trust by the comptroller. Authorizes money in the trust fund to be spent without appropriation and only to fund the program. Requires interest and income from the assets of the fund to be credited to and deposited in the fund. Authorizes THECB to spend money from the trust fund to cover the cost of administering the program not to exceed a certain amount. Authorizes the THECB to accept gifts or grants from any public or private source. Provides that the legislature may appropriate money to the trust fund.

SECTION 2. (a) Effective date: September 1, 1999.

(b) Requires THECB to award scholarships beginning with the 2000 fall semester.

SECTION 3. Emergency clause.