SB101

133098-1

By Senators Orr and Pittman

RFD: Finance and Taxation Education

First Read: 05-FEB-13
SYNOPSIS: Existing law does not provide incentives for students to graduate early from high school to attend an institution of higher education.

This bill would create the early graduation scholarship program to provide a scholarship to any qualifying student who graduates at the 11th grade level and attends a two-year or four-year institution of higher education in the state.

This bill would provide for the duties of the State Department of Education and the Alabama Commission on Higher Education in administering the program.

This bill would also provide for funding of the program through Foundation Program funds allocated for the student to his or her high school.

A BILL TO BE ENTITLED

AN ACT
To establish the early graduation scholarship program to provide scholarship grants to students graduating from high school a semester or year early to attend two-year or four-year institutions of higher education or vocational school in this state; to provide for the duties of the State Department of Education and the Alabama Commission on Higher Education in administering the program; to provide qualifications for the grant of scholarship funds; to provide that scholarship funds shall come from Foundation Program funds of the high school of the student; and to establish the Early Graduation Scholarship Program Fund.

BE IT ENACTED BY THE LEGISLATURE OF ALABAMA:

Section 1. (a) Each school district that provides instruction in grades 9 to 12, inclusive, in this state shall participate in and promote to students an early graduation scholarship program.

(b) The Alabama Commission on Higher Education shall develop application forms, procedures, and deadlines to implement and administer the early graduation scholarship program, in conjunction with the State Department of Education, and shall select eligible students each year for participation in the program. The school district that the student attends shall notify the department and the commission when a student graduates at least one semester before his or her scheduled graduation date.
(c)(1) Participating full-time students who graduate at least one year early shall receive a scholarship grant in an amount not to exceed one thousand two hundred fifty dollars ($1,250), or the actual cost of tuition, books, and fees, whichever is less, in the first academic year of postsecondary instruction, and an amount not to exceed seven hundred fifty dollars ($750), or the actual cost of tuition, books, and fees, whichever is less, in the second academic year of postsecondary instruction. Scholarship monies shall be used to pay all or a portion of the tuition, books, and fees charged at a qualifying postsecondary institution for a maximum of two academic years, which shall be completed within 36 months after the actual graduation date of the student from high school. The amount of a scholarship grant awarded to a participating part-time student enrolled at least half-time for the school year, shall be prorated in accordance with the part-time status of the student.

(2) Participating full-time students who graduate one semester early shall receive a scholarship grant in an amount not to exceed one thousand dollars ($1,000), or the actual cost of tuition, books, and fees, whichever is less, in the first academic year of postsecondary instruction, and an amount not to exceed five hundred dollars ($500), or the actual cost of tuition, books, and fees, whichever is less, in the second academic year of postsecondary instruction. Scholarship monies shall be used to pay all or a portion of the tuition, books, and fees charged at a qualifying
postsecondary institution for a maximum of two academic years, which shall be completed within 36 months after the actual graduation date of the student from high school. The amount of a scholarship grant awarded to a participating part-time student enrolled at least half-time for the school year, shall be prorated in accordance with the part-time status of the student.

(d) A student who provides satisfactory proof to the commission that he or she has satisfied all of the following criteria is eligible to submit an application for consideration for a scholarship grant under the program:

(1) The student has graduated from a public high school that is part of a school district in this state at least one semester earlier than his or her class is scheduled to graduate.

(2) The student has achieved a passing score on each component of the high school graduation examination.

(3) The student is currently a resident of this state and has been a resident of this state for at least 12 months immediately preceding application.

(4) The student has completed and submitted a free application for federal student aid.

(e) The school district from which the student graduated shall continue to include any student who graduates early in the average daily membership calculations for the school district until his or her class is scheduled to graduate. The school district shall continue to receive
Foundation Program funds minus two thousand two hundred dollars ($2,200), for each student who graduates at least one year early, or one thousand seven hundred dollars ($1,700), for each student who graduates one semester early, whichever is applicable, until the class of the student graduates. The school district shall place the per pupil funding received in the school district's maintenance and operations fund.

(f) The department shall transmit both of the following to the commission:

(1) A list of early graduates with identifying information, cohort graduation date, early graduation date, and high school of graduation.

(2) Two thousand two hundred dollars ($2,200), for each student who graduates at least one year early, or one thousand seven hundred dollars ($1,700), for each student who graduates one semester early, whichever is applicable, for deposit into the Early Graduation Scholarship Fund established in subsection (l).

(g) The commission shall make awards from the Early Graduation Scholarship Fund for payment of tuition, books, and fees at qualifying postsecondary institutions to students who are selected to participate in the early graduation scholarship program on verification of admission, enrollment, and certification of the cost of each tuition and fees for each student by the qualifying postsecondary institution.

(h) If the amount of monies available for scholarship grants in any fiscal year is insufficient to
provide scholarship grants to all eligible applicants, the
commission shall award scholarship grants to eligible students
in the order in which the applications were received by the
commission. Priority shall be given to eligible students who
received a scholarship grant in the previous fiscal year, and
who are still in good academic standing at the same qualifying
postsecondary institution, or who transferred to a different
qualifying postsecondary institution but remain in good
academic standing at the previous qualifying postsecondary
institution. The commission shall maintain a waiting list for
all other applicants.

(i) A qualifying postsecondary institution shall
notify the commission if any student who has received a
scholarship grant is no longer in good academic standing at
the qualifying postsecondary institution or is no longer
enrolled at the qualifying postsecondary institution.

(j) The student or the qualifying postsecondary
institution shall reimburse the Early Graduation Scholarship
Fund for any unused scholarship grant funds received pursuant
to subsection (c) if the student does not complete the school
year. A student shall complete the first year in good academic
standing from a qualifying postsecondary institution before
receiving monies for the second year from the Early Graduation
Scholarship Fund.

(k) A student who receives an early graduation
scholarship grant, at no additional cost except for fees
charged to all students, may participate in extracurricular
activities until his or her high school class is scheduled to
graduate and participate in his or her high school class
graduation ceremonies.

(l) There is established in the State Treasury a
separate fund known as the Early Graduation Scholarship Fund.
The fund shall consist of monies deposited pursuant to
subsection (f) and all repayments received pursuant to
subsection (j). The commission shall administer the fund.
Monies in the fund shall be continuously appropriated. Monies
in the fund shall be subject to withdrawal only upon warrant
of the Comptroller issued on certification of the commission.
No funds shall be withdrawn or expended except as budgeted and
allocated pursuant to this section. The commission may retain
up to five percent of the monies in the fund for
administrative costs and may employ the equivalent of two
full-time positions for the implementation and administration
of the program.

(m) The commission shall submit an annual report, by
December 1, to the Governor, the Lieutenant Governor, the
Speaker of the House of Representatives, and the State
Superintendent of Education, and a copy of the report shall be
submitted to the Secretary of State. The report shall contain
at least the following:

(1) The number of students who graduated at least
one year early and the number of students who graduated at
least one semester early, by school district, for each year of
implementation of the program.
(2) The number of scholarships provided pursuant to this section.

(3) The average amount per scholarship provided pursuant to this section.

(4) The balance in the Early Graduation Scholarship Fund.

(5) The number of students using a scholarship to attend a regionally or nationally accredited public or private postsecondary institution and the number of students using a scholarship to attend a regionally or nationally accredited vocational program.

(6) A description of how the commission expended monies for administrative costs of the program pursuant to subsection (l).

(n) For the purposes of this section, a qualifying postsecondary institution is a regionally or nationally accredited public or private two-year or four-year institution of higher education located in this state or a regionally or nationally accredited vocational program located in this state.

Section 2. This act shall become effective on the first day of the third month following its passage and approval by the Governor, or its otherwise becoming law.