

BILL ANALYSIS

Senate Research Center
80R8269 KEL-D

S.B. 1603
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S/C on Higher Education
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As Filed

AUTHOR'S / SPONSOR'S STATEMENT OF INTENT

According to the state auditor's report on tuition deregulation, Texas Tech University was the only audited institution that correctly performed the statutorily-required calculation to identify students to whom priority must be given in awarding student financial aid from set-aside funds. As the requirement relating to giving priority is not precisely defined by the law, the other institutions gave priority in considering such students, but did not necessarily award them such financial aid.

As proposed, S.B. 1603 clarifies the requirement by requiring that such priority be given to students demonstrating the greatest financial need according to rules of the Texas Higher Education Coordinating Board.

RULEMAKING AUTHORITY

Rulemaking authority previously granted to the Texas Higher Education Coordinating Board is modified in SECTION 1 (Section 56.011, Education Code) and SECTION 2 (Section 56.012, Education Code) of this bill.

SECTION BY SECTION ANALYSIS

SECTION 1. Amends Section 56.011(b), Education Code, to require a student, to be eligible for financial assistance under this section (Resident Undergraduate Student Assistance), to establish financial need in accordance with rules and procedures established by the Texas Higher Education Coordinating Board (THECB). Requires an institution of higher education, in awarding assistance under this section, to give highest priority to students who demonstrate the greatest financial need according to THECB rules, rather than students who meet THECB's definition of financial need whose cost for tuition and required fees is not met through other non-loan financial assistance programs.

SECTION 2. Amends Section 56.012(b), Education Code, to require a student, to be eligible for financial assistance under this section (Resident Graduate Student Assistance), to establish financial need in accordance with rules and procedures established by the Texas Higher Education Coordinating Board. Requires an institution of higher education, in awarding assistance under this section, to give highest priority to students who demonstrate the greatest financial need according to THECB rules, rather than students who meet THECB's definition of financial need whose cost for tuition and required fees is not met through other non-loan financial assistance programs.

SECTION 3. Provides that the change in law made by this Act to Sections 56.011 and 56.012, Education Code, applies only to financial aid awarded for a semester or term that begins on or after its effective date and does not affect a student's right to receive financial aid awarded before that date for any part of the 2007-2008 academic year.

SECTION 4. Effective date: September 1, 2007.