

## **BILL ANALYSIS**

Senate Research Center  
80R1980 RMB-D

S.B. 577  
By: Ellis  
S/C on Higher Education  
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As Filed

### **AUTHOR'S / SPONSOR'S STATEMENT OF INTENT**

The impact of tuition deregulation has been dramatic. According to the Texas Higher Education Coordinating Board, tuition has increased statewide by 61 percent since deregulation was passed. At The University of Texas at Austin, it has increased about 102 percent. This increase has made it more difficult for Texas families to afford college.

The increases in tuition have had a significant impact on two popular and effective programs, the Texas Tomorrow Fund (fund) and the TEXAS Grants Program. The fund has all but ceased to exist, and over 66,000 students have lost their TEXAS grants.

As proposed, S.B. 577 requires a percentage of undergraduate tuition received by an institution of higher education to be set aside to provide need-based financial aid to students attending the institution.

### **RULEMAKING AUTHORITY**

This bill does not expressly grant any additional rulemaking authority to a state officer, institution, or agency.

### **SECTION BY SECTION ANALYSIS**

SECTION 1. Amends Section 56.011(a), Education Code, to specify that the percentage of an undergraduate's tuition set aside under this section by a governing board of an institution of higher education (governing board) is to be used to provide need-based financial assistance to resident undergraduates enrolled in the institution.

SECTION 2. Amends Section 56.012(a), Education Code, to specify that the percentage of a graduate or professional degree student's tuition set aside under this section by a governing board is to be used to provide need-based financial assistance to resident graduate and professional degree students enrolled in the institution.

SECTION 3. Amends Section 56.465(a), Education Code, to specify that the percentage of an undergraduate's tuition set aside under this subsection by a governing board is in addition to, rather than a part of, the amount required to be set aside under Section 56.011.

SECTION 4. (a) Applies Sections 56.011 and 56.012, Education Code, as amended by this Act, to financial aid awarded for a semester or term after the effective date of this Act. Provides that those amended sections do not affect a student's right to receive financial aid awarded before the effective date for any part of the 2007-2008 academic year.

(b) Makes application of Section 56.465, Education Code, as added by this Act, prospective to the 2007-2008 academic year.

SECTION 5. Effective date: September 1, 2007.