

BILL ANALYSIS

Senate Research Center
81R7603 JSA-D

S.B. 1304
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Higher Education
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As Filed

AUTHOR'S / SPONSOR'S STATEMENT OF INTENT

In 2003, the 78th Legislature passed H.B. 3015, which deregulated tuition and allowed the governing boards of institutions of higher education to set tuition at the amount they deemed necessary to operate each institution. H.B. 3015 also required institutions to set aside at least 15 percent of the designated tuition for undergraduate and graduate students to be used to provide financial assistance for financially needy undergraduate and graduate students. In addition, institutions were also required to set aside five percent of the undergraduate amount to fund the B-On-Time Loan Program.

However, tuition and fees have risen 86 percent since 2003. As the costs associated with higher education have continued to rise, more students and families are struggling to pay for college. Yet many of these same students and their families are unaware that a significant portion of their tuition is used to provide financial assistance to other students.

As proposed, S.B. 1304 relates to eliminating the set-aside of a portion of designated tuition for student financial assistance at public institutions of higher education.

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. Repealer: Subchapter B (Financial Assistance Funded From Designated Tuition), Chapter 56 (Student Financial Assistance), Education Code.

SECTION 2. Amends Section 56.465(a), Education Code, to delete existing text providing that the amount of a student's tuition set aside under this subsection is considered a part of the amount required to be set aside from that tuition under Section 56.011 (Resident Undergraduate Student Assistance).

SECTION 3. (a) Provides that the repeal of Subchapter B, Chapter 56, Education Code, by this Act applies beginning with tuition charged for the 2009 fall semester.

(b) Provides that the repeal of Subchapter B, Chapter 56, Education Code, by this Act does not affect the application of that subchapter to tuition set aside for purposes of that subchapter for any semester or other academic term before the 2009 fall semester, and the former law is continued in effect until the tuition set aside before the 2009 fall semester has been used as prescribed by that subchapter.

SECTION 4. Effective date: upon passage or September 1, 2009.