

BILL ANALYSIS

C.S.S.B. 1304
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Higher Education
Committee Report (Substituted)

BACKGROUND AND PURPOSE

In 2003, legislation was passed to deregulate tuition and to allow institutions of higher education to set tuition at a rate deemed necessary to operate the institution. The legislation requires institutions to set aside 15 percent of the designated tuition for undergraduate and graduate students to be used for financial assistance for other students. Institutions are also required to set aside 5 percent of the undergraduate designated tuition amount to fund the B-On-Time Loan Program.

As tuition and other costs associated with higher education have continued to rise, more and more students and their families are struggling to pay. Many of these students are unaware that a significant portion of their tuition is being used for financial assistance programs.

C.S.S.B. 1304 requires an institution of higher education that is required by state law to set aside a portion of a student's tuition payments to provide financial assistance for students enrolled in the institution to provide to each student who pays tuition from which a portion is required to be set aside for that purpose a notice, whether online or in print, regarding the specific amount that is required to be set aside by the institution.

RULEMAKING AUTHORITY

It is the committee's opinion that rulemaking authority is expressly granted to the Texas Higher Education Coordinating Board in SECTION 1 and 2 of this bill.

ANALYSIS

C.S.S.B. 1304 amends the Education Code to require an institution of higher education that is required by state law to set aside a portion of a student's tuition payments to provide financial assistance for students enrolled in the institution to provide to each student of the institution who pays tuition from which a portion is required to be set aside for that purpose a notice regarding the specific amount that is required to be set aside by the institution. The bill requires the institution to provide such notice to the student in a prominently printed statement that appears on or is included with the student's tuition bill or billing statement, if the institution provides the student with a printed bill or billing statement for the payment of the student's tuition, or the student's tuition receipt, if the institution provides the student with a printed receipt evidencing the payment of the student's tuition. The bill requires the institution, if for any semester or other academic term it does not provide the student with a printed tuition bill, tuition billing statement, or tuition receipt, to include the notice for that semester or other term in a statement prominently displayed in an e-mail sent to the student. The bill authorizes the notice to be included in any other e-mail sent to the student in connection with the student's tuition charges for that semester or other term and requires the Texas Higher Education Coordinating Board by rule to prescribe minimum standards for the manner, form, and content of the notice.

C.S.S.B. 1304 requires the coordinating board to adopt the required rules as soon as practicable after the bill's effective date and authorizes the coordinating board, for that purpose, to adopt the

initial rules in the manner provided by law for emergency rules. The bill makes its provisions applicable beginning with tuition charged for the 2010 spring semester.

EFFECTIVE DATE

On passage, or, if the act does not receive the necessary vote, the act takes effect September 1, 2009.

COMPARISON OF ORIGINAL AND SUBSTITUTE

C.S.S.B. 1304 differs from the original by requiring an institution of higher education to provide notice regarding tuition set aside for financial assistance to a student in a prominently printed statement that appears on or is included with the student's tuition bill, billing statement, or tuition receipt, as applicable, whereas the original requires an institution to provide such notice in a prominently printed statement printed on or included with the documents. The substitute also differs from the original in nonsubstantive ways by using language reflective of certain bill drafting conventions.