

## **BILL ANALYSIS**

Senate Research Center

C.S.S.B. 1304  
By: Patrick, Dan  
Higher Education  
5/6/2009  
Committee Report (Substituted)

### **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.

C.S.S.B. 1304 relates to notice to students of a public institution of higher education of the required use of a portion of the tuition paid by the student to provide student financial aid.

### **RULEMAKING AUTHORITY**

Rulemaking authority is expressly granted to the Texas Higher Education Coordinating Board in SECTION 1 (Section 56.014, Education Code) of this bill.

### **SECTION BY SECTION ANALYSIS**

SECTION 1. Amends Subchapter B, Chapter 56, Education Code, by adding Section 56.014, as follows:

Sec. 56.014. NOTICE TO STUDENTS REGARDING TUITION SET ASIDE FOR FINANCIAL ASSISTANCE. (a) Requires an institution of higher education (institution) that is required by this subchapter to set aside a portion of the tuition paid by a student 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 of the amount of the tuition paid by the student that is required to be set aside.

(b) Requires the institution to provide the notice required by Subsection (a) to the student in a prominently printed statement printed on or 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 printed on or included with the student's tuition receipt, if the institution provides the student with a printed receipt evidencing the payment of the student's tuition.

(c) Requires the institution to include the notice required by Subsection (a) for any semester or other academic term in a statement prominently displayed in an email sent to the student if the institution does not provide the student with a printed tuition bill, tuition billing statement, or tuition receipt for that semester or other academic term.

(d) Requires the Texas Higher Education Coordinating Board (THECB) by rule to prescribe minimum standards for the manner, form, and content of the notice required by this section.

SECTION 2. (a) Provides that Section 56.014, Education Code, as added by this Act applies beginning with tuition charged for the 2010 spring semester.

(b) Requires THECB to adopt the rules required by Section 56.014, Education Code, as added by this Act, as soon as practicable after the effective date of this Act. Authorizes THECB, for that purpose, to adopt the initial rules in the manner provided by law for emergency rules.

SECTION 3. Effective date: upon passage or September 1, 2009.