

BILL ANALYSIS

Senate Research Center

S.B. 1103
By: Ellis
Education
4-21-97
As Filed

DIGEST

Currently, there is no Texas law that provides assistance for certain low-income persons wishing to participate in the prepaid higher education tuition program. Data reported by the comptroller indicates that only 10 percent of the prepaid plans are bought by households with incomes under \$30,000. This bill assists certain low-income persons in participating in the prepaid higher education tuition program.

PURPOSE

As proposed, S.B. 1103 assists certain low-income persons in participating in the prepaid higher education tuition program.

RULEMAKING AUTHORITY

Rulemaking authority is granted to the Prepaid Higher Education Tuition Board in SECTION 1 (Section 54.6335(e), Education Code) of this bill.

SECTION BY SECTION ANALYSIS

SECTION 1. Amends Chapter 54F, Education Code, by adding Section 54.6335, as follows:

Sec. 54.6335. PREPAID TUITION ASSISTANCE PAYMENTS FOR LOW-INCOME PARTICIPANTS. Requires the Prepaid Higher Education Tuition Board (board) to provide assistance payments to an eligible purchaser of a prepaid tuition contract, subject to the availability of funding. Requires the purchaser to apply to the board to receive assistance payments under this section and sets forth requirements for the application of assistance. Sets forth requirements for determining the amount of assistance to be paid. Prohibits the availability of assistance payments under this section from affecting the amount required to be paid under a prepaid tuition contract. Requires a purchaser who is eligible for an assistance payment to remain responsible for payment of the full amount due under the contract, if certain conditions are met. Sets forth funding sources from which assistance payments may come. Authorizes actions that are available to the board if no funds are available to make assistance payments. Authorizes the board to adopt rules establishing procedures for determining the amount of funds available for assistance payments and eligible persons needing assistance. Authorizes the board to establish a direct-support organization under the Texas Non-Profit Corporation Act to for certain solicitation purposes to fund this section. Defines "federal poverty level."

SECTION 2. (a) Effective date: September 1, 1998.

(b) Authorizes the board to adopt rules for the administration of Section 54.6335, Education Code, before January 1, 1998.

(c) Provides that a purchase of a prepaid tuition contract is eligible for prepaid tuition assistance payments before the effective date of this Act.

SECTION 3. Emergency clause.