

BILL ANALYSIS

Senate Research Center
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S.B. 324
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Higher Education
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As Filed

AUTHOR'S / SPONSOR'S STATEMENT OF INTENT

Since tuition deregulation was implemented in 2003, tuition and fees at Texas' public, four-year universities have increased 53 percent according to the Texas Higher Education Coordinating Board (THECB). This increased burden has forced Texas families to take on more debt and make budget decisions at the expense of their children's education. Upon graduation, students across the state are left with tens of thousands of dollars in debt. Since the demand for student aid exceeds what is available in state-sponsored programs, students must register for fewer hours at school, work longer hours at jobs, take out more loans, and stall their expected graduation date. Texas has a vested interest in encouraging students to graduate as quickly as possible so they can enter into the workforce or pursue postgraduate education.

In order to provide a financial incentive for students to complete a bachelor's degree with as few courses outside the degree plan as possible, the 75th Texas Legislature created a \$1,000 tuition rebate program. Under the program, Texas residents are eligible for the rebate if they attempt no more than three semester credit hours in excess of the minimum number of hours required for their degree and graduate within a timely manner. The amount of the rebate, however, has failed to grow along with tuition.

As proposed, S.B. 324 will provide Texas students with tuition relief by increasing the \$1,000 tuition rebate based on the percentage that tuition has increased statewide since tuition deregulation. S.B. 324 provides that if a student graduates within three years or less, then the amount of the rebate is automatically doubled.

RULEMAKING AUTHORITY

Rulemaking authority previously granted to the Texas Higher Education Coordinating Board is modified in SECTION 2 of this bill.

SECTION BY SECTION ANALYSIS

SECTION 1. Amends Section 54.0065, Education Code, by amending Subsection (b) and adding Subsections (b-1), (b-2), (j), and (k), as follows:

(b) Provides that, except as provided by Subsections (b-1) and (b-2), the amount of tuition to be rebated to a student graduating in an academic year, rather than under this section, is the amount certified for that academic year to the governing board of the general academic teaching institution by the Texas Higher Education Coordinating Board (THECB) under this section. Makes a nonsubstantive change.

(b-1) Provides that the amount of tuition to be rebated to a student is two times the certified amount if the student satisfies the requirements of this section in three years or less.

(b-2) Provides that if the total amount of undergraduate tuition paid by the student to the general academic teaching institution awarding the degree was less than the full amount of the rebate under Subsection (b) or (b-1), as applicable, the amount of tuition to be rebated is an amount equal to the amount of undergraduate tuition paid by the student to the institution. Authorizes the student to qualify for an increase in the amount of the rebate, not to exceed the applicable amount under Subsection (b) or (b-1), for any amount of undergraduate tuition the student paid to other institutions of higher education by

providing the institution with proof of the total amount of that tuition paid to other institutions of higher education. Makes conforming changes. Deletes existing text relating to a certain amount of money paid by a student for tuition and a certain amount of rebated tuition.

(j) Requires THECB, not later than August 15 of each academic year, to determine and certify to the governing board of each general academic teaching institution the amount of tuition to be rebated by institutions under Subsection (b) to students graduating in the next academic year. Requires that the amount certified equal the rebate amount certified in the preceding academic year to general academic teaching institutions under this subsection for rebates awarded under Subsection (b) in the current academic year, increased by a percentage, expressed in decimal form rounded to the nearest hundredth, that equals the average percentage by which those institutions have increased from the current academic year to the next academic year the total amount of tuition charged under Section 54.0513 (Designated Tuition) or another law authorizing the institutions to establish tuition rates.

(k) Requires THECB, notwithstanding Subsection (j), not later than October 31, 2009, to determine and certify to the governing board of each general academic teaching institution the amount of tuition to be rebated by institutions under Subsection (b) to students graduating in the 2009-2010 academic year. Requires that the amount certified equal the full amount of a rebate authorized to be awarded by general academic teaching institutions under Subsection (b), as that subsection existed on January 1, 2009, during the 2008-2009 academic year, increased by a percentage, expressed in decimal form rounded to the nearest hundredth, that equals the average percentage by which those institutions have increased from the 2003-2004 academic year to the 2009-2010 academic year the total amount of tuition charged under Section 54.0513 or another law authorizing the institutions to establish tuition rates. Provides that for purposes of Subsection (j), the amount certified under this subsection is considered to have been certified under Subsection (j) on August 15, 2009. Provides that this subsection expires January 1, 2011.

SECTION 2. (a) Makes application of this Act prospective to September 1, 2009.

(b) Authorizes THECB to adopt rules under Section 54.0065 (Tuition Rebate for Certain Undergraduates), Education Code, as amended by this Act, for rebates awarded during the 2009-2010 academic year in the manner provided by law for the adoption of emergency rules.

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