

BILL ANALYSIS

Senate Research Center
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H.B. 1341
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Higher Education
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Engrossed

AUTHOR'S / SPONSOR'S STATEMENT OF INTENT

Currently, state law and the General Appropriations Act are inconsistent in their treatment of tuition payment dates. Current law provides that tuition and fees must be collected from a student of an institution of higher education before the beginning of the fall or spring semester, but the General Appropriations Act states that collection of payments must be made on or before certain class days. Interested parties contend that this area of law fails to address alternative educational terms, such as intersessions, and does not allow sufficient flexibility for a student whose tuition and fees may change after the start of a semester. In addition, interested parties contend that payment errors may affect a student's balance and enrollment status and the formula funding of the institution.

The intent of H.B. 1341 is to eliminate this inconsistency regarding tuition payment dates by giving each institution of higher education the freedom to set its own policy with regard to collection of tuition and mandatory fees. This bill also replaces specific references to semesters with more generic references to reduce confusion associated with registrations that take place outside of the traditional fall, spring, and summer model.

H.B. 1341 amends current law relating to the manner of payment of tuition and mandatory fees 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. Amends Section 54.007, Education Code, by amending Subsections (a), (b), (b-1), (c), (d), (e), (f), and (g) and adding Subsections (a-1) and (b-2), as follows:

(a) Requires the governing board of each institution of higher education to provide for the payment of tuition and mandatory fees for a semester or term of 10 weeks or longer, rather than for the fall and spring semesters, through one of the following alternatives:

(1) full payment of tuition and mandatory fees not later than the date established by the institution for purposes of this subdivision, rather than, except as provided by Subsection (b-1), full payment of tuition and fees in advance of the beginning of the semester; or

(2) payment in installments under one or more payment plan options that require the first payment to be made not later than the date established by the institution for purposes of this subdivision, rather than to be made in advance of the beginning of the semester and the final payment to be made before the last day of the semester.

(a-1) Requires an institution of higher education, in providing for the payment of tuition and mandatory fees by installment under Subsection (a)(2), to also establish subsequent

dates at periodic intervals within the applicable semester or term by which subsequent installment payments are due.

(b) Provides that, for a term of less than 10 weeks, the governing board of each institution of higher education:

(1) is required to provide for the payment of tuition and mandatory fees by requiring full payment of tuition and mandatory fees not later than the date established by the institution for purposes of this subdivision, rather than is required to provide for the payment of tuition and fees for a summer term through one of the following alternatives, except as provided by Subsection (b-1), full payment of tuition and fees in advance of the beginning of the summer term; or

(2) is authorized to provide for the payment of tuition and mandatory fees by requiring payment in installments under one or more payment plan options that require the first payment to be made not later than the date established by the institution for purposes of this subdivision, rather than to be made in advance of the beginning of the summer term and the final payment to be made before the last day of the term.

Deletes existing text requiring the governing board of each institution of higher education to provide for the payment of tuition and fees for a summer term through one of the following alternatives for a student enrolled for a summer term in a public junior college, public technical institute, or public state college, one-half payment of tuition and fees in advance of the beginning of the summer term and the remaining amount in one or two later payments to be made in the percentages and by the dates determined by the governing board of the college or institute, provided that the final payment must be made before the beginning of the last week of the summer term.

(b-1) Prohibits a date established by an institution of higher education for purposes of Subsection (a)(1), (a)(2), (b)(1), or (b)(2) from being later than the date established by the Texas Higher Education Coordinating Board for certifying student enrollment for the semester or term for purposes of formula funding. Deletes existing text requiring a student who owes a balance of tuition and fees as a result of a change in the student's class schedule or who owes a balance of tuition and fees of less than \$100 after making an insufficient payment of tuition and fees previously due to pay the balance owed not later than the next payment date established by the governing board under a payment plan adopted under Subsection (a)(2) or (b)(2), as applicable.

(b-2) Authorizes an institution of higher education to collect on a due date subsequent to a due date established under Subsection (a) or (b):

(1) unpaid tuition and mandatory fee balances resulting from an adjustment to a student's enrollment status or an administrative action; or

(2) unpaid residual balances of tuition and mandatory fees constituting less than five percent of the total amount of tuition and mandatory fees charged to the student by the institution for that semester or term.

(c) Authorizes the governing board of an institution of higher education to assess and collect incidental fees for students utilizing the payment alternative authorized by Subsection (a)(2) or (b)(2), rather than Subsection (a)(2) and the alternatives authorized by Subsection (b), and for students delinquent in payments. Requires that the fees reasonably reflect the cost to the institution of handling those payments.

(d) Authorizes a student who fails to make a full payment of the required amount of tuition and mandatory fees, including any incidental fees, by the applicable due date under this section to be prohibited from registering for classes until full payment is made. Authorizes a student who fails to make full payment prior to the end of the semester or

term, rather than to the end of the semester or summer term, to be denied credit for the work done that semester or term. Prohibits the governing board of an institution of higher education from imposing on a student any sanction authorized by this subsection unless the governing board includes in any written or electronic agreement authorized by the student a certain statement printed in bold-faced type or in capital letters. Sets forth the required language. Requires the governing board to notify a student of any delinquent tuition or fee payment as soon as practicable. Authorizes the institution's records to be adjusted to reflect the student's failure to have properly enrolled for that semester or term.

(e) Authorizes the governing board of a medical and dental unit or of a general academic teaching institution with a department or college of veterinary medicine, in addition to other payment alternatives provided by this section, to provide for the payment of tuition and mandatory fees at the unit or at the department or college of veterinary medicine during any academic year through a one-fourth payment of tuition and mandatory fees in advance of the beginning of the year and subsequent one-fourth payments of tuition and mandatory fees to be made at periods designated by the governing board. Provides that Subsection (b) applies to tuition and mandatory fee payments under this subsection. Makes nonsubstantive changes.

(f) Authorizes a student to elect to pay the tuition and mandatory fees of an institution of higher education by installment under this section regardless of whether the student intends to apply a financial aid award administered by the institution toward the tuition and mandatory fees, except that a student whose financial aid award or awards are available to cover the total amount of tuition and mandatory fees may not pay by installment under this section. Requires the governing board of the institution, on receipt of notice of a student's election to pay tuition and mandatory fees by installment, to apply any financial aid award administered for the student toward the amount of tuition and mandatory fees due for that semester or term, rather than for that semester or summer session, until the tuition and mandatory fees are paid in full and to immediately release any remaining amount of the award to the student, except that the institution is not required to apply the award or awards toward the total amount of tuition and mandatory fees in exigent circumstances as determined by the institution.

(g) Requires the governing board of an institution of higher education to require a student who elects to pay tuition and mandatory fees by installment under this section to enter into a written or electronic agreement reflecting the terms and conditions required by this section for the installment plan provided for the student by the governing board.

SECTION 2. Amends Sections 54.0071(a), (b), (c), and (e), Education Code, as follows:

(a) Authorizes the governing board of an institution of higher education to postpone the due date for the payment of all or part of the tuition and mandatory fees for a student for a semester or term, rather than for a semester or summer session in which the student will receive one or more delayed financial aid awards if:

(1) the student has not received the awards by the regular due date for payment of the tuition and mandatory fees; and

(2) the student agrees to assign to the institution a portion of the awards equal to the amount of tuition and mandatory fees for which the due date is postponed.

(b) Provides that a postponed due date under Subsection (a) applies only to the portion of tuition and mandatory fees to be covered by the student's delayed financial aid awards. Requires a governing board that postpones a due date under this section, when the financial aid awards become available, to apply the awards toward the amount of tuition and mandatory fees due and immediately release any remaining amount of the awards to the student.

(c) Requires the governing board, if after the due date for a student's tuition and mandatory fees is postponed under this section the student becomes ineligible to receive one or more of the delayed financial aid awards, or the amount awarded is less than the amount of tuition and mandatory fees due, to provide the student a reasonable period, not to exceed 30 days, to pay the unpaid amount of tuition and mandatory fees. Authorizes the board to deny a student credit for work done in the semester or term, rather than in the semester or summer session if the student fails to pay the tuition and mandatory fees by the end of that period.

(e) Requires the governing board, if a student with delayed financial aid awards has elected to pay tuition and mandatory fees by installment as permitted by Section 54.007 (Option to Pay Tuition by Installment) and if the governing board elects to postpone the due date for the student's tuition and mandatory fees as authorized by this section, in the manner provided by this section, to postpone the due date for each installment payment that becomes due before the student receives the awards.

SECTION 3. Provides that the changes in law made by this Act apply beginning with the payment of tuition and fees at a public institution of higher education for the 2011 fall semester.

SECTION 4. Effective date: upon passage or September 1, 2011.