## A BILL TO BE ENTITLED

AN ACT
relating to the use of certain tuition set-asides to provide financial aid to students not receiving other need-based aid.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS: SECTION 1. Section 56.011, Education Code, is amended to read as follows:

Sec. 56.011. RESIDENT UNDERGRADUATE STUDENT ASSISTANCE. (a) The governing board of each institution of higher education shall cause to be set aside not less than 20 percent of any amount of tuition charged to a resident undergraduate student under Section 54.0513 in excess of $\$ 46$ per semester credit hour. The funds set aside under this section by an institution shall be used to provide financial assistance for resident undergraduate students enrolled in the institution who meet the eligibility criteria described by Subsection (b).
(b) A student is [tor eligible for assistance under this section only if:
(1) the $\left[\begin{array}{ll}, & \text { a] } \\ \text { ( }\end{array}\right.$ financial need in accordance with rules and procedures established by the Texas Higher Education Coordinating Board; and

## (2) the student's [. Priority shall be given to

 students who meet the coordinating board definition of financial need and whosel cost for tuition and required fees is not met through other non-loan financial assistance programs.(c) The financial assistance provided under this section may include grants, scholarships, work-study programs, [stuent toans,] and student loan repayment assistance.

SECTION 2. This Act applies beginning with the 2004 fall semester.

SECTION 3. This Act takes effect immediately if it receives a vote of two-thirds of all the members elected to each house, as provided by Section 39, Article III, Texas Constitution. If this Act does not receive the vote necessary for immediate effect, this Act takes effect on the 91st day after the last day of the legislative session.

