

## **BILL ANALYSIS**

Senate Research Center  
79R9013 CAS-D

S.B. 1701  
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S/C on Higher Education  
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As Filed

### **AUTHOR'S/SPONSOR'S STATEMENT OF INTENT**

Students attending Texas institutions of higher education are taking longer to obtain their baccalaureate degree, which costs the state and the student more money. Additionally, as a result of H.B. 3015, passed in the 78th Legislature, Regular Session, 2003, many institutions of higher education have increased their designated tuition amounts significantly.

As proposed, S.B. 1701 creates an incentive for students to complete their baccalaureate degrees in a timely manner by instituting a tuition rebate program tied to the increases in tuition and fees. S.B. 1701 provides a rebate to students who graduate within the time allotted for their particular degree program. The rebate will be determined based on the difference between the total amount of tuition and compulsory fees paid by the student while enrolled and the total amount the student would have paid during that period if the student paid tuition and fees at the rates that were in effect for the first semester.

S.B. 1701 also repeals the \$1,000 rebate currently in statute that is tied to the number of hours attempted.

### **RULEMAKING AUTHORITY**

Rulemaking authority is expressly granted to the Texas Higher Education Coordinating Board in SECTION 1 (Section 54.0061, Education Code) of this bill.

### **SECTION BY SECTION ANALYSIS**

SECTION 1. Amends Subchapter A, Chapter 54, Education Code, by adding Section 54.0061, as follows:

Sec. 54.0061. TUITION AND FEE REBATE FOR TIMELY COMPLETION OF DEGREE PROGRAM. (a) Defines "compulsory fee," "coordinating board," and "general teaching institution."

(b) Provides that a student is eligible to receive a rebate of a portion of the undergraduate tuition and compulsory fees the student has paid if the student meets certain criteria.

(c) Provides that the amount of a rebate under this section is the difference between the total amount of tuition and compulsory fees the student actually paid while enrolled in a general academic teaching institution and the total amount the student would have paid during that period if the student paid tuition at the rate and compulsory fees in the total amount in effect for the first full semester the student was enrolled in a general academic teaching institution. Prohibits a student from receiving a rebate under this section if for any reason the amount of tuition and compulsory fees the student actually paid is equal to or less than the amount of tuition and compulsory fees the student would have paid if the student had paid tuition at the rate and compulsory fees in the total amount in effect for that first full semester.

(d) Provides that a student who is otherwise eligible to receive a rebate under this section and who transfers from one general academic teaching institution to another remains eligible for a rebate under this section. Requires an eligible

transfer student enrolling at a general academic teaching institution to provide all undergraduate transcripts and receipts for tuition and fee payments to the institution to enable the institution to verify the student's eligibility for a rebate and determination of the amount of the rebate.

(e) Requires each general academic teaching institution to notify each entering undergraduate student of the rebate program under this section.

(f) Requires the general academic teaching institution awarding the degree to a student eligible for a rebate under this section to pay the rebate from certain funds.

(g) Requires the governing board of each general academic teaching institution, each academic year, to set aside to use in paying all or part of the costs of rebates under this section not less than 20 percent of any amount of institutional funds that result from an increase from the preceding academic year in the amount designated by the institution as tuition under Section 54.0513 (Designates) or another provision authorizing an institution to establish tuition rates.

(h) Requires the general academic teaching institution awarding the degree, if a student eligible for a rebate under this section has an outstanding student loan, including an emergency loan, owed or guaranteed by this state, including the Texas Guaranteed Student Loan Corporation, to apply the amount of the rebate to the student's loan. Requires the institution, if a student has more than one outstanding loan, to apply the amount of the rebate to the loans as directed by the student or, if the student fails to provide timely instructions on the application of the amount, requires the institution to apply the amount of the rebate to the loans according to priorities established by Texas Higher Education Coordinating Board (coordinating board) rule. Requires the institution, if the amount of the rebate exceeds the amount of the student's debt on the loan or loans, to pay the student the excess amount.

(i) Requires the coordinating board, in consultation with general academic teaching institutions, to adopt any rules necessary to administer this section, including rules consistent with Subsection (c) for determining rebate amounts for students who transfer among general academic teaching institutions, rules governing the application of rebate amounts to outstanding student loans, and rules allowing students to suspend their enrollment or giving students additional time to complete their degree programs as described by Subsection (j).

(j) Requires the coordinating board to adopt rules to allow a student to receive a rebate under this section if the student satisfies the other requirements of this section but is unable to remain continuously enrolled at a general academic teaching institution as required by Subsection (b)(2) or to complete the student's degree program within the period required by Subsection (b)(5) solely as a result of a hardship or other good cause shown, including a showing of:

(1) a severe illness or other debilitating condition that affects the student's ability to satisfy the requirement of Subsection (b)(2) or (5) or

(2) the student's responsibility for the care of a sick, injured, or needy person if the provision of care affects the student's ability to satisfy the requirement of Subsection (b)(2) or (5).

(k) Provides that this section does not apply to a student who enters a general academic teaching institution for the first time before the 2005 summer session. Provides that this subsection expires January 1, 2011.

SECTION 2. Repealer: Section 54.0065 (Tuition Rebate for Certain Undergraduates), Education Code.

SECTION 3. Requires the Texas Higher Education Coordinating Board to adopt rules for the administration of Section 54.0061, Education Code, as added by this Act, as soon as practicable after this Act takes effect. Authorizes the coordinating board, for that purpose, to adopt the initial rules in the manner provided by law for emergency rules.

SECTION 4. Effective date: upon passage or September 1, 2005.