

By: Averitt

S.B. No. 1701

A BILL TO BE ENTITLED

AN ACT

relating to tuition and fee rebates for timely completion of degree programs offered by general academic teaching institutions.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

SECTION 1. Subchapter A, Chapter 54, Education Code, is amended by adding Section 54.0061 to read as follows:

Sec. 54.0061. TUITION AND FEE REBATE FOR TIMELY COMPLETION OF DEGREE PROGRAM. (a) In this section:

(1) "Compulsory fee" has the meaning assigned by Section 54.503.

(2) "Coordinating board" means the Texas Higher Education Coordinating Board.

(3) "General academic teaching institution" has the meaning assigned by Section 61.003.

(b) 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:

(1) enrolls at a general academic teaching institution:

(A) as a first-time freshman; or

(B) not later than the first fall semester following the student's graduation from high school;

(2) after satisfying the requirement of Subdivision (1), remains continuously enrolled at a general academic teaching

1 institution until graduation, except as otherwise permitted by this  
2 section;

3 (3) at all times while the student is enrolled at a  
4 general academic teaching institution, is a resident of this state  
5 for purposes of Subchapter B, Chapter 54, or is otherwise entitled  
6 to pay tuition and fees at the rate provided for residents of this  
7 state;

8 (4) is awarded a baccalaureate degree from a general  
9 academic teaching institution; and

10 (5) completes the student's degree program in  
11 accordance with the following time requirements:

12 (A) for a four-year degree program, on or before  
13 the fourth anniversary of the date the student first enrolls in a  
14 general academic teaching institution; or

15 (B) for a degree program of any other length, not  
16 later than the end of the standard completion period for that  
17 program, as established by the general academic teaching  
18 institution awarding the degree.

19 (c) The amount of a rebate under this section is the  
20 difference between the total amount of tuition and compulsory fees  
21 the student actually paid while enrolled in a general academic  
22 teaching institution and the total amount the student would have  
23 paid during that period if the student paid tuition at the rate and  
24 compulsory fees in the total amount in effect for the first full  
25 semester the student was enrolled in a general academic teaching  
26 institution. A student may not receive a rebate under this section  
27 if for any reason the amount of tuition and compulsory fees the

1 student actually paid is equal to or less than the amount of tuition  
2 and compulsory fees the student would have paid if the student had  
3 paid tuition at the rate and compulsory fees in the total amount in  
4 effect for that first full semester.

5 (d) A student who is otherwise eligible to receive a rebate  
6 under this section and who transfers from one general academic  
7 teaching institution to another remains eligible for a rebate under  
8 this section. An eligible transfer student enrolling at a general  
9 academic teaching institution must provide all undergraduate  
10 transcripts and receipts for tuition and fee payments to the  
11 institution to enable the institution to verify the student's  
12 eligibility for a rebate and determination of the amount of the  
13 rebate.

14 (e) Each general academic teaching institution shall notify  
15 each entering undergraduate student of the rebate program under  
16 this section.

17 (f) The general academic teaching institution awarding the  
18 degree to a student eligible for a rebate under this section shall  
19 pay the rebate from:

- 20 (1) local funds; or  
21 (2) any institutional funds set aside under Subsection  
22 (g) for purposes of paying the costs of rebates under this section.

23 (g) Each academic year, the governing board of each general  
24 academic teaching institution shall set aside to use in paying all  
25 or part of the costs of rebates under this section not less than 20  
26 percent of any amount of institutional funds that result from an  
27 increase from the preceding academic year in the amount designated

1 by the institution as tuition under Section 54.0513 or another  
2 provision authorizing an institution to establish tuition rates.

3 (h) If a student eligible for a rebate under this section  
4 has an outstanding student loan, including an emergency loan, owed  
5 or guaranteed by this state, including the Texas Guaranteed Student  
6 Loan Corporation, the general academic teaching institution  
7 awarding the degree shall apply the amount of the rebate to the  
8 student's loan. If a student has more than one outstanding loan,  
9 the institution shall apply the amount of the rebate to the loans as  
10 directed by the student or, if the student fails to provide timely  
11 instructions on the application of the amount, the institution  
12 shall apply the amount of the rebate to the loans according to  
13 priorities established by coordinating board rule. If the amount  
14 of the rebate exceeds the amount of the student's debt on the loan  
15 or loans, the institution shall pay the student the excess amount.

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

25 (j) The coordinating board shall adopt rules to allow a  
26 student to receive a rebate under this section if the student  
27 satisfies the other requirements of this section but is unable to

1 remain continuously enrolled at a general academic teaching  
2 institution as required by Subsection (b)(2) or to complete the  
3 student's degree program within the period required by Subsection  
4 (b)(5) solely as a result of a hardship or other good cause shown,  
5 including a showing of:

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

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

13 (k) This section does not apply to a student who enters a  
14 general academic teaching institution for the first time before the  
15 2005 summer session. This subsection expires January 1, 2011.

16 SECTION 2. Section 54.0065, Education Code, is repealed.

17 SECTION 3. The Texas Higher Education Coordinating Board  
18 shall adopt rules for the administration of Section 54.0061,  
19 Education Code, as added by this Act, as soon as practicable after  
20 this Act takes effect. For that purpose, the coordinating board may  
21 adopt the initial rules in the manner provided by law for emergency  
22 rules.

23 SECTION 4. This Act takes effect immediately if it receives  
24 a vote of two-thirds of all the members elected to each house, as  
25 provided by Section 39, Article III, Texas Constitution. If this  
26 Act does not receive the vote necessary for immediate effect, this  
27 Act takes effect September 1, 2005.