

## **BILL ANALYSIS**

C.S.H.B. 3900  
By: Morrison  
Higher Education  
Committee Report (Substituted)

### **BACKGROUND AND PURPOSE**

This proposal is a new saving option that will benefit students, parents and the higher learning institutions to help make higher education affordable for Texas families.

Through C.S.H.B 3900, participants will be able to lock in today's tuition rates for their children's future higher education needs, giving them more certainty about the cost of college education.

### **RULEMAKING AUTHORITY**

It is the committee's opinion that rulemaking authority is expressly granted to the Prepaid Higher Education Tuition Board in SECTION 1 of this bill.

### **ANALYSIS**

SECTION 1. Adds Subchapter H titled "Prepaid Tuition Unit Undergraduate Education Program: Texas Tomorrow Fund II" to Chapter 54, Education Code.

Sec. 54.751. Defines "Accredited out-of-state institution of higher education," "Beneficiary," "Board," "Fund," "General academic teaching institution," "Prepaid tuition contract," "Private or independent institution of higher education," "public junior college," "public state college," "public technical institute," "recognized accrediting agency," "Program," "Purchaser," "Required fee," and "Two-year institution of higher education."

Sec. 54.752. (a) Provides that in addition to carrying out duties assigned under Subchapters F and G, the Prepaid Higher Education Tuition Board (board) shall administer the prepaid tuition unit undergraduate education program established under this subchapter. The board shall comply with federal and state law related to the program.

(b) Expands the list of powers assigned to the board, specifying those necessary for the administration of the program, in addition to those already specified in subchapters F and G.

Sec. 54.753. (a) Allows a purchaser to prepay the costs of all or a portion of a beneficiary's undergraduate tuition and required fees at a general academic teaching institution, two-year institution of higher education, private or independent institution of higher education, or accredited out-of-state institution of higher education by entering into a prepaid tuition contract with the board to purchase one or more tuition units of a type described by this section at the applicable price established by the board for that type of unit for the year in which the unit is purchased. Specifies that the portion of the beneficiary's undergraduate tuition and required fees for which a tuition unit may be redeemed at a particular general academic teaching institution or two-year institution of higher education is assigned to the tuition unit at the time of purchase, and the tuition unit may be redeemed to pay that portion of the tuition and fees at the general academic teaching institution or two-year institution of higher education in any academic year in which the tuition unit is redeemed in accordance with this subchapter. Specifies that the purchaser may purchase one type of unit or a combination of two or three types of units.

(b) Specifies that the assigned value of a tuition unit, purchased as provided by this section, when used to pay the cost of tuition and required fees at a general academic teaching institution or two-year institution of higher education, is equal to one percent of the amount necessary for the academic year in which the unit is redeemed to cover the applicable cost of undergraduate resident tuition and required fees for one academic year consisting of 30 semester credit hours based on the type of tuition unit purchased.

(c) Requires the board to annually establish the price at which each type of tuition unit may be purchased during the next sales period and the percentage of the total cost of undergraduate resident tuition and required fees for one academic year consisting of 30 semester credit hours for which each type of tuition unit may be redeemed at each general academic teaching institution and two-year institution. Specifies that the percentage shall be based on the total cost of required tuition and fees at a particular general academic teaching institution or two-year institution of higher education in relation to the amount determined for the institution with the highest cost or weighted average cost, as applicable. Establishes that the purchase price for each type of unit must be equal to the applicable cost of tuition and required fees as determined under this section for the most recent academic year that began before the beginning of the sales period. Provides that the sales period to which those prices apply expires on the first anniversary of the date the units become available for purchase at the prices established for that year.

(d) Specifies that the board shall base the purchase price of a Type I tuition unit on one percent of the cost of the undergraduate resident tuition and required fees for the applicable academic year at the general academic teaching institution with the highest such tuition and fee cost for that academic year.

(e) Specifies that the board shall base the purchase price of a Type II tuition unit on one percent of the cost of the weighted average general academic teaching institution undergraduate resident tuition and required fees for the applicable academic year determined by: for each general academic teaching institution, multiplying the average amount of the institution's undergraduate resident tuition and required fees for an academic year consisting of 30 semester credit hours by the number of full-time equivalent undergraduate resident students at that institution; adding together the products computed under Subdivision (1) for each institution; and dividing the sum determined under Subdivision (2) by the total number of full-time equivalent undergraduate resident students at all general academic teaching institutions.

(f) Specifies that the board shall base the purchase price of a Type III tuition unit on one percent of the cost of the weighted average two-year institution of higher education undergraduate resident tuition and required fees for the applicable academic year, disregarding any portion of the tuition charged by a public junior college to a resident of this state who does not reside within the taxing jurisdiction of the junior college. That cost is determined by: multiplying the average amount of the undergraduate resident tuition and required fees for an academic year consisting of 30 semester credit hours for each two-year institution of higher education by the number of full-time equivalent undergraduate resident students at that institution; adding together the products computed under Subdivision (1) for each institution; and dividing the sum determined under Subdivision (2) by the total number of full-time equivalent undergraduate resident students at all two-year institutions of higher education.

(g) Prohibits the total amount paid under a prepaid tuition contract on behalf of a single beneficiary from exceeding any limit established on the amount by Section 529, Internal Revenue Code of 1986. Requires the board to establish, in compliance with Section 529, Internal Revenue Code of 1986, the minimum amount that the purchaser is required to pay under the contract on behalf of a single beneficiary.

(h) Specifies that at the time of the establishment of the account to which a purchaser's prepaid tuition contract money is assigned, the board may impose an administrative fee not to exceed \$25. Requires the money from that fee to be used directly in maintaining the actuarial soundness of the fund as required by Section 54.770. Provides that the board may not impose any other fee or charge in connection with the sale of a tuition unit.

Sec. 54.754. (a) Requires the board, when a beneficiary under a prepaid tuition contract redeems one or more tuition units to pay costs of tuition and required fees, to apply money in the fund in the amount provided by Section 54.765(c) or (d), as applicable, to pay all or the applicable portion of the costs of the beneficiary's tuition and required fees at the general academic teaching institution, two-year institution of higher education, private or independent institution of higher education, or accredited out-of-state institution of higher education in which the beneficiary enrolls. Provides that, subject to Subsection (b) (2) and the other provisions of this section, a beneficiary may redeem any type of tuition unit for attendance at an institution described by this section. Requires that a general academic teaching institution or two-year institution of higher education shall accept the amount transferred to the institution under Section 54.765(c) when the unit or units are redeemed as payment for all or the applicable portion of the beneficiary's tuition and required fees.

(b) Specifies that in order to pay for the entire cost of undergraduate resident tuition and required fees for an academic year consisting of 30 semester credit hours, redemption of 100 Type I tuition units is required at the general academic teaching institution with the highest tuition and fee cost, redemption of 100 Type II tuition units is required at a general academic teaching institution with the applicable tuition and fee cost at the appropriate weighted average, and redemption of 100 Type III tuition units is required at a two-year institution of higher education with the applicable tuition and fee cost at the appropriate weighted average. Specifies that the number of tuition units that must be redeemed to pay for the entire cost of tuition and required fees for an academic year at another general academic teaching institution or two-year institution of higher education may be higher or lower in proportion to the amount that the cost is higher or lower than the institution with the highest cost or weighted average, or if a more or less valuable type of tuition unit is redeemed.

(c) Requires that to assist purchasers in determining the number of tuition units a beneficiary must redeem to cover the costs of tuition and required fees at general academic teaching institutions and two-year institutions of higher education, each year the board shall prepare a tuition unit redemption chart and shall post the chart on an Internet website. Requires that the chart must show for each general academic teaching institution and for each two-year institution of higher education the number of each type of units purchased that year that would be required to cover the cost of tuition and required fees, based on an academic year consisting of 30 semester credit hours.

(d) Requires a beneficiary, if they redeem fewer tuition units of the type or combination of types necessary to pay the total cost of the tuition and required fees at the appropriate institution, to pay the difference between the amount of tuition and required fees, for which the beneficiary pays through the redemption of one or more tuition units and the total cost of the beneficiary's tuition and required fees at the institution.

(e) Allows a beneficiary who does not redeem all of the tuition units that they have purchased, other than deferring redemption, to redeem for cash the amount of the purchase price of the excess units, plus annual interest earned on that money, accrued at a rate set by the board not to exceed five percent annually, or transfer the remaining units to another beneficiary in accordance with this subchapter.

(f) Prohibits a beneficiary or purchaser from redeeming tuition units earlier than the third anniversary of the date of purchase.

Sec. 54.755. (a) Requires the board to adopt a form for a prepaid tuition contract to be used by the board and purchasers.

(b) Requires that a prepaid tuition contract must specify the terms under which the purchaser must pay any amounts owed under the contract; specify the consequences of default; specify the name and date of birth of the beneficiary under the contract and the terms under which another person may be substituted as the beneficiary; specify the date the beneficiary is projected to graduate from high school; and contain any other provisions the board considers necessary or appropriate.

(c) Allows a prepaid tuition contract to provide for the purchase of additional tuition units in subsequent years at the then-current price of the additional units.

Sec. 54.756. (a) Provides that a purchaser may be any person who is permitted to be a purchaser under Section 529, Internal Revenue Code of 1986, and is not required to be a resident of this state, except as provided by Subsection (c) (2).

(b) Provides, in accordance with applicable provisions of Section 529, Internal Revenue Code of 1986, that a purchaser is the owner of the account to which the purchaser's prepaid tuition contract money is assigned.

(c) Requires that, at the time the purchaser enters into a prepaid tuition contract, the beneficiary of the contract must be a resident of this state at the time the purchaser enters into the contract, or a nonresident who is the child of a parent who is a resident of this state at the time that parent enters into the contract.

(d) Provides, for purposes of Subsection (c), that the board may require a reasonable period of residence in this state for a beneficiary or the parent of a beneficiary.

(e) Requires, notwithstanding any provision of Subchapter B, that the tuition and required fees charged by a general academic teaching institution or two-year institution of higher education that are paid for with tuition units shall be determined as if the beneficiary of that contract were a resident student.

Sec. 54.757. (a) Allows the board to provide for the receipt of payment under prepaid tuition contracts in lump sums or installment payments. Provides that if the board allows payments under a contract to be made in installments over a period longer than one year, the board must provide for a plan that permits those payments to be made in single annual installments in addition to any other permitted installment plans.

(b) Allows a purchaser to make payments under a prepaid tuition contract by an electronic funds transfer.

(c) Allows an employee of this state or a political subdivision of this state to make payments under a prepaid tuition contract by payroll deductions made by the appropriate officer of the state or political subdivision, and requires the board to implement procedures to facilitate these payments.

(d) Allows the board to impose a fee for a late payment under a prepaid tuition contract.

Sec. 54.758. (a) Requires a prepaid tuition contract to permit the beneficiary to elect to pay the beneficiary's tuition and required fees from a source other than tuition units purchased, and to defer to a subsequent semester or other academic term the right to payment of the beneficiary's tuition and required fees by using tuition units remaining under the contract.

(b) Specifies that such deferment does not affect the date on which a prepaid tuition contract terminates or give the beneficiary the right to a payment after termination of the contract.

Sec. 54.759. (a) Allows the purchaser of a prepaid tuition contract to designate a different beneficiary in place of the original beneficiary if the new beneficiary meets the requirements on the date the designation is changed. Provides that the new beneficiary must meet the requirements of Section 529, Internal Revenue Code of 1986, to prevent the change of beneficiary from being treated as a distribution under that law.

(b) Allows the board to adjust the terms of the contract so that the purchaser is required to pay the amount that would have been required had they originally designated the new beneficiary as the beneficiary, taking into account any payments made before the date the designation is changed.

(c) Provides that the board may not impose a fee in connection with the designation of a new beneficiary.

(d) Provides that the purchaser of a prepaid tuition contract may not sell the contract.

Sec. 54.760. Allows the board to require a purchaser to verify under oath a request to change a beneficiary, or terminate a contract.

Sec. 54.761. Specifies that this subchapter is not a promise or guarantee that a beneficiary will be admitted to any public or private institution of higher education, will be admitted to a particular public or private institution of higher education, will be allowed to continue enrollment at such an institution, or will be graduated from any such institution.

Sec. 54.762. (a) Requires a prepaid tuition contract to specify the name of any person who may terminate the contract and the terms under which the contract may be terminated.

(b) Requires a prepaid tuition contract to terminate on the 10<sup>th</sup> anniversary of the date the beneficiary is projected to graduate from high school, not counting time spent by the beneficiary as an active duty member of the United States armed services.

Sec. 54.763. (a) Requires a prepaid tuition contract to specify the name of the person entitled to any refund if the contract is terminated, the terms under which a person is entitled to a refund, and the method by which the amount of the refund is computed.

(b) Specifies that the person named in the contract is entitled to a refund following termination of a prepaid tuition contract.

(c) Requires the board to determine the method by which the amount of the refund is computed.

Sec. 54.764. (a) Establishes the Texas tomorrow fund II prepaid tuition unit undergraduate education program fund as a trust fund outside of the state treasury.

(b) Requires the board to deposit in the fund money paid under prepaid tuition contracts and credit to the fund income earned on that money.

(c) Requires the board to provide for administering the assets of the fund and establishing and administering the accounts of purchasers under prepaid tuition contracts.

(d) Requires the board to provide for assigning payments to the fund to separate accounts for purchasers and allows the board to provide for assigning payments to other general accounts as otherwise considered appropriate by the board.

(e) Allows the board to provide for acquiring, holding, managing, purchasing, selling, assigning, trading, transferring, or disposing of any security, evidence of indebtedness, or other investment in which the fund's assets may be invested.

Sec. 54.765. (a) Specifies that, except as provided by subsection (e), the comptroller is the custodian of the assets of the fund.

(b) Requires the comptroller to pay money from the fund on a warrant drawn by the comptroller supported only on a voucher signed by the comptroller or their authorized representative.

(c) Requires the comptroller to transfer, when a beneficiary enrolls at a general academic teaching institution or two-year institution of higher education, on written authorization from the purchaser of the tuition unit or units for that beneficiary, an amount to the institution equal to the total purchase price of the tuition unit or units the beneficiary redeems for the semester or other academic term plus the portion of the total return on all investment assets of the fund attributable to that amount.

(d) Provides that when a beneficiary enrolls at a private or independent institution of higher education or accredited out-of-state institution of higher education, on written authorization from the purchaser of the tuition unit or units for that beneficiary, the comptroller is required to transfer to the institution the lesser of: (1) an amount equal to the current cost of the tuition and required fees that would be covered by redemption of the number and type of tuition units the beneficiary is redeeming if the beneficiary were redeeming the unit or units at a general academic teaching institution or two-year institution of higher education as follows: (A) for a Type I unit, at the general academic teaching institution that, in the sales year in which the unit was purchased, had the highest tuition and required fee cost; (B) for a Type II unit, at a general academic teaching institution that, in the sales year in which the unit was purchased, had tuition and required fee cost at the weighted average; and (C) for a Type III unit, at a two-year institution of higher education that, in the sales year in which the unit was purchased, had tuition and required fee cost at the weighted average; or (2) an amount equal to the total purchase price of the tuition unit or units the beneficiary redeems for the semester or other academic term plus the portion of the total return on assets of the fund attributable to that amount.

(e) Requires the comptroller to provide annually to the board a sworn statement of the amount of the fund's assets in the comptroller's custody.

(f) Allows the board to select one or more commercial banks, depository trust companies, or other entities to serve as custodian of all or part of the fund's assets.

Sec. 54.766. (a) Requires the board to provide for investing the assets of the fund, with the same investment authority as provided to the board of regents of The University of Texas System with respect to the investment of the Permanent University Fund.

(b) Requires the board to contract with one or more private professional investment managers to serve as plan manager and to invest the assets of the fund on behalf of the board. Requires the board, in selecting a manager, to comply with Section 54.704. Requires the board, in monitoring the manager's investments, to ensure that investments are made according to the standard of investment provided by this section. Provides that the plan manager has the same duties imposed on a plan manager by Section 54.705. Requires the board to pay the plan manager a fund management fee in an amount determined by the board, not to

exceed an annual amount equal to one-half of one percent of the average value of the fund during the year.

(c) Requires the board to develop written objectives concerning the investment of the assets of the fund. Provides that the objectives may address desired rates of return, risks involved, investment time frames, and any other relevant considerations.

(d) Provides that the board may specify in a contract under this section that the plan manager is required to establish and maintain an Internet website through which a purchaser may monitor the account to which the purchaser's prepaid tuition contract money is assigned.

Sec. 54.767. Provides that the assets of the fund may be used only to pay the costs of program administration and operations; make payments to general academic teaching institutions, two-year institutions of higher education, private or independent institutions of higher education, and accredited out-of-state institutions of higher education on behalf of beneficiaries; and make refunds under prepaid tuition contracts.

Sec. 54.768. Provides that the registration requirements of The Securities Act (Article 581-1 et seq., Vernon's Texas Civil Statutes) do not apply to the sale of a prepaid tuition contract by the board or by a registered securities dealer or a registered investment advisor.

Sec. 54.769. (a) Exempts money in the fund from claims of creditors, including claims of creditors of a purchaser, a beneficiary, or a successor in interest of a purchaser or beneficiary.

(b) Exempts the rights of a purchaser, beneficiary, or successor in interest of a purchaser or beneficiary in and under a prepaid tuition contract and the payment of tuition and required fees for a beneficiary under a prepaid tuition contract to a general academic teaching institution, two-year institution of higher education, private or independent institution of higher education, or accredited out-of-state institution of higher education under this chapter from attachment, levy, garnishment, execution, and seizure for the satisfaction of any debt, judgment, or claim against them.

(c) Prohibits a claim or judgment against a purchaser, beneficiary, or successor in interest of a purchaser or beneficiary from impairing or entitling the claim or judgment holder to assert or enforce a lien against the rights of a purchaser, beneficiary, or successor in interest of a purchaser or beneficiary in and under a prepaid tuition contract, or the right of a beneficiary to the payment of tuition and required fees to a general academic teaching institution, two-year institution of higher education, private or independent institution of higher education, or accredited out-of-state institution of higher education under a prepaid tuition contract.

Sec. 54.770. (a) Requires the board to administer the fund in a manner that is sufficiently actuarially sound to pay the costs of program administration and operations and to meet the obligations of the program.

(b) Requires the board to annually evaluate the actuarial soundness of the fund.

(c) Allows the board to adjust the terms of subsequent prepaid tuition contracts as necessary to ensure the actuarial soundness of the fund.

Sec. 54.771. Requires the board to monitor contributions to and withdrawals from the fund and any account within the fund to ensure that any applicable limits on contributions or withdrawals are not exceeded.

Sec. 54.772. (a) Specifies that this section is intended to meet the requirements of Section 529, Internal Revenue Code of 1986.

(b) Requires a payment of an amount due to the fund for a prepaid tuition contract to be made in cash or cash equivalent, and may not exceed the amounts required to be paid.

(c) Requires the board to maintain a separate accounting for each beneficiary.

(d) Prohibits the purchaser and beneficiary from controlling or directing the investment of payments under the contract or any earning of the fund or using any interest in the contract as security for a loan or other obligation.

(e) Requires the board to make reports required by the secretary of the United States Treasury.

Sec. 54.773. (a) Allows the board, on the request of the comptroller as considered necessary to ensure the actuarial soundness of the fund, to temporarily suspend new enrollment in the program.

(b) Requires the comptroller, should it be determined that the program is financially infeasible, to notify the governor and legislature and recommend that the program be modified or terminated.

Sec. 54.774. (a) Specifies that a prepaid tuition contract remains in effect after the program is terminated if, when the program is terminated, the beneficiary has been accepted by or is enrolled at a general academic teaching institution, two-year institution of higher education, private or independent institution of higher education, or accredited out-of-state institution of higher education, or is projected to graduate from high school not later than the third anniversary of the date of the program's termination.

(b) Specifies that a prepaid tuition contract terminates when the program is terminated if the contract does not remain in effect under Subsection (a).

Sec. 54.775. (a) Provides that records in the custody of the board relating to the participation of specific purchasers and beneficiaries in the program are confidential.

(b) Allows the board, notwithstanding Subsection (a), to release the information described by that subsection to a general academic teaching institution, two-year institution of higher education, private or independent institution of higher education, or accredited out-of-state institution of higher education at which a beneficiary may enroll or is enrolled, in which case the receiving institution is required to keep the information confidential.

(c) Allows the board, notwithstanding any other provision of this subchapter, to release information to the Internal Revenue Service and to any state tax agencies as required by applicable tax law.

Sec. 54.776. Requires the board to provide, without charge, to each purchaser, not later than January 1 of each year, a statement of the amount paid by the purchaser under the prepaid tuition contract; the total number of each type of tuition unit covered by the contract at any one time; the number of each type of tuition unit remaining under the contract; the value of the purchasers' tuition units if redeemed at any general academic teaching institution or two-year institution of higher education designated for that year by the purchaser in the time and manner required by the board, not to exceed five institutions; and any other information the board determines by rule is necessary or appropriate.

Sec. 54.777. (a) Requires the board to provide to the governor, lieutenant governor, speaker of the house of representatives, Legislative Budget Board, Legislative Audit Committee, state auditor, and Texas Higher Education Coordinating Board (coordinating



board), not later than December 1 of each year, a report on the previous fiscal year, including the fiscal transactions of the board and the plan manager; the market and book value of the fund; the asset allocations of the fund expressed in percentages of stocks, fixed income, cash, or other financial investments; the rate of return on the investment of the fund's assets; and an actuarial valuation of the assets and liabilities of the program, including the extent to which the program's liabilities are unfunded.

(b) Requires the board to make the report, described by Subsection (a), available to purchasers of prepaid tuition contracts.

(c) Requires the board to provide to the coordinating board, not later than December 1 of each year, complete prepaid tuition contract sales information, including projected enrollments of beneficiaries at general academic teaching institutions and two-year institutions of higher education.

SECTION 2. Allows the Prepaid Higher Education Tuition Board to enter into prepaid tuition contracts with purchasers and begin selling tuition units on September 1, 2008.

SECTION 3. Effective date.

### **EFFECTIVE DATE**

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 September 1, 2007.

### **COMPARISON OF ORIGINAL TO SUBSTITUTE**

The substitute adds the definitions for "Accredited out-of-state institution of higher education," "Private or independent institution of higher education," and "recognized accrediting agency."

The substitute allows a beneficiary to apply one or more tuition units to the payment of undergraduate tuition and required fees at a private or independent institution of higher education or an accredited out-of-state institution of higher education.

The substitute provides that the board has the power to contract for necessary goods and services, including specifying in the contract duties to be performed by the provider of a good or service that are a part of or are in addition to the person's primary duties under the contract.

The substitute removes the one-half percent discount from the applicable cost of tuition and required fees in determining the purchase price at which each type of unit must be sold.

The substitute removes the provision prohibiting the board from imposing an administrative fee or other charge in connection with the sale of a tuition unit.

The substitute allows the board to impose an administrative fee not to exceed \$25 at the time of the establishment of the account to which a purchaser's prepaid tuition contract money is assigned. The substitute provides that money from that fee must be used directly in maintaining the actuarial soundness of the fund as required by Section 54.770, and that the board may not impose any other fee or charge in connection with the sale of a tuition unit.

The substitute provides that if a beneficiary redeems fewer tuition units of the type or combination of types necessary to pay the total cost of the beneficiary's tuition and required fees at the general academic teaching institution, two-year institution of higher education, private or independent institution of higher education, or accredited out-of-state institution of higher education at which the beneficiary enrolls, the beneficiary is responsible for paying the amount of the difference between the amount of tuition and required fees for which the beneficiary pays through the redemption of one or more tuition units and the total cost of the beneficiary's tuition and required fees at the institution.

The substitute provides that if the beneficiary redeems fewer tuition units to pay the cost of tuition and required fees than the number of units purchased on behalf of the beneficiary under a prepaid tuition contract, the purchaser may redeem for cash the amount of the purchase price of the excess units, plus annual interest earned on that money, accrued at a rate set by the board not to exceed five, rather than 2.5, percent annually.

The substitute provides that a purchaser may be any person who is permitted to be a purchaser under Section 529, Internal Revenue Code of 1986. The substitute provides that the purchaser is not required to be a resident of this state, except as provided by Subsection (c) (2), and that the purchaser is the owner of the account to which the purchaser's prepaid tuition contract money is assigned.

The substitute removes the requirement that at the time the purchaser enters into a prepaid tuition contract, the beneficiary of the contract must be younger than 18 years of age or 18 years of age or older and enrolled in high school.

The substitute no longer allows the board to provide for segregating payments to the fund into various accounts, but requires that the board shall provide for assigning payments to the fund to separate accounts for purchasers and may provide for assigning payments to other general accounts as otherwise considered appropriate by the board.

The substitute adds Sec. 54.765(d), specifying the amount that the comptroller must transfer to a private or independent institution of higher education or accredited out-of-state institution of higher education when a beneficiary enrolls at such institution, on written authorization from the purchaser of the tuition unit or units for that beneficiary.

The substitute allows the board to specify in a contract under this section that the plan manager is required to establish and maintain an Internet website through which a purchaser may monitor the account to which the purchaser's prepaid tuition contract money is assigned.

The substitute makes other non-substantive, technical, and conforming changes.