

BILL ANALYSIS

C.S.S.B. 1231
By: Zaffirini
Higher Education
Committee Report (Substituted)

BACKGROUND AND PURPOSE

Current law specifies the amount of tuition and fees that must be refunded to students who drop a course or withdraw from an institution. Many academic institutions now offer academic terms and sessions in addition to those recognized in current law. The proposed changes are needed to address refunds for different lengths of academic terms. Section 54.006(g), Education Code is repealed due to obsolete language referencing “minimum tuition.” The statute authorizing minimum tuition for general academics and health related institutions was repealed in 2001.

C.S.S.B. 1231 sets forth the procedure, timeline, and amount of refunds to be issued by an institution for tuition and fees for academic terms of varying lengths.

RULEMAKING AUTHORITY

This bill does not expressly grant any additional rulemaking authority to a state officer, department, agency, or institution.

ANALYSIS

SECTION 1. Amends the heading to Section 54.006, Education Code, to read as follows:

Sec. 54.006. REFUND OR ADJUSTMENT OF TUITION AND MANDATORY FEES FOR DROPPED COURSES AND STUDENT WITHDRAWALS.

SECTION 2. Amends Section 54.006, Education Code, by amending Subsections (a), (b), (c), and (e), and adding Subsections (a-1), (b-1), and (b-2) as follows:

(a) Requires a general academic teaching institution or medical and dental unit, as soon as practicable, to refund the amount of tuition and mandatory fees, rather than fees and tuition in excess of the minimum tuition, collected for courses from which students drop within the first 12 days of a fall or spring semester or a summer term of 10 weeks or longer, within the first four days of a term or session of more than five weeks but less than 10 weeks, or within the period specified by the institution for that purpose for a term or session of five weeks or less that is substantially proportional to the period specified by this subsection for a longer term or session.

(a-1) Creates this section from existing text.

(b) Amends language regarding the amount and sets forth tables for determining the amount required to be refunded based on the length of the term, number of class days, and percentage of tuition & mandatory fees to be refunded when a student withdraws from the institution. Updates the existing table to provide for a summer term of 10 weeks or longer, rather than comparable trimester; updates the table to provide for a session of more than five weeks but less than 10 weeks; and adds the table to provide for the amount refunded if the student withdraws from a term or session of five weeks or less.

(b-1) Provides that if a student has not paid the total amount of the tuition and mandatory fees charged to the student by the institution or unit for the courses in which the student is enrolled by the date the student withdraws from the institution or unit, instead of issuing the student a refund in the amount required under Subsection (b), the institution or unit may credit the amount to be refunded toward the payment of the outstanding tuition and

mandatory fees owed by the student. Requires the institution or unit to issue a refund to the student if any portion of the amount to be refunded remains after the outstanding tuition and mandatory fees have been paid.

(b-2) Allows a general academic teaching institution or medical and dental unit to provide to a student withdrawing from the institution or unit a refund of a portion of the tuition and mandatory fees charged to the student by the institution or unit for the courses in which the student is enrolled on the date the student withdraws in an amount greater than the amount required by Subsection (b). Allows the institution or unit to apply the portion of the refund authorized by this subsection toward the payment of any outstanding tuition and fees as provided by Subsection (b-1). Allows the institution to refund the remainder of that portion in the form of a payment made directly to the student or credit toward payment of tuition and mandatory fees for a subsequent semester or other academic term at the institution or unit, as the institution or unit considers appropriate.

(c) Authorizes separate withdrawal refund schedules to be established for optional fees. Deletes examples of optional fees.

(e) Allows a general academic teaching institution or medical and dental unit to terminate a student's student services and privileges, including health services, library privileges, facilities and technology usage, and athletic and cultural entertainment tickets, when the student withdraws from the institution.

SECTION 3. Repealer: Section 54.006(g), Education Code is repealed.

SECTION 4. Makes application of this Act prospective beginning with the fall 2007 semester.

SECTION 5. Effective date.

EFFECTIVE DATE

Upon passage, or, if the Act does not receive the necessary vote, the Act takes effect September 1, 2007.

COMPARISON OF ORIGINAL TO SUBSTITUTE

The substitute makes a change to provide for the refund of certain fees for a summer term of 10, rather than 12, weeks or longer and for a term or session of more than five weeks but less than 10, rather than 12, weeks.

The substitute makes a change to provide that except as provided by Subsections (b-1) and (b-2), a general academic teaching institution or medical and dental unit shall refund from the amount paid by a student withdrawing from the institution or unit an amount equal to the product of the amount of tuition and mandatory fees charged, rather than collected, for each course in which the student is enrolled on the date the student withdraws multiplied by the applicable percentage derived from certain tables.

The substitute makes a change to add Subsections 54.006 (b-1) and (b-2), Education Code to the bill.

The substitute makes a change to provide that a general academic teaching institution or medical and dental unit may, rather than shall, terminate certain services and privileges of a student when the student withdraws from the institution.

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