

1-1 By: Zaffirini S.B. No. 1232
1-2 (In the Senate - Filed March 6, 2007; March 14, 2007, read
1-3 first time and referred to Subcommittee on Higher Education;
1-4 April 11, 2007, reported adversely, with favorable Committee
1-5 Substitute from Committee on Education by the following vote:
1-6 Yeas 6, Nays 0; April 11, 2007, sent to printer.)

1-7 COMMITTEE SUBSTITUTE FOR S.B. No. 1232 By: Zaffirini

1-8 A BILL TO BE ENTITLED
1-9 AN ACT

1-10 relating to the manner of payment of higher education tuition and
1-11 fees and to the repayment of emergency student loans.

1-12 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

1-13 SECTION 1. Section 54.007, Education Code, is amended by
1-14 amending Subsections (a), (b), and (d), by amending and relettering
1-15 Subsection (f), as added by Chapter 888, Acts of the 79th
1-16 Legislature, Regular Session, 2005, as Subsection (g), and by
1-17 adding Subsection (b-1) to read as follows:

1-18 (a) The governing board of each institution of higher
1-19 education shall provide for the payment of tuition and fees for
1-20 ~~[during]~~ the fall and spring semesters through one of the following
1-21 alternatives:

1-22 (1) except as provided by Subsection (b-1), full
1-23 payment of tuition and fees in advance of the beginning of the
1-24 semester; or

1-25 (2) [one-half] payment in installments under one or
1-26 more payment plan options that require the first payment to be made
1-27 [of tuition and fees] in advance of the beginning of the semester
1-28 and the final payment to be made before the last day of the
1-29 semester~~[, one-quarter payment prior to the start of the sixth~~
1-30 ~~class week, and the final one-quarter payment before the beginning~~
1-31 ~~of the eleventh class week].~~

1-32 (b) The governing board of each institution of higher
1-33 education shall provide for ~~[may permit]~~ the payment of tuition and
1-34 fees for ~~[during]~~ a summer term through one of the following
1-35 alternatives:

1-36 (1) except as provided by Subsection (b-1), full ~~[for~~
1-37 ~~a student enrolled for a summer term of 12 weeks or longer that is~~
1-38 ~~not covered by Subdivision (2), one-half] payment of tuition and~~
1-39 ~~fees in advance of the beginning of the summer term~~~~[, one-quarter~~
1-40 ~~payment before the beginning of the fifth class week, and the final~~
1-41 ~~one-quarter payment before the beginning of the ninth class week];~~

1-42 (2) ~~[for a student enrolled for a summer term of 16~~
1-43 ~~weeks or longer, one-half] payment in installments under one or~~
1-44 ~~more payment plan options that require the first payment to be made~~
1-45 ~~[of tuition and fees] in advance of the beginning of the summer term~~
1-46 ~~and the final payment to be made before the last day of the term~~~~[,~~
1-47 ~~one-quarter payment before the beginning of the sixth class week,~~
1-48 ~~and the final one-quarter payment before the beginning of the 11th~~
1-49 ~~class week]; or [and]~~

1-50 (3) ~~for a student enrolled for a summer term~~ ~~[not~~
1-51 ~~covered by Subdivision (1) or (2)] in a public junior college,~~
1-52 ~~public technical institute, or public state college, one-half~~
1-53 ~~payment of tuition and fees in advance of the beginning of the~~
1-54 ~~summer term and the remaining amount in one or two later payments to~~
1-55 ~~be made in the percentages and by the dates determined by the~~
1-56 ~~governing board of the college or institute, provided that the~~
1-57 ~~final payment must be made before the beginning of the last week of~~
1-58 ~~the summer term.~~

1-59 (b-1) A student who owes a balance of tuition and fees as a
1-60 result of a change in the student's class schedule or who owes a
1-61 balance of tuition and fees of less than \$100 after making an
1-62 insufficient payment of tuition and fees previously due shall pay
1-63 the balance owed not later than the next payment date established by

2-1 the governing board under a payment plan adopted under Subsection
2-2 (a)(2) or (b)(2), as applicable.

2-3 (d) A student who fails to make a full payment of the
2-4 required amount of tuition and fees, including any incidental fees,
2-5 by the due date may be prohibited from registering for classes until
2-6 full payment is made. A student who fails to make full payment
2-7 prior to the end of the semester or summer term may be denied credit
2-8 for the work done that semester or term. The governing board may
2-9 not impose on a student any sanction authorized by this subsection
2-10 unless the governing board includes in any written or electronic
2-11 agreement authorized [~~promissory note signed~~] by the [a] student
2-12 the following statement printed in bold-faced type or in capital
2-13 letters: "A STUDENT WHO FAILS TO MAKE FULL PAYMENT OF TUITION AND
2-14 FEES, INCLUDING ANY INCIDENTAL FEES, BY THE DUE DATE MAY BE
2-15 PROHIBITED FROM REGISTERING FOR CLASSES UNTIL FULL PAYMENT IS MADE.
2-16 A STUDENT WHO FAILS TO MAKE FULL PAYMENT PRIOR TO THE END OF THE
2-17 SEMESTER OR TERM MAY BE DENIED CREDIT FOR THE WORK DONE THAT
2-18 SEMESTER OR TERM." The governing board shall notify a student of
2-19 any delinquent tuition or fee payment as soon as practicable. The
2-20 institution's records may be adjusted to reflect the student's
2-21 failure to have properly enrolled for that semester.

2-22 (g) [~~(f)~~] The governing board shall require a student who
2-23 elects to pay tuition and fees by installment under this section to
2-24 enter into a written or electronic agreement reflecting the terms
2-25 and conditions required by this section for the installment plan
2-26 provided for the student by the governing board.

2-27 SECTION 2. Subsection (a), Section 56.053, Education Code,
2-28 as amended by Chapters 80 and 655, Acts of the 77th Legislature,
2-29 Regular Session, 2001, is reenacted and amended to read as follows:

2-30 (a) The governing board of each institution shall adopt
2-31 rules providing for the terms of the loan, subject to the following:

2-32 (1) the loan must be repaid over a period not to exceed
2-33 90 days for a loan made for a regular semester or long summer
2-34 session or over a proportionately shorter period for loans made for
2-35 a six-week summer session;

2-36 (2) the loan must be evidenced by a written or
2-37 electronic agreement providing for one of the following:

2-38 (A) [~~promissory note that bears~~] interest on the
2-39 loan at a rate of not more than five percent per year; or

2-40 (B) an origination fee of not more than 1.25
2-41 percent of the amount of the loan; and

2-42 (3) the maximum loan amount per student may not be
2-43 greater than an amount equal to the tuition and mandatory
2-44 [~~required~~] fees for the courses in which the student is actually
2-45 enrolling.

2-46 [~~(3) the maximum loan amount per student may not be
2-47 less than an amount equal to the tuition and required fees for the
2-48 courses in which the student is actually enrolling, unless the
2-49 institution determines that a lower amount would be in the best
2-50 interest of the student.]~~

2-51 SECTION 3. Section 56.053, Education Code, is amended by
2-52 adding Subsection (c) to read as follows:

2-53 (c) The maximum loan amount established under Subsection
2-54 (a)(3) does not entitle a student to a loan in that amount, and an
2-55 institution may lend the student an amount that is less than the
2-56 maximum amount if the institution determines that a lower amount is
2-57 in the best interest of the student.

2-58 SECTION 4. (a) The change in law made by this Act applies
2-59 to payment of tuition and fees and to emergency student loans for an
2-60 academic period beginning with the 2007 fall semester unless this
2-61 Act takes effect after July 1, 2007, in which event the change in
2-62 law applies beginning with the 2008 spring semester.

2-63 (b) Payment of tuition and fees and emergency student loans
2-64 for an academic period before the semester provided by Subsection
2-65 (a) of this section are covered by the applicable law in effect
2-66 before the effective date of this Act, and the former law is
2-67 continued in effect for that purpose.

2-68 SECTION 5. This Act takes effect immediately if it receives
2-69 a vote of two-thirds of all the members elected to each house, as

3-1 provided by Section 39, Article III, Texas Constitution. If this
3-2 Act does not receive the vote necessary for immediate effect, this
3-3 Act takes effect September 1, 2007.

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