

BILL ANALYSIS

Senate Research Center
81R1579 KEL-D

S.B. 154
By: Ellis
Higher Education
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As Filed

AUTHOR'S / SPONSOR'S STATEMENT OF INTENT

The impact of tuition deregulation has been dramatic. According to the Texas Higher Education Coordinating Board (THECB), by 2007, tuition had increased statewide by 112 percent and by as much as 164 percent at The University of Texas at Austin. This increase has made it more and more difficult for Texas families to afford the rising cost of college.

Designated tuition increased by 80 percent between 2003 and 2006, according to THECB. Texas tuition and fees were also higher than the national average at \$8,060, compared to \$7,029 from 2007 to 2008.

The skyrocketing cost of tuition deregulation has all but crushed two popular and effective programs, the Texas Tomorrow Fund and the TEXAS Grants Program. Since tuition deregulation, the Texas Tomorrow Fund has all but ceased to exist; meanwhile, as of the last biennium, more than 90,000 students eligible for a TEXAS Grant could not receive one.

As proposed, S.B. 154 requires that certain funds set aside by an institution of higher education be used to provide need-based financial assistance for certain students enrolled at institutions of higher education.

RULEMAKING AUTHORITY

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

SECTION BY SECTION ANALYSIS

SECTION 1. Amends 56.011(a), Education Code, to require that certain funds set aside by an institution be used provide need-based financial assistance for resident undergraduate students enrolled in the institution.

SECTION 2. Amends 56.012(a), Education Code, to require that certain funds set aside by an institution be used to provide need-based financial assistance for resident students enrolled in graduate and professional degree programs at the institution.

SECTION 3. Amends 56.465(a), Education Code, to provide that the amount of a student's tuition set aside under this subsection is in addition to, rather than considered a part of, the amount required to be set aside from that tuition under Section 56.011 (Resident Undergraduate Student Assistance).

SECTION 4. (a) Provides that the change in law made by this Act to Sections 56.011 and 56.012 (Resident Graduate Student Assistance), Education Code, applies only to financial aid awarded for a semester or term that begins on or after the effective date of this Act, and does not affect a student's right to receive financial aid awarded before the effective date of this Act for any part of the 2009-2010 academic year, and the former law is continued in effect for that purpose.

(b) Provides that the change in law made by this Act to Section 56.465 (Tuition Set Aside for Program), Education Code, applies beginning with tuition paid for the 2009-2010 academic year. Provides that the change in law does not affect the amount of

tuition set aside under that section for an academic period before the 2009-2010 academic year, and the former law is continued in effect for that purpose.

SECTION 5. Effective date: September 1, 2009.