

BILL ANALYSIS

Senate Research Center
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S.B. 1765
By: Watson
Higher Education
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As Filed

AUTHOR'S / SPONSOR'S STATEMENT OF INTENT

The goal of this legislation is to erase the distinction between certain fees and tuition in order to capture the set aside that should rightfully be available for financial aid.

There are many fees authorized in the Education Code. This proposed legislation applies only to incidental fees authorized under Section 54.504 (Incidental Fees). Incidental fees include late registration fees, library fines, microfilming fees, bad check charges, application processing fees, and laboratory breakage charges. The proposed legislation specifies that the term does not include an application fee or a fee for participation in a study abroad program, a field trip, or other organized off-campus activity. The legislation applies to a fee first imposed in the 2009 fall semester or a subsequent semester or term.

As proposed, S.B. 1765 clarifies the definition of a student fee and requires institutions of higher education to set aside a certain portion of student fees for student financial assistance. The bill requires that the set asides for financial assistance be a percentage of the total amount of tuition charged in excess of \$46 per semester credit hour, any student fee first imposed in the 2009 fall semester or after, and any student fee increase that takes effect in the 2009 fall semester or after. S.B. 1765 modifies the application of financial assistance to include grants, scholarships, or work-study programs, and prohibit the inclusion of student loans or student loan repayment assistance.

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 Subchapter B, Chapter 56, Education Code, as follows:

SUBCHAPTER B. New heading: FINANCIAL ASSISTANCE FUNDED FROM DESIGNATED TUITION AND STUDENT FEES

Sec. 56.0105. DEFINITION. Defines "student fee."

Sec. 56.011. RESIDENT UNDERGRADUATE STUDENT ASSISTANCE. (a) Requires the governing body of each institution of higher education to cause to be set aside not less than 20 percent of the total amount of any student fee first imposed in the 2009 fall semester or a subsequent semester or term, and any student fee that takes effect in the 2009 fall semester or a subsequent semester or term.

(b) Creates this subsection from existing text.

(c) Redesignates Subsection (b) as Subsection (c).

(d) Redesignates Subsection (c) as Subsection (d). Provides that the financial assistance provided under this section is authorized to include grants, scholarships, or work-study programs and is prohibited from including student loans or student loan repayment assistance, rather than is authorized to include student loans and student loan repayment assistance.

Sec. 56.012. RESIDENT GRADUATE STUDENT ASSISTANT. (a) Requires the governing board of each institution of higher education to cause to be set aside not less than 15 percent of the total amount of certain tuition charges, any student fee first imposed in the 2009 fall semester or a subsequent semester or term, and any student fee increase that takes effect in the 2009 fall semester or a subsequent semester or term. Makes nonsubstantive changes.

(b) Creates this subsection from existing text.

(c) Redesignates Subsection (b) as Subsection (c).

(d) Redesignates Subsection (c) as Subsection (d). Provides that the financial assistance provided under this section is authorized to include grants, scholarships, or work-study programs and is prohibited from including student loans or student loan repayment assistance. Makes nonsubstantive changes.

Sec. 56.013. New heading: INFORMATION REGARDING FINANCIAL ASSISTANCE FUNDED FROM DESIGNATED TUITION AND STUDENT FEES. Makes no changes to this section.

SECTION 2. Provides that the change in law made by this Act applies to student fees and charges charged beginning with the 2009 fall semester.

SECTION 3. Effective date: upon passage or September 1, 2009.