

1-1 By: Walle (Senate Sponsor - Zaffirini) H.B. No. 1341
1-2 (In the Senate - Received from the House April 11, 2011;
1-3 April 26, 2011, read first time and referred to Committee on Higher
1-4 Education; May 19, 2011, reported favorably by the following vote:
1-5 Yeas 6, Nays 0; May 19, 2011, sent to printer.)

1-6 A BILL TO BE ENTITLED
1-7 AN ACT

1-8 relating to the manner of payment of tuition and mandatory fees at
1-9 public institutions of higher education.

1-10 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

1-11 SECTION 1. Section 54.007, Education Code, is amended by
1-12 amending Subsections (a), (b), (b-1), (c), (d), (e), (f), and (g)
1-13 and adding Subsections (a-1) and (b-2) to read as follows:

1-14 (a) The governing board of each institution of higher
1-15 education shall provide for the payment of tuition and mandatory
1-16 fees for a semester or term of 10 weeks or longer ~~[the fall and~~
1-17 ~~spring semesters]~~ through one of the following alternatives:

1-18 (1) ~~[except as provided by Subsection (b-1),]~~ full
1-19 payment of tuition and mandatory fees not later than the date
1-20 established by the institution for purposes of this subdivision ~~[in~~
1-21 ~~advance of the beginning of the semester]~~; or

1-22 (2) payment in installments under one or more payment
1-23 plan options that require the first payment to be made not later
1-24 than the date established by the institution for purposes of this
1-25 subdivision ~~[in advance of the beginning of the semester and the~~
1-26 ~~final payment to be made before the last day of the semester]~~.

1-27 (a-1) In providing for the payment of tuition and mandatory
1-28 fees by installment under Subsection (a)(2), an institution of
1-29 higher education must also establish subsequent dates at periodic
1-30 intervals within the applicable semester or term by which
1-31 subsequent installment payments are due.

1-32 (b) For a term of less than 10 weeks, the [The] governing
1-33 board of each institution of higher education:

1-34 (1) shall provide for the payment of tuition and
1-35 mandatory fees by requiring [for a summer term through one of the
1-36 following alternatives:

1-37 ~~[(1) except as provided by Subsection (b-1),]~~ full
1-38 payment of tuition and mandatory fees not later than the date
1-39 established by the institution for purposes of this subdivision ~~[in~~
1-40 ~~advance of the beginning of the summer term]~~; and

1-41 (2) may provide for the payment of tuition and
1-42 mandatory fees by requiring payment in installments under one or
1-43 more payment plan options that require the first payment to be made
1-44 not later than the date established by the institution for purposes
1-45 of this subdivision [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, or

1-47 ~~[(3) for a student enrolled for a summer term in a~~
1-48 ~~public junior college, public technical institute, or public state~~
1-49 ~~college, one-half payment of tuition and fees in advance of the~~
1-50 ~~beginning of the summer term and the remaining amount in one or two~~
1-51 ~~later payments to be made in the percentages and by the dates~~
1-52 ~~determined by the governing board of the college or institute,~~
1-53 ~~provided that the final payment must be made before the beginning of~~
1-54 ~~the last week of the summer term].~~

1-55 (b-1) A date established by an institution of higher
1-56 education for purposes of Subsection (a)(1), (a)(2), (b)(1), or
1-57 (b)(2) may not be later than the date established by the Texas
1-58 Higher Education Coordinating Board for certifying student
1-59 enrollment for the semester or term for purposes of formula funding
1-60 ~~[A student who owes a balance of tuition and fees as a result of a~~
1-61 ~~change in the student's class schedule or who owes a balance of~~
1-62 ~~tuition and fees of less than \$100 after making an insufficient~~
1-63 ~~payment of tuition and fees previously due shall pay the balance~~
1-64 ~~owed not later than the next payment date established by the~~

~~governing board under a payment plan adopted under Subsection (a)(2) or (b)(2), as applicable].~~

(b-2) An institution of higher education may collect on a due date subsequent to a due date established under Subsection (a) or (b):

(1) unpaid tuition and mandatory fee balances resulting from an adjustment to a student's enrollment status or an administrative action; or

(2) unpaid residual balances of tuition and mandatory fees constituting less than five percent of the total amount of tuition and mandatory fees charged to the student by the institution for that semester or term.

(c) The governing board of an institution of higher education may assess and collect incidental fees for students utilizing the payment alternative authorized by Subsection (a)(2) or (b)(2) [and the alternatives authorized by Subsection (b)] and for students delinquent in payments. The fees must reasonably reflect the cost to the institution of handling those payments.

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

(e) In addition to other payment alternatives provided by this section, the governing board of a medical and dental unit or of a general academic teaching institution with a department or college of veterinary medicine may provide for the payment of tuition and mandatory fees at the unit or at the department or college of veterinary medicine during any academic year through a one-fourth payment of tuition and mandatory fees in advance of the beginning of the year and subsequent one-fourth payments of tuition and mandatory fees to be made at periods designated by the governing board. Subsection (b) [of this section] applies to tuition and mandatory fee payments under this subsection. In this subsection, "general academic teaching institution" and "medical and dental unit" have the meanings assigned by Section 61.003 [of this code].

(f) A student may elect to pay the tuition and mandatory fees of an institution of higher education by installment under this section regardless of whether the student intends to apply a financial aid award administered by the institution toward the tuition and mandatory fees, except that a student whose financial aid award or awards are available to cover the total amount of tuition and mandatory fees may not pay by installment under this section. On receipt of notice of a student's election to pay tuition and mandatory fees by installment, the governing board of the institution shall apply any financial aid award administered for the student toward the amount of tuition and mandatory fees due for that semester or term [summer session] until the tuition and mandatory fees are paid in full and shall immediately release any remaining amount of the award to the student, except that the institution is not required to apply the award or awards toward the total amount of tuition and mandatory fees in exigent circumstances as determined by the institution.

(g) The governing board of an institution of higher

education shall require a student who elects to pay tuition and mandatory fees by installment under this section to enter into a written or electronic agreement reflecting the terms and conditions required by this section for the installment plan provided for the student by the governing board.

SECTION 2. Sections 54.0071(a), (b), (c), and (e), Education Code, are amended to read as follows:

(a) The governing board of an institution of higher education may postpone the due date for the payment of all or part of the tuition and mandatory fees for a student for a semester or term ~~[summer session]~~ in which the student will receive one or more delayed financial aid awards if:

(1) the student has not received the awards by the regular due date for payment of the tuition and mandatory fees; and

(2) the student agrees to assign to the institution a portion of the awards equal to the amount of tuition and mandatory fees for which the due date is postponed.

(b) A postponed due date under Subsection (a) applies only to the portion of tuition and mandatory fees to be covered by the student's delayed financial aid awards. When the financial aid awards become available, a governing board that postpones a due date under this section shall apply the awards toward the amount of tuition and mandatory fees due and immediately release any remaining amount of the awards to the student.

(c) If after the due date for a student's tuition and mandatory fees is postponed under this section the student becomes ineligible to receive one or more of the delayed financial aid awards, or the amount awarded is less than the amount of tuition and mandatory fees due, the governing board shall provide the student a reasonable period, not to exceed 30 days, to pay the unpaid amount of tuition and mandatory fees. The board may deny a student credit for work done in the semester or term ~~[summer session]~~ if the student fails to pay the tuition and mandatory fees by the end of that period.

(e) If a student with delayed financial aid awards has elected to pay tuition and mandatory fees by installment as permitted by Section 54.007 and if the governing board elects to postpone the due date for the student's tuition and mandatory fees as authorized by this section, the governing board in the manner provided by this section shall postpone the due date for each installment payment that becomes due before the student receives the awards.

SECTION 3. The changes in law made by this Act apply beginning with the payment of tuition and fees at a public institution of higher education for the 2011 fall semester.

SECTION 4. 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, 2011.

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