

BILL ANALYSIS

C.S.H.B. 830
By: Fletcher
Higher Education
Committee Report (Substituted)

BACKGROUND AND PURPOSE

Current law provides qualified veterans with a tuition and fee exemption at Texas public colleges and universities. Voters recently approved a constitutional amendment allowing veterans to pass the exemption to a dependent child or spouse. Interested parties note that the costs associated with this program are absorbed by the colleges and universities at which veterans and their dependents enroll, which means some of the expense is passed on to each student through increased tuition costs or the reduction of services. The parties also note that institutions of higher education are currently required to set aside a portion of the tuition charged to each resident undergraduate and graduate student, with the set aside money used to fund Texas B-On-time loans and financial assistance for qualified students.

The parties contend that these costs have the effect of pricing some students out of a college education and penalizing others whose parents have been saving for a college education since their child's birth. C.S.H.B. 830 seeks to address this effect by reprioritizing tuition set asides in a way that lowers the costs of education for all while at the same time funding the benefits that Texas voters have supported for Texas veterans.

RULEMAKING AUTHORITY

It is the committee's opinion that this bill does not expressly grant any additional rulemaking authority to a state officer, department, agency, or institution.

ANALYSIS

C.S.H.B. 830 amends the Education Code to include the funding of a tuition and fee exemption among the resident undergraduate and graduate student assistance for which a student is required to establish financial need in accordance with rules and procedures established by the Texas Higher Education Coordinating Board. The bill requires priority in using funds set aside for such assistance to be given to funding tuition and fee exemptions for veterans and other military personnel and their dependents for eligible students who qualify for those exemptions. The bill removes a provision requiring priority to be given to students who meet the coordinating board definition of financial need and instead requires any remaining funds available after the use of funds for military personnel and their dependents to be used to provide financial assistance to eligible students whose cost for tuition and required fees is not met through other non-loan financial assistance programs. The bill specifies that the portion of an undergraduate student's tuition required to be set aside for the Texas B-On-time loan program is not considered a part of the amount, if any, set aside for resident undergraduate student assistance. The bill's provisions apply beginning with designated tuition set aside by an institution of higher education for the 2014 fall semester.

EFFECTIVE DATE

January 1, 2014.

COMPARISON OF ORIGINAL AND SUBSTITUTE

While C.S.H.B. 830 may differ from the original in minor or nonsubstantive ways, the following comparison is organized and highlighted in a manner that indicates the substantial differences between the introduced and committee substitute versions of the bill.

INTRODUCED

SECTION 1. Sections 56.011 and 56.012, Education Code, are amended to read as follows:

Sec. 56.011. RESIDENT UNDERGRADUATE STUDENT ASSISTANCE. (a) The governing board of each institution of higher education may ~~shall~~ cause to be set aside not more ~~less~~ than 15 ~~20~~ percent of any amount of tuition charged to a resident undergraduate student under Section 54.0513 in excess of \$46 per semester credit hour. The funds set aside under this section by an institution shall be used to provide financial assistance for resident undergraduate students enrolled in the institution.

(b) From the funds set aside by an institution under this section, the institution shall first fund any tuition and fee exemptions required under Section 54.341 for veterans and other military personnel and their dependents and surviving family members enrolled as undergraduate students at the institution.

(c) To be eligible for assistance from any remaining funds available under this section after the use of those funds required by Subsection (b), a student must establish financial need in accordance with rules and procedures established by the Texas Higher Education Coordinating Board. Priority shall be given to students who meet the coordinating board definition of financial need and whose cost for tuition and required fees is not met through other non-loan financial assistance programs.

(d) ~~(e)~~ The financial assistance provided under Subsection (c) ~~[this section]~~ may include grants, scholarships, work-study programs, student loans, and student loan repayment assistance.

Sec. 56.012. RESIDENT GRADUATE STUDENT ASSISTANCE. (a) The governing board of each institution of

HOUSE COMMITTEE SUBSTITUTE

SECTION 1. Sections 56.011 and 56.012, Education Code, are amended to read as follows:

Sec. 56.011. RESIDENT UNDERGRADUATE STUDENT ASSISTANCE. (a) The governing board of each institution of higher education shall cause to be set aside not less than 20 percent of any amount of tuition charged to a resident undergraduate student under Section 54.0513 in excess of \$46 per semester credit hour. The funds set aside under this section by an institution shall be used to provide financial assistance for resident undergraduate students enrolled in the institution.

(c) In using funds set aside under this section, priority ~~Priority~~ shall be given to funding tuition and fee exemptions under Section 54.341 for eligible students who qualify for exemptions under that section.

(b) To be eligible for assistance, including the funding of a tuition and fee exemption, under this section, a student must establish financial need in accordance with rules and procedures established by the Texas Higher Education Coordinating Board.

(d) Any remaining funds available under this section after the use of funds required under Subsection (c) shall be used to provide financial assistance to eligible students ~~[meet the coordinating board definition of financial need and]~~ whose cost for tuition and required fees is not met through other non-loan financial assistance programs.

(e) ~~(e)~~ The financial assistance provided under Subsection (d) ~~[this section]~~ may include grants, scholarships, work-study programs, student loans, and student loan repayment assistance.

Sec. 56.012. RESIDENT GRADUATE STUDENT ASSISTANCE. (a) The governing board of each institution of

higher education ~~may~~ ~~[shall]~~ cause to be set aside not ~~more~~ ~~[less]~~ than 15 percent of any amount of tuition charged to a resident student enrolled in a graduate or professional degree program under Section 54.0513 in excess of \$46 per semester credit hour. The funds set aside under this section by an institution shall be used to provide financial assistance for resident students enrolled in graduate and professional degree programs at the institution.

(b) ~~From the funds set aside by an institution under this section, the institution shall first fund any tuition and fee exemptions required under Section 54.341 for veterans and other military personnel and their dependents and surviving family members enrolled in graduate and professional degree programs at the institution.~~

(c) To be eligible for assistance ~~from any remaining funds available~~ under this section after the use of those funds required by ~~Subsection (b)~~, a student must establish financial need in accordance with rules and procedures established by the Texas Higher Education Coordinating Board. ~~Priority shall be given to students who meet the coordinating board definition of financial need and whose cost for tuition and required fees is not met through other non-loan financial assistance programs.~~

(d) ~~[(e)]~~ The financial assistance provided under ~~Subsection (c)~~ ~~[this section]~~ may include grants, scholarships, work-study programs, student loans, and student loan repayment assistance.

SECTION 2. Section 56.014(a), Education Code, is amended.

SECTION 3. Section 56.465(a), Education Code, is amended.

SECTION 4. The changes in law made by this Act apply beginning with designated tuition set aside by an institution of higher education for the 2014 fall semester. Designated tuition set aside for a semester or term before the 2014 fall semester is governed by the law in effect immediately before the effective date of this Act, and the

higher education ~~may~~ ~~[shall]~~ cause to be set aside not ~~less~~ than 15 percent of any amount of tuition charged to a resident student enrolled in a graduate or professional degree program under Section 54.0513 in excess of \$46 per semester credit hour. The funds set aside under this section by an institution shall be used to provide financial assistance for resident students enrolled in graduate and professional degree programs at the institution.

(c) ~~In using funds set aside under this section, priority~~ ~~[Priority]~~ shall be given to ~~funding tuition and fee exemptions under Section 54.341 for eligible students who qualify for exemptions under that section.~~

(b) To be eligible for assistance, ~~including the funding of a tuition and fee exemption,~~ under this section, a student must establish financial need in accordance with rules and procedures established by the Texas Higher Education Coordinating Board.

(d) ~~Any remaining funds available under this section after the use of funds required under Subsection (c) shall be used to provide financial assistance to eligible students~~ ~~[meet the coordinating board definition of financial need and]~~ whose cost for tuition and required fees is not met through other non-loan financial assistance programs.

(e) ~~[(e)]~~ The financial assistance provided under ~~Subsection (d)~~ ~~[this section]~~ may include grants, scholarships, work-study programs, student loans, and student loan repayment assistance.

SECTION 2. Same as introduced version.

SECTION 3. Same as introduced version.

SECTION 4. Same as introduced version.

former law is continued in effect for that purpose.

SECTION 5. This Act takes effect January 1, 2014.

SECTION 5. Same as introduced version.