

BILL ANALYSIS

H.B. 3434
By: Tinderholt
Higher Education
Committee Report (Unamended)

BACKGROUND AND PURPOSE

The bill author has informed the committee that constituents and local activists have questioned the fairness of Education Code provisions that require a specified portion of designated tuition to be set aside for the purpose of redistributing it through financial need programs, as these provisions effectively require students of differing financial backgrounds to pay different rates in tuition. H.B. 3434 seeks to remedy this issue by repealing those provisions and prohibiting designated tuition set-asides for student financial assistance.

CRIMINAL JUSTICE IMPACT

It is the committee's opinion that this bill does not expressly create a criminal offense, increase the punishment for an existing criminal offense or category of offenses, or change the eligibility of a person for community supervision, parole, or mandatory supervision.

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

H.B. 3434 amends the Education Code to prohibit a public institution of higher education from causing to be set aside any amount of designated tuition charged to a resident student to provide financial assistance for students enrolled in the institution, whether under statutory provisions relating to student financial assistance or other law.

H.B. 3434 repeals Subchapter B, Chapter 56, Education Code, relating to financial assistance funded from designated tuition under the Student Financial Assistance Act of 1975.

H.B. 3434 applies beginning with tuition charged for the 2026 spring semester. Tuition charged for any semester or other academic term before the 2026 spring semester is covered by the applicable law as it existed before the bill's effective date, and the former law is continued in effect for that purpose.

EFFECTIVE DATE

September 1, 2025.