

SUBJECT: Allowing Texas Tomorrow Fund payments in annual installments

COMMITTEE: Higher Education — favorable, without amendment

VOTE: 5 ayes — Rangel, Bailey, Dunnam, Kamel, Reyna
0 nays
4 absent— Solis, Cuellar, Rabuck, Rodriguez

WITNESSES: For — Pat and Susan Gardenhire
Against — None

BACKGROUND : The 74th Legislature established the Texas Tomorrow Fund allowing Texans to prepay college tuition for a child under the age of 18, guaranteeing current prices for future tuition and fees. The tuition may be paid in a one-time lump sum or in monthly installments.

DIGEST: HB 634 would allow payments to the Texas Tomorrow Fund to be made in single annual installments, if the duration of the contract called for payments over a period of more than one year.

The bill would take immediate effect if finally passed by the two-thirds record vote of the membership in each house.

SUPPORTERS SAY: HB 634 would allow greater flexibility for those who wish to prepay college tuition for a family member or other student. Yearly payments are more convenient for those who wish to give the tuition payment as a year end or birthday gift, or who simply prefer to make fewer payments. Expanding options for managing prepaid tuition plans could enable more people to participate in the Texas Tomorrow Fund, encouraging more investment in higher education for Texas students.

OPPONENTS SAY: No apparent opposition.

HB 634
House Research Organization
page 2

NOTES: HJR 8, HB 8, and HB 9, also relating to the Texas Tomorrow Fund, have been scheduled on today's calendar for second reading.