

BILL ANALYSIS

Senate Research Center

H.B. 2396
By: Howard et al. (Seliger)
Higher Education
5/18/2015
Engrossed

AUTHOR'S / SPONSOR'S STATEMENT OF INTENT

Current law requires the governing boards of each medical unit of an institution of higher education and of each public school of law to set aside a portion of tuition charges for each student registered in a medical branch, school, or college or enrolled in the school of law, respectively, for the repayment of certain student loans. According to interested parties, money collected from these set-asides is not appropriated for the intended uses, meaning students are being charged tuition for ineffective programs. H.B. 2396 seeks to address this problem.

H.B. 2396 amends current law relating to eliminating requirements that certain public institutions of higher education set aside portions of tuition for student loan repayment programs for certain physicians and state attorneys.

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 Section 61.5391(a), Education Code, as follows:

(a) Provides that the physician education loan repayment program account is an account in the general revenue fund. Provides that the account is composed of:

- (1) gifts and grants contributed to the account;
- (2) earnings on the principal of the account; and
- (3) other amounts deposited to the credit of the account, including:
 - (A) money deposited under Section 61.5392 (Federal Matching Funds), rather than Section 61.539(b) or 61.5392;
 - (B) legislative appropriations; and
 - (C) money deposited under Section 155.2415 (Allocation of Tax), Tax Code.

SECTION 2. Amends Sections 61.9730 and 61.9732, Education Code, as follows:

Sec. 61.9730. TOTAL AMOUNT OF REPAYMENT ASSISTANCE. Prohibits the total amount of repayment assistance distributed by the Texas Higher Education Coordinating Board (THECB) under this subchapter from exceeding the total amount available for the program under Section 61.9732 (Limitations on Funding), rather than prohibits the total amount of repayment assistance distributed by THECB under this subchapter from exceeding the total amount of gifts, grants, and donations accepted by the board for repayment assistance and tuition set aside under Section 61.9731.

Sec. 61.9732. LIMITATIONS ON FUNDING. Authorizes the loan repayment program under this subchapter to be funded only from:

- (1) gifts, grants, and donations accepted by THECB;
- (2) legislative appropriations for the program; and
- (3) money budgeted for the program by the office of the attorney general from appropriations made to that office, rather than tuition set aside under Section 61.9731 (Law School Tuition Set Aside for Certain Loan Repayments).

SECTION 3. Repealers: Section 61.539 (Medical School Tuition Set Aside for Certain Loan Repayments) and Section 61.9731 (Law School Tuition Set Aside for Certain Loan Repayments), Education Code.

SECTION 4. (a) Provides that the change in law made by this Act applies beginning with tuition charged for the 2015 fall semester.

(b) Provides that tuition charged for any semester or other academic term before the 2015 fall semester is covered by the applicable law as it existed before the effective date of this Act, and the former law is continued in effect for that purpose.

SECTION 5. Effective date: upon passage or September 1, 2015.