AN ACT
relating to dropping courses and student withdrawals at
institutions of higher education, including the refunding of
tuition and mandatory fees.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

SECTION 1. Subchapter Z, Chapter 51, Education Code, is
amended by adding Section 51.907 to read as follows:

Sec. 51.907. LIMITATIONS ON NUMBER OF COURSES THAT MAY BE
Dropped under certain circumstances. (a) In this section,
"governing board" and "institutions of higher education" have the
meanings assigned by Section 61.003.

(b) This section applies only to an undergraduate student
who drops a course at an institution of higher education and only
if:

(1) the student was able to drop the course without
receiving a grade or incurring an academic penalty;

(2) the student's transcript indicates or will
indicate that the student was enrolled in the course; and

(3) the student is not dropping the course in order to
withdraw from the institution.

(c) Except as provided under rules adopted under Subsection
(d), an institution of higher education may not permit a student to
drop more than six courses, including any course a transfer student
has dropped at another institution of higher education, under
circumstances described by Subsection (b).

(d) The governing board of an institution of higher education may adopt a policy under which the maximum number of courses a student is permitted to drop under circumstances described by Subsection (b) is less than the maximum number of courses that a student may drop under Subsection (c).

(e) The Texas Higher Education Coordinating Board shall adopt rules under which an institution of higher education shall permit a student to drop more courses under circumstances described by Subsection (b) than the number of courses permitted to be dropped under Subsection (c) or under a policy adopted under Subsection (d) if the student shows good cause for dropping more than that number, including a showing of:

(1) a severe illness or other debilitating condition that affects the student's ability to satisfactorily complete a course;

(2) the student's responsibility for the care of a sick, injured, or needy person if the provision of care affects the student's ability to satisfactorily complete a course;

(3) the death of a person who:

(A) is considered to be a member of the student's family under a rule adopted under this subsection for purposes of this subdivision; or

(B) is otherwise considered to have a sufficiently close relationship to the student under a rule adopted under this subsection that the person's death is considered to be a showing of good cause; or
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(4) the active duty service as a member of the Texas National Guard or the armed forces of the United States of:

(A) the student; or

(B) a person who is considered to be a member of the student's family under a rule adopted under this subsection for purposes of this subdivision.

(f) In determining the number of courses dropped by a student for purposes of this section, a course, such as a laboratory or discussion course, in which a student is enrolled concurrently with a lecture course is not considered to be a course separate from the lecture course if:

(1) concurrent enrollment in both courses is required; and

(2) in dropping the lecture course, the student would be required to drop the laboratory, discussion, or other course in which the student is concurrently enrolled.

SECTION 2. The heading to Section 54.006, Education Code, is amended to read as follows:

Sec. 54.006. REFUND OR ADJUSTMENT OF TUITION AND MANDATORY FEES FOR DROPPED COURSES AND STUDENT WITHDRAWALS.

SECTION 3. Section 54.006, Education Code, is amended by amending Subsections (a), (b), (c), and (e) and adding Subsections (a-1), (b-1), and (b-2) to read as follows:

(a) A general academic teaching institution or medical and dental unit, as soon as practicable, shall refund the amount of [fees and] tuition and mandatory fees [in excess of the minimum tuition] collected for courses from which students drop within the
first 12 days of a fall or spring semester or a summer term of 10
weeks or longer, within the first four days of a summer term or
session of more than five weeks but less than 10 weeks, or within
the period specified by the institution for that purpose for a term
or session of five weeks or less that is substantially proportional
to the period specified by this subsection for a longer term or
session. The institution or medical and dental unit may not delay a
refund under this subsection on the grounds that the student may
withdraw from the institution or unit later in the semester or term.

(a-1) An institution may assess a nonrefundable $15
matriculation fee if the student withdraws from the institution
before the first day of classes.

(b) Except as provided by Subsections (b-1) and (b-2), a [A]
general academic teaching institution or medical and dental unit
shall refund from the amount paid by [i.e.] a student withdrawing from
the institution or unit an amount equal to the product of the amount
of tuition and mandatory fees charged [collected] for each course
in which the student is enrolled on the date the student withdraws
multiplied by the applicable percentage derived from the following
tables:

(1) if the student withdraws during a fall or spring
semester or a summer term of 10 weeks or longer [or comparable
trimester]:

(A) prior to the first class day 100 percent
(B) during the first five class days 80 percent
(C) during the second five class days 70 percent
(D) during the third five class days 50 percent
(E) during the fourth five class days  25 percent
(F) after the fourth five class days  None; and

(2) if the student withdraws during a [summer] term or
session of more than five weeks but less than 10 weeks:

(A) prior to the first class day  100 percent
(B) during the first, second, or third class
day  80 percent
(C) during the fourth, fifth, or sixth class
day  50 percent
(D) seventh day of class and thereafter  None; and

(3) if the student withdraws from a term or session of
five weeks or less:

(A) prior to the first class day  100 percent
(B) during the first class day  80 percent
(C) during the second class day  50 percent
(D) during the third class day

and thereafter  None.

(b-l) If a student has not paid the total amount of the
tuition and mandatory fees charged to the student by the
institution or unit for the courses in which the student is enrolled
by the date the student withdraws from the institution or unit,
instead of issuing the student a refund in the amount required under
Subsection (b), the institution or unit may credit the amount to be
refunded toward the payment of the outstanding tuition and
mandatory fees owed by the student. The institution or unit shall
issue a refund to the student if any portion of the amount to be
refunded remains after the outstanding tuition and mandatory fees
have been paid.

(b-2) A general academic teaching institution or medical and dental unit may provide to a student withdrawing from the institution or unit a refund of a portion of the tuition and mandatory fees charged to the student by the institution or unit for the courses in which the student is enrolled on the date the student withdraws in an amount greater than the amount required by Subsection (b). The institution or unit may apply the portion of the refund authorized by this subsection toward the payment of any outstanding tuition and fees as provided by Subsection (b-1), and may refund the remainder of that portion in the form of, as the institution or unit considers appropriate:

(1) a payment made directly to the student; or

(2) credit toward payment of tuition and mandatory fees for a subsequent semester or other academic term at the institution or unit.

(c) Separate withdrawal refund schedules may be established for optional fees [such as intercollegiate athletics, cultural entertainment, parking, and yearbooks].

(e) A general academic teaching institution or medical and dental unit may [shall] terminate a student's student services and privileges, including [such as] health services, library privileges, facilities and technology usage, and athletic and cultural entertainment tickets, when the [a] student withdraws from the institution.

SECTION 4. Subsection (g), Section 54.006, Education Code, is repealed.
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SECTION 5. The Texas Higher Education Coordinating Board shall adopt the rules required by Subsection (e), Section 51.907, Education Code, as added by this Act, relating to permitting a student who shows good cause to drop more than a specified number of courses, as soon as practicable after this Act takes effect. For that purpose, the coordinating board may adopt the initial rules in the manner provided by law for emergency rules.

SECTION 6. Section 51.907, Education Code, as added by this Act, applies only to the number of courses that may be dropped by a student who beginning with the 2007 fall semester enrolls in a public institution of higher education as a first-time freshman.

SECTION 7. The change in law made by this Act applies to tuition and mandatory fees charged beginning with the fall 2007 semester.

SECTION 8. 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, 2007.
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President of the Senate

I hereby certify that S.B. No. 1231 passed the Senate on April 19, 2007, by the following vote: Yeas 31, Nays 0; and that the Senate concurred in House amendments on May 25, 2007, by the following vote: Yeas 30, Nays 0.

Speaker of the House

I hereby certify that S.B. No. 1231 passed the House, with amendments, on May 23, 2007, by the following vote: Yeas 144, Nays 0, two present not voting.

Secretary of the Senate

Chief Clerk of the House

Approved:

15 Jun 07

Date

Governor

Filed in the office of the Secretary of State 4 pm, 15 Jun 2007

Secretary of State