

BILL ANALYSIS

Senate Research Center
78R17120 JSA-D

C.S.H.B. 3015
By: Morrison (Shapiro)
Education
5/21/2003
Committee Report (Substituted)

DIGEST AND PURPOSE

The current system used to set tuition in Texas mandates the same basic rate across the state. With tuition flexibility, universities could use flexible rates to achieve strategic goals such as improving graduation rates, more efficient use of facilities, and improving academic programs. C.S.H.B. 3015 establishes the structure to implement a flexible pricing plan, to measure the performance of each institution of higher education. This bill also establishes a committee of the Senate Committee on Education and the House Committee on Higher Education to jointly conduct a study of alternative methods by which rates for tuition and fees at public institutions of higher education may be set up by the legislature and by the governing boards of those institutions and the impact of those alternatives on certain areas related to higher education.

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 Subchapter A, Chapter 54, Education Code, by adding Section 54.0031, as follows:

Sec. 54.0031. EXPIRATION OF AUTHORITY TO IMPOSE TUITION AND STUDENT FEES. (a) Prohibits a general academic teaching institution, as defined by Section 61.003 (Definitions), from imposing, charging, or collecting tuition or a fee authorized by this title from any student enrolled at the institution for a term or semester that begins on or after January 1, 2006.

(b) Provides that this section does not apply to a charge or fee for goods or services that are not provided as part of the institution's academic program, such as a charge for housing or food service or for attendance at athletic or cultural events, unless every student not exempted by law from payment of the charge or fee who registers at the institution is required to pay the charge or fee.

SECTION 2. Amends Section 54.0513, Education Code, as follows:

Sec. 54.0513. New heading: DESIGNATED TUITION. (a) Deletes text referring to redesignating the building use fee previously authorized in Section 55.16 of this code as tuition. Authorizes the governing board, in addition to amounts that a governing board of an institution of higher education is authorized to charge as tuition under the other provisions of this chapter, to charge an amount designated as tuition in an academic year an amount not to exceed the amount charged under Sections 54.051 (Tuition Rates) or 54.0512 (Interim Tuition Rates), as applicable, in that academic year.

(b) Authorizes the governing board of an institution of higher education, in addition to the amounts authorized by Subsection (a) or the other provisions of this chapter, to charge a resident undergraduate student an amount designated as tuition in a certain manner.

(b-1) Prohibits the governing board of an institution of higher education from increasing the maximum amount of tuition charged under this section by combining or aggregating the additional amounts permitted by Subsections (b)(1) and (b)(2).

(c) Authorizes the governing board of an institution of higher education, for a nonresident student or a student enrolled in a graduate degree program, including a dental or medical degree program, a graduate degree program in an allied health field, or another graduate-level professional degree program, to charge amounts designated as tuition in the amounts and under the terms the governing board considers necessary for the effective operation of the institution.

(d) Authorizes a governing board to set the tuition authorized by this section at a different rate for each program and course level offered by an institution of higher education and to set different tuition rates at an institution for different academic periods or based on any other factor the governing board considers appropriate to increase graduation rates, enhance employee performance, or further the efficient use of facilities or resources. Provides that this subsection does not authorize a governing board to set tuition in violation of a limitation provided by another provision of this chapter.

(e) Creates this subsection from existing text. Deletes the specification that Section 51.009 is of this code.

(f) Redesignates this subsection from Subsection (d).

(g) Redesignates this subsection from Subsection (e). Deletes the specification that Section 56.033 is of this code.

(h) Redesignates this subsection from Subsection (f).

SECTION 3. Amends Section 54.619, Education Code, by adding Subsection (j) to authorize the Prepaid Higher Education Tuition Board (board) to suspend new enrollment in the program as the board considers necessary to ensure the actuarial soundness of the fund.

SECTION 4. Amends Section 54.624, Education Code, as follows:

Sec. 54.624. SENIOR COLLEGE PLAN. (a) Creates this subsection from existing text.

(b) Requires the university, when the beneficiary of a senior college plan prepaid tuition contract enrolls in a public senior college or university, to accept as payment in full of the beneficiary's tuition and required fees the lesser of certain amounts.

(c) Requires each public senior college or university to provide the information requested by the board on or before June 1 each year to assist the board in determining the weighted average amount of tuition and required fees of all public senior colleges and universities for each semester or other academic term of the following academic year for purposes of this section.

SECTION 5. Amends Chapter 56, Education Code, by adding Subchapter B, as follows:

SUBCHAPTER B. FINANCIAL ASSISTANCE FUNDED FROM DESIGNATED TUITION

Sec. 56.011. UNDERGRADUATE STUDENT ASSISTANCE. (a) Requires the governing board of each institution of higher education to 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 and not less than three

percent of any amount of tuition charged under Section 54.0513 to a nonresident undergraduate student in excess of \$46 per semester credit hour.

(b) Requires the money set aside under this section to be used to support the undergraduate work-study programs at the institution and the Texas B-on-time loan program, if that program is enacted by the 78th Legislature.

Sec. 56.012. RESIDENT GRADUATE STUDENT ASSISTANCE. (a) Requires the governing board of each institution of higher education to cause to be set aside not less than 15 percent of the 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.

(b) Requires the money set aside under this section to be used to provide financial assistance for resident students enrolled in graduate and professional degree programs at the institution.

(c) Authorizes the financial assistance provided under this section to include grants, scholarships, and work-study programs.

Sec. 56.013. INFORMATION REGARDING FINANCIAL ASSISTANCE FUNDED FROM DESIGNATED TUITION. Requires THECB to disseminate to each public or accredited private high school in this state information regarding the financial assistance available under this subchapter and to include information designed to educate high school students and the parents of those students on available opportunities and required preparation with respect to institutions of higher education. Requires THECB to recommend a method for delivering the information to parents and students under this section.

SECTION 6. Amends Subchapter H, Chapter 51, Education Code, by adding Section 51.4015, as follows:

Sec. 51.4015. ACCOUNTABILITY REPORTS. (a) Provides that in this section “institution of higher education,” “governing board,” and “university system” have the meanings assigned by Section 61.003 (Definitions).

(b) Requires THECB, in furtherance of the policies of this state to provide an affordable, accessible, accountable, and high-quality system of higher education that prepares individuals for a changing economy and workforce and to promote the development and application of knowledge through instruction, research, and public service, to adopt standards to measure the performance of each institution of higher education.

(c) Requires the standards to include the standards included in the performance system established by THECB for the master plan for higher education and any other standards THECB considers appropriate to measure.

(d) Requires the governing board of each institution of higher education, other than a public junior college, to prepare a report of the performance of the institution in meeting the standards adopted under this section in each academic year. Authorizes the governing board to prepare a single report for all the institutions under its jurisdiction.

(e) Sets forth the required distribution, not later than January 1 of each odd-numbered year, of the governing board’s report.

SECTION 7. (a) Requires the Senate Committee on Education and the House Committee on Higher Education to jointly conduct a study of alternative methods by which rates for tuition and fees at public institutions of higher education may be set up by the legislature and by the

governing boards of those institutions. Requires the study to consider the impact of those alternatives on certain areas related to higher education.

(b) Requires the chairs of the committees, in consultation with the members, to jointly determine the procedures governing the conduct of study.

(c) Requires the committees to present the results of the study along with any recommendations to the legislature not later than December 1, 2004.

SECTION 8. (a) Provides that the changes in law made by this Act, relating to tuition charged by institutions of higher education, apply beginning with the 2003 fall semester.

(b) Requires the initial report required by Section 51.4015, Education Code, as added by this Act, to be prepared for the 2002-2003 academic year.

SECTION 9. Effective date: upon passage or September 1, 2003.