

## **BILL ANALYSIS**

Senate Research Center  
80R10644 CAS-D

S.B. 1573  
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S/C on Higher Education  
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As Filed

### **AUTHOR'S / SPONSOR'S STATEMENT OF INTENT**

This state's master plan for higher education, "Closing the Gaps," calls for an additional 630,000 students to participate in higher education in this state by 2015. Student participation in higher education has been proven to correspond to higher levels of income, lower levels of unemployment and poverty, and higher levels of civic participation. Yet at the same time that this state needs more of its students to participate in higher education, tuition for institutions of higher education (institutions) is being raised to a level beyond the reach for many residents of this state.

Since tuition deregulation began in the 2003 fall semester, the total amount paid by students for education at public institutions has increased by 40 percent statewide, and institutions have increased designated tuition charged to their students per academic year by \$266,313,285. As a result, many students are forced to postpone higher education, take time off from school, or obtain high-cost student loans.

In order to achieve the goals established by "Closing the Gaps," this state's leaders must provide financial relief for students enrolled at public institutions and assist those students in graduating quickly and joining the workforce.

As proposed, S.B. 1573 requires all institutions to provide an online portal for students to access information about their finances and academic status. This bill institutes a three-year moratorium on tuition and fee increases, after which a five percent cap on any increase would apply. The bill requires public universities to provide 60 days written notice in the area newspaper of any proposed fee increases.

### **RULEMAKING AUTHORITY**

Rulemaking authority is expressly granted to the Texas Higher Education Coordinating Board in SECTION 3 (Section 54.016, Education Code) of this bill.

### **SECTION BY SECTION ANALYSIS**

SECTION 1. (a) Authorizes this Act to be cited as the "21st Century College Success Act."

(b) Provides the purpose and intent of this legislation relating to student participation in higher education.

SECTION 2. Amends Subchapter Z, Chapter 51, Education Code, by adding Section 51.970, as follows:

Sec. 51.970. STUDENT INTERNET ACCESS TO FINANCIAL AND ACADEMIC INFORMATION. Requires each institution of higher education (institution) to provide a method by which each enrolled student may access certain financial and academic information through the institution's Internet website, in accordance with guidelines adopted by the Texas Higher Education Coordinating Board (THECB) and to the extent the institution has legally authorized access to relevant information.

SECTION 3. Amends Subchapter A, Chapter 54, Education Code, by adding Sections 54.016 and 54.017, as follows:

Sec. 54.016. LIMITATION ON INCREASE IN TOTAL AMOUNT OF TUITION AND COMPULSORY FEES. (a) Defines "compulsory fee."

(b) Prohibits the total amount of tuition and compulsory fees (total amount) charged by an institution to a student from exceeding the total amount that the institution would have charged to a similarly situated student in the preceding academic year by more than five percent. Provides specific factors used to determine if students are similarly situated for the purposes of this subsection. Provides that this subsection does not ensure that the total amount will not increase by more than five percent if the increase is based on a change to a student's certain situational factors.

(c) Requires that tuition be charged at a specified rate and fees be adjusted in a specified manner if as a result of a required statutory increase in tuition or a compulsory fee, an institution would charge more in tuition and compulsory fees for an academic period than permitted under this section because the institution does not have sufficient time before the beginning of the academic period to adjust its tuition and compulsory fee charges.

(d) Authorizes THECB to adopt rules as necessary to administer this section.

(e) Prohibits the total amount charged by an institution to a student from exceeding the total amount that the institution would have charged to a similarly situated student in the 2006-2007 academic year, notwithstanding Subsection (b), for the 2007-2008, 2008-2009, and 2009-2010 academic years. Provides specific factors used to determine if students are similarly situated for the purposes of this subsection. Provides that this subsection does not ensure that the total amount charged to an individual student in an academic year in which increases are restricted under this subsection will not exceed the total amount charged to the student in a prior academic year if the increase is based on a change to a student's certain situational factors. Provides that this subsection expires on September 1, 2010.

Sec. 54.017. NOTICE OF INCREASE IN AMOUNT OF COMPULSORY FEE. (a) Defines "compulsory fee."

(b) Requires an institution that proposes to increase the compulsory fee to provide written notice of the proposed increase in a newspaper of general circulation in the county in which the institution is located and to the state representative and state senator representing the districts in which the institution is located not later than 60 days before the date the fee increase will take effect.

(c) Requires the notice provided under Subsection (b) to contain certain information.

SECTION 4. Amends Section 61.051(a-3), Education Code, to require THECB to include certain information in a report provided to legislators, including recommendations concerning the amount of money that would be necessary for funding specific financial aid programs in order to meet relevant goals.

SECTION 5. Requires THECB to study certain methods used to increase the attendance of financially needy students at public institutions. Requires THECB to submit the results of the study and recommendations made by THECB to the governing board of each public institution and to the chair of each legislative standing committee or subcommittee with jurisdiction over higher education not later than December 1, 2008. Provides that this section expires January 1, 2009.

SECTION 6. (a) Requires THECB to adopt guidelines as required by Section 51.970, Education Code, as added by this Act, not later than January 1, 2008. Requires each public institution to provide a method by which students may access financial and academic information as required by that section not later than August 1, 2008.

(b) Makes application of Section 54.016, Education Code, as added by this Act, prospective to the 2007-2008 school year.

(c) Makes application of Section 54.017, Education Code, as added by this Act, prospective to January 1, 2008.

SECTION 7. Effective date: upon passage or September 1, 2007.