

BILL ANALYSIS

Senate Research Center
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S.B. 578
By: Ellis
S/C on Higher Education
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As Filed

AUTHOR'S / SPONSOR'S STATEMENT OF INTENT

Texas passed tuition deregulation in 2003; therefore, there is currently no cap on the rate of tuition increase by an institution of higher education.

As proposed, S.B. 578 prohibits institutions of higher education from increasing the tuition at a rate of more than five percent per academic year.

RULEMAKING AUTHORITY

Rulemaking authority is expressly granted to the Texas Higher Education Coordinating Board in SECTION 1 (Section 54.0514, Education Code) of this bill.

SECTION BY SECTION ANALYSIS

SECTION 1. Amends Subchapter B, Chapter 54, Education Code, by adding Section 54.0514, as follows:

Sec. 54.0514. LIMITATION ON INCREASE IN TOTAL AMOUNT OF TUITION. (a) Defines "tuition."

(b) Prohibits the total amount of tuition charged by an institution of higher education to a student from exceeding the total amount of tuition that the institution would have charged to a similarly situated student in the preceding academic year by more than five percent. Provides that students are similarly situated, for purposes of this subsection, if they share the same residency status, degree program, course load, course level, tuition exemption status, and other circumstances affecting the tuition charged to the student. Provides that this subsection does not ensure that the total amount of tuition charged to an individual student does not increase by more than five percent based on a change in the student's residency status, degree program, course load, course level, tuition exemption status, or other circumstance affecting the tuition charged to the student.

(c) Authorizes the Texas Higher Education Coordinating Board to adopt rules as necessary to administer this section.

(d) Prohibits the total amount of tuition charged by an institution of higher education to a student for the 2007-2008 academic year from being more than five percent higher than the total amount of tuition charged for the 2004-2005 academic year to a similarly situated student as determined under Subsection (b), in addition to the limitation on tuition increases provided by Subsection (b).

(e) Requires the institution to refund to a student, not later than January 1, 2008, the excess amount of tuition paid, if the student has paid an amount of tuition for the 2007 fall semester in excess of the maximum amount permitted by this section. Provides that this subsection expires September 1, 2008.

SECTION 2. Provides that this Act applies beginning with tuition charged by public institutions of higher education for the 2007-2008 academic year.

SECTION 3. Effective date: upon passage or September 1, 2007.