

BILL ANALYSIS

Senate Research Center
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C.S.S.B. 1145
By: Hegar
Higher Education
4/17/2013
Committee Report (Substituted)

AUTHOR'S / SPONSOR'S STATEMENT OF INTENT

Prairie View A&M University (Prairie View) is a member of the Division I Southwest Athletic Conference. Prairie View's program supports 18 sports and over 300 student athletes. As such, Prairie View must comply with the highest level of standards established by the National Collegiate Athletic Association and must meet stringent financial requirements. The Prairie View student fee for intercollegiate athletics largely funds Prairie View's athletic programs. For the current fiscal year, funds collected through the fee totaled \$2.2 million. By comparison, game revenues have generated only \$750,000, a distant second.

The current cap on the athletic fee is \$10.00 per semester credit hour, with a total cap of \$150. In exchange for the fee, students receive free admittance to all home games and take immeasurable pride in being known as a home of champions. The return on this investment can be measured by an increase in enrollment, retention, and graduation rates, especially in athletes.

In November 2009, Prairie View students wrote and passed a student referendum increasing the fee to \$12.60 per semester credit hour, to provide what they deemed to be appropriate support for Prairie View's Division I athletic programs. The student referendum also replaced the \$150 cap with a structure for student review and approval of any future fee increases. The intent of the referendum was to give students control of the intercollegiate athletics fee the students pay.

The students agreed that any increase in the amount of the fee per semester credit hour would require student approval. An increase must either be approved by a majority of the student voting population, or up to a five percent increase must be approved by their elected student government representatives.

Lastly, the student referendum removed the sunset and debt obligation provisions in Section 54.5393 (Intercollegiate Athletics Fee: Prairie View A&M University), Education Code. Of the students who voted on the athletic fee referendum, 74.7 percent voted in favor of it.

The sunset clause was inserted during the original drafting of Section 54.5393 to ensure that the fee did not continue unnecessarily in perpetuity. In 2009, the fee's continuance was tied to the purchase of revenue bonds. A strong majority of the voting student body, 74.7 percent, disagrees with the legislature's decision to sunset the fee.

Four other universities that also have an intercollegiate athletics fee do not contain a sunset clause. Without approval of C.S.S.B. 1145, the athletic programs at Prairie View will be placed under severe financial distress. It is expected that the number of sports programs and student athlete scholarships will be slashed and could cause Prairie View to lose its Division I standing.

C.S.S.B. 1145 amends current law relating to the intercollegiate athletics fee at Prairie View A&M University, and authorizes an increase in the fee.

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 Sections 54.5393(a), (b), and (f), Education Code, as follows:

(a) Authorizes the board of regents of The Texas A&M University System (board of regents) to impose an intercollegiate athletics fee on each student enrolled at Prairie View A&M University (Prairie View) in an amount not to exceed \$12.60 per semester credit hour, unless the amount is increased as provided by Subsection (b), rather than authorizes the board of regents to impose an intercollegiate athletics fee on each student enrolled at Prairie View in an amount not to exceed \$10 per semester credit hour.

(b) Authorizes the amount of the fee per semester credit hour to be increased from one academic year to the next if:

(1) the increase is approved by a majority vote of the students participating in a general student election held at the university for that purpose; or

(2) the amount of the increase does not exceed five percent and is approved by a majority vote of the legislative body of the student government of the university.

Deletes existing text prohibiting the amount of the fee imposed on a student in a semester or session from exceeding the amount of the fee imposed on a student enrolled in 15 semester credit hours during the same semester or session.

(f) Provides that this section expires September 1, 2018, rather than September 1, 2013, except that this section (Intercollegiate Athletics Fee: Prairie View A&M University) does not expire if before the end of the 2017-2018 academic year, rather than before the end of the 2012-2013 academic year, the board of regents issued bonds that are payable wholly or partly from the fee.

SECTION 2. Provides that Sections 54.5393(a) and (b), Education Code, as amended by this Act, apply only to a fee imposed for a semester that begins on or after the effective date of this Act.

SECTION 3. Effective date: upon passage or September 1, 2013.