

BILL ANALYSIS

Senate Research Center
84R697 KSD-F

S.B. 255
By: Ellis
Higher Education
3/2/2015
As Filed

AUTHOR'S / SPONSOR'S STATEMENT OF INTENT

Prior to 2003, the Texas Legislature had regulatory authority to set tuition rates, generally mandating that the same tuition rate be charged across the state. In 2003, the legislature passed H.B. 3015, allowing governing boards of public universities to set higher designated tuition rates. Since then, the average cost of attending a public university in Texas has more than doubled. Our total growth in tuition and fees during that time period is the fifth highest in the nation, making it harder and harder for students to attend state schools. Increasing costs are pushing families to incur larger debt loads to attend state schools, and pricing others out of higher education altogether. Meanwhile, the state has failed to continue supporting higher education. At The University of Texas at Austin, for example, Consumer Price Index inflation-adjusted state support has dropped by 19.7 percent since tuition was deregulated.

Currently, decisions about tuition rates are made by boards of regents. These boards of regents are unelected and not accountable to voters. S.B. 255 caps tuition at the amount charged during the 2015-2016 school year and returns regulatory authority to set tuition rates to the legislature. Any increases in tuition after that point will be legislatively authorized. This change will force the legislature to be held accountable to students and families for their funding of higher education.

As proposed, S.B. 255 amends current law relating to a limitation on the amount of tuition charged by public institutions of 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 B, Chapter 54, Education Code, by adding Section 54.0514, as follows:

Sec. 54.0514. LIMITATIONS ON TOTAL AMOUNT OF TUITION. (a) Defines "tuition."

(a-1) Provides that this section does not apply to tuition charged by an institution of higher education for an academic period before the 2016-2017 academic year. Provides that this subsection expires January 1, 2017.

(b) Prohibits the total amount of tuition charged by an institution of higher education to a student for an academic year from exceeding the total amount of tuition that the institution would have charged under this chapter to a similarly situated student for the 2015-2016 academic year. Provides that students are similarly situated if they share the same residency status, degree program, course load, course level, tuition exemption status, and other circumstances affecting the tuition charged to students. Provides that this subsection does not ensure that the total amount of tuition charged to an individual student does not increase 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.

SECTION 2. Amends Sections 54.0513(a) and (b), Education Code, as follows:

(a) Authorizes a 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 any student an amount designated as tuition, not to exceed the amount that enables the institution to comply with Section 54.0514, that the governing board considers necessary for the effective operation of the institution. Deletes existing text authorizing the governing board, under the terms the governing board considers appropriate, to charge any student an amount designated as tuition.

(b) Authorizes a governing board, subject to the limit provided by Subsection (a) on the amount designated as tuition charged under this section, to set a different tuition rate under this section for each program and course level offered by each institution of higher education as the governing board considers appropriate to increase graduation rates, encourage efficient use of facilities, enhance employee performance, or further another legitimate purpose of the institution. Deletes existing text authorizing a governing board to set a different tuition rate as the governing board considers appropriate to increase graduation rates, encourage efficient use of facilities, or enhance employee performance.

SECTION 3. Amends Sections 54.0515(e) and (f), Education Code, as follows:

(e) Provides that it is the legislature's intent that each institution of higher education reasonably implement the following, rather than providing that it is the legislature's intent that each institution of higher education, as a condition to tuition deregulation under Section 54.0513, reasonably implement the following:

(1) and (2) Makes no change to these subdivisions.

(f) Deletes existing text requiring the committee (relating to the legislative oversight committee on higher education) to include the impact of tuition deregulation among the action the committee is required to take. Makes no further change to this subsection.

SECTION 4. Provides that this Act applies beginning with tuition charged by public institutions of higher education for the 2016 fall semester. Makes application of this Act prospective.

SECTION 5. Effective date: January 1, 2016.