

Amend CSHB 7 by adding an appropriately numbered new SECTION to the bill and renumbering subsequent SECTIONS accordingly, to read as follows:

SECTION _____. Section 54.0513, Education Code, is amended to read as follows:

(a) Except as otherwise provided in this section, ~~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, the governing board, under the terms the governing board considers appropriate, may charge any student an amount designated as tuition that the governing board considers necessary for the effective operation of the institution.

(b) A governing board may set a different tuition rate for each program and course level offered by each institution of higher education. A governing board may set a different tuition rate as the governing board considers appropriate to increase graduation rates, encourage efficient use of facilities, or enhance employee performance.

(c) The maximum amount of tuition that may be charged under this section to a resident or nonresident student is the average amount of tuition charged to a full-time student of comparable residency status enrolled for a comparable semester or term of the preceding academic year at the peer institutions listed in Subsection (d), adjusted to reflect any change in the consumer price index for all urban consumers, for all items and all regions of the United States, as published by the United States Department of Labor, Bureau of Labor Statistics, or a successor national index of the change in consumer prices, for the most recent year for which the index is available. The maximum amount of tuition is determined by weighting the tuition charged by each peer institution equally, without weighting by student enrollment.

(d) The peer institutions to be used in computing the maximum amount of tuition under this section are:

- (1) the University of California at Berkeley;
- (2) the University of California at Los Angeles;
- (3) the University of Illinois at Urbana-Champaign;
- (4) Indiana University at Bloomington;

- (5) the University of Michigan -- Ann Arbor;
- (6) Michigan State University;
- (7) the University of Minnesota;
- (8) the University of North Carolina at Chapel Hill;
- (9) Ohio State University, Main Campus;
- (10) the University of Washington; and
- (11) the University of Wisconsin -- Madison.

(e) The coordinating board shall determine the maximum amount of tuition that may be charged to a resident or nonresident student under this section for each semester or term and report those amounts to the governing board of each institution of higher education to which this section applies as early as practicable before the semester or term begins. The coordinating board may require the governing board of an institution to which this section applies to obtain for the coordinating board any information the coordinating board requires to administer this section.

~~(e)~~ (f) Amounts collected by an institution of higher education under this section are institutional funds as defined by Section 51.009 of this code and shall be accounted for as designated funds. These funds shall not be accounted for in a general appropriations act in such a way as to reduce the general revenue appropriation to a particular institution.

~~(d)~~ (g) A governing board may waive all or part of the tuition charged to a student under this section if it finds that the payment of such tuition would cause an undue economic hardship on the student.

~~(e)~~ (h) Section 56.033 of this code requiring certain percentage amounts of tuition to be set aside for grants and scholarships does not apply to tuition collected under this section.

~~(f)~~ (i) A governing board of an institution of higher education may continue to charge as tuition under this section the amount that it charged as the building use fee at that institution in the 1996-1997 academic year without holding a public hearing, but may not increase tuition under this section above that amount without holding a public hearing.