

BILL ANALYSIS

Senate Research Center
78R12405 JSA-D

C.S.S.B. 1542
By: Shapiro
Education
4/17/2003
Committee Report (Substituted)

DIGEST AND PURPOSE

Currently, colleges and universities have limited options in situations of budget shortfall. C.S.S.B. 1542 allows boards of regents to adopt interim tuition and designated tuition (also known as building use fees) which are higher than current law. It also allows an institution's governing body to set different tuition rates for different programs and for certain purposes. C.S.S.B. 1542 adds a requirement for schools to submit an accountability report, and requires the Senate Committee on Education to examine the issue of tuition-setting alternatives during the next interim. The bill sunsets universities' authority to impose, charge, or collect tuition or fees, effective January 1, 2006.

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 Section 54.051(c), Education Code, to provide that unless a different rate is specified by this section, tuition for a resident student at a general academic teaching institution is \$54, rather than \$50, per semester credit hour.

SECTION 2. Amends Section 54.0512, Education Code, as follows:

(a) Provides that, notwithstanding Section 54.051(c), rather than 54.051, tuition that would otherwise be charged under that section for the applicable academic years described by this section is as provided by this section.

(b) Removes sections relating to the 2000-2001 academic year and the 2001-2002 academic year. Provides that tuition for a resident student at a general academic teaching institution is: for the 2003-2003 academic year, \$46 per semester credit hour for the 2003 fall semester and \$52 per semester credit hour for the remainder of the academic year; for the 2004-2005 academic year, \$52, rather than \$48, per semester credit hour for the 2004 fall semester and \$54 per semester credit hour for the remainder of the academic year; and for the 2005-2006 academic year, \$54, rather than \$50 per semester credit hour.

(c) Provides that tuition for academic years not specifically covered by this section is at the rate, rather than rates, provided by Section 54.051(c), rather than 54.051.

(d) Provides that this section expires January 1, 2006, rather than 2008.

SECTION 3. Amends the heading to Section 54.0513, Education Code, to read as follows:

Sec. 54.0513. DESIGNATED TUITION.

SECTION 4. Amends Section 54.0513, Education Code, by amending Subsections (a) and (b) and

adding Subsection (g), as follows:

(a) Deletes the existing text of Subsection (a), regarding the building use fee. Redesignates existing Subsection (b) as Subsection (a). Authorizes the governing board of an institution of higher education, in addition to amounts that it is authorized to charge as tuition under the other provisions of this chapter, to charge in an academic year an amount designated as tuition not to exceed the amount of tuition charged under Section 54.051 or 54.0512, as applicable, in that academic year.

(b) Authorizes a governing board to set the tuition authorized by this section at a different rate for each program offered by an institution of higher education and to set different tuition rates at an institution for different academic periods or based on any other factor the board considers appropriate to increase graduation rates, enhance employee performance, or further the efficient use of facilities or resources.

(g) Requires each institution of higher education that charges tuition under this section to use at least 15 percent but not more than 20 percent of the revenue collected under this section from resident students and three percent of the revenue collected under this section from nonresident students to support the work-study program at the institution, and the Texas School Fund Loan Program, if that program is enacted by the 78th Legislature.

SECTION 5. Amends Subchapter A, Chapter 54, Education Code, by adding Section 54.0031, as follows:

Sec. 54.0031. EXPIRATION OF AUTHORITY TO IMPOSE TUITION AND STUDENT FEES. (a) Prohibits a general academic teaching institution, as defined by Section 61.003, from imposing, charging, or collecting tuition or a fee authorized by this title from any student enrolled at the institution for a term or semester that begins on or after January 1, 2006.

(b) Provides that this section does not apply to a charge or fee for goods or services that are not provided as part of the institution's academic program, such as a charge for housing or food service or for attendance at athletic or cultural events, unless every student not exempted by law from payment of the charge or fee who registers at the institution is required to pay the charge or fee.

SECTION 6. Amends Subchapter H, Chapter 51, Education Code, by adding Section 51.4015, as follows:

Sec. 51.4015. ACCOUNTABILITY REPORTS. (a) Defines "institution of higher education," "governing board," and "university system."

(b) Requires the Texas Higher Education Coordinating Board (THECB), in furtherance of the policies of this state to provide an affordable, accessible, accountable, and high-quality system of higher education that prepares individuals for a changing economy and workforce and to promote the development and application of knowledge through instruction, research, and public service, to adopt standards to measure the performance of each institution of higher education.

(c) Requires the standards to include the standards included in the performance system established by THECB for the master plan for higher education and any other standards THECB considers appropriate to measure. Sets forth factors to be measured.

(d) Requires the governing board of each institution of higher education, other than a public junior college, to prepare a report of the performance of the institution in meeting

the standards adopted under this section in each academic year. Authorizes the governing board to prepare a single report for all the institutions under the jurisdiction of the governing board.

(e) Requires the governing board to deliver copies of the report to certain people within certain timelines.

SECTION 7. (a) Requires the Senate Committee on Education, after the regular session of the 78th Legislature, to conduct a study of alternative methods by which rates for tuition and fees at public institutions of higher education may be set by the legislature and by the governing boards of those institutions. Requires the study to consider the impact of those alternatives on certain elements.

(b) Requires the committee to present the results of the study along with its recommendations to the legislature not later than December 1, 2004.

SECTION 8. Requires the initial report required by Section 51.4015, Education Code, as added by this Act, to be prepared for the 2002-2003 academic year.

SECTION 9. Effective date: upon passage or September 1, 2003.