By: Brown of Brazos   H.B. No. 3064

A BILL TO BE ENTITLED

1   AN ACT

2   relating to tuition and other revenue charged or received by public

3   institutions of higher education.

4   BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

5   SECTION 1. Sections 54.008(a), (b), (c), and (d), Education

6   Code, are amended to read as follows:

7   (a) The tuition rates prescribed [provided] by Subchapter B

8   [of this chapter] are minimum rates. The governing board of each

9   institution of higher education shall set resident and nonresident

10   tuition for undergraduate or graduate programs for that institution

11   at the rate or rates the governing board considers necessary for the

12   effective administration of the institution.   Unless otherwise

13   provided by law, a tuition rate set under this section may not be

14   less than the applicable minimum rate prescribed by Subchapter B.

15   The governing [Except as provided by Subsections (e), (f), and (g),

16   the governing board of each institution of higher education shall

17   set tuition for graduate programs for that institution at a rate

18   that is at least equal to that prescribed by Subchapter B, but that

19   is not more than twice the rate prescribed by Subchapter B. Between

20   the maximum and minimum rates, the] board may set a different

21   tuition rate for each program [the differential tuition among

22   programs] offered by an institution of higher education.

23   (b) The governing board of a university system is not

24   required to set the same [uniform] tuition rates at [for graduate

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1 programs among] the component institutions of the system.

2 (c) The limit on tuition rates provided by Subsection (a)

3 [of this section] does not apply to tuition at a public junior

4 college.

5 (d) In its formulas established under Section 61.059, the

6 coordinating board shall account for tuition charged at a rate in

7 excess of [The difference between] the minimum rate prescribed by

8 Subchapter B as if the tuition was charged at the applicable minimum

9 rate prescribed by Subchapter B [of this chapter and that set by

10 the governing board of an institution of higher education for an

11 institution shall not be accounted for in an appropriations act in

12 such a way as to reduce the general revenue appropriations to that

13 institution].

14 SECTION 2. Section 54.064, Education Code, is amended by

15 amending Subsection (a) and adding Subsection (c) to read as

16 follows:

17 (a) An institution of higher education may permit a [A]

18 student who holds a competitive scholarship of at least $1,000 for

19 the academic year or summer for which the student is enrolled and

20 who is not otherwise entitled to pay tuition at the rate provided

21 for Texas residents [either a nonresident or a citizen of a country

22 other than the United States of America is entitled] to pay an

23 amount of tuition that is less than the amount of nonresident

24 tuition the student would otherwise be required to pay, but not less

25 than the amount of tuition the person would pay if the person were

26 classified as a Texas resident [the fees and charges required of

27 Texas residents without regard to the length of time the student has

1 resided in Texas]. To be entitled to reduced tuition under this

2 section, the [The] student must compete with other students,

3 including Texas residents, for the scholarship and the scholarship

4 must be awarded by a scholarship committee officially recognized by

5 the administration and be approved by the Texas Higher Education

6 Coordinating Board under criteria developed by the board.

7   (c) In its formulas established under Section 61.059, the

8 Texas Higher Education Coordinating Board shall account for a

9 student who pays tuition at a reduced rate under this section as if

10 the student paid the full amount of nonresident tuition the student

11 would be required to pay if the tuition charged to the student were

12 not reduced under this section.

13   SECTION 3. Section 54.619, Education Code, is amended by

14 adding Subsection (j) to read as follows:

15   (j) The board may suspend new enrollment in the program as

16 the board considers necessary to ensure the actuarial soundness of

17 the fund.

18   SECTION 4. Section 54.622, Education Code, is amended to

19 read as follows:

20   Sec. 54.622. TYPES OF PLANS. The board may, in its sole

21 discretion, [shall] make prepaid tuition contracts available for

22 the:

23   (1) junior college plan;

24   (2) senior college plan;

25   (3) junior-senior college plan; and

26   (4) private college plan.

27   SECTION 5. Section 54.624, Education Code, is amended to

1 read as follows:

2   Sec. 54.624. SENIOR COLLEGE PLAN. (a) Through the senior

3 college plan, a prepaid tuition contract shall provide prepaid

4 tuition and required fees for the beneficiary to attend a public

5 senior college or university for a specified number of

6 undergraduate credit hours not to exceed the typical number of

7 hours required for a baccalaureate degree awarded by a public

8 senior college or university.

9   (b) When the beneficiary of a senior college plan prepaid

10 tuition contract enrolls in a public senior college or university,

11 the university shall accept as payment in full of the beneficiary's

12 tuition and required fees the lesser of:

13   (1) the amount of tuition and required fees charged by

14 the institution; or

15   (2) an amount paid by the board under the contract

16 equal to the weighted average amount of tuition and required fees of

17 all public senior colleges and universities for that semester or

18 other academic period as determined by the board.

19   (c) Each public senior college or university shall provide

20 the information requested by the board on or before June 1 each year

21 to assist the board in determining the weighted average amount of

22 tuition and required fees of all public senior colleges and

23 universities for each semester or other academic term of the

24 following academic year for purposes of this section.

25   SECTION 6. Section 56.033(a), Education Code, is amended to

26 read as follows:

27   (a) The governing board of each institution of higher

1 education, including the Texas State Technical College System,

2 shall cause to be set aside:

3   (1) not less than 15 percent nor more than 20 percent

4 out of the portion of each resident student's tuition charge

5 attributable to the minimum tuition rates prescribed by Subchapter

6 B, Chapter 54, [under Section 54.051] as provided by the General

7 Appropriations Act for the applicable academic year;

8   (2) three percent out of the portion of each

9 nonresident student's tuition charge attributable to the minimum

10 tuition rates prescribed by Subchapter B, Chapter 54 [under Section

11 54.051];

12   (3) not less than six percent nor more than 20 percent

13 out of each resident student's hourly tuition charge, and $1.50 out

14 of each nonresident student's hourly tuition charge, for academic

15 courses at a public community or junior college; and

16   (4) not less than six percent nor more than 20 percent

17 of hourly tuition charges for vocational-technical courses at a

18 public community or junior college.

19   SECTION 7. Section 145.001(c), Education Code, is amended

20 to read as follows:

21   (c) In the General Appropriations Act for a state fiscal

22 year ending on or before August 31, 2007, the legislature may adopt

23 a method of funding provision that provides for the application of

24 certain locally generated funds to the general revenue funds to be

25 appropriated to a general academic teaching institution or a

26 medical or dental unit in such a way as to reduce the general

27 revenue to be appropriated to it. If such a provision is adopted,

1   it is specifically provided:

2   (1)   that the amount [no more than 50 percent] of funds

3   received by a general academic teaching institution or a medical or

4   dental unit for paying overhead costs that may be [so] applied to

5   reduce general revenue may not exceed:

6   (A)   50 percent for a fiscal year that ends on or

7   before August 31, 2003;

8   (B)   40 percent for the fiscal year ending August

9   31, 2004;

10   (C)   30 percent for the fiscal year ending August

11   31, 2005;

12   (D)   20 percent for the fiscal year ending August

13   31, 2006; and

14   (E)   10 percent for the fiscal year ending August

15   31, 2007;

16   (2)   that no less than 50 percent of the funds that are

17   retained but not applied to reduce general revenue appropriations

18   shall be expended under guidelines approved by the institution's

19   governing board for projects encouraging further research at the

20   unit, agency, or department level at which the research was

21   conducted, including:

22   (A)   conducting   early   pregnant   feasibility

23   studies;

24   (B)   preparing   competitive   proposals   for

25   sponsored programs;

26   (C)   providing carryover funding for research

27   teams to provide continuity between externally funded projects;

1   (D)   supporting new researchers pending external

2 funding;

3   (E)   engaging in research programs of critical

4 interest to the general welfare of the citizens of this state;

5   (F)   purchasing capital equipment directly

6 related to expanding the research capability of the institution;

7 and

8   (G)   research or project administrative costs;

9 and

10   (3)   that the retained funds not applied to reduce

11 general revenue appropriations remaining after the application of

12 Subdivision (2) of this subsection will be used by a general

13 academic teaching institution or a medical or dental unit to

14 support research as approved by a general academic teaching

15 institution or a medical or dental unit.

16   SECTION 8. Effective September 1, 2007, Section 145.001(c),

17 Education Code, is amended to read as follows:

18   (c) <u>Funds retained by a defined institution under</u>

19 <u>Subsection (b) must be used as follows</u> [~~In the General~~

20 ~~Appropriations Act, the legislature may adopt a method of funding~~

21 ~~provision that provides for the application of certain locally~~

22 ~~generated funds to the general revenue funds to be appropriated to a~~

23 ~~general academic teaching institution or a medical or dental unit~~

24 ~~in such a way as to reduce the general revenue to be appropriated to~~

25 ~~it. If such a provision is adopted, it is specifically provided~~]:

26   (1) <u>not</u> [~~that no more than 50 percent of funds received~~

27 ~~by a general academic teaching institution or a medical or dental~~

1   unit for paying overhead costs may be so applied;

2   [(2) that no] less than 50 percent of the funds [that

3   are retained but not applied to reduce general revenue

4   appropriations] shall be expended under guidelines approved by the

5   institution's governing board for projects encouraging further

6   research at the unit, agency, or department level at which the

7   research was conducted, including:

8   (A) conducting   early   pregnant   feasibility

9   studies;

10   (B) preparing   competitive   proposals   for

11   sponsored programs;

12   (C) providing carryover funding for research

13   teams to provide continuity between externally funded projects;

14   (D) supporting new researchers pending external

15   funding;

16   (E) engaging in research programs of critical

17   interest to the general welfare of the citizens of this state;

18   (F) purchasing capital equipment directly

19   related to expanding the research capability of the institution;

20   and

21   (G) research or project administrative costs;

22   and

23   (2) [(3) that] the [retained] funds [not applied to

24   reduce general revenue appropriations] remaining after the

25   application of Subdivision (1) must [(2) of this subsection

26   will] be used by a general academic teaching institution or a

27   medical or dental unit to support research at the [as approved by a

1 general academic teaching] institution or [a medical or dental]

2 unit.

3   SECTION 9. The following statutes are repealed:

4   (1) Sections 54.008(e), (f), and (g), Education Code;

5 and

6   (2) Section 54.0513, Education Code.

7   SECTION 10. (a) Tuition rates set by the governing board of

8 an institution of higher education before the effective date of

9 this Act for the 2003-2004 academic year or a subsequent academic

10 year, including the rate of tuition to be charged under former

11 Section 54.0513, Education Code, remain in effect for that academic

12 year unless changed by the governing board under Section 54.008,

13 Education Code, as amended by this Act.

14   (b) If before the effective date of this Act an amount of

15 tuition to be collected after the effective date of this Act under

16 former Section 54.0513, Education Code, was pledged to the payment

17 of bonds or other obligations of an institution of higher education

18 or university system, the governing board of the institution or

19 system shall impose tuition under Section 54.008, Education Code,

20 as amended by this Act, at a rate or rates in excess of the minimum

21 tuition rates prescribed by Subchapter B, Chapter 54, Education

22 Code, sufficient to impose not less than the amount of tuition under

23 former Section 54.0513, Education Code, pledged to the payment of

24 those bonds or other obligations. A pledge made before the

25 effective date of this Act to collect an amount of tuition under

26 former Section 54.0513, Education Code, is considered to be a

27 pledge to collect the same amount of tuition under Section 54.008,

1 Education Code, as amended by this Act, in excess of the minimum

2 tuition rates prescribed by Subchapter B, Chapter 54, Education

3 Code.

4   SECTION 11. This Act applies to each academic term or

5 semester that begins after the effective date of this Act, other

6 than a term or semester before the 2003 fall semester.

7   SECTION 12. This Act takes effect immediately if it

8 receives a vote of two-thirds of all the members elected to each

9 house, as provided by Section 39, Article III, Texas Constitution.

10 If this Act does not receive the vote necessary for immediate

11 effect, this Act takes effect September 1, 2003.