

By: Ogden

S.B. No. 1486

A BILL TO BE ENTITLED

1 AN ACT

2 relating to funding of public institutions of higher education,
3 including tuition rates that may be charged by those institutions.

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

5 SECTION 1. Section 54.051, Education Code, is amended by
6 amending Subsection (d) and adding Subsection (o) to read as
7 follows:

8 (d) Unless a different rate is specified by this section,
9 tuition for a nonresident student at a general academic teaching
10 institution or medical and dental unit is an amount per semester
11 credit hour set by the governing board of the institution or unit as
12 the governing board considers necessary for the efficient
13 administration of the institution or unit. The amount may not be
14 less than [~~equal to~~] the average of the nonresident undergraduate
15 tuition charged to a resident of this state at a public state
16 university in each of the five most populous states other than this
17 state, as computed by the coordinating board under this subsection.
18 The coordinating board shall set the minimum tuition rate provided
19 by this subsection for each academic year and report that rate to
20 each appropriate institution not later than January 1 of the
21 calendar year in which the academic year begins, or as soon after
22 that January 1 as practicable. In computing the minimum tuition
23 rate, the coordinating board shall use the nonresident tuition
24 rates for the other states in effect for the academic year in

1 progress when the coordinating board makes the computation.

2 (o) Notwithstanding any other provision of this subchapter,
3 for a summer term or session the governing board of an institution
4 of higher education may charge resident or nonresident tuition,
5 including tuition for students enrolled in graduate or professional
6 school courses, at the rates the governing board determines
7 appropriate for the efficient operation of the institution.

8 SECTION 2. Section 56.054, Education Code, is amended to
9 read as follows:

10 Sec. 56.054. SOURCE OF PROGRAM FUNDING. The loans may
11 ~~[shall]~~ be made from any available ~~[the]~~ funds of the institution
12 ~~[set aside for that purpose under Section 56.033 of this code].~~

13 SECTION 3. Section 61.059, Education Code, is amended by
14 adding Subsection (c-1) and amending Subsection (f) to read as
15 follows:

16 (c-1) In the formulas for basic funding, the board shall
17 account for a nonresident student and for a resident student
18 enrolled in a summer term or session as if the tuition and required
19 fees collected from the student by the institution of higher
20 education in which the student is enrolled are sufficient to cover
21 the direct and indirect costs to the institution for providing
22 educational services and facilities to the student. The formulas
23 may not include funding from any other source to cover the basic
24 funding required for the student.

25 (f) The board shall recommend to the governor and the
26 Legislative Budget Board supplemental contingent appropriations to
27 provide for increases in enrollment at the institutions of higher

1 education. The board may not recommend contingent appropriations
2 for increases in the enrollment of students for whom tuition and
3 required fees are treated in the formulas developed by the board as
4 the sole source of basic funding as provided by Subsection (c-1).

5 Contingent appropriations may be made directly to the institutions
6 or to the board, as the legislature may direct in each biennial
7 appropriations act. In the event the contingent appropriation is
8 made to the board, the funds shall be allocated and distributed by
9 the board to the institutions as it may determine, subject only to
10 such limitations or conditions as the legislature may prescribe.

11 SECTION 4. (a) Subchapter C, Chapter 56, Education Code, is
12 repealed.

13 (b) Section 61.059(m), Education Code, is repealed.

14 SECTION 5. (a) Except as provided by Subsection (b) of this
15 section, the changes in law made by this Act apply beginning with
16 the 2003-2004 academic year.

17 (b) The change in law made by this Act to Section 61.059,
18 Education Code, applies beginning with the formulas developed under
19 that section for funding institutions of higher education in the
20 state fiscal biennium beginning September 1, 2005.

21 SECTION 6. This Act takes effect immediately if it receives
22 a vote of two-thirds of all the members elected to each house, as
23 provided by Section 39, Article III, Texas Constitution. If this
24 Act does not receive the vote necessary for immediate effect, this
25 Act takes effect September 1, 2003.