

1-1 By: Shapiro S.B. No. 1542  
1-2 (In the Senate - Filed March 14, 2003; March 20, 2003, read  
1-3 first time and referred to Committee on Education; April 22, 2003,  
1-4 reported adversely, with favorable Committee Substitute by the  
1-5 following vote: Yeas 8, Nays 0; April 22, 2003, sent to printer.)

1-6 COMMITTEE SUBSTITUTE FOR S.B. No. 1542 By: Shapiro

1-7 A BILL TO BE ENTITLED  
1-8 AN ACT

1-9 relating to the tuition set by the governing board of a public  
1-10 institution of higher education and to accountability reports by  
1-11 those institutions.

1-12 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

1-13 SECTION 1. Subsection (c), Section 54.051, Education Code,  
1-14 is amended to read as follows:

1-15 (c) Unless a different rate is specified by this section,  
1-16 tuition for a resident student at a general academic teaching  
1-17 institution is \$54 [~~\$50~~] per semester credit hour.

1-18 SECTION 2. Section 54.0512, Education Code, is amended to  
1-19 read as follows:

1-20 Sec. 54.0512. INTERIM TUITION RATES. (a) Notwithstanding  
1-21 Section 54.051(c) [~~54.051~~], tuition that would otherwise be charged  
1-22 under that section for the applicable academic years described by  
1-23 this section is as provided by this section.

1-24 (b) Tuition for a resident student at a general academic  
1-25 teaching institution is:

1-26 (1) [~~for the 2000-2001 academic year, \$40 per semester~~  
1-27 ~~credit hour,~~

1-28 [~~(2) for the 2001-2002 academic year, \$42 per semester~~  
1-29 ~~credit hour,~~

1-30 [~~(3)~~] for the 2002-2003 academic year, \$44 per  
1-31 semester credit hour;

1-32 (2) [~~(4)~~] for the 2003-2004 academic year, \$46 per  
1-33 semester credit hour for the 2003 fall semester and \$52 per semester  
1-34 credit hour for the remainder of the academic year;

1-35 (3) [~~(5)~~] for the 2004-2005 academic year, \$52 [~~\$48~~]  
1-36 per semester credit hour for the 2004 fall semester and \$54 per  
1-37 semester credit hour for the remainder of the academic year; and

1-38 (4) [~~(6)~~] for the 2005-2006 academic year, \$54 [~~\$50~~]  
1-39 per semester credit hour.

1-40 (c) Tuition for academic years not specifically covered by  
1-41 this section is at the rate [~~rates~~] provided by Section 54.051(c)  
1-42 [~~54.051~~].

1-43 (d) This section expires January 1, 2006 [~~2008~~].

1-44 SECTION 3. The heading to Section 54.0513, Education Code,  
1-45 is amended to read as follows:

1-46 Sec. 54.0513. DESIGNATED TUITION [~~REDESIGNATION OF~~  
1-47 ~~BUILDING USE FEE~~].

1-48 SECTION 4. Section 54.0513, Education Code, is amended by  
1-49 amending Subsections (a) and (b) and adding Subsection (g) to read  
1-50 as follows:

1-51 (a) [~~The building use fee previously authorized in Section~~  
1-52 ~~55.16 of this code is redesignated as tuition.~~

1-53 [~~(b)~~] In addition to amounts that the [~~a~~] governing board of  
1-54 an institution of higher education is authorized to charge as  
1-55 tuition under the other provisions of this chapter, the governing  
1-56 board is authorized to charge [~~as tuition~~] in an academic year an  
1-57 amount designated as tuition not to exceed the amount of tuition  
1-58 charged under Section [~~Sections~~] 54.051 or 54.0512, as applicable,  
1-59 in that academic year.

1-60 (b) A governing board may set the tuition authorized by this  
1-61 section at a different rate for each program offered by an  
1-62 institution of higher education and may set different tuition rates  
1-63 at an institution for different academic periods or based on any

2-1 other factor the board considers appropriate to increase graduation  
2-2 rates, enhance employee performance, or further the efficient use  
2-3 of facilities or resources.

2-4 (g) Each institution of higher education that charges  
2-5 tuition under this section must use at least 15 percent but not more  
2-6 than 20 percent of the revenue collected under this section from  
2-7 resident students and three percent of the revenue collected under  
2-8 this section from nonresident students to support:

2-9 (1) the work-study program at the institution; and

2-10 (2) the Texas School Fund Loan Program, if that  
2-11 program is enacted by the 78th Legislature.

2-12 SECTION 5. Subchapter A, Chapter 54, Education Code, is  
2-13 amended by adding Section 54.0031 to read as follows:

2-14 Sec. 54.0031. EXPIRATION OF AUTHORITY TO IMPOSE TUITION AND  
2-15 STUDENT FEES. (a) A general academic teaching institution, as  
2-16 defined by Section 61.003, may not impose, charge, or collect  
2-17 tuition or a fee authorized by this title from any student enrolled  
2-18 at the institution for a term or semester that begins on or after  
2-19 January 1, 2006.

2-20 (b) This section does not apply to a charge or fee for goods  
2-21 or services that are not provided as part of the institution's  
2-22 academic program, such as a charge for housing or food service or  
2-23 for attendance at athletic or cultural events, unless every student  
2-24 not exempted by law from payment of the charge or fee who registers  
2-25 at the institution is required to pay the charge or fee.

2-26 SECTION 6. Subchapter H, Chapter 51, Education Code, is  
2-27 amended by adding Section 51.4015 to read as follows:

2-28 Sec. 51.4015. ACCOUNTABILITY REPORTS. (a) In this  
2-29 section, "institution of higher education," "governing board," and  
2-30 "university system" have the meanings assigned by Section 61.003.

2-31 (b) In furtherance of the policies of this state to provide  
2-32 an affordable, accessible, accountable, and high-quality system of  
2-33 higher education that prepares individuals for a changing economy  
2-34 and workforce and to promote the development and application of  
2-35 knowledge through instruction, research, and public service, the  
2-36 Texas Higher Education Coordinating Board shall adopt standards to  
2-37 measure the performance of each institution of higher education.

2-38 (c) The standards must include the standards included in the  
2-39 performance system established by the coordinating board for the  
2-40 master plan for higher education and any other standards the  
2-41 coordinating board considers appropriate to measure:

2-42 (1) the availability of each institution to potential  
2-43 students and the success of students in meeting the academic  
2-44 requirements of the institution;

2-45 (2) academic excellence;

2-46 (3) service to and support by communities; and

2-47 (4) organizational efficiency and productivity.

2-48 (d) The governing board of each institution of higher  
2-49 education, other than a public junior college, shall prepare a  
2-50 report of the performance of the institution in meeting the  
2-51 standards adopted under this section in each academic year. The  
2-52 governing board may prepare a single report for all the  
2-53 institutions under the jurisdiction of the governing board.

2-54 (e) The governing board shall deliver:

2-55 (1) a copy of the report to the coordinating board not  
2-56 later than January 1 following the end of the academic year for  
2-57 which the report is prepared; and

2-58 (2) copies of the reports for each of the two preceding  
2-59 academic years to the governor's budget office, lieutenant  
2-60 governor, speaker of the house of representatives, Legislative  
2-61 Budget Board, legislative audit committee, and presiding officer of  
2-62 the standing committee of each house of the legislature with  
2-63 primary jurisdiction over higher education not later than January 1  
2-64 of each odd-numbered year.

2-65 SECTION 7. (a) The Senate Committee on Education, after  
2-66 the regular session of the 78th Legislature, shall conduct a study  
2-67 of alternative methods by which rates for tuition and fees at public  
2-68 institutions of higher education may be set by the legislature and  
2-69 by the governing boards of those institutions. The study shall

3-1 consider the impact of those alternatives on:  
3-2 (1) revenue for the operation of institutions of  
3-3 higher education;  
3-4 (2) enrollment;  
3-5 (3) graduation;  
3-6 (4) educational quality;  
3-7 (5) affordability;  
3-8 (6) student financial aid;  
3-9 (7) state college savings and guaranteed tuition

3-10 plans;  
3-11 (8) progress toward the goals and targets of the  
3-12 master plan for higher education established under Subsection (a),  
3-13 Section 61.051, Education Code; and

3-14 (9) any other factors determined by the committee to  
3-15 be significant.

3-16 (b) The Senate Committee on Education shall present the  
3-17 results of the study along with its recommendations to the  
3-18 legislature not later than December 1, 2004.

3-19 SECTION 8. The initial report required by Section 51.4015,  
3-20 Education Code, as added by this Act, shall be prepared for the  
3-21 2002-2003 academic year.

3-22 SECTION 9. This Act takes effect immediately if it receives  
3-23 a vote of two-thirds of all the members elected to each house, as  
3-24 provided by Section 39, Article III, Texas Constitution. If this  
3-25 Act does not receive the vote necessary for immediate effect, this  
3-26 Act takes effect September 1, 2003.

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