

By: Zaffirini

S.B. No. 1443

A BILL TO BE ENTITLED

1 AN ACT  
2 relating to the academic costs charged to resident undergraduate  
3 students by general academic teaching institutions and certain  
4 reports regarding the operational costs of those institutions.

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

6 SECTION 1. Subchapter A, Chapter 54, Education Code, is  
7 amended by adding Section 54.017 to read as follows:

8 Sec. 54.017. LIMITATION ON INCREASE IN TOTAL ACADEMIC COSTS  
9 CHARGED TO RESIDENT UNDERGRADUATE STUDENTS. (a) In this section:

10 (1) "General academic teaching institution" has the  
11 meaning assigned by Section 61.003.

12 (2) "Total academic costs":

13 (A) includes:

14 (i) tuition for which the rates are  
15 prescribed by this chapter;

16 (ii) tuition charged by a general academic  
17 teaching institution under Section 54.0513 or another law  
18 authorizing a general academic teaching institution to establish  
19 tuition rates;

20 (iii) mandatory academic fees; and

21 (iv) any other academic-related general  
22 fees and course fees, including fees for laboratories, field trips,  
23 access to Internet or multimedia service, equipment replacement,  
24 and instructional technology; and

1           (B) does not include optional fees charged to a  
2 student for voluntary services or a fee approved by students of the  
3 institution in a referendum held at the institution for that  
4 purpose.

5           (b) The total academic costs charged by a general academic  
6 teaching institution to an undergraduate student who is a resident  
7 of this state for an academic year may not exceed the total academic  
8 costs that the institution would have charged to a similarly  
9 situated student in the preceding academic year by more than the  
10 lesser of:

11           (1) five percent; or

12           (2) if the legislature has appropriated from  
13 undedicated general revenue funds available to pay the  
14 institution's core operational costs estimated by the Legislative  
15 Budget Board under Section 51.973 for the current state fiscal  
16 biennium a greater percentage than the legislature appropriated  
17 from undedicated general revenue funds available to pay the  
18 institution's core operational costs for the preceding state fiscal  
19 biennium, a percentage that would produce an amount of total  
20 academic costs charged to students that, when added to the  
21 additional amount of undedicated general revenue funds available to  
22 pay core operational costs of the institution, would result in a  
23 total increase of five percent in total academic costs charged to  
24 students and undedicated general revenue funds available to pay  
25 core operating costs for that academic year.

26           (b-1) This subsection applies to total academic costs  
27 charged to students for the 2009-2010 and 2010-2011 academic years.

1 Subsection (b) does not apply to those costs in an academic year to  
2 which this subsection applies. In an academic year to which this  
3 subsection applies, the total academic costs charged by a general  
4 academic teaching institution to an undergraduate student who is a  
5 resident of this state may not exceed the total academic costs that  
6 the institution would have charged to a similarly situated student  
7 in the preceding academic year by more than:

8 (1) five percent; or

9 (2) if the institution's average per student total  
10 academic costs for the most recent academic year for which the  
11 information is available are less than the statewide average for  
12 those costs for that year as determined by the Texas Higher  
13 Education Coordinating Board, the greater of:

14 (A) five percent; or

15 (B) \$360.

16 (c) Notwithstanding Subsection (b), a general academic  
17 teaching institution may charge a student an amount of total  
18 academic costs that exceeds the maximum amount prescribed by that  
19 subsection if the amount of the increase was approved by the  
20 students of the institution in a referendum held in the preceding  
21 academic year at the institution for that purpose. The institution  
22 may hold a referendum for purposes of this subsection.

23 (d) For purposes of this section, students are similarly  
24 situated if they share the same residency status, degree program,  
25 course load, course level, tuition exemption status, and other  
26 circumstances affecting the total academic costs charged to the  
27 student.

1       (e) This section does not ensure that the total academic  
2 costs charged to an individual student will not increase by more  
3 than the limitation prescribed by Subsection (b) based on a change  
4 in the student's residency status, degree program, course load,  
5 course level, tuition exemption status, or other circumstance  
6 affecting the total academic costs charged to the student.

7       (f) The Texas Higher Education Coordinating Board shall  
8 adopt rules as necessary to administer this section.

9       SECTION 2. Subchapter D, Chapter 54, Education Code, is  
10 amended by adding Section 54.202 to read as follows:

11       Sec. 54.202. TUITION EXEMPTION FOR CERTAIN FIRST-TIME  
12 FRESHMAN STUDENTS AT GENERAL ACADEMIC TEACHING INSTITUTIONS. (a)  
13 In this section, "general academic teaching institution" has the  
14 meaning assigned by Section 61.003.

15       (b) A general academic teaching institution shall exempt  
16 from the payment of tuition and mandatory fees charged by the  
17 institution for a fall or spring semester a person who:

18               (1) enrolls in the institution for that semester as a  
19 first-time, entering freshman student, disregarding any  
20 college-level courses in which the person enrolled in the preceding  
21 summer session;

22               (2) enrolls for that semester in at least 15 semester  
23 credit hours;

24               (3) is a resident of this state for purposes of  
25 Subchapter B;

26               (4) has filed a Free Application for Federal Student  
27 Aid (FAFSA); and

1           (5) has a household adjusted gross income for the most  
2 recently completed tax year that is \$30,000 or less.

3           (c) A person may receive an exemption under this section for  
4 not more than 15 semester credit hours.

5           (d) The exemption provided by this section does not apply to  
6 a transfer student.

7           (e) The Texas Higher Education Coordinating Board may adopt  
8 rules for the administration of this section.

9           SECTION 3. Subchapter Z, Chapter 51, Education Code, is  
10 amended by adding Section 51.973 to read as follows:

11           Sec. 51.973. BIENNIAL REPORT BY LEGISLATIVE BUDGET BOARD  
12 REGARDING UNIVERSITY CORE OPERATIONAL COSTS; LEGISLATIVE OVERSIGHT  
13 COMMITTEE. (a) Not later than December 1 of each odd-numbered  
14 year, the Legislative Budget Board shall submit to the senate  
15 finance committee, the house appropriations committee, and the  
16 standing committee of each house with primary jurisdiction over  
17 higher education, for consideration by the members of those  
18 committees in determining the amount of general revenue  
19 appropriations to general academic teaching institutions and  
20 tuition rates at those institutions, the Legislative Budget Board's  
21 estimate of the core operational costs for the next state fiscal  
22 biennium for each general academic teaching institution, based on a  
23 methodology that:

24           (1) projects for each year of the next biennium:

25                   (A) changes in student enrollment for each  
26 institution; and

27                   (B) a rate of inflation; and

1           (2) uses data from each institution's annual financial  
2 report regarding costs for instruction, academic support,  
3 institutional support, operations and maintenance of physical  
4 plants, and student services.

5           (b) Beginning in 2013, the Legislative Budget Board shall  
6 submit with its estimate under Subsection (a) a comparison of each  
7 institution's actual core operational costs for the preceding state  
8 fiscal biennium to the board's previous estimate of the  
9 institution's core operational costs for that biennium.

10           (c) A legislative oversight committee is established to  
11 oversee the Legislative Budget Board's development of the  
12 methodology described by Subsection (a). The legislative oversight  
13 committee is composed of six members as follows:

14           (1) three members of the senate appointed by the  
15 lieutenant governor; and

16           (2) three members of the house of representatives  
17 appointed by the speaker of the house of representatives.

18           (d) The lieutenant governor shall designate one of the  
19 legislative oversight committee members appointed by the  
20 lieutenant governor as committee co-chair, and the speaker shall  
21 designate one of the committee members appointed by the speaker as  
22 committee co-chair.

23           (e) An appointed member of the legislative oversight  
24 committee serves at the pleasure of the appointing official.

25           (f) The legislative oversight committee shall meet at the  
26 call of the chair and may request reports and other information from  
27 the Texas Higher Education Coordinating Board or any general

1 academic teaching institution as necessary to carry out the  
2 committee's duties under this section.

3 SECTION 4. Not later than September 1, 2010, each general  
4 academic teaching institution shall submit to the Legislative  
5 Budget Board, the senate finance committee, the house  
6 appropriations committee, and the standing committee of each house  
7 with primary jurisdiction over higher education a detailed plan for  
8 reducing the institution's operational costs, excluding the  
9 institution's core academic budget, by at least five percent.

10 SECTION 5. The Texas Higher Education Coordinating Board  
11 shall adopt the rules required by Section 54.017, Education Code,  
12 as added by this Act, as soon as practicable after this Act takes  
13 effect. For that purpose, the coordinating board may adopt the  
14 initial rules in the manner provided by law for emergency rules.

15 SECTION 6. This Act takes effect immediately if it receives  
16 a vote of two-thirds of all the members elected to each house, as  
17 provided by Section 39, Article III, Texas Constitution. If this  
18 Act does not receive the vote necessary for immediate effect, this  
19 Act takes effect September 1, 2009.