

SENATE AMENDMENTS

2nd Printing

By: Lewis

H.B. No. 2999

A BILL TO BE ENTITLED

AN ACT

relating to a fixed tuition rate program for certain students who transfer to a state university after completing an associate degree program.

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

SECTION 1. Subchapter A, Chapter 54, Education Code, is amended by adding Section 54.016 to read as follows:

Sec. 54.016. FIXED TUITION RATE PROGRAM FOR CERTAIN TRANSFER STUDENTS AT GENERAL ACADEMIC TEACHING INSTITUTIONS. (a)

In this section:

(1) "Coordinating board" means the Texas Higher Education Coordinating Board.

(2) "General academic teaching institution" has the meaning assigned by Section 61.003.

(3) "Lower-division institution of higher education" means a public junior college, public state college, or public technical institute.

(b) A general academic teaching institution may develop a fixed tuition rate program for qualified students who agree to transfer to the institution within 12 months after successfully earning an associate degree at a lower-division institution of higher education. Under a program developed under this section, a general academic teaching institution must:

(1) guarantee to a participating student enrolled in

1 an associate degree program at a lower-division institution of
2 higher education, on successful completion of the associate degree
3 program, transfer admission to the general academic teaching
4 institution within the period prescribed above; and

5 (2) notwithstanding any other provision of this
6 chapter, charge tuition to a participating student for any semester
7 or other academic term at the same rate the general academic
8 teaching institution would have charged to the student during the
9 later of:

10 (A) the fall semester of the student's freshman
11 year at another institution of higher education had the student
12 entered the general academic teaching institution as a freshman
13 student; or

14 (B) the fall semester of the second academic year
15 preceding the academic year of the student's initial enrollment in
16 the general academic teaching institution.

17 (c) A general academic teaching institution that develops a
18 fixed tuition rate program under this section shall prescribe
19 eligibility requirements for participation in the program and
20 notify applicants for transfer admission from lower-division
21 institutions of higher education regarding the program.

22 SECTION 2. This Act takes effect immediately if it receives
23 a vote of two-thirds of all the members elected to each house, as
24 provided by Section 39, Article III, Texas Constitution. If this
25 Act does not receive the vote necessary for immediate effect, this
26 Act takes effect September 1, 2011.

ADOPTED

MAY 24 2011

Atty Gen
Secretary of the Senate

By: Lewis/Zaffirini

H.B. No. 2999

Substitute the following for H.B. No. 2999:

By: Zaffirini

C.S. H.B. No. 2999

A BILL TO BE ENTITLED

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2 relating to a fixed tuition rate program for certain students who
3 transfer to a state university after completing an associate degree
4 program.

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 54.016 to read as follows:

8 Sec. 54.016. FIXED TUITION RATE PROGRAM FOR CERTAIN
9 TRANSFER STUDENTS AT GENERAL ACADEMIC TEACHING INSTITUTIONS. (a)

10 In this section:

11 (1) "Coordinating board" means the Texas Higher
12 Education Coordinating Board.

13 (2) "General academic teaching institution" has the
14 meaning assigned by Section 61.003.

15 (3) "Lower-division institution of higher education"
16 means a public junior college, public state college, or public
17 technical institute.

18 (b) A general academic teaching institution may develop a
19 fixed tuition rate program for qualified students who agree to
20 transfer to the institution within 12 months after successfully
21 earning an associate degree at a lower-division institution of
22 higher education. Under a program developed under this section, a
23 general academic teaching institution must:

24 (1) guarantee to a participating student enrolled in

1 an associate degree program at a lower-division institution of
2 higher education, on successful completion of the associate degree
3 program, transfer admission to the general academic teaching
4 institution within the period prescribed above; and

5 (2) notwithstanding any other provision of this
6 chapter, charge tuition to a participating student for any semester
7 or other academic term during a period of at least 24 months
8 following the student's initial enrollment in the institution at
9 the same rate the general academic teaching institution would have
10 charged to the student during the later of:

11 (A) the fall semester of the student's freshman
12 year at another institution of higher education had the student
13 entered the general academic teaching institution as a freshman
14 student; or

15 (B) the fall semester of the second academic year
16 preceding the academic year of the student's initial enrollment in
17 the general academic teaching institution.

18 (c) A general academic teaching institution that develops a
19 fixed tuition rate program under this section shall prescribe
20 eligibility requirements for participation in the program and
21 notify applicants for transfer admission from lower-division
22 institutions of higher education regarding the program.

23 SECTION 2. This Act takes effect immediately if it receives
24 a vote of two-thirds of all the members elected to each house, as
25 provided by Section 39, Article III, Texas Constitution. If this
26 Act does not receive the vote necessary for immediate effect, this
27 Act takes effect September 1, 2011.

LEGISLATIVE BUDGET BOARD

Austin, Texas

FISCAL NOTE, 82ND LEGISLATIVE REGULAR SESSION

May 24, 2011

TO: Honorable Joe Straus, Speaker of the House, House of Representatives

FROM: John S O'Brien, Director, Legislative Budget Board

IN RE: HB2999 by Lewis (Relating to a fixed tuition rate program for certain students who transfer to a state university after completing an associate degree program.), **As Passed 2nd House**

No significant fiscal implication to the State is anticipated.

Under provisions of the bill, a general academic teaching institution may develop a fixed tuition rate program for qualified students who agree to transfer to the institution within 12 months after successfully earning an associate degree at a lower-division institution of higher education. The bill specifies that in such a program, the general academic teaching institution (GATI) must do the following: (1) guarantee admission to the sponsoring GATI and acceptance to the student's degree program of choice to an otherwise eligible participating lower-division institution student; and (2) guarantee to charge the participating student for any semester or other academic term during a period of at least 24 months following the student's initial enrollment in the institutions a fixed tuition rate equal to the rate that would have been charged the student his/her freshman year, had the student been enrolled in the GATI as a freshman or the fall semester of the second year preceding the academic year of the student's initial enrollment in the general academic teaching institution.

Based on responses from institutions of higher education it appears the program would not be implemented but included below is an estimate based on information provided by the Higher Education Coordinating Board on what the maximum impact would be if fully implemented.

In fiscal year 2010, 7,141 associate degree recipients transferred into general academic teaching institutions. Between fiscal year 2010 and fiscal year 2011, the average designated tuition rate for 30 semester credit hours rose 6.92% -- from \$3,195 to \$3,416. The Higher Education Coordinating Board assumed this rate of increase would remain a constant. Therefore, between fiscal year 2012 and fiscal year 2016, the rate for 30 hours would rise from \$3,652 to \$4,773. The impact per full-time student equivalent (person taking 30 hours per year) for the fix tuition rate is a savings of the designated tuition amount in the year of enrollment less the tuition amount in his/her freshman year. They also assumed the transfer students would have been entering freshmen two years prior – in other words, students entering as associate degree transfers in fall 2011 entered as freshmen in fall 2009, etc. They also assumed the average undergraduate would be taking 80% of a full-time load, so the 7,141 headcount of associate degree transfer students would equal 6,713 full-time student equivalents (FTSEs), dropping to 4,681 in their second years and for the 60% who attend a fifth year before graduating, 4,764 students in the third year.

To calculate the amount of designated tuition saved by the students (and lost to the institutions) they multiplied the expected number of FTSEs per year per cohort times the differential in their projected year designated tuition amount less what they would have paid in their freshman year. In fiscal year 2012, 5,713 FTSEs will enter and save \$457 in designated tuition – generating a total savings for the students of \$2,612,962. The savings would increase in 2013 to \$6,118,494 as a new cohort is added and so on for the out years. Since the program is optional, the impact will most likely be much less than this.

Local Government Impact

No fiscal implication to units of local government is anticipated.

Source Agencies: 720 The University of Texas System Administration, 758 Texas State University System, 769 University of North Texas System Administration, 781 Higher Education Coordinating Board, 783 University of Houston System Administration, 710 Texas A&M University System Administrative and General Offices, 768 Texas Tech University System Administration

LBB Staff: JOB, SD, GO, KK, RT

LEGISLATIVE BUDGET BOARD

Austin, Texas

FISCAL NOTE, 82ND LEGISLATIVE REGULAR SESSION

May 23, 2011

TO: Honorable Judith Zaffirini, Chair, Senate Committee on Higher Education

FROM: John S O'Brien, Director, Legislative Budget Board

IN RE: HB2999 by Lewis (relating to a fixed tuition rate program for certain students who transfer to a state university after completing an associate degree program.), **Committee Report 2nd House, Substituted**

No significant fiscal implication to the State is anticipated.

Under provisions of the bill, a general academic teaching institution may develop a fixed tuition rate program for qualified students who agree to transfer to the institution within 12 months after successfully earning an associate degree at a lower-division institution of higher education. The bill specifies that in such a program, the general academic teaching institution (GATI) must do the following: (1) guarantee admission to the sponsoring GATI and acceptance to the student's degree program of choice to an otherwise eligible participating lower-division institution student; and (2) guarantee to charge the participating student for any semester or other academic term during a period of at least 24 months following the student's initial enrollment in the institutions a fixed tuition rate equal to the rate that would have been charged the student his/her freshman year, had the student been enrolled in the GATI as a freshman or the fall semester of the second year preceding the academic year of the student's initial enrollment in the general academic teaching institution.

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LBB Staff: JOB, GO, KK, RT

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 82ND LEGISLATIVE REGULAR SESSION

May 10, 2011

TO: Honorable Judith Zaffirini, Chair, Senate Committee on Higher Education

FROM: John S O'Brien, Director, Legislative Budget Board

IN RE: HB2999 by Lewis (Relating to a fixed tuition rate program for certain students who transfer to a state university after completing an associate degree program.), **As Engrossed**

<p>No significant fiscal implication to the State is anticipated.</p>
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Under provisions of the bill, a general academic teaching institution may develop a fixed tuition rate program for qualified students who agree to transfer to the institution within 12 months after successfully earning an associate degree at a lower-division institution of higher education. The bill specifies that in such a program, the general academic teaching institution (GATI) must do the following: (1) guarantee admission to the sponsoring GATI and acceptance to the student's degree program of choice to an otherwise eligible participating lower-division institution student; and (2) guarantee to charge the participating student, upon transfer to the GATI, a fixed tuition rate equal to the rate that would have been charged the student his/her freshman year, had the student been enrolled in the GATI as a freshman or the fall semester of the second year preceding the academic year of the student's initial enrollment in the general academic teaching institution.

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LBB Staff: JOB, GO, KK, RT

LEGISLATIVE BUDGET BOARD

Austin, Texas

FISCAL NOTE, 82ND LEGISLATIVE REGULAR SESSION

April 25, 2011

TO: Honorable Dan Branch, Chair, House Committee on Higher Education

FROM: John S O'Brien, Director, Legislative Budget Board

IN RE: HB2999 by Lewis (relating to a fixed tuition rate program for certain students who transfer to a state university after completing an associate degree program.), **Committee Report 1st House, Substituted**

No significant fiscal implication to the State is anticipated.

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LBB Staff: JOB, GO, KK, RT

LEGISLATIVE BUDGET BOARD

Austin, Texas

FISCAL NOTE, 82ND LEGISLATIVE REGULAR SESSION

March 29, 2011

TO: Honorable Dan Branch, Chair, House Committee on Higher Education

FROM: John S O'Brien, Director, Legislative Budget Board

IN RE: HB2999 by Lewis (Relating to a fixed tuition rate program for certain students who transfer to a state university after completing an associate degree program.), **As Introduced**

No significant fiscal implication to the State is anticipated.

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