

BILL ANALYSIS

C.S.H.B. 29
By: Branch
Higher Education
Committee Report (Substituted)

BACKGROUND AND PURPOSE

Interested parties contend that recent increases in the cost of attending a public university in Texas have made family financial planning a challenge. C.S.H.B. 29 seeks to provide students and their parents with the option of a fixed tuition price plan at Texas general academic teaching institutions in which the price of tuition remains constant during the four academic years following the student's initial enrollment as a response to this financial uncertainty.

RULEMAKING AUTHORITY

It is the committee's opinion that rulemaking authority is expressly granted to certain general academic teaching institutions in SECTION 1 of this bill.

ANALYSIS

C.S.H.B. 29 amends the Education Code to require the governing board of a general academic teaching institution other than a public state college to offer each entering undergraduate student, including each undergraduate student who transfers to the institution regardless of the number of semester credit hours transferred by the student, the opportunity to participate in a four-year fixed tuition price plan. The bill requires each such institution, unless the institution does not offer other tuition payment options, to require an entering undergraduate student to accept or reject participation in the plan before the date of the student's initial enrollment at the institution. The bill sets out the terms of such a plan, which would cap a student's tuition for the four academic years immediately following the student's initial enrollment at the rate in effect in either the first academic year in which the student enrolled at the institution, if the student initially enrolled for a fall or spring semester, or the academic year immediately following the summer term in which the student enrolled at the institution, if the student initially enrolled for a summer term, and would cap the student's tuition thereafter at the rate in effect in the year after the year of the student's enrollment.

C.S.H.B. 29 specifies that a fixed tuition price charged to a student by an institution does not apply to the student after the student has been awarded a bachelor's degree by the institution. The bill requires each institution to notify each entering undergraduate student, including each undergraduate student who transfers to the institution, of the offered fixed tuition price plan. The bill limits the fees charged by an institution to a student participating in the plan to the fees charged by the institution to a similarly situated student who elects not to participate, if the institution offers other tuition payment options, and establishes that students are similarly situated if the students share the same residency status, degree program, course load, course level, and other circumstances affecting the fees charged to the students.

C.S.H.B. 29 requires each institution to adopt any rules the institution considers appropriate for the administration of the institution's fixed tuition price plan. The bill expressly does not require an institution to offer a variable tuition price plan to undergraduate students enrolled in the institution. The bill adds a temporary provision, set to expire January 1, 2020, to exempt from the bill's provisions the tuition charged by an applicable institution to a student who enters the

institution for the first time before the 2014 fall semester.

EFFECTIVE DATE

On passage, or, if the bill does not receive the necessary vote, September 1, 2013.

COMPARISON OF ORIGINAL AND SUBSTITUTE

While C.S.H.B. 29 may differ from the original in minor or nonsubstantive ways, the following comparison is organized and highlighted in a manner that indicates the substantial differences between the introduced and committee substitute versions of the bill.

INTRODUCED

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

Sec. 54.017. **FIXED TUITION RATE OPTION FOR UNDERGRADUATE 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.

(b) Notwithstanding any other provision of this chapter and except as otherwise provided by this section, the governing board of a **general academic teaching institution** shall offer each entering undergraduate student, including each undergraduate student who transfers to the institution regardless of the number of semester credit hours transferred by the student, the opportunity to participate in a fixed tuition **rate** plan.

(c) A fixed tuition rate plan offered under this section must provide that:

(1) during the **48 months** immediately following the date of a student's initial

HOUSE COMMITTEE SUBSTITUTE

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

Sec. 54.017. **FOUR-YEAR FIXED TUITION PRICE PLAN FOR UNDERGRADUATE STUDENTS AT CERTAIN GENERAL ACADEMIC TEACHING INSTITUTIONS.** (a) In this section:

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

(2) "General academic teaching institution" and "**public state college**" have the meanings assigned by Section 61.003.

(3) "Plan" means a four-year fixed tuition price plan offered under this section.

(b) This section applies only to a general academic teaching institution other than a **public state college**.

(c) Notwithstanding any other provision of this chapter and except as otherwise provided by this section, the governing board of an **institution to which this section applies** shall offer each entering undergraduate student, including each undergraduate student who transfers to the institution regardless of the number of semester credit hours transferred by the student, the opportunity to participate in a **four-year fixed tuition price** plan.

(d) **Unless the institution does not offer other tuition payment options, an institution to which this section applies shall require an entering undergraduate student to accept or reject participation in the plan before the date of the student's initial enrollment at the institution.**

(e) A plan offered under this section must provide that:

(1) during the **four academic years** immediately following the date of a

enrollment at the general academic teaching institution, the institution may not charge tuition to the student for a semester or other academic term at a rate that exceeds the rate the institution would have charged the student for the same courses during:

(A) the first academic year in which the student enrolled at the institution, if the student initially enrolled for a fall or spring semester; or

(B) the academic year immediately following the summer term in which the student enrolled at the institution, if the student initially enrolled for a summer term; and

(2) after the fourth anniversary of the date the student first enrolls at the institution, regardless of whether the student is continuously enrolled in the institution after that initial enrollment, the institution may not charge tuition to the student for a semester or other academic term at a rate that exceeds the rate the institution would have charged the student under Subdivision (1) had the student initially enrolled in the institution one year after the student's actual initial enrollment.

(d) A fixed tuition rate charged to a student by a general academic teaching institution under Subsection (c) does not apply to the student after the student has been awarded a baccalaureate degree by the institution. A student who previously completed a baccalaureate degree program at the institution is considered to be an entering undergraduate student for purposes of this section if the student subsequently enrolls in another undergraduate degree program at the institution.

(e) Each general academic teaching institution shall notify each entering undergraduate student, including each undergraduate student who transfers to the institution, of the fixed tuition rate plan offered under this section.

student's initial enrollment at the institution, the institution may not charge tuition to the student for a semester or other academic term at a rate that exceeds the rate the institution would have charged the student for the same courses during:

(A) the first academic year in which the student enrolled at the institution, if the student initially enrolled for a fall or spring semester; or

(B) the academic year immediately following the summer term in which the student enrolled at the institution, if the student initially enrolled for a summer term; and

(2) beginning with the fifth academic year following the date the student first enrolls at the institution, the institution may not charge tuition to the student for a semester or other academic term at a rate that exceeds the rate the institution would have charged the student under Subdivision (1) had the student initially enrolled in the institution one year after the student's actual initial enrollment.

(f) A fixed tuition price charged to a student by an institution under Subsection (e) does not apply to the student after the student has been awarded a baccalaureate degree by the institution.

(g) Each institution to which this section applies shall notify each entering undergraduate student, including each undergraduate student who transfers to the institution, of the plan offered under this section.

(h) Fees charged by an institution to a student participating in a plan under this section may not exceed the fees charged by the institution to a similarly situated student who elects not to participate in the plan, if the institution offers other tuition payment options. For purposes of this subsection, students are similarly situated if they share the same residency status, degree program, course load, course level, and other

(f) In consultation with the general academic teaching institutions, the coordinating board shall adopt any rules the coordinating board considers appropriate for the administration of this section.

(g) This section does not require a general academic teaching institution to offer an alternative tuition plan to undergraduate students enrolled in the institution.

(h) This section does not apply to the tuition charged by a general academic teaching institution to a student who enters the institution for the first time before the 2013 fall semester. This subsection expires January 1, 2020.

SECTION 2. This Act takes effect immediately if it receives a vote of two-thirds of all the members elected to each house, as provided by Section 39, Article III, Texas Constitution. If this Act does not receive the vote necessary for immediate effect, this Act takes effect September 1, 2013.

circumstances affecting the fees charged to the students.

(i) Each institution to which this section applies shall adopt any rules the institution considers appropriate for the administration of the institution's plan under this section.

(j) This section does not require an institution to which this section applies to offer a variable tuition price plan to undergraduate students enrolled in the institution.

(k) This section does not apply to the tuition charged by an institution to which this section applies to a student who enters the institution for the first time before the 2014 fall semester. This subsection expires January 1, 2020.

SECTION 2. Same as introduced version.