

By: Seliger

S.B. No. 778

A BILL TO BE ENTITLED

AN ACT

relating to performance-based tuition limitations for certain public institutions of higher education.

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

SECTION 1. Subchapter B, Chapter 54, Education Code, is amended by adding Section 54.05131 to read as follows:

Sec. 54.05131. PERFORMANCE-BASED DESIGNATED TUITION LIMITATIONS. (a) In this section:

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

(2) "Performance measure" includes only:

(1) the four-year graduation rate of first-time, full-time, bachelor's degree-seeking students;

(2) the six-year graduation rate of first-time, full-time, bachelor's degree-seeking students;

(3) the persistence rate of first-time, full-time, degree-seeking freshman students after one academic year;

(4) the educator certification rate of teacher education graduates;

(5) the percentage of students awarded a baccalaureate degree who are first-generation college graduates;

(6) the two-year graduation rate of incoming full-time undergraduate transfer students;

1           (7) the four-year graduation rate of incoming  
2 full-time undergraduate transfer students;

3           (8) the percentage of lower-division semester credit  
4 hours taught by tenured or tenure-track faculty; and

5           (9) the dollar value of external or sponsored research  
6 expenditures.

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

9           (c) This section applies to tuition charged for an academic  
10 year by an institution to which this section applies only if the  
11 institution did not satisfy, in the most recent state fiscal year  
12 preceding that academic year for which information is available,  
13 more than one-half of the target levels assigned to the performance  
14 measures included in the General Appropriations Act as applicable  
15 to the institution for that state fiscal year. The Texas Higher  
16 Education Coordinating Board in consultation with the Legislative  
17 Budget Board shall determine whether an institution has satisfied  
18 an applicable target level for purposes of this subsection.

19           (d) For an academic year in which this section applies to an  
20 institution, the amount of tuition the governing board of the  
21 institution charges under Section 54.0513 to a student for that  
22 academic year may not exceed the total amount of tuition that the  
23 governing board would have charged under that section to a  
24 similarly situated student in the preceding academic year, as that  
25 amount is adjusted for each academic year for inflation as  
26 determined under Subsection (e). The governing board may not  
27 increase the amount of tuition charged under this section to a

1 student more than once in any academic year. For purposes of this  
2 subsection, students are similarly situated if they share the same  
3 residency status, degree program, course load, course level,  
4 tuition exemption status, and other circumstances affecting the  
5 tuition charged to the student.

6 (e) Not later than January 31 of each year, or as soon  
7 thereafter as practicable, the Legislative Budget Board shall  
8 publish and certify to the governing board of each institution to  
9 which this section applies the inflation rate to be used for  
10 purposes of this section for the next academic year.

11 (f) The inflation rate is the percentage increase, if any,  
12 as expressed in decimal form rounded to the nearest thousandth of  
13 one percent, in the consumer price index, as defined by Section  
14 341.201, Finance Code, for the preceding calendar year as compared  
15 to the consumer price index for the year preceding that year.

16 SECTION 2. Chapter 322, Government Code, is amended by  
17 adding Section 322.025 to read as follows:

18 Sec. 322.025. RECOMMENDATIONS FOR PERFORMANCE MEASURES AND  
19 ASSOCIATED TARGET LEVELS FOR CERTAIN INSTITUTIONS OF HIGHER  
20 EDUCATION. (a) In this section:

21 (1) "Institution of higher education" has the meaning  
22 assigned by Section 61.003, Education Code.

23 (2) "Performance measure" means a performance measure  
24 listed in Section 54.05131(a)(2), Education Code.

25 (b) Each institution of higher education to which Section  
26 54.05131, Education Code, applies shall submit to the board, as  
27 part of the institution's legislative appropriations request for

1 the general appropriations bill prepared by the board under Section  
2 322.008, a requested target level for each performance measure  
3 applicable to the institution for each of the state fiscal years  
4 covered by the bill.

5 (c) The board, in preparing the general appropriations bill  
6 under Section 322.008, after considering the performance measure  
7 target levels requested by institutions under Subsection (b) of  
8 this section, shall prescribe for each institution to which Section  
9 54.05131, Education Code, applies and for which money is to be  
10 appropriated in the bill, recommendations for target levels for the  
11 performance measures that the board considers appropriate for the  
12 institution for inclusion in the appropriations to the institution  
13 for each of the state fiscal years covered by the bill.

14 (d) The board's staff shall:

15 (1) notify an institution if the staff's proposed  
16 recommendations applicable to the institution are different from  
17 the performance measure target levels requested by the institution  
18 under Subsection (b); and

19 (2) provide the institution an opportunity to comment  
20 on or request modification of the staff's proposed performance  
21 measure target levels.

22 (e) The board shall establish a procedure under which an  
23 institution that is dissatisfied with the staff's final  
24 recommendation for one or more performance measure target levels  
25 applicable to the institution may request a modification of the  
26 level or levels in a hearing before the board held as soon as  
27 practicable before the board prescribes its final recommendations

1 under Subsection (c) but not later than the date the general  
2 appropriations bill is filed in the legislature.

3 SECTION 3. Section 54.05131, Education Code, as added by  
4 this Act, applies beginning with tuition charged by a general  
5 academic teaching institution to which that section applies for the  
6 2018-2019 academic year. Tuition charged by an institution for an  
7 academic year before that academic year is covered by the law in  
8 effect immediately before the effective date of this Act, and the  
9 former law is continued in effect for that purpose.

10 SECTION 4. This Act takes effect September 1, 2015.