

By: Zaffirini

S.B. No. 1323

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 to certain  
4 reports regarding certain 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 54.018 to read as follows:

8 Sec. 54.018. 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) "Core operational costs" means those costs as  
13 estimated by the Legislative Budget Board under Section 51.979.

14 (3) "Total academic costs":

15 (A) includes:

16 (i) tuition for which the rates are  
17 prescribed by this chapter;

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

22 (iii) mandatory academic fees; and

23 (iv) any other academic-related general  
24 fees and course fees, including fees for laboratories, field trips,

1 access to Internet or multimedia service, equipment replacement,  
2 and instructional technology; and

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

7 (b) If for any state fiscal biennium the legislature  
8 appropriates to a general academic teaching institution from  
9 undedicated general revenue an amount that is less than the amount  
10 necessary to fully fund the institution's core operational costs  
11 for that biennium, the total academic costs charged by the  
12 institution to undergraduate students who are residents of this  
13 state for an academic year of that biennium may not exceed the  
14 amount that, when added to the amount of undedicated general  
15 revenue appropriated to the institution for the corresponding state  
16 fiscal year for that purpose, is equal to the institution's core  
17 operational costs for that corresponding state fiscal year.

18 (c) Notwithstanding Section 54.0513(c), the legislature in  
19 an appropriations Act may provide for an adjustment of general  
20 revenue appropriated to a general academic teaching institution for  
21 a state fiscal year to account for an increase in the amount of  
22 total academic costs charged by the institution in that fiscal year  
23 to an individual student of the institution to whom this section  
24 applies, in excess of an amount specified in the appropriations  
25 Act, if the legislature specifies such an amount in that Act.

26 (d) For purposes of this section, students are similarly  
27 situated if they share the same residency status, degree program,

1 course load, course level, tuition exemption status, and other  
2 circumstances affecting the total academic costs charged to the  
3 student.

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

10 SECTION 2. Section 54.0513, Education Code, is amended by  
11 amending Subsection (c) as follows:

12 (c) Amounts collected by an institution of higher education  
13 under this section are institutional funds as defined by Section  
14 51.009 [~~of this code~~] and shall be accounted for as designated  
15 funds. These funds shall not be accounted for in a general  
16 appropriations act in such a way as to reduce the general revenue  
17 appropriation to a particular institution except as provided by  
18 Section 54.018(c).

19 SECTION 3. Subchapter Z, Chapter 51, Education Code, is  
20 amended by adding Section 51.979 to read as follows:

21 Sec. 51.979. BIENNIAL REPORT BY LEGISLATIVE BUDGET BOARD  
22 REGARDING CERTAIN UNIVERSITY COSTS. (a) Not later than September  
23 1 of each even-numbered year, the Legislative Budget Board shall  
24 submit to the Senate Finance Committee, the House Appropriations  
25 Committee, and the standing committee of each house with primary  
26 jurisdiction over higher education for consideration by the members  
27 of those committees in determining the amount of general revenue

1 appropriations to general academic teaching institutions and  
2 tuition rates at those institutions, the Legislative Budget Board's  
3 estimate of the core operational costs for the next state fiscal  
4 biennium for each general academic teaching institution, based on a  
5 methodology that:

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

7 (A) changes in student enrollment for each  
8 institution; and

9 (B) a rate of inflation; and

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

14 (b) The Legislative Budget Board shall submit with its  
15 estimate under Subsection (a)(1) a comparison of each institution's  
16 actual core operational costs for the preceding state fiscal  
17 biennium to the board's previous estimate of the institution's core  
18 operational costs for that biennium.

19 SECTION 4. Not later than September 1, 2018, each general  
20 academic teaching institution shall submit to the Legislative  
21 Budget Board, the Senate Committee on Finance, the House  
22 Appropriations Committee, and the standing committee of each house  
23 with primary jurisdiction over higher education a detailed plan for  
24 reducing the institution's operational costs by at least five  
25 percent.

26 SECTION 5. This Act takes effect immediately if it receives  
27 a vote of two-thirds of all the members elected to each house, as

S.B. No. 1323

1 provided by Section 39, Article III, Texas Constitution. If this  
2 Act does not receive the vote necessary for immediate effect, this  
3 Act takes effect September 1, 2017.