86R24378 KEL-D

By:  Meza H.B. No. 3240

Substitute the following for H.B. No. 3240:

By:  Pacheco C.S.H.B. No. 3240

A BILL TO BE ENTITLED

AN ACT

relating to a study by the Legislative Budget Board concerning the long-term effects of regulating tuition rates and amounts charged by public institutions of higher education.

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

SECTION 1.  Chapter 322, Government Code, is amended by adding Section 322.0166 to read as follows:

Sec. 322.0166.  STUDY CONCERNING REGULATION OF TUITION. (a) In this section, "institution of higher education" has the meaning assigned by Section 61.003, Education Code.

(b)  The board shall conduct a study to examine the long-term costs, benefits, and other effects of any legislative action that may be taken to regulate the rates and amounts of tuition charged by institutions of higher education, including by repealing the statutory authority of those institutions to establish tuition rates as they determine appropriate. The study may explore all topics relevant to the matter but, in assessing the effects of regulation, must strive to strike a balance between promoting the affordability and accessibility of higher education in this state and the institutions' need for sufficient revenue to maintain educational quality for students and competitiveness with other institutions outside this state. In the study, the board shall:

(1)  recommend to the legislature an appropriate rate or rates of tuition for institutions of higher education compared to the rates currently established by the institutions;

(2)  evaluate the potential effects of regulating tuition rates and amounts on student access to higher education opportunities in this state, including the effect on enrollment by disadvantaged or underrepresented Texans, and the potential effects on affordability, student financial aid, and student loan debt;

(3)  estimate the potential loss or gain of funding or revenue by the institutions as a result of any repeal of the existing statutory authority of those institutions to establish tuition rates; and

(4)  if the board projects that regulating tuition rates and amounts would result in a loss of revenue under Subdivision (3):

(A)  identify any sources of funding or revenue, such as institutional endowments, that would be available or necessary to offset the projected decrease in revenue; and

(B)  recommend a specific portion or amount of endowment money that could be used to offset the reduced tuition revenues.

(c)  Not later than December 1, 2020, the board shall submit to the governor, the lieutenant governor, the speaker of the house of representatives, and the presiding officer of each standing legislative committee having jurisdiction over higher education or state appropriations a report on the results of the study and the board's recommendations for legislative or other action.

(d)  This section expires September 1, 2021.

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, 2019.