

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 86TH LEGISLATIVE REGULAR SESSION

April 23, 2019

TO: Honorable Brandon Creighton, Chair, Senate Committee on Higher Education

FROM: John McGeady, Assistant Director Sarah Keyton, Assistant Director
Legislative Budget Board

IN RE: **SB876** by West (Relating to a limitation on the amount of tuition and fees charged to students by public institutions of higher education.), **As Introduced**

No significant fiscal implication to the State is anticipated.

The bill relates to a limitation on the amount of tuition and fees charged to students by public institutions of higher education. The bill would limit designated tuition increases at all public institutions of higher education in the state, including general academic institutions, health related institutions, technical colleges, public state colleges, and community colleges, beginning in the 2020-21 academic year (fiscal year 2021) to the total amount of tuition charged to a similarly situated student for the 2019-20 academic year (fiscal year 2020) adjusted for inflation as determined by the Comptroller of Public Accounts on the basis of changes in the Texas Consumer Price Index. The bill includes a similar provision regarding fees charged by an institution.

Designated tuition and fees within Subchapter E of the Texas Education Code, Chapter 54, except for laboratory fees, student teaching fees, and special course fees, are classified as institutional funds; therefore, there would be no impact to the State. Laboratory fees, student teaching fees, and special course fees under Subchapter E of the Texas Education Code, Chapter 54, are accounted for as educational and general income, or statutory tuition, in the General Appropriations Act. It is assumed that the provisions of the bill would not have a significant effect on this income.

Based on information provided by institutions of higher education, several institutions indicated that the bill would not impact designated tuition as they have already implemented a program that only allows tuition increases based on inflation,. Other institutions indicated the bill would result in a loss in tuition and fee revenue, which could reach a significant amount.

Administrative duties associated with the bill would be implemented within current resources.

Local Government Impact

No significant fiscal implication to units of local government is anticipated.

Source Agencies: 304 Comptroller of Public Accounts, 710 Texas A&M University System
Administrative and General Offices, 720 The University of Texas System
Administration, 758 Texas State University System, 768 Texas Tech

University System Administration, 769 University of North Texas System
Administration, 781 Higher Education Coordinating Board, 783 University
of Houston System Administration, 980 Southwest Texas Junior College

LBB Staff: WP, JGAn, DEH, GO