

## **BILL ANALYSIS**

Senate Research Center  
87R1824 KSD-F

S.B. 167  
By: Blanco  
Higher Education  
4/19/2021  
As Filed

### **AUTHOR'S / SPONSOR'S STATEMENT OF INTENT**

#### **Background:**

The deregulation of tuition prices in Texas took place in 2003 and since, tuition rates have more than doubled. In the past several decades, the average cost of tuition for a four-year higher education institution has consistently risen at more than twice the rate of inflation.

In 2003, the 78th Legislature passed H.B. 3015, amending Section 54.0513, Education Code, to allow governing boards of public universities to set different designated tuition rates. There is no upper limit on the amount of designated tuition that a university may charge. Prior to September 1, 2003, the legislature had regulatory authority to set tuition rates, generally mandating that the same tuition rate be charged across the state.

#### **Purpose:**

A price ceiling for college tuition needs to be put in place to tackle the problem of higher education affordability. The power to control costs needs to be brought back to the legislature, as the price for the services of these public institutions is currently controlled by their respective unelected governing boards.

S.B. 167 provides that the total amount of tuition charged by an institution of higher education to a student for an academic year may not exceed the total amount of tuition that the institution would have charged to a similarly situated student for the 2020-21 academic year.

As proposed, S.B. 167 amends current law relating to a limitation on the amount of tuition charged by public institutions of higher education.

### **RULEMAKING AUTHORITY**

This bill does not expressly grant any additional rulemaking authority to a state officer, institution, or agency.

### **SECTION BY SECTION ANALYSIS**

SECTION 1. Amends Subchapter B, Chapter 54, Education Code, by adding Section 54.0514, as follows:

Sec. 54.0514. LIMITATION ON TOTAL AMOUNT OF TUITION. (a) Defines "tuition."

(a-1) Provides that this section does not apply to tuition charged by an institution of higher education for an academic period before the 2022-2023 academic year. Provides that this subsection expires January 1, 2023.

(b) Prohibits the total amount of tuition charged by an institution of higher education to a student for an academic year from exceeding the total amount of tuition that the institution would have charged under Chapter 54 (Tuition and Fees) to a similarly situated student for the 2021-2022 academic year. Provides that, for purposes of this subsection, students are similarly situated if they share the same residency status, degree program, course load, course level, tuition

exemption status, and other circumstances affecting the tuition charged to students. Provides that this subsection does not ensure that the total amount of tuition charged to an individual student does not increase based on a change in the student's residency status, degree program, course load, course level, tuition exemption status, or other circumstance affecting the tuition charged to the student.

**SECTION 2.** Amends Sections 54.0513(a) and (b), Education Code, as follows:

- (a) Authorizes the governing board, in addition to amounts that a governing board of an institution of higher education is authorized to charge as tuition under the other provisions of Chapter 54, to charge any student an amount designated as tuition, not to exceed the amount that enables the institution to comply with Section 54.0514, that the governing board considers necessary for the effective operation of the institution. Makes a conforming change.
- (b) Authorizes a governing board, subject to the limit provided by Subsection (a) on the amount designated as tuition charged under Section 54.0513 (Designated Tuition), to set a different tuition rate under this section for each program and course level offered by each institution of higher education. Makes a nonsubstantive change.

**SECTION 3.** Amends Sections 54.0515(e) and (f), Education Code, as follows:

- (e) Provides that the legislature's intent that each institution of higher education reasonably implement progress towards the goals provided in certain plans for higher education includes a successor state master plan. Deletes existing text relating to tuition deregulation under Section 54.0513.

- (f) Makes a conforming change to this subsection.

**SECTION 4.** Provides that this Act applies beginning with tuition charged by public institutions of higher education for the 2022 fall semester. Provides that tuition charged by an institution of higher education in an academic period before that semester is covered by the law in effect before the effective date of this Act, and the former law is continued in effect for that purpose.

**SECTION 5.** Effective date: January 1, 2022.