

By: Meza

H.B. No. 877

A BILL TO BE ENTITLED

AN ACT

1
2 relating to a study by the Legislative Budget Board concerning the
3 long-term effects of regulating tuition rates and amounts charged
4 by public institutions of higher education.

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

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

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

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

23 (1) recommend to the legislature an appropriate rate
24 or rates of tuition for institutions of higher education compared

1 to the rates currently established by the institutions;

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

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

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

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

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

21 (c) Not later than December 1, 2024, the board shall submit
22 to the governor, the lieutenant governor, the speaker of the house
23 of representatives, and the presiding officer of each standing
24 legislative committee having jurisdiction over higher education or
25 state appropriations a report on the results of the study and the
26 board's recommendations for legislative or other action.

27 (d) This section expires September 1, 2025.

1 SECTION 2. This Act takes effect immediately if it receives
2 a vote of two-thirds of all the members elected to each house, as
3 provided by Section 39, Article III, Texas Constitution. If this
4 Act does not receive the vote necessary for immediate effect, this
5 Act takes effect September 1, 2023.