

BILL ANALYSIS

Senate Research Center
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C.S.S.B. 1835
By: Sparks
Education K-16
4/22/2025
Committee Report (Substituted)

AUTHOR'S / SPONSOR'S STATEMENT OF INTENT

Over the last decade, Texas has seen significant population growth, with a statewide average population change of 15.9 percent from 2010–2020. Yet, while the state as a whole has grown, much of the state has not seen these significant increases in population. In the same timeframe, the Texas Panhandle has only seen a population change of 1.5 percent, East Texas a 2.1 percent change, and West Texas a 7.6 percent change. This is a far cry from changes seen in regions like Central Texas, which saw a 24.2 percent change. From 2020–2023 alone, 95 of the state's 254 (37.4 percent) counties either saw no increase in their population or saw a decline of up to 18.8 percent per the Texas State Demographer.

Compared to the state's urban areas, rural Texas' population has been flat over the last decade, which has presented a challenge for many of the state's regional universities that lack a large regional population to recruit from. Not only are these areas presented with the challenge of overcoming their minimal population growth, but they are also competing with out-of-state universities that are trying to supplement their stunted or declining populations by recruiting Texas' students, thus leaving the state's regional universities at a disadvantage.

Due to this challenging dynamic, nonresident students have become an even more valuable asset to regional universities and the state. These non-resident students will oftentimes stay in the region once they graduate. At West Texas A&M alone, nonresident students generated approximately \$5.5 million in total revenue in the Fall of 2024.

Section 54.213 (Competitive Scholarship Waiver), Education Code, allows an institution to give resident tuition and fees to a nonresident student so long as they receive a competitive scholarship of at least \$1,000. This has become a valuable asset for the state's regional universities that are located in regions with minimal population growth. However, this waiver does have a statutory cap, which limits a university's ability to utilize this policy to its fullest extent. Current statute limits an institution so that the total number of students receiving the waiver in a given semester does not exceed five percent of the total number of students registered for the same semester of the preceding academic year.

In order to allow universities in areas of stunted population growth to maintain or increase their enrollment, it would be beneficial to raise the five percent cap to 20 percent so long as an institution meets the following two criteria: (1) the institution is located in a region that has had a population change less than the statewide average and (2) the institution has the capacity to support these nonresident students per the Texas Higher Education Coordinating Board's Space Usage Efficiency metric.

(Original Author's/Sponsor's Statement of Intent)

C.S.S.B. 1835 amends current law relating to the maximum number of nonresident scholarship students permitted to pay resident tuition and fees at certain public institutions of higher education.

RULEMAKING AUTHORITY

Rulemaking authority is expressly granted to the Texas Higher Education Coordinating Board in SECTION 1 (Section 54.213, Education Code) of this bill.

SECTION BY SECTION ANALYSIS

SECTION 1. Amends Section 54.213, Education Code, by amending Subsection (b) and adding Subsection (c), as follows:

(b) Prohibits the total number of students at an institution paying resident tuition under Section 54.213 (Scholarship Student) for a particular semester from exceeding:

(1) five percent of the total number of students registered at the institution for the same semester of the preceding academic year if the institution is not an institution to which Subdivision (2) applies; or

(2) 20 percent of the total number of students registered at the institution for the same semester of the preceding academic year if as determined by Texas Higher Education Coordinating Board (THECB) rule:

(A) the institution is located in a local workforce development area that is experiencing a population growth rate less than the statewide average according to the most recent federal decennial census; and

(B) the most recent space usage efficiency report prepared by THECB indicates the institution has sufficient capacity to support the nonresident students.

(c) Requires THECB to adopt rules as necessary to implement this section.

SECTION 2. Provides that the change in law made by this Act to Section 54.213, Education Code, applies beginning with the 2025–2026 academic year.

SECTION 3. Effective date: upon passage or September 1, 2025.