

- SUBJECT:** Pilot project for reduced tuition at certain public junior colleges
- COMMITTEE:** Higher Education — committee substitute recommended
- VOTE:** 8 ayes — Rangel, F. Brown, Farabee, Goolsby, J. Jones, Morrison E. Reyna, West
0 nays
1 absent — Uher
- WITNESSES:** For — Dr. Richard Fonte, Austin Community College; Dr. Rey Garcia, Texas Association of Community Colleges; *Registered but not testify:* Dr. Lillian Davis and Beverly Silas, Austin Community College; Daniel Tristan
Against — None
- BACKGROUND:** Education Code, sec. 54.051 sets forth tuition rates that the governing boards of public higher education institutions in Texas are required to collect from students registering at their institutions. Sec. 54.051(n) provides that the tuition for a resident student in a public junior college is determined by the governing board of each institution, but the tuition must be at least \$8 per semester credit hour and may not total less than \$25 for a semester. Tuition for nonresident students may not be less than \$200 for each semester.

Education Code, sec. 130.003(b) sets certain requirements for public junior colleges to be eligible for and to receive a proportionate share of state appropriations. One requirement is that colleges must collect from their students matriculation and other session fees in the amounts required by law.
- DIGEST:** CSHB 1465 would add Education Code, sec. 130.0033 to require the Texas Higher Education Coordinating Board (THECB) to establish a pilot project to measure the impact of reducing tuition for junior college courses offered at times of low-enrollment demand. The goals of the project would be to promote greater access to higher education and more efficient use of junior college facilities and resources. THECB would be required to select a reasonable number of public junior colleges to participate in the project.

Public junior colleges selected to participate in the project would be allowed to charge lower tuition rates than that required by Education Code, sec. 54.051 or other law if the governing board found that it would be reasonably necessary to enable the junior college to make efficient use of its facilities or faculty. Such a finding would have to be stated in the order or resolution establishing the reduced tuition rate. Charging reduced tuition would not affect the right of public junior colleges to a proportionate share of state funding under Education Code, sec. 130.003 for the contact hours attributable to students paying tuition at the reduced rate.

The governing board of each public junior college participating in the pilot project would be required to prepare a report on the effects of the reduced tuition on enrollment, facilities, scheduling, and costs and deliver a copy of the report to THECB by October 30, 2002.

CSHB 1465 also would require THECB to report the results of the pilot project and to submit a copy of the report by December 15, 2002, to the governor, the lieutenant governor, the House speaker, and the chair of the standing committee of each house of the legislature with primary jurisdiction over higher education.

The bill would take immediate effect if finally passed by a two-thirds record vote of the membership of each house. Otherwise, it would take effect September 1, 2001. The pilot project would begin with the 2001 fall semester.

SUPPORTERS
SAY:

CSHB 1465 would authorize an innovative pilot project for community colleges that wish to take full advantage of campus resources. Giving institutions the flexibility to charge lower tuition for courses scheduled in less popular time slots would ensure the most efficient use of existing space, facilities, and equipment. CSHB 1465 would give students an incentive to attend classes during "off peak" times, thus addressing space deficit problems at community colleges participating in the project.

CSHB 1465 would increase affordability and accessibility of higher education for many students, two of the goals outlined in THECB's "Closing the Gaps" plan as well as in the recommendations made by the Governor's Special Commission on 21st Century Colleges and Universities.

According to THECB, community colleges are the largest sector of Texas' higher education system, with approximately 44 percent of total student enrollment. Public community colleges are growing rapidly, and demographic projections indicate that this trend will continue. According to THECB's "Closing the Gaps" study, by 2015 Texas must enroll about 500,000 additional students in its higher education institutions to meet its goal of raising the state participation rate to 5.7 percent. Sixty percent of these students will begin their studies at community and technical colleges. Therefore, CSHB 47 would be one effective method to target these students and encourage them to pursue their higher education goals.

CSHB 47 would be limited in scope and only would authorize a pilot project to evaluate the effect of offering reduced tuition for certain courses at public community colleges. This would give local governing boards of the participating community colleges control and flexibility, but at the same time, they would not have unfettered discretion in reducing tuition rates. Rather, they would be required to state the reason for such a reduction in the order or resolution establishing the reduced tuition rate. In addition, they would be accountable to THECB, and ultimately, to the governor and the Legislature.

The pilot project would provide data on the impact of reduced tuition rates on student attendance and contact hours at community colleges. This data could be acquired with no significant fiscal impact to the state. Finally, the project would be continued and expanded by the Legislature, through statute, only if the results of the project indicated it would be successful and cost-effective.

OPPONENTS
SAY:

CSHB 1465 would give the governing boards of public junior colleges too much flexibility in setting tuition rates. Allowing institutions to charge a reduced tuition rate might, for example, result in colleges reducing tuition simply to attract students, while requiring taxpayers at the state and local levels, or other students attending these institutions, to assume the costs of this tuition reduction.

NOTES:

The committee substitute modified HB 1465 by proposing the establishment of a pilot project rather than an across-the-board tuition reduction program at all public junior colleges. The substitute would require the governing board of each public junior college participating in the pilot project to prepare and

submit a report on the effects of the reduced tuition. It also would require THECB to prepare and submit a report compiling the results of the pilot project.

The companion bill, SB 741 by Barrientos, was referred to the Senate Education Committee on February 19.