

- SUBJECT:** Allowing public community colleges to set differential tuition and fees
- COMMITTEE:** Higher Education —committee substitute recommended
- VOTE:** 5 ayes — Morrison, Goolsby, Dawson, Giddings, Harper-Brown  
0 nays  
4 absent — F. Brown, Gallego, J. Jones, Rose
- WITNESSES:** For — Rey Garcia, Texas Association of Community Colleges  
Against — None
- BACKGROUND:** Education Code, ch. 130, regulates junior college districts and 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.
- Sec. 54.051 sets forth tuition rates that the governing boards of public higher education institutions are required to collect from students registering at their institutions. The governing board of each institution determines the tuition for a resident student in a public junior college, 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.
- DIGEST:** CSHB 1214 would authorize community colleges to charge different tuition rates for each program, course, or course levels in order to reflect course costs or to promote efficiency or another rational purpose.
- The bill would apply beginning with tuition charged for the 2005 fall semester. 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, 2005.

**SUPPORTERS  
SAY:**

By giving public community colleges the flexibility to charge lower tuition for courses scheduled in less popular time slots, CSHB 1214 would ensure the most efficient use of existing space, facilities, and equipment. The 77th Legislature in 2003 enacted HB 1465 by Kitchen, which established an innovative pilot project for reducing tuition at certain public junior colleges to measure the impact of reducing tuition offered at times of low-enrollment demand. Institutions that participated reported the pilot programs have been successful and cost-effective.

According to THECB, community colleges are the largest sector of Texas' higher education system. Public community colleges are experiencing unprecedented growth, and demographic projections indicate that this trend will continue. According to THECB's *Closing the Gaps*, the higher education plan for Texas, by 2015, Texas must enroll 590,000 additional students to meet the goal of increased participation in higher education. More than 60 percent of these students will begin their studies at community and technical colleges. CSHB 1214 would ensure that local governing boards would have the control and flexibility they need to establish tuition that reflects the true costs of teaching certain courses.

The 78th Legislature in 2003 enacted HB 3015 by Morrison, which deregulated designated tuition for general academic institutions, but not for community colleges. These institutions already have complete flexibility regarding tuition and fees, but they do not have authority to set differential tuition. The Joint Interim Committee on Higher Education recommended that the Legislature should grant tuition and fee flexibility to community college districts.

Some courses are more expensive to provide than others, including many of the allied health courses, and community colleges need to be able to respond to these cost differences. Concerns that the bill would result in higher overall tuition are unfounded because the governing boards of community colleges are elected locally, are very price sensitive, and are always hesitant to raise tuition. If community colleges were not allowed to set differential tuition, then the students taking less expensive courses would continue to subsidize the students taking more expensive courses.

**OPPONENTS  
SAY:**

The authority to set differential tuition should not be extended to community colleges until an assessment has been made of the full impact of the authority granted to four-year institutions. So far, the result of designated tuition deregulation has been that students have had to pay

substantially higher tuition, which has priced some students out of higher education. If community colleges were allowed to set differential tuition and raise the tuition for certain courses, the potential is that some low-income students could be priced out of these courses.

**NOTES:**

The committee substitute modified the original version by adding a section on the applicability of the bill and adding that the governing boards could set differential tuition as they considered appropriate to reflect course costs or to promote efficiency or another rational purpose.

The companion bill, SB 532 by Shapiro, was reported favorably, without amendment, by the Senate Education Subcommittee on Higher Education on April 21 and placed on the Local and Uncontested Calendar for April 28.