

BILL ANALYSIS

Senate Research Center

S.B. 1703
By: Ogden
Education
4-6-97
As Filed

DIGEST

The interim report of the House Committee on Higher Education of the 74th Legislature states that fees at state institutions of higher education have dramatically risen in recent years to cover tight operating budgets and found that there is a need for closer scrutiny and greater accountability regarding the types and uses of fees to cover the costs of obtaining a college education. The committee found that, while tuition has increased 150 percent in the last 10 years, fees at many schools have risen by more than 400 percent.

As a result of its findings, the committee made several recommendations: that tuition should be set by the legislature; that an essential student education fee should be determined by the board of regents after a public hearing and that the fee should cover essential student services that directly relate to the academic quality or accreditation of the university; and that a discretionary student services fee should be determined by student referendum and that it should cover fees not essential to maintaining academic quality or accreditation.

PURPOSE

As proposed, S.B. 1703 authorizes the legislature to set tuition fees; authorizes the board of regents to determine essential student education fees; and require student service fees to be determined by student referendum.

RULEMAKING AUTHORITY

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

SECTION BY SECTION ANALYSIS

SECTION 1. Amends Section 51.009(c), Education Code, to require each of the following to be accounted for as educational and general funds: net tuition, special course fees charged under Sections 54.051(e) and (l), lab fees, student teaching fees, fees collected under Section 54.0025, proceeds from the sale of educational and general equipment, and indirect cost recovery fees. Deletes hospital and clinic fees and organized activity fees from the list of items to be accounted for as educational and general funds. Makes a nonsubstantive change.

SECTION 2. Amends Section 54.001, Education Code, to define "fee" and make nonsubstantive and conforming changes.

SECTION 3. Amends Chapter 54A, Education Code, by adding Section 54.0025, as follows:

Sec. 54.0025. COMPOSITION OF TUITION AND FEES. Authorizes an institution of higher education, except as permitted by other law, to collect from a student at the institution tuition, essential student education fees, and discretionary student service fees. Provides that tuition is a student's part of the minimum amount of money determined by the legislature to be necessary to operate the essential academic programs of an institution, including the direct cost of instruction and administration of the academic programs and the operation of the infrastructure of the institution required to operate the essential academic programs of the institution. Sets forth provisions regarding essential student education fees. Sets forth provisions regarding discretionary student services fees. Provides that intercollegiate athletics

at an institution may only be funded by a discretionary student services fee. Requires a discretionary student services fee that is designated for the funding of intercollegiate athletics to be presented for approval separately from each other discretionary student services fee. Requires the issue for approval to clearly state the uses and amount of the fee.

SECTION 4. Amends Section 54.005, Education Code, as follows:

Sec. 54.005. New heading: **RIGHT TO COLLECT OTHER FEES**. Provides that the provisions of this subchapter requiring the governing board (board) of each institution of higher education to collect tuition and fees do not deprive the board of the right to collect special fees authorized by law, fees for nonessential discretionary goods or services provided for the convenience of students at the institution, or fees that are fines for conduct that violates an institution's disciplinary regulations.

SECTION 5. Amends Sections 54.006(b) and (c), Education Code, to require a general academic teaching institution or medical and dental unit to refund a student withdrawing from the institution or unit an amount equal to the product of the amount of tuition and essential student education fees, rather than mandatory fees, collected for each course in which the student is enrolled on the date the student withdraws multiplied by the applicable percentage derived from certain tables. Authorizes separate withdrawal refund schedules to be established for discretionary student services fees or other fees that may be collected under Section 54.005, rather than optional fees such as intercollegiate athletics, cultural entertainment, parking, and yearbooks.

SECTION 6. Amends Chapter 54D, Education Code, by adding Section 54.2015, as follows:

Sec. 54.2015. **EXEMPTION OF FEES**. Sets forth provisions regarding an exemption.

SECTION 7. Amends Section 54.5031, Education Code, as follows:

Sec. 54.5031. New heading: **STUDENT SERVICES FEE ADVISORY COMMITTEE**. Establishes a student services fee advisory committee (committee), rather than a student fee advisory committee, at each institution of higher education to advise the governing board and administration of the institution on the type, amount, and expenditure of discretionary student services fees, rather than expenditure of compulsory fees for student services. Deletes an exception. Makes conforming and nonsubstantive changes.

SECTION 8. Amends Section 54.504(a), Education Code, to make a conforming change.

SECTION 9. Amends Section 54.601, Education Code, to define "required fees."

SECTION 10. Amends Section 55.16, Education Code, by amending the section heading and Subsection (a), as follows:

Sec. 55.16. New heading: **BUILDING USE FEES CHARGED BY BOARD**. Provides that the fee collected is an essential student education fee adopted under Section 54.0025. Deletes provisions requiring all student use fees to be fixed and collected in a certain proportion. Authorizes the board to waive all or any part of any fees, rather than of any such student use fees, in the case of any student for whom the payment of the fee would cause an undue economic hardship. Makes a conforming change.

SECTION 11. Amends Sections 55.17(a) and (b), Education Code, to prohibit the institution from pledging under this subchapter any fee for a service provided under Section 54.0025 that is in excess of the amount of money allowed to be collected under that section. Makes a conforming change.

SECTION 12. Amends Section 56.051, Education Code, to define "required fees." Makes a conforming change.

SECTION 13. Amends Section 56.102, Education Code, to define "required fees," and make

a conforming change.

SECTION 14. Amends Sections 56.144(b) and (c), Education Code, to require the Texas Department of Transportation department to distribute each semester a conditional grant to each student selected under the criteria adopted under Subsection (a) on receipt of an enrollment report from the institution enrolling the student and certification from the institution of the amount of tuition and essential student education fees for the student. Makes a conforming change.

SECTION 15. Amends Section 61.809, Education Code, by amending Subsection (a) and adding Subsection (h), to require the Higher Education Coordinating Board to award a scholarship for tuition and compulsory fees or laboratory fees, rather than compulsory fees including laboratory and building use fees, as provided by this section to certain students. Defines "compulsory fees."

SECTION 16. Amends Section 96.705, Education Code, to provide that all other provisions of law, including provisions for fees under Section 54.0025, rather than including provisions for student fees, applicable to institutions of the Texas State University System apply to Lamar University and its educational centers.

SECTION 17. Repealers: Sections 54.503, 54.5061, 54.5062, 54.507, 54.508, 54.5081, 54.5085, 54.5089, 54.50891, 54.509, 54.510, 54.511, 54.512, 54.513, 54.5131, 54.5132, 54.5133, 54.514, 54.515, 54.516, 54.518, 54.519, 54.520, 54.521, 54.522, 54.523, 54.524, 54.525, 54.526, 54.527, 54.529, 54.530, 54.531, 54.532, 54.534, 54.535, 54.536, 54.537, 54.5371, 54.538, 54.539, 54.540, 54.541, 54.542, 54.543, and 54.544, Education Code (Student Services Fee; Student Services Fees for the University of Houston System; Student Fees Advisory Committee for University of Houston System; Group Hospital and Medical Services Fee for the Texas A&M University System; Medical Services Fee for Texas Tech University; Medical Services Fee for University of North Texas; Medical Services Fee for Texas Woman's University; Medical Services Fee for Texas State University System Components; Medical Services Fee for the University of Texas System Components; Student Recreation Fee for Texas Tech; Student Recreational Sports for the University of Texas at Austin; Student Fees for Bus Service for Southwest Texas State University; Shuttle Bus Fees for University of Texas at Arlington; International Education Fee for the University of Texas at Austin; International Education Fee; Martin Luther King, Jr., Statue Fee for the University of Texas at Austin; Student Fees Advisory Committee for the University of Texas at Austin; Student Union Fee; Student Union Fees for East Texas State University; University Center Fee for Midwestern State University; Student Union Fee for North Texas State University; University Center Student Fee for Stephen F. Austin State University; Student Center Complex Fees for Texas A&M University System; Student Center Fees for Texas Southern University; Student Center Fees for Texas State University System; Student Fees for University Center for Texas Tech University; Fees for Student Centers for Texas Woman's University; Student Fees for University Centers for the University of Houston; Student Fees for University Center Facilities for the University of Houston-Downtown College; Student Union Fee for the University of Texas at Arlington; Student Union Fees for the University of Texas at Austin; Student Union Building Fees for the University of Texas at Dallas; Student Union Building Fees for the University of Texas at San Antonio; Arts and Performance Center Fee for the University of Texas at Tyler; Student Union Fee for the University of Texas at El Paso; Fees for Student Health Services Building for the University of Texas at Austin; Fees for Student Services Building for the University of Texas at Austin; Gregory Gymnasium Renovation Fee for the University of Texas at Austin; Recreational Sports Fee for the Texas State University System; Recreational Sports Fee for the Texas A&M University System; Student Center Fee for the University of Houston-Clear Lake; Recreational Facility Fee for the University of Texas at El Paso; Student Union Building Fee for the University of Texas-Pan American; Recreational Facility Fee for the University of Texas at San Antonio; Recreational Facility Fee for the University of Texas at Dallas).

SECTION 18. (a) Provides that this Act takes effect beginning with the fall semester 1998.

(b) Requires each institution of higher education, not later than January 1, 1998, to adopt a schedule for the amount of tuition or fees to be charged for the 1998 fall semester under Section 54.0025, Education Code, as added by this Act.

(c) Sets forth provisions applicable if the governing board of an institution of higher education has pledged any tuition, fees, revenues, income, receipts, or other resources of the board or institution to the payment of principal and interest on any bonds or notes.

(d) Provides that nothing in this Act limits or impairs any pledge or covenant made by the governing board of an institution or higher education with respect to any bond or note issued before the effective date of this Act.

SECTION 19. Emergency clause.
 Effective date: 90 days after adjournment.