

BILL ANALYSIS

Senate Research Center
85R4836 KSD-F

S.B. 442
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Higher Education
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As Filed

AUTHOR'S / SPONSOR'S STATEMENT OF INTENT

S.B. 442 returns control of college tuition to the Texas Legislature. Prior to 2003, the legislature had regulatory authority to set tuition rates, generally mandating that the same tuition rate be charged across the state. Then, the legislature passed H.B. 3015, 78th Legislature, Regular Session, 2003, which allowed unelected governing boards of public universities to set higher tuition rates.

Since tuition deregulation, the average cost of higher education has risen sharply. Tuition and fees at Texas' 38 academic institutions climbed 78 percent between 2003 and 2016, according to an analysis of Texas Higher Education Coordinating Board data by the Center for Public Policy Priorities. Increasing costs are pushing families to incur larger debt loads to attend state schools and pricing others out of higher education altogether.

At the same time, state funding for higher education has declined. Adjusting for inflation, the state's per-student funding has declined 27 percent since 2003.

S.B. 442 caps tuition at the amount charged during the 2017-2018 academic year beginning in the fall 2018 semester. The bill forces the legislature to authorize any increases in tuition after that academic year and once again be directly accountable to students and families for their funding of higher education.

As proposed, S.B. 442 amends current law relating to a limitation on the amount of tuition charged by public institutions of higher education.

RULEMAKING AUTHORITY

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

SECTION BY SECTION ANALYSIS

SECTION 1. Amends Subchapter B, Chapter 54, Education Code, by adding Section 54.0514, as follows:

Sec. 54.0514. LIMITATION ON TOTAL AMOUNT OF TUITION. (a) Defines "tuition."

(a-1) Provides that this section does not apply to tuition charged by an institution of higher education (IHE) for an academic period before the 2018-2019 academic year. Provides that this subsection expires January 1, 2019.

(b) Prohibits the total amount of tuition charged by an IHE to a student for an academic year from exceeding the total amount of tuition that the IHE would have charged under this chapter to a similarly situated student for the 2017-2018 academic year. Defines "similarly situated students." Provides that this subsection does not ensure that the total amount of tuition charged to an individual student does not increase based on a change in the student's residency status, degree

program, course load, course level, tuition exemption status, or other circumstance affecting the tuition charged to the student.

SECTION 2. Amends Sections 54.0513(a) and (b), Education Code, as follows:

(a) Authorizes the governing board of an IHE (board), in addition to amounts that a board is authorized to charge as tuition under the other provisions of this chapter, to charge any student an amount designated as tuition, not to exceed the amount that enables the IHE to comply with Section 54.0514, that the board considers necessary for the IHE's effective operations. Deletes existing text authorizing the board to charge an amount designated as tuition under the terms the board considers appropriate.

(b) Authorizes a board, subject to the limit provided by Subsection (a) on the amount designated as tuition charged under this section, to set a different tuition rate under this section for each program and course level offered by each IHE as the board considers appropriate to increase graduation rates, encourage efficient use of facilities, enhance employee performance, or further another legitimate purpose of the IHE. Makes nonsubstantive changes.

SECTION 3. Amends Sections 54.0515(e) and (f), Education Code, as follows:

(e) Provides that it is the legislature's intent for each IHE to reasonably implement certain criteria. Deletes existing text providing that it is the legislature's intent for each IHE, as a condition to tuition deregulation under Section 54.0513, to reasonably implement certain criteria.

(f) Deletes existing text requiring the Legislative Oversight Committee on Higher Education to receive and review information concerning the impact of tuition deregulation.

SECTION 4. Makes application of this Act prospective to the 2018 fall semester.

SECTION 5. Effective date: January 1, 2018.