

AN ACT

relating to the tuition and fees charged to students of institutions of higher education, to financial assistance funded by tuition, and to reports of availability and access by institutions of higher education.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

SECTION 1. The heading to Section 54.0513, Education Code, is amended to read as follows:

Sec. 54.0513. DESIGNATED TUITION [~~REDESIGNATION OF BUILDING USE FEE~~].

SECTION 2. Sections 54.0513(a) and (b), Education Code, are amended to read as follows:

(a) [~~The building use fee previously authorized in Section 55.16 of this code is redesignated as tuition.~~

~~[(b)]~~ In addition to amounts that a governing board of an institution of higher education is authorized to charge as tuition under the other provisions of this chapter, the governing board, under the terms the governing board considers appropriate, may [is authorized to] charge any student an amount designated as tuition that the governing board considers necessary for the effective operation of the institution [~~in an academic year an amount not to exceed the amount charged under Sections 54.051 or 54.0512, as applicable, in that academic year~~].

(b) A governing board may set a different tuition rate for

1 each program and course level offered by each institution of higher  
2 education. A governing board may set a different tuition rate as  
3 the governing board considers appropriate to increase graduation  
4 rates, encourage efficient use of facilities, or enhance employee  
5 performance.

6 SECTION 3. Subchapter B, Chapter 54, Education Code, is  
7 amended by adding Section 54.0515 to read as follows:

8 Sec. 54.0515. LEGISLATIVE OVERSIGHT COMMITTEE ON HIGHER  
9 EDUCATION. (a) In this section, "committee" means the legislative  
10 oversight committee on higher education.

11 (b) The legislative oversight committee on higher education  
12 is composed of 12 members as follows:

13 (1) six members of the senate appointed by the  
14 lieutenant governor; and

15 (2) six members of the house of representatives  
16 appointed by the speaker of the house of representatives.

17 (c) The lieutenant governor shall designate one of the  
18 committee members appointed by the lieutenant governor as committee  
19 co-chair and the speaker shall designate one of the committee  
20 members appointed by the speaker as committee co-chair.

21 (d) An appointed member of the committee serves at the  
22 pleasure of the appointing official. In making appointments to the  
23 committee, the appointing officials shall attempt to appoint  
24 persons who represent the gender composition, minority  
25 populations, and geographic regions of the state.

26 (e) It is the legislature's intent that each institution of  
27 higher education, as a condition to tuition deregulation under

1 Section 54.0513, reasonably implement the following:

2 (1) each institution shall make satisfactory progress  
3 towards the goals provided in its master plan for higher education  
4 and in "Closing the Gaps," the state's master plan for higher  
5 education; and

6 (2) each institution shall meet acceptable  
7 performance criteria, including measures such as graduation rates,  
8 retention rates, enrollment growth, educational quality, efforts  
9 to enhance minority participation, opportunities for financial  
10 aid, and affordability.

11 (f) The committee shall:

12 (1) meet at the call of either chair;

13 (2) monitor and regularly report to the legislature on  
14 each institution of higher education's compliance with the  
15 requirements of Subsection (e); and

16 (3) receive and review information concerning the  
17 affordability and accessibility of higher education, including the  
18 impact of tuition deregulation.

19 (g) The committee may request reports and other information  
20 from institutions of higher education and the Texas Higher  
21 Education Coordinating Board as necessary to carry out this  
22 section.

23 (h) The committee shall make recommendations for any  
24 legislative action the committee considers necessary to meet the  
25 criteria provided by Subsection (e), and such other criteria as the  
26 legislature may establish, and to improve higher education  
27 affordability and access.

1        (i) This section does not create a cause of action.

2        SECTION 4. Section 54.624, Education Code, is amended to  
3 read as follows:

4        Sec. 54.624. SENIOR COLLEGE PLAN. (a) Through the senior  
5 college plan, a prepaid tuition contract shall provide prepaid  
6 tuition and required fees for the beneficiary to attend a public  
7 senior college or university for a specified number of  
8 undergraduate credit hours not to exceed the typical number of  
9 hours required for a baccalaureate degree awarded by a public  
10 senior college or university.

11        (b) When the beneficiary of a senior college plan prepaid  
12 tuition contract enrolls in a public senior college or university,  
13 the university shall accept as payment in full of the beneficiary's  
14 tuition and required fees the lesser of:

15                (1) the amount of tuition and required fees charged by  
16 the institution; or

17                (2) an amount paid by the board under the contract  
18 equal to the weighted average amount of tuition and required fees of  
19 all public senior colleges and universities for that semester or  
20 other academic period as determined by the board.

21        (c) Each public senior college or university shall provide  
22 the information requested by the board on or before June 1 each year  
23 to assist the board in determining the weighted average amount of  
24 tuition and required fees of all public senior colleges and  
25 universities for each semester or other academic term of the  
26 following academic year for purposes of this section.

27        SECTION 5. Chapter 56, Education Code, is amended by adding

1 Subchapter B to read as follows:

2 SUBCHAPTER B. FINANCIAL ASSISTANCE FUNDED

3 FROM DESIGNATED TUITION

4 Sec. 56.011. RESIDENT UNDERGRADUATE STUDENT ASSISTANCE.

5 (a) The governing board of each institution of higher education  
6 shall cause to be set aside not less than 20 percent of any amount of  
7 tuition charged to a resident undergraduate student under Section  
8 54.0513 in excess of \$46 per semester credit hour. The funds set  
9 aside under this section by an institution shall be used to provide  
10 financial assistance for resident undergraduate students enrolled  
11 in the institution.

12 (b) To be eligible for assistance under this section, a  
13 student must establish financial need in accordance with rules and  
14 procedures established by the Texas Higher Education Coordinating  
15 Board. Priority shall be given to students who meet the  
16 coordinating board definition of financial need and whose cost for  
17 tuition and required fees is not met through other non-loan  
18 financial assistance programs.

19 (c) The financial assistance provided under this section  
20 may include grants, scholarships, work-study programs, student  
21 loans, and student loan repayment assistance.

22 Sec. 56.012. RESIDENT GRADUATE STUDENT ASSISTANCE. (a)  
23 The governing board of each institution of higher education shall  
24 cause to be set aside not less than 15 percent of any amount of  
25 tuition charged to a resident student enrolled in a graduate or  
26 professional degree program under Section 54.0513 in excess of \$46  
27 per semester credit hour. The funds set aside under this section by

1 an institution shall be used to provide financial assistance for  
2 resident students enrolled in graduate and professional degree  
3 programs at the institution.

4 (b) To be eligible for assistance under this section, a  
5 student must establish financial need in accordance with rules and  
6 procedures established by the Texas Higher Education Coordinating  
7 Board. Priority shall be given to students who meet the  
8 coordinating board definition of financial need and whose cost for  
9 tuition and required fees is not met through other non-loan  
10 financial assistance programs.

11 (c) The financial assistance provided under this section  
12 may include grants, scholarships, work-study programs, student  
13 loans, and student loan repayment assistance.

14 Sec. 56.013. INFORMATION REGARDING FINANCIAL ASSISTANCE  
15 FUNDED FROM DESIGNATED TUITION. The Texas Higher Education  
16 Coordinating Board shall disseminate to each public or accredited  
17 private high school in this state information regarding the  
18 financial assistance available under this subchapter and shall  
19 include information designed to educate high school students and  
20 the parents of those students on available opportunities and  
21 required preparation with respect to institutions of higher  
22 education. The coordinating board shall recommend a method of  
23 delivery of the information to parents and students under this  
24 section.

25 SECTION 6. Subchapter H, Chapter 51, Education Code, is  
26 amended by adding Section 51.4031 to read as follows:

27 Sec. 51.4031. REPORTS OF AFFORDABILITY AND ACCESS. (a) Not

1 later than November 1 of each year, the chief executive officer of  
2 each institution of higher education, as defined by Section 61.003,  
3 shall provide to the governing board of the institution a report for  
4 the preceding fall, spring, and summer semesters that examines the  
5 affordability and access of the institution.

6 (b) The report must include:

7 (1) statistical information on the percentage of gross  
8 family income required for a student who is a resident of this state  
9 to pay tuition and required fees charged by the institution;

10 (2) the criteria used by the institution to admit  
11 students to the institution;

12 (3) an analysis of the criteria used to admit students  
13 and to award financial assistance to students, considering the  
14 mission of the institution and the purposes of higher education in  
15 this state;

16 (4) an analysis of the manner in which the factors  
17 described by Subdivisions (1)-(3) relate to:

18 (A) the regions of this state in which students  
19 reside;

20 (B) the race or ethnicity of students;

21 (C) the gender of students; and

22 (D) the level of education achieved by the  
23 parents of students; and

24 (5) comparisons of the institution with peer  
25 institutions in this state and in other states with respect to  
26 affordability and access.

27 (c) For purposes of the report, a student who applies for

1 admission to or enrolls in an institution and applies for financial  
2 aid from the institution may be required to provide documentation  
3 necessary for the institution to complete the report.

4 (d) An institution's report must be in the form prescribed  
5 by the Texas Higher Education Coordinating Board in consultation  
6 with the institution.

7 SECTION 7. (a) This Act takes effect immediately if it  
8 receives a vote of two-thirds of all the members elected to each  
9 house, as provided by Section 39, Article III, Texas Constitution.  
10 If this Act does not receive the vote necessary for immediate  
11 effect, this Act takes effect September 1, 2003.

12 (b) The changes in law made by this Act relating to tuition  
13 charged by institutions of higher education apply beginning with  
14 the 2003 fall semester.



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President of the Senate

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Speaker of the House

I certify that H.B. No. 3015 was passed by the House on April 30, 2003, by the following vote: Yeas 87, Nays 54, 2 present, not voting; that the House refused to concur in Senate amendments to H.B. No. 3015 on May 29, 2003, and requested the appointment of a conference committee to consider the differences between the two houses; and that the House adopted the conference committee report on H.B. No. 3015 on June 1, 2003, by the following vote: Yeas 100, Nays 43.

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Chief Clerk of the House

H.B. No. 3015

I certify that H.B. No. 3015 was passed by the Senate, with amendments, on May 27, 2003, by the following vote: Yeas 23, Nays 8; at the request of the House, the Senate appointed a conference committee to consider the differences between the two houses; and that the Senate adopted the conference committee report on H.B. No. 3015 on June 1, 2003, by the following vote: Yeas 17, Nays 14.

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Secretary of the Senate

APPROVED: \_\_\_\_\_

Date

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Governor