

**SUBJECT:** Pilot program for reduced undergraduate tuition during summer terms

**COMMITTEE:** Higher Education — committee substitute recommended

**VOTE:** 9 ayes — Rangel, F. Brown, Farabee, Goolsby, J. Jones, Morrison, E. Reyna, Uher, West  
0 nays

**WITNESSES:** For — Forrest Lane, Texas A&M-College Station, Associate Student Government  
Against — None

**BACKGROUND:** Education Code, ch. 54 sets forth tuition rates that the governing boards of public institutions of higher education must collect from students. Sec. 54.051(c) provides that the tuition for a resident student at a general academic teaching institution is the greater of \$120 for each semester or 12-week summer session and \$60 for a six-week session; or \$40 per semester credit hour. Sec. 54.0513 redesignates building use fees as tuition. Governing boards of the institutions are authorized to charge students building use fees in addition to regular tuition. The funds are considered institutional funds and are not accounted for in the general appropriations act in a way that reduces the revenue appropriated to an institution. For the 2000-2001 academic year, the redesignated building use fee is \$40 per semester credit hour.

**DIGEST:** CSHB 152 would add Education Code, sec. 54.0514 to establish a pilot program setting a special half-price summer tuition rate for resident undergraduate students enrolled at Texas A&M University and Texas A&M University at Kingsville. The half-price rate would apply to both regular tuition and to the building use fee redesignated as tuition, only for the summer term or session in 2002 or 2003.

The bill would take effect September 1, 2001 only if the Legislature specifically appropriated money to the institutions for the fiscal biennium

ending August 31, 2003, to cover the tuition revenue lost to the institution. It would expire January 1, 2004.

SUPPORTERS  
SAY:

CSHB 152 would authorize an innovative pilot project for two universities that wished to take better advantage of campus resources. Giving institutions the flexibility to charge lower tuition for courses scheduled in less popular times slots would ensure the most efficient use of existing space, facilities, and teachers. It would be limited in scope and only would authorize a pilot project at two universities to evaluate the effect of offering reduced tuition for summer school courses. Based on current tuition rates, the cost would drop from \$120 to \$60 for a 12-week summer session and from \$60 to \$30 for a six-week summer term.

CSHB 152 would increase affordability and accessibility of higher education for many students, two of the goals outlines in The Higher Education Coordinating Board's "Closing the Gaps" plan, as well as in the recommendations made by the Special Commission on 21st Century College and Universities.

It currently takes many Texas higher education students over five years to graduate with a four-year degree. One reason may be that only a small percentage of Texas college undergraduate students attend summer school. According to the Texas A&M University, only 9 percent of the 1998-1999 semester credit hours were earned in the summer. At The University of Texas (UT) at Austin, summer credit hours earned by students last year were only 8 percent of the total.

This pilot program would allow the state to ascertain if giving students incentives to go to summer school would create a better use of underutilized university facilities while saving students money. Students who take longer than four years to graduate limit access for incoming students, incur higher levels of debt, and cost the state additional funds. For instance, students could complete college earlier and enter the workforce at a typical starting salary of \$25,000 to \$50,000 a year. The cost of going to school an additional two years is greater than giving students a tuition break during the summer.

Reduced summer tuition rates, if adopted, also could eliminate the need for waiting lists for classes in the fall and spring semesters if more students were able to take classes during the summer. It would create more capacity for transfer students as well. According to UT-Austin, it had to cut back about 50 percent on transfer students because of a lack of capacity. It does not make sense to turn freshman and transfer students away in the fall because of crowding when so few students take classes in the summer.

Many students leave four-year universities to attend community colleges for summer sessions because they are cheaper. Also, some students do not take summer classes because they have to work. Upper-division students do not have the option of attending community colleges, and they would be more likely to stay at their school if they could get a break on tuition during the summer.

OPPONENTS  
SAY:

CSHB 152 would be an expensive experiment to see if offering reduced rates for summer school would help get students out of college faster. It would use state resources to make up the difference. If the pilot project were to be instituted statewide, it would require additional state appropriations in future years. It would commit the state to an undetermined level of future funding, which is questionable at a time when higher education in general is underfunded.

NOTES:

The committee substitute modified the original bill by creating a special summer tuition rate pilot program for a resident undergraduate student at Texas A&M University or Texas A&M University-Kingsville. The substitute stipulated that the program was contingent upon the Legislature appropriating funds by a certain time period. The substitute applied only to a summer session in 2002 or 2003. It changed the effective date from January 2, 2002, to September 1, 2001.

According to the bill's fiscal note, an estimated 12,699 full-time students would be eligible for reduced tuition. The impact on general revenue due to reduced tuition rates would be \$9.3 million through the fiscal 2002-03 biennium.

Several similar bills relating to pilot projects at higher education institutions are being considered this session:

- ! HB 1465 by Kitchen, related to a pilot project for reduced tuition rates at certain public junior colleges, passed the House on April 10 and has been reported favorably by the Senate Education Committee;
- ! HB 400 by Giddings, relating to a pilot project for assisting entering students to complete college entrance forms, passed the House on April 24 and was referred to the Senate Education Committee; and
- ! HB 3524 by Hochberg, related to a pilot project for a flat-rate tuition for undergraduates, passed the House on April 26 and was referred to the Senate Education Committee.