

BILL ANALYSIS

Senate Research Center

S.B. 1485
By: Bivins
Finance
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As Filed

DIGEST

This bill implements recommendations for the Texas Performance Review (TPR). A survey by the Texas Higher Education Coordinating Board found that the number of hours required for a bachelor's degree varies among institutions. Minimum credit hours required in the various disciplines ranged from 120 to 144. The board also found that 18 percent of Texas college seniors had accumulated more than 170 credit hours. TPR recommended that formula funding be eliminated for undergraduate students who accumulate 170 or more semester credit hours, and that institutions be allowed to impose a "surcharge" for students above the cap. Furthermore, the board recommended that a tuition rebate be paid to students who have completed their degree on time.

This bill would eliminate formula funding for undergraduates who accumulate more than 170 credit hours, and would allow institutions to charge such students the nonresident tuition rate. This bill also sets forth exemptions for certain students and provides rebates to students who meet certain qualifications.

PURPOSE

As proposed, S.B. 1485 authorizes institutions of higher education to charge nonresident tuition rates to students who have previously earned 170 or more semester credit hours. This bill also exempts certain students from this provision and requires an institution of higher education to provide tuition rebates to students who meet certain qualifications.

RULEMAKING AUTHORITY

Rulemaking authority is granted to the Texas Higher Education Coordinating Board under SECTIONS 1 and 2 (Section 54.068 and 54.0065, Education Code) of this bill.

SECTION BY SECTION ANALYSIS

SECTION 1. Amends Chapter 54B, Education Code, by adding Section 54.068, as follows:

Sec. 54.068. INCREASED TUITION FOR CERTAIN RESIDENT UNDERGRADUATE STUDENTS. Authorizes the governing board of an institution of higher education to charge a student enrolled in a baccalaureate program who is otherwise entitled to pay tuition at the rate provided by this chapter for a resident student, to charge tuition at the rate charged to nonresident students under certain conditions. Provides that Subsection (a) does not apply to certain students. Provides that for a student admitted to a baccalaureate degree program who begins that program at least two years after being awarded a previous baccalaureate degree by an institution of higher education in a different major, semester credit hours earned by the student while enrolled in the previous baccalaureate degree are not counted for purposes of determining whether the student has previously earned the number of semester credit hours specified by Subsection (a). Provides that for a student enrolled in a baccalaureate program under Section 51.931, semester credit hours earned by the student 10 or more years before the date the student begins the new degree program under Section 51.931 are not counted for the purposes of Subsection (a). Provides that certain semester credit hours are not counted for purposes of determining whether the student has previously earned the number of semester credit hours specified by Subsection (a). Requires the Texas Higher Education Coordinating Board (coordinating board) to adopt rules, in consultation

with institutions of higher education, to provide for the administration and uniform application of this section.

SECTION 2. Amends Chapter 54A, Education Code, by adding Section 54.0065, as follows:

Sec. 54.0065. TUITION REBATE FOR CERTAIN UNDERGRADUATES. Provides that a qualified student is eligible for rebate of a portion of the undergraduate tuition the student has paid under certain conditions. Sets forth provisions regarding the amount of tuition to be rebated to a student. Requires a student who has transferred from another institution of higher education to provide the institution awarding the degree an official transcript from each institution attended by the student in order that the total number of hours attempted by the student can be verified. Sets forth provisions regarding qualifications for rebate. Requires all institutions of higher education to notify each first-time freshman student of the tuition rebate program. Requires the institution awarding the degree to pay the rebate under this section from local funds. Requires the legislature to account in the General Appropriations Act for the rebates authorized by this section in a way that provides a corresponding increase in the general revenue funds appropriated to the institution. Provides that it is the intent of the legislature that rebates authorized by this section shall be financed by savings to the state resulting from reductions in the number of courses taken by undergraduate students. Requires the coordinating board, in consultation with the institutions of higher education, to adopt rules for the administration of this section.

SECTION 3. Amends Section 61.059, Education Code, by adding Subsection (n), to prohibit the coordinating board from including in any formula under this section based on undergraduate resident students who have earned a total of 170 or more semester credit hours for courses taken as an undergraduate student at any institution of higher education if the institution is entitled to charge tuition to such students at the rate charged to nonresident students under Section 54.068.

SECTION 4. Provides that Section 54.068, Education Code, as added by this Act, applies beginning with tuition charged for the 1997 fall semester. Provides that Section 54.0065, Education Code, as added by this Act, applies only to students completing a baccalaureate degree program on or after September 1, 1997. Provides that Section 61.059(n), Education Code, as added by this Act, applies to funding beginning with the 1997 fall semester.

SECTION 5. Emergency clause.
Effective date: upon passage.