

BILL ANALYSIS

Senate Research Center
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H.B. 4383
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Higher Education
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Engrossed

AUTHOR'S / SPONSOR'S STATEMENT OF INTENT

Fixed tuition rate programs and fixed tuition price plans can give students and their families predictability in college expenses. Under fixed tuition rate programs, a general academic teaching institution charges a fixed tuition rate for 24 months to eligible students who have completed an associate's degree. Under fixed tuition price plans, a general academic teaching institution charges a fixed tuition rate per semester credit hour for "at least the first 12 consecutive semesters that occur after the date of the student's initial enrollment" in college (Section 54.017(c), Education Code).

In addition to fixed tuition rate programs and fixed tuition price plans, flat-rate tuition is a set tuition price for variable course loads. Flat-rate tuition programs can save students money and encourage them to finish a degree in a more expeditious manner. Students who take more credit hours per semester pay less on a per hour basis, and students who take fewer credit hours pay more.

Flat-rate and fixed tuition programs are not mutually exclusive. Texas A&M University, for example, offers a fixed tuition price for certain periods of time with a flat-rate tuition within the fixed tuition price. A student therefore knows what their tuition rate is going to be for a certain number of semesters (fixed tuition price), and within a given semester, the student pays the same tuition regardless of whether 12 or more hours are taken (flat-rate tuition).

The benefits of fixed and flat-rate tuition programs may not always be understood by students and their families, however, especially if the college or university offering the plan does not adequately explain the pricing mechanism. H.B. 4383 would require colleges and universities to explain in registration and financial aid correspondence the effect of fixed and flat-rate tuition programs on the cost per credit hour.

H.B. 4383 is the companion to S.B. 1193, which was reported from the Senate Committee on Higher Education on April 29, 2021.

H.B. 4383 amends current law relating to providing information to undergraduate students regarding certain fixed or flat tuition rates provided by certain 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 Section 54.016, Education Code, by adding Subsection (d), as follows:

(d) Requires a general academic teaching institution that offers a fixed tuition rate program under Section 54.016 (Fixed Tuition Rate Program for Certain Transfer Students at General Academic Teaching Institutions) to provide information explaining the effect of the program on the calculation of a student's cost per credit hour, including the institution's current fixed tuition rate, and clearly describing the amount of tuition a student would pay for varying course loads covered by the program:

- (1) to each transferring undergraduate student, at the time the student is offered the opportunity to participate in the institution's fixed tuition rate program;
- (2) for a student enrolled in the institution's fixed tuition rate program, in materials or correspondence provided to the student each time the student registers for a semester or other term and in each tuition billing statement;
- (3) on the institution's Internet website; and
- (4) in any financial aid information provided to students.

SECTION 2. Amends Section 54.017, Education Code, by adding Subsection (h), as follows:

(h) Requires an institution to which Section 54.017 (Fixed Tuition Price Plan for Undergraduate Students at Certain General Academic Teaching Institutions) applies to provide information explaining the effect of the fixed tuition price plan on the calculation of a student's cost per credit hour, including the institution's current fixed tuition rate, and clearly describing the amount of tuition a student would pay for varying course loads covered by the plan:

- (1) to each entering undergraduate student, at the time the student is offered the opportunity to participate in the institution's fixed tuition price plan;
- (2) for a student enrolled in the institution's fixed tuition price plan, in materials or correspondence provided to the student each time the student registers for a semester or other term and in each tuition billing statement;
- (3) on the institution's Internet website; and
- (4) in any financial aid information provided to students.

SECTION 3. Amends Subchapter A, Chapter 54, Education Code, by adding Section 54.018, as follows:

Sec. 54.018. FLAT-RATE TUITION PLAN. (a) Defines "institution of higher education."

(b) Requires an institution of higher education that offers a flat-rate tuition plan under which the institution charges a student for a specified number of credit hours regardless of the number of credit hours in which the student enrolls to provide information explaining the effect of the flat-rate tuition plan on the calculation of a student's cost per credit hour, including the institution's current flat rate of tuition, and clearly describing the amount of tuition a student would pay for varying course loads covered by the plan:

- (1) to each entering undergraduate student;
- (2) in materials or correspondence provided to the student each time the student registers for a semester or other term and in each tuition billing statement;
- (3) on the institution's Internet website; and
- (4) in any financial aid information provided to students.

SECTION 4. Effective date: September 1, 2021.