

BILL ANALYSIS

Senate Research Center
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S.B. 778
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Higher Education
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As Filed

AUTHOR'S / SPONSOR'S STATEMENT OF INTENT

In general, S.B. 778 requires public institutions of higher education to meet targets on five of nine performance metrics to increase tuition beyond the rate of inflation. If an institution does not meet five of nine of those targets, the institution's tuition increase is limited to inflation. The bill also puts into statute the process by which performance metric targets are recommended, reviewed, and established.

As proposed, S.B. 778 amends current law relating to performance-based tuition limitations for certain 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 54.05131, as follows:

Sec. 54.05131. PERFORMANCE-BASED DESIGNATED TUITION LIMITATIONS.

(a) Defines "general academic teaching institution," "public state college," and "performance measure."

(b) Provides that this section applies only to a general academic teaching institution other than a public state college.

(c) Provides that this section applies to tuition charged for an academic year by an institution to which this section applies only if the institution did not satisfy, in the most recent state fiscal year preceding that academic year for which information is available, more than one-half of the target levels assigned to the performance measures included in the General Appropriations Act as applicable to the institution for that state fiscal year. Requires that the Texas Higher Education Coordinating Board in consultation with the Legislative Budget Board (LBB) determine whether an institution has satisfied an applicable target level for purposes of this subsection.

(d) Prohibits the amount of tuition the governing board of the institution charges under Section 54.0513 (Designated Tuition) to a student for that academic year from exceeding the total amount of tuition that the governing board would have charged under that section to a similarly situated student in the preceding academic year, as that amount is adjusted for each academic year for inflation as determined under Subsection (e), for an academic year in which this section applies to an institution. Prohibits the governing board from increasing the amount of tuition charged under this section to a student more than once in any academic year. Provides that, for purposes of this subsection, students are similarly situated if they share the same residency status, degree program, course load, course level, tuition exemption status, and other circumstances affecting the tuition charged to the student.

(e) Requires the LBB, not later than January 31 of each year or as soon thereafter as practicable, to publish and certify to the governing board of each institution to which this section applies the inflation rate to be used for purposes of this section for the next academic year.

(f) Provides that the inflation rate is the percentage increase, if any, as expressed in decimal form rounded to the nearest thousandth of one percent, in the consumer price index, as defined by Section 341.201 (Definitions of Indexes), Finance Code, for the preceding calendar year as compared to the consumer price index for the year preceding that year.

SECTION 2. Amends Chapter 322, Government Code, by adding Section 322.025, as follows:

Sec. 322.025. RECOMMENDATIONS FOR PERFORMANCE MEASURES AND ASSOCIATED TARGET LEVELS FOR CERTAIN INSTITUTIONS OF HIGHER EDUCATION. (a) Defines "institution of higher education" and "performance measure."

(b) Requires each institution of higher education to which Section 54.05131, Education Code, applies to submit to the LBB, as part of the institution's legislative appropriations request for the general appropriations bill prepared by the LBB under Section 322.008 (Appropriations Bill), a requested target level for each performance measure applicable to the institution for each of the state fiscal years covered by the bill.

(c) Requires the LBB, in preparing the general appropriations bill under Section 322.008, after considering the performance measure target levels requested by institutions under Subsection (b) of this section, to prescribe for each institution to which Section 54.05131, Education Code, applies and for which money is to be appropriated in the bill, recommendations for target levels for the performance measures that the LBB considers appropriate for the institution for inclusion in the appropriations to the institution for each of the state fiscal years covered by the bill.

(d) Requires the LBB staff to:

(1) notify an institution if the staff's proposed recommendations applicable to the institution are different from the performance measure target levels requested by the institution under Subsection (b); and

(2) provide the institution an opportunity to comment on or request modification of the staff's proposed performance measure target levels.

(e) Requires the LBB to establish a procedure under which an institution that is dissatisfied with the staff's final recommendation for one or more performance measure target levels applicable to the institution may request a modification of the level or levels in a hearing before the LBB held as soon as practicable before the LBB prescribes its final recommendations under Subsection (c), but not later than the date the general appropriations bill is filed in the legislature.

SECTION 3. Provides that Section 54.05131, Education Code, as added by this Act, applies beginning with tuition charged by a general academic teaching institution to which that section applies for the 2018-2019 academic year. Provides that a tuition charged by an institution for an academic year before that academic year is covered by the law in effect immediately before the effective date of this Act, and the former law is continued in effect for that purpose.

SECTION 4. Effective date: September 1, 2015.