Sec. 54.503. STUDENT SERVICES FEES. (a) For the purposes of this section:

(1) "Student services" means activities which are separate and apart from the regularly scheduled academic functions of the institution and directly involve or benefit students, including textbook rentals, recreational activities, health and hospital services, medical services, intramural and intercollegiate athletics, artists and lecture series, cultural entertainment series, debating and oratorical activities, student publications, student government, the student fee advisory committee, student transportation services other than services under Sections 54.504, 54.511, 54.512, and 54.513 of this code, and any other student activities and services specifically authorized and approved by the governing board of the institution of higher education. The term does not include services for which a fee is charged under another section of this code.

(2) "Compulsory fee" means a fee that is charged to all students enrolled at the institution.

(3) "Voluntary fee" means a fee that is charged only to those students who make use of the student service for which the fee is established.

(b) The governing board of an institution of higher education may charge and collect from students registered at the institution fees to cover the cost of student services. The fee or fees may be either voluntary or compulsory as determined by the governing board. The total of all compulsory student services fees collected from a student at an institution of higher education other than The University of Texas at Austin or a component institution of the University of Houston System for any one semester or summer session shall not exceed $250. All compulsory student services fees charged and collected under this section by the governing board of an institution of higher education, other than a public junior college, shall be assessed in proportion to the number of semester credit hours for which a student registers. No portion of the compulsory fees collected may be expended for parking facilities or services, except as related to providing shuttle bus services.

(c) The provisions of this section do not affect the building use fees or other special fees authorized by the legislature for any institution for the purpose of financing revenue bond issues.

(d) All money collected as student services fees shall be reserved and accounted for in an account or accounts kept separate and apart from educational and general funds of the institution and shall be used only for the support of student services. All the money shall be placed in a depository bank or banks designated by the governing board and shall be secured as required by law. Each year the governing board shall approve for the institution a separate budget for student activities and services financed by fees authorized in this section. The budget shall show the fees to be assessed, the purpose or functions to be financed, the estimated income to be derived, and the proposed expenditures to be made. Copies of the budgets shall be filed annually with the coordinating board, the governor, the legislative budget board, and the state library.

(e) The governing board may waive all or part of any compulsory fee or fees authorized by this section in the case of any student for whom the payment of the fee would cause an undue financial hardship, provided the number of the students does not exceed 10 percent of
the total enrollment. The board may limit accordingly the participation of a student in the activities financed by the fee so waived.

(f) If the total compulsory fee charged under this section is more than $150, the increase does not take effect unless the increase is approved by a majority vote of the students voting in an election held for that purpose or by a majority vote of the student government at the institution. In subsequent years, an election authorizing a fee increase must be held before the fee can be increased by more than 10 percent of the fee approved at the last student election.

(g) If a student registers at more than one institution of higher education within a college or university system under concurrent enrollment provisions of joint or cooperative programs between institutions, the student shall pay all compulsory student services fees to the institution designated as the home institution under the joint or cooperative program. The governing board of the college or university system may waive the payment of all compulsory student services fees at the other institution or institutions.

(h) Except for Subsection (g) of this section, this section does not apply to The University of Texas at Austin or a component institution of the University of Houston System.

(i) General revenue appropriations, other educational and general income, and funds appropriated under Article VII, Section 17 or 18, of the Texas Constitution may be expended on a proportional use basis to support the services, activities, and facilities provided for in this section to the extent that the use of such funds is not otherwise restricted by the Texas Constitution or general law.