

## **BILL ANALYSIS**

C.S.H.B. 2848  
By: Crownover  
Higher Education  
Committee Report (Substituted)

### **BACKGROUND AND PURPOSE**

Interested parties note that public institutions of higher education receive funding for construction and other capital purposes from either the permanent university fund or the higher education fund, with the latter established for the purpose of providing appropriations to institutions that are not eligible to receive permanent university fund income. The legislature reconsiders higher education fund appropriation levels and allocation methodology on a regular basis and can make allocation adjustments. According to the parties, the Texas Higher Education Coordinating Board, in conjunction with representatives of higher education fund-eligible institutions, are seeking the appropriation of an increased amount over the current appropriation to compensate for the institutions' growth and reduced purchasing power due to inflation. C.S.H.B. 2848 seeks to provide for that increase.

### **CRIMINAL JUSTICE IMPACT**

It is the committee's opinion that this bill does not expressly create a criminal offense, increase the punishment for an existing criminal offense or category of offenses, or change the eligibility of a person for community supervision, parole, or mandatory supervision.

### **RULEMAKING AUTHORITY**

It is the committee's opinion that this bill does not expressly grant any additional rulemaking authority to a state officer, department, agency, or institution.

### **ANALYSIS**

C.S.H.B. 2848 amends the Education Code to revise the annual amounts allocated to certain institutions of higher education from the annual constitutional appropriation to institutions of higher education with the amounts for each institution specified by the bill and beginning with the 2016 state fiscal year. The bill provides for a separate allocation of the annual constitutional appropriation, with the amounts for each institution specified by the bill and beginning with the 2016 state fiscal year, but makes this allocation contingent on the 84th Legislature in Regular Session, 2015, increasing the amount of the annual constitutional appropriation to an amount sufficient to fund that allocation and including an appropriation for that amount in a general appropriations act for the 2016–2017 state fiscal biennium. If the legislature does not, the latter allocation has no effect nor does a provision added by the bill providing for the expiration of the existing allocation on September 1, 2015.

C.S.H.B. 2848 includes in the allocation of funds from the annual constitutional appropriation to the University of North Texas at Dallas an amount attributable to the University of North Texas at Dallas College of Law as part of the university. The bill omits The University of Texas--Pan American and The University of Texas at Brownsville from the allocation of funds from the annual constitutional appropriation.

C.S.H.B. 2848 increases from \$262.5 million to \$393.75 million the amount of the increase of the annual constitutional appropriation and changes the state fiscal year for which that increase

begins from the 2008 state fiscal year to the 2016 state fiscal year, contingent on the bill receiving the necessary two-thirds vote.

### **EFFECTIVE DATE**

Except as otherwise provided, August 31, 2015.

### **COMPARISON OF ORIGINAL AND SUBSTITUTE**

While C.S.H.B. 2848 may differ from the original in minor or nonsubstantive ways, the following comparison is organized and formatted in a manner that indicates the substantial differences between the introduced and committee substitute versions of the bill.

#### INTRODUCED

SECTION 1. Section 62.021, Education Code, is amended by amending Subsections (a) and (e) and adding Subsections (a-1), (a-2), and (e-2) to read as follows:

(a) In each state fiscal year beginning with the state fiscal year ending August 31, 2016 [~~2014~~], an eligible institution is entitled to receive an amount allocated in accordance with this section from the funds appropriated for that year by Section 17(a), Article VII, Texas Constitution. The comptroller shall distribute funds allocated under this subsection only on presentation of a claim and issuance of a warrant in accordance with Section 403.071, Government Code. An eligible institution may not present a claim to be paid from any funds allocated under this subsection before the delivery of goods or services described in Section 17, Article VII, Texas Constitution, except for the payment of principal or interest on bonds or notes or for a payment for a book or other published library material as authorized by Section 2155.386, Government Code. The allocation of funds under this subsection is made in accordance with an equitable formula consisting of the following elements: space deficit, facilities condition, institutional complexity, and a separate allocation for the Texas State Technical College System. The annual amounts allocated by the formula are as follows:

- (1) \$3,379,470 [~~\$3,559,433~~] to Midwestern State University;
- (2) to the following component institutions of the University of North Texas System:
  - (A) \$25,042,534 [~~\$27,846,476~~] to the University of North Texas;
  - (B) \$11,421,485 [~~(3) \$8,771,265~~] to the

#### HOUSE COMMITTEE SUBSTITUTE

SECTION 1. Section 62.021, Education Code, is amended by amending Subsections (a) and (e) and adding Subsections (a-1), (a-2), and (e-2) to read as follows:

(a) In each state fiscal year beginning with the state fiscal year ending August 31, 2016 [~~2014~~], an eligible institution is entitled to receive an amount allocated in accordance with this section from the funds appropriated for that year by Section 17(a), Article VII, Texas Constitution. The comptroller shall distribute funds allocated under this subsection only on presentation of a claim and issuance of a warrant in accordance with Section 403.071, Government Code. An eligible institution may not present a claim to be paid from any funds allocated under this subsection before the delivery of goods or services described in Section 17, Article VII, Texas Constitution, except for the payment of principal or interest on bonds or notes or for a payment for a book or other published library material as authorized by Section 2155.386, Government Code. The allocation of funds under this subsection is made in accordance with an equitable formula consisting of the following elements: space deficit, facilities condition, institutional complexity, and a separate allocation for the Texas State Technical College System. The annual amounts allocated by the formula are as follows:

- (1) \$3,374,275 [~~\$3,559,433~~] to Midwestern State University;
- (2) to the following component institutions of the University of North Texas System:
  - (A) \$25,041,370 [~~\$27,846,476~~] to the University of North Texas;
  - (B) \$11,394,570 [~~(3) \$8,771,265~~] to the

University of North Texas Health Science Center at Fort Worth; and  
(C) \$1,413,160 to the University of North Texas at Dallas, \$135,593 of which must be used for the University of North Texas at Dallas College of Law;  
(3) \$7,771,442 [~~(4)~~ ~~\$12,311,123~~ to The University of Texas Pan American;  
[~~(5)~~ ~~\$5,057,420~~ to The University of Texas at Brownsville;  
[~~(6)~~ ~~\$8,425,937~~] to Stephen F. Austin State University;  
(4) [~~(7)~~] to the following component institutions of the Texas State University System:  
(A) \$9,428,194 [~~\$8,330,933~~] to Lamar University;  
(B) \$1,727,149 [~~\$2,332,463~~] to the Lamar Institute of Technology;  
(C) \$1,131,113 [~~\$1,235,752~~] to Lamar State College--Orange;  
(D) \$1,443,480 [~~\$1,244,694~~] to Lamar State College--Port Arthur;  
(E) \$11,582,737 [~~\$11,893,110~~] to Sam Houston State University;  
(F) \$24,947,203 [~~\$21,863,258~~] to Texas State University;  
(G) \$1,423,682 [~~\$1,625,061~~] to Sul Ross State University; and  
(H) \$273,825 [~~\$445,380~~] to Sul Ross State University-Rio Grande College;  
(5) \$7,797,261 [~~(8)~~ ~~\$8,894,700~~] to Texas Southern University;  
(6) [~~(9)~~] to the following component institutions of the Texas Tech University System:  
(A) \$32,931,070 [~~\$23,936,088~~] to Texas Tech University;  
(B) \$15,593,680 [~~\$16,973,569~~] to Texas Tech University Health Sciences Center; [and]  
(C) \$3,546,735 [~~\$3,743,027~~] to Angelo State University; and  
(D) \$3,992,371 to Texas Tech University Health Sciences Center--El Paso;  
(7) \$9,923,753 [~~(10)~~ ~~\$10,169,695~~] to Texas Woman's University;  
(8) [~~(11)~~] to the following component institutions of the University of Houston System:  
(A) \$34,971,004 [~~\$35,885,768~~] to the University of Houston;  
(B) \$2,734,237 [~~\$2,393,921~~] to the University of Houston--Victoria;  
(C) \$5,344,649 [~~\$5,214,167~~] to the

University of North Texas Health Science Center at Fort Worth; and  
(C) \$1,408,669 to the University of North Texas at Dallas, \$135,593 of which must be used for the University of North Texas at Dallas College of Law;  
(3) \$7,757,442 [~~(4)~~ ~~\$12,311,123~~ to The University of Texas Pan American;  
[~~(5)~~ ~~\$5,057,420~~ to The University of Texas at Brownsville;  
[~~(6)~~ ~~\$8,425,937~~] to Stephen F. Austin State University;  
(4) [~~(7)~~] to the following component institutions of the Texas State University System:  
(A) \$9,401,255 [~~\$8,330,933~~] to Lamar University;  
(B) \$1,720,347 [~~\$2,332,463~~] to the Lamar Institute of Technology;  
(C) \$1,129,562 [~~\$1,235,752~~] to Lamar State College--Orange;  
(D) \$1,438,523 [~~\$1,244,694~~] to Lamar State College--Port Arthur;  
(E) \$11,553,239 [~~\$11,893,110~~] to Sam Houston State University;  
(F) \$24,775,170 [~~\$21,863,258~~] to Texas State University;  
(G) \$1,423,682 [~~\$1,625,061~~] to Sul Ross State University; and  
(H) \$273,825 [~~\$445,380~~] to Sul Ross State University-Rio Grande College;  
(5) \$7,773,229 [~~(8)~~ ~~\$8,894,700~~] to Texas Southern University;  
(6) [~~(9)~~] to the following component institutions of the Texas Tech University System:  
(A) \$32,817,206 [~~\$23,936,088~~] to Texas Tech University;  
(B) \$15,581,597 [~~\$16,973,569~~] to Texas Tech University Health Sciences Center; [and]  
(C) \$3,546,735 [~~\$3,743,027~~] to Angelo State University; and  
(D) \$4,156,050 to Texas Tech University Health Sciences Center--El Paso;  
(7) \$9,897,706 [~~(10)~~ ~~\$10,169,695~~] to Texas Woman's University;  
(8) [~~(11)~~] to the following component institutions of the University of Houston System:  
(A) \$35,180,036 [~~\$35,885,768~~] to the University of Houston;  
(B) \$2,850,574 [~~\$2,393,921~~] to the University of Houston--Victoria;  
(C) \$5,336,744 [~~\$5,214,167~~] to the

University of Houston--Clear Lake; and  
(D) ~~\$7,840,943~~ [~~\$7,435,238~~] to the University of Houston--Downtown;  
(9) [~~(12)~~] to the following component institutions of The Texas A&M University System:

(A) ~~\$7,387,111~~ [~~\$7,139,067~~] to Texas A&M University--Corpus Christi;

(B) ~~\$4,489,683~~ [~~\$3,796,436~~] to Texas A&M International University;

(C) ~~\$5,981,629~~ [~~\$5,046,885~~] to Texas A&M University--Kingsville;

(D) ~~\$4,776,272~~ [~~\$4,652,995~~] to West Texas A&M University;

(E) ~~\$7,210,163~~ [~~\$5,193,232~~] to Texas A&M University--Commerce; and

(F) ~~\$1,218,965~~ [~~\$1,307,907~~] to Texas A&M University--Texarkana; and

(10) [~~(13)~~] \$5,775,000 to the Texas State Technical College System Administration and the following component campuses, but not its extension centers or programs:

(A) Texas State Technical College--Harlingen;

(B) Texas State Technical College--Marshall;

(C) Texas State Technical College--West Texas; and

(D) Texas State Technical College--Waco.

(a-1) In each state fiscal year beginning with the state fiscal year ending August 31, 2016, an eligible institution is entitled to receive an amount allocated in accordance with this subsection from the funds appropriated for that year by Section 17(a), Article VII, Texas Constitution. The comptroller shall distribute funds allocated under this subsection only on presentation of a claim and issuance of a warrant in accordance with Section 403.071, Government Code. An eligible institution may not present a claim to be paid from any funds allocated under this subsection before the delivery of goods or services described in Section 17, Article VII, Texas Constitution, except for the payment of principal or interest on bonds or notes or for a payment for a book or other published library material as authorized by Section 2155.386, Government Code. The allocation of funds under this subsection is made in accordance with an equitable formula consisting of the following elements: space deficit, facilities condition, institutional complexity, and a separate allocation for the Texas State

University of Houston--Clear Lake; and  
(D) ~~\$7,835,252~~ [~~\$7,435,238~~] to the University of Houston--Downtown;

(9) [~~(12)~~] to the following component institutions of The Texas A&M University System:

(A) ~~\$7,424,229~~ [~~\$7,139,067~~] to Texas A&M University--Corpus Christi;

(B) ~~\$4,473,273~~ [~~\$3,796,436~~] to Texas A&M International University;

(C) ~~\$5,977,371~~ [~~\$5,046,885~~] to Texas A&M University--Kingsville;

(D) ~~\$4,776,272~~ [~~\$4,652,995~~] to West Texas A&M University;

(E) ~~\$7,190,875~~ [~~\$5,193,232~~] to Texas A&M University--Commerce; and

(F) ~~\$1,215,922~~ [~~\$1,307,907~~] to Texas A&M University--Texarkana; and

(10) [~~(13)~~] \$5,775,000 to the Texas State Technical College System Administration and the following component campuses, but not its extension centers or programs:

(A) Texas State Technical College--Harlingen;

(B) Texas State Technical College--Marshall;

(C) Texas State Technical College--West Texas; and

(D) Texas State Technical College--Waco.

(a-1) In each state fiscal year beginning with the state fiscal year ending August 31, 2016, an eligible institution is entitled to receive an amount allocated in accordance with this subsection from the funds appropriated for that year by Section 17(a), Article VII, Texas Constitution. The comptroller shall distribute funds allocated under this subsection only on presentation of a claim and issuance of a warrant in accordance with Section 403.071, Government Code. An eligible institution may not present a claim to be paid from any funds allocated under this subsection before the delivery of goods or services described in Section 17, Article VII, Texas Constitution, except for the payment of principal or interest on bonds or notes or for a payment for a book or other published library material as authorized by Section 2155.386, Government Code. The allocation of funds under this subsection is made in accordance with an equitable formula consisting of the following elements: space deficit, facilities condition, institutional complexity, and a separate allocation for the Texas State

Technical College System. The annual amounts allocated by the formula are as follows:

(1) \$5,069,204 to Midwestern State University;

(2) to the following component institutions of the University of North Texas System:

(A) \$37,563,802 to the University of North Texas;

(B) \$17,132,227 to the University of North Texas Health Science Center at Fort Worth; and

(C) \$2,119,741 to the University of North Texas at Dallas, \$203,390 of which must be used for the University of North Texas at Dallas College of Law;

(3) \$11,657,164 to Stephen F. Austin State University;

(4) to the following component institutions of the Texas State University System:

(A) \$14,142,291 to Lamar University;

(B) \$2,590,723 to the Lamar Institute of Technology;

(C) \$1,696,670 to Lamar State College--Orange;

(D) \$2,165,220 to Lamar State College--Port Arthur;

(E) \$17,374,106 to Sam Houston State University;

(F) \$37,420,804 to Texas State University;

(G) \$2,135,523 to Sul Ross State University; and

(H) \$410,738 to Sul Ross State University--Rio Grande College;

(5) \$11,695,891 to Texas Southern University;

(6) to the following component institutions of the Texas Tech University System:

(A) \$49,396,605 to Texas Tech University;

(B) \$23,390,520 to Texas Tech University Health Sciences Center;

(C) \$5,320,102 to Angelo State University; and

(D) \$5,988,556 to Texas Tech University Health Sciences Center--El Paso;

(7) \$14,885,630 to Texas Woman's University;

(8) to the following component institutions of the University of Houston System:

(A) \$52,456,505 to the University of Houston;

(B) \$4,101,356 to the University of Houston--Victoria;

(C) \$8,016,974 to the University of Houston--Clear Lake; and

Technical College System. The annual amounts allocated by the formula are as follows:

(1) \$5,061,412 to Midwestern State University;

(2) to the following component institutions of the University of North Texas System:

(A) \$37,562,056 to the University of North Texas;

(B) \$17,091,856 to the University of North Texas Health Science Center at Fort Worth; and

(C) \$2,113,004 to the University of North Texas at Dallas, \$203,390 of which must be used for the University of North Texas at Dallas College of Law;

(3) \$11,636,163 to Stephen F. Austin State University;

(4) to the following component institutions of the Texas State University System:

(A) \$14,101,882 to Lamar University;

(B) \$2,580,521 to the Lamar Institute of Technology;

(C) \$1,694,343 to Lamar State College--Orange;

(D) \$2,157,784 to Lamar State College--Port Arthur;

(E) \$17,329,858 to Sam Houston State University;

(F) \$37,162,755 to Texas State University;

(G) \$2,135,523 to Sul Ross State University; and

(H) \$410,738 to Sul Ross State University--Rio Grande College;

(5) \$11,659,843 to Texas Southern University;

(6) to the following component institutions of the Texas Tech University System:

(A) \$49,225,809 to Texas Tech University;

(B) \$23,372,396 to Texas Tech University Health Sciences Center;

(C) \$5,320,102 to Angelo State University; and

(D) \$6,234,075 to Texas Tech University Health Sciences Center--El Paso;

(7) \$14,846,558 to Texas Woman's University;

(8) to the following component institutions of the University of Houston System:

(A) \$52,770,054 to the University of Houston;

(B) \$4,275,861 to the University of Houston--Victoria;

(C) \$8,005,116 to the University of Houston--Clear Lake; and

(D) \$11,761,415 to the University of Houston--Downtown;

(9) to the following component institutions of The Texas A&M University System:

(A) \$11,080,666 to Texas A&M University--Corpus Christi;

(B) \$6,734,524 to Texas A&M International University;

(C) \$8,972,444 to Texas A&M University--Kingsville;

(D) \$7,164,408 to West Texas A&M University;

(E) \$10,815,244 to Texas A&M University--Commerce; and

(F) \$1,828,447 to Texas A&M University--Texarkana; and

(10) \$8,662,500 to the Texas State Technical College System administration and the following component campuses, but not its extension centers or programs:

(A) Texas State Technical College--Harlingen;

(B) Texas State Technical College--Marshall;

(C) Texas State Technical College--West Texas; and

(D) Texas State Technical College--Waco.

(a-2) Except as otherwise provided by this subsection, Subsection (a) and this subsection expire September 1, 2015. Notwithstanding Subsection (a-1), the annual allocation of funds made under Subsection (a-1) applies only if the 84th Legislature in Regular Session, 2015, increases the amount of the annual constitutional appropriation to an amount sufficient to fund that allocation and includes an appropriation for that amount in a general appropriations act for the state fiscal biennium that begins September 1, 2015. If the 84th Legislature in Regular Session, 2015, does not increase the amount of the annual constitutional appropriation to that amount and include an appropriation for that amount in a general appropriations act for that biennium, then Subsection (a-1) has no effect and Subsection (a) and this subsection do not expire.

(e) Whereas the University of North Texas at Dallas was created as an institution of higher education by Chapter 25 (S.B. 576), Acts of the 77th Legislature, Regular Session, 2001, which was approved by a vote of more than two-thirds of the membership of each house of the legislature,

(D) \$11,752,877 to the University of Houston--Downtown;

(9) to the following component institutions of The Texas A&M University System:

(A) \$11,136,344 to Texas A&M University--Corpus Christi;

(B) \$6,709,910 to Texas A&M International University;

(C) \$8,966,056 to Texas A&M University--Kingsville;

(D) \$7,164,408 to West Texas A&M University;

(E) \$10,786,313 to Texas A&M University--Commerce; and

(F) \$1,823,883 to Texas A&M University--Texarkana; and

(10) \$8,662,500 to the Texas State Technical College System Administration and the following component campuses, but not its extension centers or programs:

(A) Texas State Technical College--Harlingen;

(B) Texas State Technical College--Marshall;

(C) Texas State Technical College--West Texas; and

(D) Texas State Technical College--Waco.

(a-2) Except as otherwise provided by this subsection, Subsection (a) and this subsection expire September 1, 2015. Notwithstanding Subsection (a-1), the annual allocation of funds made under Subsection (a-1) applies only if the 84th Legislature in Regular Session, 2015, increases the amount of the annual constitutional appropriation to an amount sufficient to fund that allocation and includes an appropriation for that amount in a general appropriations act for the state fiscal biennium that begins September 1, 2015. If the 84th Legislature in Regular Session, 2015, does not increase the amount of the annual constitutional appropriation to that amount and include an appropriation for that amount in a general appropriations act for that biennium, then Subsection (a-1) has no effect and Subsection (a) and this subsection do not expire.

(e) Whereas the University of North Texas at Dallas was created as an institution of higher education by Chapter 25 (S.B. 576), Acts of the 77th Legislature, Regular Session, 2001, which was approved by a vote of more than two-thirds of the membership of each house of the legislature,

and was certified by the coordinating board to operate as a general academic teaching institution in April 2009, the University of North Texas at Dallas is entitled to participate in the funding provided by Section 17, Article VII, Texas Constitution[; as soon as the University of North Texas at Dallas operates as a general academic teaching institution]. Whereas the University of North Texas College of Law, which was previously designated by Chapter 1213 (S.B. 956), Acts of the 81st Legislature, Regular Session, 2009, as an institution of higher education until such time the University of North Texas at Dallas had been in operation as a general academic teaching institution for a period of five years, now operates as a professional school within the University of North Texas at Dallas as a result of the expiration of that period, the allocation to the University of North Texas at Dallas under this section includes an amount attributable to the University of North Texas College of Law as of part of the university.

(e-2) Whereas The University of Texas--Pan American and The University of Texas at Brownsville were consolidated into a general academic teaching institution that is excluded from participation in the funding provided by Section 17, Article VII, Texas Constitution, by Chapter 726 (S.B. 24), Acts of the 83rd Legislature, Regular Session, 2013, which was approved by a vote of more than two-thirds of the membership of each house of the legislature, The University of Texas--Pan American and The University of Texas at Brownsville are omitted from the allocation of funds under this section.

SECTION 2. Section 62.024, Education Code, is amended.

SECTION 3. Section 62.027(c), Education Code, is amended.

SECTION 4. The amounts allocated under Section 62.021, Education Code, as amended by this Act, apply to each state fiscal year beginning with the state fiscal year beginning September 1, 2015.

and was certified by the coordinating board to operate as a general academic teaching institution in April 2009, the University of North Texas at Dallas is entitled to participate in the funding provided by Section 17, Article VII, Texas Constitution[; as soon as the University of North Texas at Dallas operates as a general academic teaching institution]. Whereas the University of North Texas at Dallas College of Law, which was previously designated by Chapter 1213 (S.B. 956), Acts of the 81st Legislature, Regular Session, 2009, as an institution of higher education until such time the University of North Texas at Dallas had been in operation as a general academic teaching institution for a period of five years, now operates as a professional school within the University of North Texas at Dallas as a result of the expiration of that period, the allocation to the University of North Texas at Dallas under this section includes an amount attributable to the University of North Texas at Dallas College of Law as part of the university.

(e-2) Whereas The University of Texas--Pan American and The University of Texas at Brownsville were consolidated into a general academic teaching institution that is excluded from participation in the funding provided by Section 17, Article VII, Texas Constitution, by Chapter 726 (S.B. 24), Acts of the 83rd Legislature, Regular Session, 2013, which was approved by a vote of more than two-thirds of the membership of each house of the legislature, The University of Texas--Pan American and The University of Texas at Brownsville are omitted from the allocation of funds under this section.

SECTION 2. Same as introduced version.

SECTION 3. Same as introduced version.

SECTION 4. Same as introduced version.

SECTION 5. (a) Except as provided by Subsection (b) of this section, this Act takes effect August 31, 2015.

(b) Sections 2 and 3 of this Act take effect as provided by Subsection (a) of this section only if this Act is approved by a vote of two-thirds of the membership of each house of the legislature as required by Section 17(a), Article VII, Texas Constitution.

SECTION 5. Same as introduced version.