

BILL ANALYSIS

Senate Research Center
76R12896 CAG-D

C.S.S.B. 1841
By: Ratliff
Finance
4/20/1999
Committee Report (Substituted)

DIGEST

The Texas Legislature established the Texas Eminent Scholars Program in 1983 to encourage private endowment donations to higher education institutions by matching the investment income on the donations with state appropriations. The endowment income plus the match is to be used to supplement the salary of, or to support the research or academic work of, an eminent scholar holding an endowed academic position at an institution. Public universities and health science centers are eligible for the program. The program received an appropriation of \$50,000 in the 1984-1985 biennium and none subsequently. A recent survey by the Legislative Budget Board reported donations of \$201 million to date with earnings of \$75.7 million. The state has not appropriated matching funds for this program since the 1984-1985 biennium. C.S.S.B. 1841 would abolish the Texas Eminent Scholars Program.

PURPOSE

As proposed, C.S.S.B. 1841 abolishes the Texas Eminent Scholars Program.

RULEMAKING AUTHORITY

This bill does not grant any additional rulemaking authority to a state officer, institution, or agency.

SECTION BY SECTION ANALYSIS

SECTION 1. Repealer: Chapter 51I, Education Code (Texas Eminent Scholars Program).

SECTION 2. (a). Provides that the eminent scholars fund in the state is abolished.

(b) Provides that any restrictions under state law on the use of eligible gifts or the disbursement of income from an eligible gift, including any requirement of the provision of state matching funds from the eminent scholars fund, are waived and abolished and any requirement of any state action before the eligible gifts may be used or income from the gifts may be disbursed are considered fulfilled.

(c) Provides that the Eminent Scholars Program does not affect an action taken by an institution of higher education relating to a gift to the Eminent Scholars Program made before the effective date of this Act.

(d) Requires an institution of higher learning to examine the institution's records and make a good faith effort to notify each person who made an eligible gift. Requires the institution, in the notice, to describe the abolition of the Eminent Scholars Program and provide the name of a person at the institution to contact for more information. Authorizes the person making an eligible gift to request the gift to be returned to the person.

(e) Provides that if an eligible gift is not requested to be returned or if a donor, after a good faith effort by the institution, is not able to be notified, the eligible gift vests in the institution.

(f) Authorizes eligible gifts not returned under Subsection (e) of this section to be used for any purpose that is consistent with the original intent of the person making an eligible gift to the Texas Eminent Scholars Program and that carries out the purpose of the gift as nearly as is practicable. Authorizes income from eligible gifts to be used for any purpose for which the income may have been used under the Texas Eminent Scholars Program.

(g) Defines “eligible gift” to mean a gift made to an institution of higher education under written agreement that made the gift conditional upon state matching funds being provided under the Texas Eminent Scholars Program.

SECTION 3. Effective date: September 1, 1999.

SECTION 4. Emergency clause.

SUMMARY OF COMMITTEE CHANGES

SECTION 2.

Amends Subsection (g) to add a definition of “eligible gift.”