

BILL ANALYSIS

Senate Research Center

S.B. 1446
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S/C on Higher Education
4/5/2007
As Filed

AUTHOR'S / SPONSOR'S STATEMENT OF INTENT

The 78th Legislature, Regular Session, 2003, amended the Education Code to prohibit the accounting of indirect cost recovery fees in an appropriations act in such a way as to reduce the general revenue funds to be appropriated to a general academic teaching institution of higher education or a medical or dental unit. The legislature simultaneously ceased to use indirect cost recovery fees in its General Appropriations Act in order to reduce general revenue appropriations to such institutions. The 79th Legislature, Regular Session, 2005, eliminated indirect cost recoveries from the strategies and methods of finance in its General Appropriations Act. However, the current law still authorizes these recoveries to be accounted for as educational and general funds.

As proposed, S.B. 1446 conforms the definition of educational and general funds with the 2003 amendment regarding the accounting of indirect cost recovery fees by deleting the requirement that they be accounted for as educational and general funds.

RULEMAKING AUTHORITY

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

SECTION BY SECTION ANALYSIS

SECTION 1. Amends Section 51.009(c), Education Code, to delete indirect cost recovery fees as fees required to be accounted for as educational and general funds.

SECTION 2. Effective date: upon passage or September 1, 2007.