

BILL ANALYSIS

Senate Research Center

S.B. 1191
By: Seliger et al.
Higher Education
7/1/2015
Enrolled

AUTHOR'S / SPONSOR'S STATEMENT OF INTENT

This bill is the reallocation of the Higher Education Fund (HEF) as required by Article 7 (Education), Section 17 (Colleges and Universities; Appropriations and Funding), of the Texas Constitution. The bill also authorizes an increase in the funding allocated to the HEF.

S.B. 1191 amends current law relating to the amount and allocation of the annual constitutional appropriation to certain agencies and 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 Section 62.021, Education Code, by amending Subsections (a) and (e) and adding Subsections (a-1), (a-2), and (e-2), as follows:

(a) Provides that in the state fiscal year ending August 31, 2016, rather than 2011, 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) (relating to appropriated funds to agencies and institutions of higher education), Article VII, Texas Constitution. Requires the comptroller of public accounts of the State of Texas (comptroller) to distribute funds allocated under this subsection only on presentation of a claim and issuance of a warrant in accordance with Section 403.071 (Claims and Available Money; Offense), Government Code. Prohibits an eligible institution from presenting a claim to be paid from any funds allocated under this subsection before the delivery of goods or services described in Section 17 (Colleges and Universities; Appropriations and Funding), 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 (Prepayment for Library Materials by Institution of Higher Education), Government Code. Provides that 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 (TSTC) System. Provides that the annual amounts allocated by the formula are as follows:

- (1) \$3,374,275, rather than \$3,559,433, to Midwestern State University;
- (2) to the following component institutions of UNT (UNT) System:
 - (A) \$25,041,370, rather than \$27,846,476, to UNT;
 - (B) \$11,394,570, rather than \$8,771,265, to the UNT Health Science Center at Fort Worth; and
 - (C) \$1,408,669 to UNT-Dallas, requiring that \$135,593 of which be used for the UNT-Dallas College of Law;
- (3) \$7,757,442, rather than \$8,425,937, to Stephen F. Austin State University;

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

- (A) \$9,401,255, rather than \$8,330,933, to Lamar University;
- (B) \$1,720,347, rather than \$2,332,463, to the Lamar Institute of Technology;
- (C) \$1,129,562, rather than \$1,235,752, to Lamar State College-Orange;
- (D) \$1,438,523, rather than \$1,244,694, to Lamar State College-Port Arthur;
- (E) \$11,553,239, rather than \$11,893,110, to Sam Houston State University;
- (F) \$24,775,170, rather than \$21,863,258, to Texas State University;
- (G) \$1,423,682, rather than \$1,625,061, to Sul Ross State University; and
- (H) \$273,825, rather than \$445,380, to Sul Ross State University-Rio Grande College (SRSU-Rio Grande College);

(5) \$7,773,229, rather than \$8,894,700, to Texas Southern University;

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

- (A) \$32,817,206, rather than \$23,936,088 to TTU;
- (B) \$15,581,597, rather than \$16,973,569, to TTU Health Sciences Center (TTUHSC);
- (C) \$3,546,735, rather than \$3,743,027, to Angelo State University; and
- (D) \$4,156,050 to TTU University Health Sciences Center-El Paso;

(7) \$9,897,706, rather than \$10,169,695 to Texas Woman's University;

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

- (A) \$35,180,036, rather than \$35,885,768, to UH;
- (B) \$2,850,574, rather than \$2,393,921, to UH-Victoria;
- (C) \$5,336,744, rather than \$5,214,167, to UH- Clear Lake; and
- (D) \$7,835,252, rather than \$7,435,238, to UH-Downtown;

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

- (A) \$7,424,229, rather than \$7,139,067, to TAMU-Corpus Christi;
- (B) \$4,473,273, rather than \$3,796,436, to TAMU International University;
- (C) \$5,977,371, rather than \$5,046,885, to TAMU-Kingsville;

(D) \$4,776,272, rather than \$4,652,995, to West Texas A&M University;

(E) \$7,190,875, rather than \$5,193,232, to TAMU-Commerce; and

(F) \$1,215,922, rather than \$1,307,907, to TAMU-Texarkana; and

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

(A) TSTC-Harlingen;

(B) TSTC-Marshall;

(C) TSTC-West Texas; and

(D) TSTC-Waco.

Deletes existing text allocating \$12,311,123 to The University of Texas-Pan American and \$5,057,420 to The University of Texas at Brownsville (UT-Brownsville). Makes conforming and nonsubstantive changes.

(a-1) Entitles an eligible institution, in each state fiscal year beginning with the state fiscal year ending August 31, 2017, 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. Requires the comptroller to 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. Prohibits an eligible institution from presenting 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. Provides that 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. Provides that 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 (UNT) System:

(A) \$37,562,056 to UNT;

(B) \$17,091,856 to UNT Health Science Center at Fort Worth; and

(C) \$2,113,004 to UNT-Dallas, \$203,390 of which must be used for UNT-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 (TSUS):

(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 (TTU) System:
- (A) \$49,225,809 to TTU;
 - (B) \$23,372,396 to TTU Health Sciences Center;
 - (C) \$5,320,102 to Angelo State University; and
 - (D) \$6,234,075 to TTU 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 (UH) System:
- (A) \$52,770,054 to (UH);
 - (B) \$4,275,861 to UH-Victoria;
 - (C) \$8,005,116 to UH-Clear Lake; and
 - (D) \$11,752,877 to UH-Downtown;
- (9) to the following component institutions of The Texas A&M University (TAMU) System:
- (A) \$11,136,344 to TAMU-Corpus Christi;
 - (B) \$6,709,910 to TAMU International University;
 - (C) \$8,966,056 to TAMU-Kingsville;
 - (D) \$7,164,408 to West Texas A&M University;
 - (E) \$10,786,313 to TAMU-Commerce; and
 - (F) \$1,823,883 to TAMU-Texarkana; and
- (10) \$8,662,500 to the Texas State Technical College System (TSTC) Administration and the following component campuses, but not its extension centers or programs:
- (A) TSTC-Harlingen;
 - (B) TSTC-Marshall;

(C) TSTC-West Texas; and

(D) TSTC-Waco.

(a-2) Provides that, notwithstanding Subsections (a) and (a-1), if Section 62.024 is not amended by the 84th Legislature, Regular Session, 2015, to increase the amount of the appropriation made under Section 17(a), Article VII, Texas Constitution, Subsection (a) of this section applies in each state fiscal year beginning with the state fiscal year ending August 31, 2016, and Subsection (a-1) of this section has no effect.

(e) Provides that, whereas UNT-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 Texas Higher Education Coordinating Board (THECB) to operate as a general academic teaching institution in April 2009, UNT-Dallas is entitled to participate in the funding provided by Section 17, Article VII, Texas Constitution, rather than participate in the funding provided by Section 17, Article VII, Texas Constitution as soon as UNT-Dallas operates as a general academic teaching institution. Provides that, whereas UNT-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 UNT-Dallas had been in operation as a general academic teaching institution for a period of five years, now operates as a professional school within UNT-Dallas as a result of the expiration of that period, the allocation to UNT-Dallas under this section includes an amount attributable to UNT-Dallas College of Law as part of the university.

(e-2) Provides that, whereas UT-Pan American and UT-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, UT-Pan American and UT-Brownsville are omitted from the allocation of funds under this section.

SECTION 2. Amends Section 62.024, Education Code, as follows:

Sec. 62.024. AMOUNT OF ALLOCATION INCREASED. Provides that in accordance with Section 17(a), Article VII, Texas Constitution, for each state fiscal year beginning with the state fiscal year ending August 31, 2017, rather than 2008, the amount of the annual constitutional appropriation under that subsection is increased to \$393.75 million, rather than \$262.5 million. Provides that, before the state fiscal year ending August 31, 2017, the amount of the annual constitutional appropriation under that subsection is \$262.5 million.

SECTION 3. Amends Section 62.027(c), Education Code, as follows:

(c) Provides that the increase provided by the amendment to Section 62.024 (Amount of Allocation Increased) enacted by the 84th Legislature, Regular Session, 2015, rather than the 79th Legislature, Regular Session, 2005, in the amount of the appropriation made under Section 17(a), Article VII, Texas Constitution, for each state fiscal year beginning with the state fiscal year ending August 31, 2017, rather than 2008, constitutes the increase in accordance with Section 17(a) that the legislature considers appropriate for the five-year period beginning September 1, 2015, rather than 2005.

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

(b) Provides that the amounts allocated under Section 62.021(a-1), Education Code, as added by this Act, apply to each state fiscal year beginning with the state fiscal year beginning September 1, 2016.

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

(b) Provides that 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.