

BILL ANALYSIS

Senate Research Center

C.S.S.B. 1581
By: Ogden
Finance
4/25/2011
Committee Report (Substituted)

AUTHOR'S / SPONSOR'S STATEMENT OF INTENT

C.S.S.B. 1581 amends current law relating to state fiscal matters related to public and 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

ARTICLE 1. REDUCTION OF EXPENDITURES AND IMPOSITION OF CHARGES GENERALLY

SECTION 1.01. Provides that this article applies to any state agency, school, institution of higher education, or other entity that receives an appropriation under Article III of the General Appropriations Act.

SECTION 1.02. Provides that, notwithstanding any other statute of this state, each entity to which this article applies is authorized to reduce or recover expenditures by:

- (1) consolidating any reports or publications the entity is required to make and filing or delivering any of those reports or publications exclusively by electronic means;
- (2) extending the effective period of any license, permit, or registration the entity grants or administers;
- (3) entering into a contract with another governmental entity or with a private vendor to carry out any of the entity's duties;
- (4) adopting additional eligibility requirements for persons who receive benefits under any law the entity administers to ensure that those benefits are received by the most deserving persons consistent with the purposes for which the benefits are provided;
- (5) providing that any communication between the entity and another person and any document required to be delivered to or by the entity, including any application, notice, billing statement, receipt, or certificate, may be made or delivered by e-mail or through the Internet; and
- (6) adopting and collecting fees or charges to cover any costs the entity incurs in performing its lawful functions.

ARTICLE 2. FISCAL MATTERS CONCERNING ADVANCED PLACEMENT

SECTION 2.01. Amends Section 28.053(h), Education Code, as follows:

- (h) Authorizes the commissioner of education (commissioner) to enter into agreements with the college board and the International Baccalaureate Organization to pay for all

examinations taken by eligible public school students. Provides that an eligible student is a student who:

(1) takes a college advanced placement or international baccalaureate course at a public school or who is recommended by the student's principal or teacher to take the test; and

(2) demonstrates financial need as determined in accordance with guidelines adopted by the State Board of Education that are consistent with the definition of financial need adopted by the college board or the International Baccalaureate Organization.

ARTICLE 3. FISCAL MATTERS CONCERNING EARLY HIGH SCHOOL GRADUATION

SECTION 3.01. Amends Subchapter K, Chapter 56, Education Code, by adding Section 56.2012, as follows:

Sec. 56.2012. EXPIRATION OF SUBCHAPTER; ELIGIBILITY CLOSED. (a) Provides that this subchapter expires September 1, 2017.

(b) Prohibits a person, notwithstanding Section 56.203 (Eligible Person), from receiving an award under this subchapter if the person graduates from high school on or after September 1, 2011.

SECTION 3.02. Amends Section 54.213(b), Education Code, as follows:

(b) Requires the Texas Education Agency (TEA) to accept and make available to provide tuition exemptions under Section 54.214 (Educational Aides) gifts, grants, and donations made to the agency for that purpose. Requires the commissioner to transfer those funds to the Texas Higher Education Coordinating Board (THECB) to distribute to institutions of higher education that provide exemptions under that section.

Deletes existing text requiring the savings to the foundation school fund that occur as a result of the Early High School Graduation Scholarship program created in Subchapter K (Early High School Graduation Scholarship Program), Chapter 56 (Student Financial Assistance), and that are not required for the funding of state credits for tuition and mandatory fees under Section 56.204 (Entitlement) or school district credits under Section 56.2075 (Payment of School District Credit) be used first to provide tuition exemptions under Section 54.212 (One-Year Exemption for Certain TANF Students). Requires that any of those savings remaining after providing tuition exemptions under Section 54.212 be used to provide tuition exemptions under Section 54.214. Deletes existing text requiring payment of funds under this subsection shall be made in the manner provided by Section 56.207 (Payment of State Credit) for state credits under Subchapter K, Chapter 56.

SECTION 3.03. Repealer: Section 56.210 (Notification by High Schools Regarding Program Requirements), Education Code.

ARTICLE 4. FISCAL MATTERS CONCERNING TUITION EXEMPTIONS

SECTION 4.01. Amends Section 54.214(c), Education Code, as follows:

(c) Requires a person, to be eligible for an exemption under this section, to:

(1) be a resident of this state;

(2) be a school employee serving in any capacity;

(3) for the initial term or semester for which the person receives an exemption under this section, have worked as an educational aide for at least one school year during the five years preceding that term or semester;

(4) establish financial need as determined by THECB rule;

(5) be enrolled at the institution of higher education granting the exemption in courses required for teacher certification in one or more subject areas determined by TEA to be experiencing a critical shortage of teachers at the public schools in this state, rather than be enrolled at the institution of higher education granting the exemption;

(6) maintain an acceptable grade point average as determined by THECB rule; and

(7) comply with any other requirements adopted by THECB under this section.

SECTION 4.02. Provides that the change in law made by this article applies beginning with tuition and fees charged for the 2011 fall semester.

ARTICLE 5. FISCAL MATTERS CONCERNING CERTAIN DISTRIBUTIONS TO INSTITUTIONS OF HIGHER EDUCATION

SECTION 5.01. Amends Subchapter A, Chapter 63, Education Code, by adding Section 63.0035, as follows:

Sec. 63.0035. LIQUIDATION OF INSTITUTION'S SHARE OF FUND. (a) Requires the comptroller of public accounts (comptroller), in consultation with the board of regents of The University of Texas System to establish procedures by which any institution entitled in a state fiscal year to receive a distribution from the permanent fund established under this subchapter may, in lieu of receiving the distribution owed to the institution for that year, request and receive a liquidation distribution of the institution's proportional share of the total value of the fund. Requires the board of regents to make the liquidation distribution in accordance with the procedures established under this section.

(b) Provides that, for purposes of making a liquidation distribution under this section:

(1) the institution's proportional share of the total value of the fund is the same as the institution's proportional share of the total amount of distributions from the fund made during the preceding state fiscal year; and

(2) the total value of the fund is determined at the close of business on the date on which the institution makes its request for a liquidation distribution.

(c) Requires that any expenses associated with the liquidation distribution be deducted from the amount of the liquidation distribution before payment is made to the institution.

(d) Provides that, notwithstanding Section 63.002(c) (authorizing the amount available for distribution from the fund to be appropriated only for programs that benefit medical research, health education, or treatment programs at certain health-related institutions of higher education), an institution that receives a liquidation distribution of the institution's proportional share of the fund is not entitled to any subsequent distributions from the fund.

(e) Authorizes an institution that receives a liquidation distribution under this section, notwithstanding the other provisions of this subchapter, to use those

funds for any lawful purpose of the institution. Requires the comptroller to establish procedures to ensure that a liquidation distribution to Baylor College of Medicine is used for public purposes consistent with a contract in effect under Section 61.092 (Contracts with Baylor College of Medicine).

ARTICLE 6. FISCAL MATTERS CONCERNING DUAL HIGH SCHOOL AND JUNIOR COLLEGE CREDIT

SECTION 6.01. Amends Section 130.008(c), Education Code, as follows:

(c) Requires that the contact hours attributable to the enrollment of a high school student in a course offered for joint high school and junior college credit under this section, excluding a course for which the student attending high school may receive course credit toward the physical education curriculum requirement under Section 28.002(a)(2)(C) (relating to physical education), be included in the contact hours used to determine the junior college's proportionate share of the state money appropriated and distributed to public junior colleges under Sections 130.003 (State Appropriations for Public Junior Colleges) and 130.0031 (Transfers: When Made), even if the junior college waives all or part of the tuition or fees for the student under Subsection (b) (requiring that money appropriated for payment to junior colleges be paid to each eligible category 1 junior college out of the public junior college reimbursement fund in a certain manner).

SECTION 6.02. Provides that this article applies beginning with funding for the 2011 fall semester.

ARTICLE 7. EFFECTIVE DATE

SECTION 7.01. Effective date: September 1, 2011.