

1-1 By: Frank, et al. (Senate Sponsor - Springer) H.B. No. 1522
1-2 (In the Senate - Received from the House April 19, 2021;
1-3 April 19, 2021, read first time and referred to Committee on Higher
1-4 Education; May 19, 2021, reported favorably by the following vote:
1-5 Yeas 9, Nays 0; May 19, 2021, sent to printer.)

1-6 COMMITTEE VOTE

	Yea	Nay	Absent	PNV
1-7				
1-8	X			
1-9	X			
1-10	X			
1-11	X			
1-12	X			
1-13	X			
1-14	X			
1-15	X			
1-16	X			

1-17 A BILL TO BE ENTITLED
1-18 AN ACT

1-19 relating to the transfer of Midwestern State University to the
1-20 Texas Tech University System, to certain fees charged by that
1-21 system's governing board, and to mandatory venue for actions
1-22 brought against that system or its institutions, officers, or
1-23 employees.

1-24 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

1-25 SECTION 1. AMENDMENT. Chapter 109, Education Code, is
1-26 amended by adding Subchapter E to read as follows:

1-27 SUBCHAPTER E. MIDWESTERN STATE UNIVERSITY

1-28 Sec. 109.201. ESTABLISHMENT; SCOPE. (a) Midwestern State
1-29 University is a general academic teaching institution located in
1-30 the city of Wichita Falls.

1-31 (b) The university is a component institution of the Texas
1-32 Tech University System and is under the management and control of
1-33 the board of regents of the Texas Tech University System. The board
1-34 of regents has the same powers and duties concerning Midwestern
1-35 State University as are conferred on the board by statute
1-36 concerning Texas Tech University.

1-37 Sec. 109.202. COURSES AND DEGREES; ADMINISTRATION. (a) The
1-38 university shall offer undergraduate-level and graduate-level
1-39 programs.

1-40 (b) The board of regents may approve degree programs,
1-41 subject to the approval of the Texas Higher Education Coordinating
1-42 Board, and adopt other rules necessary for the operation and
1-43 management of the university.

1-44 (c) The university is subject to the authority of the Texas
1-45 Higher Education Coordinating Board.

1-46 Sec. 109.203. UNIVERSITY OF FIRST RANK. The board of
1-47 regents shall build and operate the university as a public liberal
1-48 arts university of the first rank to offer the university's
1-49 students, consistent with the university's mission, preparation
1-50 for excellence in a variety of careers and exploration of a variety
1-51 of interests. The university shall be equipped as necessary to do
1-52 its work as well as comparable public institutions of higher
1-53 education in this state.

1-54 Sec. 109.204. UNIVERSITY MUSEUM. The Texas Higher
1-55 Education Coordinating Board shall include in the funding formula
1-56 applicable to the university funding for the operation and
1-57 maintenance of the museum acquired by the university in accordance
1-58 with former Section 103.11.

1-59 Sec. 109.205. GIFTS AND GRANTS. The board of regents may
1-60 solicit, accept, and administer gifts and grants for the use and
1-61 benefit of the university.

2-1 SECTION 2. TRANSFER OF GOVERNANCE OF UNIVERSITY; ABOLITION
2-2 OF BOARD OF REGENTS. The governance, control, management, and
2-3 property of Midwestern State University are transferred from the
2-4 board of regents of Midwestern State University to the board of
2-5 regents of the Texas Tech University System. The transfer is
2-6 governed by Sections 3 through 8 of this Act. Following the
2-7 transfer, the board of regents of Midwestern State University is
2-8 abolished.

2-9 SECTION 3. POWERS AND DUTIES; RULES AND POLICIES. (a) When
2-10 the transfer takes effect, the board of regents of the Texas Tech
2-11 University System shall govern, operate, manage, and control
2-12 Midwestern State University and all land, buildings, facilities,
2-13 improvements, equipment, supplies, and property belonging to and
2-14 constituting Midwestern State University under the powers and
2-15 duties conferred by law on the board of regents.

2-16 (b) Midwestern State University may continue to award
2-17 degrees in the same disciplines and of the same academic standing
2-18 after the transfer authorized by this Act as those in which degrees
2-19 were awarded by the university before this Act, subject to the
2-20 authority of the Texas Higher Education Coordinating Board
2-21 regarding existing degree programs.

2-22 (c) Rules and policies adopted by the board of regents of
2-23 Midwestern State University to govern the university that are in
2-24 effect when the transfer takes effect are continued in effect until
2-25 adopted, repealed, or superseded by the board of regents of the
2-26 Texas Tech University System. The board of regents of the Texas
2-27 Tech University System may adopt rules and policies applicable to
2-28 the university in anticipation of the transfer authorized by this
2-29 Act.

2-30 SECTION 4. CONTRACTS AND WRITTEN OBLIGATIONS, INCLUDING
2-31 BONDS. Contracts and written obligations of every kind and
2-32 character entered into by the board of regents of Midwestern State
2-33 University or the Texas Public Finance Authority for and on behalf
2-34 of Midwestern State University, including bonds, are considered
2-35 ratified, confirmed, and validated by the board of regents of the
2-36 Texas Tech University System on the effective date of the transfer.
2-37 In those contracts and written obligations, the board of regents of
2-38 the Texas Tech University System is substituted for and stands and
2-39 acts in the place of the board of regents of Midwestern State
2-40 University or the Texas Public Finance Authority, as applicable, to
2-41 the extent permitted by law.

2-42 SECTION 5. TUITION AND FEES. The tuition and fees
2-43 authorized by the board of regents of Midwestern State University
2-44 before the transfer of governance under this Act remain in effect
2-45 until the board of regents of the Texas Tech University System
2-46 authorizes a different amount of tuition and fees for the
2-47 university as provided by law.

2-48 SECTION 6. EFFECT OF TRANSFER ON STUDENTS AND EMPLOYEES.
2-49 (a) The transfer of the governance of Midwestern State University
2-50 under this Act does not affect the status of any student of the
2-51 university enrolled at the university when the transfer takes
2-52 effect.

2-53 (b) The transfer of the governance of Midwestern State
2-54 University under this Act does not affect the employment status or
2-55 accrued benefits of any person employed by the university when the
2-56 transfer takes effect.

2-57 SECTION 7. CURRENT FUNDING. All funds that, on the
2-58 effective date of the transfer, have been appropriated or dedicated
2-59 to or are held for the use and benefit of Midwestern State
2-60 University under the governance of the board of regents of the
2-61 university are transferred to the board of regents of the Texas Tech
2-62 University System for the use and benefit of the university. Other
2-63 funds held for the use and benefit of Midwestern State University
2-64 shall continue to be available for the use and benefit of the
2-65 university notwithstanding the change in governance made by this
2-66 Act.

2-67 SECTION 8. LEGISLATIVE INTENT; ROLE OF COORDINATING BOARD.
2-68 It is the intent of the legislature that the transfer of the
2-69 governance of Midwestern State University from the board of regents

3-1 of the university to the board of regents of the Texas Tech
 3-2 University System be made without disrupting the students, faculty,
 3-3 staff, or programs of the university. If those boards of regents
 3-4 are unable to agree as to any matter relating to the transfer, the
 3-5 Texas Higher Education Coordinating Board on application of either
 3-6 board of regents shall resolve the disagreement consistent with the
 3-7 intent of this section and the provisions of this Act as the
 3-8 coordinating board determines is in the best interest of this state
 3-9 and the institutions under the governance of the boards of regents.
 3-10 The coordinating board may issue any orders or take any other action
 3-11 the coordinating board considers appropriate to enforce this
 3-12 section or to facilitate the transfer consistent with this Act and
 3-13 the intent of the legislature.

3-14 SECTION 9. AMENDMENT. Section 54.508(a), Education Code,
 3-15 is amended to read as follows:

3-16 (a) The board of regents of the Texas Tech University System
 3-17 may charge each student registered at a component institution of
 3-18 the Texas Tech University System a medical services fee not to
 3-19 exceed \$100 for each semester or ~~[of the regular]~~ term ~~[or 12-week~~
 3-20 ~~summer session and not to exceed \$50 for each six-week or shorter~~
 3-21 ~~term of the summer session]~~.

3-22 SECTION 10. AMENDMENT. Section 54.509, Education Code, is
 3-23 amended by amending Subsections (a) and (b) and adding Subsections
 3-24 (a-1) and (e) to read as follows:

3-25 (a) Except as provided by Subsection (a-1) and if ~~[if]~~
 3-26 approved by student vote, the board of regents of the Texas Tech
 3-27 University System may charge each student enrolled at a component
 3-28 institution of the Texas Tech University System a recreation fee
 3-29 not to exceed \$100 per semester or \$50 per six-week summer term to
 3-30 be used to purchase equipment for and to finance, construct,
 3-31 operate, renovate, and maintain the student recreation facilities
 3-32 and programs at the institution.

3-33 (a-1) The amount of a fee charged under Subsection (a) to
 3-34 students enrolled at Midwestern State University may not exceed
 3-35 \$130 per semester or summer term of longer than six weeks or \$65 per
 3-36 summer term of six weeks or less.

3-37 (b) The fee may not be increased by more than 10 percent from
 3-38 one academic year to the next unless the increase is approved by:

3-39 (1) a majority of students voting on the issue in a
 3-40 general student election called for that purpose; or

3-41 (2) a majority vote of the student government at the
 3-42 institution.

3-43 (e) The board of regents may pledge the fees imposed under
 3-44 this section to pay obligations issued for authorized purposes
 3-45 pursuant to the revenue financing system of the Texas Tech
 3-46 University System.

3-47 SECTION 11. AMENDMENT. Section 55.13(c), Education Code,
 3-48 is amended to read as follows:

3-49 (c) Notwithstanding any other provision of this section,
 3-50 with respect to all bonds authorized to be issued by ~~[Midwestern~~
 3-51 ~~State University or]~~ Texas Southern University, the Texas Public
 3-52 Finance Authority shall exercise the authority of a board to issue
 3-53 bonds on behalf of that university ~~[those institutions]~~, in the
 3-54 manner provided by this subchapter, including the authority to
 3-55 issue refunding bonds under Section 55.19. In connection with the
 3-56 issuance of bonds under this chapter, the Texas Public Finance
 3-57 Authority has all the rights and duties granted or assigned to and
 3-58 is subject to the same conditions as a board under this chapter.

3-59 SECTION 12. AMENDMENT. Subchapter B, Chapter 55, Education
 3-60 Code, is amended by adding Section 55.17893 to read as follows:

3-61 Sec. 55.17893. MIDWESTERN STATE UNIVERSITY. (a) In
 3-62 addition to the other authority granted by this subchapter, the
 3-63 board of regents of the Texas Tech University System may issue bonds
 3-64 in accordance with this subchapter and in accordance with a
 3-65 systemwide revenue financing program adopted by the board in the
 3-66 aggregate principal amounts not to exceed the amounts previously
 3-67 authorized for Midwestern State University by Sections 55.1727,
 3-68 55.1737, 55.1757, and 55.1787, as those sections existed
 3-69 immediately before this section took effect, less any portion of

4-1 those amounts for which bonds were issued under those sections for
 4-2 the university before the date this section took effect. Subject to
 4-3 Subsection (d), bonds issued under this section for an amount
 4-4 previously authorized by Section 55.1727, 55.1737, 55.1757, or
 4-5 55.1787 may be used only at Midwestern State University for the
 4-6 purposes for which the bonds were authorized to be issued for the
 4-7 university under Section 55.1727, 55.1737, 55.1757, or 55.1787, as
 4-8 applicable.

4-9 (b) The board of regents of the Texas Tech University System
 4-10 may pledge irrevocably to the payment of those bonds all or any part
 4-11 of the revenue funds of an institution, branch, or entity of the
 4-12 Texas Tech University System. The amount of a pledge made under
 4-13 this subsection may not be reduced or abrogated while the bonds for
 4-14 which the pledge is made, or bonds issued to refund those bonds, are
 4-15 outstanding.

4-16 (c) If sufficient funds are not available to the board of
 4-17 regents of the Texas Tech University System to meet its obligations
 4-18 under this section, the board may transfer funds among
 4-19 institutions, branches, and entities of the Texas Tech University
 4-20 System to ensure the most equitable and efficient allocation of
 4-21 available resources for each institution, branch, or entity to
 4-22 carry out its duties and purposes.

4-23 (d) Any portion of the proceeds of bonds authorized by this
 4-24 section for one or more specified projects that is not required for
 4-25 the specified projects may be used to renovate existing structures
 4-26 and facilities at the university.

4-27 (e) The board of regents of the Texas Tech University System
 4-28 may issue refunding bonds under Chapter 1207, Government Code, to
 4-29 refund all or any part of the outstanding bonds, notes, or other
 4-30 general or special obligations issued by or for the benefit of
 4-31 Midwestern State University, including obligations previously
 4-32 issued by the Texas Public Finance Authority. For purposes of
 4-33 Chapter 1207, Government Code, and in connection with the issuance
 4-34 of any refunding bonds under that chapter, the board of regents of
 4-35 the Texas Tech University System shall be considered the issuer of
 4-36 the outstanding bonds, notes, or obligations of Midwestern State
 4-37 University which are being refunded.

4-38 SECTION 13. AMENDMENT. Section 62.021(a), Education Code,
 4-39 is amended to read as follows:

4-40 (a) In each state fiscal year beginning with the state
 4-41 fiscal year ending August 31, 2021, an eligible institution is
 4-42 entitled to receive an amount allocated in accordance with this
 4-43 section from the funds appropriated for that year by Section 17(a),
 4-44 Article VII, Texas Constitution. The comptroller shall distribute
 4-45 funds allocated under this subsection only on presentation of a
 4-46 claim and issuance of a warrant in accordance with Section 403.071,
 4-47 Government Code. An eligible institution may not present a claim to
 4-48 be paid from any funds allocated under this subsection before the
 4-49 delivery of goods or services described in Section 17, Article VII,
 4-50 Texas Constitution, except for the payment of principal or interest
 4-51 on bonds or notes or for a payment for a book or other published
 4-52 library material as authorized by Section 2155.386, Government
 4-53 Code. The allocation of funds under this subsection is made in
 4-54 accordance with an equitable formula consisting of the following
 4-55 elements: space deficit, facilities condition, institutional
 4-56 complexity, and a separate allocation for the Texas State Technical
 4-57 College System. The annual amounts allocated by the formula are as
 4-58 follows:

4-59 (1) [~~\$4,933,200 to Midwestern State University,~~
 4-60 [~~2~~]] to the following component institutions of the
 4-61 University of North Texas System:

4-62 (A) \$37,346,563 to the University of North Texas;
 4-63 (B) \$15,125,502 to the University of North Texas
 4-64 Health Science Center at Fort Worth; and
 4-65 (C) \$3,354,441 to the University of North Texas
 4-66 at Dallas;

4-67 (2) [~~3~~] \$11,277,793 to Stephen F. Austin State
 4-68 University;

4-69 (3) [~~4~~] to the following component institutions of

- 5-1 the Texas State University System:
- 5-2 (A) \$13,141,181 to Lamar University;
- 5-3 (B) \$2,553,130 to the Lamar Institute of
- 5-4 Technology;
- 5-5 (C) \$1,488,396 to Lamar State College--Orange;
- 5-6 (D) \$2,217,102 to Lamar State College--Port
- 5-7 Arthur;
- 5-8 (E) \$18,236,811 to Sam Houston State University;
- 5-9 (F) \$37,606,478 to Texas State University;
- 5-10 (G) \$2,151,723 to Sul Ross State University; and
- 5-11 (H) \$472,890 to Sul Ross State University--Rio
- 5-12 Grande College;
- 5-13 (4) [~~5~~] \$11,719,335 to Texas Southern University;
- 5-14 (5) [~~6~~] to the following component institutions of
- 5-15 the Texas Tech University System:
- 5-16 (A) \$49,874,746 to Texas Tech University;
- 5-17 (B) \$21,652,392 to Texas Tech University Health
- 5-18 Sciences Center;
- 5-19 (C) \$6,792,999 to Angelo State University; [~~and~~]
- 5-20 (D) \$5,557,572 to Texas Tech University Health
- 5-21 Sciences Center--El Paso; and
- 5-22 (E) \$4,933,200 to Midwestern State University;
- 5-23 (6) [~~7~~] \$14,554,133 to Texas Woman's University;
- 5-24 (7) [~~8~~] to the following component institutions of
- 5-25 the University of Houston System:
- 5-26 (A) \$54,514,004 to the University of Houston;
- 5-27 (B) \$3,542,817 to the University of
- 5-28 Houston--Victoria;
- 5-29 (C) \$7,726,043 to the University of
- 5-30 Houston--Clear Lake; and
- 5-31 (D) \$10,828,344 to the University of
- 5-32 Houston--Downtown;
- 5-33 (8) [~~9~~] to the following component institutions of
- 5-34 The Texas A&M University System:
- 5-35 (A) \$11,478,824 to Texas A&M University--Corpus
- 5-36 Christi;
- 5-37 (B) \$7,462,394 to Texas A&M International
- 5-38 University;
- 5-39 (C) \$8,858,060 to Texas A&M
- 5-40 University--Kingsville;
- 5-41 (D) \$7,446,495 to West Texas A&M University;
- 5-42 (E) \$11,123,859 to Texas A&M
- 5-43 University--Commerce; and
- 5-44 (F) \$2,050,273 to Texas A&M
- 5-45 University--Texarkana; and
- 5-46 (9) [~~10~~] \$8,662,500 to the Texas State Technical
- 5-47 College System Administration and the following component
- 5-48 campuses, but not its extension centers or programs:
- 5-49 (A) Texas State Technical College--Harlingen;
- 5-50 (B) Texas State Technical College--Marshall;
- 5-51 (C) Texas State Technical College--West Texas;
- 5-52 (D) Texas State Technical College--Waco;
- 5-53 (E) Texas State Technical College--Fort Bend;
- 5-54 and
- 5-55 (F) Texas State Technical College--North Texas.

5-56 SECTION 14. AMENDMENT. Subchapter A, Chapter 109,

5-57 Education Code, is amended by adding Section 109.005 to read as

5-58 follows:

5-59 Sec. 109.005. MANDATORY VENUE. (a) Venue for a suit filed

5-60 against the board or a member of the board in the member's official

5-61 capacity is in Lubbock County.

5-62 (b) Venue for a suit filed against the Texas Tech University

5-63 System, any component of the Texas Tech University System, or any

5-64 officer or employee of the Texas Tech University System or of any

5-65 component of the Texas Tech University System is in the county in

5-66 which the primary office of the chief executive officer of the

5-67 system or component, as applicable, is located.

5-68 (c) This section does not waive any defense to or immunity

5-69 from suit or liability that may be asserted by an entity or

6-1 individual described by this section.

6-2 (d) In case of a conflict between this section and any other
6-3 law, this section controls.

6-4 SECTION 15. AMENDMENT. Section 1232.101(a), Government
6-5 Code, is amended to read as follows:

6-6 (a) With respect to all bonds authorized to be issued by or
6-7 on behalf of the Texas Military Department, Parks and Wildlife
6-8 Department, Texas Agricultural Finance Authority, Texas Low-Level
6-9 Radioactive Waste Disposal Authority, [~~Midwestern State~~
6-10 ~~University,~~] and Texas Southern University, the authority has the
6-11 exclusive authority to act on behalf of those entities in issuing
6-12 bonds on their behalf. In connection with those issuances and with
6-13 the issuance of refunding bonds on behalf of those entities, the
6-14 authority is subject to all rights, duties, and conditions
6-15 surrounding issuance previously applicable to the issuing entity
6-16 under the statute authorizing the issuance. A reference in an
6-17 authorizing statute to the entity on whose behalf the bonds are
6-18 being issued applies equally to the authority in its capacity as
6-19 issuer on behalf of the entity.

6-20 SECTION 16. AMENDMENT. Section 501.022, Labor Code, is
6-21 amended by amending Subsection (a) and adding Subsection (g) to
6-22 read as follows:

6-23 (a) An eligible employee of Texas Tech University, Texas
6-24 Tech University Health Sciences Center, Angelo State University,
6-25 Texas Tech University System Administration, Texas Tech University
6-26 Health Sciences Center at El Paso, Midwestern State University, or
6-27 another agency under the direction and control of the board of
6-28 regents of the Texas Tech University System is entitled to
6-29 participate in the workers' compensation program for state
6-30 employees provided under this chapter.

6-31 (g) For purposes of this chapter, Midwestern State
6-32 University is a state agency and shall act in the capacity of
6-33 employer.

6-34 SECTION 17. TRANSITION. Section 109.005, Education Code,
6-35 as added by this Act, applies only to an action brought against the
6-36 board of regents of the Texas Tech University System or a member of
6-37 that board in the member's official capacity, the Texas Tech
6-38 University System, a component institution of that system, or an
6-39 officer or employee of that system or of a component institution of
6-40 that system on or after the effective date of this Act.

6-41 SECTION 18. REPEALER. The following provisions of the
6-42 Education Code are repealed:

- 6-43 (1) Section 54.241(h);
- 6-44 (2) Sections 54.5082, 54.518, 54.5441, 54.5442,
6-45 55.1727, 55.1737, 55.1757, and 55.1787; and
- 6-46 (3) Chapter 103.

6-47 SECTION 19. EFFECTIVE DATE. This Act takes effect
6-48 September 1, 2021.

6-49 * * * * *