

Amend CSSB 1652 by adding the following appropriately numbered ARTICLE and renumbering the other ARTICLES accordingly:

ARTICLE _____. STUDY OF ORGANIZATION, OPERATIONS, AND FUNDING OF
HIGHER EDUCATION

SECTION _____.01. The legislature finds that:

(1) it is vital to the economy of this state that all areas of the state have access to quality higher education;

(2) it is in the interest of all residents of this state that an efficient and sufficiently funded higher education infrastructure exist that affords residents opportunities to become educated and productive members of the state's economy; and

(3) the Texas Higher Education Coordinating Board's report on closing the gaps provides an appropriate starting point for constructing a plan for meeting the state's current and future higher education needs.

SECTION _____.02. (a) An interim committee is established to study the organization, operations, and funding of higher education. The interim committee is composed of:

(1) eight members of the house of representatives appointed by the speaker of the house;

(2) six members of the senate appointed by the lieutenant governor; and

(3) four public members appointed by the governor.

(b) The membership of the committee must be representative of all geographic areas of the state.

(c) The committee shall be co-chaired by the chairs of the standing committee of each house of the legislature with primary jurisdiction over higher education.

(d) The committee shall:

(1) study the structure and organization of higher education in this state, including the administration and operations of public and independent institutions of higher education; and

(2) study the equity and adequacy of higher education funding and its relationship to the purposes of higher education, including providing opportunities to students to achieve their educational goals, furthering knowledge through research, and

providing direct services as local, regional, and state engines of economic development.

(e) In its review, the committee shall examine the effects of student and community characteristics on the costs of higher education, including the income and education levels of the families of students, unemployment rates, population growth, and other uncontrollable factors.

(f) In its review, the committee shall identify the number and types of classified and unclassified positions in the administration of each university system and examine each major function, service, or activity performed by university system offices, including:

- (1) central administration;
- (2) academic affairs coordination and support;
- (3) general counsel and other legal services;
- (4) budgeting, accounting, and data reporting;
- (5) fiscal management;
- (6) facilities planning and construction;
- (7) governmental relations;
- (8) audit services;
- (9) real estate management;
- (10) information technology services; and
- (11) aircraft operation and usage.

(g) In its recommendations, the committee shall identify opportunities for legislative and administrative action relating to:

(1) changes in the organization and operations of institutions of higher education that will improve opportunities for residents of all areas of the state to enroll in and complete programs of higher education;

(2) changes in the funding of institutions of higher education and university systems to maximize the state's limited resources to meet the higher education needs of the state, including incentives for sharing arrangements to improve productivity;

(3) accountability measures and performance incentives for institutions of higher education and university systems that

are aligned with the purposes of higher education and that are sensitive to mission differentiation among institutions of higher education;

(4) the consolidation or reorganization of university system office functions and services, including the consolidation or reorganization of university systems to promote efficiency and productivity; and

(5) potential reductions in personnel and other cost savings associated with the committee's recommendations.

(h) The committee's recommendations under Subsection (g) must include a plan for deregulating seminaries and similar institutions offering exclusively religious education or training. The plan must permit those institutions to confer or offer to confer religious degrees without accreditation and may include disclosure requirements and other appropriate safeguards to address potential fraud or deception. The requirements or safeguards may not authorize the state or a political subdivision of the state to assert regulatory authority over religious degree programs offered by those institutions.

(i) Not later than November 1, 2004, the committee shall prepare a report describing its findings and recommendations and deliver the report to the governor, lieutenant governor, speaker of the house of representatives, Legislative Budget Board, and members of the standing committee of each house of the legislature with primary jurisdiction over higher education.

(j) The committee is abolished and this section expires September 1, 2005.