

By: Hamric, Mercer

H.B. No. 1824

A BILL TO BE ENTITLED

AN ACT

1
2 relating to adjusting formula funding for certain institutions of
3 higher education to account for differences between estimated and
4 actual receipts of educational and general funds.

5 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

6 SECTION 1. Section 61.059(c), Education Code, is amended to
7 read as follows:

8 (c) Formulas for basic funding shall reflect the role and
9 mission of each institution, shall emphasize funding elements that
10 directly support faculty, ~~and~~ shall reflect both fixed and
11 variable elements of cost, and shall include an appropriate
12 positive or negative adjustment of the estimated amount of
13 educational and general funds to be received by an institution for
14 the biennium for which the formulas are established, to account for
15 the institution's reconciliation of those funds for the preceding
16 biennium as computed and reported under Section 61.065. The board
17 may not adjust the estimated amount of educational and general
18 funds to be received by an institution to the extent that any
19 discrepancy in the institution's reconciliation results from
20 unanticipated enrollment growth.

21 SECTION 2. Section 61.065, Education Code, is amended by
22 adding Subsections (c), (d), and (e) to read as follows:

23 (c) The board shall adopt a uniform system of financial
24 accounting of all educational and general funds received by an

1 institution of higher education, including tuition, laboratory
2 fees, student teaching fees, organized activity fees, proceeds from
3 the sale of educational and general equipment, and indirect cost
4 recovery fees received by an institution. The system must require
5 each institution to reconcile the estimated amount of educational
6 and general funds used to determine state appropriations for the
7 institution for the most recently completed state fiscal biennium
8 to the actual amount of educational and general funds that the
9 institution received during that biennium.

10 (d) Each institution shall report its reconciliation under
11 Subsection (c) to the board, the comptroller, and the Legislative
12 Budget Board at the time required by the board.

13 (e) Subsections (c) and (d) do not apply to a medical and
14 dental unit.

15 SECTION 3. This Act takes effect immediately if it receives
16 a vote of two-thirds of all the members elected to each house, as
17 provided by Section 39, Article III, Texas Constitution. If this
18 Act does not receive the vote necessary for immediate effect, this
19 Act takes effect September 1, 2003.