

By: Hamric

H.B. No. 1824

A BILL TO BE ENTITLED

AN ACT

1
2 relating to adjusting formula funding for institutions of higher
3 education to account for differences between estimated and actual
4 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 a positive or negative
12 adjustment, as appropriate, of the estimated amount of educational
13 and general funds to be received by an institution for the biennium
14 for which the formulas are established, to account for the
15 institution's reconciliation of those funds for the preceding
16 biennium as computed and reported under Section 61.065.

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

19 (c) The board shall adopt a uniform system of financial
20 accounting of all educational and general funds received by an
21 institution of higher education, including tuition, laboratory
22 fees, student teaching fees, organized activity fees, proceeds from
23 the sale of educational and general equipment, and indirect cost
24 recovery fees received by an institution. The system must require

1 each institution to reconcile the estimated amount of educational
2 and general funds used to determine state appropriations for the
3 institution for the most recently completed state fiscal biennium
4 to the actual amount of educational and general funds that the
5 institution received during that biennium.

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

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