

By: Bailey

H.B. No. 2645

A BILL TO BE ENTITLED

1 AN ACT

2 relating to the compensation of administrators in public
3 institutions of higher education and university systems.

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

5 SECTION 1. Subchapter Z, Chapter 51, Education Code, is
6 amended by adding Sections 51.969, 51.970, 51.971, and 51.972 to
7 read as follows:

8 Sec. 51.969. COMPENSATION OF ADMINISTRATORS IN
9 INSTITUTIONS OF HIGHER EDUCATION AND UNIVERSITY SYSTEMS. (a) In
10 this section:

11 (1) "Administrator" has the meaning assigned by
12 Section 51.948(g).

13 (2) "Faculty member" has the meaning assigned by
14 Section 51.960.

15 (3) "Governing board," "institution of higher
16 education," and "university system" have the meanings assigned by
17 Section 61.003.

18 (b) To ensure that the administration of institutions of
19 higher education and university systems is conducted in a
20 cost-efficient manner, not later than December 1 of each fiscal
21 year each institution of higher education and each university
22 system office shall submit to the Legislative Budget Board in a form
23 prescribed by the board a report including:

24 (1) the total number of persons holding a high-ranking

1 administrative position at the institution or system office,
2 including:

- 3 (A) chancellor;
- 4 (B) vice-chancellor;
- 5 (C) associate chancellor;
- 6 (D) president;
- 7 (E) vice president;
- 8 (F) associate vice president;
- 9 (G) assistant vice president;
- 10 (H) dean;
- 11 (I) associate dean;
- 12 (J) assistant dean; and
- 13 (K) any administrative position the job
14 responsibilities of which are similar in nature to another position
15 listed in this subdivision;

16 (2) the name, salary, and total value of nonsalary
17 benefits for each person holding a position listed in Subdivision
18 (1); and

19 (3) the percentage salary increase for each person
20 named under Subdivision (2) who occupies the same position during
21 the current fiscal year as during the preceding fiscal year.

22 (c) Each institution of higher education shall provide to
23 the Legislative Budget Board, at the same time and in the same form
24 as the report required under Subsection (b), comparable salary
25 information for the institution's faculty members.

26 (d) Using the information provided in the reports required
27 under Subsections (b) and (c), the Legislative Budget Board shall

1 determine the average salary increase in the fiscal year for all
2 high-ranking administrators and for all faculty members at each
3 institution of higher education and each university system office.
4 The average salary increase, as determined by the Legislative
5 Budget Board, for all high-ranking administrators employed by an
6 institution of higher education that is not a component of a
7 university system may not exceed in any fiscal year the average
8 salary increase for all faculty members employed by that
9 institution as determined by the board. For a university system,
10 the average salary increase for all high-ranking administrators
11 employed within the system may not exceed for any fiscal year the
12 average salary increase for all faculty members employed by the
13 component institutions of the system.

14 (e) If the Legislative Budget Board determines under
15 Subsection (d) that the average salary increase for high-ranking
16 administrators employed by an institution of higher education or
17 within a university system in any fiscal year exceeds the average
18 salary increase for faculty, the governing board of the institution
19 or system shall take appropriate steps the following fiscal year to
20 correct the disparity.

21 (f) Not later than the seventh day after the date an
22 institution of higher education has submitted to the Legislative
23 Budget Board the report required by Subsection (b), the institution
24 shall submit a copy of the report to the faculty senate or other
25 comparable body and shall make a copy of the report available to the
26 public in the main library of the institution.

27 Sec. 51.970. PEER INSTITUTIONS. For purposes of Sections

1 51.971 and 51.972, the Texas Higher Education Coordinating Board
2 shall identify:

3 (1) a set of peer institutions for each institution of
4 higher education; and

5 (2) a set of comparable systems for each university
6 system.

7 Sec. 51.971. PRESIDENT'S SALARY. (a) An institution of
8 higher education in any state fiscal year may not pay its president
9 a salary that exceeds by more than three percent the average salary
10 for presidents of the institution's peer institutions. If the
11 salary of the president of an institution of higher education in any
12 year exceeds by more than three percent the average salary of
13 presidents at the institution's peer institutions, that
14 institution is prohibited from increasing its president's salary
15 until the time that the salary no longer exceeds the average
16 president's salary at peer institutions by more than three percent
17 as described by this subsection.

18 (b) An institution of higher education may not hire a new
19 president at a salary that exceeds by more than three percent the
20 average salary for presidents at the institution's peer
21 institutions.

22 (c) The governing board of an institution of higher
23 education may not circumvent the requirements of this section by
24 providing additional nonsalary benefits to the institution's
25 president. The governing board may provide the president, in
26 addition to a salary in the amount authorized by this section, a
27 house, utilities, and a supplement from institutional funds. If a

1 house owned by the institution is not available, the governing
2 board may provide in addition to the salary an amount not to exceed
3 \$7,200 per year from appropriated funds and additional amounts from
4 institutional funds as needed instead of a house and utilities.

5 Sec. 51.972. CHANCELLOR'S SALARY. (a) A university system
6 in any state fiscal year may not pay its chancellor a salary that
7 exceeds by more than three percent the average salary for
8 chancellors of comparable university systems. If the salary of the
9 chancellor of a university system in any year exceeds by more than
10 three percent the average salary of chancellors of comparable
11 university systems, that system is prohibited from increasing its
12 chancellor's salary until the time that the salary no longer
13 exceeds the average chancellor's salary at comparable university
14 systems by more than three percent as described by this subsection.

15 (b) A university system may not hire a new chancellor at a
16 salary that exceeds by more than three percent the average salary
17 for chancellors of comparable university systems.

18 (c) The governing board of a university system may not
19 circumvent the requirements of this section by providing additional
20 nonsalary benefits to the system's chancellor. The governing board
21 may provide the chancellor, in addition to a salary in an amount
22 authorized by this section, a house, utilities, and a supplement
23 from institutional funds. If a house owned by the system is not
24 available, the governing board may provide in addition to the
25 salary an amount not to exceed \$7,200 per year from appropriated
26 funds and additional amounts from institutional funds as needed
27 instead of a house and utilities.

1 SECTION 2. (a) Not later than December 1, 2003, each public
2 institution of higher education and university system in the state
3 shall report to the Legislative Budget Board the information
4 required by Section 51.969, Education Code, as added by this Act.

5 (b) The Texas Higher Education Coordinating Board shall
6 complete its compilation of peer institutions and comparable
7 university systems as required by Section 51.970, Education Code,
8 as added by this Act, not later than August 1, 2003. If the
9 coordinating board does not complete the required compilation by
10 that date, the salary increase for the president or chancellor of a
11 public institution of higher education or university system may not
12 exceed three percent of the president's or chancellor's salary, as
13 appropriate, in fiscal year 2003.

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