

By: Morrison

H.B. No. 2862

A BILL TO BE ENTITLED

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AN ACT

relating to institutions of higher education, including the administration, operation, governance, and financing of those institutions.

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

ARTICLE 1. ACADEMIC MATTERS

SECTION 1.01. The heading to Section 51.306, Education Code, is amended to read as follows:

Sec. 51.306. HIGHER EDUCATION REMEDIAL [~~TEXAS ACADEMIC SKILLS~~] PROGRAM.

SECTION 1.02. Sections 51.306(b)-(g), (j)-(n), (s), (u), and (w), Education Code, are amended to read as follows:

(b) Each undergraduate student who enters a public institution of higher education must be tested for reading, writing, and mathematics skills prior to enrolling in any coursework. The board shall prescribe circumstances under which a student who has not been tested may enroll in coursework. A student who is permitted to enroll without taking a the test under Subsection (c) [~~prescribed by the board~~] must take a the test under Subsection (c) not later than the end of the first semester of enrollment.

(c) For purposes of Subsection (b), the institution shall administer a test consisting of:

- (1) use the English language arts and mathematics

1 exit-level assessment instruments required under Section
2 39.023(c); or

3 (2) other comparable assessment instruments for the
4 skill areas described by Subsection (b), including college advanced
5 placement tests or international baccalaureate examinations [Texas
6 Academic Skills Program Test instrument prescribed by the board.
7 ~~However, the board may prescribe an alternative test instrument for~~
8 ~~an institution to use to test a student. Each alternative test~~
9 ~~instrument prescribed shall be correlated with the Texas Academic~~
10 ~~Skills Program Test. Each test instrument adopted by the board must~~
11 ~~be of a diagnostic nature and be designed to provide a comparison of~~
12 ~~the skill level of the individual student with the skill level~~
13 ~~necessary for a student to perform effectively in an undergraduate~~
14 ~~degree program. In developing the Texas Academic Skills Program~~
15 ~~Test, the board shall consider the recommendations of faculty from~~
16 ~~various institutions of higher education].~~

17 (d) An institution may not use performance on a [the] test
18 administered under Subsection (c) as a condition of admission into
19 the institution.

20 (e) The board shall prescribe minimum performance standards
21 for each assessment [test] instrument described by Subsection (c).
22 A student whose performance is below the standard for tested skill
23 must participate in a developmental program. An institution may
24 require higher performance standards.

25 (f) If the test results indicate that developmental
26 education is necessary in any area tested, the institution shall
27 refer the student to developmental courses or other developmental

1 programs made available by the institution. Each institution shall
2 make available those courses and programs on the same campus at
3 which the student would otherwise attend classes. The courses or
4 programs may not be considered as credit toward completion of
5 degree requirements. On completion of the developmental coursework
6 or program, the student shall take that portion of a test described
7 by Subsection (c) [the Texas Academic Skills Program Test] for
8 which developmental education was required.

9 (g) A student may not enroll in any upper division course
10 completion of which would give the student 60 or more semester
11 credit hours or the equivalent until the student's test [~~Texas~~
12 ~~Academic Skills Program Test~~] results meet or exceed the minimum
13 standards in each skill area for which developmental education was
14 required or the student has earned a grade of "B" or better in a
15 freshman-level credit course in the subject matter of the assessed
16 deficit. For that purpose, the board shall establish a list of
17 freshman-level credit courses for each skill area tested under
18 Subsection (c) [of the test instrument]. The board shall establish
19 other assessment procedures to be used by institutions to allow a
20 student to enroll in upper division courses in cases where student
21 test results do not meet minimum standards.

22 (j) The unit costs of each assessment instrument
23 administered under Subsection (c) [test] shall be borne by the
24 student. Costs of administering the assessment instruments [~~tests~~]
25 to students shown to be financially needy under criteria
26 established by the board shall be borne by the state through
27 appropriation to the board for that purpose or other sources of

1 funds. Additionally, appropriation shall be made to the board to
2 cover overall administrative costs of the higher education remedial
3 ~~[testing]~~ program.

4 (k) Each institution shall report annually to the board, on
5 or before a day set by rule of the board, concerning the results of
6 the students being tested and the effectiveness of the
7 institution's developmental program and advising program. In
8 addition, the board shall publish annually a summary of the report
9 required by Section 51.403(e) identifying by name the high school
10 from which each ~~[tested]~~ student tested under this section
11 graduated and a statement as to whether or not the student's
12 performance was above or below the standard set by the board under
13 this section. The summary must include the number of students at
14 each high school who took the applicable assessment instruments
15 described by Subsection (c)(1) while enrolled in high school and
16 who at that time satisfied the standard set by the board under this
17 section ~~[and passed the test while enrolled in high school]~~. For
18 the purposes of this report, students shall not be identified by
19 name. The board shall publish annually a report summarizing by
20 institution of higher education for each academic year the total
21 number of students who:

22 (1) entered a developmental program;

23 (2) completed developmental courses;

24 (3) were tested under Subsection (b) ~~[took the Texas~~
25 ~~Academic Skills Program Test]~~ after completing developmental
26 courses;

27 (4) passed the test administered under Subsection (c)

1 ~~[Texas Academic Skills Program Test]~~ after completing
2 developmental courses; and

3 (5) satisfied the requirement of Subsection (g) in
4 each skill area by earning an acceptable grade in an approved course
5 as permitted by that subsection.

6 (1) A high school student who performs at or above a level
7 set by the board on the English language arts and mathematics
8 exit-level assessment instruments required under Section 39.023(c)
9 or on comparable assessment instruments, including college
10 advanced placement tests or international baccalaureate
11 examinations, [39.023] is exempt from this section. ~~[The level set~~
12 ~~by the board may not exceed a level that is equivalent to a 95~~
13 ~~percent probability of passing the Texas Academic Skills Program~~
14 ~~Test.]~~ This exemption is effective ~~[will be in effect]~~ for three
15 years from the date a student takes the assessment instruments and
16 achieves the set score levels ~~[level]~~. A student enrolling for the
17 first time in an institution of higher education after the
18 three-year period has elapsed must conform to all provisions of
19 this section.

20 (m) An entering or transferring student who has achieved a
21 score to be set by the board on the Scholastic Assessment Test or
22 the American College Test is exempt from the requirements of this
23 section. ~~[The score set by the board may not exceed a score that is~~
24 ~~equivalent to a 95 percent probability of passing the Texas~~
25 ~~Academic Skills Program Test.]~~ This exemption is effective for
26 five years from the date the Scholastic Assessment Test or the
27 American College Test is taken and the set standard is achieved. A

1 student enrolling for the first time in an institution of higher
2 education after the five-year period has elapsed must conform to
3 all provisions of this section.

4 (n) This section applies to a blind student only if the test
5 administered under Subsection (c) is administered to that student
6 in large print or Braille or is administered by audio cassette or by
7 a reader, as appropriate to that student.

8 (s) An institution of higher education shall provide to each
9 student who is accepted by the institution for admission and to whom
10 this section applies information in the institution's catalog
11 relating to the testing and developmental requirements of this
12 section and of the rules adopted by the board [~~Texas Higher~~
13 ~~Education Coordinating Board~~].

14 (u) A student who has been diagnosed as having dyslexia or a
15 related disorder, as those terms are defined by Section 38.003, or a
16 specific learning disability in mathematics by a qualified
17 professional whose license or credentials are appropriate to
18 diagnose the disorder or disability as determined by the board and
19 who completes the developmental program prescribed by the
20 institution may be required to retake the test administered under
21 Subsection (c) once but may not be referred to an additional
22 developmental course or other developmental program or precluded
23 from enrolling in an upper division course because of the student's
24 performance on the test.

25 (w) [~~(1) The provisions of this subsection apply to high~~
26 ~~school students taking the test required by this section.~~

27 [~~(2) Each eligible high school student shall pay for~~

1 ~~the cost of taking the test unless funds are appropriated for that~~
2 ~~purpose. If funds are appropriated for that purpose, the board and~~
3 ~~the Texas Education Agency shall develop a mechanism for the~~
4 ~~payment of the cost of the test, giving priority to the payment of~~
5 ~~the cost of administering the test to an eligible high school~~
6 ~~student shown to be financially needy under criteria established by~~
7 ~~the board.~~

8 ~~[(3) The board shall arrange for the test to be offered~~
9 ~~to high school students outside of regularly scheduled school days~~
10 ~~and at locations throughout the state.~~

11 ~~[(4) Except as authorized by the student, including~~
12 ~~student authorization to report the student's test scores to a~~
13 ~~school administrator, test scores of a high school student shall be~~
14 ~~reported only to the student and the student's parents.~~

15 ~~[(5)]~~ A high school student who fails to achieve the
16 minimum required score set by the board under this section on the
17 applicable assessment instruments described by Subsection (c)(1)
18 may not be required to take developmental classes while in high
19 school. However, after graduation from high school, a student who
20 enters a public institution of higher education must comply with
21 the provisions of this section.

22 ~~[(6) A high school student who achieves the minimum~~
23 ~~required score set by the board shall be deemed to have met the~~
24 ~~requirements of this section when enrolling at an institution of~~
25 ~~higher education, provided that the student enrolls in the~~
26 ~~institution not later than five years from the date the test is~~
27 ~~taken and the set score level is achieved. A student enrolling for~~

1 ~~the first time in an institution of higher education after the~~
2 ~~five-year period has elapsed must comply with all provisions of~~
3 ~~this section.~~

4 ~~[(7) The board and the Texas Education Agency shall~~
5 ~~work together to provide high school students, their parents, and~~
6 ~~their schools with information about the Texas Academic Skills~~
7 ~~Program and assist them in interpreting the results of the test.]~~

8 SECTION 1.03. Section 39.023(c), Education Code, is amended
9 to read as follows:

10 (c) The agency shall also adopt secondary exit-level
11 assessment instruments designed to be administered to students in
12 grade 11 to assess essential knowledge and skills in mathematics,
13 English language arts, social studies, and science. The
14 mathematics section must include at least Algebra I and geometry
15 with the aid of technology. The English language arts section must
16 include at least English III and must include the assessment of
17 essential knowledge and skills in writing. The social studies
18 section must include early American and United States history. The
19 science section must include at least biology and integrated
20 chemistry and physics. The assessment instruments must be designed
21 to assess a student's mastery of minimum skills necessary for high
22 school graduation and readiness to enroll in an institution of
23 higher education. If a student is in a special education program
24 under Subchapter A, Chapter 29, the student's admission, review,
25 and dismissal committee shall determine whether any allowable
26 modification is necessary in administering to the student an
27 assessment instrument required under this subsection or whether the

1 student should be exempted under Section 39.027(a)(2). The State
2 Board of Education shall administer the assessment instruments. The
3 State Board of Education shall adopt a schedule for the
4 administration of secondary exit-level assessment instruments.
5 Each student who did not perform satisfactorily on any secondary
6 exit-level assessment instrument when initially tested shall be
7 given multiple opportunities to retake that assessment instrument.
8 [~~A student who performs at or above a level established by the Texas~~
9 ~~Higher Education Coordinating Board on the secondary exit-level~~
10 ~~assessment instruments is exempt from the requirements of Section~~
11 ~~51.306.~~]

12 SECTION 1.04. Section 51.306(v), Education Code, is
13 repealed.

14 SECTION 1.05. This article takes effect June 1, 2004, and
15 applies beginning with the 2004 fall semester.

16 ARTICLE 2. FINANCIAL MATTERS

17 SECTION 2.01. Section 11.11(e), Tax Code, is amended to
18 read as follows:

19 (e) Property [~~It is provided, however, that property~~] that
20 is held or dedicated for the support, maintenance, or benefit of an
21 institution of higher education as defined by Section 61.003 [~~in~~
22 ~~Chapter 61~~], [~~Texas~~] Education Code, but is not rented or leased for
23 compensation to a private business enterprise to be used by it for a
24 purpose not related to the performance of the duties and functions
25 of the state or institution or is not rented or leased to provide
26 private residential housing to members of the public other than
27 students and employees of the state or institution is not taxable.

1 The existence of a taxable leasehold described by Section 23.13 on
2 the property does not affect the exemption of the property under
3 this section, and the taxable leasehold shall be listed in the
4 appraisal records as provided by Section 25.07. If a portion of
5 property of an institution of higher education is used for public
6 purposes and a portion is not used for those purposes, the portion
7 of the property used for public purposes is exempt under this
8 subsection. All oil, gas, and other mineral interests owned by an
9 institution of higher education are exempt from all ad valorem
10 taxes. Property bequeathed to an institution is exempt from the
11 assessment of ad valorem taxes from the date of the decedent's
12 death, unless:

13 (1) the property is leased for compensation to a
14 private business enterprise as provided in this subsection; or

15 (2) the transfer of the property to an institution is
16 contested in a probate court, in which~~[. In this]~~ case~~[7]~~ ad
17 valorem taxes shall be assessed to the estate of the decedent until
18 the final determination of the disposition of the property is made.
19 The property is exempt from the assessment of ad valorem taxes upon
20 vesting of the property in the institution.

21 SECTION 2.02. Section 2254.021(2), Government Code, is
22 amended to read as follows:

23 (2) "Major consulting services contract" means a
24 consulting services contract for which it is reasonably foreseeable
25 that the value of the contract will exceed \$15,000, or \$25,000 for
26 an institution of higher education other than a public junior
27 college.

1 SECTION 2.03. Section 2254.028, Government Code, is amended
2 by adding Subsection (c) to read as follows:

3 (c) Subsection (a)(3) does not apply to a major consulting
4 services contract to be entered into by an institution of higher
5 education other than a public junior college if the institution
6 includes in the invitation published under Section 2254.029 a
7 finding by the chief executive officer of the institution that the
8 consulting services are necessary and an explanation of that
9 finding.

10 SECTION 2.04. Sections 2254.031(b) and (d), Government
11 Code, are amended to read as follows:

12 (b) A state agency that intends to renew a contract that is
13 not a major consulting services contract shall comply with Sections
14 2254.028 and 2254.029 if the original contract and the renewal
15 contract have a reasonably foreseeable value totaling more than
16 \$15,000, or \$25,000 for an institution of higher education other
17 than a public junior college.

18 (d) A state agency that intends to amend or extend a
19 contract that is not a major consulting services contract shall
20 comply with Sections 2254.028 and 2254.029 if the original contract
21 and the amendment or extension have a reasonably foreseeable value
22 totaling more than \$15,000, or \$25,000 for an institution of higher
23 education other than a public junior college.

24 SECTION 2.05. Section 54.5011, Education Code, is amended
25 to read as follows:

26 Sec. 54.5011. CHARGES AND [CREDIT CARD] FEES FOR CERTAIN
27 PAYMENTS. (a) This section applies to a payment of tuition, a fee,

1 or another charge to an institution of higher education that is:

2 (1) made or authorized in person, by mail, by
3 telephone call, or through the Internet;

4 (2) made by electronic funds transfer; or

5 (3) made by credit card.

6 (b) An institution of higher education may charge a fee or
7 other amount in connection with a payment to which this section
8 applies, in addition to the amount of the tuition, fee, or other
9 charge being paid, including:

10 (1) a discount, convenience, or service charge for the
11 transaction; or

12 (2) a service charge in connection with a payment
13 transaction that is dishonored or refused for lack of funds or
14 insufficient funds [~~that accepts payment of tuition, a fee, or~~
15 ~~other charge by credit card may charge the credit card user a fee~~
16 ~~for processing the payment].~~

17 (c) [~~(b)~~] A fee or other charge [~~charged~~] under this section
18 must be in an amount reasonably related to the expense incurred by
19 the institution in processing and handling [~~may not exceed the~~
20 ~~amount charged the institution by the issuer of the credit card in~~
21 ~~connection with] the payment or payment transaction.~~

22 [~~(c) Before accepting a payment by credit card, the~~
23 ~~institution shall notify the student of any fee to be charged under~~
24 ~~this section.]~~

25 SECTION 2.06. Section 153.006, Education Code, is amended
26 to read as follows:

27 Sec. 153.006. SUPPORT OF CENTERS. (a) In order to carry

1 out the purposes of this chapter and to support the activities of
2 centers described in this chapter, to the extent authorized by its
3 governing board, an institution of higher education may:

4 (1) enter into agreements establishing royalties,
5 fees, and other consideration for technology developed in whole or
6 part by it;

7 (2) accept equity interests in organizations that
8 license, manage, or otherwise administer rights to technology
9 belonging to it or under its control in exchange for such rights, in
10 whole or in part;

11 (3) accept equity interests in organizations that
12 license or otherwise have rights in its technology as consideration
13 for its providing monetary, business, scientific, or engineering
14 services or technical assistance;

15 (4) use income from the commercialization of
16 technology to fund the activities of the center;

17 (5) solicit, accept, and administer gifts, grants, and
18 donations; ~~and~~

19 (6) enter into contracts for legal services with a
20 competent lawyer or law firm to:

21 (A) prepare, file, pursue, and maintain patent
22 applications in the United States or foreign jurisdictions;

23 (B) secure copyright protection for computer
24 software;

25 (C) prepare, file, and pursue trademark and
26 service mark applications;

27 (D) pursue litigation to prevent or stop

1 infringement of any intellectual property rights of the
2 institution; or

3 (E) handle any other legal matter related to the
4 operation and activities of the center; and

5 (7) enter into such other business arrangements as may
6 be appropriate for achieving the purposes of this chapter.

7 (b) The fees or other compensation paid in connection with a
8 legal services contract authorized by Subsection (a) may be paid on
9 a contingency fee basis, at an hourly rate, or on another basis the
10 governing board of the institution considers appropriate.

11 SECTION 2.07. Section 2254.102, Government Code, is amended
12 by adding Subsection (c) to read as follows:

13 (c) This subchapter does not apply to a contract for legal
14 services entered into by an institution of higher education under
15 Section 153.006, Education Code.

16 SECTION 2.08. Section 404.097(d), Government Code, is
17 amended to read as follows:

18 (d) Legal fees and expenses may be paid from the recovered
19 funds under a contingent fee contract for legal services only:

20 (1) after the funds are deposited in accordance with
21 this section; and

22 (2) in accordance with Subchapter C, Chapter 2254, if
23 that subchapter applies to the contract.

24 SECTION 2.09. Section 21.042, Property Code, is amended by
25 adding Subsection (f) to read as follows:

26 (f) In awarding compensation or assessing damages for a
27 condemnation by an institution of higher education, as defined by

1 Section 61.003, Education Code, the special commissioners may not
2 include in the compensation or damages any amount that compensates
3 for, or is based on the present value of, an exemption from ad
4 valorem taxation applicable to the property before its
5 condemnation.

6 SECTION 2.10. Section 55.004, Property Code, is amended by
7 adding Subsection (f) to read as follows:

8 (f) If the physician is employed in that capacity by an
9 institution of higher education, as defined by Section 61.003, and
10 the lien does not include the amount of the physician's reasonable
11 and necessary charges described by Subsection (c), the physician
12 has a lien on the cause of action in the same manner as a hospital
13 under this chapter. The lien is subject to provisions of this
14 chapter applicable to a hospital lien, and the physician or the
15 physician's employing institution may secure and enforce the lien
16 in the manner provided by this chapter.

17 ARTICLE 3. HUMAN RESOURCES

18 SECTION 3.01. Section 51.964(a), Education Code, is amended
19 to read as follows:

20 (a) An institution of higher education as defined by Section
21 61.003 may employ a person who has retired under the Teacher
22 Retirement System (Subtitle C, Title 8, Government Code) or the
23 optional retirement program (Chapter 830, Government Code) if:

24 (1) the governing board of the institution determines
25 that the employment is in the best interests of the institution;
26 and

27 (2) the person has been retired for at least 30 days

1 ~~[one calendar year]~~ before the effective date of the employment,
2 except that a person retired under the optional retirement program
3 may be rehired after retirement without a break in service.

4 SECTION 3.02. Section 659.018, Government Code, is amended
5 to read as follows:

6 Sec. 659.018. COMPENSATORY TIME: PLACE WHERE WORK
7 PERFORMED. (a) Except under circumstances specified in the
8 General Appropriations Act, an employee of a state agency as
9 defined by Section 658.001 may not, for hours worked during any
10 calendar week, accumulate compensatory time off under Section
11 659.015(f) or 659.016 to the extent that the hours are attributable
12 to work performed at a location other than the employee's regular or
13 temporarily assigned place of employment.

14 (b) For purposes of Subsection (a), the ~~[The]~~ employee's
15 personal residence may not be considered the employee's regular or
16 temporarily assigned place of employment unless the employee is
17 employed by an institution of higher education as defined by
18 Section 61.003, Education Code, and is participating in a
19 telecommuting program approved by the employee's supervisor.

20 ARTICLE 4. INFORMATION TECHNOLOGY

21 SECTION 4.01. Section 2054.003(12), Government Code, is
22 amended to read as follows:

23 (12) "State agency" means a department, commission,
24 board, office, council, authority, or other agency in the executive
25 or judicial branch of state government that is created by the
26 constitution or a statute of this state, but does not
27 include ~~[including]~~ a university system or institution of higher

1 education as those terms are defined by Section 61.003, Education
2 Code.

3 SECTION 4.02. Section 2054.077, Government Code, is amended
4 by adding Subsection (a-1) to read as follows:

5 (a-1) In this section, "state agency" includes a university
6 system or institution of higher education as those terms are
7 defined by Section 61.003, Education Code.

8 SECTION 4.03. Section 2054.2011, Government Code, is
9 amended by adding Subdivision (3) to read as follows:

10 (3) "State agency" includes a university system or
11 institution of higher education as those terms are defined by
12 Section 61.003, Education Code.

13 SECTION 4.04. Section 2054.251, Government Code, is amended
14 by adding Subdivision (7) to read as follows:

15 (7) "State agency" includes a university system or
16 institution of higher education as defined by Section 61.003,
17 Education Code.

18 SECTION 4.05. Sections 2054.113(a) and 2054.121,
19 Government Code, are repealed.

20 ARTICLE 5. REGULATORY AND ADMINISTRATIVE MATTERS

21 SECTION 5.01. Section 2166.302, Government Code, is amended
22 to read as follows:

23 Sec. 2166.302. ADOPTION OF CONDITIONS. (a) The commission
24 shall adopt uniform general conditions to be incorporated into all
25 building construction contracts made by the state, including a
26 contract for a project excluded from this chapter by Section
27 2166.003 other than a project constructed by and for an institution

1 of higher education, but not including a contract for a project
2 excluded from this chapter by Section 2166.004.

3 (b) In this section, "institution of higher education" has
4 the meaning assigned by Section 61.003, Education Code, but does
5 not include a public junior college.

6 SECTION 5.02. Section 2007.002(1), Government Code, is
7 amended to read as follows:

8 (1) "Governmental entity" means:

9 (A) a board, commission, council, department, or
10 other agency in the executive branch of state government that is
11 created by constitution or statute, other than ~~[including]~~ an
12 institution of higher education as defined by Section 61.003,
13 Education Code; or

14 (B) a political subdivision of this state.

15 SECTION 5.03. Section 65.45, Education Code, is amended to
16 read as follows:

17 Sec. 65.45. SCIENCE AND ~~[CENTER—FOR]~~ TECHNOLOGY
18 DEVELOPMENT, MANAGEMENT, AND TRANSFER. (a) The legislature finds
19 that it is essential to the economic growth of the state that the
20 potential for the development and growth of high technology
21 industry be promoted and expanded. As a means of accomplishing this
22 purpose, the board ~~[is authorized to establish, maintain, and~~
23 ~~support a Center for Technology Development and Transfer at The~~
24 ~~University of Texas at Austin and may accept and administer, upon~~
25 ~~terms and conditions acceptable to the board, gifts, grants, and~~
26 ~~donations to aid in the establishment, maintenance, and operation~~
27 ~~of the center.~~

1 ~~[(b) Subject to the rules and regulations of the board, the~~
2 ~~center]~~ may enter into ~~[solicit and submit for approval of the~~
3 ~~board]~~ agreements with individuals, corporations, partnerships,
4 associations, and local, state, or federal agencies for funding the
5 discovery, development, and commercialization of new products,
6 technology, and scientific information, including an agreement to
7 manage a national laboratory engaged in any of those endeavors. At
8 the discretion of the board, research facilities, funding, and
9 personnel at the various component institutions of The University
10 of Texas System may be utilized to achieve the purposes of this
11 section.

12 (b) ~~[(c)]~~ As a means of carrying out the purposes of ~~[the~~
13 ~~center under]~~ this section, the board may, ~~[either through the~~
14 ~~center or]~~ through one or more corporations incorporated by the
15 board or under any other cooperative arrangement:

16 (1) own and license rights to products, technology,
17 and scientific information;

18 (2) own shares in corporations engaged in the
19 discovery, development, manufacture, management, or marketing of
20 products, technology, or scientific information in this state or
21 outside this state ~~[under a license from the board, the center, or a~~
22 ~~corporation owned or controlled by the board]~~;

23 (3) participate ~~[as the general partner or as a~~
24 ~~limited partner]~~, either directly or through a subsidiary
25 corporation or other legal entity formed for that purpose, ~~[in~~
26 ~~limited partnerships, general partnerships, or joint ventures~~
27 ~~engaged]~~ in the discovery, development, manufacture, management,

1 or marketing of products, technology, or scientific information on
2 behalf of the United States or a state or local governmental entity
3 ~~[under a license from the board, the center, or a corporation owned~~
4 ~~or controlled by the board]~~; and

5 (4) carry on and support such other activities as the
6 board may deem appropriate for achieving the purposes of this
7 section.

8 (c) ~~[(d) The Center for Technology Development and~~
9 ~~Transfer established by this section shall not receive general~~
10 ~~revenue funds through special item appropriation in the biennial~~
11 ~~General Appropriations Act.~~

12 ~~[(e)]~~ The board may ~~[Center for Technology Development and~~
13 ~~Transfer established by this section shall]~~ cooperate in any manner
14 the board considers appropriate ~~[fully]~~ with similar programs
15 operated by other state-supported institutions of higher education
16 in this state or in other states.

17 SECTION 5.04. The heading to Section 551.121, Government
18 Code, is amended to read as follows:

19 Sec. 551.121. GOVERNING BOARD OF INSTITUTION OF HIGHER
20 EDUCATION; BOARD FOR LEASE OF UNIVERSITY LANDS.

21 SECTION 5.05. Sections 551.121(b), (c), and (e), Government
22 Code, are amended to read as follows:

23 (b) This chapter does not prohibit the governing board of an
24 institution of higher education or the Board for Lease of
25 University Lands from holding an open or closed meeting by
26 telephone conference call.

27 (c) A meeting held by telephone conference call may be held

1 only if:

2 (1) the meeting is a special called meeting and
3 immediate action is required; and

4 (2) the convening at one location of a quorum of the
5 governing board or board is difficult or impossible.

6 (e) The notice of a a [~~the~~] telephone conference call meeting
7 of a governing board must specify as the location of the meeting the
8 location where meetings of the governing board are usually held.
9 For a meeting of the governing board of a university system, the
10 notice must specify as the location of the meeting the board's
11 conference room at the university system office. For a meeting of
12 the Board for Lease of University Lands, the notice must specify as
13 the location of the meeting a suitable conference or meeting room at
14 The University of Texas System office.

15 ARTICLE 6. REPORTING

16 SECTION 6.01. Sections 51.680(b) and (c), Education Code,
17 are amended to read as follows:

18 (b) No later than January 31, 1988, the commissioner of
19 higher education shall inform institutions of higher education
20 whether their intellectual property policies meet the minimum
21 standards set out in Subsection (a) [~~of this section~~]. Thereafter,
22 an institution [~~institutions~~] of higher education may file or post
23 on the institution's website on the Internet in a manner available
24 to the public policies amended to overcome any failure to meet the
25 [~~said~~] standards. The commissioner shall within a reasonable time
26 after receiving an amended policy inform the submitting institution
27 whether it meets the [~~said~~] standards.

1 (c) It is a policy of the state that each institution of
2 higher education shall at all times after August 31, 1988, have ~~on~~
3 ~~file with the Coordinating Board, Texas College and University~~
4 ~~System,~~ a current copy of its intellectual property policies
5 ~~that[, which policies shall at all times]~~ meet the minimum
6 standards set out in Subsection (a) on file with the Texas Higher
7 Education Coordinating Board or publicly posted on the
8 institution's website on the Internet in a manner available to the
9 public ~~[of this section]~~. The commissioner of higher education
10 shall establish procedures for the monitoring of this policy of the
11 state.

12 SECTION 6.02. Section 403.021(a), Government Code, is
13 amended to read as follows:

14 (a) In this section, "state agency" has the meaning assigned
15 by Section 403.013, except that the term does not include a
16 university system or an institution of higher education as those
17 terms are defined by Section 61.003, Education Code.

18 SECTION 6.03. Subchapter B, Chapter 572, Government Code, is
19 amended by adding Section 572.0211 to read as follows:

20 Sec. 572.0211. EXEMPTION FOR CERTAIN APPOINTED STATE
21 OFFICERS NOT REAPPOINTED. (a) A state officer who is a member of
22 the governing board of an institution of higher education is exempt
23 from the filing requirement of Section 572.021 in the year in which
24 the member's term expires if:

25 (1) the member's term expires on or before April 1 of
26 that year; and

27 (2) on or before April 30 of that year another

1 individual has been nominated or appointed to fill the succeeding
2 term in the member's position on the governing board.

3 (b) If notwithstanding the expiration of the term of office
4 the individual is serving as a member of the same governing board on
5 July 1 of that year, whether the individual continues in office
6 because a successor has not qualified for the next term of office or
7 because the individual has been reappointed to the same governing
8 board, the individual shall file a financial statement as required
9 by Section 572.021 for the preceding calendar year not later than
10 August 1.

11 SECTION 6.04. Section 2152.064, Government Code, is
12 amended by adding Subsection (f) to read as follows:

13 (f) This section does not apply to a university system or an
14 institution of higher education as those terms are defined by
15 Section 61.003, Education Code.

16 SECTION 6.05. Section 2155.448, Government Code, is amended
17 by adding Subsection (d) to read as follows:

18 (d) This section does not apply to a university system or an
19 institution of higher education as those terms are defined by
20 Section 61.003, Education Code.

21 SECTION 6.06. Section 2166.101(a), Government Code, is
22 amended to read as follows:

23 (a) This section applies to a state-owned building,
24 including a building otherwise exempt from this chapter under
25 Section 2166.003, except that this section does not apply to a
26 building owned by an institution of higher education as defined by
27 Section 61.003, Education Code.

1 SECTION 6.07. Section 2254.006, Government Code, is amended
2 to read as follows:

3 Sec. 2254.006. CONTRACT NOTIFICATION. A state agency,
4 other than [~~including~~] an institution of higher education as
5 defined by Section 61.003, Education Code, shall provide written
6 notice to the Legislative Budget Board of a contract for
7 professional services, other than a contract for physician or
8 optometric services, if the amount of the contract, including an
9 amendment, modification, renewal, or extension of the contract,
10 exceeds \$14,000. The notice must be on a form prescribed by the
11 Legislative Budget Board and filed not later than the 10th day after
12 the date the agency enters into the contract.

13 SECTION 6.08. Section 2166.101(f), Government Code, is
14 repealed.

15 ARTICLE 7. EFFECTIVE DATE

16 SECTION 7.01. Except as otherwise provided by another
17 provision of this Act, this Act takes effect immediately if it
18 receives a vote of two-thirds of all the members elected to each
19 house, as provided by Section 39, Article III, Texas Constitution.
20 If this Act does not receive the vote necessary for immediate
21 effect, this Act takes effect September 1, 2003.