

By: Solis

H.B. No. 3513

A BILL TO BE ENTITLED

AN ACT

relating to the higher education coordinating board and higher education funding formulas.

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

SECTION 1. Section 61.059, Education Code, is amended to read as follows:

(a) To finance a system of higher education and to secure an equitable distribution of state funds deemed to be available for higher education, the board shall perform the functions described in this section. Funding policies shall allocate resources efficiently and provide incentives for programs of superior quality and for institutional diversity while discouraging unnecessary duplication of course offerings between institutions as well as discouraging unnecessary construction on any campus.

(b) The board shall devise, establish, and periodically review and revise formulas for the use of the governor and the Legislative Budget Board in making appropriations recommendations to the legislature for all institutions of higher education, including the funding of postsecondary vocational-technical programs. As a specific element of the periodic review, the board shall study and recommend changes in the funding formulas based on the role and mission statements of institutions of higher education. In carrying out its duties under this section, the board shall employ an ongoing process of committee review and expert

1 testimony and analysis.

2 (c) Formulas for basic funding shall reflect the role and
3 mission of each institution, shall emphasize funding elements that
4 directly support faculty, and shall reflect both fixed and variable
5 elements of cost. In addition, the board shall reflect in its
6 higher education funding formula recommendations to the governor
7 and the Legislative Budget Board those factors relating to closing
8 the gaps, including per capita income, employment rate, percentage
9 age without college degrees, percentage of fall enrollment growth
10 and projected enrollment growth in the region served.

11 SECTION 2. This act takes effect September 1, 2003.