

By: Barrientos

S.B. No. 1162

A BILL TO BE ENTITLED

AN ACT

relating to the accountability of administrators in institutions of higher education.

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

SECTION 1. Subchapter Z, Chapter 51, Education Code is amended by adding Section 51.968 to read as follows:

Sec. 51.968. ACCOUNTABILITY OF ADMINISTRATORS IN INSTITUTIONS OF HIGHER EDUCATION. (a) In this section:

(1) "Institution of higher education" and "governing board" have the meanings assigned by Section 61.003.

(2) "Administrator" has the meaning assigned by Section 51.948, (g), (1).

(3) "Faculty member" has the meaning assigned by Section 51.960.

(b) In order to ensure that the administration of institutions of higher education may be conducted in a cost-efficient manner, each institution of higher education, including public college and university systems, shall report the following information by December 1 of each fiscal year to the Legislative Budget Board:

(1) the total number of persons holding high-ranking administrative position including chancellors, vice chancellors, associate chancellors, presidents, vice presidents, associate vice presidents, assistant vice presidents, deans, associate deans,

1 assistant deans and all administrators whose job responsibilities
2 are similar in nature to the specific titles listed in this section;

3 (2) The name, salary and total value of benefits for
4 each person holding a position in (1) above;

5 (3) The percent salary increase for each administrator
6 who occupied the same position in the previous fiscal year.

7 (c) The average salary increase in a fiscal year for all
8 high-ranking administrators at an institution of higher education
9 as determined by the Legislative Budget Board shall not exceed the
10 average salary increase for all faculty members in any fiscal year;
11 in the case of a system, the average salary increase for all
12 high-ranking administrators within the system shall not exceed the
13 average for faculty members at all institutions within the system.

14 (d) If it is determined by the Legislative Budget Board that
15 the average salary increase for high-ranking administrators
16 employed by an institution of higher education did exceed the
17 average salary increase for faculty in any fiscal year, the
18 governing board of the institution shall take appropriate steps in
19 the following fiscal year to bring the disparity back into line.

20 (e) A copy of the report provided to the Legislative Budget
21 Board under this Section shall be made available by each
22 institution of higher education to the faculty senate or other
23 comparable body within seven days of its submission to the
24 Legislative Budget Board; a copy shall also be placed in the library
25 of each institution for public inspection;

26 (f) Institutions of higher education shall report to the
27 Legislative Budget Board all information required in (b), (c) and

1 (d) for fiscal year 2003 by November 30, 2003.

2 (g) All information required in this Section shall be
3 reported on a form to be developed by the Legislative Budget Board.

4 (h) President Salaries. Out of the educational and general
5 funds appropriated to the general academic institutions, health
6 centers, health science centers, and medical education programs, an
7 amount may be expended in each year of a biennium that is not to
8 exceed the average salary for the presidents of peer institutions
9 by more than three percent. A group of peer institutions shall be
10 developed by the Texas Higher Education Coordinating Board for each
11 institution. If a salary of a current president exceeds the average
12 for the institution's peers in any year by more than three percent,
13 the president may not receive any salary increase from any funding
14 source until such time as his salary no longer exceeds the average
15 salary for his institution's peer group by more than three percent.
16 A new president may not be hired at a salary that exceeds the
17 average for the peer group of the institution by more than three
18 percent. It is intent of the Legislature that the granting of
19 additional benefits to a president shall not be used by the
20 governing board as a means of circumventing the salary provisions
21 contained in this section. All presidents may receive in addition
22 to the above amounts a house, utilities, and/or supplement from
23 institutional funds. If a house owned by the institution, center or
24 program is not available, an amount NTE \$7,200 per year from the
25 appropriation to the institution, center or program, and additional
26 amounts from institutional funds where required, may be provided in
27 lieu of house and utilities.

1 (i) Chancellor Salaries. Out of the funds appropriated,
2 transferred, or contracted to the system offices, an amount may be
3 expended in 2004 and 2005 that is not to exceed the average salary
4 for the chancellors of peer systems by more than three percent. A
5 group of peer systems shall be developed by the Texas Higher
6 Education Coordinating Board for each system. If a salary of a
7 current chancellor exceeds the average for the institution's peers
8 in any year by more than three percent, the chancellor may not
9 receive any salary increase from any funding source until such time
10 as his salary no longer exceeds the average salary for his system's
11 peer group by more than three percent. A new chancellor may not be
12 hired at a salary that exceeds the average for the peer group of the
13 institution by more than three percent. It is intent of the
14 Legislature that the granting of additional benefits to a
15 chancellor shall not be used by the governing board as a means of
16 circumventing the salary provisions contained in this section. All
17 chancellors may receive in addition to the above amounts a house,
18 utilities, and/or a supplement from institutional funds. If a
19 system owned house is not available an amount NTE \$7,200 per year
20 from the system office appropriation and additional amounts from
21 and private and institutional sources where required may be
22 provided in lieu of house and utilities.

23 (j) If the Texas Higher Education Coordinating Board has not
24 completed its compilation of peer institutions by August 1, 2003,
25 the salary increase for a president or chancellor in 2004 may not
26 exceed three percent of the president's or chancellor's salary in
27 2003.

1 SECTION 2. This Act takes effect immediately if it receives
2 a vote of two-thirds of all the members elected to each house, as
3 provided by Section 39, Article III, Texas Constitution. If this
4 Act does not receive the vote necessary for immediate effect, this
5 Act takes effect September 1, 2003.