

By: Shapiro, West

S.B. No. 1652

A BILL TO BE ENTITLED

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. FINANCIAL MATTERS

SECTION 1.01. Subsection (e), Section 11.11, Tax Code, is amended to read as follows:

(e) Property [~~It is provided, however, that property~~] that is held or dedicated for the support, maintenance, or benefit of an institution of higher education as defined by Section 61.003 [~~in Chapter 61~~], [~~Texas~~] Education Code, but is not rented or leased for compensation to a private business enterprise to be used by it for a purpose not related to the performance of the duties and functions of the state or institution or is not rented or leased to provide private residential housing to members of the public other than students and employees of the state or institution is not taxable. If a portion of property of an institution of higher education is used for public purposes and a portion is not used for those purposes, the portion of the property used for public purposes is exempt under this subsection. All oil, gas, and other mineral interests owned by an institution of higher education are exempt from all ad valorem taxes. Property bequeathed to an institution is exempt from the assessment of ad valorem taxes from the date of the

1 decedent's death, unless:

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

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

10 SECTION 1.02. Subdivision (2), Section 2254.021,
11 Government Code, is amended to read as follows:

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

17 SECTION 1.03. Section 2254.028, Government Code, is amended
18 by adding Subsection (c) to read as follows:

19 (c) Subsection (a)(3) does not apply to a major consulting
20 services contract to be entered into by an institution of higher
21 education other than a public junior college if the institution
22 includes in the invitation published under Section 2254.029 a
23 finding by the chief executive officer of the institution that the
24 consulting services are necessary and an explanation of that
25 finding.

26 SECTION 1.04. Subsections (b) and (d), Section 2254.031,
27 Government Code, are amended to read as follows:

1 (b) A state agency that intends to renew a contract that is
2 not a major consulting services contract shall comply with Sections
3 2254.028 and 2254.029 if the original contract and the renewal
4 contract have a reasonably foreseeable value totaling more than
5 \$15,000, or \$25,000 for an institution of higher education other
6 than a public junior college.

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

13 SECTION 1.05. Section 54.5011, Education Code, is amended
14 to read as follows:

15 Sec. 54.5011. CHARGES AND [~~CREDIT CARD~~] FEES FOR CERTAIN
16 PAYMENTS. (a) This section applies to a payment of tuition, a fee,
17 or another charge to an institution of higher education that is made
18 or authorized in person, by mail, by telephone call, or through the
19 Internet by means of:

- 20 (1) an electronic funds transfer; or
21 (2) a credit card.

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

- 26 (1) a discount, convenience, or service charge for the
27 transaction; or

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

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

11 (d) [(e)] Before accepting a payment by credit card, the
12 institution shall notify the student of any fee to be charged under
13 this section.

14 SECTION 1.06. Section 153.006, Education Code, is amended
15 to read as follows:

16 Sec. 153.006. SUPPORT OF CENTERS. (a) In order to carry
17 out the purposes of this chapter and to support the activities of
18 centers described in this chapter, to the extent authorized by its
19 governing board, an institution of higher education may:

20 (1) enter into agreements establishing royalties,
21 fees, and other consideration for technology developed in whole or
22 part by it;

23 (2) accept equity interests in organizations that
24 license, manage, or otherwise administer rights to technology
25 belonging to it or under its control in exchange for such rights, in
26 whole or in part;

27 (3) accept equity interests in organizations that

1 license or otherwise have rights in its technology as consideration
2 for its providing monetary, business, scientific, or engineering
3 services or technical assistance;

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

6 (5) solicit, accept, and administer gifts, grants, and
7 donations; ~~and~~

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

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

12 (B) secure copyright protection for computer
13 software;

14 (C) prepare, file, and pursue trademark and
15 service mark applications;

16 (D) pursue litigation to prevent or stop
17 infringement of any intellectual property rights of the
18 institution; or

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

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

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

27 SECTION 1.07. Section 2254.102, Government Code, is amended

1 by adding Subsection (c) to read as follows:

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

5 SECTION 1.08. Subsection (d), Section 404.097, Government
6 Code, is amended to read as follows:

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

9 (1) after the funds are deposited in accordance with
10 this section; and

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

13 SECTION 1.09. Section 21.042, Property Code, is amended by
14 adding Subsection (f) to read as follows:

15 (f) In awarding compensation or assessing damages for a
16 condemnation by an institution of higher education, as defined by
17 Section 61.003, Education Code, the special commissioners may not
18 include in the compensation or damages any amount that compensates
19 for, or is based on the present value of, an exemption from ad
20 valorem taxation applicable to the property before its
21 condemnation.

22 SECTION 1.10. Section 55.004, Property Code, is amended by
23 adding Subsection (f) to read as follows:

24 (f) If the physician is employed in that capacity by an
25 institution of higher education, as defined by Section 61.003,
26 Education Code, and the lien does not include the amount of the
27 physician's reasonable and necessary charges described by

1 Subsection (c), the physician has a lien on the cause of action in
2 the same manner as a hospital under this chapter. The lien is
3 subject to provisions of this chapter applicable to a hospital
4 lien, and the physician or the physician's employing institution
5 may secure and enforce the lien in the manner provided by this
6 chapter.

7 SECTION 1.11. Subchapter A, Chapter 56, Education Code, is
8 amended by adding Section 56.004 to read as follows:

9 Sec. 56.004. FILING FEES IN SUITS TO COLLECT DELINQUENT
10 STUDENT LOANS. Notwithstanding any other law, if an institution of
11 higher education brings suit to collect or enforce the repayment of
12 a delinquent student loan, the institution is required to pay in
13 advance one-half of the applicable filing fee and other costs
14 payable in advance to the clerk of the court. If the defaulting
15 borrower prevails in the suit, the institution shall pay the
16 remaining one-half of the filing fee and costs on the date of the
17 final disposition of the suit. If the institution prevails in the
18 suit:

19 (1) the judgment shall include a finding that the
20 defaulting borrower is liable to the institution for the full
21 amount of the filing fee and costs; and

22 (2) the institution shall pay the remaining one-half
23 of the filing fee and costs not later than the seventh day after the
24 date on which the defaulting borrower pays to the institution the
25 full amount, including the amount of the filing fee and costs, for
26 which the borrower is liable to the institution.

27 SECTION 1.12. Section 403.072, Government Code, is amended

1 by adding Subsection (d) to read as follows:

2 (d) In its rules adopted under this section, the comptroller
3 may not require an institution of higher education, as defined by
4 Section 61.003, Education Code, that processes its own payroll to
5 submit payroll information to the comptroller relating to
6 individual employees of the institution that is not required by the
7 comptroller to make any distribution of state money to the
8 institution to cover the institution's payroll.

9 SECTION 1.13. Section 56.004, Education Code, as added by
10 this article, applies only to a suit filed by an institution to
11 collect or enforce the repayment of a delinquent student loan on or
12 after the effective date of this Act. A suit filed before the
13 effective date is covered by the law in effect when the suit was
14 filed, and the former law is continued in effect for that purpose.

15 ARTICLE 2. HUMAN RESOURCES

16 SECTION 2.01. Section 609.001, Government Code, is amended
17 by adding Subdivision (2-a) and amending Subdivision (8) to read as
18 follows:

19 (2-a) "Institution of higher education" means an
20 institution of higher education as defined by Section 61.003,
21 Education Code, other than a public junior college.

22 (8) "State agency" means a board, commission, office,
23 department, or other agency in the executive, judicial, or
24 legislative branch of state government, including an institution of
25 higher education [~~as defined by Section 61.003, Education Code, but~~
26 ~~does not include a public junior college].~~

27 SECTION 2.02. Section 609.002, Government Code, is amended

1 to read as follows:

2 Sec. 609.002. QUALIFICATIONS FOR QUALIFIED VENDOR. A
3 vendor may be a qualified vendor for a 457 plan or a 401(k) plan
4 created by a political subdivision, ~~or~~ group of political
5 subdivisions, an institution of higher education, or a group of
6 institutions of higher education only if the vendor satisfies the
7 requirements for participation in the deferred compensation plan
8 provided by:

- 9 (1) this chapter; and
10 (2) the plan administrator.

11 SECTION 2.03. Subsection (b), Section 609.003, Government
12 Code, is amended to read as follows:

13 (b) The approval of an investment product for a 401(k) plan
14 of a political subdivision, ~~or~~ group of political subdivisions,
15 an institution of higher education, or a group of institutions of
16 higher education, or for a 457 plan of an institution of higher
17 education or group of institutions of higher education, must be in
18 accordance with a contract between the plan administrator and a
19 qualified vendor.

20 SECTION 2.04. Section 609.007, Government Code, is amended
21 by adding Subsection (e) to read as follows:

22 (e) An institution of higher education may contract with an
23 employee of the institution of higher education for the deferment
24 of any part of the employee's compensation.

25 SECTION 2.05. Chapter 609, Government Code, is amended by
26 adding Subchapter D to read as follows:

1 institution of higher education, or an association of institutions
2 of higher education.

3 Sec. 609.704. REMOVAL OF PLAN ADMINISTRATOR. An
4 institution of higher education or group of institutions of higher
5 education that designates a plan administrator may remove the plan
6 administrator at any time unless specifically provided otherwise by
7 contract.

8 Sec. 609.705. OVERSIGHT COMMITTEE. (a) An institution of
9 higher education or group of institutions of higher education that
10 creates a deferred compensation plan may direct and supervise the
11 activities of the plan administrator through an oversight
12 committee.

13 (b) The institution of higher education or group shall
14 determine the authority, activities, and composition of an
15 oversight committee created under this section.

16 Sec. 609.706. AUTHORITY OF PLAN ADMINISTRATOR. (a) A plan
17 administrator shall execute necessary contracts for the
18 administration of the deferred compensation plan, subject to any
19 prior approval required by the institution of higher education or
20 group of institutions of higher education that created the plan.

21 (b) A plan administrator shall develop and implement
22 criteria and procedures for any matter not covered by this
23 subchapter that the plan administrator considers appropriate for
24 the operation of the deferred compensation plan.

25 Sec. 609.707. INVESTMENT AND TRANSFER OF DEFERRED AMOUNTS
26 AND INCOME. The plan administrator shall:

27 (1) invest the deferred amounts and investment income

1 of a participating employee in the qualified investment products
2 designated by the employee; and

3 (2) transfer the deferred amounts and investment
4 income of a participating employee from one qualified investment
5 product to another on the employee's request.

6 Sec. 609.708. PARTICIPATION OF INDEPENDENT CONTRACTORS.

7 (a) The plan administrator shall determine whether a person who
8 provides services as an independent contractor to an institution of
9 higher education that created the plan may participate in the
10 deferred compensation plan.

11 (b) For the purposes of Subchapter A and this subchapter, an
12 independent contractor that is authorized to participate in a
13 deferred compensation plan is treated as an employee of the
14 institution of higher education creating the plan.

15 Sec. 609.709. CHANGING AMOUNT DEFERRED. An employee may
16 change the amount to be deferred by notifying the plan
17 administrator of the change in accordance with the requirements of
18 the administrator.

19 Sec. 609.710. DISTRIBUTION. A plan administrator shall
20 develop and implement procedures for:

21 (1) the designation by a participating employee of a
22 beneficiary to receive the employee's deferred amounts and
23 investment income after the employee's death; and

24 (2) the distribution of a participating employee's
25 deferred amounts and investment income to the employee or the
26 employee's beneficiary, as appropriate, because of the employee's
27 death or termination of employment, a financial hardship, or

1 another reason permissible under federal law.

2 Sec. 609.711. FEE. (a) An institution of higher education
3 or group of institutions of higher education that creates a
4 deferred compensation plan may assess a fee for the administration
5 of the plan against each participating employee.

6 (b) The institution of higher education or group of
7 institutions of higher education shall determine the method for
8 computing and assessing the fee.

9 Sec. 609.712. EVALUATION AND APPROVAL OF QUALIFIED VENDOR.

10 (a) A plan administrator shall develop and implement criteria and
11 procedures for evaluating a vendor's application to become a
12 qualified vendor.

13 (b) A plan administrator may not approve a vendor's
14 application if the vendor is:

15 (1) a state or national bank or savings and loan
16 association, the deposits of which are not insured by the Federal
17 Deposit Insurance Corporation;

18 (2) a credit union, the deposits of which are not
19 insured by the National Credit Union Administration Board; or

20 (3) an insurance company that:

21 (A) is not a member of the Texas Life, Accident,
22 Health, and Hospital Service Insurance Guaranty Association; or

23 (B) is an impaired or insolvent insurer under
24 Article 21.28-D, Insurance Code.

25 (c) On written request, the Texas Department of Insurance
26 shall certify in writing to a plan administrator whether an
27 insurance company is prohibited from being approved as a qualified

1 vendor under Subsection (b)(3). The plan administrator may rely on
2 the certification.

3 Sec. 609.713. NUMBER OF VENDORS UNDER 457 PLAN. The plan
4 administrator of a 457 plan shall determine the minimum and maximum
5 number of vendors that may be qualified vendors for the plan at any
6 given time.

7 Sec. 609.714. CONTRACT WITH QUALIFIED VENDOR. (a) After a
8 plan administrator approves an application of a vendor to become a
9 qualified vendor, the plan administrator shall execute a written
10 contract with the vendor to participate in the deferred
11 compensation plan.

12 (b) A plan administrator shall develop and implement
13 criteria and procedures for evaluating a qualified vendor's
14 investment products to determine whether those products are
15 acceptable as qualified investment products.

16 (c) A qualified vendor may offer to employees participating
17 in a 457 plan only qualified investment products.

18 Sec. 609.715. REGULATION OF QUALIFIED VENDORS. A plan
19 administrator shall develop and implement requirements for
20 qualified vendors and their employees concerning disclosure,
21 reporting, standards of conduct, solicitation, advertising,
22 relationships with participating employees, the nature and quality
23 of services provided to those employees, and other matters.

24 Sec. 609.716. TRANSFER ON VENDOR'S FAILURE. An institution
25 of higher education or group of institutions of higher education
26 that creates a deferred compensation plan may authorize or require
27 as a part of the plan that the plan administrator immediately

1 transfer to the deferred compensation trust fund all deferred
2 amounts and investment income from a vendor who fails to satisfy the
3 requirements of this subchapter or the plan administrator.

4 SECTION 2.06. Subsection (a), Section 51.964, Education
5 Code, is amended to read as follows:

6 (a) An institution of higher education as defined by Section
7 61.003 may employ a person who has retired under the Teacher
8 Retirement System (Subtitle C, Title 8, Government Code) or the
9 optional retirement program (Chapter 830, Government Code) if:

10 (1) the governing board of the institution determines
11 that the employment is in the best interests of the institution; and

12 (2) the person has been retired for at least 30 days
13 [~~one calendar year~~] before the effective date of the employment,
14 except that a person retired under the optional retirement program
15 may be rehired after retirement without a break in service.

16 SECTION 2.07. Section 659.018, Government Code, is amended
17 to read as follows:

18 Sec. 659.018. COMPENSATORY TIME: PLACE WHERE WORK
19 PERFORMED. (a) Except under circumstances specified in the
20 General Appropriations Act, an employee of a state agency as
21 defined by Section 658.001 may not, for hours worked during any
22 calendar week, accumulate compensatory time off under Section
23 659.015(f) or 659.016 to the extent that the hours are attributable
24 to work performed at a location other than the employee's regular or
25 temporarily assigned place of employment.

26 (b) For purposes of Subsection (a), the [The] employee's
27 personal residence may not be considered the employee's regular or

1 temporarily assigned place of employment unless the employee is
2 employed by an institution of higher education as defined by
3 Section 61.003, Education Code, and is participating in a
4 telecommuting program approved by the employee's supervisor.

5 SECTION 2.08. Subchapter A, Chapter 51, Education Code, is
6 amended by adding Section 51.0065 to read as follows:

7 Sec. 51.0065. APPLICABILITY OF ACROSS-THE-BOARD SALARY
8 INCREASE. An institution of higher education that has adopted a
9 pay-for-performance program that is in effect when an
10 across-the-board salary increase for state employees made by an
11 appropriation act of the legislature takes effect is entitled to
12 receive any appropriation made for purposes of the across-the-board
13 salary increase, and may use the amount appropriated for an
14 across-the-board salary increase or for increases in compensation
15 under the institution's pay-for-performance program.

16 SECTION 2.09. Section 1601.102, Insurance Code, is amended
17 by amending Subsection (b) and adding Subsections (f) and (g) to
18 read as follows:

19 (b) An individual is eligible to participate in the uniform
20 program as provided by Subsection (a) if:

21 (1) the individual has at least 10 [~~three~~] years of
22 service with a system for which the individual was eligible to
23 participate in the uniform program under Section 1601.101;

24 (2) the individual's last state employment before
25 retirement was with that system; and

26 (3) the individual retires under the jurisdiction of:

27 (A) the Teacher [~~Teachers~~] Retirement System of

1 Texas under Subtitle C, Title 8, Government Code;

2 (B) the Employees Retirement System of Texas; or

3 (C) subject to Subsection (c):

4 (i) the optional retirement program
5 established by Chapter 830, Government Code; or

6 (ii) any other federal or state statutory
7 retirement program to which the system has made employer
8 contributions.

9 (f) Notwithstanding Subsection (b), an individual to whom
10 this subsection applies is eligible to participate in the uniform
11 program as provided by Subsection (a) if:

12 (1) the individual has at least three years of service
13 with a system for which the individual was eligible to participate
14 in the uniform program under Section 1601.101;

15 (2) the individual's last state employment before
16 retirement was with that system; and

17 (3) the individual retires under the jurisdiction of:

18 (A) the Teacher Retirement System of Texas under
19 Subtitle C, Title 8, Government Code;

20 (B) the Employees Retirement System of Texas; or

21 (C) subject to Subsection (c):

22 (i) the optional retirement program
23 established by Chapter 830, Government Code; or

24 (ii) any other federal or state statutory
25 retirement program to which the system has made employer
26 contributions.

27 (g) Subsection (f) applies only to a person who, on August

1 31, 2003:

2 (1) was eligible to participate in the uniform program
3 as an employee under Section 1601.101; or

4 (2) was eligible to participate in the uniform program
5 as a retired employee under this section as this section existed on
6 January 1, 2003.

7 SECTION 2.10. Section 659.043, Government Code, is amended
8 by adding Subsection (c) to read as follows:

9 (c) A commissioned peace officer of a state institution of
10 higher education may receive longevity pay under this subchapter in
11 addition to hazardous duty pay under Subchapter L.

12 SECTION 2.11. Subsection (f), Section 659.046, Government
13 Code, is amended to read as follows:

14 (f) The amount of an employee's lifetime service credit does
15 not include the period served in a hazardous duty position if the
16 employee is:

17 (1) entitled to receive hazardous duty pay under
18 Section 659.302, unless the employee is a commissioned peace
19 officer of a state institution of higher education; or

20 (2) receiving the maximum amount of hazardous duty pay
21 that the Texas Youth Commission may pay to the employee under
22 Section 659.303.

23 SECTION 2.12. The heading to Section 51.961, Education
24 Code, as added by Chapter 118, Acts of the 77th Legislature, Regular
25 Session, 2001, is amended to read as follows:

26 Sec. 51.961. LEAVE PROVISIONS FOR [~~CERTAIN~~] EMPLOYEES OF
27 UNIVERSITY SYSTEM OR COMPONENT INSTITUTION OF SYSTEM.

1 SECTION 2.13. Subsections (a) and (b), Section 51.961,
2 Education Code, as added by Chapter 118, Acts of the 77th
3 Legislature, Regular Session, 2001, are amended to read as follows:

4 (a) In this section:

5 (1) "Governing board[~~7~~]" [~~"medical and dental unit,"~~]
6 and "university system" have the meanings assigned by Section
7 61.003.

8 (2) "Leave" includes vacation leave, sick leave, and
9 holidays.

10 (b) The governing board of a university system may adopt a
11 comprehensive leave policy that applies to employees [~~working in a~~
12 ~~hospital or clinic of a medical and dental unit~~] of the university
13 system or any component institution of the system.

14 SECTION 2.14. Section 1601.101, Insurance Code, as
15 effective June 1, 2003, is amended by adding Subsection (d) to read
16 as follows:

17 (d) An individual is eligible to participate in the uniform
18 program as provided by Subsection (a) if the individual is serving a
19 postdoctoral fellowship with an institution in a system.

20 SECTION 2.15. The changes in law made by this article to
21 Sections 609.001, 609.002, 609.003, and 609.007, Government Code,
22 and Subchapter D, Chapter 609, Government Code, as added by this
23 article, take effect January 1, 2004.

24 SECTION 2.16. Subsection (d), Section 1601.101, Insurance
25 Code, as added by this article, takes effect September 1, 2003.

26 SECTION 2.17. The change in law made by this article to
27 Section 659.046, Government Code, applies only to a determination

1 of the amount of an employee's lifetime service credit that is made
2 on or after the effective date of this Act. A determination of the
3 amount of an employee's lifetime service credit made before the
4 effective date of this Act is governed by the law in effect on the
5 date the determination is made, and the former law is continued in
6 effect for that purpose.

7 ARTICLE 3. INFORMATION TECHNOLOGY

8 SECTION 3.01. Subdivision (12), Section 2054.003,
9 Government Code, is amended to read as follows:

10 (12) "State agency" means a department, commission,
11 board, office, council, authority, or other agency in the executive
12 or judicial branch of state government that is created by the
13 constitution or a statute of this state, but does not
14 include [~~including~~] a university system or institution of higher
15 education as those terms are defined by Section 61.003, Education
16 Code.

17 SECTION 3.02. Section 2054.077, Government Code, is amended
18 by adding Subsection (a-1) to read as follows:

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

22 SECTION 3.03. Section 2054.2011, Government Code, is
23 amended by adding Subdivision (3) to read as follows:

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

ARTICLE 4. REGULATORY AND ADMINISTRATIVE MATTERS

SECTION 4.01. Section 2166.302, Government Code, is amended to read as follows:

Sec. 2166.302. ADOPTION OF CONDITIONS. (a) The commission shall adopt uniform general conditions to be incorporated into all building construction contracts made by the state, including a contract for a project excluded from this chapter by Section 2166.003 other than a project constructed by and for an institution of higher education, but not including a contract for a project excluded from this chapter by Section 2166.004.

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

SECTION 4.02. Subsection (i), Section 51.782, Education Code, is amended to read as follows:

(i) A construction manager-at-risk shall publicly advertise, in the manner prescribed by the institution, and receive bids or proposals from trade contractors or subcontractors for the performance of all major elements of the work other than ~~[the minor work that may be included in the]~~ general conditions work. A construction manager-at-risk may seek to perform major elements ~~[portions]~~ of the work itself if the construction manager-at-risk submits its bid or proposal for that ~~[these portions of the]~~ work in the same manner as all other trade contractors or subcontractors and if the board determines that the construction manager-at-risk's bid or proposal provides the best value for the institution. If no satisfactory bid or proposal for a major element of the work is

1 received in the time allowed, the board may negotiate directly with
2 the construction manager-at-risk for performance of that work. The
3 board may negotiate directly with the manager-at-risk for the
4 performance of minor elements of the work that are not included in
5 major work packages.

6 SECTION 4.03. Subchapter B, Chapter 502, Labor Code, is
7 amended by adding Section 502.025 to read as follows:

8 Sec. 502.025. COVERAGE FOR OUT-OF-STATE EMPLOYEES. (a) An
9 employee who performs services outside this state is entitled to
10 benefits under this chapter even if the person:

- 11 (1) is hired or not hired in this state;
- 12 (2) does not work in this state;
- 13 (3) works both in this state and out of state;
- 14 (4) is injured outside this state; or
- 15 (5) has been outside this state for more than one year.

16 (b) An employee who elects to pursue remedies provided by
17 this state where the injury occurred is not entitled to benefits
18 under this chapter.

19 SECTION 4.04. Subchapter B, Chapter 503, Labor Code, is
20 amended by adding Section 503.025 to read as follows:

21 Sec. 503.025. COVERAGE FOR OUT-OF-STATE EMPLOYEES. (a) An
22 employee who performs services outside this state is entitled to
23 benefits under this chapter even if the person:

- 24 (1) is hired or not hired in this state;
- 25 (2) does not work in this state;
- 26 (3) works both in this state and out of state;
- 27 (4) is injured outside this state; or

1 (5) has been outside this state for more than one year.

2 (b) An employee who elects to pursue remedies provided by
3 this state where the injury occurred is not entitled to benefits
4 under this chapter.

5 SECTION 4.05. Section 65.45, Education Code, is amended to
6 read as follows:

7 Sec. 65.45. SCIENCE AND ~~[CENTER FOR]~~ TECHNOLOGY
8 DEVELOPMENT, MANAGEMENT, AND TRANSFER. (a) The legislature finds
9 that it is essential to the economic growth of the state that the
10 potential for the development and growth of high technology
11 industry be promoted and expanded. As a means of accomplishing this
12 purpose, the board ~~[is authorized to establish, maintain, and~~
13 ~~support a Center for Technology Development and Transfer at The~~
14 ~~University of Texas at Austin and may accept and administer, upon~~
15 ~~terms and conditions acceptable to the board, gifts, grants, and~~
16 ~~donations to aid in the establishment, maintenance, and operation~~
17 ~~of the center.~~

18 ~~[(b) Subject to the rules and regulations of the board, the~~
19 ~~center]~~ may enter into ~~[solicit and submit for approval of the~~
20 ~~board]~~ agreements with individuals, corporations, partnerships,
21 associations, and local, state, or federal agencies for funding the
22 discovery, development, and commercialization of new products,
23 technology, and scientific information, including an agreement to
24 manage a national laboratory engaged in any of those endeavors. At
25 the discretion of the board, research facilities, funding, and
26 personnel at the various component institutions of The University
27 of Texas System may be utilized to achieve the purposes of this

1 section.

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

6 (1) own and license rights to products, technology,
7 and scientific information;

8 (2) own shares in corporations engaged in the
9 discovery, development, manufacture, management, or marketing of
10 products, technology, or scientific information in this state or
11 outside this state [~~under a license from the board, the center, or a~~
12 ~~corporation owned or controlled by the board~~];

13 (3) participate [~~as the general partner or as a~~
14 ~~limited partner~~], either directly or through a subsidiary
15 corporation or other legal entity formed for that purpose, [~~in~~
16 ~~limited partnerships, general partnerships, or joint ventures~~
17 ~~engaged~~] in the discovery, development, manufacture, management,
18 or marketing of products, technology, or scientific information on
19 behalf of the United States or a state or local governmental entity
20 [~~under a license from the board, the center, or a corporation owned~~
21 ~~or controlled by the board~~]; and

22 (4) carry on and support such other activities as the
23 board may deem appropriate for achieving the purposes of this
24 section.

25 (c) [~~(d) The Center for Technology Development and~~
26 ~~Transfer established by this section shall not receive general~~
27 ~~revenue funds through special item appropriation in the biennial~~

1 ~~General Appropriations Act.~~

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

7 SECTION 4.06. The heading to Section 551.121, Government
8 Code, is amended to read as follows:

9 Sec. 551.121. GOVERNING BOARD OF INSTITUTION OF HIGHER
10 EDUCATION; BOARD FOR LEASE OF UNIVERSITY LANDS.

11 SECTION 4.07. Subsections (b), (c), and (e), Section
12 551.121, Government Code, are amended to read as follows:

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

17 (c) A meeting held by telephone conference call may be held
18 only if:

19 (1) the meeting is a special called meeting and
20 immediate action is required; and

21 (2) the convening at one location of a quorum of the
22 governing board or Board for Lease of University Lands is difficult
23 or impossible.

24 (e) The notice of a a ~~[the]~~ telephone conference call meeting
25 of a governing board must specify as the location of the meeting the
26 location where meetings of the governing board are usually held.
27 For a meeting of the governing board of a university system, the

1 notice must specify as the location of the meeting the board's
2 conference room at the university system office. For a meeting of
3 the Board for Lease of University Lands, the notice must specify as
4 the location of the meeting a suitable conference or meeting room at
5 The University of Texas System office.

6 SECTION 4.08. Subchapter C, Chapter 552, Government Code,
7 is amended by adding Section 552.1235 to read as follows:

8 Sec. 552.1235. EXCEPTION: IDENTITY OF PRIVATE DONOR TO
9 INSTITUTION OF HIGHER EDUCATION. (a) The name or other
10 information that would tend to disclose the identity of a person,
11 other than a governmental body, who makes a gift, grant, or donation
12 of money or property to an institution of higher education or to
13 another person with the intent that the money or property be
14 transferred to an institution of higher education is excepted from
15 the requirements of Section 552.021.

16 (b) Subsection (a) does not except from required disclosure
17 other information relating to gifts, grants, and donations
18 described by Subsection (a), including the amount or value of an
19 individual gift, grant, or donation.

20 (c) In this section, "institution of higher education" has
21 the meaning assigned by Section 61.003, Education Code.

22 SECTION 4.09. Subsection (a), Section 2161.123, Government
23 Code, is amended to read as follows:

24 (a) Each state agency, including the commission, that is
25 required to have a [~~shall prepare as part of its~~] strategic plan
26 under Chapter 2056 shall include in its strategic plan a written
27 plan for increasing the agency's use of historically underutilized

1 businesses in purchasing and public works contracting. The
2 governing board of each university system or institution of higher
3 education not included in a university system, other than a public
4 junior college, shall prepare a written plan for increasing the use
5 of historically underutilized businesses in purchasing and public
6 works contracting by the system or institution.

7 SECTION 4.10. Sections 502.025 and 503.025, Labor Code, as
8 added by this article, apply only to a claim for workers'
9 compensation benefits based on a compensable injury that occurs on
10 or after the effective date of this Act. A claim based on a
11 compensable injury that occurs before the effective date of this
12 Act is governed by the law in effect on the date the injury
13 occurred, and the former law is continued in effect for that
14 purpose.

15 SECTION 4.11. Section 552.1235, Government Code, as added
16 by this article, applies to a request for information made before,
17 on, or after the effective date of this Act.

18 ARTICLE 5. REPORTING

19 SECTION 5.01. Subsections (b) and (c), Section 51.680,
20 Education Code, are amended to read as follows:

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

1 ~~[said]~~ standards. The commissioner shall within a reasonable time
2 after receiving an amended policy inform the submitting institution
3 whether it meets the ~~[said]~~ standards.

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

14 SECTION 5.02. Section 2152.064, Government Code, is
15 amended by adding Subsection (f) to read as follows:

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

19 SECTION 5.03. Section 2155.448, Government Code, is amended
20 by adding Subsection (d) to read as follows:

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

24 SECTION 5.04. Subsection (a), Section 2166.101, Government
25 Code, is amended to read as follows:

26 (a) This section applies to a state-owned building,
27 including a building otherwise exempt from this chapter under

1 Section 2166.003, except that this section does not apply to a
2 building owned by an institution of higher education as defined by
3 Section 61.003, Education Code.

4 SECTION 5.05. Subsection (f), Section 2166.101, Government
5 Code, is repealed.

6 ARTICLE 6. EFFECTIVE DATE

7 SECTION 6.01. Except as otherwise provided by this Act,
8 this Act takes effect immediately if it receives a vote of
9 two-thirds of all the members elected to each house, as provided by
10 Section 39, Article III, Texas Constitution. If this Act does not
11 receive the vote necessary for immediate effect, this Act takes
12 effect September 1, 2003.