

BILL ANALYSIS

C.S.S.B. 2146
By: Duncan
Higher Education
Committee Report (Substituted)

BACKGROUND AND PURPOSE

The higher education fund was created by constitutional amendment as a counterpart to the permanent university fund (PUF) for Texas public institutions of higher education not eligible to receive funds from the PUF. Distributions are made to eligible institutions via formula allocation based on space deficit, facility condition, and institutional complexity.

C.S.S.B. 2146 amends current law relating to the annual allocation of certain constitutional funds to eligible agencies and institutions of higher education.

RULEMAKING AUTHORITY

It is the committee's opinion that this bill does not expressly grant any additional rulemaking authority to a state officer, department, agency, or institution.

ANALYSIS

C.S.S.B. 2146 amends the Education Code to set forth the annual allocations from the fund established under Section 17, Article VII, Texas Constitution (the Higher Education Fund, or HEF), to each institution eligible to receive such funding for the period beginning with the state fiscal year ending August 31, 2011. The bill sets forth certain annual amounts allocated by the formula to certain institutions.

The bill includes the Lamar Institute of Technology among those institutions and allocates a certain annual amount. The bill removes a provision prohibiting the comptroller of public accounts from issuing a warrant from any allocated funds before the delivery of goods or services described in the Texas Constitution, with certain exceptions, and instead prohibits an eligible institution from presenting a claim to be paid from such funds.

C.S.S.B. 2146 sets forth temporary provisions, set to expire September 1, 2010, and applicable only to state fiscal year 2009 and state fiscal year 2010, to make a correction necessary to ensure an equitable distribution of the HEF for the five-year period ending August 31, 2010. The bill entitles an eligible institution, in each of those state fiscal years, to receive an amount allocated from the HEF. The bill requires the comptroller to distribute the funds allocated under these temporary provisions only on presentation of a claim and issuance of a warrant in accordance with state law and prohibits an eligible institution from presenting a claim to be paid from any funds before the delivery of goods or services described in the Texas Constitution, except for the payment of principal or interest on bonds or notes or for a payment for a book or other published library material. The bill makes the allocation of funds in accordance with an equitable formula consisting of the following elements: space deficit, facilities condition, institutional complexity, and a separate allocation for the Texas State Technical College System. The bill sets forth certain annual amounts allocated by the formula to certain institutions.

The bill specifies the amounts allocated to the Texas State Technical College System Administration include the following component campuses, but not its extension centers or programs: Texas State Technical College—Harlingen, Texas State Technical College—Marshall; Texas State Technical College—West Texas; and Texas State Technical College—Waco.

C.S.S.B. 2146 entitles the University of North Texas at Dallas, created as an institution of higher education by Chapter 25 (S.B. 576), Acts of the 77th Legislature, Regular Session, 2001, which was approved by more than a two-thirds vote of the membership of the house and senate, to participate in the HEF as soon as the university operates as a general academic teaching institution. The bill requires the comptroller, pursuant to the annual allocation amounts for each year of the remaining 10- year allocation period that ends in 2015, to distribute to the Lamar Institute of Technology a portion of the total annual appropriation under the HEF.

C.S.S.B. 2146 removes an obsolete provision establishing that the amount of the annual constitutional appropriation before the state fiscal year ending August 31, 2008.

EFFECTIVE DATE

On passage, or, if the act does not receive the necessary vote, the act takes effect September 1, 2009.

COMPARISON OF ORIGINAL TO SUBSTITUTE

C.S.S.B. 2146 adds a provision not in the original removing a statutory prohibition against the comptroller of public accounts issuing a warrant from any allocated funds before the delivery of goods or services described in the Texas Constitution, with certain exceptions, and instead prohibiting an eligible institution from presenting a claim to be paid from such funds.

C.S.S.B. 2146 differs from the original by allocating \$445,380 to Sul Ross State University-Rio Grande College, whereas the original allocated \$445,379 to that institution.

C.S.S.B. 2146, in the temporary provisions making a correction necessary to ensure an equitable distribution of the Higher Education Fund (HEF) for the five-year period ending August 31, 2010, prohibits an eligible institution from presenting a claim to be paid from any allocated funds before the delivery of goods or services described in the Texas Constitution, whereas the original prohibits the comptroller from issuing a warrant from any such funds.

C.S.S.B. 2146 differs from the original by allocating funds from the HEF as follows: \$27,122,687 to the University of North Texas, rather than \$27,122,688; \$13,176,800 to the University of Texas--Pan American, rather than \$13,176,801; \$20,258,248 to the Texas State University--San Marcos, rather than \$20,258,249; \$27,446,656 to Texas Tech University, rather than \$27,446,657; \$14,854,762 to Texas Tech University Health Sciences Center, rather than \$14,854,763; and \$36,091,538 to the University of Houston, rather than \$36,091,539.