

By: West

S.B. No. 1968

A BILL TO BE ENTITLED

AN ACT

relating to the creation and operation of higher education enhancement districts.

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

SECTION 1. Title 3, Education Code, is amended by adding Subtitle I to read as follows:

SUBTITLE I. HIGHER EDUCATION DISTRICTS

CHAPTER 159. HIGHER EDUCATION ENHANCEMENT DISTRICTS

Sec. 159.001. DEFINITIONS. In this chapter:

(1) "District" means a higher education enhancement district created under this chapter.

(2) "Institution of higher education" has the meaning assigned by Section 61.003.

(3) "Participating entity" means a municipality, school district, or public or private institution of higher education that has entered into a memorandum of understanding to create a district under this chapter.

(4) "Private or independent institution of higher education" has the meaning assigned by Section 61.003.

(5) "Public or private institution of higher education" includes only:

(A) an institution of higher education; or

(B) a private or independent institution of higher education.

1 (6) "School district" means an independent, common, or
2 municipal school district, an open-enrollment charter school, or a
3 county education department.

4 Sec. 159.002. PURPOSE. The purpose of this chapter is to
5 enable one or more public or private institutions of higher
6 education and municipalities and school districts comprising the
7 community served by the institutions, through the creation of a
8 higher education enhancement district, to provide local funding to:

9 (1) increase the educational opportunities available
10 to students and residents in the area served by the district;

11 (2) improve the education level and productivity of
12 the workforce in the area served by the district;

13 (3) increase student enrollment in and access to the
14 institutions;

15 (4) promote economic development in the area served by
16 the district; and

17 (5) increase the tax base of participating entities.

18 Sec. 159.003. DISTRICT AUTHORIZATION. A higher education
19 enhancement district may be created, operated, and financed as
20 provided by this chapter.

21 Sec. 159.004. PUBLIC HEARING. Before entering into a
22 memorandum of understanding for the creation of a district under
23 Section 159.005, the governing bodies of the municipalities, school
24 districts, and public or private institutions of higher education
25 seeking to establish a district shall, after notice published in
26 one or more newspapers having general circulation in the territory
27 in which the district may be established, hold at least one public

1 hearing at which any interested person may appear and offer
2 testimony regarding the establishment of a district.

3 Sec. 159.005. MEMORANDUM OF UNDERSTANDING FOR CREATION AND
4 OPERATION OF DISTRICT. (a) After holding at least one public
5 hearing under Section 159.004, the governing bodies of one or more
6 municipalities, school districts, and public or private
7 institutions of higher education providing educational services to
8 the residents of the municipalities or school districts may enter
9 into a memorandum of understanding for the creation and operation
10 of a district. A district may not be created unless at least one
11 municipality or school district and at least one public or private
12 institution of higher education enters into the memorandum of
13 understanding.

14 (b) A memorandum of understanding entered into under this
15 section must:

16 (1) specify:
17 (A) the geographic boundaries of the district;
18 (B) the governance of the district; and
19 (C) each participating entity's financial,
20 personnel, and in-kind support for the district's activities;

21 (2) set a term for each participating entity's
22 participation, not to exceed five years;

23 (3) provide that the memorandum of understanding may
24 be amended only by unanimous agreement of the participating
25 entities;

26 (4) include adequate controls to ensure that the
27 district's activities promote the interests of the participating

1 entities and provide a public benefit to the area served by the
2 district; and

3 (5) include provisions for the disposition of district
4 assets and the winding down of district business on termination of
5 the district.

6 (c) At any time, a participating entity may extend the
7 entity's participation in the district by an additional term not to
8 exceed five years.

9 Sec. 159.006. DISTRICT TERRITORY. The geographic
10 boundaries of a district:

11 (1) must include all the territory of each
12 participating municipality or school district; and

13 (2) may include any additional territory as agreed by
14 the participating entities.

15 Sec. 159.007. USE OF PARTICIPATING ENTITY'S RESOURCES FOR
16 DISTRICT ACTIVITIES; TUITION AND FEE WAIVERS. (a) The governing
17 body of a participating entity, on determining that the entity's
18 participation in the district serves a public purpose and benefits
19 the entity's public interests, may:

20 (1) expend funds of the entity to:

21 (A) pay for operating costs of the district; and

22 (B) support scholarships, loans, or tuition or
23 fee discounts or waivers for students attending participating
24 institutions awarded by or in coordination with the district; and

25 (2) assign employees of the entity to perform services
26 on behalf of the district related to the district's public purpose.

27 (b) A participating entity may restrict the use by the

1 district of any or all of the entity's resources to students who
2 reside within the entity's territory.

3 (c) A participating institution of higher education may
4 waive all or part of the tuition and fees charged to a student to the
5 extent the costs of the waiver are paid by the district.

6 Sec. 159.008. COORDINATION WITH OTHER ENTITIES. A district
7 may coordinate its activities with other public or private
8 organizations or other entities and may include representatives of
9 private organizations or entities on the governing body of the
10 district.

11 Sec. 159.009. OPEN MEETINGS; OPEN RECORDS. A district
12 created under this chapter:

13 (1) is subject to Chapters 551 and 552, Government
14 Code; and

15 (2) may conduct regular or special meetings by
16 telephone conference call or videoconference under the posting,
17 accessibility, and technical standards prescribed by Sections
18 551.126 and 551.127, Government Code.

19 Sec. 159.010. PARTICIPATING ENTITY AS FISCAL AGENT.
20 Participating entities may agree for one of the entities to act as
21 fiscal agent for the district. If a participating entity is acting
22 as fiscal agent for the district, the purchasing requirements
23 applicable to that entity shall be used for all purposes for the
24 district regardless of the source of the funds used.

25 Sec. 159.011. ACCEPTANCE OF FUNDS. A district may solicit
26 and accept gifts or grants from any public or private source for the
27 purposes of this chapter.

1 Sec. 159.012. TERMINATION OF DISTRICT. A district created
2 under this chapter terminates:

3 (1) as provided by the memorandum of understanding
4 that created the district;

5 (2) on the agreement of each participating entity; or

6 (3) when there is not at least one municipality or
7 school district and at least one public or private institution of
8 higher education participating in the district.

9 SECTION 2. This Act takes effect immediately if it receives
10 a vote of two-thirds of all the members elected to each house, as
11 provided by Section 39, Article III, Texas Constitution. If this
12 Act does not receive the vote necessary for immediate effect, this
13 Act takes effect September 1, 2009.