

Amend CSSB 1581 (Senate Committee Report) by adding the following appropriately numbered ARTICLE to the bill and renumbering subsequent ARTICLES of the bill appropriately:

ARTICLE ____ . ADMINISTRATIVE MATTERS CONCERNING INSTITUTIONS OF
HIGHER EDUCATION

SECTION __.01. Section 51.003, Education Code, is amended by amending Subsection (b) and adding Subsection (f) to read as follows:

(b) The funds shall either be deposited in the depository bank or banks or invested as authorized by Chapter 2256, Government Code (Public Funds Investment Act). Funds that are to be deposited in the depository bank or banks must be deposited within seven days from the date of receipt by the institution [~~collection~~].

(f) Notwithstanding any other provision of this section, the governing board of each institution may maintain unsecured deposits in a foreign bank as necessary to support the institution's operations in a foreign country. The foreign bank must:

- (1) be licensed and supervised by a central bank;
- (2) be audited annually by an accounting firm that follows international financial reporting standards; and
- (3) maintain a capital to total assets ratio that is not less than the greater of four percent or the minimum tier 1 capital to total assets ratio required for depository institutions insured by the Federal Deposit Insurance Corporation.

SECTION __.02. Subchapter A, Chapter 51, Education Code, is amended by amending Section 51.005 and adding Sections 51.010, 51.011, and 51.012 to read as follows:

Sec. 51.005. REPORTS. Each institution of higher education [~~(a) True and full accounts shall be kept by the governing board and by the employees of the institution of all funds collected from all sources and of all sums paid out and the persons to whom and the purposes for which the sums are paid. The governing board~~] shall prepare [~~annually print~~] a complete annual financial report as prescribed by Section 2101.011, Government Code [~~of all the sums collected, all expenditures, and all sums remaining on hand. The report shall show the true condition of all funds as of the August~~

~~31 preceding as well as the collections and expenditures for the preceding year.~~

~~[(b) Reports under this section must be in a form approved jointly by the coordinating board and the comptroller. The accounting and classification procedures of each institution must be consistent with uniform procedures prescribed for that purpose by the coordinating board and the comptroller. The requirements imposed by the coordinating board and the comptroller must be designed to reduce paperwork and duplicative reports.]~~

~~[(c) The governing board shall furnish one copy of the report each to the governor, comptroller of public accounts, state auditor, Texas Higher Education Coordinating Board, Legislative Budget Board, House Appropriations Committee, Senate Finance Committee, and Legislative Reference Library. A copy of the report shall be submitted to the comptroller by the deadline established by the comptroller or the General Appropriations Act as necessary to prepare an audited comprehensive financial report. The governing board shall retain five copies of the report for distribution to legislators or other state officials on request].~~

Sec. 51.010. COLLECTION OF DELINQUENT OBLIGATIONS. If under the rules adopted by the attorney general under Chapter 2107, Government Code, an institution of higher education is not required to refer a delinquent obligation for collection to the attorney general, the institution is not required to expend resources for further collection efforts if, considering the amount, security, likelihood of collection, expense, and available resources, the institution determines that further collection should not be actively pursued.

Sec. 51.011. DISPOSITION OF SMALL CREDIT BALANCES. (a) This section applies to a credit balance of less than \$25 held by an institution of higher education that is presumed abandoned under Chapter 72, Property Code.

(b) An institution of higher education may maintain an unclaimed money fund and transfer to that fund a credit balance to which this section applies. A deposit to the unclaimed money fund does not affect the ownership of the amount deposited. The institution shall:

(1) adopt procedures for owners to make and receive payments of claims against the fund; and

(2) maintain a database that permits members of the public to search for ownership of unclaimed funds.

(c) The institution shall use the fund to pay the claims of persons establishing ownership of amounts transferred to the fund and shall hold and account for the unclaimed money fund as educational and general funds of the institution. If the fund balance is insufficient to pay a valid claim, the institution shall pay the claim from the institution's other educational and general funds.

(d) Each fiscal year, after deducting funds sufficient to pay anticipated expenses of and claims against the unclaimed money fund, the institution shall use the balance of the fund as other educational and general funds of the institution.

(e) In consultation with institutions of higher education, the comptroller by rule may establish minimum requirements for notice to owners of unclaimed money deposited in the unclaimed money fund and for charges for that notice. The rules may not provide stricter requirements than the comptroller applies for amounts of less than \$25 in the custody of the comptroller under Chapter 74, Property Code.

(f) If an institution of higher education maintains an unclaimed money fund under this section, Chapter 74, Property Code, does not apply to a credit balance to which this section applies.

Sec. 51.012. PAYMENTS BY ELECTRONIC FUNDS TRANSFER OR ELECTRONIC PAY CARD. An institution of higher education may make any payment, including a payment of salary or wages, through electronic funds transfer or by electronic pay card.

SECTION __.03. Section 65.42, Education Code, is amended to read as follows:

Sec. 65.42. DELINQUENT ACCOUNTS; VENUE. A suit by The University of Texas System on its own behalf or on behalf of a component institution of The University of Texas System to recover a delinquent loan, account, or debt owed to The University of Texas System or a component institution of The University of Texas System must ~~may~~ be brought in Travis County.

SECTION __.04. Section 1231.001, Government Code, is amended by amending Subdivision (2) and adding Subdivision (3) to read as follows:

(2) "State security" means:

(A) an obligation, including a bond, issued by:

(i) a state agency;

(ii) an entity that is expressly created by statute and has statewide jurisdiction; or

(iii) an entity issuing the obligation on behalf of this state or on behalf of an entity described by Subparagraph (i) or (ii);

(B) an installment sale or lease-purchase obligation that is issued by or on behalf of an entity described by Paragraph (A) and that has:

(i) a stated term of more than five years;

or

(ii) an initial principal amount of more than \$250,000; or

(C) an obligation, including a bond, that is issued under Chapter 53, Education Code, at the request of or for the benefit of an institution of higher education [~~as defined by Section 61.003, Education Code,~~] other than a public junior college.

(3) "Institution of higher education" has the meaning assigned by Section 61.003, Education Code.

SECTION __.05. Section 1231.041, Government Code, is amended to read as follows:

Sec. 1231.041. APPROVAL OF STATE SECURITY. (a) Except as otherwise provided by this section, an [An] entity, including a state agency, may not issue a state security unless:

(1) the board approves the issuance; or

(2) the security is exempted under law, including a board rule adopted under Section 1231.022(2).

(b) A state security issued by an institution of higher education, or issued at the request of or for the benefit of an institution of higher education, is not subject to board approval unless the general revenue of the state is pledged to the payment of

the security.

SECTION __.06. Section 74.001, Property Code, is amended by adding Subsection (c) to read as follows:

(c) This chapter does not apply to small credit balances held by an institution of higher education in an unclaimed money fund under Section 51.011, Education Code.

SECTION __.07. Section 51.923, Education Code, is amended to read as follows:

Sec. 51.923. QUALIFICATIONS OF CERTAIN BUSINESS ENTITIES TO ENTER INTO CONTRACTS WITH AN INSTITUTION OF HIGHER EDUCATION. (a) In this section:

(1) "Business entity" [~~"Corporation"~~] means any entity recognized by law through which business is conducted, including a sole proprietorship, partnership, firm, corporation, limited liability company, holding company, joint stock company, receivership, or trust [~~a corporation for profit organized under the laws of this state or under laws other than the laws of this state~~].

(2) "Governing board" has the meaning assigned by Section 61.003 [~~of this code~~].

(3) "Institution of higher education" has the meaning assigned by Section 61.003 [~~of this code~~].

(4) "Nonprofit corporation" means any organization exempt from federal income tax under Section 501 of the Internal Revenue Code of 1986 that does not distribute any part of its income to any member, director, or officer.

(b) A nonprofit corporation is not disqualified from entering into a contract or other transaction with an institution of higher education even though one or more members of the governing board of the institution of higher education also serves as a member, [~~or~~] director, officer, or employee of the nonprofit corporation.

(c) A business entity [~~corporation~~] is not disqualified from entering into a contract or other transaction with an institution of higher education even though one or more members of the governing board of the institution of higher education have an interest in the business entity, subject to Subsection (d) [~~also~~

~~serves as a stockholder or director of the corporation provided that no member of the governing board owns or has a beneficial interest in more than five percent of the corporation's outstanding capital stock and further provided that the contract or transaction is:~~

~~[(1) an affiliation, licensing, or sponsored research agreement, or~~

~~[(2) awarded by competitive bidding or competitive sealed proposals].~~

(d) An institution of higher education is not prohibited from entering into a contract or other transaction with a business entity in which a member of the governing board of the institution of higher education has an interest if the interest is not a substantial interest or, if the interest is a substantial interest, the [described in this section if any] board member [having an interest described in this section in the contract or transaction] discloses that interest in a meeting held in compliance with Chapter 551, Government Code, and refrains from voting on the contract or transaction requiring board approval. Any such contract or transaction requiring board approval must be approved by an affirmative majority of the board members voting on the contract or transaction.

(e) For purposes of this section, a member of a governing board has a substantial interest in a business entity if:

(1) the member owns 10 percent or more of the voting stock or shares of the business entity or owns either 10 percent or more or \$15,000 or more of the fair market value of the business entity;

(2) funds received by the member from the business entity exceed 10 percent of the member's gross income for the previous year;

(3) the member is an officer of the business entity or a member of the governing board of the business entity; or

(4) an individual related to the member in the first degree by consanguinity or affinity, as determined under Chapter 573, Government Code, has an interest in the business entity as described by Subdivision (1), (2), or (3).

(f) A violation of this section does not render an action of the governing board voidable unless the contract or transaction that was the subject of the action would not have been approved by the governing board without the vote of the member who violated this section.

SECTION __.08. Section 51.9335, Education Code, is amended by amending Subsections (d) and (f) and adding Subsections (g) and (h) to read as follows:

(d) Subtitle D, Title 10, Government Code, and Subchapter B, Chapter 2254, Government Code, do not apply to the acquisition of goods and services under this section, except that an institution must comply with any provision of those laws, or a rule adopted under a provision of those laws, [To the extent of any conflict, this section prevails over any other law, including Chapters 2155, 2156, 2157, 2158, 2167, and 2170, Government Code, except a law or rule] relating to contracting with historically underutilized businesses or relating to the procurement of goods and services from persons with disabilities. An institution of higher education may, but is not required to, acquire goods or services as provided by Subtitle D, Title 10 [Chapters 2155, 2156, 2157, 2158, 2167, and 2170], Government Code.

(f) This section does not apply to professional services as defined by Section 2254.002, Government Code. Professional services shall be procured in accordance with Subchapter A, Chapter 2254, Government Code.

(g) An institution of higher education may adopt rules and procedures for the acquisition of goods or services.

(h) In any contract for the acquisition of goods and services to which an institution of higher education is a party, a provision required by applicable law to be included in the contract is considered to be a part of the executed contract without regard to:

(1) whether the provision appears on the face of the contract; or

(2) whether the contract includes any provision to the contrary.

SECTION __.09. Subchapter Z, Chapter 51, Education Code, is

amended by adding Sections 51.9336 and 51.9337 to read as follows:

Sec. 51.9336. ELECTRONIC AND DIGITAL SIGNATURES. (a) An institution of higher education or university system, as those terms are defined by Section 61.003, shall determine whether, and the extent to which, the institution or system will send and accept electronic or digital signatures to and from other persons and otherwise create, generate, communicate, store, process, use, and rely on electronic or digital signatures. The institution or system may adopt rules and procedures governing the use of electronic or digital signatures.

(b) To the extent of any conflict, this section prevails over Chapter 322, Business & Commerce Code, and rules and guidelines adopted under that chapter.

Sec. 51.9337. INTERAGENCY CONTRACTS FOR INFORMATION RESOURCE TECHNOLOGIES. (a) In this section, "institution of higher education" and "university system" have the meanings assigned by Section 61.003.

(b) Section 2054.119, Government Code, does not apply to an interagency contract for information resources technologies between two or more institutions of higher education or between an institution of higher education or university system and one or more state agencies, institutions of higher education, or university systems.

SECTION __.10. Section 51.966, Education Code, is amended by amending Subsection (c) and adding Subsection (d) to read as follows:

(c) Section 612.002(b), Government Code, does not apply to an institution of higher education or university system purchasing insurance under this section.

(d) In [~~As used in~~] this section, "governing board," [~~and~~] "institution of higher education," and "university system" have the meanings assigned by Section 61.003.

SECTION __.11. Subchapter C, Chapter 791, Government Code, is amended by adding Section 791.035 to read as follows:

Sec. 791.035. CONTRACTS WITH INSTITUTIONS OF HIGHER EDUCATION OR UNIVERSITY SYSTEMS. (a) A local government and an institution of higher education or university system may contract

with one another to perform any governmental functions and services. If the terms of the contract provide for payment based on cost recovery, any law otherwise requiring competitive procurement does not apply to the functions and services covered by the contract.

(b) In this section, "institution of higher education" and "university system" have the meanings assigned by Section 61.003, Education Code.

SECTION __.12. Section 2054.008, Government Code, is amended by adding Subsection (c) to read as follows:

(c) A university system or institution of higher education must provide written notice to the Legislative Budget Board under Subsection (b) only if the cost of the major information system exceeds \$1 million. In this subsection, "university system" has the meaning assigned by Section 61.003, Education Code.

SECTION __.13. Section 2155.078(n), Government Code, is amended to read as follows:

(n) This section does not apply to an institution [~~a medical and dental unit~~] to which Section 51.9335, Education Code, applies or to an institution to which Section 73.115, Education Code, applies.

SECTION __.14. Subchapter Z, Chapter 51, Education Code, is amended by adding Section 51.9611 to read as follows:

Sec. 51.9611. PAYROLL DEDUCTIONS FOR EMPLOYEES OF UNIVERSITY SYSTEM OR INSTITUTION OF HIGHER EDUCATION. (a) In this section, "institution of higher education" and "university system" have the meanings assigned by Section 61.003.

(b) The governing board of a university system, or of an institution of higher education that is not a component institution of a university system, may authorize employees of the system or institution, as applicable, to elect a payroll deduction for any purpose that the governing board determines serves a public purpose and benefits employees. The board may adopt policies and procedures governing payroll deductions under this section. A payroll deduction under this section is in addition to payroll deductions authorized by other law.

(c) A payroll deduction under this section must be at the

written request of the employee, and the request must state the amount to be deducted and the entity to which the deducted amount is to be transferred. A payroll deduction is in effect until revoked in writing by the employee, but the policies and procedures of the system or institution, as applicable, may provide for enrollment periods.

(d) A system or institution may collect an administrative fee to cover the costs of making a deduction.

SECTION __.15. Section 1601.004(a), Insurance Code, is amended to read as follows:

(a) In this chapter, "dependent," with respect to an individual eligible to participate in the uniform program under Section 1601.101 or 1601.102, means the individual's:

(1) spouse;

(2) unmarried child younger than 25 years of age; and

(3) child of any age who the system determines lives with or has the child's care provided by the individual on a regular basis if the child is mentally retarded or physically incapacitated to the extent that the child is dependent on the individual for care or support, as determined by the system, and:

(A) if the child is at least 25 years of age, the child's coverage under this chapter has not lapsed, and the child was enrolled as a participant in the health benefits coverage under the uniform program on the date of the child's 25th birthday; or

(B) if the child is a child of an individual eligible to participate as an employee under Section 1601.101, at the time of the individual's initial enrollment in health benefits coverage under the uniform program the child is at least 25 years of age and is enrolled in comparable coverage, as determined by the system, under the individual's previous health benefits coverage.

SECTION __.16. Subchapter C, Chapter 1601, Insurance Code, is amended by adding Section 1601.111 to read as follows:

Sec. 1601.111. PROGRAMS PROMOTING DISEASE PREVENTION, WELLNESS, AND HEALTH. A system may establish premium discounts, surcharges, rebates, or a revision in otherwise applicable copayments, coinsurance, or deductibles, or any combination of those incentives, for an individual who participates in

system-approved programs promoting disease prevention, wellness, and health.

SECTION __.17. Section 1601.201(d), Insurance Code, is amended to read as follows:

(d) Subsection (c) does not prohibit a system from contributing, from money not appropriated from the general revenue fund, amounts in excess of the amount specified by that subsection for:

(1) an individual employed by the system in a position that as a condition of employment requires the individual to be enrolled as a student in the system in graduate level courses; or

(2) an individual who is a tenured faculty member with whom the system has entered into a phased retirement agreement under which the individual will work less than 60 hours a week for a specified period of time at the end of which the individual will retire.

SECTION __.18. Subchapter C, Chapter 61, Education Code, is amended by adding Section 61.0573 to read as follows:

Sec. 61.0573. PROJECTS EXEMPT FROM BOARD APPROVAL. (a) In this section, "project" means the acquisition of improved or unimproved real property or the construction, repair, or rehabilitation of a building or other facility.

(b) Board approval of a project at an institution of higher education is not required under Section 61.0572 or 61.058 if the institution notifies the board of the project and certifies to the board that:

(1) the institution meets the current published board standards applicable to the institution for space need, usage efficiency, deferred maintenance, and critical deferred maintenance or the board has approved the institution's plan to correct any deficiencies in the institution's compliance with those applicable standards;

(2) the project meets current published board standards applicable to the project for cost, efficiency, and space use;

(3) the project is identified on the institution's campus master plan, as submitted to the board; and

(4) the institution has no deficiencies according to the board's most recent facilities audit or the board has approved the institution's plan to correct any such deficiencies.

(c) The board's staff shall promptly review a certification submitted under Subsection (b) and notify the institution whether the certification is sufficient and whether the information certified is consistent with the records of the board. If the staff review determines that the certification is sufficient and that the information certified is consistent with the records of the board, the project is considered approved by the board.

(d) This section does not apply to a project that is a new branch campus or a new higher education center.

SECTION __.19. Section 2166.302(c), Government Code, is amended to read as follows:

(c) Subsection (a) does not apply to a project constructed by and for the Texas Department of Transportation or an institution of higher education or university system. In this subsection, "institution of higher education" and "university system" have the meanings assigned by Section 61.003, Education Code.

SECTION __.20. Section 2166.403(c-1), Government Code, is amended to read as follows:

(c-1) For a project constructed by and for a state institution of higher education, the ~~[governing body of the]~~ institution shall, during the planning phase of the proposed construction for the project, verify ~~[in an open meeting]~~ the economic feasibility of incorporating into the building's design and proposed energy system alternative energy devices for space heating and cooling functions, water heating functions, electrical load functions, and interior lighting functions. The ~~[governing body of the]~~ institution shall determine the economic feasibility of each function listed in this subsection by comparing the estimated cost of providing energy for the function, based on the use of conventional design practices and energy systems, with the estimated cost of providing energy for the function, based on the use of alternative energy devices, during the economic life of the building.

SECTION __.21. Section 2167.001(b), Government Code, is

amended to read as follows:

- (b) This chapter does not apply to:
- (1) radio antenna space;
 - (2) residential space for a Texas Department of Mental Health and Mental Retardation program;
 - (3) residential space for a Texas Youth Commission program;
 - (4) space to be used for less than one month for meetings, conferences, conventions, seminars, displays, examinations, auctions, or similar purposes;
 - (5) district office space for members of the legislature;
 - (6) space used by the Texas Workforce Commission;
 - (7) residential property acquired by the Texas Department of Housing and Community Affairs or the Texas State Affordable Housing Corporation that is offered for sale or rental to individuals and families of low or very low income or families of moderate income;
 - (8) except as provided by Section 2167.007, [~~classroom and instructional~~] space for a university system or [an] institution of higher education; or
 - (9) space leased by the Texas Veterans Commission to administer the veterans employment services program.

SECTION __.22. Section 33.06, Tax Code, is amended by adding Subsection (g) to read as follows:

(g) If the ownership interest of an individual entitled to a deferral under this section is a life estate, a lien for the deferred tax attaches to the estate of the life tenant, and not to the remainder interest, if the owner of the remainder is an institution of higher education that has not consented to the deferral. In this subsection, "institution of higher education" has the meaning assigned by Section 61.003, Education Code. This subsection does not apply to a deferral for which the individual entitled to the deferral filed the affidavit required by Subsection (b) before September 1, 2011.

SECTION __.23. Section 552.123, Government Code, is amended to read as follows:

Sec. 552.123. EXCEPTION: NAME OF APPLICANT FOR CHIEF EXECUTIVE OFFICER OF INSTITUTION OF HIGHER EDUCATION. The name of an applicant for the position of chief executive officer of an institution of higher education, and other information that would tend to identify the applicant, is excepted from the requirements of Section 552.021, except that the governing body of the institution must give public notice of the name or names of the finalists being considered for the position at least 21 days before the date of the meeting at which final action or vote is to be taken on the employment of the person.

SECTION __.24. Section 95.006(b), Health and Safety Code, is amended to read as follows:

(b) The advisory committee is composed of:

(1) the following representatives appointed by the executive director of the office:

(A) one representative of the office;

(B) one representative of the Texas Education Agency;

(C) one representative of the Texas Pediatric Society;

(D) one representative of the American Diabetes Association;

(E) ~~[one representative who is a member of the board of regents of The University of Texas -- Pan American,~~

~~[(F)]~~ one school nurse representative from an urban school located within the boundaries of a regional education service center;

(F) ~~[(G)]~~ one parent or guardian of a child who resides within the boundaries of a regional education service center; and

(G) ~~[(H)]~~ one person with knowledge and experience in health care in school settings; and

(2) the following representatives appointed by the chairman of the council:

(A) one representative of the council;

(B) one representative of the Texas Medical Association;

(C) one school district administrator representative from a school district located within the boundaries of a regional education service center;

(D) one school principal representative from a school district located within the boundaries of a regional education service center; and

(E) one school nurse representative from a rural school located within the boundaries of a regional education service center.

SECTION __.25. Sections 2.03(a) and (c), Chapter 670, Acts of the 72nd Legislature, Regular Session, 1991 (Article 4477-7j, Vernon's Texas Civil Statutes), are amended to read as follows:

(a) On or after the effective date of this Act, the Commissioners Court of Gaines County shall appoint three persons, the governing body of the city of Seminole shall appoint two persons, and the governing body of the city of Seagraves shall appoint two persons to serve as initial directors of the district. The four persons appointed by the governing bodies of the cities of Seminole and Seagraves shall represent the municipalities within the county, and the three persons appointed by the Commissioners Court of Gaines County shall represent the unincorporated areas of the county. ~~[In addition, the board of regents of The University of Texas System shall appoint one person to serve as an ex-officio, nonvoting director of the district.]~~

(c) The Commissioners Court of Gaines County and the governing bodies of the cities of Seminole and Seagraves shall each appoint one initial director to serve a term expiring on May 1 of the first year after the year in which the original appointment is made. In addition, the Commissioners Court of Gaines County shall appoint two initial directors and the governing bodies of the cities of Seminole and Seagraves shall each appoint one initial director to serve terms expiring on May 1 of the second year after the year in which the original appointment is made. ~~[The initial ex-officio member serves a term expiring on May 1 of the second year after the year in which the original appointment is made.]~~ Successor directors serve two-year terms.

SECTION __.26. Section 3.01(a), Chapter 670, Acts of the

72nd Legislature, Regular Session, 1991 (Article 4477-7j, Vernon's Texas Civil Statutes), is amended to read as follows:

(a) The district is governed by a board of directors composed of seven voting members [~~and one ex-officio nonvoting member~~] who are appointed as provided by this Act. However, the district shall change to a system of electing the voting directors if:

(1) the Commissioners Court of Gaines County and the governing bodies of the cities of Seminole and Seagraves each pass a resolution calling for the election of the directors; or

(2) the board receives a petition signed by at least 150 registered voters of Gaines County calling for the election of the directors.

SECTION __.27. Section 51.403(d), Education Code, is amended to read as follows:

(d) For purposes of this subsection, "small classes" [~~Each institution shall file with its governing board and the coordinating board a small class report, excluding individual instruction courses, indicating department, course number, title of course, and the name of the instructor. "Small classes," for the purpose of this report,~~] are undergraduate-level courses with less than 10 registrations, and graduate-level courses with less than 5 registrations. No small classes shall be offered in any institution except as authorized by the appropriate governing board, within the guidelines established by the Coordinating Board.

SECTION __.28. Subchapter H, Chapter 51, Education Code, is amended by adding Section 51.406 to read as follows:

Sec. 51.406. EXPIRATION OF CERTAIN REPORTING REQUIREMENTS APPLICABLE TO INSTITUTIONS OF HIGHER EDUCATION AND UNIVERSITY SYSTEMS. (a) In this section, "university system" has the meaning assigned by Section 61.003.

(b) To the extent that any of the following laws require reporting by a university system or an institution of higher education, a university system or institution of higher education is not required to make the report on or after September 1, 2013, unless legislation enacted by the 83rd Legislature that becomes law expressly requires the institution or system to make the report:

- (1) Section 7.109;
- (2) Section 33.083;
- (3) Section 51.0051;
- (4) Section 59.07;
- (5) Section 130.086;
- (6) Section 325.007, Government Code;
- (7) Section 669.003, Government Code;
- (8) Section 2005.007, Government Code;
- (9) Section 2052.103, Government Code;
- (10) Section 2054.097, Government Code;
- (11) Section 2101.011, Government Code;
- (12) Section 2102.009, Government Code;
- (13) Chapter 2114, Government Code; and
- (14) Section 2205.041, Government Code.

(c) A rule or policy of a state agency, including the Texas Higher Education Coordinating Board, in effect on June 1, 2011, that requires reporting by a university system or an institution of higher education has no effect on or after September 1, 2013, unless the rule or policy is affirmatively and formally readopted before that date by formal administrative rule published in the Texas Register and adopted in compliance with Chapter 2001, Government Code. This subsection does not apply to:

(1) a rule or policy for which the authorizing statute is listed in Subsection (b);

(2) a rule or policy for which the authorizing statute is repealed on or before September 1, 2013, by legislation enacted by the legislature that becomes law; or

(3) a report required under any of the following laws:

(A) Section 51.005;

(B) Section 51.3062;

(C) Section 51.402;

(D) Section 56.039;

(E) Section 61.051(k);

(F) Section 61.059; or

(G) Section 62.095(b).

SECTION __.29. Section 51.914, Education Code, is amended to read as follows:

Sec. 51.914. PROTECTION OF CERTAIN INFORMATION. (a) In order to protect the actual or potential value, the following information is ~~[shall be]~~ confidential and is ~~[shall]~~ not ~~[be]~~ subject to disclosure under Chapter 552, Government Code, or otherwise:

(1) all information relating to a product, device, or process, the application or use of such a product, device, or process, and all technological and scientific information (including computer programs) developed in whole or in part at a state institution of higher education, regardless of whether patentable or capable of being registered under copyright or trademark laws, that have a potential for being sold, traded, or licensed for a fee;

(2) any information relating to a product, device, or process, the application or use of such product, device, or process, and any technological and scientific information (including computer programs) that is the proprietary information of a person, partnership, corporation, or federal agency that has been disclosed to an institution of higher education solely for the purposes of a written research contract or grant that contains a provision prohibiting the institution of higher education from disclosing such proprietary information to third persons or parties; or

(3) the plans, specifications, blueprints, and designs, including related proprietary information, of a scientific research and development facility that is jointly financed by the federal government and a local government or state agency, including an institution of higher education, if the facility is designed and built for the purposes of promoting scientific research and development and increasing the economic development and diversification of this state.

(b) Information maintained by or for an institution of higher education that would reveal the institution's plans or negotiations for commercialization or research, or that consists of unpublished research results or data, is not subject to Chapter 552, Government Code, unless the information has been published, is patented, or is otherwise subject to an executed license, sponsored

research agreement, or research contract or grant. In this subsection, "institution of higher education" has the meaning assigned by Section 61.003.

SECTION __.30. Section 61.051(h), Education Code, is amended to read as follows:

(h) The board shall make continuing studies of the needs of the state for research and designate the institutions of higher education to perform research as needed. The board shall also maintain an inventory of all institutional and programmatic research activities being conducted by the various institutions, whether state-financed or not. Once a year, on dates prescribed by the board, each institution of higher education shall report to the board all research conducted at that institution during the last preceding year. The submission by an institution of the institution's response to the National Science Foundation's annual Higher Education Research and Development Survey satisfies the requirements of this section. All reports required by this subsection shall be made subject to the limitations imposed by security regulations governing defense contracts for research.

SECTION __.31. Section 61.0582, Education Code, is amended by adding Subsection (f) to read as follows:

(f) This section does not apply to a university system that maintains an ongoing system-wide capital improvement program approved by the system's board of regents.

SECTION __.32. Section 130.152, Education Code, is amended to read as follows:

Sec. 130.152. CRITERIA FOR PROGRAMS FOR THE DISADVANTAGED. A junior college may develop programs to serve persons from backgrounds of economic or educational deprivation by submission of a plan based on the following criteria to the Texas Higher Education Coordinating Board~~[, Texas College and University System]~~:

(1) an instructional program that accommodates the different learning rates of students and compensates for prior economic and educational deprivation;

(2) an unrestricted admissions policy allowing the enrollment of any person 18 years of age or older with a high school diploma or its equivalent who can reasonably be expected to benefit

from instruction;

(3) the assurance that all students, regardless of their differing programs of study, will be considered, known, and recognized as full members of the student body, provided that the administrative officers of a junior college may deny admission to a prospective student or attendance of an enrolled student if, in their judgment, the person [~~he~~] would not be competent to benefit from a program of the college, or would by the person's [~~his~~] presence or conduct create a disruptive atmosphere within the college not consistent with the statutory purposes of the college;

~~(4) [the submission of a plan for a financial aid program which removes to the maximum extent possible the financial barriers to the educational aspirations of the citizens of this state,~~

~~[(5) an annual evaluation report based on scientific methods and utilizing control groups wherever possible to be submitted to the coordinating board at the end of each school year, covering each remedial-compensatory course or program offered at the college,~~

~~[(6)]~~ any other criteria consistent with the provisions of this subchapter specified by the coordinating board; and

(5) ~~[(7)]~~ a junior college must obtain approval of the coordinating board [~~Coordinating Board, Texas College and University System,~~] before offering any courses under the provisions of this Act.

SECTION __.33. Section 401.042, Government Code, is amended by adding Subsection (c) to read as follows:

(c) In consultation with public institutions of higher education, the offices of the governor and the Legislative Budget Board shall review the forms for higher education legislative appropriations requests to identify opportunities to improve efficiency, provide better transparency of funding sources, eliminate unnecessary or duplicative requirements, and otherwise reduce the cost or difficulty of providing information related to appropriations requests.

SECTION __.34. Subchapter L, Chapter 403, Government Code,

is amended by adding Section 403.2715 to read as follows:

Sec. 403.2715. UNIVERSITY SYSTEMS AND INSTITUTIONS OF HIGHER EDUCATION. (a) In this section, "institution of higher education" and "university system" have the meanings assigned by Section 61.003, Education Code.

(b) Except as provided by this section, this subchapter does not apply to a university system or institution of higher education.

(c) A university system or institution of higher education shall account for all personal property as defined by the comptroller under Section 403.272. At all times, the property records of a university system or institution of higher education must accurately reflect the personal property possessed by the system or institution.

(d) The chief executive officer of each university system or institution of higher education shall designate one or more property managers. The property manager shall maintain the records required and be the custodian of all personal property possessed by the system or institution.

(e) Sections 402.273(h), 403.275, and 403.278 apply to a university system or institution of higher education.

SECTION __.35. Section 2101.0115(d), Government Code, is amended by adding Subdivision (4) to read as follows:

(4) "Institution of higher education" and "university system" have the meanings assigned by Section 61.003, Education Code.

SECTION __.36. Section 2101.0115, Government Code, is amended by adding Subsection (e) to read as follows:

(e) This section does not apply to an institution of higher education or university system.

SECTION __.37. Section 2254.028(c), Government Code, is amended to read as follows:

(c) Subsection (a) [~~(a)(3)~~] does not apply to a major consulting services contract to be entered into by an institution of higher education other than a public junior college if the institution includes in the invitation published under Section 2254.029 a finding by the chief executive officer of the

institution that the consulting services are necessary and an explanation of that finding.

SECTION __.38. Section 2254.0301, Government Code, is amended to read as follows:

Sec. 2254.0301. CONTRACT NOTIFICATION. (a) A state agency shall provide written notice to the Legislative Budget Board of a contract for consulting services if the amount of the contract, including an amendment, modification, renewal, or extension of the contract, exceeds \$14,000. The notice must be on a form prescribed by the Legislative Budget Board and filed not later than the 10th day after the date the entity enters into the contract.

(b) This section does not apply to a university system or institution of higher education. In this subsection, "institution of higher education" and "university system" have the meanings assigned by Section 61.003, Education Code.

SECTION __.39. Section 388.005(f), Health and Safety Code, is amended to read as follows:

(f) This section does not apply to a state agency or an institution of higher education that the State Energy Conservation Office determines [~~that~~], before September 1, 2007, adopted a plan for conserving energy under which the agency or institution established a percentage goal for reducing the consumption of electricity. The exemption provided by this section applies only while the agency or institution has an energy conservation plan in effect and only if the agency or institution submits reports on the conservation plan each year [~~calendar quarter~~] to the governor, the Legislative Budget Board, and the State Energy Conservation Office.

SECTION __.40. Section 412.053, Labor Code, is amended by adding Subsection (c) to read as follows:

(c) This section does not apply to an institution of higher education or university system. In this subsection, "institution of higher education" and "university system" have the meanings assigned by Section 61.003, Education Code.

SECTION __.41. Section 31.153(d), Natural Resources Code, is amended to read as follows:

(d) Each state agency, other than an institution of higher education, annually at the time set by the division, shall furnish

the Texas Historical Commission with a photograph and information that specifies and identifies the age of each building:

(1) that was acquired by the agency after the date of the preceding annual submission and that is at least 45 years old on the date of the current submission; or

(2) that is possessed by the agency and has become 45 years old since the date the information was previously submitted.

SECTION __.42. (a) The following laws are repealed effective September 1, 2011:

- (1) Section 51.216, Education Code;
- (2) Sections 51.403(b) and (c), Education Code;
- (3) Section 51.4033, Education Code;
- (4) Section 61.0815, Education Code;
- (5) Section 61.086, Education Code;
- (6) Section 61.087(c), Education Code;
- (7) Section 62.098, Education Code;
- (8) Section 1434.054, Government Code;
- (9) Section 2107.005, Government Code;
- (10) Section 412.042(c), Labor Code; and
- (11) Section 3.01(c), Chapter 670, Acts of the 72nd Legislature, Regular Session, 1991 (Article 4477-7j, Vernon's Texas Civil Statutes).

(b) The following provisions of the Education Code are repealed effective September 1, 2013:

- (1) Section 51.859;
- (2) Section 51.917(e);
- (3) Section 51.968(d);
- (4) Section 54.203(h);
- (5) Section 56.034(c);
- (6) Section 56.079(j);
- (7) Section 61.066(c);
- (8) Section 63.003(d);
- (9) Section 63.004;
- (10) Section 63.103;
- (11) Section 86.52(m);
- (12) Section 88.210;
- (13) Section 106.54;
- (14) Section 142.005;
- (15) Section 143.006;
- (16) Section 147.005;
- (17) Section 148.005; and
- (18) Section 153.008.

SECTION __.43. (a) This section governs a conflict between this article and any other Act of the 82nd Legislature, Regular Session, 2011, without regard to the relative dates of enactment.

(b) If this article and any other Act repeal the same statute, the earlier effective date of repeal controls.

(c) If this article amends a statute that any other Act repeals, the repeal controls.

SECTION __.44. Section 51.011, Education Code, as added by this article, applies to credit balances held by a public institution of higher education on or after the effective date of this article.

SECTION __.45. This article takes effect immediately if this Act receives a vote of two-thirds of all the members elected to each house, as provided by Section 39, Article III, Texas Constitution. If this Act does not receive the vote necessary for immediate effect, this article takes effect September 1, 2011.