

By: Branch

H.B. No. 3517

A BILL TO BE ENTITLED

AN ACT

relating to the administration and business affairs of public institutions of higher education.

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

ARTICLE 1. FINANCIAL MANAGEMENT

SECTION 1.01. Subsection (b), Section 51.003, Education Code, is amended 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~~].

SECTION 1.02. Subchapter A, Chapter 51, Education Code, is amended by adding Section 51.010 to read as follows:

Sec. 51.010. PAYMENTS BY ELECTRONIC FUNDS TRANSFER OR ELECTRONIC PAY CARD. An institution of higher education may make any payment, including salary or wages, through electronic funds transfer or by electronic paycard.

SECTION 1.03. Subchapter A, Chapter 51, Education Code, is amended by adding Section 51.011 to read as follows:

Sec. 51.011. 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

1 attorney general, the institution is not required to expend
2 resources for further collection efforts if, considering the
3 amount, security, likelihood of collection, expense, and available
4 resources, the institution determines that further collection
5 should not be actively pursued.

6 SECTION 1.04. Subchapter A, Chapter 51, Education Code, is
7 amended by adding Section 51.012 to read as follows:

8 Sec. 51.012. DISPOSITION OF SMALL CREDIT BALANCES. (a)
9 This section applies to a credit balance of less than \$25 that is
10 presumed abandoned under Chapter 72, Property Code, and is held by
11 an institution of higher education, as defined by Section 61.003.

12 (b) An institution of higher education may maintain an
13 unclaimed money fund and transfer to that fund a credit balance of
14 less than \$25 that is presumed abandoned. Deposit in the unclaimed
15 money fund does not affect the ownership of the amount deposited,
16 and the institution shall adopt procedures for owners to make and
17 receive payment of claims. The institution shall maintain a
18 database that permits the public to search for ownership of
19 unclaimed funds.

20 (c) In consultation with institutions, the comptroller of
21 public accounts may by rule establish minimum requirements for
22 notice to owners of money credited to an unclaimed money fund and
23 charges for such a notice. The rules may not provide stricter
24 requirements than the comptroller of public accounts applies for
25 amounts of less than \$25 in the custody of the comptroller under
26 Chapter 74, Property Code.

27 (d) The institution shall hold and account for the fund as

1 educational and general funds of the institution, and shall use the
2 unclaimed money fund to pay the claims of persons establishing
3 ownership of amounts transferred to the fund. If the fund balance
4 is insufficient to pay a valid claim, the institution shall pay the
5 claim from the educational and general funds of the institution.

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

10 (d) If an institution maintains an unclaimed money fund
11 under this section, Chapter 74, Property Code, does not apply to a
12 credit balance to which this section applies.

13 SECTION 1.05. Section 74.001, Property Code, is amended by
14 adding Subsection (c) to read as follows:

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

18 SECTION 1.06. Section 65.42, Education Code, is amended to
19 read as follows:

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

26 SECTION 1.07. Section 1231.001, Government Code, is amended
27 by amending Subdivision (2) and adding Subdivision (3) to read as

1 follows:

2 (2) "State security" means:

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

4 (i) a state agency;

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

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

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

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

14 or

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

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

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

24 SECTION 1.08. Section 1231.041, Government Code, is amended
25 to read as follows:

26 Sec. 1231.041. APPROVAL OF STATE SECURITY. (a) Except as
27 otherwise provided by this section, an [An] entity, including a

1 state agency, may not issue a state security unless:

2 (1) the board approves the issuance; or

3 (2) the security is exempted under law or under rule
4 of the board adopted under Section 1231.022(2).

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

10 SECTION 1.09. Section 51.012, Education Code, as added by
11 Section 1.04 of this Act, applies to credit balances of less than
12 \$25 held on or after the effective date of this Act.

13 ARTICLE 2. GOODS AND SERVICES

14 SECTION 2.01. Section 51.9335, Education Code, is amended
15 by amending Subsections (d), (e), and (f), and adding Subsection
16 (g) and (h), to read as follows:

17 (d) To the extent of any conflict, this section prevails
18 over any other law, including Chapters 2155, 2156, 2157, 2158,
19 2167, and 2170, Government Code, except a law or rule relating to
20 contracting with historically underutilized businesses [~~or~~
21 ~~relating to the procurement of goods and services from persons with~~
22 ~~disabilities~~]. An institution of higher education may, but is not
23 required to, acquire goods or services as provided by Chapters
24 2155, 2156, 2157, 2158, 2167, and 2170, Government Code.

25 (e) In this section, "institution of higher education" has
26 the meaning assigned by Section 61.003 and includes a school of
27 veterinary medicine and a health care facility operated by a

1 medical and dental unit, except that the term does not include [~~The~~
2 ~~University of Texas M.D. Anderson Cancer Center or~~] a public junior
3 college.

4 (f) Except as otherwise provided by this section, Subtitle
5 D, Title 10, Government Code, and Chapter 2254, Government Code,
6 [~~This section~~] does not apply to purchase of goods and services
7 under this section [~~professional services as defined by Section~~
8 2254.002, Government Code].

9 (g) The institution may adopt rules and procedures for the
10 acquisition of goods or services.

11 (h) In any contract for the acquisition of goods and
12 services, a provision required by applicable law is considered to
13 be a part of the executed contract without regard to (1) whether the
14 provision appears on the face of the contract, or (2) any provision
15 of the contract to the contrary.

16 SECTION 2.02. Subsection (n), Section 2155.078, Government
17 Code, is amended to read as follows:

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

22 SECTION 2.03. Subsection (f), Section 74.008, Education
23 Code, is repealed.

24 SECTION 2.04. Subchapter Z, Chapter 51, Education Code, is
25 amended by adding Section 51.9336 to read as follows:

26 Sec. 51.9336. ELECTRONIC SIGNATURES. An institution of
27 higher education or university system shall determine whether, and

1 the extent to which, the institution will send and accept
2 electronic signatures to and from other persons and otherwise
3 create, generate, communicate, store, process, use, and rely upon
4 electronic signatures. The institution or system may adopt rules
5 and procedures governing the use of electronic signatures.

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

9 SECTION 2.05. Subchapter Z, Chapter 51, Education Code, is
10 amended by adding Section 51.9337 to read as follows:

11 Sec. 51.9337. ACCESS TO ELECTRONIC AND INFORMATION
12 RESOURCES BY INDIVIDUALS WITH DISABILITIES. If an institution of
13 higher education or university system procures from a vendor
14 electronic and information resources subject to Subchapter M,
15 Chapter 2054, Government Code, or any services for those
16 resources, the vendor from which the resources or services are
17 procured is primarily responsible for compliance by those
18 resources or services with the accessibility requirements of that
19 subchapter and the rules adopted under that subchapter,
20 notwithstanding a requirement to the contrary of the procurement
21 contract or of the rules adopted under that subchapter.

22 SECTION 2.06. Subchapter Z, Chapter 51, Education Code, is
23 amended by adding Section 51.9338 to read as follows:

24 Sec. 51.9338. INTERAGENCY CONTRACTS FOR INFORMATION
25 RESOURCE TECHNOLOGIES. Section 2054.119, Government Code, does
26 not apply to an interagency contract for information resources
27 technologies between two or more institutions of higher education

1 or between an institution of higher education or university system
2 and one more state agencies, institutions of higher education, or
3 university systems.

4 SECTION 2.07. Subchapter C, Chapter 791, Government Code,
5 is amended by adding Section 791.035 to read as follows:

6 Sec. 791.035. CONTRACTS WITH INSTITUTIONS OF HIGHER
7 EDUCATION. (a) A local government and an institution of higher
8 education or university system may contract to perform any
9 governmental functions and services. If the terms of the contract
10 provide for payment based on cost recovery, any law otherwise
11 requiring competitive procurement does not apply to the functions
12 and services covered by the contract.

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

16 SECTION 2.08. Subsection (a), Section 153.006, Education
17 Code, is amended to read as follows:

18 (a) In order to carry out the purposes of this chapter and to
19 support the activities of centers described in this chapter, to the
20 extent authorized by its governing board, an institution of higher
21 education may:

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

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

1 whole or in part;

2 (3) accept equity interests in organizations that
3 license or otherwise have rights in its technology as consideration
4 for its providing monetary, business, scientific, or engineering
5 services or technical assistance;

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

8 (5) solicit, accept, and administer gifts, grants, and
9 donations;

10 (6) without the necessity of approval by the attorney
11 general, enter into contracts for legal services with a competent
12 lawyer or law firm to:

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

15 (B) secure copyright protection for computer
16 software;

17 (C) prepare, file, and pursue trademark and
18 service mark applications;

19 (D) pursue litigation to prevent or stop
20 infringement of any intellectual property rights of the
21 institution; or

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

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

26 SECTION 2.09. Section 402.0212, Government Code, is amended
27 by adding Subsection (e) to read as follows:

1 (e) The attorney general may review and approve a standard
2 form contract of a university system or an institution of higher
3 education for legal services to be provided to the system or
4 institution. If the attorney general approves a standard form, the
5 attorney general is not required under this section to approve
6 individual contracts that are in substantial compliance with the
7 approved form or to approve invoices under those contracts. The
8 attorney general may conduct an annual review of the standard form
9 and the signed contracts and for that purpose may collect a fee,
10 established in consultation with the university system or
11 institution, reasonably estimated to cover the expenses of that
12 review.

13 SECTION 2.10. Subchapter C, Chapter 2254, Government Code,
14 is amended by adding Sec. 2254.110 to read as follows:

15 Sec. 2254.110. COLLECTION ACTIONS BY AN INSTITUTION OF
16 HIGHER EDUCATION. A person awarded a contract under Chapter 2107
17 by an institution of higher education for a routine collection
18 matter may file suit or otherwise pursue judicial action to collect
19 the obligation owed in a court of this state or another state on
20 behalf of the institution.

21 SECTION 2.11. Section 2254.102, Government Code, is amended
22 by adding Subsection (c) to read as follows:

23 (c) This subchapter does not apply to a contract:

24 (1) with a state agency to collect an obligation under
25 Section 2107.003(b), (c), or (c-1), except as provided by Section
26 2254.110; or

27 (2) for legal services entered into by an institution

1 of higher education under Section 153.006, Education Code.

2 SECTION 2.12. Section 2107.003(e), Government Code, is
3 amended to read as follows:

4 (e) Except as provided by Section 2254.110, [A] person
5 awarded a contract under Subsection (b), (c), or (c-1) may not file
6 suit or otherwise pursue judicial action to collect the obligation
7 owed in a court of this state or another state on behalf of the
8 contracting state agency.

9 SECTION 2.13. Section 51.966, Education Code, is amended by
10 adding Subsection (d) to read as follows:

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

14 SECTION 2.14. Section 2054.008, Government Code, is amended
15 by adding Subsection (c) to read as follows:

16 (c) A university system or institution of higher education
17 shall provide written notice to the Legislative Budget Board under
18 Subsection (b) only if the cost of the major information system
19 exceeds \$1 million.

20 ARTICLE 3. HUMAN RESOURCES

21 SECTION 3.01. Section 1601.004(a), Insurance Code, is
22 amended to read as follows:

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

- 26 (1) spouse;
- 27 (2) unmarried child younger than 25 years of age; and

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

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

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

16 SECTION 3.02. Subchapter C, Chapter 1601, Insurance Code,
17 is amended by adding Section 1601.111 to read as follows:

18 Sec. 1601.111. PROGRAMS PROMOTING DISEASE PREVENTION,
19 WELLNESS, AND HEALTH. A system may establish premium discounts,
20 surcharges, rebates, or a revision in otherwise applicable
21 copayments, coinsurance, or deductibles, or any combination of
22 these incentives, for an individual who participates in system-
23 approved programs promoting disease prevention, wellness, and
24 health.

25 SECTION 3.03. Section 1601.201, Insurance Code, is amended
26 by adding Subsection (e) to read as follows:

27 (e) Subsection (c) does not prohibit a system from

1 contributing, from money not appropriated from the general revenue
2 fund, amounts in excess of the amount specified by that subsection
3 for an individual who is a tenured faculty member with whom the
4 System has entered into a phased retirement agreement under which
5 the person will work less than 40 hours a week for a specified
6 period of time at the end of which the person will retire.

7 SECTION 3.04. Section 658.007, Government Code, is amended
8 by adding Subsection (c) to read as follows:

9 (c) Notwithstanding other law, including Sections 658.003
10 and 658.004, or terms of contract, an institution of higher
11 education may establish a mandatory employee furlough or work
12 reduction program as necessary to increase efficiency, reduce the
13 cost of operations, or otherwise address the financial condition of
14 the institution. While a furlough or work reduction program is in
15 effect, the terms and conditions of the program apply
16 notwithstanding other law.

17 SECTION 3.05. Subchapter K, Chapter 659, Government Code,
18 is amended by adding Section 659.264 to read as follows:

19 Sec. 659.264. CERTAIN SALARY REDUCTIONS AT INSTITUTIONS OF
20 HIGHER EDUCATION. Notwithstanding other law or terms of contract,
21 subject solely to procedures and rules adopted by the governing
22 board, an institution of higher education may establish a program
23 of temporary or permanent salary reductions as necessary to reduce
24 cost of operations or otherwise address the financial condition of
25 the institution.

26 SECTION 3.06. Subchapter Z, Chapter 51, Education Code, is
27 amended by adding Section 51.9611 to read as follows:

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

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

13 (c) A payroll deduction under this section must be at the
14 written request of the employee, and the request must state the
15 amount to be deducted and the entity to which the deducted amount is
16 to be transferred. A payroll deduction is in effect until revoked in
17 writing by the employee, but the policies and procedures of the
18 institution or system may provide for enrollment periods.

19 (d) An institution may collect an administrative fee to
20 cover the costs of making a deduction.

21 ARTICLE 4. REAL ESTATE AND CONSTRUCTION

22 SECTION 4.01. Subsections (b), (d), and (e), Section
23 61.0572, Education Code, are amended to read as follows:

24 (b) The board shall:

25 (1) determine formulas for space utilization in all
26 educational and general buildings and facilities at institutions of
27 higher education;

1 (2) devise and promulgate methods to assure maximum
2 daily and year-round use of educational and general buildings and
3 facilities, including but not limited to maximum scheduling of day
4 and night classes and maximum summer school enrollment;

5 (3) consider plans for selective standards of
6 admission when institutions of higher education approach capacity
7 enrollment;

8 (4) require, and assist the public technical
9 institutes, public senior colleges and universities, medical and
10 dental units, and other agencies of higher education in developing
11 long-range campus master plans for campus development;

12 ~~[(5) endorse, or delay until the next succeeding~~
13 ~~session of the legislature has the opportunity to approve or~~
14 ~~disapprove, the proposed purchase of any real property by an~~
15 ~~institution of higher education, except a public junior college,]~~

16 ~~[(6) develop and publish standards, rules, and~~
17 ~~regulations to guide the institutions and agencies of higher~~
18 ~~education in making application for the approval of new~~
19 ~~construction and major repair and rehabilitation of all buildings~~
20 ~~and facilities regardless of proposed use; and~~

21 (6) ~~[(7)]~~ ascertain that the board's standards and
22 specifications for new construction, repair, and rehabilitation of
23 all buildings and facilities are in accordance with Chapter 469,
24 Government Code ~~[Article 9102, Revised Statutes].~~

25 (d) The ~~[(1) The board, for purposes of state funding, may~~
26 ~~review and approve as an addition to an institution's educational~~
27 ~~and general buildings and facilities inventory any improved real~~

1 ~~property acquired by gifts or lease-purchase only if:~~

2 ~~[(A) the institution requests to place the~~
3 ~~improved real property on its educational and general buildings and~~
4 ~~facilities inventory; and]~~

5 ~~[(B) the value of the improved real property is~~
6 ~~more than \$300,000 at the time the institution requests the~~
7 ~~property to be added to the educational and general buildings and~~
8 ~~facilities inventory.]~~

9 ~~[(2) This subsection does not apply to gifts, grants,~~
10 ~~or lease-purchase arrangements intended for clinical or research~~
11 ~~facilities.]~~

12 ~~[(c) Approval of the board is not required to acquire real~~
13 ~~property that is financed by bonds issued under Section 55.17(e)(3)~~
14 ~~or (4), 55.1713-55.1718, 55.1721-55.1728, 55.1735(a)(1), 55.174,~~
15 ~~55.1742, 55.1743, 55.1744, 55.1751-55.17592, 55.1768, 55.1771, or~~
16 ~~55.17721, except that the] board may [shall] review purchases of~~
17 ~~improved [all] real property added to an institution's educational~~
18 ~~and general buildings and facilities inventory [to be financed by~~
19 ~~bonds issued under those sections] to determine whether the~~
20 ~~property meets the standards adopted by the board for cost,~~
21 ~~efficiency, and space use, but the purchase of the improved real~~
22 ~~property is not contingent on board review. If the property does~~
23 ~~not meet those standards, the board shall notify the governor, the~~
24 ~~lieutenant governor, the speaker of the house of representatives,~~
25 ~~and the Legislative Budget Board.~~

26 SECTION 4.02. Section 61.058, Education Code, is amended to
27 read as follows:

1 Sec. 61.058. NEW CONSTRUCTION AND REPAIR AND REHABILITATION
2 PROJECTS. (a) This section does not apply to ~~[Except as provided~~
3 ~~by Subsection (b) of this section, the board shall approve or~~
4 ~~disapprove all new construction and repair and rehabilitation of~~
5 ~~all buildings and facilities at institutions of higher education~~
6 ~~financed from any source provided that:~~

7 ~~[(A) the board's consideration and determination~~
8 ~~shall be limited to the purpose for which the new or remodeled~~
9 ~~buildings are to be used to assure conformity with approved space~~
10 ~~utilization standards and the institution's approved programs and~~
11 ~~role and mission if the cost of the project is not more than~~
12 ~~\$4,000,000, but the board may consider cost factors and the~~
13 ~~financial implications of the project to the state if the total cost~~
14 ~~is in excess of \$4,000,000;~~

15 ~~[(B) the requirement of approval for new~~
16 ~~construction applies only to projects the total cost of which is in~~
17 ~~excess of \$4,000,000;~~

18 ~~[(C) the requirement of approval for major repair~~
19 ~~and rehabilitation of buildings and facilities applies only to a~~
20 ~~project the total cost of which is more than \$4,000,000;~~

21 ~~[(D) the requirement of approval or disapproval~~
22 ~~by the board does not apply to any new construction or major repair~~
23 ~~and rehabilitation project that is specifically approved by the~~
24 ~~legislature;~~

25 ~~[(E) the requirement of approval by the board~~
26 ~~does not apply to a junior college's construction, repair, or~~
27 ~~rehabilitation financed entirely with funds from a source other~~

1 ~~than the state, including funds from ad valorem tax receipts of the~~
2 ~~college, gifts, grants, and donations to the college, and student~~
3 ~~fees; and~~

4 ~~[(F) the requirement of approval by the board~~
5 ~~does not apply to construction, repair, or rehabilitation of~~
6 ~~privately owned buildings and facilities located on land leased~~
7 ~~from an institution of higher education if the construction,~~
8 ~~repair, or rehabilitation is financed entirely from funds not under~~
9 ~~the control of the institution, and provided further that:]~~

10 ~~[(i) the] buildings and facilities that are~~
11 ~~to be used exclusively for auxiliary enterprises[+] and~~

12 ~~[(ii) the buildings and facilities] will~~
13 ~~not require appropriations from the legislature for operation,~~
14 ~~maintenance, or repair [unless approval by the board has been~~
15 ~~obtained].~~

16 (b) The ~~This section does not apply to construction, repair,~~
17 ~~or rehabilitation financed by bonds issued under Section~~
18 ~~55.17(e)(3) or (4), 55.1713-55.1718, 55.1721-55.1728, 55.174,~~
19 ~~55.1742, 55.1743, 55.1744, 55.1751-55.17592, 55.1768, 55.1771, or~~
20 ~~55.17721, except that the] board may [shall] review all~~
21 ~~construction, repair, or rehabilitation of buildings and~~
22 ~~facilities at institutions of higher education [to be financed by~~
23 ~~bonds issued under those sections] to determine whether the~~
24 ~~construction, rehabilitation, or repair meets the standards~~
25 ~~adopted by board rule for cost, efficiency, and space use, but the~~
26 ~~construction, rehabilitation, or repair is not contingent on board~~
27 ~~review. If the construction, rehabilitation, or repair does not~~

1 meet those standards, the board shall notify the governor, the
2 lieutenant governor, the speaker of the house of representatives,
3 and the Legislative Budget Board.

4 ~~[(c) As necessary to ensure that the board is required to~~
5 ~~approve only substantial construction, repair, or rehabilitation~~
6 ~~projects at institutions of higher education, for all projects~~
7 ~~described by Subsection (a)(B) or (a)(C) the board by rule may~~
8 ~~increase the total cost threshold required for board approval under~~
9 ~~this section.]~~

10 SECTION 4.03. Subsection (a), Section 51.951, Education
11 Code, is amended to read as follows:

12 (a) Information related to the development, location,
13 purchase price, or sale price of real property developed,
14 purchased, or sold by or for an institution of higher education, as
15 defined by Section 61.003, including a contract provision related
16 to the development, purchase, or sale of the property, is
17 confidential and exempt from disclosure under Chapter 552,
18 Government Code, until all deeds for the property that are
19 applicable to the transaction or series of related transactions
20 are executed and until all substantive performance or executory
21 requirements of applicable contracts have been satisfied ~~[a deed~~
22 ~~for the property is executed]~~. Information that is confidential and
23 exempted from disclosure under this subsection includes an
24 appraisal, completed report, evaluation, investigation conducted
25 for the purpose of locating or determining the purchase or sale
26 price of the property, or any report prepared in anticipation of
27 purchasing or selling real property.

1 SECTION 4.04. Section 33.06, Tax Code, is amended by adding
2 Subsection (g) to read as follows:

3 (g) If the ownership interest of an individual entitled to a
4 deferral under this section is a life estate, a lien for the
5 deferred tax attaches to the estate of the life tenant, and not to
6 the remainder interest, if the owner of the remainder is an
7 institution of higher education, as defined by Section 61.003,
8 Education Code, that has not consented to the deferral.

9 SECTION 4.05. Subsection (c), Section 2166.302, Government
10 Code, is amended to read as follows:

11 (c) Subsection (a) does not apply to a project constructed
12 by and for the Texas Department of Transportation or an institution
13 of higher education or university system.

14 SECTION 4.06. Subsection (c-1), Section 2166.403,
15 Government Code, is amended to read as follows:

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

1 estimated cost of providing energy for the function, based on the
2 use of alternative energy devices, during the economic life of the
3 building.

4 SECTION 4.07. Subsection (b), Section 2167.001, Government
5 Code, is amended to read as follows:

6 (b) This chapter does not apply to:

7 (1) radio antenna space;

8 (2) residential space for a Texas Department of Mental
9 Health and Mental Retardation program;

10 (3) residential space for a Texas Youth Commission
11 program;

12 (4) space to be used for less than one month for
13 meetings, conferences, conventions, seminars, displays,
14 examinations, auctions, or similar purposes;

15 (5) district office space for members of the
16 legislature;

17 (6) space used by the Texas Workforce Commission;

18 (7) residential property acquired by the Texas
19 Department of Housing and Community Affairs or the Texas State
20 Affordable Housing Corporation that is offered for sale or rental
21 to individuals and families of low or very low income or families of
22 moderate income;

23 (8) except as provided by Section 2167.007, [~~classroom~~
24 ~~and instructional~~] space for a university system or an institution
25 of higher education; or

26 (9) space leased by the Texas Veterans Commission to
27 administer the veterans employment services program.

1 SECTION 4.08. Section 1434.054, Government Code, is
2 repealed.

3 ARTICLE 5. BOARD APPOINTMENTS

4 SECTION 5.01. Sections 2.03(a) and (c), Chapter 670, Acts
5 of the 72nd Legislature, 1991, (Art. 4477-7j, Vernon's Texas Civil
6 Statutes) are amended to read as follows:

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

19 (c) The Commissioners Court of Gaines County an the
20 governing bodies of the cities of Seminole and Seagraves shall each
21 appoint one initial director so serve a term expiring on May 1 of
22 the first year after the year in which the original appointment is
23 made. In addition, the Commissioners Court of Gaines County shall
24 appoint two initial directors and the governing bodies of the
25 cities of Seminole and Seagraves shall each appoint one initial
26 director to serve terms expiring May 1 of the second year after the
27 year in which the original appointment is made. [~~The initial ex~~

1 ~~officio member serves a term expiring on May 1 of the second year~~
2 ~~after the year in which the original appointment is made.]~~

3 Successor directors serve two-year terms.

4 SECTION 5.02. Sections 3.01(a), Chapter 670, Acts of the
5 72nd Legislature, 1991, (Art. 4477-7j, Vernon's Texas Civil
6 Statutes) are amended to read as follows:

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

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

15 (2) the board receives a petition signed by at least
16 150 registered voters of Gaines County calling for the election of
17 the directors.

18 SECTION 5.03. Sections 3.01(c), Chapter 670, Acts of the
19 72nd Legislature, 1991, (Art. 4477-7j, Vernon's Texas Civil
20 Statutes) is repealed.

21 SECTION 5.04. Section 95.006(b), Health and Safety Code, is
22 amended to read as follows:

23 (b) The advisory committee is composed of:

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

26 (A) one representative of the office;

27 (B) one representative of the Texas Education

1 Agency;

2 (C) one representative of the Texas Pediatric
3 Society;

4 (D) one representative of the American Diabetes
5 Association;

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

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

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

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

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

18 (A) one representative of the council;

19 (B) one representative of the Texas Medical
20 Association;

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

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

27 (E) one school nurse representative from a rural

1 school located within the boundaries of a regional education
2 service center.

3 SECTION 5.05. Section 552.123, Government Code, is amended
4 to read as follows:

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

15 ARTICLE 6. EFFECTIVE DATE

16 SECTION 6.01. This Act takes effect immediately if it
17 receives the vote of two-thirds of all the members elected to each
18 house, as provided by Section 39, Article III, Texas Constitution.
19 If this Act does not receive the vote necessary for immediate
20 effect, this Act takes effect September 1, 2011.