

1-1 By: Ogden S.B. No. 1581
1-2 (In the Senate - Filed March 11, 2011; March 23, 2011, read
1-3 first time and referred to Committee on Finance; April 26, 2011,
1-4 reported adversely, with favorable Committee Substitute by the
1-5 following vote: Yeas 9, Nays 6; April 26, 2011, sent to printer.)

1-6 COMMITTEE SUBSTITUTE FOR S.B. No. 1581 By: Ogden

1-7 A BILL TO BE ENTITLED
1-8 AN ACT

1-9 relating to state fiscal matters related to public and higher
1-10 education.

1-11 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

1-12 ARTICLE 1. REDUCTION OF EXPENDITURES AND IMPOSITION OF CHARGES
1-13 GENERALLY

1-14 SECTION 1.01. This article applies to any state agency,
1-15 school, institution of higher education, or other entity that
1-16 receives an appropriation under Article III of the General
1-17 Appropriations Act.

1-18 SECTION 1.02. Notwithstanding any other statute of this
1-19 state, each entity to which this article applies is authorized to
1-20 reduce or recover expenditures by:

1-21 (1) consolidating any reports or publications the
1-22 entity is required to make and filing or delivering any of those
1-23 reports or publications exclusively by electronic means;

1-24 (2) extending the effective period of any license,
1-25 permit, or registration the entity grants or administers;

1-26 (3) entering into a contract with another governmental
1-27 entity or with a private vendor to carry out any of the entity's
1-28 duties;

1-29 (4) adopting additional eligibility requirements for
1-30 persons who receive benefits under any law the entity administers
1-31 to ensure that those benefits are received by the most deserving
1-32 persons consistent with the purposes for which the benefits are
1-33 provided;

1-34 (5) providing that any communication between the
1-35 entity and another person and any document required to be delivered
1-36 to or by the entity, including any application, notice, billing
1-37 statement, receipt, or certificate, may be made or delivered by
1-38 e-mail or through the Internet; and

1-39 (6) adopting and collecting fees or charges to cover
1-40 any costs the entity incurs in performing its lawful functions.

1-41 ARTICLE 2. FISCAL MATTERS CONCERNING ADVANCED PLACEMENT

1-42 SECTION 2.01. Subsection (h), Section 28.053, Education
1-43 Code, is amended to read as follows:

1-44 (h) The commissioner may enter into agreements with the
1-45 college board and the International Baccalaureate Organization to
1-46 pay for all examinations taken by eligible public school students.
1-47 An eligible student is a student [one] who:

1-48 (1) takes a college advanced placement or
1-49 international baccalaureate course at a public school or who is
1-50 recommended by the student's principal or teacher to take the test;
1-51 and

1-52 (2) demonstrates financial need as determined in
1-53 accordance with guidelines adopted by the board that are consistent
1-54 with the definition of financial need adopted by the college board
1-55 or the International Baccalaureate Organization.

1-56 ARTICLE 3. FISCAL MATTERS CONCERNING EARLY HIGH SCHOOL GRADUATION

1-57 SECTION 3.01. Subchapter K, Chapter 56, Education Code, is
1-58 amended by adding Section 56.2012 to read as follows:

1-59 Sec. 56.2012. EXPIRATION OF SUBCHAPTER; ELIGIBILITY
1-60 CLOSED. (a) This subchapter expires September 1, 2017.

1-61 (b) Notwithstanding Section 56.203, a person may not
1-62 receive an award under this subchapter if the person graduates from
1-63 high school on or after September 1, 2011.

2-1 SECTION 3.02. Subsection (b), Section 54.213, Education
2-2 Code, is amended to read as follows:

2-3 (b) ~~[Savings to the foundation school fund that occur as a~~
2-4 ~~result of the Early High School Graduation Scholarship program~~
2-5 ~~created in Subchapter K, Chapter 56, and that are not required for~~
2-6 ~~the funding of state credits for tuition and mandatory fees under~~
2-7 ~~Section 56.204 or school district credits under Section 56.2075~~
2-8 ~~shall be used first to provide tuition exemptions under Section~~
2-9 ~~54.212. Any of those savings remaining after providing tuition~~
2-10 ~~exemptions under Section 54.212 shall be used to provide tuition~~
2-11 ~~exemptions under Section 54.214.]~~ The Texas Education Agency shall
2-12 ~~[also]~~ accept and make available to provide tuition exemptions
2-13 under Section 54.214 gifts, grants, and donations made to the
2-14 agency for that purpose. The commissioner of education shall
2-15 transfer those funds to the Texas Higher Education Coordinating
2-16 Board to distribute to institutions of higher education that
2-17 provide exemptions under that section ~~[Payment of funds under this~~
2-18 ~~subsection shall be made in the manner provided by Section 56.207~~
2-19 ~~for state credits under Subchapter K, Chapter 56].~~

2-20 SECTION 3.03. Section 56.210, Education Code, is repealed.

2-21 ARTICLE 4. FISCAL MATTERS CONCERNING TUITION EXEMPTIONS

2-22 SECTION 4.01. Subsection (c), Section 54.214, Education
2-23 Code, is amended to read as follows:

2-24 (c) To be eligible for an exemption under this section, a
2-25 person must:

- 2-26 (1) be a resident of this state;
- 2-27 (2) be a school employee serving in any capacity;
- 2-28 (3) for the initial term or semester for which the
2-29 person receives an exemption under this section, have worked as an
2-30 educational aide for at least one school year during the five years
2-31 preceding that term or semester;
- 2-32 (4) establish financial need as determined by
2-33 coordinating board rule;
- 2-34 (5) be enrolled at the institution of higher education
2-35 granting the exemption in courses required for teacher
2-36 certification in one or more subject areas determined by the Texas
2-37 Education Agency to be experiencing a critical shortage of teachers
2-38 at the public schools in this state ~~[at the institution of higher~~
2-39 ~~education granting the exemption];~~
- 2-40 (6) maintain an acceptable grade point average as
2-41 determined by coordinating board rule; and
- 2-42 (7) comply with any other requirements adopted by the
2-43 coordinating board under this section.

2-44 SECTION 4.02. The change in law made by this article applies
2-45 beginning with tuition and fees charged for the 2011 fall semester.
2-46 Tuition and fees charged for a term or semester before the 2011 fall
2-47 semester are covered by the law in effect during the term or
2-48 semester for which the tuition and fees are charged, and the former
2-49 law is continued in effect for that purpose.

2-50 ARTICLE 5. FISCAL MATTERS CONCERNING CERTAIN DISTRIBUTIONS TO
2-51 INSTITUTIONS OF HIGHER EDUCATION

2-52 SECTION 5.01. Subchapter A, Chapter 63, Education Code, is
2-53 amended by adding Section 63.0035 to read as follows:

2-54 Sec. 63.0035. LIQUIDATION OF INSTITUTION'S SHARE OF FUND.

2-55 (a) The comptroller in consultation with the board of regents of
2-56 The University of Texas System shall establish procedures by which
2-57 any institution entitled in a state fiscal year to receive a
2-58 distribution from the permanent fund established under this
2-59 subchapter may, in lieu of receiving the distribution owed to the
2-60 institution for that year, request and receive a liquidation
2-61 distribution of the institution's proportional share of the total
2-62 value of the fund. The board of regents shall make the liquidation
2-63 distribution in accordance with the procedures established under
2-64 this section.

2-65 (b) For purposes of making a liquidation distribution under
2-66 this section:

- 2-67 (1) the institution's proportional share of the total
2-68 value of the fund is the same as the institution's proportional
2-69 share of the total amount of distributions from the fund made during

3-1 the preceding state fiscal year; and
3-2 (2) the total value of the fund is determined at the
3-3 close of business on the date on which the institution makes its
3-4 request for a liquidation distribution.

3-5 (c) Any expenses associated with the liquidation
3-6 distribution shall be deducted from the amount of the liquidation
3-7 distribution before payment is made to the institution.

3-8 (d) Notwithstanding Section 63.002(c), an institution that
3-9 receives a liquidation distribution of the institution's
3-10 proportional share of the fund is not entitled to any subsequent
3-11 distributions from the fund.

3-12 (e) Notwithstanding the other provisions of this
3-13 subchapter, an institution that receives a liquidation
3-14 distribution under this section may use those funds for any lawful
3-15 purpose of the institution. The comptroller shall establish
3-16 procedures to ensure that a liquidation distribution to Baylor
3-17 College of Medicine is used for public purposes consistent with a
3-18 contract in effect under Section 61.092.

3-19 ARTICLE 6. FISCAL MATTERS CONCERNING DUAL HIGH SCHOOL AND JUNIOR
3-20 COLLEGE CREDIT

3-21 SECTION 6.01. Subsection (c), Section 130.008, Education
3-22 Code, is amended to read as follows:

3-23 (c) The contact hours attributable to the enrollment of a
3-24 high school student in a course offered for joint high school and
3-25 junior college credit under this section, excluding a course for
3-26 which the student attending high school may receive course credit
3-27 toward the physical education curriculum requirement under Section
3-28 28.002(a)(2)(C), shall be included in the contact hours used to
3-29 determine the junior college's proportionate share of the state
3-30 money appropriated and distributed to public junior colleges under
3-31 Sections 130.003 and 130.0031, even if the junior college waives
3-32 all or part of the tuition or fees for the student under Subsection
3-33 (b).

3-34 SECTION 6.02. This article applies beginning with funding
3-35 for the 2011 fall semester.

3-36 ARTICLE 7. EFFECTIVE DATE

3-37 SECTION 7.01. This Act takes effect September 1, 2011.

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