By: Frullo, Stucky, Zerwas, Walle, et al. H.B. No. 1562 Substitute the following for H.B. No. 1562: By: Longoria C.S.H.B. No. 1562

A BILL TO BE ENTITLED

AN ACT

2 relating to the allocation and use of the annual constitutional 3 appropriation to certain agencies and institutions of higher 4 education.

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

6 SECTION 1. Section 62.021, Education Code, is amended by 7 amending Subsections (a), (a-1), (b), and (c) and adding Subsection 8 (a-3) to read as follows:

9 (a) In each state fiscal year beginning with the state fiscal year ending August 31, 2021 [2016], an eligible institution 10 11 is entitled to receive an amount allocated in accordance with this 12 section from the funds appropriated for that year by Section 17(a), Article VII, Texas Constitution. The comptroller shall distribute 13 funds allocated under this subsection only on presentation of a 14 claim and issuance of a warrant in accordance with Section 403.071, 15 16 Government Code. An eligible institution may not present a claim to be paid from any funds allocated under this subsection before the 17 delivery of goods or services described in Section 17, Article VII, 18 Texas Constitution, except for the payment of principal or interest 19 20 on bonds or notes or for a payment for a book or other published library material as authorized by Section 2155.386, Government 21 Code. The allocation of funds under this subsection is made in 22 accordance with an equitable formula consisting of the following 23 elements: space deficit, facilities condition, institutional 24

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1 complexity, and a separate allocation for the Texas State Technical College System. The annual amounts allocated by the formula are as 2 3 follows: 4 (1)\$4,933,200 [\$3**,**374,275] to Midwestern State 5 University; 6 (2) to the following component institutions of the 7 University of North Texas System: 8 (A) \$37,346,563 [\$25,041,370] to the University 9 of North Texas; <u>\$15,125,502</u> [\$11,394,570] to the University 10 (B) of North Texas Health Science Center at Fort Worth; and 11 \$3,354,441 [\$1,408,669] to the University of 12 (C) North Texas at Dallas[, \$135,593 of which must be used for the 13 University of North Texas at Dallas College of Law]; 14 15 (3) \$11,277,793 [\$7,757,442] to Stephen F. Austin 16 State University; 17 (4) to the following component institutions of the Texas State University System: 18 [\$9,401,255] 19 (A) \$13,141,181 to Lamar University; 20 [\$1,720,347] 21 (B) \$2,553,130 Lamar to the 22 Institute of Technology; [\$1,129,562] 23 (C) \$1,488,396 to Lamar State 24 College--Orange; 25 (D) \$2,217,102 [\$1,438,523] to Lamar State 26 College--Port Arthur; <u>\$18,236,811</u> [\$11,553,239] 27 (E) to Sam Houston

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1 State University; 2 (F) \$37,606,478 [\$24,775,170] to Texas State 3 University; 4 (G) \$2,151,723 [\$1,423,682] to Sul Ross State 5 University; and 6 (H) \$472,890 [\$273**,**825] Sul to Ross State 7 University-Rio Grande College; 8 (5) \$11,719,335 [\$7,773,229] to Texas Southern University; 9 to the following component institutions of the 10 (6) Texas Tech University System: 11 \$49,874,746 [\$32,817,206] 12 (A) to Texas Tech University; 13 14 (B) \$21,652,392 [\$15,581,597] to Texas Tech 15 University Health Sciences Center; 16 (C) <u>\$6,792,999</u> [\$3,546,735] to Angelo State 17 University; and <u>\$5,557,572</u> [\$4,156,050] 18 (D) to Texas Tech University Health Sciences Center--El Paso; 19 20 \$14,554,133 [\$9,897,706] (7) to Texas Woman's 21 University; 22 (8) to the following component institutions of the University of Houston System: 23 24 (A) \$54,514,004 [\$35,180,036] to the University 25 of Houston; (B) \$3,542,817 [\$2,850,574] to the University of 26 27 Houston--Victoria;

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C.S.H.B. No. 1562 1 (C) <u>\$7,726,043</u> [\$5,336,744] to the University of Houston--Clear Lake; and 2 3 (D) <u>\$10,828,344</u> [\$7,835,252] to the University 4 of Houston--Downtown; 5 (9) to the following component institutions of The Texas A&M University System: 6 7 (A) \$11,478,824 [\$7,424,229] to Texas A&M 8 University--Corpus Christi; [\$4**,**473**,**273] 9 \$7,462,394 (B) to Texas A&M International University; 10 \$8,858,060 11 (C) [\$5**,**977**,**371] A&M to Texas University--Kingsville; 12 \$7,446,495 [\$4,776,272] to West Texas A&M 13 (D) 14 University; 15 (E) \$11,123,859 [\$7,190,875] to Texas ΑωΜ 16 University--Commerce; and 17 (F) \$2,050,273 $[\frac{\$1,215,922}{}]$ Texas to Α&М University--Texarkana; and 18 19 (10) \$8,662,500 [\$5,775,000] to the Texas State System Administration and the following 20 Technical College component campuses, but not its extension centers or programs: 21 22 Texas State Technical College-Harlingen; (A) 23 (B) Texas State Technical College--Marshall; 24 (C) Texas State Technical College--West Texas; 25 [and] 26 (D) Texas State Technical College--Waco; 27 (E) Texas State Technical College--Fort Bend;

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(F) Texas State Technical College--North Texas.

In [each state fiscal year beginning with] the state 3 (a-1) fiscal year ending August 31, 2020 [2017], an eligible institution 4 5 is entitled to receive an amount allocated in accordance with this subsection from the funds appropriated for that year by Section 6 17(a), Article VII, Texas Constitution. The comptroller shall 7 8 distribute funds allocated under this subsection only on presentation of a claim and issuance of a warrant in accordance with 9 10 Section 403.071, Government Code. An eligible institution may not present a claim to be paid from any funds allocated under this 11 subsection before the delivery of goods or services described in 12 Section 17, Article VII, Texas Constitution, except for the payment 13 14 of principal or interest on bonds or notes or for a payment for a 15 book or other published library material as authorized by Section 2155.386, Government Code. The allocation of funds under this 16 17 subsection is made in accordance with an equitable formula consisting of the following elements: space deficit, facilities 18 condition, institutional complexity, and a separate allocation for 19 the Texas State Technical College System. The annual amounts 20 allocated by the formula are as follows: 21

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\$5,061,412 to Midwestern State University;

(2) to the following component institutions of the24 University of North Texas System:

(A) \$37,562,056 to the University of North Texas;
(B) \$17,091,856 to the University of North Texas
Health Science Center at Fort Worth; and

C.S.H.B. No. 1562 (C) \$2,113,004 to the University of North Texas 1 at Dallas[, \$203,390 of which must be used for the University of 2 North Texas at Dallas College of Law]; 3 4 (3) \$11,636,163 to Stephen F. Austin State University; 5 (4) to the following component institutions of the Texas State University System: 6 7 (A) \$14,101,882 to Lamar University; 8 (B) \$2,580,521 to the Lamar Institute of Technology; 9 10 (C) \$1,694,343 to Lamar State College--Orange; 11 (D) \$2,157,784 to Lamar State College--Port 12 Arthur; \$17,329,858 to Sam Houston State University; 13 (E) 14 (F) \$37,162,755 to Texas State University; 15 (G) \$2,135,523 to Sul Ross State University; and 16 (H) \$410,738 to Sul Ross State University-Rio 17 Grande College; (5) \$11,659,843 to Texas Southern University; 18 19 (6) to the following component institutions of the Texas Tech University System: 20 \$49,225,809 to Texas Tech University; 21 (A) 22 \$23,372,396 to Texas Tech University Health (B) 23 Sciences Center; 24 (C) \$5,320,102 to Angelo State University; and 25 \$6,234,075 to Texas Tech University Health (D) 26 Sciences Center--El Paso; \$14,846,558 to Texas Woman's University; 27 (7)

C.S.H.B. No. 1562 to the following component institutions of the 1 (8) University of Houston System: 2 \$52,770,054 to the University of Houston; 3 (A) 4 (B) \$4,275,861 to the University of 5 Houston--Victoria; 6 (C) \$8,005,116 the University to of 7 Houston--Clear Lake; and 8 (D) \$11,752,877 to the University of Houston--Downtown; 9 to the following component institutions of The 10 (9)Texas A&M University System: 11 \$11,136,344 to Texas A&M University--Corpus 12 (A) Christi; 13 \$6,709,910 14 (B) to Texas A&M International 15 University; 16 (C) \$8,966,056 Texas to A&M 17 University--Kingsville; \$7,164,408 to West Texas A&M University; (D) 18 (E) \$10,786,313 19 to Texas A&M University--Commerce; and 20 \$1,823,883 21 (F) Texas A&M to 22 University--Texarkana; and 23 \$8,662,500 to the Texas State Technical College (10)24 System Administration and the following component campuses, but not 25 its extension centers or programs: Texas State Technical College-Harlingen; 26 (A) Texas State Technical College--Marshall; 27 (B)

C.S.H.B. No. 1562 1 (C) Texas State Technical College--West Texas; 2 [and] 3 (D) Texas State Technical College--Waco; 4 Texas State Technical College--Fort Bend; (E) 5 and 6 (F) Texas State Technical College--North Texas. 7 (a-3) This subsection and Subsection (a-1) expire September

8 <u>1, 2020.</u>

9 Each governing board participating in the distribution (b) 10 of funds as described in this section may expend the funds without limitation, and as the governing board may decide in its sole 11 12 discretion, for any and all purposes described in Section 17, Article VII, Texas [Section 17, of the] Constitution, including to 13 14 purchase or contract for cloud computing services or other 15 intangible assets with an expected useful life or for a contract period of more than one year [of Texas; provided, however, that for 16 new construction, major repair and rehabilitation projects, and 17 land acquisition projects, those funds may not be expended without 18 19 the prior approval of the legislature or the approval, review, or endorsement, as applicable, of the coordinating board; and provided 20 21 further that review and approval of major repair and rehabilitation shall apply only to projects in excess of \$600,000]. 22

(c) Each governing board participating in the distribution
of funds as described in this section may issue bonds and notes as
authorized in <u>Section 17</u>, Article VII, <u>Texas</u> [Section 17, of the]
Constitution [of Texas]. [For purposes of this chapter, the
governing board of Texas Tech University may issue bonds and notes

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as authorized in Article VII, Section 17, of the Constitution of 1 Texas, on behalf of both Texas Tech University and Texas Tech 2 University Health Sciences Center, and the annual appropriations of 3 both institutions may be combined and pledged by the governing body 4 5 of Texas Tech University in support of such bonds and notes.] 6 SECTION 2. Sections 62.021(a-2) and (f), Education Code, are repealed. 7 SECTION 3. (a) The amounts allocated under Section 8 62.021(a-1), Education Code, as amended by this Act, apply to the 9 state fiscal year beginning September 1, 2019. 10 11 (b) The amounts allocated under Section 62.021(a), Education Code, as amended by this Act, apply to each state fiscal 12 year beginning with the state fiscal year beginning September 1, 13 2020. 14 15 SECTION 4. This Act takes effect August 31, 2019.