S.B. No. 1055

AN ACT

relating to the creation of a new university in Nacogdoches, Texas, within The University of Texas System and the allocation of the annual constitutional appropriation to certain agencies and institutions of higher education; abolishing Stephen F. Austin State University.

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

SECTION 1.  AMENDMENT TO EDUCATION CODE. Subtitle C, Title 3, Education Code, is amended by adding Chapter 80 to read as follows:

CHAPTER 80. STEPHEN F. AUSTIN STATE UNIVERSITY, A MEMBER OF THE UNIVERSITY OF TEXAS SYSTEM

Sec. 80.01.  DEFINITIONS. In this chapter:

(1)  "Board" means the board of regents of The University of Texas System.

(2)  "University" means the university established under this chapter as Stephen F. Austin State University, a member of The University of Texas System.

Sec. 80.02.  REFERENCE TO STEPHEN F. AUSTIN STATE UNIVERSITY. A reference in law to Stephen F. Austin State University means Stephen F. Austin State University, a member of The University of Texas System.

Sec. 80.03.  ESTABLISHMENT; SCOPE. (a) Stephen F. Austin State University, a member of The University of Texas System, is a general academic teaching institution in Nacogdoches, Texas, under the governance, management, and control of the board of regents of The University of Texas System.

(b)  As necessary to achieve the maximum operating efficiency of the university, the board shall provide for the organization, administration, and location of the university and of the colleges, schools, and other institutions and entities of the university.

(c)  The authority of the board under this section to achieve the maximum operating efficiency of the university and to provide for the organization, administration, and location of the university and of the colleges, schools, and other institutions and entities of the university prevails over other law.

Sec. 80.04.  COURSES AND DEGREES. (a)  The board may prescribe courses leading to customary degrees offered at leading American universities and may award those degrees, including bachelor's, master's, and doctoral degrees and their equivalents.

(b)  The board shall award degrees in the name of the university.

(c)  A degree program may not be instituted without the prior approval of the Texas Higher Education Coordinating Board, except that the university may offer any degree program previously approved for Stephen F. Austin State University or expressly authorized by this chapter or other law.

Sec. 80.05.  UNIVERSITY OF THE FIRST CLASS. The board shall make any other rules and regulations for the operation, control, and management of the university as may be necessary for the conduct of the university as a university of the first class.

Sec. 80.06.  FACILITIES. The board shall provide for adequate physical facilities for use by the university.

Sec. 80.07.  GIFTS AND GRANTS. The board may solicit, accept, and administer, on terms and conditions acceptable to the board, gifts, grants, or donations of any kind and from any source for use by the university.

Sec. 80.08.  JOINT APPOINTMENTS. The board may make joint faculty appointments to positions in the university and to positions in other institutions under the governance of the board.

Sec. 80.09.  PARTICIPATION IN PERMANENT UNIVERSITY FUND. The legislature finds that the university is an institution of higher education "created at a later date" for purposes of Section 18(c), Article VII, Texas Constitution. Accordingly, the university is entitled to participate in the funding provided by Section 18, Article VII, Texas Constitution, to the same extent as similar component institutions of The University of Texas System.

SECTION 2.  STEPHEN F. AUSTIN STATE UNIVERSITY ABOLISHED. (a)  Stephen F. Austin State University is abolished on September 1, 2023, or on an alternate date the board of regents of The University of Texas System determines appropriate to achieve the maximum operating efficiency of the system. A designated alternate date must be entered into the minutes of the board.

(b)  The board of regents of The University of Texas System shall provide to the secretary of state written notice of its action under Subsection (a) of this section. Effective on the date the board designates for the abolition of Stephen F. Austin State University, Chapter 101, Education Code, is repealed.

(c)  The board of regents of The University of Texas System may not act under Subsection (a) of this section to abolish Stephen F. Austin State University earlier than the date on which Stephen F. Austin State University, a member of The University of Texas System, begins operation.

(d)  The board of regents of Stephen F. Austin State University shall take all actions necessary to facilitate the operation of Stephen F. Austin State University, a member of The University of Texas System, and the orderly winding up of the affairs of Stephen F. Austin State University. For that purpose, the board of regents of Stephen F. Austin State University may transfer management and control of Stephen F. Austin State University to the board of regents of The University of Texas System.

(e)  On the date Stephen F. Austin State University is abolished as provided by this Act, the terms of office of members of the board of regents of Stephen F. Austin State University expire.

SECTION 3.  UNIVERSITY CREATED; TRANSITION PROVISIONS. (a) Stephen F. Austin State University, a member of The University of Texas System, is created within The University of Texas System. As provided by Chapter 80, Education Code, as added by this Act, the board of regents of The University of Texas System shall establish the university as a general academic teaching institution offering the degrees authorized by that chapter.

(b)  Stephen F. Austin State University, a member of The University of Texas System, shall begin operating on a date the board of regents of The University of Texas System determines appropriate to achieve the maximum operating efficiency of the system. The designated date must be entered into the minutes of the board.

(c)  In recognition of the abolition of Stephen F. Austin State University as authorized by this Act, the board of regents of The University of Texas System shall facilitate the employment at Stephen F. Austin State University, a member of The University of Texas System, of as many faculty and staff of the abolished university as is prudent and practical, subject to the following:

(1)  a person who is tenured faculty of Stephen F. Austin State University on the date of the university's abolition is entitled to tenure at Stephen F. Austin State University, a member of The University of Texas System; and

(2)  a person who is in a tenure-track teaching position at Stephen F. Austin State University on the date of the university's abolition is entitled to a tenure-track position at Stephen F. Austin State University, a member of The University of Texas System, and must be considered for tenure on the same schedule governing the position at Stephen F. Austin State University.

(d)  A student admitted to or enrolled at Stephen F. Austin State University on the date of abolition is entitled to admission to Stephen F. Austin State University, a member of The University of Texas System, and the board of regents of The University of Texas System shall take actions necessary to facilitate that admission and the appropriate transfer of credits.

(e)  On the date Stephen F. Austin State University is abolished as provided by this Act, all money, property, and facilities under the management and control of the board of regents of Stephen F. Austin State University are transferred to the management and control of the board of regents of The University of Texas System for the use and benefit of Stephen F. Austin State University, a member of The University of Texas System.

(f)  On the date Stephen F. Austin State University is abolished as provided by this Act, the board of regents of The University of Texas System is substituted in contracts and other obligations for the board of regents of Stephen F. Austin State University. Contracts and written obligations of every kind and character entered into by the board of regents of Stephen F. Austin State University or the Texas Public Finance Authority for and on behalf of Stephen F. Austin State University, including bonds, are considered ratified, confirmed, and validated by the board of regents of The University of Texas System. In those contracts and written obligations, the board of regents of The University of Texas System is substituted for and stands and acts in the place of the board of regents of Stephen F. Austin State University or the Texas Public Finance Authority, as applicable, to the extent permitted by law. To the extent that Stephen F. Austin State University has authorized but unissued bonding authority under Section 55.1797, Education Code, the board of regents of The University of Texas System may issue bonds in that amount and for the same purposes under the systemwide revenue financing program for the benefit of Stephen F. Austin State University, a member of The University of Texas System.

(g)  For Stephen F. Austin State University, a member of The University of Texas System, the board of regents of The University of Texas System may impose and collect any fee authorized by prior law for Stephen F. Austin State University, as that law existed at the time the university was abolished, as determined by the board and subject to the limitations provided by the prior law authorizing the fee. The abolition of Stephen F. Austin State University does not affect any pledge of revenue from a fee made by or on behalf of the university to pay obligations issued in connection with facilities for which the fee was imposed and the obligations were issued.

(h)  A person who is a participant or is eligible to participate in a group benefits insurance program of Stephen F. Austin State University under Chapter 1551, Insurance Code, or who would be eligible to participate at a future date as a retiree, on the date Stephen F. Austin State University is abolished, as authorized by this Act, is eligible to participate as an employee, current retiree, or vested former employee of Stephen F. Austin State University, a member of The University of Texas System, or as a dependent or surviving dependent, as if all benefits-eligible service credit had been earned in a benefits-eligible position at Stephen F. Austin State University, a member of The University of Texas System. A person who is eligible under this subsection for the uniform insurance benefits under Chapter 1601, Insurance Code, is not eligible to participate in a group benefits insurance program under Chapter 1551, Insurance Code.

(i)  The Employees Retirement System of Texas, Stephen F. Austin State University, and The University of Texas System shall take all actions necessary to implement Subsection (h). For that purpose:

(1)  the Employees Retirement System of Texas shall provide to The University of Texas System the information, including protected health information to the extent authorized by law, necessary for payment activities and plan operations, including health plan operations, of the uniform insurance benefits under Chapter 1601, Insurance Code; and

(2)  Stephen F. Austin State University and The University of Texas System shall ensure that the Employees Retirement System of Texas receives full contributions for each month in which employees of Stephen F. Austin State University are covered by the group benefits insurance program under Chapter 1551, Insurance Code.

(j)  An employee of Stephen F. Austin State University who is participating in the deferred compensation plan under Subchapter C, Chapter 609, Government Code, on the date the university is abolished, as authorized by this Act, is considered to have terminated employment on that date for purposes of the deferred compensation plan.

(k)  For Stephen F. Austin State University, a member of The University of Texas System, the board of regents of The University of Texas System shall seek the inclusion of the university initially in the same athletic conferences, and participation in the same National Collegiate Athletic Association division, as Stephen F. Austin State University immediately before its abolition.

SECTION 4.  AMENDMENT. Section 59.06, Education Code, is amended to read as follows:

Sec. 59.06.  LIMITATION ON APPROPRIATED FUNDS. Funds appropriated by the legislature to The University of Texas System, The Texas A&M University System, the Texas Tech University System, the Texas State University System, the University of Houston System, [~~Stephen F. Austin State University,~~] or the University of North Texas System from the General Revenue Fund may not be used to establish or maintain the fund, to purchase insurance, or to employ private legal counsel.

SECTION 5.  AMENDMENT. Section 62.021(a), Education Code, is amended to read as follows:

(a)  In each state fiscal year beginning with the state fiscal year ending August 31, 2021, an eligible institution is entitled to receive an amount allocated in accordance with this section from the funds appropriated for that year by Section 17(a), Article VII, Texas Constitution. The comptroller shall distribute funds allocated under this subsection only on presentation of a claim and issuance of a warrant in accordance with Section 403.071, Government Code. An eligible institution may not present a claim to be paid from any funds allocated under this subsection before the delivery of goods or services described in Section 17, Article VII, Texas Constitution, except for the payment of principal or interest on bonds or notes or for a payment for a book or other published library material as authorized by Section 2155.386, Government Code. The allocation of funds under this subsection is made in accordance with an equitable formula consisting of the following elements: space deficit, facilities condition, institutional complexity, and a separate allocation for the Texas State Technical College System. The annual amounts allocated by the formula are as follows:

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

(A)  $38,473,304 [~~$37,346,563~~] to the University of North Texas;

(B)  $15,581,837 [~~$15,125,502~~] to the University of North Texas Health Science Center at Fort Worth; and

(C)  $3,455,644 [~~$3,354,441~~] to the University of North Texas at Dallas;

(2)  [~~$11,277,793 to Stephen F. Austin State University;~~

[~~(3)~~]  to the following component institutions of the Texas State University System:

(A)  $13,537,649 [~~$13,141,181~~] to Lamar University;

(B)  $2,630,158 [~~$2,553,130~~] to the Lamar Institute of Technology;

(C)  $1,533,301 [~~$1,488,396~~] to Lamar State College--Orange;

(D)  $2,283,992 [~~$2,217,102~~] to Lamar State College--Port Arthur;

(E)  $18,787,013 [~~$18,236,811~~] to Sam Houston State University;

(F)  $38,741,061 [~~$37,606,478~~] to Texas State University;

(G)  $2,216,640 [~~$2,151,723~~] to Sul Ross State University; and

(H)  $487,157 [~~$472,890~~] to Sul Ross State University-Rio Grande College;

(3)  $12,072,906 [~~(4) $11,719,335~~] to Texas Southern University;

(4) [~~(5)~~]  to the following component institutions of the Texas Tech University System:

(A)  $51,379,461 [~~$49,874,746~~] to Texas Tech University;

(B)  $22,305,642 [~~$21,652,392~~] to Texas Tech University Health Sciences Center;

(C)  $6,997,943 [~~$6,792,999~~] to Angelo State University;

(D)  $5,725,243 [~~$5,557,572~~] to Texas Tech University Health Sciences Center--El Paso; and

(E)  $5,082,034 [~~$4,933,200~~] to Midwestern State University;

(5)  $14,993,229 [~~(6) $14,554,133~~] to the component institutions of the Texas Woman's University System, allocated as determined by the board of regents of the system;

(6) [~~(7)~~]  to the following component institutions of the University of Houston System:

(A)  $56,158,685 [~~$54,514,004~~] to the University of Houston;

(B)  $3,649,703 [~~$3,542,817~~] to the University of Houston--Victoria;

(C)  $7,959,137 [~~$7,726,043~~] to the University of Houston--Clear Lake; and

(D)  $11,155,034 [~~$10,828,344~~] to the University of Houston--Downtown;

(7) [~~(8)~~]  to the following component institutions of The Texas A&M University System:

(A)  $11,825,139 [~~$11,478,824~~] to Texas A&M University--Corpus Christi;

(B)  $7,687,534 [~~$7,462,394~~] to Texas A&M International University;

(C)  $9,125,307 [~~$8,858,060~~] to Texas A&M University--Kingsville;

(D)  $7,671,155 [~~$7,446,495~~] to West Texas A&M University;

(E)  $11,459,464 [~~$11,123,859~~] to Texas A&M University--Commerce; and

(F)  $2,112,129 [~~$2,050,273~~] to Texas A&M University--Texarkana; and

(8) [~~(9)~~]  $8,662,500 to the Texas State Technical College System Administration and the following component campuses, but not its extension centers or programs:

(A)  Texas State Technical College-Harlingen;

(B)  Texas State Technical College--Marshall;

(C)  Texas State Technical College--West Texas;

(D)  Texas State Technical College--Waco;

(E)  Texas State Technical College--Fort Bend; and

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

SECTION 6.  AMENDMENT. Section 65.02(a), Education Code, is amended to read as follows:

(a)  The University of Texas System is composed of the following institutions and entities:

(1)  The University of Texas at Arlington[~~, including:~~

[~~(A)  The University of Texas Institute of Urban Studies at Arlington; and~~

[~~(B)  The University of Texas School of Nursing at Arlington~~];

(2)  The University of Texas at Austin[~~, including:~~

[~~(A)  The University of Texas Marine Science Institute;~~

[~~(B)  The University of Texas McDonald Observatory at Mount Locke; and~~

[~~(C)  The University of Texas School of Nursing at Austin~~];

(3)  The University of Texas at Dallas;

(4)  The University of Texas at El Paso[~~, including The University of Texas School of Nursing at El Paso~~];

(5)  The University of Texas [~~of the~~] Permian Basin;

(6)  The University of Texas at San Antonio[~~, including the University of Texas Institute of Texan Cultures at San Antonio~~];

(7)  The University of Texas Southwestern Medical Center[~~, including:~~

[~~(A)  The University of Texas Southwestern Medical School at Dallas;~~

[~~(B)  The University of Texas Southwestern Graduate School of Biomedical Sciences at Dallas; and~~

[~~(C)  The University of Texas Southwestern Allied Health Sciences School at Dallas~~];

(8)  The University of Texas Medical Branch at Galveston[~~, including:~~

[~~(A)  The University of Texas Medical School at Galveston;~~

[~~(B)  The University of Texas Graduate School of Biomedical Sciences at Galveston;~~

[~~(C)  The University of Texas School of Allied Health Sciences at Galveston;~~

[~~(D)  The University of Texas Marine Biomedical Institute at Galveston;~~

[~~(E)  The University of Texas Hospitals at Galveston; and~~

[~~(F)  The University of Texas School of Nursing at Galveston~~];

(9)  The University of Texas Health Science Center at Houston[~~, including:~~

[~~(A)  The University of Texas Medical School at Houston;~~

[~~(B)  The University of Texas Dental Branch at Houston;~~

[~~(C)  The University of Texas Graduate School of Biomedical Sciences at Houston;~~

[~~(D)  The University of Texas School of Health Information Sciences at Houston;~~

[~~(E)  The University of Texas School of Public Health at Houston;~~

[~~(F)  The University of Texas Speech and Hearing Institute at Houston; and~~

[~~(G)  The University of Texas School of Nursing at Houston~~];

(10)  The University of Texas Health Science Center at San Antonio[~~, including:~~

[~~(A)  The University of Texas Medical School at San Antonio;~~

[~~(B)  The University of Texas Dental School at San Antonio;~~

[~~(C)  The University of Texas Graduate School of Biomedical Sciences at San Antonio;~~

[~~(D)  The University of Texas School of Allied Health Sciences at San Antonio; and~~

[~~(E)  The University of Texas School of Nursing at San Antonio~~];

(11)  The University of Texas M. D. Anderson Cancer Center[~~, including:~~

[~~(A)  The University of Texas M. D. Anderson Hospital;~~

[~~(B)  The University of Texas M. D. Anderson Tumor Institute; and~~

[~~(C)  The University of Texas M. D. Anderson Science Park~~]; [~~and~~]

(12)  Stephen F. Austin State University, a member of The University of Texas System;

(13)  The University of Texas at Tyler; and

(14)  The University of Texas Rio Grande Valley [~~The University of Texas Health Science Center--South Texas, including The University of Texas Medical School--South Texas, if established under Subchapter N, Chapter 74~~].

SECTION 7.  EFFECTIVE DATE. (a) Except as otherwise provided by this section, this Act takes effect immediately if it 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 Act has no effect.

(b)  Section 62.021(a), Education Code, as amended by this Act, takes effect September 1, 2023.

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I hereby certify that S.B. No. 1055 passed the Senate on April 17, 2023, by the following vote:  Yeas 31, Nays 0.

\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_    Secretary of the Senate

I hereby certify that S.B. No. 1055 passed the House on April 26, 2023, by the following vote:  Yeas 148, Nays 0.

\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_    Chief Clerk of the House

Approved:\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_             Date\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_           Governor