

By: Nichols, et al.
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S.B. No. 1055

A BILL TO BE ENTITLED

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

1 general academic teaching institution in Nacogdoches, Texas, under
2 the governance, management, and control of the board of regents of
3 The University of Texas System.

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

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

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

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

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

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

1 of the university as a university of the first class.

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

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

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

11 Sec. 80.09. PARTICIPATION IN PERMANENT UNIVERSITY FUND.
12 The legislature finds that the university is an institution of
13 higher education "created at a later date" for purposes of Section
14 18(c), Article VII, Texas Constitution. Accordingly, the
15 university is entitled to participate in the funding provided by
16 Section 18, Article VII, Texas Constitution, to the same extent as
17 similar component institutions of The University of Texas System.

18 SECTION 2. STEPHEN F. AUSTIN STATE UNIVERSITY ABOLISHED.

19 (a) Stephen F. Austin State University is abolished on September
20 1, 2023, or on an alternate date the board of regents of The
21 University of Texas System determines appropriate to achieve the
22 maximum operating efficiency of the system. A designated alternate
23 date must be entered into the minutes of the board.

24 (b) The board of regents of The University of Texas System
25 shall provide to the secretary of state written notice of its action
26 under Subsection (a) of this section. Effective on the date the
27 board designates for the abolition of Stephen F. Austin State

1 University, Chapter 101, Education Code, is repealed.

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

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

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

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

26 (b) Stephen F. Austin State University, a member of The
27 University of Texas System, shall begin operating on a date the

1 board of regents of The University of Texas System determines
2 appropriate to achieve the maximum operating efficiency of the
3 system. The designated date must be entered into the minutes of the
4 board.

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

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

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

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

27 (e) On the date Stephen F. Austin State University is

1 abolished as provided by this Act, all money, property, and
2 facilities under the management and control of the board of regents
3 of Stephen F. Austin State University are transferred to the
4 management and control of the board of regents of The University of
5 Texas System for the use and benefit of Stephen F. Austin State
6 University, a member of The University of Texas System.

7 (f) On the date Stephen F. Austin State University is
8 abolished as provided by this Act, the board of regents of The
9 University of Texas System is substituted in contracts and other
10 obligations for the board of regents of Stephen F. Austin State
11 University. Contracts and written obligations of every kind and
12 character entered into by the board of regents of Stephen F. Austin
13 State University or the Texas Public Finance Authority for and on
14 behalf of Stephen F. Austin State University, including bonds, are
15 considered ratified, confirmed, and validated by the board of
16 regents of The University of Texas System. In those contracts and
17 written obligations, the board of regents of The University of
18 Texas System is substituted for and stands and acts in the place of
19 the board of regents of Stephen F. Austin State University or the
20 Texas Public Finance Authority, as applicable, to the extent
21 permitted by law. To the extent that Stephen F. Austin State
22 University has authorized but unissued bonding authority under
23 Section [55.1797](#), Education Code, the board of regents of The
24 University of Texas System may issue bonds in that amount and for
25 the same purposes under the systemwide revenue financing program
26 for the benefit of Stephen F. Austin State University, a member of
27 The University of Texas System.

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

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

27 (i) The Employees Retirement System of Texas, Stephen F.

1 Austin State University, and The University of Texas System shall
2 take all actions necessary to implement Subsection (h). For that
3 purpose:

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

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

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

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

1 abolition.

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

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

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

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

1 accordance with an equitable formula consisting of the following
2 elements: space deficit, facilities condition, institutional
3 complexity, and a separate allocation for the Texas State Technical
4 College System. The annual amounts allocated by the formula are as
5 follows:

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

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

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

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

14 (2) [~~\$11,277,793~~ to ~~Stephen F. Austin State~~
15 ~~University,~~

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

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

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

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

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

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

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

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

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

7 (3) \$12,072,906 [~~(4) \$11,719,335~~] to Texas Southern
8 University;

9 (4) [~~(5)~~] to the following component institutions of
10 the Texas Tech University System:

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

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

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

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

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

21 (5) \$14,993,229 [~~(6) \$14,554,133~~] to the component
22 institutions of the Texas Woman's University System, allocated as
23 determined by the board of regents of the system;

24 (6) [~~(7)~~] to the following component institutions of
25 the University of Houston System:

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

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

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

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

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

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

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

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

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

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

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

21 (8) [~~(9)~~] \$8,662,500 to the Texas State Technical
22 College System Administration and the following component
23 campuses, but not its extension centers or programs:

24 (A) Texas State Technical College-Harlingen;

25 (B) Texas State Technical College--Marshall;

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

27 (D) Texas State Technical College--Waco;

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

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

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

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

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

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

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

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

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

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

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

20 (3) The University of Texas at Dallas;

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

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

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

27 (7) The University of Texas Southwestern Medical

1 Center [~~, including:~~

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

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

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

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

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

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

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

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

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

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

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

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

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

1 ~~[(C) The University of Texas Graduate School of~~
2 ~~Biomedical Sciences at Houston,~~

3 ~~[(D) The University of Texas School of Health~~
4 ~~Information Sciences at Houston,~~

5 ~~[(E) The University of Texas School of Public~~
6 ~~Health at Houston,~~

7 ~~[(F) The University of Texas Speech and Hearing~~
8 ~~Institute at Houston, and~~

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

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

13 ~~[(A) The University of Texas Medical School at~~
14 ~~San Antonio,~~

15 ~~[(B) The University of Texas Dental School at San~~
16 ~~Antonio,~~

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

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

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

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

25 ~~[(A) The University of Texas M. D. Anderson~~
26 ~~Hospital,~~

27 ~~[(B) The University of Texas M. D. Anderson Tumor~~

1 ~~Institute, and~~

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

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

6 (13) The University of Texas at Tyler; and

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

11 SECTION 7. EFFECTIVE DATE. (a) Except as otherwise
12 provided by this section, this Act takes effect immediately if it
13 receives a vote of two-thirds of all the members elected to each
14 house, as provided by Section 39, Article III, Texas Constitution.
15 If this Act does not receive the vote necessary for immediate
16 effect, this Act has no effect.

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