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| BILL ANALYSIS |

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| S.B. 2361 |
| By: Kolkhorst |
| Higher Education |
| Committee Report (Unamended) |

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| **BACKGROUND AND PURPOSE** The University of Houston--Victoria (UHV) is the only university serving the Golden Crescent region of Texas, situated nearly 100 miles from the nearest major university and over 120 miles from the University of Houston main campus. The bill sponsor has informed the committee that the coastal bend is home to major developing industries, such as manufacturing, engineering, energy, including nuclear innovation, and agriculture, but that there is a lack of local skilled labor because UHV currently only offers limited degree plans, which forces students seeking other skilled degree plans to leave the coastal bend to attend other university systems. S.B. 2361 seeks to address this issue by transferring UHV from the University of Houston System to The Texas A&M University System. This transfer will not affect students or employees currently enrolled in or employed by UHV, and both systems have agreed to the transfer.  |
| **CRIMINAL JUSTICE IMPACT**It is the committee's opinion that this bill does not expressly create a criminal offense, increase the punishment for an existing criminal offense or category of offenses, or change the eligibility of a person for community supervision, parole, or mandatory supervision. |
| **RULEMAKING AUTHORITY** It is the committee's opinion that rulemaking authority is expressly granted to the board of regents of The Texas A&M University System in SECTIONS 1 and 3 of this bill. |
| **ANALYSIS**S.B. 2361 amends the Education Code to set out provisions relating to the transfer of the University of Houston--Victoria (UHV) to The Texas A&M University (TAMU) System.**Establishment of Texas A&M University--Victoria**S.B. 2361 establishes Texas A&M University--Victoria (TAMU-Victoria) as a general academic teaching institution located in the city of Victoria and a component institution of the TAMU System under the management and control of that system's board of regents, which has the same powers and duties concerning TAMU-Victoria as are conferred on the board by statute concerning Texas A&M University. S.B. 2361 requires TAMU-Victoria to offer undergraduate-level and graduate-level programs. The bill authorizes the TAMU System board to prescribe courses leading to appropriate degrees and to adopt other rules necessary for the operation and management of TAMU-Victoria. The bill subjects TAMU-Victoria to the authority of the Texas Higher Education Coordinating Board. The bill authorizes the TAMU System board to solicit, accept, and administer gifts and grants for the use and benefit of TAMU-Victoria.**Transfer of Governance**S.B. 2361 transfers the governance, control, management, and property of UHV from the University of Houston (UH) System's board of regents to the TAMU System's board of regents. Powers and Duties; Rules and PoliciesS.B. 2361 requires the TAMU System board, when the transfer takes effect, to govern, operate, manage, and control UHV and all land, buildings, facilities, improvements, equipment, supplies, and property belonging to and constituting UHV under the powers and duties conferred by law on the board. The bill establishes that rules and policies adopted by the UH System board to govern UHV that are in effect when the transfer takes effect are continued in effect until adopted, repealed, or superseded by the TAMU System board. The TAMU System board may adopt rules and policies applicable to UHV in anticipation of the transfer.Contracts and Written Obligations, Including BondsS.B. 2361 establishes that contracts and written obligations of every kind and character entered into by the UH System board for and on behalf of UHV, including bonds, are considered ratified, confirmed, and validated by the TAMU System board on the effective date of the transfer. The bill establishes that in those contracts and written obligations, the TAMU System board is substituted for and stands and acts in the place of the UH System board to the extent permitted by law.Tuition and FeesS.B. 2361 establishes that tuition and fees authorized by the UH System board before the transfer of governance remain in effect until the TAMU System board authorizes a different amount of tuition and fees for UHV as provided by law. Effect of Transfer on Students and EmployeesS.B. 2361 requires all students and employees of UHV to be considered students and employees, respectively, of TAMU-Victoria on the bill's effective date. The transfer of the governance of UHV expressly does not otherwise affect the status of any UHV student or the employment status or accrued benefits of a person employed by UHV when the transfer takes effect.Group BenefitsS.B. 2361 establishes that a person who is a participant or is eligible to participate in a group benefits insurance program of UHV under the Texas Employees Group Benefits Act, or who would be eligible to participate at a future date as a retiree, on the date the transfer takes effect is eligible to participate in the uniform insurance benefits under the State University Employees Uniform Insurance Benefits Act as an employee, current retiree, or vested former employee of TAMU-Victoria, or as a dependent or surviving dependent, as if all benefits-eligible service credit had been earned in a benefits-eligible position at TAMU-Victoria. Such a person who is eligible for those uniform insurance benefits is not eligible to participate in a group benefits insurance program under the Texas Employees Group Benefits Act.S.B. 2361 requires the Employees Retirement System of Texas (ERS), TAMU-Victoria, and the TAMU System to take all actions necessary to implement the bill's provision relating to the transferring of such eligible benefits. For that purpose, the bill sets out the following requirements:* for ERS to provide to the TAMU System and the UH System, as applicable, 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 the State University Employees Uniform Insurance Benefits Act; and
* for TAMU-Victoria and the TAMU System to ensure that ERS receives full contributions for each month in which employees, retirees, and dependents of TAMU-Victoria are covered by the group benefits insurance program under the Texas Employees Group Benefits Act.

The bill establishes that the requirement for ERS to provide to the TAMU System and the UH System, as applicable, the information necessary for payment activities and plan operations of the uniform insurance benefits under the State University Employees Uniform Insurance Benefits Act takes effect on passage or, if the bill does not receive the necessary vote, the entirety of the bill takes effect on September 1, 2025. Current FundingS.B. 2361 establishes that all funds that, on the effective date of the transfer, have been appropriated or dedicated to or are held for the use and benefit of UHV under the governance of the UH System board are transferred to the TAMU System board for the use and benefit of TAMU-Victoria.**Statute Amendments** Sale of Alcoholic Beverages in Certain Leased District FacilitiesS.B. 2361 revises the condition triggering the authorization for an otherwise qualifying independent school district's board of trustees to adopt an alcoholic beverage policy for an event held at a district-owned performing arts facility by authorizing the board of trustees of an applicable independent school district to adopt such a policy if the board had such authority on or before January 1, 2025, as an alternative to the district being located in the following counties:* a county that has a population of not more than 300,000 and in which a component university of the UH System is located; or
* a county in which is located a district-owned performing arts facility that is leased to a nonprofit organization for an event not sponsored or sanctioned by the district and that is within two miles of two or more stadiums with a capacity of at least 40,000 people.

Student FeesS.B. 2361 transfers the authorization to impose a student center fee and a health and wellness center fee on the university's students from the UH System board to the TAMU System board.Revenue Bonds and Facilities S.B. 2361 authorizes the TAMU System board to issue bonds backed by revenue funds to finance permanent improvements in the aggregate principal amounts that do not exceed the amounts previously authorized by law for UHV, after deducting any portion of those authorized amounts for which UHV issued bonds before the bill's effective date. The bill restricts the use of bonds issued under this transferred authority to expenditures at UHV for the purposes for which the bonds were originally authorized. The bill provides for the TAMU System board's authority to take the following actions:* pledge all or any part of the revenue funds of a TAMU System institution, branch, or entity to the payment of the bonds; and
* transfer funds among those institutions, branches, and entities to meet those obligations.

The bill authorizes the use of any portion of the proceeds of bonds authorized by these provisions.Equitable Allocation FormulaS.B. 2361 transfers the entitlement amount of $3,649,703 under the equitable allocation formula from UHV to TAMU-Victoria.**Transition**S.B. 2361 requires the UH System board and the TAMU System board, not later than June 1, 2025, to enter into a memorandum of understanding relating to the transfer of the administration of UHV to the TAMU System as provided under the bill's provisions. The memorandum of understanding must include a transition plan with a timetable and specific steps, including the methods for the transfer on September 1, 2025, of all powers, duties, obligations, rights, contracts, leases, records, real or personal property, and unspent and unobligated appropriations and other funds of UHV to the TAMU System. **Repealed Provisions**S.B. 2361 repeals Section 55.173 and Subchapter G, Chapter 111, Education Code. |
| **EFFECTIVE DATE** Except as otherwise provided, September 1, 2025. |