S.B. No. 2361

AN ACT

relating to the transfer of the University of Houston--Victoria to The Texas A&M University System.

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

SECTION 1.  AMENDMENT. Chapter 87, Education Code, is amended by adding Subchapter M to read as follows:

SUBCHAPTER M. TEXAS A&M UNIVERSITY--VICTORIA

Sec. 87.881.  ESTABLISHMENT; SCOPE. (a) Texas A&M University--Victoria is a general academic teaching institution located in the city of Victoria.

(b)  The university is a component institution of The Texas A&M University System and is under the management and control of the board of regents of The Texas A&M University System. The board of regents has the same powers and duties concerning Texas A&M University--Victoria as are conferred on the board by statute concerning Texas A&M University.

Sec. 87.882.  COURSES AND DEGREES; ADMINISTRATION. (a) The university shall offer undergraduate- and graduate-level programs.

(b)  The board of regents may prescribe courses leading to appropriate degrees and adopt other rules necessary for the operation and management of the university.

(c)  The university is subject to the authority of the Texas Higher Education Coordinating Board.

Sec. 87.883.  GIFTS AND GRANTS. The board of regents may solicit, accept, and administer gifts and grants for the use and benefit of the university.

SECTION 2.  TRANSFER OF GOVERNANCE OF UNIVERSITY. The governance, control, management, and property of the University of Houston--Victoria are transferred from the board of regents of the University of Houston System to the board of regents of The Texas A&M University System. The transfer is governed by Sections 3 through 8 of this Act.

SECTION 3.  POWERS AND DUTIES; RULES AND POLICIES. (a) When the transfer takes effect, the board of regents of The Texas A&M University System shall govern, operate, manage, and control the University of Houston--Victoria and all land, buildings, facilities, improvements, equipment, supplies, and property belonging to and constituting the University of Houston--Victoria under the powers and duties conferred by law on the board of regents.

(b)  Rules and policies adopted by the board of regents of the University of Houston System to govern the university that are in effect when the transfer takes effect are continued in effect until adopted, repealed, or superseded by the board of regents of The Texas A&M University System. The board of regents of The Texas A&M University System may adopt rules and policies applicable to the university in anticipation of the transfer authorized by this Act.

SECTION 4.  CONTRACTS AND WRITTEN OBLIGATIONS, INCLUDING BONDS. Contracts and written obligations of every kind and character entered into by the board of regents of the University of Houston System for and on behalf of the University of Houston--Victoria, including bonds, are considered ratified, confirmed, and validated by the board of regents of The Texas A&M University System on the effective date of the transfer. In those contracts and written obligations, the board of regents of The Texas A&M University System is substituted for and stands and acts in the place of the board of regents of the University of Houston System to the extent permitted by law.

SECTION 5.  TUITION AND FEES. The tuition and fees authorized by the board of regents of the University of Houston System before the transfer of governance under this Act remain in effect until the board of regents of The Texas A&M University System authorizes a different amount of tuition and fees for the university as provided by law.

SECTION 6.  EFFECT OF TRANSFER ON STUDENTS AND EMPLOYEES. (a) All students of the University of Houston--Victoria shall be considered students of Texas A&M University--Victoria on the effective date of this Act. The transfer of the governance of the University of Houston--Victoria under this Act does not otherwise affect the status of any student of the university.

(b)  All employees of the University of Houston--Victoria shall be considered employees of Texas A&M University--Victoria on the effective date of this Act. The transfer of the governance of the University of Houston--Victoria under this Act does not otherwise affect the employment status or accrued benefits of a person employed by the university when the transfer takes effect.

SECTION 7.  GROUP BENEFITS. (a) A person who is a participant or is eligible to participate in a group benefits insurance program of the University of Houston--Victoria under Chapter 1551, Insurance Code, or who would be eligible to participate at a future date as a retiree, on the date the transfer takes effect, as authorized by this Act, is eligible to participate in the uniform insurance benefits under Chapter 1601, Insurance Code, as an employee, current retiree, or vested former employee of Texas A&M University--Victoria, or as a dependent or surviving dependent, as if all benefits-eligible service credit had been earned in a benefits-eligible position at Texas A&M University--Victoria. 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.

(b)  The Employees Retirement System of Texas, Texas A&M University--Victoria, and The Texas A&M University System shall take all actions necessary to implement Subsection (a) of this section. For that purpose:

(1)  the Employees Retirement System of Texas shall provide to The Texas A&M University System and the University of Houston 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 Chapter 1601, Insurance Code; and

(2)  Texas A&M University--Victoria and The Texas A&M University System shall ensure that the Employees Retirement System of Texas receives full contributions for each month in which employees, retirees, and dependents of Texas A&M University--Victoria are covered by the group benefits insurance program under Chapter 1551, Insurance Code.

SECTION 8.  CURRENT FUNDING. 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 the University of Houston--Victoria under the governance of the board of regents of the University of Houston System are transferred to the board of regents of The Texas A&M University System for the use and benefit of Texas A&M University--Victoria.

SECTION 9.  AMENDMENT. Section 11.179(a), Education Code, is amended to read as follows:

(a)  The board of trustees of a school district may adopt a policy allowing the consumption, possession, and sale of an alcoholic beverage at an event held at a performing arts facility owned by the district if:

(1)  the facility is leased to a nonprofit organization for an event not sponsored or sanctioned by the district; and

(2)  either the board of trustees of the district had authority to adopt a policy under this section on or before January 1, 2025, or the district is located in:

(A)  a county:

(i)  that has a population of not more than 300,000; and

(ii)  in which a component university of the University of Houston System is located; or

(B)  a county in which is located a facility described by Subdivision (1) within two miles of two or more stadiums with a capacity of at least 40,000 people.

SECTION 10.  AMENDMENT. The heading to Section 54.5405, Education Code, is amended to read as follows:

Sec. 54.5405.  STUDENT CENTER FEE; TEXAS A&M UNIVERSITY--VICTORIA [~~UNIVERSITY OF HOUSTON-VICTORIA~~].

SECTION 11.  AMENDMENT. Sections 54.5405(a) and (d), Education Code, are amended to read as follows:

(a)  The board of regents of The Texas A&M [~~the~~] University [~~of Houston~~] System may impose on each student enrolled at Texas A&M University--Victoria [~~the University of Houston-Victoria~~] a student center fee to be used only for the purpose of financing, constructing, operating, maintaining, improving, and equipping a student center at the university. A fee imposed under this section is in addition to any use or service fee authorized to be imposed under other law.

(d)  Revenue from a fee imposed under this section shall be deposited to the credit of an account known as the "Texas A&M University--Victoria [~~University of Houston-Victoria~~] Student Center Fee Account" under the control of the university's student fee advisory committee. Annually, the committee shall submit to the president of the university its recommendation for any change to the amount of the fee and a complete and itemized budget for the student center together with a complete report of all student center activities conducted during the past year and all expenditures made in connection with those activities. The president shall submit the budget to the board of regents as part of the university's institutional budget. The board of regents may make changes in the budget that the board determines are necessary.

SECTION 12.  AMENDMENT. The heading to Section 54.5406, Education Code, is amended to read as follows:

Sec. 54.5406.  HEALTH AND WELLNESS CENTER FEE; TEXAS A&M UNIVERSITY--VICTORIA [~~UNIVERSITY OF HOUSTON-VICTORIA~~].

SECTION 13.  AMENDMENT. Sections 54.5406(a) and (d), Education Code, are amended to read as follows:

(a)  The board of regents of The Texas A&M [~~the~~] University [~~of Houston~~] System may charge each student enrolled at Texas A&M University--Victoria [~~the University of Houston-Victoria~~] a health and wellness center fee. The fee may be used only for the purpose of financing, constructing, operating, maintaining, improving, and equipping a health and wellness center at Texas A&M University--Victoria [~~the University of Houston-Victoria~~]. A fee charged under this section is in addition to any use or service fee authorized to be charged under other law.

(d)  Revenue from a fee charged under this section shall be deposited to the credit of an account known as the Texas A&M University--Victoria [~~University of Houston-Victoria~~] Health and Wellness Center Fee Account under the control of the university's student fee advisory committee. Annually, the committee shall submit to the president of the university its recommendation for any change to the amount of the fee and a complete and itemized budget for the health and wellness center together with a complete report of all health and wellness center activities conducted during the past year and all expenditures made in connection with those activities. The president shall submit the budget to the board of regents as part of the university's institutional budget.  The board of regents may make changes in the budget that the board determines are necessary.

SECTION 14.  AMENDMENT. Section 55.1723(a), Education Code, is amended to read as follows:

(a)  In addition to the other authority granted by this subchapter, the board of regents of the University of Houston System may acquire, purchase, construct, improve, renovate, enlarge, or equip property, buildings, structures, facilities, roads, or related infrastructure for the following institutions to be financed by the issuance of bonds in accordance with this subchapter and in accordance with a systemwide revenue financing program adopted by the board in an aggregate principal amount not to exceed the following amounts:

(1)  the University of Houston, $12 million; and

(2)  the University of Houston--Downtown, $7.5 million[~~; and~~

[~~(3)  the University of Houston--Victoria, $10 million~~].

SECTION 15.  AMENDMENT. Section 55.1733(a), Education Code, is amended to read as follows:

(a)  In addition to the other authority granted by this subchapter, the board of regents of the University of Houston System may issue in accordance with this subchapter and in accordance with a systemwide revenue financing program adopted by the board bonds for the following institutions not to exceed the following aggregate principal amounts to finance projects specified as follows:

(1)  the University of Houston, $51 million to construct science and engineering research and classroom facilities;

(2)  the University of Houston--Downtown, $18,232,500 to construct a classroom building; and

(3)  the University of Houston--Clear Lake, $30,918,750 to construct a student services and classroom building[~~; and~~

[~~(4)  the University of Houston--Victoria, $2,805,000 to remodel the University West facility, acquire and renovate a facility services building, and renovate and expand a facility for the center for community initiatives~~].

SECTION 16.  AMENDMENT. Section 55.1753(a), Education Code, is amended to read as follows:

(a)  In addition to the other authority granted by this subchapter, the board of regents of the University of Houston System may acquire, purchase, construct, improve, renovate, enlarge, or equip facilities, including roads and related infrastructure, for the following institutions, to be financed through the issuance of bonds in accordance with this subchapter and in accordance with a systemwide revenue financing program adopted by the board, in aggregate principal amounts not to exceed the following:

(1)  the University of Houston, $57,600,000 for renovation of science laboratories;

(2)  the University of Houston--Clear Lake, $10,604,808 for Arbor Building renovations and additions; and

(3)  the University of Houston--Downtown, $31,626,000 for a classroom building at Shea Street[~~; and~~

[~~(4)  the University of Houston--Victoria:~~

[~~(A)  $22,900,000 for an academic building at the University of Houston System Center at Sugar Land;~~

[~~(B)  $6,719,400 for regional economic development; and~~

[~~(C)  $1,800,000 for allied health facilities~~].

SECTION 17.  AMENDMENT. Section 55.1783(a), Education Code, is amended to read as follows:

(a)  In addition to the other authority granted by this subchapter, the board of regents of the University of Houston System may acquire, purchase, construct, improve, renovate, enlarge, or equip property and facilities, including roads and related infrastructure, for projects to be financed through the issuance of bonds in accordance with this subchapter and in accordance with a systemwide revenue financing program adopted by the board for the following institutions or entities, not to exceed the following aggregate principal amounts for the projects specified, as follows:

(1)  the University of Houston:

(A)  $63 million for construction of a health and biomedical sciences center; and

(B)  $54 million for construction of a new academic building located in Sugar Land, Texas;

(2)  the University of Houston--Clear Lake:

(A)  $24,624,000 for construction of a health sciences and classroom building located in Pearland, Texas; and

(B)  $54 million for construction of a STEM and classroom building;

(3)  the University of Houston--Downtown, $60 million for construction of a science and technology building;

[~~(4)  the University of Houston--Victoria, $60 million for academic expansion and land acquisition;~~] and

(4) [~~(5)~~]  the University of Houston System, $46,832,000 for land acquisition for construction of a building in the area near Katy, Texas.

SECTION 18.  AMENDMENT. Section 55.1793(a), Education Code, is amended to read as follows:

(a)  In addition to the other authority granted by this subchapter, the board of regents of the University of Houston System may acquire, purchase, construct, improve, renovate, enlarge, or equip property and facilities, including roads and related infrastructure, for projects to be financed through the issuance of bonds in accordance with this subchapter and in accordance with a systemwide revenue financing program adopted by the board for the following institutions, not to exceed the following aggregate principal amounts for the projects specified, as follows:

(1)  the University of Houston System, $59,897,111 for construction of a medical research facility;

(2)  the University of Houston:

(A)  $40 million for construction of the Hobby School of Public Affairs Building;

(B)  $52,409,972 for construction of the IDEA Lab; and

(C)  $52,409,972 for construction of the Sugar Land Academic Building 2;

(3)  the University of Houston--Clear Lake, $44,922,833 for renovation of the Bayou Building, the Delta Building, and the Student Services and Classroom Building; and

(4)  the University of Houston--Downtown, $44,922,833 for renovation of existing buildings and other campus infrastructure upgrades and for the construction of the Police Department and Criminal Justice Academy Building[~~; and~~

[~~(5)  the University of Houston--Victoria, $44,922,833 for renovation of existing buildings and other campus infrastructure upgrades~~].

SECTION 19.  AMENDMENT. Subchapter B, Chapter 55, Education Code, is amended by adding Section 55.17812 to read as follows:

Sec. 55.17812.  TEXAS A&M UNIVERSITY--VICTORIA. (a) In addition to the other authority granted by this subchapter, the board of regents of The Texas A&M University System may issue bonds in accordance with this subchapter and in accordance with a systemwide revenue financing program adopted by the board in the aggregate principal amounts not to exceed the amounts previously authorized for the University of Houston--Victoria by Sections 55.1723, 55.173, 55.1733, 55.1753, 55.1783, and 55.1793, as those sections existed immediately before this section took effect, less any portion of those amounts for which bonds were issued under those sections for the university before the date this section took effect. Subject to Subsection (d), bonds issued under this section for an amount previously authorized by Section 55.1723, 55.173, 55.1733, 55.1753, 55.1783, or 55.1793 may be used only at Texas A&M University--Victoria for the purposes for which the bonds for the University of Houston--Victoria were authorized to be issued under Section 55.1723, 55.173, 55.1733, 55.1753, 55.1783, or 55.1793, as applicable.

(b)  The board may pledge irrevocably to the payment of those bonds all or any part of the revenue funds of an institution, branch, or entity of The Texas A&M University System, including student tuition charges. The amount of a pledge made under this subsection may not be reduced or abrogated while the bonds for which the pledge is made, or bonds issued to refund those bonds, are outstanding.

(c)  If sufficient funds are not available to the board to meet its obligations under this section, the board may transfer funds among institutions, branches, and entities of The Texas A&M University System to ensure the most equitable and efficient allocation of available resources for each institution, branch, or entity to carry out its duties and purposes.

(d)  Any portion of the proceeds of bonds authorized by this section for one or more specified projects that is not required for the specified projects may be used to renovate existing structures and facilities at the university.

SECTION 20.  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 to the University of North Texas;

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

(C)  $3,455,644 to the University of North Texas at Dallas;

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

(A)  $13,537,649 to Lamar University;

(B)  $2,630,158 to the Lamar Institute of Technology;

(C)  $1,533,301 to Lamar State College--Orange;

(D)  $2,283,992 to Lamar State College--Port Arthur;

(E)  $18,787,013 to Sam Houston State University;

(F)  $38,741,061 to Texas State University;

(G)  $2,216,640 to Sul Ross State University; and

(H)  $487,157 to Sul Ross State University-Rio Grande College;

(3)  $12,072,906 to Texas Southern University;

(4)  to the following component institutions of the Texas Tech University System:

(A)  $51,379,461 to Texas Tech University;

(B)  $22,305,642 to Texas Tech University Health Sciences Center;

(C)  $6,997,943 to Angelo State University;

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

(E)  $5,082,034 to Midwestern State University;

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

(6)  to the following component institutions of the University of Houston System:

(A)  $56,158,685 to the University of Houston;

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

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

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

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

(A)  $11,825,139 to Texas A&M University--Corpus Christi;

(B)  $7,687,534 to Texas A&M International University;

(C)  $9,125,307 to Texas A&M University--Kingsville;

(D)  $7,671,155 to West Texas A&M University;

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

(F)  $2,112,129 to Texas A&M University--Texarkana; and

(G)  $3,649,703 to Texas A&M University--Victoria; and

(8)  $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 21.  REPEALER. The following provisions of the Education Code are repealed:

(1)  Section 55.173; and

(2)  Subchapter G, Chapter 111.

SECTION 22.  TRANSITION. Not later than June 1, 2025, the board of regents of the University of Houston System and the board of regents of The Texas A&M University System shall enter into a memorandum of understanding relating to the transfer of the administration of the University of Houston--Victoria to The Texas A&M University System as provided by this Act. 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 the University of Houston--Victoria to The Texas A&M University System.

SECTION 23.  CONFLICT. To the extent of any conflict between the amounts allocated under Section 62.021(a), Education Code, as amended by this Act, and amounts allocated under that section as amended by H.B. No. 42 or another Act of the 89th Legislature, Regular Session, 2025, relating to the amount and allocation of the annual constitutional appropriation to certain agencies and institutions of higher education and to the permissible uses of that money, the amounts allocated under the other Act prevail.

SECTION 24.  EFFECTIVE DATE. (a)  Except as provided by Subsection (b) of this section, this Act takes effect September 1, 2025.

(b)  Section 7(b)(1) of this Act takes effect immediately if this Act 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, the entirety of this Act takes effect September 1, 2025.

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I hereby certify that S.B. No. 2361 passed the Senate on April 16, 2025, by the following vote: Yeas 31, Nays 0; and that the Senate concurred in House amendment on May 12, 2025, by the following vote: Yeas 30, Nays 0.

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

I hereby certify that S.B. No. 2361 passed the House, with amendment, on May 6, 2025, by the following vote: Yeas 142, Nays 1, two present not voting.

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

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