

## **BILL ANALYSIS**

Senate Research Center

H.B. 3699  
By: Ritter (Bernsen)  
Education  
5/10/2001  
Committee Report (Substituted)

### **DIGEST AND PURPOSE**

The Texas Constitution sets forth the allocation of constitutionally appropriated funds under the equitable allocation formula to institutions of higher education (institution) for specified expenditures, but does not specify whether an institution is authorized to transfer funds among different member institutions. While some institutions have transferred these allocated funds to different member institutions, such as Lamar University transferring funds to the Lamar Institute of Technology, there is still confusion on whether an institution is specifically authorized to transfer these allocated funds. H.B. 3699 specifies that an institution that is entitled to allocated funds under the equitable allocation formula is authorized to transfer the allocated funds to other eligible member institutions.

### **RULEMAKING AUTHORITY**

This bill does not expressly grant any additional rulemaking authority to a state officer, institution, or agency.

### **SECTION BY SECTION ANALYSIS**

SECTION 1. Amends Section 62.021(a), Education Code, as amended by Chapter 1363(2), Chapter 1467(1.03), and Chapter 1508(1), Acts of the 76th Legislature, Regular Session, 1999, to provide that the amounts allocated by the formula are of certain amounts.

SECTION 2. Amends Section 62.021(b), Education Code, to authorize each governing board participating in the distribution of funds as described in this section to expend the funds without limitation either at the specified institution or subject to board authorized transfer at other eligible member institutions including a related system administration, and as the governing board to decide in its sole discretion, for any and all purposes described in Article VII, Section 17, of the Constitution of Texas, provided however, that for new construction, major repair and rehabilitation projects, and land acquisition projects, those funds are prohibited from being expended without the prior approval of the legislature or the approval, review, or endorsement, as applicable, of the coordinating board, and provided further that review and approval of major repair and rehabilitation is required to apply only to projects in excess \$600,000.

SECTION 3. Amends Section 96.703, Education Code, as follows:

Sec. 96.703. LAMAR INSTITUTE OF TECHNOLOGY. (c) Authorizes the board, for Lamar Institute of Technology, to expend funds allocated to Lamar University under Chapter 62 for any of the purposes listed in Section 17, Article VII, Texas Constitution, in the same manner and under the same circumstances as expenditures for those purposes for other separate degree-granting institutions.

SECTION 4. Effective date: upon passage or September 1, 2001.

### **SUMMARY OF COMMITTEE CHANGES**

SECTION 2. Adds new proposed language “including a related system administration.”