

BILL ANALYSIS

Senate Research Center
81R12121 KSD-D

S.B. 2146
By: Duncan
Finance
4/3/2009
As Filed

AUTHOR'S / SPONSOR'S STATEMENT OF INTENT

The Higher Education Fund (HEF) was created by constitutional amendment as a counterpart to the Permanent University Fund (PUF) for Texas public institutions of higher education not eligible to receive funds from the PUF. Distributions are made to eligible institutions via formula allocation based on space deficit, facility condition, and institutional complexity.

As proposed, S.B. 2146 provides for the reallocation of HEF based on recommendations provided by the Texas Higher Education Coordinating Board. In addition, S.B. 2146 provides for the 2-year phase-in of corrections to the current HEF allocation.

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, Education Code, by amending Subsection (a) and adding Subsections (a-1) and (a-2), as follows:

(a) Provides that in each state fiscal year beginning with the state fiscal year ending August 31, 2011, rather than 2008, 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) (relating to appropriations to eligible agencies and institutions of higher education), Article VII (Education), Texas Constitution. Sets forth certain annual amounts allocated by the formula to certain institutions.

(a-1) Provides that this subsection applies only to the state fiscal years ending August 31, 2009, and August 31, 2010, and is intended as a correction necessary to ensure an equitable distribution of the funds appropriated by Section 17(a), Article VII, Texas Constitution, for the five-year period ending August 31, 2010, in accordance with the equitable formula prescribed by Section 17(d) (relating to the allocations by equitable formula of appropriations for agencies and institutions of higher education), Article VII, Texas Constitution. Provides that in each state fiscal year to which this subsection applies, an eligible institution is entitled to receive an amount allocated in accordance with this subsection from the funds appropriated for each of those years by Section 17(a), Article VII, Texas Constitution. Requires the comptroller of public accounts (comptroller) to distribute funds allocated under this subsection only on presentation of a claim and issuance of a warrant in accordance with Section 403.071 (Claims and Available Money; Offense), Government Code. Prohibits the comptroller from issuing a warrant from any funds allocated under this subsection before the delivery of goods or services described in Section 17 (Colleges and Universities; Appropriations and Funding), Article VII, Texas Constitution, except for the payment for a book or other published library material as authorized by Section 2155.386 (Prepayment for Library Materials by Institution of Higher Education), Government Code. Provides that 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. Sets forth certain annual amounts allocated by the formula to certain institutions.

(a-2) Provides that this subsection and Subsection (a-1) expire September 1, 2010.

SECTION 2. Amends Section 62.024, Education Code, as follows:

Sec. 62.024. AMOUNT OF ALLOCATION INCREASED. Deletes existing text providing that before the state fiscal year ending August 31, 2008, the amount of the annual constitutional appropriation under that subsection is \$175 million.

SECTION 3. Effective date: upon passage or September 1, 2009.