

BILL ANALYSIS

C.S.H.B. 1522
By: Frank
Higher Education
Committee Report (Substituted)

BACKGROUND AND PURPOSE

In August 2020, the Midwestern State University (MSU) board of regents and the Texas Tech University (TTU) System approved a memorandum of understanding to begin the legislative process of admitting MSU as a member of the TTU System. C.S.H.B. 1522 seeks to codify this agreement by establishing MSU as a general academic institution in the TTU System and transferring the governance, property, current legislative appropriations, bond obligations, students, staff, and previously adopted tuition and fees to the TTU System board of regents.

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

ANALYSIS

C.S.H.B. 1522 transfers the governance, management, control, and property of Midwestern State University (MSU) from the board of regents of MSU to the board of regents of the Texas Tech University (TTU) System and establishes MSU as a component of that system. The bill revises certain student fees and venue for certain lawsuits with regard to the TTU System as a whole.

Transfer of MSU Governance and Funds

C.S.H.B. 1522 provides for the transfer of governance with regard to the following:

- the duty of the TTU System board, when the transfer takes effect, to govern, operate, manage, and control MSU and all land, buildings, facilities, improvements, equipment, supplies, and property belonging to and constituting MSU under the system board's statutory powers and duties;
- the authority of the TTU System board to adopt rules and policies applicable to MSU in anticipation of the transfer;
- the transfer of responsibility for all contracts and written obligations, including bonds, entered into by the MSU board or by the Texas Public Finance Authority (TPFA) for and on behalf of MSU to the TTU System board;
- the continuation in effect of the following:
 - MSU authority to award degrees in the same disciplines and of the same academic standing as before the transfer;
 - rules and policies adopted by the MSU board, until adopted, repealed, or superseded by the TTU System board;

- tuition and fees authorized by the MSU board, until changed by the TTU System board; and
- the status of MSU students enrolled at the time of the transfer and the employment status and accrued benefits of MSU employees;
- the authority of the Texas Higher Education Coordinating Board (THECB) to resolve any disagreements between the MSU board and the TTU System board relating to the transfer if necessary and to take any appropriate action to facilitate the transfer without disruption to MSU students, faculty, staff, or programs, consistent with legislative intent as set out by the bill; and
- the abolition of the MSU board of regents following the transfer.

C.S.H.B. 1522 provides for the transfer to the TTU System board of funds that, on the effective date of the transfer, have been appropriated or dedicated to MSU or are held for its use and benefit under the governance of the MSU board, designates those transferred funds for the use and benefit of MSU, and requires other funds held for the use and benefit of MSU to continue to be available for that purpose.

C.S.H.B. 1522 amends the Education Code to establish and codify the following:

- the status of MSU as a general academic teaching institution offering undergraduate and graduate degrees under the control and management of the TTU System board and subject to the authority of the THECB;
- the TTU System board's powers and duties, which are the same concerning MSU as its statutory powers and duties concerning TTU; and
- the TTU System board's authority to solicit, accept, and administer gifts and grants for the use and benefit of MSU.

C.S.H.B. 1522 authorizes the TTU System board to issue bonds backed by revenue funds to finance permanent improvements in aggregate principal amounts that do not exceed the amounts previously authorized by law for MSU, after deducting any portion of those authorized amounts for which MSU issued bonds before the bill's effective date. The bill restricts the use of bonds issued under this transferred authority to expenditures at MSU for the purposes for which the bonds were originally authorized. The bill provides for the TTU System board's authority to take the following actions:

- pledge all or any part of the revenue funds of a TTU System institution, branch, or entity to the payment of the bonds;
- transfer funds among those institutions, branches, and entities to meet those obligations; and
- issue refunding bonds with respect to MSU obligations, including obligations previously issued by TPFA.

The bill authorizes the use of any portion of the proceeds of bonds authorized by these provisions that is not required for specified projects to renovate existing structures and facilities at MSU.

C.S.H.B. 1522 repeals provisions relating to the following:

- the authority of the MSU board to impose certain student fees;
- tuition rates specific to U.S. military personnel enrolled in specified programs; and
- certain joint programs offered to MSU students and military student personnel.

C.S.H.B. 1522 amends the Labor Code to clarify that MSU is a state agency for purposes of the workers' compensation program for state employees, in accordance with the entitlement of employees of the TTU System and its components to participate in that program.

C.S.H.B. 1522 amends the Government Code to make a conforming change.

System-wide Provisions

C.S.H.B. 1522 amends the Education Code to take the following actions with respect to the TTU System student medical services fee and recreation fee:

- raises the cap on the student medical services fee for a summer session or term at a component institution of the TTU System to \$100;
- raises the cap on the recreation fee at those institutions to \$150 per semester or \$75 per six-week summer term;
- includes the finance, construction, and renovation of an institution's student recreation facilities and programs among the authorized uses of the recreation fee;
- authorizes the TTU System board to pledge the recreation fee to pay applicable obligations; and
- authorizes the approval of recreation fee increases above a 10 percent threshold by a majority vote of the student government at a component institution as an alternative to authorization by a majority vote in a general student election called for that purpose.

C.S.H.B. 1522, with respect to its provisions regarding venue for suits, expressly does not waive any defense to or immunity from suit or liability that may be asserted by an applicable entity or individual and provides the following:

- venue for a suit filed against the TTU System board or a board member in the member's official capacity is in Lubbock County; and
- venue for a suit filed against the TTU System, any system component, or any officer or employee of the system or of a system component is in the county in which the primary office of the chief executive officer of the system or component, as applicable, is located.

Repealed Provisions

C.S.H.B. 1522 repeals the following provisions of the Education Code:

- Section 54.241(h);
- Sections 54.5082, 54.518, 54.5441, 54.5442, 55.1727, 55.1737, 55.1757, and 55.1787; and
- Chapter 103.

EFFECTIVE DATE

September 1, 2021.

COMPARISON OF ORIGINAL AND SUBSTITUTE

C.S.H.B. 1522 differs from the original in minor or nonsubstantive ways by conforming to certain bill drafting conventions.