

SUBJECT: Recreating Stephen F. Austin State University within The UT System

COMMITTEE: Higher Education — committee substitute recommended

VOTE: 10 ayes — Kuempel, Paul, Bucy, Burns, Clardy, Cole, M. González, Howard, Lalani, Raney

0 nays

1 absent — Burrows

WITNESSES: For — None

Against — None

On — Steve Westbrook, Stephen F. Austin State University; James Milliken, The University of Texas System

BACKGROUND: Sec. 17(a), art. VII, Texas Constitution appropriates funds to eligible agencies and institutions of higher education for the purpose of acquiring land, constructing and equipping buildings, acquisition of capital equipment, library books and library materials, and paying for acquiring, constructing, or equipping or for major repair or rehabilitation of buildings, facilities, or capital equipment used jointly for educational and general activities and for auxiliary enterprises to the extent of their use for educational and general activities.

Sec. 18, art. VII, Texas Constitution allows the board of regents of the Texas A&M University System and the board of regents of The University of Texas System to issue bonds and notes for the purpose of acquiring land, constructing and equipping buildings, and acquiring capital equipment and library books and library materials for their respective systems.

DIGEST: CSHB 2639 would establish Stephen F. Austin State University, a member of The University of Texas System (SFA-UT), as a general

academic teaching institution under the governance, management, and control of the board of regents of The University of Texas System.

The bill would require the board, as necessary to achieve the maximum operating efficiency of the university, to provide for the organization, administration, and location of the university and of the colleges, schools, and other institutions and entities of the university. The authority of the board to achieve maximum operating efficiency and to provide for the organization, administration, and location of the university and its entities would prevail over other law.

The board could prescribe courses leading to customary degrees offered at leading universities and could award those degrees. The bill would prohibit the institution of a degree program without prior approval of the Texas Higher Education Coordinating Board, except those programs previously approved for Stephen F. Austin State University (SFA) or expressly authorized by the bill or other law.

The board could solicit, accept, and administer gifts, grants, or donations of any kind and from any source for use by the university. The board could make joint faculty appointments to positions in the university and to positions in other institutions governed by the board. The bill would entitle SFA-UT to participate to the same extent as other component institutions of The University of Texas System in the funding provided by Sec. 18, Art. VII, Texas Constitution.

Abolition of Stephen F. Austin State University. CSHB 2639 would abolish Stephen F. Austin State University on a date determined by the board of regents of The University of Texas System. The date would have to be entered into the minutes of the board. The board would provide to the secretary of state written notice of its determination. On the abolition date, the bill would repeal Chapter 101 of the Education Code, which pertained to the establishment and governance of Stephen F. Austin State University. The bill would prohibit the board from abolishing SFA earlier than the date on which SFA-UT began operations.

The SFA board of regents could transfer management and control to the board of regents of The University of Texas System. The terms of office of board of regents members for SFA would expire upon the abolition of the university.

Establishing new university. The bill would require the board of regents of The University of Texas System to determine an appropriate beginning date for SFA-UT and would require that date to be entered into the minutes of the board.

The bill would require the board to facilitate the employment at SFA-UT of as many faculty and staff of SFA as was prudent and practical. Tenured faculty of SFA would be entitled to tenure at SFA-UT and a person who was in a tenure-track teaching position would be entitled to a tenure-track position at SFA-UT and would be considered on the same schedule as the position at SFA. A student of SFA would be entitled to admission to SFA-UT.

The bill would require that all money, property, and facilities of SFA transfer to the board for use and benefit of SFA-UT. On the abolition date, the board of regents of The University of Texas System would be substituted in contracts, bond issuing, and other obligations for the board of regents of SFA. The bill would allow the board to impose and collect any fee authorized by prior law for SFA. The abolition of SFA would not affect any pledge of revenue from a fee made by or on behalf of the university to pay obligations.

A person who was a participant in a group benefits insurance program of SFA or who would have been eligible to participate as a future retiree would be eligible to participate in the uniform benefits insurance program of The University of Texas System as an employee, retiree, or vested former employee of SFA-UT. For each participant who transferred to the program of SFA-UT, The University of Texas System would be required to transfer a lump sum actuarially determined to preserve existing equities within the respective programs. The amount and date of transfer would be agreed upon between the systems.

The bill would require the board to seek the inclusion of SFA-UT initially in the same athletic conferences and participation in the same National Collegiate Athletic Association division as SFA.

Other provisions. The bill would remove SFA from the list of universities that were annually allocated certain state funds appropriated by sec. 17(a), Art. VII, Texas Constitution. The bill also would update the annual amounts for each remaining university in the list. The bill would revise the list of universities within The University of Texas System to no longer specify certain entities affiliated with component institutions and would update the list to include Stephen F. Austin State University, a member of The University of Texas System, The University of Texas at Tyler, and The University of Texas Rio Grande Valley.

The bill would take immediate effect if finally passed by a two-thirds record vote of the membership of each house. Otherwise, the bill would have no effect. Provisions amending sec. 62.021(a), Education Code, pertaining to certain annual funding, would take effect September 1, 2023.

**SUPPORTERS
SAY:**

CSHB 2639 would benefit Stephen F. Austin State University and its students by expanding the university's access to funding and educational opportunities through affiliation with The University of Texas System. Through a year-long, comprehensive process to determine whether SFA would join one of the state's university systems, all university systems in the state expressed interest in incorporating SFA. The university's board of regents, with input from community members and stakeholders, considered each offer carefully and decided that The UT System was the best option for the university. Affiliating with The UT System could help SFA reduce operating costs while gaining access to funding and educational resources within the system. The bill would allow SFA to join The UT System in its current form with its unique culture intact, and would not lead to SFA losing its name or identity in the future.

**CRITICS
SAY:**

Under CSHB 2639, SFA affiliating with The University of Texas System could lead to SFA changing its name and losing its unique identity and

history as it would become a part of the larger UT system.

NOTES:

According to the Legislative Budget Board, the fiscal implications of the bill cannot be determined due to the unavailability of data related to the number of persons in the Group Benefits Program administered by the Employee Retirement System at the university whose insurance would be affected by the bill.