

BILL ANALYSIS

Senate Research Center
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C.S.S.B. 2361
By: Kolkhorst; Bettencourt
Education K-16
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Committee Report (Substituted)

AUTHOR'S / SPONSOR'S STATEMENT OF INTENT

The Victoria region is strategically positioned to become an even stronger leader and economic engine for Texas. Numerous upcoming projects will benefit the entire state—rare earths processed in Victoria will fuel the high-tech centers in Austin, Taylor, Dallas, Houston, and San Antonio, while nuclear technologies tested and implemented here will enhance Texas' role in AI innovation. The region's materials and chemical initiatives present an opportunity for Texas to lead the future of the U.S. industrial sector.

To align the region with these goals, the Texas A&M University system, a world leader in engineering and other STEM fields, has agreed to take over the local university from the University of Houston System. The two systems will reach a memorandum of understanding by June 1, 2025. The transition will occur on September 1, 2025. With the backing of the Texas A&M University System, the Victoria campus will be poised to enable the region, state, and country with enormous economic opportunity.

C.S.S.B. 2361 amends current law relating to the transfer of the University of Houston--Victoria to The Texas A&M University System.

RULEMAKING AUTHORITY

Rulemaking authority is expressly granted to the board of regents of The Texas A&M University System in SECTION 1 (Section 87.882, Education Code) and SECTION 3 of this bill.

Rulemaking authority previously granted to the board of regents of the University of Houston System is rescinded in SECTION 20 (Section 111.98, Education Code) of this bill.

SECTION BY SECTION ANALYSIS

SECTION 1. AMENDMENT. Amends Chapter 87, Education Code, by adding Subchapter M, as follows:

SUBCHAPTER M. TEXAS A&M UNIVERSITY--VICTORIA

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

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

Sec. 87.882. COURSES AND DEGREES; ADMINISTRATION. (a) Requires TAMUV to offer undergraduate and graduate-level programs.

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

(c) Provides that TAMUV is subject to the authority of the Texas Higher Education Coordinating Board.

Sec. 87.883. GIFTS AND GRANTS. Authorizes the board of regents to solicit, accept, and administer gifts and grants for the use and benefit of TAMUV.

SECTION 2. TRANSFER OF GOVERNANCE OF UNIVERSITY. Provides that the governance, control, management, and property of The University of Houston--Victoria (UHV) are transferred from the board of regents of the University of Houston System (UH System) to the board of regents of the TAMU System. Provides that the transfer is governed by Sections 3 through 8 of this Act.

SECTION 3. POWERS AND DUTIES; RULES AND POLICIES. (a) Requires the board of regents of the TAMU System, when the transfer takes effect, to govern, operate, manage, and control UHV and all land, buildings, facilities, improvements, equipment, supplies, and property belonging to and constituting UHV under the powers and duties conferred by law on the board of regents.

(b) Provides that rules and policies adopted by the board of regents of the UH System to govern UHV that are in effect when the transfer takes effect are continued in effect until adopted, repealed, or superseded by the board of regents of TAMUV. Authorizes the board of regents of the TAMU System to adopt rules and policies applicable to TAMUV in anticipation of the transfer authorized by this Act.

SECTION 4. CONTRACTS AND WRITTEN OBLIGATIONS, INCLUDING BONDS. Provides that contracts and written obligations of every kind and character entered into by the board of regents of the UH System for and on behalf of UHV, including bonds, are considered ratified, confirmed, and validated by the board of regents of the TAMU System on the effective date of the transfer. Provides that, in those contracts and written obligations, the board of regents of the TAMU System is substituted for and stands and acts in the place of the board of regents of the UH System to the extent permitted by law.

SECTION 5. TUITION AND FEES. Provides that the tuition and fees authorized by the board of regents of the UH System before and transfer of governance under this Act remain in effect until the board of regents of the TAMU System authorizes a different amount of tuition and fees for UHV as provided by law.

SECTION 6. EFFECT OF TRANSFER ON STUDENTS AND EMPLOYEES. (a) Requires all students of UHV to be considered students of TAMUV on the effective date of this Act. Provides that the transfer of the governance of UHV under this Act does not otherwise affect the status of any student of UHV.

(b) Requires all employees of UHV to be considered employees of TAMUV on the effective date of this Act. Provides that the transfer of the governance of UHV under this Act does not otherwise affect the employment status or accrued benefits of a person employed by UHV when the transfer takes effect.

SECTION 7. GROUP BENEFITS. (a) Provides that a person who is a participant or is eligible to participate in a group benefits insurance program of UHV under Chapter 1551 (Texas Employees Group Benefits Act), 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 (Uniform Insurance Benefits Act for Employees of The University of Texas System and The Texas A&M University System), Insurance Code, as an employee, current retiree, or vested former employee of TAMUV, or as a dependent or surviving dependent, as if all benefits-eligible service credit had been earned in a benefits-eligible position at TAMUV. Provides that 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) Requires the Employees Retirement System of Texas (ERS), TAMUV, and the TAMU System to take all actions necessary to implement Subsection (a) of this section. Requires, for that purpose:

(1) ERS to provide to the TAMU System 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;

(2) TAMUV and the TAMU System to ensure that ERS receives full contributions for each month in which employees, retirees, and dependents of TAMUV are covered by the group benefits insurance program under Chapter 1551, Insurance Code; and

(3) ERS to transfer any funds designated for higher education employees, retirees, and dependents under Chapter 1551, Insurance Code, for the purpose of providing group benefits coverage for the employees, retirees, and dependents of UHV who will become employees, retirees, and dependents of TAMUV to the TAMU System upon the effective date of this Act.

SECTION 8. CURRENT FUNDING. Provides that 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 UHV under the governance of the board of regents of the UH System are transferred to the board of regents of the TAMU System for the use and benefit of TAMUV.

SECTION 9. AMENDMENT. Amends the heading to Section 54.5405, Education Code, to read as follows:

Sec. 54.5405. STUDENT CENTER FEE; TEXAS A&M UNIVERSITY--VICTORIA

SECTION 10. AMENDMENT. Amends Sections 54.5405(a) and (d), Education Code, as follows:

(a) Authorizes the board of regents of the TAMU System, rather than the UH System, to impose on each student enrolled at TAMUV, rather than UHV, a student center fee to be used only for the purpose of financing, constructing, operating, maintaining, improving, and equipping a student center at TAMUV.

(d) Makes a conforming change to this subsection.

SECTION 11. AMENDMENT. Amends the heading to Section 54.5406, Education Code, to read as follows:

Sec. 54.5406. HEALTH AND WELLNESS CENTER FEE; TEXAS A&M UNIVERSITY--VICTORIA

SECTION 12. AMENDMENT. Amends Sections 54.5406(a) and (d), Education Code, to make conforming changes.

SECTION 13. AMENDMENT. Amends Section 55.1723(a), Education Code, as follows:

(a) Deletes existing text authorizing the board of regents of the UH System, in addition to the other authority granted by Subchapter B (Revenue Bonds and Facilities), to acquire, purchase, construct, improve, renovate, enlarge, or equip property, buildings, structures, facilities, roads, or related infrastructure for certain 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 certain amounts, including for UHV, \$10 million. Makes nonsubstantive changes.

SECTION 14. AMENDMENT. Amends Section 55.1733(a), Education Code, as follows:

(a) Deletes existing text authorizing the board of regents of the UH System, in addition to the other authority granted by this subchapter, to issue in accordance with this subchapter and in accordance with a systemwide revenue financing program adopted by the board bonds for the certain institutions not to exceed certain aggregate principal amounts to finance certain projects, including for UHV, \$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. Makes nonsubstantive changes.

SECTION 15. AMENDMENT. Amends Section 55.1753(a), Education Code, as follows:

(a) Deletes existing text authorizing the board of regents of the UH System, in addition to the other authority granted by this subchapter, to acquire, purchase, construct, improve, renovate, enlarge, or equip facilities, including roads and related infrastructure, for certain 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 certain amounts, including for UHV: \$22,900,000 for an academic building at the UH System Center at Sugar Land, \$6,719,400 for regional economic development, and \$1,800,000 for allied health facilities. Makes nonsubstantive changes.

SECTION 16. AMENDMENT. Amends Section 55.1783(a), Education Code, as follows:

(a) Deletes existing text authorizing the board of regents of the UH System, in addition to the other authority granted by this subchapter, to 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 certain institutions or entities, not to exceed certain aggregate principal amounts for certain projects, including for UHV, \$60 million for academic expansion and land acquisition. Makes nonsubstantive changes.

SECTION 17. AMENDMENT. Amends Section 55.1793(a), Education Code, as follows:

(a) Deletes existing text authorizing the board of regents of the UH System, in addition to the other authority granted by this subchapter, to 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 certain institutions, not to exceed certain aggregate principal amounts for certain projects, including for UHV, \$44,922,833 for renovation of existing buildings and other campus infrastructure upgrades. Makes nonsubstantive changes.

SECTION 18. AMENDMENT. Amends Subchapter B, Chapter 55, Education Code, by adding Section 55.17812, as follows:

Sec. 55.17812. TEXAS A&M UNIVERSITY--VICTORIA. (a) Authorizes the board of regents of the TAMU System, in addition to the other authority granted by this subchapter, to issue bonds in accordance with this subchapter and in accordance with a systemwide revenue financing program adopted by the board in the aggregate principle amounts not to exceed the amounts previously authorized for UHV by Sections 55.1723 (The University of Houston System), 55.173 (The University of Houston System), 55.1733 (The University of Houston System; Additional Bonds), 55.1753 (University of Houston System; Additional Bonds), 55.1783 (University of Houston System; Additional Bonds), and 55.1793 (University of Houston System; Additional Bonds), 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 UHV before the date this section took effect. Authorizes 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 to be used only at TAMUV for the purposes for which the bonds for UHV were authorized to be issued under Section 55.1723, 55.173, 55.1733, 55.1753, 55.1783, or 55.1793, as applicable.

- (b) Authorizes the board to pledge irrevocably to the payment of those bonds all or any part of the revenue funds of an institution, branch, or entity of the TAMU System, including student tuition charges. Prohibits the amount of a pledge made under this subsection from being reduced or abrogated while the bonds for which the pledge is made, or bonds issued to refund those bonds, are outstanding.
- (c) Authorizes the board, if sufficient funds are not available to the board to meet its obligations under this section, to transfer funds among institutions, branches, and entities of the TAMU 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) Authorizes 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 to be used to renovate existing structures and facilities at TAMUV.

SECTION 19. AMENDMENT. Amends Section 62.021(a), Education Code, as follows:

- (a) Provides that the annual amounts provided by a certain formula are for certain component institutions of the TAMU System, including \$3,649,703 to TAMUV. Deletes existing text providing that the annual amounts provided by that formula are for certain components of the UH System, including \$3,649,703 to UHV. Makes nonsubstantive changes.

SECTION 20. REPEALER. Repealer: Section 55.173 (The University of Houston System), Education Code.

Repealer: Subchapter G (University of Houston-Victoria), Chapter 111 (The University of Houston), Education Code.

SECTION 21. TRANSITION. Requires the board of regents of the UH System and the board of regents of the TAMU System, not later than June 1, 2025, to enter into a memorandum of understanding relating to the transfer of the administration of UHV to the TAMU System. Requires that the memorandum of understanding include a transition plan with a timetable and specific steps, including 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 relating to the transfer of UHV to the TAMU System.

SECTION 22. EFFECTIVE DATE. Effective date: September 1, 2025.