

By: Zerwas

H.B. No. 1000

Substitute the following for H.B. No. 1000:

By: Morrison

C.S.H.B. No. 1000

A BILL TO BE ENTITLED

AN ACT

relating to state support for general academic teaching institutions in this state.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

SECTION 1. The heading to Subchapter C, Chapter 62, Education Code, is amended to read as follows:

SUBCHAPTER C. TEXAS RESEARCH UNIVERSITY [~~COMPETITIVE KNOWLEDGE~~]
FUND

SECTION 2. Sections 62.051(1) and (2), Education Code, are amended to read as follows:

(1) "Eligible institution" means an institution of higher education that[+]

[~~(A)~~] is designated as a research university under the coordinating board's accountability system and, for any three consecutive state fiscal years beginning on or after September 1, 2010, made total annual research expenditures in an average annual amount of not less than \$450 million[~~, or~~

[~~(B) is designated as an emerging research university under the coordinating board's accountability system and, for any three consecutive state fiscal years beginning on or after September 1, 2010, made total annual research expenditures in an average annual amount of not less than \$50 million~~].

(2) "Fund" means the Texas research university [~~competitive knowledge~~] fund.

SECTION 3. Section 62.052, Education Code, is amended to read as follows:

Sec. 62.052. PURPOSE. The purpose of this subchapter is to provide funding to eligible research universities ~~[and emerging research universities]~~ to support faculty to ensure excellence in instruction and research.

SECTION 4. Section 62.053, Education Code, is amended to read as follows:

Sec. 62.053. FUND. (a) The Texas research university ~~[competitive knowledge]~~ fund consists of money appropriated by the legislature to eligible institutions for the purposes of this subchapter ~~[to eligible institutions]~~.

(b) For purposes of this subchapter ~~[section]~~, the amount of total research funds expended by an eligible institution in a state fiscal year is the amount of those funds as reported to the coordinating board by the institution for that fiscal year, subject to any adjustment by the coordinating board in accordance with the standards and accounting methods the coordinating board prescribes for purposes of this section.

SECTION 5. The heading to Subchapter E, Chapter 62, Education Code, is amended to read as follows:

SUBCHAPTER E. TEXAS COMPREHENSIVE RESEARCH ~~[DEVELOPMENT]~~ FUND

SECTION 6. Section 62.091, Education Code, is amended to read as follows:

Sec. 62.091. PURPOSE. The Texas comprehensive research ~~[development]~~ fund is established to provide funding to promote increased research capacity at eligible general academic teaching

institutions.

SECTION 7. Section 62.092, Education Code, is amended by amending Subdivision (2) and adding Subdivision (3) to read as follows:

(2) "Eligible institution" means a general academic teaching institution~~[7]~~ as defined by Section 61.003, other than:

(A) The University of Texas at Austin or Texas A&M University; or

(B) an institution of higher education described by Section 62.132(2).

(3) "Fund" means the Texas comprehensive research fund.

SECTION 8. Section 62.093, Education Code, is amended to read as follows:

Sec. 62.093. FUNDING ~~[ADMINISTRATION]~~. ~~[(a)]~~ The Texas comprehensive research ~~[development]~~ fund consists of money appropriated by the legislature to eligible institutions for the purposes of this subchapter ~~[is a fund outside the state treasury in the custody of the comptroller]~~.

~~[(b) The comptroller shall administer and invest the research development fund.]~~

SECTION 9. The heading to Section 62.095, Education Code, is amended to read as follows:

Sec. 62.095. APPROPRIATION ~~[APPORTIONMENT]~~ OF FUND TO ELIGIBLE INSTITUTIONS.

SECTION 10. Section 62.095(a), Education Code, is amended to read as follows:

1 (a) In each state fiscal year, amounts ~~[the comptroller~~
2 ~~shall distribute the total amount of all assets in the research~~
3 ~~development fund to eligible institutions. The amount]~~ shall be
4 appropriated to ~~[apportioned among the]~~ eligible institutions
5 based on the average amount of restricted research funds expended
6 by each institution per year for the three preceding state fiscal
7 years.

8 SECTION 11. The heading to Section 62.096, Education Code,
9 is amended to read as follows:

10 Sec. 62.096. VERIFICATION ~~[OF ALLOCATION FACTORS]~~.

11 SECTION 12. Sections 62.096(a) and (b), Education Code, are
12 amended to read as follows:

13 (a) For purposes of this subchapter and Subchapter F-1, the
14 coordinating board shall prescribe standards and accounting
15 methods for determining the amount of restricted research funds
16 expended ~~[by an eligible institution]~~ in a state fiscal year:

17 (1) under this subchapter by an eligible institution;
18 or

19 (2) under Subchapter F-1 by an eligible institution,
20 as that term is defined by Section 62.132(2).

21 (b) For purposes of this subchapter and Subchapter F-1, the
22 [The] coordinating board shall convene a committee composed
23 [comprised] of persons designated by the presidents of eligible
24 institutions to approve the allocations standards and accounting
25 methods established by the coordinating board and to consider
26 appeals authorized by Subsection (e) or Section 62.135(b) ~~[by~~
27 ~~October 1, 2003]~~.

SECTION 13. Section 62.097, Education Code, is amended to read as follows:

Sec. 62.097. USE OF APPROPRIATED [~~ALLOCATED~~] AMOUNTS. (a) An eligible institution may use money received from the [~~research development~~] fund only for the support and maintenance of educational and general activities, including research and student services, that promote increased research capacity at the institution.

(b) Money received by an institution from the [~~research development~~] fund in a fiscal year that is not used by the institution in that fiscal year may be held and used by the institution in subsequent fiscal years.

SECTION 14. Chapter 62, Education Code, is amended by adding Subchapter F-1 to read as follows:

SUBCHAPTER F-1. CORE RESEARCH SUPPORT FUND

Sec. 62.131. PURPOSE. The core research support fund is established to provide funding to promote increased research capacity at emerging research universities.

Sec. 62.132. DEFINITIONS. In this subchapter:

(1) "Coordinating board" means the Texas Higher Education Coordinating Board.

(2) "Eligible institution" means an institution of higher education that is designated as an emerging research university under the coordinating board's accountability system.

(3) "Fund" means the core research support fund.

Sec. 62.133. FUNDING. The core research support fund consists of money appropriated by the legislature to eligible

institutions for the purposes of this subchapter.

Sec. 62.134. APPROPRIATION OF FUND TO ELIGIBLE INSTITUTIONS. In each state fiscal year, amounts shall be appropriated to eligible institutions as follows:

(1) 50 percent based on the average amount of restricted research funds expended by each institution per year for the three preceding state fiscal years, determined in the manner described by Section 62.095(b); and

(2) 50 percent based on the amount of total research funds expended by each eligible institution in a state fiscal year, determined in the manner described by Section 62.053(b).

Sec. 62.135. VERIFICATION. (a) The coordinating board may audit the appropriate records of an eligible institution to verify information for purposes of this subchapter.

(b) For final determination of eligibility, an eligible institution may appeal to the advisory committee described by Section 62.096 the coordinating board's decision regarding the institution's verified information relating to the amounts of restricted research expended.

Sec. 62.136. USE OF APPROPRIATED AMOUNTS. (a) An eligible institution may use money received from the fund only for the support and maintenance of educational and general activities, including research and student services, that promote increased research capacity at the institution.

(b) Money received by an institution from the fund in a fiscal year that is not used by the institution in that fiscal year may be held and used by the institution in subsequent fiscal years.

1 Sec. 62.137. ANNUAL REPORT. (a) Each eligible institution
2 that receives money under this subchapter in a state fiscal year
3 shall prepare a report at the end of that fiscal year describing the
4 manner in which the institution used the money. The institution
5 shall include in the report information regarding the use of money
6 spent in that fiscal year that was received under this subchapter in
7 a preceding fiscal year.

8 (b) The institution shall deliver a copy of the report to
9 the coordinating board and the Legislative Budget Board not later
10 than December 1 after the end of the fiscal year. The Legislative
11 Budget Board may establish requirements for the form and content of
12 the report.

13 (c) The institution shall include in the report information
14 on the use or other disposition of money the institution previously
15 received from the Texas excellence fund or the university research
16 fund, if the institution spent money from either of those funds in
17 the fiscal year of the report.

18 SECTION 15. Sections 62.0925 and 62.094, Education Code,
19 are repealed.

20 SECTION 16. This Act takes effect September 1, 2015.