

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

~~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]~~.

(a-1) In each state fiscal year, amounts shall be appropriated to eligible institutions based on the average amount of total research funds expended by each institution per year for the three preceding state fiscal years.

(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

1 read as follows:

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

21                 (1) under this subchapter by an eligible institution;  
22 or  
23                 (2) under Subchapter F-1 by an eligible institution,  
24 as that term is defined by Section 62.132(2).

25          (b) For purposes of this subchapter and Subchapter F-1, the  
26 ~~[The]~~ coordinating board shall convene a committee composed  
27 ~~[comprised]~~ of persons designated by the presidents of eligible

1 institutions to approve the allocations standards and accounting  
2 methods established by the coordinating board and to consider  
3 appeals authorized by Subsection (e) or Section 62.135(b) [~~by~~  
4 ~~October 1, 2003~~].

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

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

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

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

19 SUBCHAPTER F-1. CORE RESEARCH SUPPORT FUND

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

23 Sec. 62.132. DEFINITIONS. In this subchapter:

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

26 (2) "Eligible institution" means an institution of  
27 higher education that is designated as an emerging research

1 university under the coordinating board's accountability system.

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

3 Sec. 62.133. FUNDING. The core research support fund  
4 consists of money appropriated by the legislature to eligible  
5 institutions for the purposes of this subchapter.

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

9 (1) 50 percent based on the average amount of  
10 restricted research funds expended by each institution per year for  
11 the three preceding state fiscal years, determined in the manner  
12 described by Section 62.095(b); and

13 (2) 50 percent based on the average amount of total  
14 research funds expended by each institution per year for the three  
15 preceding state fiscal years, determined in the manner described by  
16 Section 62.053(b).

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

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

25 Sec. 62.136. USE OF APPROPRIATED AMOUNTS. (a) An eligible  
26 institution may use money received from the fund only for the  
27 support and maintenance of educational and general activities,

1 including research and student services, that promote increased  
2 research capacity at the institution.

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

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

13 (b) The institution shall deliver a copy of the report to  
14 the coordinating board and the Legislative Budget Board not later  
15 than December 1 after the end of the fiscal year. The Legislative  
16 Budget Board may establish requirements for the form and content of  
17 the report.

18 (c) The institution shall include in the report information  
19 on the use or other disposition of money the institution previously  
20 received from the Texas excellence fund or the university research  
21 fund, if the institution spent money from either of those funds in  
22 the fiscal year of the report.

23 SECTION 15. Sections 62.0925 and 62.094, Education Code,  
24 are repealed.

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

H.B. No. 1000

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President of the Senate

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Speaker of the House

I certify that H.B. No. 1000 was passed by the House on May 12, 2015, by the following vote: Yeas 125, Nays 15, 2 present, not voting.

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Chief Clerk of the House

I certify that H.B. No. 1000 was passed by the Senate on May 27, 2015, by the following vote: Yeas 27, Nays 4.

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Secretary of the Senate

APPROVED: \_\_\_\_\_

Date

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Governor