

By: Zerwas

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

~~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~~

~~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 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

1 institutions.

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

5 (2) "Eligible institution" means a general academic
6 teaching institution~~[7]~~ as defined by Section 61.003, other than
7 The University of Texas at Austin or Texas A&M University or an
8 institution of higher education described by Section 62.132(2).

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

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

13 Sec. 62.093. ADMINISTRATION. (a) The Texas comprehensive
14 research ~~[development]~~ fund is a fund outside the state treasury in
15 the custody of the comptroller.

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

18 SECTION 9. Section 62.094, Education Code, is amended to
19 read as follows:

20 Sec. 62.094. FUNDING. (a) The ~~[research development]~~ fund
21 consists of the amounts appropriated or transferred to the credit
22 of the fund under this section or other law.

23 (b) The comptroller shall deposit all interest, dividends,
24 and other income earned from investment of the ~~[research~~
25 ~~development]~~ fund to the credit of the fund.

26 (c) The comptroller may accept gifts or grants from any
27 public or private source for the ~~[research development]~~ fund.

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

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

SECTION 11. Section 62.096(a), Education Code, is amended to read as follows:

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

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

SECTION 12. Section 62.097, Education Code, is amended to read as follows:

Sec. 62.097. USE OF 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

1 institution in that fiscal year may be held and used by the
2 institution in subsequent fiscal years.

3 SECTION 13. Chapter 62, Education Code, is amended by
4 adding Subchapter F-1 to read as follows:

5 SUBCHAPTER F-1. CORE RESEARCH SUPPORT FUND

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

9 Sec. 62.132. DEFINITIONS. In this subchapter:

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

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

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

16 Sec. 62.133. ADMINISTRATION. (a) The core research
17 support fund is a fund outside the state treasury in the custody of
18 the comptroller.

19 (b) The comptroller shall administer and invest the fund.

20 Sec. 62.134. FUNDING. (a) The fund consists of the amounts
21 appropriated or transferred to the credit of the fund under this
22 section or other law.

23 (b) The comptroller shall deposit all interest, dividends,
24 and other income earned from investment of the fund to the credit of
25 the fund.

26 (c) The comptroller may accept gifts or grants from any
27 public or private source for the fund.

Sec. 62.135. APPORTIONMENT OF FUND TO ELIGIBLE INSTITUTIONS. (a) In each state fiscal year, the comptroller shall distribute the total amount of all assets in the fund to eligible institutions. The amount shall be apportioned among the eligible institutions based on the average amount of restricted research funds expended by each institution per year for the three preceding state fiscal years.

(b) For purposes of Subsection (a), the amount of restricted research funds expended by an institution in a 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 under Section 62.096.

(c) Beginning with the first distributions from the fund under this subchapter, an eligible institution that previously incurred an appropriation reduction under Section 62.0535 is entitled to an amount from the fund in addition to the amount apportioned under Subsection (a) until the institution receives a total additional amount under this subsection equal to the amount of the previous appropriation reduction. Amounts distributed under this subsection must be specifically appropriated for this purpose.

Sec. 62.136. VERIFICATION OF ALLOCATION FACTORS. (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

1 institution's verified information relating to the amounts of
2 restricted research expended.

3 Sec. 62.137. USE OF ALLOCATED AMOUNTS. (a) An eligible
4 institution may use money received from the fund only for the
5 support and maintenance of educational and general activities,
6 including research and student services, that promote increased
7 research capacity at the institution.

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

11 Sec. 62.138. ANNUAL REPORT. (a) Each eligible institution
12 that receives money under this subchapter in a state fiscal year
13 shall prepare a report at the end of that fiscal year describing the
14 manner in which the institution used the money. The institution
15 shall include in the report information regarding the use of money
16 spent in that fiscal year that was received under this subchapter in
17 a preceding fiscal year.

18 (b) The institution shall deliver a copy of the report to
19 the coordinating board and the Legislative Budget Board not later
20 than December 1 after the end of the fiscal year. The Legislative
21 Budget Board may establish requirements for the form and content of
22 the report.

23 (c) The institution shall include in the report information
24 on the use or other disposition of money the institution previously
25 received from the Texas excellence fund or the university research
26 fund, if the institution spent money from either of those funds in
27 the fiscal year of the report.

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1 SECTION 14. Sections 62.0925 and 62.096(b), Education Code,
2 are repealed.

3 SECTION 15. This Act takes effect September 1, 2015.