

1-1 By: Zerwas, Faircloth (Senate Sponsor - Seliger) H.B. No. 1000
 1-2 (In the Senate - Received from the House May 13, 2015;
 1-3 May 14, 2015, read first time and referred to Committee on Finance;
 1-4 May 21, 2015, reported favorably by the following vote: Yeas 12,
 1-5 Nays 1; May 21, 2015, sent to printer.)

1-6 COMMITTEE VOTE

	Yea	Nay	Absent	PNV
1-7 Nelson	X			
1-8 Hinojosa	X			
1-9 Bettencourt	X			
1-10 Eltife			X	
1-11 Hancock	X			
1-12 Huffman			X	
1-13 Kolkhorst		X		
1-14 Nichols	X			
1-15 Schwertner	X			
1-16 Seliger	X			
1-17 Taylor of Galveston	X			
1-18 Uresti	X			
1-19 Watson	X			
1-20 West	X			
1-21 Whitmire	X			

1-23 A BILL TO BE ENTITLED
 1-24 AN ACT

1-25 relating to state support for general academic teaching
 1-26 institutions in this state.

1-27 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

1-28 SECTION 1. The heading to Subchapter C, Chapter 62,
 1-29 Education Code, is amended to read as follows:

1-30 SUBCHAPTER C. TEXAS RESEARCH UNIVERSITY [~~COMPETITIVE KNOWLEDGE~~]
 1-31 FUND

1-32 SECTION 2. Sections 62.051(1) and (2), Education Code, are
 1-33 amended to read as follows:

1-34 (1) "Eligible institution" means an institution of
 1-35 higher education that ~~+~~

1-36 [~~(A)~~] is designated as a research university
 1-37 under the coordinating board's accountability system and, for any
 1-38 three consecutive state fiscal years beginning on or after
 1-39 September 1, 2010, made total annual research expenditures in an
 1-40 average annual amount of not less than \$450 million~~[, or~~

1-41 [~~(B)~~ is designated as an emerging research
 1-42 university under the coordinating board's accountability system
 1-43 and, for any three consecutive state fiscal years beginning on or
 1-44 after September 1, 2010, made total annual research expenditures in
 1-45 an average annual amount of not less than \$50 million].

1-46 (2) "Fund" means the Texas research university
 1-47 [~~competitive knowledge~~] fund.

1-48 SECTION 3. Section 62.052, Education Code, is amended to
 1-49 read as follows:

1-50 Sec. 62.052. PURPOSE. The purpose of this subchapter is to
 1-51 provide funding to eligible research universities [~~and emerging~~
 1-52 ~~research universities~~] to support faculty to ensure excellence in
 1-53 instruction and research.

1-54 SECTION 4. Section 62.053, Education Code, is amended to
 1-55 read as follows:

1-56 Sec. 62.053. FUND. (a) The Texas research university
 1-57 [~~competitive knowledge~~] fund consists of money appropriated by the
 1-58 legislature to eligible institutions for the purposes of this
 1-59 subchapter [~~to eligible institutions~~].

1-60 (a-1) In each state fiscal year, amounts shall be
 1-61 appropriated to eligible institutions based on the average amount

2-1 of total research funds expended by each institution per year for
 2-2 the three preceding state fiscal years.

2-3 (b) For purposes of this subchapter ~~[section]~~, the amount of
 2-4 total research funds expended by an eligible institution in a state
 2-5 fiscal year is the amount of those funds as reported to the
 2-6 coordinating board by the institution for that fiscal year, subject
 2-7 to any adjustment by the coordinating board in accordance with the
 2-8 standards and accounting methods the coordinating board prescribes
 2-9 for purposes of this section.

2-10 SECTION 5. The heading to Subchapter E, Chapter 62,
 2-11 Education Code, is amended to read as follows:

2-12 SUBCHAPTER E. TEXAS COMPREHENSIVE RESEARCH ~~[DEVELOPMENT]~~ FUND

2-13 SECTION 6. Section 62.091, Education Code, is amended to
 2-14 read as follows:

2-15 Sec. 62.091. PURPOSE. The Texas comprehensive research
 2-16 ~~[development]~~ fund is established to provide funding to promote
 2-17 increased research capacity at eligible general academic teaching
 2-18 institutions.

2-19 SECTION 7. Section 62.092, Education Code, is amended by
 2-20 amending Subdivision (2) and adding Subdivision (3) to read as
 2-21 follows:

2-22 (2) "Eligible institution" means a general academic
 2-23 teaching institution~~[r]~~ as defined by Section 61.003, other than:

2-24 (A) The University of Texas at Austin or Texas
 2-25 A&M University; or

2-26 (B) an institution of higher education described
 2-27 by Section 62.132(2).

2-28 (3) "Fund" means the Texas comprehensive research
 2-29 fund.

2-30 SECTION 8. Section 62.093, Education Code, is amended to
 2-31 read as follows:

2-32 Sec. 62.093. FUNDING ~~[ADMINISTRATION]~~. ~~[(a)]~~ The Texas
 2-33 comprehensive research ~~[development]~~ fund consists of money
 2-34 appropriated by the legislature to eligible institutions for the
 2-35 purposes of this subchapter ~~[is a fund outside the state treasury in~~
 2-36 ~~the custody of the comptroller].~~

2-37 ~~[(b) The comptroller shall administer and invest the~~
 2-38 ~~research development fund.]~~

2-39 SECTION 9. The heading to Section 62.095, Education Code,
 2-40 is amended to read as follows:

2-41 Sec. 62.095. APPROPRIATION ~~[APPORTIONMENT]~~ OF FUND TO
 2-42 ELIGIBLE INSTITUTIONS.

2-43 SECTION 10. Section 62.095(a), Education Code, is amended
 2-44 to read as follows:

2-45 (a) In each state fiscal year, amounts ~~[the comptroller~~
 2-46 ~~shall distribute the total amount of all assets in the research~~
 2-47 ~~development fund to eligible institutions. The amount]~~ shall be
 2-48 appropriated to ~~[apportioned among the]~~ eligible institutions
 2-49 based on the average amount of restricted research funds expended
 2-50 by each institution per year for the three preceding state fiscal
 2-51 years.

2-52 SECTION 11. The heading to Section 62.096, Education Code,
 2-53 is amended to read as follows:

2-54 Sec. 62.096. VERIFICATION ~~[OF ALLOCATION FACTORS]~~.

2-55 SECTION 12. Sections 62.096(a) and (b), Education Code, are
 2-56 amended to read as follows:

2-57 (a) For purposes of this subchapter and Subchapter F-1, the
 2-58 coordinating board shall prescribe standards and accounting
 2-59 methods for determining the amount of restricted research funds
 2-60 expended ~~[by an eligible institution]~~ in a state fiscal year:

2-61 (1) under this subchapter by an eligible institution;

2-62 or

2-63 (2) under Subchapter F-1 by an eligible institution,
 2-64 as that term is defined by Section 62.132(2).

2-65 (b) For purposes of this subchapter and Subchapter F-1, the
 2-66 [The] coordinating board shall convene a committee composed
 2-67 [comprised] of persons designated by the presidents of eligible
 2-68 institutions to approve the allocations standards and accounting
 2-69 methods established by the coordinating board and to consider

3-1 appeals authorized by Subsection (e) or Section 62.135(b) [~~by~~
3-2 ~~October 1, 2003~~].

3-3 SECTION 13. Section 62.097, Education Code, is amended to
3-4 read as follows:

3-5 Sec. 62.097. USE OF APPROPRIATED [~~ALLOCATED~~] AMOUNTS. (a)
3-6 An eligible institution may use money received from the [~~research~~
3-7 ~~development~~] fund only for the support and maintenance of
3-8 educational and general activities, including research and student
3-9 services, that promote increased research capacity at the
3-10 institution.

3-11 (b) Money received by an institution from the [~~research~~
3-12 ~~development~~] fund in a fiscal year that is not used by the
3-13 institution in that fiscal year may be held and used by the
3-14 institution in subsequent fiscal years.

3-15 SECTION 14. Chapter 62, Education Code, is amended by
3-16 adding Subchapter F-1 to read as follows:

3-17 SUBCHAPTER F-1. CORE RESEARCH SUPPORT FUND

3-18 Sec. 62.131. PURPOSE. The core research support fund is
3-19 established to provide funding to promote increased research
3-20 capacity at emerging research universities.

3-21 Sec. 62.132. DEFINITIONS. In this subchapter:

3-22 (1) "Coordinating board" means the Texas Higher
3-23 Education Coordinating Board.

3-24 (2) "Eligible institution" means an institution of
3-25 higher education that is designated as an emerging research
3-26 university under the coordinating board's accountability system.

3-27 (3) "Fund" means the core research support fund.

3-28 Sec. 62.133. FUNDING. The core research support fund
3-29 consists of money appropriated by the legislature to eligible
3-30 institutions for the purposes of this subchapter.

3-31 Sec. 62.134. APPROPRIATION OF FUND TO ELIGIBLE
3-32 INSTITUTIONS. In each state fiscal year, amounts shall be
3-33 appropriated to eligible institutions as follows:

3-34 (1) 50 percent based on the average amount of
3-35 restricted research funds expended by each institution per year for
3-36 the three preceding state fiscal years, determined in the manner
3-37 described by Section 62.095(b); and

3-38 (2) 50 percent based on the average amount of total
3-39 research funds expended by each institution per year for the three
3-40 preceding state fiscal years, determined in the manner described by
3-41 Section 62.053(b).

3-42 Sec. 62.135. VERIFICATION. (a) The coordinating board may
3-43 audit the appropriate records of an eligible institution to verify
3-44 information for purposes of this subchapter.

3-45 (b) For final determination of eligibility, an eligible
3-46 institution may appeal to the advisory committee described by
3-47 Section 62.096 the coordinating board's decision regarding the
3-48 institution's verified information relating to the amounts of
3-49 restricted research expended.

3-50 Sec. 62.136. USE OF APPROPRIATED AMOUNTS. (a) An eligible
3-51 institution may use money received from the fund only for the
3-52 support and maintenance of educational and general activities,
3-53 including research and student services, that promote increased
3-54 research capacity at the institution.

3-55 (b) Money received by an institution from the fund in a
3-56 fiscal year that is not used by the institution in that fiscal year
3-57 may be held and used by the institution in subsequent fiscal years.

3-58 Sec. 62.137. ANNUAL REPORT. (a) Each eligible institution
3-59 that receives money under this subchapter in a state fiscal year
3-60 shall prepare a report at the end of that fiscal year describing the
3-61 manner in which the institution used the money. The institution
3-62 shall include in the report information regarding the use of money
3-63 spent in that fiscal year that was received under this subchapter in
3-64 a preceding fiscal year.

3-65 (b) The institution shall deliver a copy of the report to
3-66 the coordinating board and the Legislative Budget Board not later
3-67 than December 1 after the end of the fiscal year. The Legislative
3-68 Budget Board may establish requirements for the form and content of
3-69 the report.

4-1 (c) The institution shall include in the report information
4-2 on the use or other disposition of money the institution previously
4-3 received from the Texas excellence fund or the university research
4-4 fund, if the institution spent money from either of those funds in
4-5 the fiscal year of the report.

4-6 SECTION 15. Sections 62.0925 and 62.094, Education Code,
4-7 are repealed.

4-8 SECTION 16. This Act takes effect September 1, 2015.

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