

BILL ANALYSIS

Senate Research Center

H.B. 1000
By: Zerwas; Faircloth (Seliger)
Finance
5/18/2015
Engrossed

AUTHOR'S / SPONSOR'S STATEMENT OF INTENT

H.B. 1000 amends current law relating to state support for general academic teaching institutions in this state.

RULEMAKING AUTHORITY

This bill does not expressly grant any additional rulemaking authority to a state officer, institution, or agency.

SECTION BY SECTION ANALYSIS

SECTION 1. Amends the heading to Subchapter C, Chapter 62, Education Code, to read as follows:

SUBCHAPTER C. TEXAS RESEARCH UNIVERSITY FUND

SECTION 2. Amends Sections 62.051(1) and (2), Education Code, to redefine "eligible institution" and "fund."

SECTION 3. Amends Section 62.052, Education Code, as follows:

Sec. 62.052. PURPOSE. Provides that the purpose of this subchapter is to provide funding to eligible research universities to support faculty to ensure excellence in instruction and research, rather than provides that 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. Amends Section 62.053, Education Code, as follows:

Sec. 62.053. FUND. (a) Provides that the Texas research university fund consists of money appropriated by the legislature to eligible institutions for the purposes of this subchapter, rather than provides that the Texas competitive knowledge fund consists of money appropriated by the legislature for the purposes of this subchapter to eligible institutions.

(a-1) Requires that, in each state fiscal year, amounts 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) Provides that, for purposes of this subchapter, rather than 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 the Texas Higher Education Coordinating Board (THECB) by the institution for that fiscal year, subject to any adjustment by THECB in accordance with the standards and accounting methods THECB prescribes for purposes of this section.

SECTION 5. Amends the heading to Subchapter E, Chapter 62, Education Code, to read as follows:

SUBCHAPTER E. TEXAS COMPREHENSIVE RESEARCH FUND

SECTION 6. Amends Section 62.091, Education Code, as follows:

Sec. 62.091. PURPOSE. Provides that the Texas comprehensive research fund, rather than the Texas comprehensive research development fund, is established to provide funding to promote increased research capacity at eligible general academic teaching institutions.

SECTION 7. Amends Section 62.092, Education Code, by amending Subdivision (2) and adding Subdivision (3), to redefine "eligible institution" and define "fund."

SECTION 8. Amends Section 62.093, Education Code, as follows:

Sec. 62.093. New heading: FUNDING. Provides that the Texas comprehensive research fund consists of money appropriated by the legislature to eligible institutions for the purposes of this subchapter, rather than provides that the research development fund is a fund outside the state treasury in the custody of the comptroller of public accounts of the State of Texas (comptroller).

Deletes existing text requiring the comptroller to administer and invest the research development fund.

SECTION 9. Amends the heading to Section 62.095, Education Code, to read as follows:

Sec. 62.095. APPROPRIATION OF FUND TO ELIGIBLE INSTITUTIONS.

SECTION 10. Amends Section 62.095(a), Education Code, as follows:

(a) Requires that, in each state fiscal year, amounts be appropriated to eligible institutions based on the average amount of restricted research funds expended by each institution per year for the three preceding state fiscal years. Deletes existing text requiring the comptroller to distribute the total amount of all assets in the research development fund to eligible institutions. Makes nonsubstantive changes.

SECTION 11. Amends the heading to Section 62.096, Education Code, to read as follows:

Sec. 62.096. VERIFICATION.

SECTION 12. Amends Sections 62.096(a) and (b), Education Code, as follows:

(a) Requires THECB, for purposes of this subchapter and Subchapter F-1, to prescribe standards and accounting methods for determining the amount of restricted research funds expended in a state fiscal year, rather than 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).

(b) Requires THECB to convene a committee, for purposes of this subchapter and Subchapter F-1, composed of persons designated by the presidents of eligible institutions to approve the allocations standards and accounting methods established by the coordinating board and to consider appeals authorized by Subsection (e) or Section 62.135(b), rather than by October 1, 2003. Makes nonsubstantive changes.

SECTION 13. Amends Section 62.097, Education Code, as follows:

Sec. 62.097. New heading: USE OF APPROPRIATED AMOUNTS. (a) Prohibits an eligible institution from using money received from the fund, rather than 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) Provides that money received by an institution from the fund, rather than 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. Amends Chapter 62, Education Code, by adding Subchapter F-1, as follows:

SUBCHAPTER F-1. CORE RESEARCH SUPPORT FUND

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

Sec. 62.132. DEFINITIONS. Defines "coordinating board," "eligible institution," and "fund."

Sec. 62.133. FUNDING. Provides that 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. Requires amounts to be appropriated, in each state fiscal year, 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 average amount of total research funds expended by each institution per year for the three preceding state fiscal years, determined in the manner described by Section 62.053(b).

Sec. 62.135. VERIFICATION. (a) Authorizes THECB to audit the appropriate records of an eligible institution to verify information for purposes of this subchapter.

(b) Authorizes an eligible institution to appeal to the advisory committee described by Section 62.096 THECB's decision regarding the institution's verified information relating to the amounts of restricted research expended for final determination of eligibility.

Sec. 62.136. USE OF APPROPRIATED AMOUNTS. (a) Authorizes an eligible institution to 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) Authorizes money received by an institution from the fund in a fiscal year that is not used by the institution in that fiscal year to be held and used by the institution in subsequent fiscal years.

Sec. 62.137. ANNUAL REPORT. (a) Requires each eligible institution that receives money under this subchapter in a state fiscal year to prepare a report at the end of that fiscal year describing the manner in which the institution used the money. Requires the institution to include in the report information regarding the use of money spent in that fiscal year that was received under this subchapter in a preceding fiscal year.

(b) Requires the institution to deliver a copy of the report to the coordinating board and the Legislative Budget Board (LBB), not later than December 1 after the end of the fiscal year. Authorizes the LBB to establish requirements for the form and content of the report.

(c) Requires the institution to include in the report information on the use or other disposition of money the institution previously received from the Texas excellence fund or the university research fund, if the institution spent money from either of those funds in the fiscal year of the report.

SECTION 15. Repealers: Sections 62.0925 (Eligibility of Prairie View A&M University) and 62.094 (Funding), Education Code.

SECTION 16. Effective date: September 1, 2015.