

AN ACT

relating to funds received by institutions of higher education to cover overhead expenses of conducting research.

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

SECTION 1. Section 145.001(c), Education Code, is amended to read as follows:

(c) The funds retained by a defined institution under Subsection (b) may not be accounted for in an appropriations act in such a way as to reduce [~~In the General Appropriations Act, the legislature may adopt a method of funding provision that provides for the application of certain locally generated funds to~~] the general revenue funds to be appropriated to a general academic teaching institution or a medical or dental unit [~~in such a way as to reduce the general revenue to be appropriated to it~~]. The retained funds are subject to the following requirements [~~If such a provision is adopted, it is specifically provided~~]:

(1) the funds [~~that no more than 50 percent of funds received by a general academic teaching institution or a medical or dental unit for paying overhead costs may be so applied,~~

~~[(2) that no less than 50 percent of the funds that are retained but not applied to reduce general revenue appropriations]~~

shall be expended under guidelines approved by the institution's governing board for projects encouraging further research at the unit, agency, or department level at which the research was

1 conducted, including:

2 (A) conducting early pregrant feasibility
3 studies;

4 (B) preparing competitive proposals for
5 sponsored programs;

6 (C) providing carryover funding for research
7 teams to provide continuity between externally funded projects;

8 (D) supporting new researchers pending external
9 funding;

10 (E) engaging in research programs of critical
11 interest to the general welfare of the citizens of this state;

12 (F) purchasing capital equipment directly
13 related to expanding the research capability of the institution;
14 and

15 (G) research or project administrative costs;
16 and

17 (2) [~~(3) that~~] the [~~retained~~] funds [~~not applied to~~
18 ~~reduce general revenue appropriations~~] remaining after the
19 application of Subdivision (1) shall [~~(2) of this subsection will~~]
20 be used by a general academic teaching institution or a medical or
21 dental unit to support research as approved by a general academic
22 teaching institution or a medical or dental unit.

23 SECTION 2. This Act takes effect immediately if it receives
24 a vote of two-thirds of all the members elected to each house, as
25 provided by Section 39, Article III, Texas Constitution. If this
26 Act does not receive the vote necessary for immediate effect, this
27 Act takes effect September 1, 2003.

1 SECTION 3. Notwithstanding Section 2 of this Act, this Act
2 takes effect only if H.B. 3015 or similar legislation providing
3 for deregulation of tuition charged by institutions of higher
4 education to resident undergraduate students is enacted.

President of the Senate

Speaker of the House

I certify that H.B. No. 1887 was passed by the House on April 23, 2003, by the following vote: Yeas 142, Nays 0, 2 present, not voting; and that the House concurred in Senate amendments to H.B. No. 1887 on May 30, 2003, by the following vote: Yeas 133, Nays 2, 3 present, not voting.

Chief Clerk of the House

I certify that H.B. No. 1887 was passed by the Senate, with amendments, on May 27, 2003, by the following vote: Yeas 30, Nays 1.

Secretary of the Senate

APPROVED: _____

Date

Governor