

1-1 By: Morrison, Chavez, Mercer H.B. No. 1887
1-2 (Senate Sponsor - Ratliff)
1-3 (In the Senate - Received from the House April 24, 2003;
1-4 April 25, 2003, read first time and referred to Subcommittee on
1-5 Higher Education; May 9, 2003, rereferred to Committee on
1-6 Education; May 22, 2003, reported favorably by the following vote:
1-7 Yeas 6, Nays 1; May 22, 2003, sent to printer.)

1-8 A BILL TO BE ENTITLED
1-9 AN ACT

1-10 relating to funds received by institutions of higher education to
1-11 cover overhead expenses of conducting research.

1-12 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

1-13 SECTION 1. Section 145.001(c), Education Code, is amended
1-14 to read as follows:

1-15 (c) The funds retained by a defined institution under
1-16 Subsection (b) may not be accounted for in an appropriations act in
1-17 such a way as to reduce [In the General Appropriations Act, the
1-18 legislature may adopt a method of funding provision that provides
1-19 for the application of certain locally generated funds to] the
1-20 general revenue funds to be appropriated to a general academic
1-21 teaching institution or a medical or dental unit [in such a way as
1-22 to reduce the general revenue to be appropriated to it]. The
1-23 retained funds are subject to the following requirements [If such a
1-24 provision is adopted, it is specifically provided]:

1-25 (1) the funds [that no more than 50 percent of funds
1-26 received by a general academic teaching institution or a medical or
1-27 dental unit for paying overhead costs may be so applied,

1-28 [(2) that no less than 50 percent of the funds that are
1-29 retained but not applied to reduce general revenue appropriations]
1-30 shall be expended under guidelines approved by the institution's
1-31 governing board for projects encouraging further research at the
1-32 unit, agency, or department level at which the research was
1-33 conducted, including:

1-34 (A) conducting early pregrant feasibility
1-35 studies;

1-36 (B) preparing competitive proposals for
1-37 sponsored programs;

1-38 (C) providing carryover funding for research
1-39 teams to provide continuity between externally funded projects;

1-40 (D) supporting new researchers pending external
1-41 funding;

1-42 (E) engaging in research programs of critical
1-43 interest to the general welfare of the citizens of this state;

1-44 (F) purchasing capital equipment directly
1-45 related to expanding the research capability of the institution;
1-46 and

1-47 (G) research or project administrative costs;
1-48 and

1-49 (2) [(3) that] the [retained] funds [not applied to
1-50 reduce general revenue appropriations] remaining after the
1-51 application of Subdivision (1) shall [(2) of this subsection will]
1-52 be used by a general academic teaching institution or a medical or
1-53 dental unit to support research as approved by a general academic
1-54 teaching institution or a medical or dental unit.

1-55 SECTION 2. This Act takes effect immediately if it receives
1-56 a vote of two-thirds of all the members elected to each house, as
1-57 provided by Section 39, Article III, Texas Constitution. If this
1-58 Act does not receive the vote necessary for immediate effect, this
1-59 Act takes effect September 1, 2003.

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