

By: Ratliff

S.B. No. 1630

A BILL TO BE ENTITLED

1 AN ACT

2 relating to overhead expenses of conducting research at
3 institutions of higher education and the indirect cost
4 reimbursement related to that research.

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

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

8 (c) In the General Appropriations Act, the legislature may
9 adopt a method of funding provision that provides for the
10 application of certain locally generated funds to the general
11 revenue funds to be appropriated to a general academic teaching
12 institution or a medical or dental unit in such a way as to reduce
13 the general revenue to be appropriated to it. If such a provision
14 is adopted, it is specifically provided that:

15 (1) not ~~[that no]~~ more than 40 ~~[50]~~ percent of funds
16 received by a general academic teaching institution or a medical or
17 dental unit for paying overhead costs may be so applied;

18 (2) for the state fiscal year beginning September 1,
19 2005, and for each subsequent state fiscal year, the amount of funds
20 that may be applied under this subsection to reduce general revenue
21 appropriations to a general academic teaching institution or a
22 medical or dental unit may not include any funds received after
23 August 31, 2005, for paying overhead costs in connection with a
24 research grant awarded or renewed after that date or a research

1 contract entered into or renewed after that date;

2 (3) not [~~that no~~] less than 40 [~~50~~] percent of the
3 funds that are retained but not applied to reduce general revenue
4 appropriations shall be expended under guidelines approved by the
5 institution's governing board for projects encouraging further
6 research at the unit, agency, or department level at which the
7 research was conducted, including:

8 (A) conducting early pregnant feasibility
9 studies;

10 (B) preparing competitive proposals for
11 sponsored programs;

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

14 (D) supporting new researchers pending external
15 funding;

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

18 (F) purchasing capital equipment directly
19 related to expanding the research capability of the institution;
20 and

21 (G) research or project administrative costs;
22 and

23 (4) [~~(3) that~~] the retained funds not applied to
24 reduce general revenue appropriations remaining after the
25 application of Subdivision (3) [~~(2)~~] of this subsection will be
26 used by a general academic teaching institution or a medical or
27 dental unit to support research as approved by a general academic

1 teaching institution or a medical or dental unit.

2 SECTION 2. (a) This Act takes effect September 1, 2003, and
3 applies to each state fiscal year that begins on or after that date.

4 (b) The change in law made by this Act does not affect the
5 application of Section 145.001, Education Code, to a state fiscal
6 year before the state fiscal year that begins September 1, 2003.