

By: Branch, McCall, Coleman, Madden, et al.

H.B. No. 51

Substitute the following for H.B. No. 51:

By: Branch

C.S.H.B. No. 51

A BILL TO BE ENTITLED

AN ACT

relating to funding and incentives to support emerging public research universities in developing and maintaining programs of the highest tier.

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

SECTION 1. Chapter 61, Education Code, is amended by adding Subchapters FF, GG, and HH to read as follows:

SUBCHAPTER FF. RESEARCH UNIVERSITY DEVELOPMENT FUND

Sec. 61.9771. DEFINITIONS. In this subchapter:

(1) "Eligible institution" means an emerging research university.

(2) "Emerging research university" means an institution of higher education that the board determines:

(A) is a research university as that term is commonly used in classifying or ranking institutions of higher education; and

(B) has demonstrated a commitment to developing and maintaining degree and research programs that support the mission of the institution and the institution's efforts to improve its ranking among research universities.

Sec. 61.9772. PURPOSE. The purpose of this subchapter is to provide funding to eligible institutions for the enhancement of research productivity to enable those institutions to achieve national prominence as major research universities.

1 Sec. 61.9773. FUNDING. (a) For each state fiscal year, the
2 board shall distribute any funds appropriated by the legislature
3 for the purposes of this subchapter, and any other funds made
4 available for the purposes of this subchapter, among eligible
5 institutions in proportion to the total amount of restricted
6 research funds expended by each institution in the two most recent
7 state fiscal years.

8 (b) For purposes of Subsection (a), the amount of restricted
9 research funds expended by an eligible institution in a state
10 fiscal year is the amount of those funds as reported to the board by
11 the institution for that year, subject to any adjustment by the
12 board in accordance with the standards and accounting methods the
13 board prescribes for purposes of this section.

14 Sec. 61.9774. USE OF ALLOCATED AMOUNTS. An eligible
15 institution may use money received under this subchapter only for
16 the support and maintenance of educational and general activities
17 that promote increased research capacity at the institution.

18 Sec. 61.9775. RULES. The board shall adopt rules for the
19 administration of this subchapter, including rules requiring
20 eligible institutions to report necessary information to the board.

21 SUBCHAPTER GG. TEXAS RESEARCH INCENTIVE PROGRAM (TRIP)

22 Sec. 61.9791. DEFINITIONS. In this subchapter:

23 (1) "Eligible institution" means an emerging research
24 university.

25 (2) "Emerging research university" means an
26 institution of higher education that the board determines:

27 (A) is a research university as that term is

1 commonly used in classifying or ranking institutions of higher
2 education; and

3 (B) has demonstrated a commitment to developing
4 and maintaining degree and research programs that support the
5 mission of the institution and the institution's efforts to improve
6 its ranking among research universities.

7 (3) "Program" means the Texas Research Incentive
8 Program (TRIP) established under this subchapter.

9 Sec. 61.9792. PROGRAM ADMINISTRATION. The board shall
10 administer the Texas Research Incentive Program (TRIP) in
11 accordance with this subchapter to provide matching funds to assist
12 eligible institutions in leveraging private gifts for the
13 enhancement of research productivity and faculty recruitment.

14 Sec. 61.9793. MATCHING GRANTS. (a) An eligible
15 institution that receives cash gifts from private sources in a
16 state fiscal year for the purpose of enhancing research activities
17 at the institution, including gifts for endowments or endowed
18 chairs or professorships, research or academic facilities,
19 equipment, program costs, or graduate stipends or fellowships, is
20 entitled to receive, out of funds appropriated for the purposes of
21 the program for that fiscal year, a matching grant in an amount
22 determined according to the following rates:

23 (1) 50 percent of the total amount of the gifts
24 received, if the total amount of those gifts is \$100,000 or more but
25 not more than \$999,999;

26 (2) 75 percent of the total amount of the gifts
27 received, if the total amount of those gifts is \$1 million or more

1 but not more than \$1,999,999; or

2 (3) 100 percent of the total amount of the gifts
3 received, if the total amount of those gifts is \$2 million or more.

4 (b) An eligible institution is not entitled to matching
5 funds under the program for:

6 (1) an in-kind gift;

7 (2) a gift that has been pledged but has not been
8 received by the institution;

9 (3) a gift for undergraduate scholarships, grants, or
10 other financial aid; or

11 (4) any portion of gifts received by the institution
12 from a single source in a state fiscal year in excess of \$10
13 million.

14 (c) The board shall establish procedures for the
15 certification by the board of an eligible institution's receipt of
16 a qualifying gift. A gift must be certified as of the date the gift
17 was deposited by the institution in a depository bank or invested by
18 the institution as authorized by law.

19 (d) If the funds appropriated for the program for a state
20 fiscal year are insufficient to provide matching grants in the
21 amounts specified by this section for all qualifying private gifts
22 received by eligible institutions during that fiscal year, the
23 board shall provide matching grants for those gifts in order of
24 their certification dates under Subsection (c) and shall provide
25 matching grants for any remaining unmatched gifts in the following
26 fiscal year. Unmatched gifts carried forward from a preceding
27 fiscal year under this subsection shall be given priority over

1 gifts received in the current fiscal year, and shall be provided
2 matching grants under this section in order of their certification
3 dates. An unmatched gift shall continue to be carried forward to
4 subsequent fiscal years until a matching grant is awarded for the
5 gift.

6 (e) Matching grants received by an eligible institution
7 under this section may not be considered as a basis to reduce,
8 directly or indirectly, the amount of money otherwise appropriated
9 or allocated to the institution under any other law.

10 Sec. 61.9794. USE OF MATCHING GRANTS. An eligible
11 institution may use matching grant money received under this
12 subchapter for the same purpose as that for which the matched gift
13 was received or for the support and maintenance of educational and
14 general activities that promote increased research capacity at the
15 institution.

16 Sec. 61.9795. RULES. The board shall adopt rules for the
17 administration of this subchapter, including rules requiring
18 eligible institutions to report necessary information to the board.

19 SUBCHAPTER HH. NATIONAL RESEARCH UNIVERSITY BENCHMARK FUND

20 Sec. 61.9801. DEFINITIONS. In this subchapter:

21 (1) "Eligible institution" means an emerging research
22 university.

23 (2) "Emerging research university" means an
24 institution of higher education that the board determines:

25 (A) is a research university as that term is
26 commonly used in classifying or ranking institutions of higher
27 education; and

1 (B) has demonstrated a commitment to developing
2 and maintaining degree and research programs that support the
3 mission of the institution and the institution's efforts to improve
4 its ranking among research universities.

5 Sec. 61.9802. PURPOSE. The purpose of this subchapter is to
6 provide funding to incentivize the enhancement of emerging research
7 universities by rewarding those universities that meet critical
8 benchmarks toward achieving national prominence as major research
9 universities.

10 Sec. 61.9803. FUNDING. (a) Except as provided by
11 Subsection (b), for each state fiscal year, the board shall
12 distribute any funds appropriated by the legislature for the
13 purposes of this subchapter, and any other funds made available for
14 the purposes of this subchapter, among eligible institutions in
15 proportion to the total number of points assigned to each
16 institution for that fiscal year under Subsection (c).

17 (b) If the allocations for eligible institutions calculated
18 under Subsection (a) would result in the three eligible
19 institutions to which the highest total number of points are
20 assigned under Subsection (c) receiving a total amount that is less
21 than 80 percent of the total amount available for distribution to
22 all eligible institutions under Subsection (a), the total amount of
23 funds available for distribution under that subsection for that
24 state fiscal year shall be distributed as follows:

25 (1) 80 percent shall be distributed among the three
26 eligible institutions receiving the highest total number of points
27 for that fiscal year under Subsection (c) in proportion to the total

1 number of points assigned to each of those institutions; and

2 (2) the remainder of those funds shall be distributed
3 among the remaining eligible institutions in proportion to the
4 total number of points assigned to each of those institutions for
5 that fiscal year under Subsection (c).

6 (c) The following points are assigned to each eligible
7 institution for a fiscal year based on information submitted to the
8 board by each institution for each of the two state fiscal years
9 immediately preceding the state fiscal year for which the funds are
10 distributed:

11 (1) one point if the institution's library was a member
12 of the Association of Research Libraries in each of those years;

13 (2) one point if the institution had a chapter of Phi
14 Beta Kappa in each of those years;

15 (3) one point if the institution employed at least
16 three but fewer than eight tenured faculty members or full-time
17 employees who are Nobel Prize Laureates or who have been elected to
18 a national academy in each of those years;

19 (4) two points if the institution employed at least
20 eight tenured faculty members or full-time equivalent employees who
21 are Nobel Prize Laureates or who have been elected to a national
22 academy in each of those years;

23 (5) one point if the institution awarded at least 200
24 but fewer than 300 doctor of philosophy degrees in each of those
25 years;

26 (6) two points if the institution awarded at least 300
27 doctor of philosophy degrees in each of those years;

1 (7) one point if the institution expended at least \$45
2 million but less than \$75 million in restricted research funds in
3 each of those years;

4 (8) two points if the institution expended \$75 million
5 or more in restricted research funds in each of those years;

6 (9) one point if the total amount of the institution's
7 restricted research expenditures in each of those years divided by
8 the total number of full-time tenured and tenure-track faculty
9 members employed by the institution in the same year is at least
10 \$75,000 but less than \$125,000;

11 (10) two points if the total amount of the
12 institution's restricted research expenditures in each of those
13 years divided by the total number of full-time tenured and
14 tenure-track faculty members employed by the institution in the
15 same year is \$125,000 or more;

16 (11) one point if:

17 (A) the average score on the Scholastic
18 Assessment Test (SAT) of entering freshman students at the
19 institution for each of those years is at least 95 percent of the
20 average SAT score of entering freshman students at Texas A&M
21 University and The University of Texas at Austin for the same year;

22 or

23 (B) at least 35 percent of entering freshman
24 students at the institution in each of those years graduated in the
25 top 10 percent of the student's high school graduating class; and

26 (12) one point if the aggregate value of the
27 institution's endowment funds for educational and general use is at

1 least \$500 million for each of those years.

2 (d) For purposes of Subsections (c)(3) and (4), a faculty
3 member or other employee may be counted only once for a particular
4 year.

5 (e) For purposes of Subsections (c)(9) and (10), the amount
6 of restricted research funds expended by an eligible institution in
7 a state fiscal year is the amount of those funds as reported to the
8 board by the institution for that year, subject to any adjustment by
9 the board in accordance with the standards and accounting methods
10 the board prescribes for purposes of this section.

11 (f) For purposes of Subsection (c)(12), an eligible
12 institution that receives benefits from the permanent university
13 fund shall be assigned, as part of the aggregate value of the
14 institution's endowment funds for educational and general use, an
15 amount equal to the total amount of expenditures made on behalf of
16 the institution from the available university fund for the
17 preceding 10 state fiscal years.

18 Sec. 61.9804. RULES. The board shall adopt rules for the
19 administration of this subchapter, including rules requiring
20 eligible institutions to report necessary information to the board.

21 SECTION 2. The Texas Higher Education Coordinating Board
22 shall adopt rules relating to the administration of Subchapters FF,
23 GG, and HH, Chapter 61, Education Code, as added by this Act, as
24 soon as practicable after the effective date of this Act.

25 SECTION 3. This Act takes effect September 1, 2009.