

By: Branch

H.B. No. 4616

A BILL TO BE ENTITLED

AN ACT

1
2 relating to financial support and incentives for the development of
3 national research universities and high-quality comprehensive
4 regional universities and a review of the institutional groupings
5 under the Texas Higher Education Coordinating Board's
6 accountability system.

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

8 SECTION 1. Subchapter C, Chapter 61, Education Code, is
9 amended by adding Section 61.0904 to read as follows:

10 Sec. 61.0904. REVIEW OF INSTITUTIONAL GROUPINGS. At least
11 once every 10 years, the board shall conduct a review of the
12 institutional groupings under the board's accountability system,
13 including a review of the criteria for and definitions assigned to
14 those groupings.

15 SECTION 2. Chapter 61, Education Code, is amended by adding
16 Subchapters FF, GG, and HH to read as follows:

17 SUBCHAPTER FF. TEXAS COMPETITIVE KNOWLEDGE FUNDING

18 Sec. 61.9771. DEFINITIONS. In this subchapter:

19 (1) "At-risk student" means a student of a research
20 university:

21 (A) whose score on the Scholastic Assessment Test
22 (SAT) or the American College Test (ACT) is less than the national
23 mean score of students' scores on that test;

24 (B) who has been awarded a grant under the

1 federal Pell Grant program;

2 (C) who was 20 years of age or older on the date
3 the student initially enrolled in the university;

4 (D) who is enrolled as a part-time student; or

5 (E) who did not receive a high school diploma but
6 received a high school equivalency certificate within the last six
7 years.

8 (2) "Critical field" means:

9 (A) the field of engineering, computer science,
10 mathematics, physical science, allied health, nursing, or teacher
11 certification in a field of science or mathematics; and

12 (B) any other field of study identified as a
13 critical field by the board in "Closing the Gaps," the state's
14 master plan for higher education.

15 (3) "Eligible institution" means an institution of
16 higher education designated as a research university or emerging
17 research university under the board's accountability system.

18 Sec. 61.9772. PURPOSE. The purpose of this subchapter is to
19 provide funding to research universities and emerging research
20 universities for the recruitment and retention of highly qualified
21 faculty and the enhancement of research productivity at those
22 universities.

23 Sec. 61.9773. FUNDING. (a) For each state fiscal year, the
24 board shall distribute any funds appropriated by the legislature
25 for the purposes of this subchapter, and any other funds made
26 available for the purposes of this subchapter, to eligible
27 institutions as follows:

1 (1) 80 percent to be distributed among eligible
2 institutions based on the average amount of total research funds
3 expended by each institution annually during the three most recent
4 state fiscal years, according to the following rates:

5 (A) \$1.5 million for every \$10 million of the
6 average annual amount of those research funds expended by the
7 institution, if that average amount for the institution is \$150
8 million or more;

9 (B) \$1 million for every \$10 million of the
10 average annual amount of those research funds expended by the
11 institution, if that average amount for the institution is \$50
12 million or more but less than \$150 million; and

13 (C) \$500,000 for every \$10 million of the average
14 annual amount of those research funds expended by the institution,
15 if that average amount for the institution is less than \$50 million;

16 (2) 10 percent to be distributed among eligible
17 institutions in proportion to the average number of degrees awarded
18 by each institution annually during the two most recent state
19 fiscal years, using the weights assigned to each degree under the
20 table prescribed by Subsection (b); and

21 (3) 10 percent to be distributed among eligible
22 institutions in proportion to the percentage increase, if any, in
23 the average number of degrees awarded by each institution annually
24 in the two most recent fiscal years from the average number of
25 degrees awarded by that institution annually in the two fiscal
26 years immediately preceding those fiscal years, using the weights
27 assigned to each degree under the table prescribed by Subsection

1 (b).

2 (b) A number of points is assigned for each degree awarded
3 by an eligible institution according to the following table:

	<u>POINTS</u>
4 <u>Noncritical Field/Not At-Risk Student</u>	<u>1.0</u>
5 <u>Noncritical Field/At-Risk Student</u>	<u>2.0</u>
6 <u>Critical Field/Not At-Risk Student</u>	<u>2.0</u>
7 <u>Critical Field/At-Risk Student</u>	<u>3.0</u>

8 (c) For purposes of Subsection (a)(1), the amount of
9 restricted research funds expended by an eligible institution in a
10 state fiscal year is the amount of those funds as reported to the
11 board by the institution for that fiscal year, subject to any
12 adjustment by the board in accordance with the standards and
13 accounting methods the board prescribes for purposes of this
14 section. If the funds available for distribution for a state fiscal
15 year under Subsection (a)(1) are not sufficient to provide the
16 amount specified by Subsection (a)(1) for each eligible institution
17 or exceed the amount sufficient for that purpose, the available
18 amount shall be distributed in proportion to the total amount to
19 which each institution is otherwise entitled under Subsection
20 (a)(1).

21 Sec. 61.9774. REPORT BY ELIGIBLE INSTITUTIONS TO BOARD.
22 Not later than September 1 of each year, each eligible institution
23 shall compile and submit to the board, in accordance with rules
24 adopted by the board, a report that includes the following data
25 regarding each student who was awarded a degree by the institution
26 during the preceding state fiscal year:
27

1 (1) the student's scores on the Scholastic Assessment
2 Test (SAT) and American College Test (ACT);

3 (2) the number of semester credit hours completed by
4 the student at the institution;

5 (3) whether the student received a grant under the
6 federal Pell Grant program;

7 (4) the age of the student on the date the student
8 initially enrolled in the institution;

9 (5) whether the student initially enrolled in the
10 institution for less than 12 semester credit hours during a fall or
11 spring semester;

12 (6) whether any degree awarded to the student by the
13 institution is in a critical field;

14 (7) whether the student did not receive a high school
15 diploma but received a high school equivalency certificate; and

16 (8) any other information required by the board.

17 Sec. 61.9775. RULES. The board shall adopt rules for the
18 administration of this subchapter.

19 SUBCHAPTER GG. TEXAS CENTERS OF EXCELLENCE PERFORMANCE FUNDING

20 Sec. 61.9791. DEFINITIONS. In this subchapter:

21 (1) "At-risk student" has the meaning assigned by
22 Section 61.9771.

23 (2) "Critical field" has the meaning assigned by
24 Section 61.9771.

25 (3) "Eligible institution" means an institution of
26 higher education designated as a comprehensive university,
27 doctoral university, or master's university under the board's

1 accountability system.

2 Sec. 61.9792. PURPOSE. The purpose of this subchapter is to
3 provide funding to facilitate the creation of premier public
4 comprehensive universities focused on strong undergraduate
5 curricula and limited research centers of excellence.

6 Sec. 61.9793. FUNDING. (a) For each state fiscal year, the
7 board shall distribute any funds appropriated by the legislature
8 for the purposes of this subchapter, and any other funds made
9 available for the purposes of this subchapter, to eligible
10 institutions as follows:

11 (1) 40 percent to be distributed among eligible
12 institutions in proportion to the number of points assigned to each
13 institution under the table prescribed by Subsection (c);

14 (2) 40 percent to be distributed among eligible
15 institutions in proportion to the percentage increase, if any, in
16 the average number of degrees awarded annually by each institution
17 in the two most recent fiscal years from the average number of
18 degrees awarded annually by that institution in the two fiscal
19 years immediately preceding those fiscal years, using the weights
20 assigned to each degree under the table prescribed by Subsection
21 (c); and

22 (3) 20 percent to be distributed among eligible
23 institutions in accordance with an equitable formula developed by
24 the board based on the number of students enrolled in each
25 institution who were recognized as National Merit Scholars or who
26 graduated with a grade point average in the top 10 percent of the
27 student's high school graduating class, to be used by each

1 institution to award scholarships to students described by this
2 subsection.

3 (b) A number of points is assigned in accordance with
4 Subsection (c) on the basis of a degree awarded during the three
5 state fiscal years preceding the year for which the distribution of
6 funds under this section is made.

7 (c) A number of points is assigned for each degree awarded
8 by an eligible institution according to the following table:

	<u>POINTS</u>
9	
10 <u>Noncritical Field/Not At-Risk Student</u>	<u>1.0</u>
11 <u>Noncritical Field/At-Risk Student</u>	<u>2.0</u>
12 <u>Critical Field/Not At-Risk Student</u>	<u>2.0</u>
13 <u>Critical Field/At-Risk Student</u>	<u>3.0</u>

14 Sec. 61.9794. REPORT BY ELIGIBLE INSTITUTIONS TO BOARD.
15 Not later than September 1 of each year, each eligible institution
16 shall compile and submit to the board, in accordance with rules
17 adopted by the board, a report that includes the following data
18 regarding each student who was awarded a degree by the institution
19 during the preceding state fiscal year:

20 (1) the student's scores on the Scholastic Assessment
21 Test (SAT) and American College Test (ACT);

22 (2) the number of semester credit hours completed by
23 the student at the institution;

24 (3) whether the student received a grant under the
25 federal Pell Grant program;

26 (4) the age of the student on the date the student
27 initially enrolled in the institution;

1 (5) whether the student initially enrolled in the
2 institution for less than 12 semester credit hours during a fall or
3 spring semester;

4 (6) whether any degree awarded to the student by the
5 institution is in a critical field;

6 (7) whether the student did not receive a high school
7 diploma but received a high school equivalency certificate;

8 (8) whether the student was recognized as a National
9 Merit Scholar;

10 (9) whether the student graduated with a grade point
11 average in the top 10 percent of the student's high school
12 graduating class; and

13 (10) any other information required by the board.

14 Sec. 61.9795. RULES. The board shall adopt rules for the
15 administration of this subchapter.

16 SUBCHAPTER HH. TEXAS RESEARCH INCENTIVE PROGRAM (TRIP)

17 Sec. 61.9801. DEFINITIONS. In this subchapter:

18 (1) "Eligible institution" means an institution of
19 higher education designated as an emerging research university
20 under the board's accountability system.

21 (2) "Program" means the Texas Research Incentive
22 Program (TRIP) established under this subchapter.

23 Sec. 61.9802. PROGRAM ADMINISTRATION. The board shall
24 develop and administer the Texas Research Incentive Program (TRIP)
25 in accordance with this subchapter to provide matching funds to
26 assist eligible institutions in leveraging private gifts for the
27 enhancement of research productivity and faculty recruitment.

1 Sec. 61.9803. MATCHING GRANTS. (a) An eligible
2 institution that receives cash gifts or endowments from private
3 sources in a state fiscal year for the purpose of enhancing research
4 activities at the institution, including a gift or endowment for
5 endowed chairs, professorships, facilities, equipment, program
6 costs, or graduate stipends or fellowships, is entitled to receive,
7 out of funds appropriated for the purposes of the program for that
8 fiscal year, a matching grant in an amount determined according to
9 the following rates:

10 (1) 50 percent of the amount of the gifts and
11 endowments, if the total amount of gifts and endowments is \$100,000
12 or more but not more than \$999,999;

13 (2) 75 percent of the amount of the gifts and
14 endowments, if the total amount of gifts and endowments is \$1
15 million or more but not more than \$1,999,999; or

16 (3) 100 percent of the amount of the gifts and
17 endowments, if the total amount of gifts and endowments is \$2
18 million or more.

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

21 (1) an in-kind gift;

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

24 (3) a gift for undergraduate scholarships or grants;
25 or

26 (4) any portion of gifts or endowments received by the
27 institution from a single source in a state fiscal year in excess of

1 \$10 million.

2 (c) The board shall establish procedures for the
3 certification by the board of an eligible institution's receipt of
4 a qualifying gift or endowment. A gift or endowment must be
5 certified as of the date the gift or endowment was deposited by the
6 institution in a depository bank or invested by the institution as
7 authorized by law.

8 (d) If the funds appropriated for the program for a state
9 fiscal year are insufficient to provide matching grants in the
10 amounts specified by this section for all qualifying private gifts
11 and endowments received by eligible institutions during that fiscal
12 year, the board shall provide matching grants for those gifts and
13 endowments in order of their certification date, and shall provide
14 matching grants for any remaining unmatched gifts and endowments in
15 the following fiscal year using funds appropriated to the program
16 for that following year, to the extent funds are available.

17 (e) Matching grants received by an eligible institution
18 under this section may not be considered as a basis to reduce,
19 directly or indirectly, the amount of money otherwise appropriated
20 to the institution.

21 Sec. 61.9804. RULES. The board shall adopt rules for the
22 administration of this subchapter.

23 SECTION 3. The Texas Higher Education Coordinating Board
24 shall adopt rules relating to the administration of Subchapters FF,
25 GG, and HH, Chapter 61, Education Code, as added by this Act, as
26 soon as practicable after the effective date of this Act.

27 SECTION 4. This Act takes effect September 1, 2009.