

By: Branch, Coleman

H.B. No. 1000

Substitute the following for H.B. No. 1000:

By: Branch

C.S.H.B. No. 1000

A BILL TO BE ENTITLED

AN ACT

relating to the distribution of money appropriated from the national research university fund and to one or more audits of certain general academic teaching institutions in connection with that distribution.

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

SECTION 1. Section 62.146, Education Code, is amended to read as follows:

Sec. 62.146. ACCOUNTING STANDARDS; VERIFICATION OF INFORMATION. (a) The coordinating board by rule shall prescribe standard methods of accounting and standard methods of reporting information for the purpose of determining:

(1) the eligibility of institutions under Section 62.145; and

(2) the amount of restricted research funds expended by an eligible institution in a state fiscal year.

(b) As soon as practicable in each even-numbered year, based on information submitted by the institutions to the coordinating board as required by the coordinating board, the coordinating board shall certify to the legislature verified information relating to the criteria established by Section 62.145 to be used to determine which institutions are ~~[initially]~~ eligible for distributions of money from the fund.

(c) Information submitted to the coordinating board by

1 institutions for purposes of establishing eligibility under this
2 subchapter and the coordinating board's certification or
3 verification of that information under this section [~~subsection~~]
4 are subject to audit by the state auditor in accordance with
5 Chapter 321, Government Code. The coordinating board may also
6 request one or more audits by the state auditor as necessary or
7 appropriate at any time after an eligible institution begins
8 receiving distributions under this subchapter. From money
9 appropriated from the fund, the comptroller shall reimburse the
10 state auditor for the expenses of any audits conducted under this
11 subsection.

12 SECTION 2. Section 62.148, Education Code, is amended to
13 read as follows:

14 Sec. 62.148. DISTRIBUTION [~~ALLOCATION~~] OF APPROPRIATED
15 FUNDS TO ELIGIBLE INSTITUTIONS. (a) In each state fiscal year,
16 the comptroller shall distribute to eligible institutions in
17 accordance with this section an [~~the total~~] amount appropriated
18 from the fund for that fiscal year.

19 (b) The total amount appropriated from the fund for any
20 state fiscal year may not exceed an amount equal to 4.5 percent of
21 the average net market value of the investment assets of the fund
22 for the 20 consecutive state fiscal quarters ending with the last
23 quarter of the preceding state fiscal year, as determined by the
24 comptroller.

25 (b-1) For purposes of Subsection (b), for a state fiscal
26 quarter that includes any period before the fund was established on
27 January 1, 2010, a reference to the average net market value of the

1 investment assets of the fund includes the average net market value
2 of the investment assets of the former higher education fund for the
3 applicable state fiscal quarter. This subsection expires January
4 1, 2016.

5 (c) In each state fiscal year, each eligible institution is
6 entitled to an equal share of the total amount to be distributed
7 from the fund in that year. Subject to Subsection (e), the total
8 amount to be distributed from the fund to those eligible
9 institutions in that year is a portion of the total amount
10 appropriated from the fund for that year determined as follows:

11 (1) one-half of the total amount appropriated if only
12 one institution has established eligibility;

13 (2) two-thirds of the total amount appropriated if two
14 institutions have established eligibility;

15 (3) three-fourths of the total amount appropriated if
16 three institutions have established eligibility;

17 (4) four-fifths of the total amount appropriated if
18 four institutions have established eligibility;

19 (5) five-sixths of the total amount appropriated if
20 five institutions have established eligibility; and

21 (6) six-sevenths of the total amount appropriated if
22 six institutions have established eligibility.

23 (d) The comptroller shall retain within the fund any portion
24 of an appropriated amount that remains after all distributions are
25 made for a state fiscal year under this section. The appropriation
26 of that retained amount lapses at the end of that state fiscal year.

27 (e) If the number of institutions that are eligible for

1 distributions in a state fiscal year is more than six, each eligible
2 institution is entitled to an equal share of the total amount
3 appropriated from the fund for that fiscal year.

4 (f) For purposes of this section, the total amount
5 appropriated from the fund for a state fiscal year does not include
6 any portion of the amount appropriated that is used to reimburse the
7 costs of an audit conducted under Section 62.146(c) [The amount
8 shall be allocated to the eligible institutions based on an
9 equitable formula adopted by the legislature to carry out the
10 purposes of the fund as established by Section 20, Article VII,
11 Texas Constitution. In adopting the allocation formula, the
12 legislature may consider the recommendations of the coordinating
13 board, including recommendations on the appropriate elements and
14 relative weights of elements of the formula].

15 SECTION 3. This Act takes effect immediately if it receives
16 a vote of two-thirds of all the members elected to each house, as
17 provided by Section 39, Article III, Texas Constitution. If this
18 Act does not receive the vote necessary for immediate effect, this
19 Act takes effect September 1, 2011.