

By: Branch

H.B. No. 1000

A BILL TO BE ENTITLED

AN ACT

1  
2 relating to the distribution of money appropriated from the  
3 national research university fund and to one or more audits of the  
4 information necessary to establish eligibility for that  
5 distribution.

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

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

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

13 (1) the eligibility of institutions under Section  
14 62.145; and

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

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

24 (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 a mandatory audit by the state auditor in accordance  
5 with Chapter 321, Government Code. The coordinating board may  
6 request subsequent audits by the state auditor as necessary or  
7 appropriate after an eligible institution begins receiving  
8 distributions under this subchapter.

9 SECTION 2. Section 62.148, Education Code, is amended to  
10 read as follows:

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

16 (b) The total amount appropriated from the fund for any  
17 state fiscal year may not exceed an amount equal to 4.5 percent of  
18 the average net market value of the investment assets of the fund  
19 for the 12 consecutive state fiscal quarters ending with the last  
20 quarter of the preceding state fiscal year, as determined by the  
21 comptroller.

22 (b-1) For purposes of Subsection (b), for a state fiscal  
23 quarter that includes any period before the fund was established on  
24 January 1, 2010, a reference to the average net market value of the  
25 investment assets of the fund includes the average net market value  
26 of the investment assets of the former higher education fund for the  
27 applicable state fiscal quarter. This subsection expires January

1 1, 2014.

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

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

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

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

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

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

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

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

24 (e) If the number of institutions that are eligible for  
25 distributions in a state fiscal year is more than six, each eligible  
26 institution is entitled to an equal share of the total amount  
27 appropriated from the fund for that fiscal year [~~The amount shall be~~

1 ~~allocated to the eligible institutions based on an equitable~~  
2 ~~formula adopted by the legislature to carry out the purposes of the~~  
3 ~~fund as established by Section 20, Article VII, Texas~~  
4 ~~Constitution. In adopting the allocation formula, the legislature~~  
5 ~~may consider the recommendations of the coordinating board,~~  
6 ~~including recommendations on the appropriate elements and relative~~  
7 ~~weights of elements of the formula].~~

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