

By: Coleman

H.B. No. 2115

A BILL TO BE ENTITLED

AN ACT

relating to the distribution of money appropriated from the national research university fund.

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) As soon as practicable after January 1 of each year, the coordinating board shall provide the comptroller with verified information relating to the amounts of restricted research funds

1 expended by eligible institutions as necessary to determine the  
2 distributions of money from the fund under Section 62.148 for that  
3 fiscal year.

4 (d) Information submitted to the coordinating board by  
5 institutions for purposes of this subchapter and the coordinating  
6 board's certification or verification of that information under  
7 this section [~~subsection~~] are subject to audit by the state auditor  
8 in accordance with Chapter 321, Government Code.

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, the  
13 comptroller shall distribute to eligible institutions the total  
14 amount of money appropriated from the fund for that fiscal year,  
15 except as provided by Subsection (d).

16 (b) Subject to Subsection (c), the total amount of money  
17 appropriated from the fund for a state fiscal year shall be  
18 distributed among the eligible institutions in proportion to the  
19 average amount of restricted research funds expended by each  
20 institution each year for the three preceding state fiscal years.

21 (c) If in calculating distributions for a state fiscal year  
22 under Subsection (b) the comptroller determines that one or more  
23 eligible institutions will not receive a distribution of at least  
24 \$2.5 million for that fiscal year and if sufficient funds are  
25 available for the purpose, the comptroller shall distribute the  
26 appropriated money as follows:

27 (1) \$2.5 million to each eligible institution,

1 regardless of the amount the institution would otherwise have  
2 received under Subsection (b); and

3 (2) any remaining amount to the eligible institutions  
4 that would have received a distribution under Subsection (b) of at  
5 least \$2.5 million for that fiscal year, in proportion to the  
6 average amount of restricted research funds used to calculate  
7 distributions to the institutions under Subsection (b).

8 (d) If in any state fiscal year the comptroller makes the  
9 determination described by Subsection (c) but sufficient funds are  
10 not available to make the full amount of each distribution required  
11 by Subsection (c)(1), the comptroller shall retain within the fund  
12 all amounts appropriated from the fund for that fiscal year.  
13 Eligible institutions may not receive a distribution of money for  
14 that state fiscal year, and the appropriation lapses at the end of  
15 that fiscal year.

16 (e) For purposes of Subsection (b), the amount of restricted  
17 research funds expended by an institution in a state fiscal year is  
18 the amount of those funds as reported to the coordinating board by  
19 the institution for that fiscal year, subject to any adjustment by  
20 the coordinating board in accordance with the standard accounting  
21 methods the coordinating board prescribes under Section 62.146(a)  
22 ~~[The amount shall be allocated to the eligible institutions based~~  
23 ~~on an equitable formula adopted by the legislature to carry out the~~  
24 ~~purposes of the fund as established by Section 20, Article VII,~~  
25 ~~Texas Constitution. In adopting the allocation formula, the~~  
26 ~~legislature may consider the recommendations of the coordinating~~  
27 ~~board, including recommendations on the appropriate elements and~~

1 ~~relative weights of elements of the formula]~~.

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