

By: Duncan, Zaffirini

S.B. No. 557

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 62.148, Education Code, is amended to read as follows:

Sec. 62.148. DISTRIBUTION [~~ALLOCATION~~] OF APPROPRIATED FUNDS TO ELIGIBLE INSTITUTIONS. (a) In each state fiscal year, the comptroller shall distribute to eligible institutions the total amount appropriated from the fund for that fiscal year.

(b) The total amount appropriated from the fund for any state fiscal year may not exceed an amount equal to 3.5 percent of the average net market value of the investment assets of the fund for the 12 consecutive state fiscal quarters ending with the last quarter of the preceding state fiscal year, as determined by the comptroller.

(b-1) For purposes of Subsection (b), for a state fiscal quarter that includes any period before the fund was established on January 1, 2010, a reference to the average net market value of the investment assets of the fund includes the average net market value of the investment assets of the former higher education fund for the applicable state fiscal quarter. This subsection expires January 1, 2014.

(c) Of the total amount appropriated from the fund for a

1 state fiscal year, each eligible institution is entitled to a
2 distribution in an amount equal to the sum of:

3 (1) one-seventh of the total amount appropriated; and
4 (2) an equal share of any amount remaining after
5 distributions are calculated under Subdivision (1), not to exceed
6 an amount equal to one-fourth of that remaining amount.

7 (d) The comptroller shall retain within the fund any portion
8 of an appropriated amount that remains after all distributions are
9 made for a state fiscal year as prescribed by Subsection (c). The
10 appropriation of that retained amount lapses at the end of that
11 state fiscal year. ~~[The amount shall be allocated to the eligible~~
12 ~~institutions based on an equitable formula adopted by the~~
13 ~~legislature to carry out the purposes of the fund as established by~~
14 ~~Section 20, Article VII, Texas Constitution. In adopting the~~
15 ~~allocation formula, the legislature may consider the~~
16 ~~recommendations of the coordinating board, including~~
17 ~~recommendations on the appropriate elements and relative weights of~~
18 ~~elements of the formula.]~~

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