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HOUSE OF REPRESENTATIVES

FLOOR AMENDMENT NO. \_\_\_\_\_

BY: \_\_\_\_\_

Amend C.S.S.B. No. 215 (house committee report) by adding the following appropriately numbered SECTION to the bill and renumbering subsequent SECTIONS of the bill accordingly:

SECTION \_\_\_\_\_. Subchapter C, Chapter 62, Education Code, is amended to read as follows:

SUBCHAPTER C. TEXAS COMPETITIVE KNOWLEDGE [~~RESEARCH UNIVERSITY~~  
~~DEVELOPMENT~~] FUND

Sec. 62.051. DEFINITIONS. In this subchapter:

(1) "Eligible institution" means an institution of higher education that:

(A) is designated as a research university [~~or emerging research university~~] under the coordinating board's accountability system and, for any three consecutive state fiscal years beginning on or after September 1, 2010, made total annual research expenditures in an average annual amount of not less than \$450 million; or

(B) is designated as an emerging research university under the coordinating board's accountability system and, for any three consecutive state fiscal years beginning on or after September 1, 2010, made total annual research expenditures in an average annual amount of not less than \$50 million.

(2) "Fund" means the Texas competitive knowledge fund.

(3) "Institution of higher education" has the meaning assigned by Section 61.003.

Sec. 62.052. PURPOSE. The purpose of this subchapter is to provide funding to eligible research universities and emerging research universities to support faculty to ensure excellence in instruction and research [~~for the recruitment and retention of highly qualified faculty and the enhancement of research~~]

1 ~~productivity at those universities].~~

2       Sec. 62.053. FUND [~~FUNDING~~]. (a) The Texas competitive  
3 knowledge fund consists of money [~~For each state fiscal year, the~~  
4 ~~coordinating board shall distribute any funds]~~ appropriated by the  
5 legislature for the purposes of this subchapter[, ~~and any other~~  
6 ~~funds made available for the purposes of this subchapter,~~] to  
7 eligible institutions [~~based on the average amount of total~~  
8 ~~research funds expended by each institution annually during the~~  
9 ~~three most recent state fiscal years, according to the following~~  
10 ~~rates:~~

11           [~~(1) at least \$1 million for every \$10 million of the~~  
12 ~~average annual amount of those research funds expended by the~~  
13 ~~institution, if that average amount for the institution is \$50~~  
14 ~~million or more; and~~

15           [~~(2) at least \$500,000 for every \$10 million of the~~  
16 ~~average annual amount of those research funds expended by the~~  
17 ~~institution, if that average amount for the institution is less~~  
18 ~~than \$50 million].~~

19       (b) For purposes of this section [~~Subsection (a)~~], the  
20 amount of total research funds expended by an eligible institution  
21 in a state fiscal year is the amount of those funds as reported to  
22 the coordinating board by the institution for that fiscal year,  
23 subject to any adjustment by the coordinating board in accordance  
24 with the standards and accounting methods the coordinating board  
25 prescribes for purposes of this section. [~~If the funds available~~  
26 ~~for distribution for a state fiscal year under Subsection (a) are~~  
27 ~~not sufficient to provide the amount specified by Subsection (a)~~  
28 ~~for each eligible institution or exceed the amount sufficient for~~  
29 ~~that purpose, the available amount shall be distributed in~~  
30 ~~proportion to the total amount to which each institution is~~  
31 ~~otherwise entitled under Subsection (a).~~]

1       Sec. 62.0535. INITIAL CONTRIBUTION. For the first state  
2 fiscal biennium in which an eligible institution receives an  
3 appropriation under this subchapter, the institution's other  
4 general revenue appropriations shall be reduced by an amount not to  
5 exceed the lesser of \$5 million for the biennium or the amount of  
6 the institution's appropriation under this subchapter for the  
7 biennium. The bill making the appropriation must expressly  
8 identify the purpose for which the appropriations were reduced in  
9 accordance with this section.

10       Sec. 62.054. APPROPRIATION AMOUNTS [RULES]. (a) Of the  
11 total amount appropriated for purposes of this subchapter in a  
12 state fiscal year, an eligible institution is entitled to receive  
13 an appropriation in the amount determined in accordance with this  
14 section.

15       (b) Not less than 50 percent of the total amount  
16 appropriated for purposes of this subchapter shall be appropriated  
17 to eligible institutions described by Section 62.051(1)(A). Each  
18 institution is entitled to receive a share of that amount in  
19 proportion to the average amount of total research funds expended  
20 by each institution annually during the three fiscal years  
21 preceding the state fiscal biennium for which the money is  
22 appropriated.

23       (c) The remainder of the total amount appropriated for  
24 purposes of this subchapter shall be appropriated to eligible  
25 institutions described by Section 62.051(1)(B). Each institution  
26 is entitled to receive a share of that amount in proportion to the  
27 average amount of total research funds expended by each institution  
28 annually during the three fiscal years preceding the state fiscal  
29 biennium for which the money is appropriated. [The coordinating  
30 board shall adopt rules for the administration of this subchapter,  
31 including any rules the coordinating board considers necessary

1 ~~regarding the submission to the coordinating board by eligible~~  
2 ~~institutions of any student data required for the coordinating~~  
3 ~~board to carry out its duties under this subchapter.]~~