

By: Howard

H.B. No. 2689

A BILL TO BE ENTITLED

1 AN ACT

2 relating to a study regarding state formula funding for  
3 health-related institutions and general academic teaching  
4 institutions.

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

6 SECTION 1. Section 61.059, Education Code, is amended by  
7 adding Subsection (p) to read as follows:

8 (p) The Legislative Budget Board shall study and evaluate  
9 the practice of using a funding formula for health-related  
10 institutions that is different from the funding formula used for  
11 general academic teaching institutions. In the study, the  
12 Legislative Budget Board shall consider the historical reasons for  
13 and the benefits and disadvantages of using different formulas, the  
14 benefits and disadvantages of using varying weights, models,  
15 scales, and rates for the two formulas, and the effects of current  
16 formula funding on economies of scale at affected institutions.  
17 The report must include any recommendation of the Legislative  
18 Budget Board for legislative or administrative action, including  
19 changes in formula funding methodology for health-related  
20 institutions or general academic teaching institutions and other  
21 changes necessary to promote efficiency and effectiveness in the  
22 use of appropriated money to fund health profession education in  
23 this state. A recommendation under this subsection must include an  
24 explanation of the basis for the recommendation. Not later than

1 December 1, 2014, the Legislative Budget Board shall submit a copy  
2 of the report required by this subsection to the board and to the  
3 governor, lieutenant governor, and speaker of the house of  
4 representatives. This subsection expires January 31, 2015.

5 SECTION 2. This Act takes effect immediately if it receives  
6 a vote of two-thirds of all the members elected to each house, as  
7 provided by Section 39, Article III, Texas Constitution. If this  
8 Act does not receive the vote necessary for immediate effect, this  
9 Act takes effect September 1, 2013.