

By: Branch

H.B. No. 2765

A BILL TO BE ENTITLED

AN ACT

relating to the creation of the Texas competitive knowledge fund to support excellence at qualifying institutions of higher education.

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

SECTION 1. 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

(B) 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) "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 research universities and emerging research universities to support faculty to ensure excellence in instruction and research [~~for the recruitment and retention of highly qualified~~

1 ~~faculty and the enhancement of research productivity at those~~
2 ~~universities].~~

3 Sec. 62.053. FUNDING. (a) 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 research
8 funds expended by each institution annually during the three most
9 recent state fiscal years, at the rate of ~~[according to the~~
10 ~~following rates:~~

11 ~~[(1)]~~ at least \$700,000 ~~[\$1 million]~~ for every \$10
12 million of the average annual amount of those research funds
13 expended by the institution~~[, if that average amount for the~~
14 ~~institution is \$50 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 Subsection (a), the amount of total
20 research funds expended by an eligible institution in a state
21 fiscal year is the amount of those funds as reported to the
22 coordinating board by the institution for that fiscal year, subject
23 to any adjustment by the coordinating board in accordance with the
24 standards and accounting methods the coordinating board prescribes
25 for purposes of this section. If the funds available for
26 distribution for a state fiscal year under Subsection (a) are not
27 sufficient to provide the amount specified by Subsection (a) for

1 each eligible institution or exceed the amount sufficient for that
2 purpose, the available amount shall be distributed in proportion to
3 the total amount to which each institution is otherwise entitled
4 under Subsection (a).

5 Sec. 62.054. RULES. The coordinating board shall adopt
6 rules for the administration of this subchapter [~~including any~~
7 ~~rules the coordinating board considers necessary regarding the~~
8 ~~submission to the coordinating board by eligible institutions of~~
9 ~~any student data required for the coordinating board to carry out~~
10 ~~its duties under this subchapter~~].

11 SECTION 2. (a) The Texas Higher Education Coordinating
12 Board, in consultation with institutions of higher education that
13 are eligible institutions under Subchapter C, Chapter 62, Education
14 Code, as amended by this Act, shall study and make recommendations
15 regarding the appropriate definitions and categories of research
16 expenditures to be included and applied in determining an
17 institution's eligibility for and the amount of distributions from
18 the Texas competitive knowledge fund established by that
19 subchapter.

20 (b) Not later than December 1, 2014, the coordinating board
21 shall report its study and deliver its recommendations to the:

- 22 (1) governor;
- 23 (2) lieutenant governor;
- 24 (3) speaker of the house of representatives;
- 25 (4) chair of the Senate Committee on Finance;
- 26 (5) chair of the Senate Committee on Higher Education;
- 27 (6) chair of the House Committee on Appropriations;

1 and

2 (7) chair of the House Committee on Higher Education.

3 (c) At the request of an institution of higher education
4 that consults with the coordinating board under this section, the
5 coordinating board shall include with its recommendations the
6 written response of the institution to those recommendations.

7 SECTION 3. The Texas Higher Education Coordinating Board
8 shall adopt rules relating to the administration of Subchapter C,
9 Chapter 62, Education Code, as amended by this Act, as soon as
10 practicable after the effective date of this Act.

11 SECTION 4. This Act takes effect September 1, 2013.