

By: Carona

S.B. No. 1887

A BILL TO BE ENTITLED

AN ACT

relating to excellence funding for health-related institutions of higher education.

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

SECTION 1. Chapter 62, Education Code, is amended by adding Subchapter H to read as follows:

SUBCHAPTER H. EXCELLENCE FUND FOR
HEALTH-RELATED INSTITUTIONS

Sec. 62.161. PURPOSE. The purpose of this subchapter is to sustain and expand levels of excellence in all aspects of the missions of health-related institutions to educate and train the health care workforce, to provide excellent clinical care, and to develop new ways to treat diseases and address the health issues facing Texas and the nation.

Sec. 62.162. DEFINITIONS. In this subchapter:

(1) "Eligible institution" means a health-related institution that is eligible to receive distributions of money under this subchapter.

(2) "Health-related institution" means:

(A) The Texas A&M University System Health Science Center;

(B) The University of Texas Medical Branch at Galveston;

(C) The University of Texas Southwestern Medical

1 Center;

2 (D) The University of Texas Health Science Center
3 at San Antonio;

4 (E) The University of Texas Health Science Center
5 at Houston;

6 (F) the University of North Texas Health Science
7 Center at Fort Worth; and

8 (G) Texas Tech University Health Sciences
9 Center.

10 Sec. 62.163. EXCELLENCE FUND. (a) The excellence fund for
11 health-related institutions is an account in the general revenue
12 fund and consists of money appropriated or transferred to the
13 credit of the fund under this section or other law.

14 (b) The comptroller may accept gifts or grants for the fund
15 from any public or private source.

16 Sec. 62.164. ELIGIBLE INSTITUTIONS; CONTRIBUTION. (a) To
17 be eligible for annual distributions from the fund, a
18 health-related institution must:

19 (1) have a medical school; and

20 (2) make a one-time, initial transfer to the fund from
21 the institution's non-formula appropriations in an amount of not
22 less than \$2.5 million, as determined by the institution, and as
23 specified in the General Appropriations Act.

24 (b) In making appropriations of the money in the fund, the
25 legislature shall ensure that each eligible institution, before the
26 end of the state fiscal biennium following the biennium in which the
27 institution made the initial transfer to the fund as required by

1 Subsection (a)(2), receives total distributions from the fund in an
2 amount that is equal to or exceeds the amount of its initial
3 transfer.

4 Sec. 62.165. DISTRIBUTIONS TO INSTITUTIONS. (a) In each
5 state fiscal year, an eligible institution is entitled to receive a
6 share of the money in the fund in proportion to the institution's
7 percentage of the total points awarded under Subsection (b) for
8 that fiscal year. If in a state fiscal biennium the total amount of
9 the institution's shares of the money in the fund is less than any
10 amount the institution is entitled to receive in that biennium
11 under Section 62.164(b), the institution's share for each fiscal
12 year shall be increased by the amount necessary to comply with
13 Section 62.164(b), and the shares of the other institutions shall
14 be reduced accordingly.

15 (b) For each state fiscal year, a total of 25 points is
16 awarded to eligible institutions for each of the following metrics,
17 with each institution receiving points, or fractional points
18 rounded to the nearest hundredth, in proportion to the
19 institution's share of the aggregate amount, for all eligible
20 institutions, of the applicable amounts described in each of the
21 following categories:

22 (1) Sponsored Research--the dollar amount of federal
23 and private research expenditures as reflected in the coordinating
24 board's annual research expenditures report;

25 (2) Faculty Quality--the number of awards to faculty,
26 such as Nobel Prizes and memberships in national academies, by
27 entities recognized for that purpose in the coordinating board's

1 accountability system;

2 (3) Doctoral Degrees--the number of doctoral degrees
3 awarded, as reflected in the coordinating board's accountability
4 system;

5 (4) Philanthropy--the dollar amount of cash gifts
6 received as reported in the Council for Aid to Education's
7 voluntary support of education survey or in the institutions'
8 Internal Revenue Service Form 990, whichever is considered
9 appropriate for the institution by the coordinating board;

10 (5) Commercialization--the number of licensing
11 agreements executed, as reported in the coordinating board's
12 technology development and transfer report; and

13 (6) Patents--the number of patents awarded, as
14 reported in the coordinating board's technology development and
15 transfer report.

16 (c) For each state fiscal biennium, each metric prescribed
17 by Subsection (b) is determined using the average of the applicable
18 numbers or amounts for the three preceding years for which the
19 information is available, as determined on the January 1 preceding
20 the biennium, and the determined average governs distributions from
21 the fund for each year of that biennium.

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