

SENATE AMENDMENTS

2nd Printing

By: Bell, White, Allen, Dukes,
Turner of Harris, et al.

H.B. No. 870

A BILL TO BE ENTITLED

1 AN ACT
2 relating to Prairie View A&M University's eligibility to
3 participate in the research development fund.

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

5 SECTION 1. Section 62.003(1), Education Code, is amended to
6 read as follows:

7 (1) Except as otherwise provided by Subchapters C, D,
8 E, F, and G, "eligible institution" means the eligible agencies
9 and institutions of higher education listed in Article VII, Section
10 17(b), of the Constitution of Texas, and any institution or agency
11 of higher education that is later made eligible to participate in
12 the disbursement of funds pursuant to Article VII, Section 17(c),
13 of the Constitution of Texas.

14 SECTION 2. Section 62.092(2), Education Code, is amended to
15 read as follows:

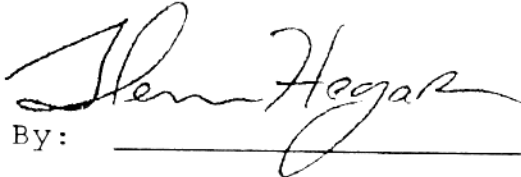
16 (2) "Eligible institution" means a general academic
17 teaching institution, as defined by Section 61.003, other than The
18 University of Texas at Austin or [7] Texas A&M University [~~7~~ ~~or~~
19 ~~Prairie View A&M University~~].

20 SECTION 3. This Act takes effect immediately if it receives
21 a vote of two-thirds of all the members elected to each house, as
22 provided by Section 39, Article III, Texas Constitution. If this
23 Act does not receive the vote necessary for immediate effect, this
24 Act takes effect September 1, 2013.

ADOPTED

MAY 21 2013


Secretary of the Senate



By: _____

Substitute the following for H.B. No. 870:

By: Seliger

H.B. No. 870

C.S. H.B. No. 870

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17 teaching institution, as defined by Section 61.003, other than The
18 University of Texas at Austin or ~~or~~ Texas A&M University ~~or~~
19 ~~Prairie View A&M University~~].

20 SECTION 3. Subchapter E, Chapter 62, Education Code, is
21 amended by adding Section 62.0925 to read as follows:

22 Sec. 62.0925. ELIGIBILITY OF PRAIRIE VIEW A&M UNIVERSITY.
23 Notwithstanding Section 62.092(2), Prairie View A&M University is
24 an eligible institution for purposes of eligibility for a

1 distribution from the research development fund under this
2 subchapter for a state fiscal year only if:

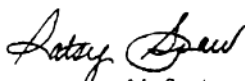
3 (1) the university is not an eligible institution for
4 that fiscal year for purposes of eligibility for an appropriation
5 or distribution from the Texas competitive knowledge fund
6 established under other law; and

7 (2) the legislature has specifically appropriated to
8 the university for that fiscal year its proportional share of the
9 research development fund in accordance with the methodology
10 prescribed by Section 62.095.

11 SECTION 4. This Act takes effect immediately if it receives
12 a vote of two-thirds of all the members elected to each house, as
13 provided by Section 39, Article III, Texas Constitution. If this
14 Act does not receive the vote necessary for immediate effect, this
15 Act takes effect September 1, 2013.

ADOPTED

MAY 21 2013


Secretary of the Senate

FLOOR AMENDMENT NO. 1

BY: 

1 Amend C.S.H.B. No. 870 (senate committee printing) by
2 striking page 1, lines 39 through 51, and substituting the
3 following:

4 Sec. 62.0925. ELIGIBILITY OF PRAIRIE VIEW A&M UNIVERSITY.

5 (a) Notwithstanding Section 62.092(2), Prairie View A&M University
6 is an eligible institution for purposes of eligibility for a
7 distribution from the research development fund under this
8 subchapter for a state fiscal year only if the university is not an
9 eligible institution for that fiscal year for purposes of
10 eligibility for an appropriation or distribution from the Texas
11 competitive knowledge fund established under other law.

12 (b) Notwithstanding Section 62.092(2) or Subsection (a) of
13 this section, for the state fiscal biennium ending August 31, 2017,
14 Prairie View A&M University is an eligible institution for purposes
15 of eligibility for a distribution from the research development
16 fund under this subchapter only if the total amount of money
17 appropriated for that state fiscal biennium for distributions from
18 the fund to those eligible institutions that received distributions
19 from the fund in the preceding state fiscal biennium is not less
20 than the total amount of money that was appropriated for
21 distributions from the fund to those eligible institutions for that
22 preceding state fiscal biennium, such that the distribution to
23 Prairie View A&M University of the proportionate share of the fund
24 to which the university is entitled under the methodology
25 prescribed by Section 62.095 for the state fiscal biennium ending
26 August 31, 2017, does not have the effect of reducing the amounts
27 from the fund to which the other eligible institutions are entitled
28 for that state fiscal biennium. This subsection expires January 1,
29 2018.

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 83RD LEGISLATIVE REGULAR SESSION

May 23, 2013

TO: Honorable Joe Straus, Speaker of the House, House of Representatives

FROM: Ursula Parks, Director, Legislative Budget Board

IN RE: HB870 by Bell (Relating to Prairie View A&M University's eligibility to participate in the research development fund.), **As Passed 2nd House**

Estimated Two-year Net Impact to General Revenue Related Funds for HB870, As Passed 2nd House: an impact of \$0 through the biennium ending August 31, 2015.

The bill would make no appropriation but could provide the legal basis for an appropriation of funds to implement the provisions of the bill.

General Revenue-Related Funds, Five-Year Impact:

Fiscal Year	Probable Net Positive/(Negative) Impact to General Revenue Related Funds
2014	\$0
2015	\$0
2016	(\$500,000)
2017	(\$500,000)
2018	\$0

All Funds, Five-Year Impact:

Fiscal Year	Probable (Cost) from General Revenue Fund 1
2014	\$0
2015	\$0
2016	(\$500,000)
2017	(\$500,000)
2018	\$0

Fiscal Analysis

The bill amends the Education Code relating to Prairie View A&M University's eligibility to participate in the Research Development Fund (RDF). According to the provisions of the bill, Prairie View A&M University (PVAMU) is eligible to participate in the RDF if the university is not eligible for an appropriation from the Texas competitive knowledge fund. In addition, for the

state fiscal biennium ending August 31, 2017, PVAMU is eligible only if appropriations for the RDF over the state fiscal biennium for institutions that received distributions from the fund during the preceding biennium is at a level not less than the total amount of money that was appropriated for distributions to those eligible institutions in the preceding biennium. The subsection relating to appropriation level expires January 1, 2018.

Methodology

Appropriations for the RDF are apportioned among eligible institutions through a formula based on each institution's three-year average of restricted research expenditures. Funding for the RDF is determined by the Legislature and while adding a new institution to the RDF formula allocation would not necessarily result in an additional cost to the state, each eligible institution's share of the RDF appropriation would change to the degree the inclusion of PVAMU affects each eligible institution's share of the total restricted research expenditures data used to allocate the RDF appropriations. The current General Appropriations Act provides approximately \$65.3 million for the RDF. Based on provisions of the bill, it is assumed that PVAMU would be eligible during the fiscal year 2014-15 biennium and it would be estimated that Prairie View A&M University would receive approximately \$1.0 million biennially in RDF appropriations.

However, based on eligibility provisions of the bill for the biennium ending August 31, 2017, it is assumed that the legislature would appropriate general revenue in the amount Prairie View A&M University would receive according to the allocation methodology of the RDF above the current level of funding provided for the RDF in fiscal years 2014-15, which is assumed to be level with the 2012-13 level of funding of \$65.3 million. Based on an analysis of information provided by Texas A&M University System, it is estimated that PVAMU would receive approximately \$1.0 million biennially in RDF appropriations if made eligible based on their recent restricted research expenditures. At this level of funding, there would be a cost to general revenue of \$500,000 in each fiscal year 2016 and 2017. Since this eligibility provision applies only for the fiscal year 2016-17 biennium, it is assumed that PVAMU would be included in RDF appropriations in fiscal year 2018 with a reallocation of funds from other institutions.

Local Government Impact

No fiscal implication to units of local government is anticipated.

Source Agencies: 781 Higher Education Coordinating Board, 710 Texas A&M University System Administrative and General Offices, 304 Comptroller of Public Accounts

LBB Staff: UP, KK, SK, EH

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 83RD LEGISLATIVE REGULAR SESSION

May 18, 2013

TO: Honorable Kel Seliger, Chair, Senate Committee on Higher Education

FROM: Ursula Parks, Director, Legislative Budget Board

IN RE: HB870 by Bell (relating to Prairie View A&M University's eligibility to participate in the research and development fund.), **Committee Report 2nd House, Substituted**

No fiscal implication to the State is anticipated.

The bill amends the Education Code to make Prairie View A&M University eligible to participate in the Research Development Fund (RDF) under certain conditions. Appropriations for the RDF are apportioned among eligible institutions through a formula based on each institution's three-year average of restricted research expenditures. Funding for the RDF is determined by the Legislature and while adding a new institution to the RDF formula allocation would not necessarily result in an additional cost to the state, each eligible institution's share of the RDF appropriation would change to the degree the inclusion of Prairie View A&M University affects each eligible institution's share of the total restricted research expenditures data used to allocate the RDF appropriations. The current General Appropriations Act provides approximately \$65.3 million for the RDF and it would be estimated that Prairie View A&M University would receive approximately \$1.0 million biennially in RDF appropriations if made eligible.

Local Government Impact

No fiscal implication to units of local government is anticipated.

Source Agencies: 710 Texas A&M University System Administrative and General Offices,
781 Higher Education Coordinating Board, 304 Comptroller of Public
Accounts

LBB Staff: UP, KK, SK, EH

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 83RD LEGISLATIVE REGULAR SESSION

May 14, 2013

TO: Honorable Kel Seliger, Chair, Senate Committee on Higher Education

FROM: Ursula Parks, Director, Legislative Budget Board

IN RE: HB870 by Bell (Relating to Prairie View A&M University's eligibility to participate in the research development fund.), **As Engrossed**

No fiscal implication to the State is anticipated.

The bill amends the Education Code to make Prairie View A&M University eligible to participate in the Research Development Fund (RDF). Appropriations for the RDF are apportioned among eligible institutions through a formula based on each institution's three-year average of restricted research expenditures. Funding for the RDF is determined by the Legislature and while adding a new institution to the RDF formula allocation would not necessarily result in an additional cost to the state, each eligible institution's share of the RDF appropriation would change to the degree the inclusion of Prairie View A&M University affects each eligible institution's share of the total restricted research expenditures data used to allocate the RDF appropriations. The current General Appropriations Act provides approximately \$65.3 million for the RDF and it would be estimated that Prairie View A&M University would receive approximately \$1.0 million biennially in RDF appropriations if made eligible.

Local Government Impact

No fiscal implication to units of local government is anticipated.

Source Agencies: 304 Comptroller of Public Accounts, 710 Texas A&M University System Administrative and General Offices, 781 Higher Education Coordinating Board

LBB Staff: UP, KK, SK, EH

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 83RD LEGISLATIVE REGULAR SESSION

March 6, 2013

TO: Honorable Dan Branch, Chair, House Committee On Higher Education

FROM: Ursula Parks, Director, Legislative Budget Board

IN RE: HB870 by Bell (Relating to Prairie View A&M University's eligibility to participate in the research development fund.), **As Introduced**

No fiscal implication to the State is anticipated.

The bill amends the Education Code to make Prairie View A&M University eligible to participate in the Research Development Fund (RDF). Appropriations for the RDF are apportioned among eligible institutions through a formula based on each institution's three-year average of restricted research expenditures. Funding for the RDF is determined by the Legislature and while adding a new institution to the RDF formula allocation would not necessarily result in an additional cost to the state, each eligible institution's share of the RDF appropriation would change to the degree the inclusion of Prairie View A&M University affects each eligible institution's share of the total restricted research expenditures data used to allocate the RDF appropriations. The current General Appropriations Act provides approximately \$65.3 million for the RDF and it would be estimated that Prairie View A&M University would receive approximately \$1.0 million biennially in RDF appropriations if made eligible.

Local Government Impact

No fiscal implication to units of local government is anticipated.

Source Agencies: 304 Comptroller of Public Accounts, 710 Texas A&M University System Administrative and General Offices, 781 Higher Education Coordinating Board

LBB Staff: UP, KK, SK, EH