

EDUCATION CODE

TITLE 3. HIGHER EDUCATION

SUBTITLE B. STATE COORDINATION OF HIGHER EDUCATION

CHAPTER 62. CONSTITUTIONAL AND STATUTORY FUNDS TO SUPPORT  
INSTITUTIONS OF HIGHER EDUCATION

SUBCHAPTER A. GENERAL PROVISIONS

Sec. 62.001. SHORT TITLE. This chapter may be cited as "The Excellence in Higher Education Act" of 1985.

Added by Acts 1985, 69th Leg., ch. 225, Sec. 1, eff. June 3, 1985.

Sec. 62.002. PURPOSE. Through equitable allocation of the annual appropriation mandated by Article VII, Section 17(a), of the Constitution of Texas, the purpose of this chapter is to provide to the governing boards of the institutions and agencies of higher education eligible to participate in the distribution of funds pursuant to Article VII, Section 17, of the Constitution of Texas, the means to create and maintain a degree of excellence at the respective institutions and agencies of higher education that is above and apart from the normal appropriative formulas established by the Coordinating Board, Texas College and University System.

Added by Acts 1985, 69th Leg., ch. 225, Sec. 1, eff. June 3, 1985.

Sec. 62.003. DEFINITIONS. In this chapter:

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

(2) "Governing board" means the board of regents or other state governmental body to which an eligible agency or institution is assigned for governance by the Texas Constitution or by the laws of the State of Texas.

(3) "Coordinating board" means the Texas Higher

Education Coordinating Board.

Added by Acts 1985, 69th Leg., ch. 225, Sec. 1, eff. June 3, 1985.

Amended by Acts 1995, 74th Leg., ch. 1045, Sec. 1, eff. June 17, 1995.

Amended by:

Acts 2009, 81st Leg., R.S., Ch. 287 (H.B. 51), Sec. 9, eff. September 1, 2009.

Acts 2013, 83rd Leg., R.S., Ch. 1268 (H.B. 870), Sec. 1, eff. June 14, 2013.

#### SUBCHAPTER B. AMOUNTS ALLOCATED BY EQUITABLE ALLOCATION FORMULA

##### Sec. 62.021. ALLOCATIONS.

(a) In the state fiscal year ending August 31, 2016, an eligible institution is entitled to receive an amount allocated in accordance with this section from the funds appropriated for that year by Section 17(a), Article VII, Texas Constitution. The comptroller shall distribute funds allocated under this subsection only on presentation of a claim and issuance of a warrant in accordance with Section 403.071, Government Code. An eligible institution may not present a claim to be paid from any funds allocated under this subsection before the delivery of goods or services described in Section 17, Article VII, Texas Constitution, except for the payment of principal or interest on bonds or notes or for a payment for a book or other published library material as authorized by Section 2155.386, Government Code. The allocation of funds under this subsection is made in accordance with an equitable formula consisting of the following elements: space deficit, facilities condition, institutional complexity, and a separate allocation for the Texas State Technical College System. The annual amounts allocated by the formula are as follows:

(1) \$3,374,275 to Midwestern State University;

(2) to the following component institutions of the University of North Texas System:

(A) \$25,041,370 to the University of North Texas;

(B) \$11,394,570 to the University of North Texas

Health Science Center at Fort Worth; and

(C) \$1,408,669 to the University of North Texas at Dallas, \$135,593 of which must be used for the University of North Texas at Dallas College of Law;

(3) \$7,757,442 to Stephen F. Austin State University;

(4) to the following component institutions of the Texas State University System:

(A) \$9,401,255 to Lamar University;

(B) \$1,720,347 to the Lamar Institute of Technology;

(C) \$1,129,562 to Lamar State College--Orange;

(D) \$1,438,523 to Lamar State College--Port Arthur;

(E) \$11,553,239 to Sam Houston State University;

(F) \$24,775,170 to Texas State University;

(G) \$1,423,682 to Sul Ross State University; and

(H) \$273,825 to Sul Ross State University-Rio Grande College;

(5) \$7,773,229 to Texas Southern University;

(6) to the following component institutions of the Texas Tech University System:

(A) \$32,817,206 to Texas Tech University;

(B) \$15,581,597 to Texas Tech University Health Sciences Center;

(C) \$3,546,735 to Angelo State University; and

(D) \$4,156,050 to Texas Tech University Health Sciences Center--El Paso;

(7) \$9,897,706 to Texas Woman's University;

(8) to the following component institutions of the University of Houston System:

(A) \$35,180,036 to the University of Houston;

(B) \$2,850,574 to the University of Houston--Victoria;

(C) \$5,336,744 to the University of Houston--Clear Lake; and

(D) \$7,835,252 to the University of Houston--Downtown;

(9) to the following component institutions of The Texas A&M University System:

(A) \$7,424,229 to Texas A&M University--Corpus Christi;

(B) \$4,473,273 to Texas A&M International University;

(C) \$5,977,371 to Texas A&M University--Kingsville;

(D) \$4,776,272 to West Texas A&M University;

(E) \$7,190,875 to Texas A&M University--Commerce; and

(F) \$1,215,922 to Texas A&M University--Texarkana; and

(10) \$5,775,000 to the Texas State Technical College System Administration and the following component campuses, but not its extension centers or programs:

(A) Texas State Technical College-Harlingen;

(B) Texas State Technical College--Marshall;

(C) Texas State Technical College--West Texas; and

(D) Texas State Technical College--Waco.

(a-1) In each state fiscal year beginning with the state fiscal year ending August 31, 2017, an eligible institution is entitled to receive an amount allocated in accordance with this subsection from the funds appropriated for that year by Section 17(a), Article VII, Texas Constitution. The comptroller shall distribute funds allocated under this subsection only on presentation of a claim and issuance of a warrant in accordance with Section 403.071, Government Code. An eligible institution may not present a claim to be paid from any funds allocated under this subsection before the delivery of goods or services described in Section 17, Article VII, Texas Constitution, except for the payment of principal or interest on bonds or notes or for a payment for a book or other published library material as authorized by Section 2155.386, Government Code. The allocation of funds under this subsection is made in accordance with an equitable formula consisting of the following elements: space deficit, facilities

condition, institutional complexity, and a separate allocation for the Texas State Technical College System. The annual amounts allocated by the formula are as follows:

(1) \$5,061,412 to Midwestern State University;

(2) to the following component institutions of the University of North Texas System:

(A) \$37,562,056 to the University of North Texas;

(B) \$17,091,856 to the University of North Texas Health Science Center at Fort Worth; and

(C) \$2,113,004 to the University of North Texas at Dallas, \$203,390 of which must be used for the University of North Texas at Dallas College of Law;

(3) \$11,636,163 to Stephen F. Austin State University;

(4) to the following component institutions of the Texas State University System:

(A) \$14,101,882 to Lamar University;

(B) \$2,580,521 to the Lamar Institute of Technology;

(C) \$1,694,343 to Lamar State College--Orange;

(D) \$2,157,784 to Lamar State College--Port Arthur;

(E) \$17,329,858 to Sam Houston State University;

(F) \$37,162,755 to Texas State University;

(G) \$2,135,523 to Sul Ross State University; and

(H) \$410,738 to Sul Ross State University-Rio Grande College;

(5) \$11,659,843 to Texas Southern University;

(6) to the following component institutions of the Texas Tech University System:

(A) \$49,225,809 to Texas Tech University;

(B) \$23,372,396 to Texas Tech University Health Sciences Center;

(C) \$5,320,102 to Angelo State University; and

(D) \$6,234,075 to Texas Tech University Health Sciences Center--El Paso;

(7) \$14,846,558 to Texas Woman's University;

(8) to the following component institutions of the

University of Houston System:

(A) \$52,770,054 to the University of Houston;

(B) \$4,275,861 to the University of Houston--Victoria;

(C) \$8,005,116 to the University of Houston--Clear Lake; and

(D) \$11,752,877 to the University of Houston--Downtown;

(9) to the following component institutions of The Texas A&M University System:

(A) \$11,136,344 to Texas A&M University--Corpus Christi;

(B) \$6,709,910 to Texas A&M International University;

(C) \$8,966,056 to Texas A&M University--Kingsville;

(D) \$7,164,408 to West Texas A&M University;

(E) \$10,786,313 to Texas A&M University--Commerce; and

(F) \$1,823,883 to Texas A&M University--Texarkana; and

(10) \$8,662,500 to the Texas State Technical College System Administration and the following component campuses, but not its extension centers or programs:

(A) Texas State Technical College--Harlingen;

(B) Texas State Technical College--Marshall;

(C) Texas State Technical College--West Texas; and

(D) Texas State Technical College--Waco.

(a-2) Notwithstanding Subsections (a) and (a-1), if Section 62.024 is not amended by the 84th Legislature, Regular Session, 2015, to increase the amount of the appropriation made under Section 17(a), Article VII, Texas Constitution, Subsection (a) of this section applies in each state fiscal year beginning with the state fiscal year ending August 31, 2016, and Subsection (a-1) of this section has no effect.

(b) Each governing board participating in the distribution

of funds as described in this section may expend the funds without limitation, and as the governing board may decide in its sole discretion, for any and all purposes described in Article VII, Section 17, of the Constitution of Texas; provided, however, that for new construction, major repair and rehabilitation projects, and land acquisition projects, those funds may not be expended without the prior approval of the legislature or the approval, review, or endorsement, as applicable, of the coordinating board; and provided further that review and approval of major repair and rehabilitation shall apply only to projects in excess of \$600,000.

(c) Each governing board participating in the distribution of funds as described in this section may issue bonds and notes as authorized in Article VII, Section 17, of the Constitution of Texas. For purposes of this chapter, the governing board of Texas Tech University may issue bonds and notes as authorized in Article VII, Section 17, of the Constitution of Texas, on behalf of both Texas Tech University and Texas Tech University Health Sciences Center, and the annual appropriations of both institutions may be combined and pledged by the governing body of Texas Tech University in support of such bonds and notes.

(d) All funds appropriated by Article VII, Section 17, of the Constitution of Texas, but not expended during the fiscal year of appropriation, shall be carried forward and reappropriated for each of the succeeding fiscal years until expended by the governing boards of eligible institutions for the purposes described in Article VII, Section 17, of the Constitution of Texas.

(e) Whereas the University of North Texas at Dallas was created as an institution of higher education by Chapter 25 (S.B. 576), Acts of the 77th Legislature, Regular Session, 2001, which was approved by a vote of more than two-thirds of the membership of each house of the legislature, and was certified by the coordinating board to operate as a general academic teaching institution in April 2009, the University of North Texas at Dallas is entitled to participate in the funding provided by Section 17, Article VII, Texas Constitution. Whereas the University of North Texas at Dallas College of Law, which was previously designated by Chapter 1213 (S.B. 956), Acts of the 81st Legislature, Regular

Session, 2009, as an institution of higher education until such time the University of North Texas at Dallas had been in operation as a general academic teaching institution for a period of five years, now operates as a professional school within the University of North Texas at Dallas as a result of the expiration of that period, the allocation to the University of North Texas at Dallas under this section includes an amount attributable to the University of North Texas at Dallas College of Law as part of the university.

(e-1) Whereas the Texas Tech University Health Sciences Center at El Paso was created as a separate institution of higher education by an Act of the 83rd Legislature, Regular Session, 2013, which was approved by a vote of more than two-thirds of the membership of each house of the legislature, the Texas Tech University Health Sciences Center at El Paso is entitled to participate in the funding provided by Section 17, Article VII, Texas Constitution, beginning with the annual appropriation for the state fiscal year beginning September 1, 2015, and the Texas Tech University Health Sciences Center at El Paso shall be included in the allocation made for each 10-year allocation period under Section 17(d), Article VII, Texas Constitution, beginning with the allocation made in 2015.

(e-2) Whereas The University of Texas--Pan American and The University of Texas at Brownsville were consolidated into a general academic teaching institution that is excluded from participation in the funding provided by Section 17, Article VII, Texas Constitution, by Chapter 726 (S.B. 24), Acts of the 83rd Legislature, Regular Session, 2013, which was approved by a vote of more than two-thirds of the membership of each house of the legislature, The University of Texas--Pan American and The University of Texas at Brownsville are omitted from the allocation of funds under this section.

(f) Pursuant to the annual allocation amounts shown in Subsections (a) and (a-1) for each year of the remaining 10-year allocation period established under Section 17(d), Article VII, Texas Constitution, that ends in 2015, the comptroller shall distribute to the Lamar Institute of Technology a portion of the



total annual appropriation under Section 17(a), Article VII, Texas Constitution.

Added by Acts 1985, 69th Leg., ch. 225, Sec. 1, eff. June 3, 1985. Amended by Acts 1987, 70th Leg., ch. 1070, Sec. 5, eff. May 15, 1988; Acts 1989, 71st Leg., ch. 1084, Sec. 1.31; Acts 1991, 72nd Leg., ch. 105, Sec. 3, eff. Aug. 26, 1991; Acts 1991, 72nd Leg., ch. 305, Sec. 3, eff. Sept. 1, 1991; Acts 1993, 73rd Leg., ch. 260, Sec. 12, eff. Sept. 1, 1993; Acts 1993, 73rd Leg., ch. 408, Sec. 11, eff. Aug. 30, 1993; Acts 1995, 74th Leg., ch. 1045, Sec. 2, eff. June 17, 1995; Acts 1995, 74th Leg., ch. 1061, Sec. 9, eff. Sept. 1, 1995; Acts 1997, 75th Leg., ch. 129, Sec. 1, eff. May 19, 1997; Acts 1999, 76th Leg., ch. 1363, Sec. 2, eff. Sept. 1, 1999; Acts 1999, 76th Leg., ch. 1467, Sec. 1.03, eff. June 19, 1999; Acts 1999, 76th Leg., ch. 1508, Sec. 1, eff. June 19, 1999; Acts 2001, 77th Leg., ch. 238, Sec. 2, eff. May 22, 2001; Acts 2001, 77th Leg., ch. 1212, Sec. 1, eff. June 15, 2001; Acts 2003, 78th Leg., ch. 386, Sec. 8, eff. Sept. 1, 2003.

Amended by:

Acts 2005, 79th Leg., Ch. 1306 (H.B. 3001), Sec. 1, eff. September 1, 2005.

Acts 2005, 79th Leg., Ch. 1306 (H.B. 3001), Sec. 4, eff. September 1, 2005.

Acts 2007, 80th Leg., R.S., Ch. 179 (H.B. 3564), Sec. 11, eff. September 1, 2007.

Acts 2009, 81st Leg., R.S., Ch. 287 (H.B. 51), Sec. 10, eff. June 17, 2009.

Acts 2013, 83rd Leg., R.S., Ch. 30 (S.B. 974), Sec. 11, eff. September 1, 2013.

Acts 2013, 83rd Leg., R.S., Ch. 65 (S.B. 120), Sec. 13, eff. May 18, 2013.

Acts 2015, 84th Leg., R.S., Ch. 952 (S.B. 1191), Sec. 1, eff. August 31, 2015.

Sec. 62.022. ALLOCATION FORMULA. (a) Prior to the convening of the regular session of the Texas Legislature immediately preceding each 10-year period for which Section 17(d), Article VII, Texas Constitution, prescribes an allocation of the

money appropriated by Section 17(a), Article VII, Texas Constitution, the coordinating board shall conduct, with the full participation of the eligible institutions, a study and present recommendations to the Legislative Budget Board and the standing committees of the house of representatives and the senate having jurisdiction over legislation related to higher education as to the allocation of the money appropriated by Section 17(a) for the following 10-year allocation period established by Section 17(d).

(b) Prior to the convening of the regular session of the Texas Legislature immediately preceding the sixth year of each 10-year allocation period established by Section 17(d), Article VII, Texas Constitution, the coordinating board shall conduct, with the full participation of the eligible institutions, a study and present recommendations to the Legislative Budget Board and the standing committees of the house of representatives and the senate having cognizance over legislation related to higher education as to whether and, if so, how, the equitable allocation formula established for that 10-year period should be adjusted for the last five years of the 10-year period. The coordinating board shall include in the study a survey of educational and general building quality, if the legislature provides funds for the survey.

(c) The legislature shall approve, modify and approve, or reject the recommendations of the coordinating board under Subsection (a) or (b).

(d) If, prior to the first day of the sixth year of a 10-year allocation period established by Section 17(d), Article VII, Texas Constitution, the Texas Legislature fails to act on a recommendation for adjustment in the equitable allocation formula, the 10-year allocation provided for in Section 62.021(a) shall continue until the end of the 10-year period.

(e) No adjustment shall be made in the allocation formula that will prevent payment of both the principal and interest on outstanding bonds and notes sold pursuant to Section 17(e), Article VII, Texas Constitution.

(f) A review of the allocation formula conducted by the coordinating board under this section shall include:

(1) a comparison of the deferred maintenance needs of

an institution of higher education and the extent to which the constitutionally dedicated funds were used to meet those needs; and

(2) an evaluation of the effectiveness of the allocation formula concerning deferred maintenance needs of those institutions.

Added by Acts 1985, 69th Leg., ch. 225, Sec. 1, eff. June 3, 1985.  
Amended by Acts 1989, 71st Leg., ch. 1084, Sec. 1.33, eff. Sept. 1, 1989; Acts 1995, 74th Leg., ch. 1045, Sec. 3, eff. June 17, 1995; Acts 1999, 76th Leg., ch. 1467, Sec. 1.05, eff. June 19, 1999.

Sec. 62.023. SEVERABILITY. If any provision of this chapter or the application thereof under any circumstance is held invalid, such invalidity shall not affect other provisions or applications of the chapter which can be given effect without the invalid provision or application, and to this end the provisions of this chapter are declared to be severable.

Added by Acts 1985, 69th Leg., ch. 225, Sec. 1, eff. June 3, 1985.

Sec. 62.024. AMOUNT OF ALLOCATION INCREASED. In accordance with Section 17(a), Article VII, Texas Constitution, for each state fiscal year beginning with the state fiscal year ending August 31, 2017, the amount of the annual constitutional appropriation under that subsection is increased to \$393.75 million. Before the state fiscal year ending August 31, 2017, the amount of the annual constitutional appropriation under that subsection is \$262.5 million.

Added by Acts 1993, 73rd Leg., ch. 537, Sec. 1, eff. Sept. 1, 1995.

Amended by:

Acts 2005, 79th Leg., Ch. 1306 (H.B. 3001), Sec. 2, eff. September 1, 2005.

Acts 2009, 81st Leg., R.S., Ch. 287 (H.B. 51), Sec. 11, eff. June 17, 2009.

Acts 2015, 84th Leg., R.S., Ch. 952 (S.B. 1191), Sec. 2, eff. August 31, 2015.

Sec. 62.027. EFFECT OF LEGISLATION. (a) The

constitutional amendment proposed by S.J.R. No. 13, 73rd Legislature, Regular Session, 1993, and approved by the voters at an election held on November 2, 1993, amended Section 17(a), Article VII, Texas Constitution, to permit the legislature by two-thirds vote of the membership of each house to increase the amount of the appropriation made under that section for each five-year period.

(b) Chapter 537, Acts of the 73rd Legislature, Regular Session, 1993, added Section 62.024 to this subchapter in order to increase the amount of the appropriation made under Section 17(a), Article VII, Texas Constitution.

(c) The increase provided by the amendment to Section 62.024 enacted by the 84th Legislature, Regular Session, 2015, in the amount of the appropriation made under Section 17(a), Article VII, Texas Constitution, for each state fiscal year beginning with the state fiscal year ending August 31, 2017, constitutes the increase in accordance with Section 17(a) that the legislature considers appropriate for the five-year period beginning September 1, 2015.

Added by Acts 1995, 74th Leg., ch. 1045, Sec. 4, eff. June 17, 1995.

Amended by:

Acts 2005, 79th Leg., Ch. 1306 (H.B. 3001), Sec. 3, eff. September 1, 2005.

Acts 2015, 84th Leg., R.S., Ch. 952 (S.B. 1191), Sec. 3, eff. August 31, 2015.

#### SUBCHAPTER C. TEXAS RESEARCH UNIVERSITY FUND

Sec. 62.051. DEFINITIONS. In this subchapter:

(1) "Eligible institution" means an institution of higher education that is designated as a 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.

(2) "Fund" means the Texas research university fund.

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

Added by Acts 2009, 81st Leg., R.S., Ch. 287 (H.B. 51), Sec. 12, eff. September 1, 2009.

Amended by:

Acts 2013, 83rd Leg., R.S., Ch. 1155 (S.B. 215), Sec. 50, eff. September 1, 2013.

Acts 2015, 84th Leg., R.S., Ch. 315 (H.B. 1000), Sec. 2, eff. September 1, 2015.

Sec. 62.052. PURPOSE. The purpose of this subchapter is to provide funding to eligible research universities to support faculty to ensure excellence in instruction and research.

Added by Acts 2009, 81st Leg., R.S., Ch. 287 (H.B. 51), Sec. 12, eff. September 1, 2009.

Amended by:

Acts 2013, 83rd Leg., R.S., Ch. 1155 (S.B. 215), Sec. 50, eff. September 1, 2013.

Acts 2015, 84th Leg., R.S., Ch. 315 (H.B. 1000), Sec. 3, eff. September 1, 2015.

Sec. 62.053. FUND. (a) The Texas research university fund consists of money appropriated by the legislature to eligible institutions for the purposes of this subchapter.

(a-1) In each state fiscal year, amounts shall be appropriated to eligible institutions based on the average amount of total research funds expended by each institution per year for the three preceding state fiscal years.

(b) For purposes of this subchapter, the amount of total research funds expended by an eligible institution in a state fiscal year is the amount of those funds as reported to the coordinating board by the institution for that fiscal year, subject to any adjustment by the coordinating board in accordance with the standards and accounting methods the coordinating board prescribes for purposes of this section.

Added by Acts 2009, 81st Leg., R.S., Ch. 287 (H.B. 51), Sec. 12, eff. September 1, 2009.

Amended by:

Acts 2013, 83rd Leg., R.S., Ch. 1155 (S.B. 215), Sec. 50, eff.

September 1, 2013.

Acts 2015, 84th Leg., R.S., Ch. 315 (H.B. 1000), Sec. 4, eff. September 1, 2015.

Sec. 62.0535. INITIAL CONTRIBUTION. For the first state fiscal biennium in which an eligible institution receives an appropriation under this subchapter, the institution's other general revenue appropriations shall be reduced by \$5 million for the biennium or the amount of the institution's appropriation under this subchapter for the biennium. The bill making the appropriation must expressly identify the purpose for which the appropriations were reduced in accordance with this section.

Amended by:

Acts 2013, 83rd Leg., R.S., Ch. 1155 (S.B. 215), Sec. 50, eff. September 1, 2013.

#### SUBCHAPTER D. PERFORMANCE INCENTIVE FUNDING

Sec. 62.071. DEFINITIONS. In this subchapter:

(1) "At-risk student" means an undergraduate student of an eligible institution:

(A) whose score on the Scholastic Assessment Test (SAT) or the American College Test (ACT) is less than the national mean score of students' scores on that test;

(B) who has been awarded a grant under the federal Pell Grant program;

(C) who was 20 years of age or older on the date the student initially enrolled in the institution;

(D) who is enrolled as a part-time student; or

(E) who did not receive a high school diploma but received a high school equivalency certificate within the last six years.

(2) "Critical field" means:

(A) the field of engineering, computer science, mathematics, physical science, allied health, nursing, or teacher certification in a field of science or mathematics; and

(B) any other field of study identified as a

critical field by the coordinating board in "Closing the Gaps," the state's master plan for higher education.

(3) "Eligible institution" means a general academic teaching institution other than a public state college.

(4) "General academic teaching institution" and "public state college" have the meanings assigned by Section 61.003.

Added by Acts 2009, 81st Leg., R.S., Ch. 287 (H.B. 51), Sec. 12, eff. September 1, 2009.

Sec. 62.072. FUNDING. (a) For each state fiscal year, the coordinating board shall distribute any performance incentive funds appropriated by the legislature for purposes of this subchapter, and any other funds made available for the purposes of this subchapter, to eligible institutions as follows:

(1) 50 percent to be distributed among eligible institutions in proportion to the increase, if any, in the average number of degrees awarded annually by each institution in the two most recent fiscal years from the average number of degrees awarded annually by that institution in the two fiscal years immediately preceding those fiscal years, using the weights assigned to each degree under the table prescribed by Subsection (b); and

(2) the remaining 50 percent to be distributed among eligible institutions in proportion to the average number of degrees awarded annually by each institution in the three most recent fiscal years, using the weights assigned to each degree under the table prescribed by Subsection (b).

(b) A number of points is assigned for each degree awarded by an eligible institution according to the following table:

	POINTS
Noncritical Field/Not At-Risk Student	1.0
Noncritical Field/At-Risk Student	2.0
Critical Field/Not At-Risk Student	2.0
Critical Field/At-Risk Student	3.0

Added by Acts 2009, 81st Leg., R.S., Ch. 287 (H.B. 51), Sec. 12, eff. September 1, 2009.

Sec. 62.073. RULES. The coordinating board shall adopt rules for the administration of this subchapter, including any rules the coordinating board considers necessary regarding the submission to the coordinating board by eligible institutions of any student data required for the coordinating board to carry out its duties under this subchapter.

Added by Acts 2009, 81st Leg., R.S., Ch. 287 (H.B. 51), Sec. 12, eff. September 1, 2009.

#### SUBCHAPTER E. TEXAS COMPREHENSIVE RESEARCH FUND

Sec. 62.091. PURPOSE. The Texas comprehensive research fund is established to provide funding to promote increased research capacity at eligible general academic teaching institutions.

Added by Acts 2003, 78th Leg., ch. 322, Sec. 2, eff. Sept. 1, 2005.

Amended by:

Acts 2015, 84th Leg., R.S., Ch. 315 (H.B. 1000), Sec. 6, eff. September 1, 2015.

Sec. 62.092. DEFINITIONS. In this subchapter:

(1) "Coordinating board" means the Texas Higher Education Coordinating Board.

(2) "Eligible institution" means a general academic teaching institution as defined by Section 61.003, other than:

(A) The University of Texas at Austin or Texas A&M University; or

(B) an institution of higher education described by Section 62.132(2).

(3) "Fund" means the Texas comprehensive research fund.

Added by Acts 2003, 78th Leg., ch. 322, Sec. 2, eff. Sept. 1, 2005.

Amended by:

Acts 2013, 83rd Leg., R.S., Ch. 1268 (H.B. 870), Sec. 2, eff.



June 14, 2013.

Acts 2015, 84th Leg., R.S., Ch. 315 (H.B. 1000), Sec. 7, eff. September 1, 2015.

Sec. 62.093. FUNDING. The Texas comprehensive research fund consists of money appropriated by the legislature to eligible institutions for the purposes of this subchapter.

Added by Acts 2003, 78th Leg., ch. 322, Sec. 2, eff. Sept. 1, 2005.

Amended by:

Acts 2015, 84th Leg., R.S., Ch. 315 (H.B. 1000), Sec. 8, eff. September 1, 2015.

Sec. 62.095. APPROPRIATION OF FUND TO ELIGIBLE INSTITUTIONS. (a) In each state fiscal year, amounts shall be appropriated to eligible institutions based on the average amount of restricted research funds expended by each institution per year for the three preceding state fiscal years.

(b) For purposes of Subsection (a), the amount of restricted research funds expended by an institution in a fiscal year is the amount of those funds as reported to the coordinating board by the institution for that fiscal year, subject to any adjustment by the coordinating board in accordance with the standards and accounting methods the coordinating board prescribes under Section 62.096.

Added by Acts 2003, 78th Leg., ch. 322, Sec. 2, eff. Sept. 1, 2005.

Amended by:

Acts 2015, 84th Leg., R.S., Ch. 315 (H.B. 1000), Sec. 9, eff. September 1, 2015.

Acts 2015, 84th Leg., R.S., Ch. 315 (H.B. 1000), Sec. 10, eff. September 1, 2015.

Sec. 62.096. VERIFICATION. (a) For purposes of this subchapter and Subchapter F-1, the coordinating board shall prescribe standards and accounting methods for determining the amount of restricted research funds expended in a state fiscal year:

(1) under this subchapter by an eligible institution; or

(2) under Subchapter F-1 by an eligible institution, as that term is defined by Section [62.132\(2\)](#).

(b) For purposes of this subchapter and Subchapter F-1, the coordinating board shall convene a committee composed of persons designated by the presidents of eligible institutions to approve the allocations standards and accounting methods established by the coordinating board and to consider appeals authorized by Subsection (e) or Section [62.135\(b\)](#).

(c) Repealed by Acts 2013, 83rd Leg., R.S., Ch. 1155, Sec. 62(9), eff. September 1, 2013.

(d) The coordinating board may audit the appropriate records of an eligible institution to verify information for purposes of this subchapter.

(e) An eligible institution may appeal the coordinating board's decision regarding the institution's verified information relating to the amounts of restricted research expended to the advisory committee for final determination of eligibility.

Added by Acts 2003, 78th Leg., ch. 322, Sec. 2, eff. Sept. 1, 2005.

Amended by:

Acts 2013, 83rd Leg., R.S., Ch. 1155 (S.B. [215](#)), Sec. 62(9), eff. September 1, 2013.

Acts 2015, 84th Leg., R.S., Ch. 315 (H.B. [1000](#)), Sec. 11, eff. September 1, 2015.

Acts 2015, 84th Leg., R.S., Ch. 315 (H.B. [1000](#)), Sec. 12, eff. September 1, 2015.

Sec. 62.097. USE OF APPROPRIATED AMOUNTS. (a) An eligible institution may use money received from the fund only for the support and maintenance of educational and general activities, including research and student services, that promote increased research capacity at the institution.

(b) Money received by an institution from the fund in a fiscal year that is not used by the institution in that fiscal year may be held and used by the institution in subsequent fiscal years.

Added by Acts 2003, 78th Leg., ch. 322, Sec. 2, eff. Sept. 1, 2005.

Amended by:

Acts 2015, 84th Leg., R.S., Ch. 315 (H.B. [1000](#)), Sec. 13, eff.

September 1, 2015.

Sec. 62.098. ANNUAL REPORT. (a) Each eligible institution that receives money under this subchapter in a state fiscal year shall prepare a report at the end of that fiscal year describing the manner in which the institution used the money. The institution shall include in the report information regarding the use of money spent in that fiscal year that was received under this subchapter in a preceding fiscal year.

(b) The institution shall deliver a copy of the report to the coordinating board and the Legislative Budget Board not later than December 1 after the end of the fiscal year. The Legislative Budget Board may establish requirements for the form and content of the report.

(c) The institution shall include in the report information on the use or other disposition of money the institution previously received from the Texas excellence fund or the university research fund, if the institution spent money from either of those funds in the fiscal year of the report.

Added by Acts 2003, 78th Leg., ch. 322, Sec. 2, eff. Sept. 1, 2005.

#### SUBCHAPTER F. TEXAS RESEARCH INCENTIVE PROGRAM (TRIP)

Sec. 62.121. DEFINITIONS. In this subchapter:

(1) "Eligible institution" means an institution of higher education designated as an emerging research university under the coordinating board's accountability system.

(2) "Gift" includes cash, cash equivalents, marketable securities, closely held securities, money market holdings, partnership interests, personal property, real property, minerals, and life insurance proceeds.

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

(4) "Program" means the Texas Research Incentive Program (TRIP) established under this subchapter.

Added by Acts 2009, 81st Leg., R.S., Ch. 287 (H.B. [51](#)), Sec. 12, eff. September 1, 2009.

Sec. 62.122. PROGRAM ADMINISTRATION. The coordinating board shall develop and administer the Texas Research Incentive Program (TRIP) in accordance with this subchapter to provide matching funds to assist eligible institutions in leveraging private gifts for the enhancement of research productivity and faculty recruitment.

Added by Acts 2009, 81st Leg., R.S., Ch. 287 (H.B. 51), Sec. 12, eff. September 1, 2009.

Sec. 62.123. MATCHING GRANTS. (a) An eligible institution that receives gifts or endowments from private sources in a state fiscal year for the purpose of enhancing research activities at the institution, including a gift or endowment for endowed chairs, professorships, facilities, equipment, program costs, graduate stipends or fellowships, or undergraduate research, is entitled to receive, out of funds appropriated for the purposes of the program for that fiscal year, a matching grant in an amount determined according to the following rates:

(1) 50 percent of the amount of the gifts and endowments, if the total amount of gifts and endowments is \$100,000 or more but not more than \$999,999;

(2) 75 percent of the amount of the gifts and endowments, if the total amount of gifts and endowments is \$1 million or more but not more than \$1,999,999; or

(3) 100 percent of the amount of the gifts and endowments, if the total amount of gifts and endowments is \$2 million or more.

(b) An eligible institution is not entitled to matching funds under the program for:

(1) a gift that has been pledged but has not been received by the institution;

(2) a gift for undergraduate scholarships or undergraduate financial aid grants; or

(3) any portion of gifts or endowments received by the institution from a single source in a state fiscal year in excess of \$10 million.

(c) The coordinating board shall establish procedures for the certification by the coordinating board of an eligible institution's receipt of a qualifying gift or endowment. A cash gift or endowment must be certified as of the date the gift or endowment was deposited by the institution in a depository bank or invested by the institution as authorized by law. A non-cash gift must be certified as of the date the gift is converted to cash, and is considered to have been received on that date for purposes of this subchapter.

(d) If the funds appropriated for the program for a state fiscal year are insufficient to provide matching grants in the amounts specified by this section for all qualifying private gifts and endowments received by eligible institutions during that fiscal year, the coordinating board shall provide matching grants for those gifts and endowments in order of their certification date, and shall provide matching grants for any remaining unmatched gifts and endowments in the following fiscal year using funds appropriated to the program for that following year, to the extent funds are available.

(e) Matching grants received by an eligible institution under this section may not be considered as a basis to reduce, directly or indirectly, the amount of money otherwise appropriated to the institution.

Added by Acts 2009, 81st Leg., R.S., Ch. 287 (H.B. 51), Sec. 12, eff. September 1, 2009.

Amended by:

Acts 2015, 84th Leg., R.S., Ch. 370 (S.B. 44), Sec. 1, eff. September 1, 2015.

Sec. 62.124. RULES. The coordinating board shall adopt rules for the administration of this subchapter.

Added by Acts 2009, 81st Leg., R.S., Ch. 287 (H.B. 51), Sec. 12, eff. September 1, 2009.

#### SUBCHAPTER F-1. CORE RESEARCH SUPPORT FUND

Sec. 62.131. PURPOSE. The core research support fund is

established to provide funding to promote increased research capacity at emerging research universities.

Added by Acts 2015, 84th Leg., R.S., Ch. 315 (H.B. 1000), Sec. 14, eff. September 1, 2015.

Sec. 62.132. DEFINITIONS. In this subchapter:

(1) "Coordinating board" means the Texas Higher Education Coordinating Board.

(2) "Eligible institution" means an institution of higher education that is designated as an emerging research university under the coordinating board's accountability system.

(3) "Fund" means the core research support fund.

Added by Acts 2015, 84th Leg., R.S., Ch. 315 (H.B. 1000), Sec. 14, eff. September 1, 2015.

Sec. 62.133. FUNDING. The core research support fund consists of money appropriated by the legislature to eligible institutions for the purposes of this subchapter.

Added by Acts 2015, 84th Leg., R.S., Ch. 315 (H.B. 1000), Sec. 14, eff. September 1, 2015.

Sec. 62.134. APPROPRIATION OF FUND TO ELIGIBLE INSTITUTIONS. In each state fiscal year, amounts shall be appropriated to eligible institutions as follows:

(1) 50 percent based on the average amount of restricted research funds expended by each institution per year for the three preceding state fiscal years, determined in the manner described by Section 62.095(b); and

(2) 50 percent based on the average amount of total research funds expended by each institution per year for the three preceding state fiscal years, determined in the manner described by Section 62.053(b).

Added by Acts 2015, 84th Leg., R.S., Ch. 315 (H.B. 1000), Sec. 14, eff. September 1, 2015.

Sec. 62.135. VERIFICATION. (a) The coordinating board may audit the appropriate records of an eligible institution to verify

information for purposes of this subchapter.

(b) For final determination of eligibility, an eligible institution may appeal to the advisory committee described by Section 62.096 the coordinating board's decision regarding the institution's verified information relating to the amounts of restricted research expended.

Added by Acts 2015, 84th Leg., R.S., Ch. 315 (H.B. 1000), Sec. 14, eff. September 1, 2015.

Sec. 62.136. USE OF APPROPRIATED AMOUNTS. (a) An eligible institution may use money received from the fund only for the support and maintenance of educational and general activities, including research and student services, that promote increased research capacity at the institution.

(b) Money received by an institution from the fund in a fiscal year that is not used by the institution in that fiscal year may be held and used by the institution in subsequent fiscal years. Added by Acts 2015, 84th Leg., R.S., Ch. 315 (H.B. 1000), Sec. 14, eff. September 1, 2015.

Sec. 62.137. ANNUAL REPORT. (a) Each eligible institution that receives money under this subchapter in a state fiscal year shall prepare a report at the end of that fiscal year describing the manner in which the institution used the money. The institution shall include in the report information regarding the use of money spent in that fiscal year that was received under this subchapter in a preceding fiscal year.

(b) The institution shall deliver a copy of the report to the coordinating board and the Legislative Budget Board not later than December 1 after the end of the fiscal year. The Legislative Budget Board may establish requirements for the form and content of the report.

(c) The institution shall include in the report information on the use or other disposition of money the institution previously received from the Texas excellence fund or the university research fund, if the institution spent money from either of those funds in the fiscal year of the report.

Added by Acts 2015, 84th Leg., R.S., Ch. 315 (H.B. 1000), Sec. 14, eff. September 1, 2015.

#### SUBCHAPTER G. NATIONAL RESEARCH UNIVERSITY FUND

Sec. 62.141. PURPOSE. The purpose of this subchapter is to allocate appropriations from the national research university fund to provide a dedicated, independent, and equitable source of funding to enable emerging research universities in this state to achieve national prominence as major research universities.

Added by Acts 2009, 81st Leg., R.S., Ch. 287 (H.B. 51), Sec. 13, eff. September 1, 2009.

Sec. 62.142. DEFINITIONS. In this subchapter:

(1) "Eligible institution" means a general academic teaching institution that is eligible to receive distributions of money under this subchapter.

(2) "Endowment funds" means funds treated as endowment funds under the coordinating board's accountability system.

(3) "Fund" means the national research university fund.

(4) "General academic teaching institution" has the meaning assigned by Section 61.003.

Added by Acts 2009, 81st Leg., R.S., Ch. 287 (H.B. 51), Sec. 13, eff. September 1, 2009.

Sec. 62.143. ADMINISTRATION AND INVESTMENT OF FUND. (a) The national research university fund is a fund outside the state treasury in the custody of the comptroller.

(b) The comptroller shall administer and invest the fund in accordance with Section 20, Article VII, Texas Constitution.

Added by Acts 2009, 81st Leg., R.S., Ch. 287 (H.B. 51), Sec. 13, eff. September 1, 2009.

Sec. 62.144. FUNDING. (a) The fund consists of any amounts appropriated or transferred to the credit of the fund under the Texas Constitution or otherwise appropriated or transferred to the



credit of the fund under this section or another law.

(b) The comptroller shall deposit to the credit of the fund all interest, dividends, and other income earned from investment of the fund.

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

Added by Acts 2009, 81st Leg., R.S., Ch. 287 (H.B. 51), Sec. 13, eff. September 1, 2009.

Sec. 62.145. ELIGIBILITY TO RECEIVE DISTRIBUTIONS FROM FUND. (a) A general academic teaching institution becomes eligible to receive an initial distribution of money appropriated under this subchapter for a state fiscal year if:

(1) the institution is designated as an emerging research university under the coordinating board's accountability system;

(2) in each of the two state fiscal years preceding the state fiscal year for which the appropriation is made, the institution expended at least \$45 million in restricted research funds; and

(3) the institution satisfies at least four of the following criteria:

(A) the value of the institution's endowment funds is at least \$400 million in each of the two state fiscal years preceding the state fiscal year for which the appropriation is made;

(B) the institution awarded at least 200 doctor of philosophy degrees during each of the two academic years preceding the state fiscal year for which the appropriation is made;

(C) the entering freshman class of the institution for each of those two academic years demonstrated high academic achievement, as determined according to standards prescribed by the coordinating board by rule, giving consideration to the future educational needs of the state as articulated in the coordinating board's "Closing the Gaps" report;

(D) the institution is designated as a member of

the Association of Research Libraries or has a Phi Beta Kappa chapter or has received an equivalent recognition of research capabilities and scholarly attainment as determined according to standards prescribed by the coordinating board by rule;

(E) the faculty of the institution for each of those two academic years was of high quality, as determined according to coordinating board standards based on the professional achievement and recognition of the institution's faculty, including the election of faculty members to national academies; and

(F) for each of those two academic years, the institution has demonstrated a commitment to high-quality graduate education, as determined according to standards prescribed by the coordinating board by rule, including standards relating to the number of graduate-level programs at the institution, the institution's admission standards for graduate programs, and the level of institutional support for graduate students.

(b) A general academic teaching institution that becomes eligible to receive a distribution of money under this subchapter remains eligible to receive a distribution in each subsequent state fiscal year.

Added by Acts 2009, 81st Leg., R.S., Ch. 287 (H.B. 51), Sec. 13, eff. September 1, 2009.

Amended by:

Acts 2011, 82nd Leg., R.S., Ch. 1131 (H.B. 1000), Sec. 1, eff. June 17, 2011.

Sec. 62.146. ACCOUNTING STANDARDS; VERIFICATION OF INFORMATION. (a) The coordinating board by rule shall prescribe standard methods of accounting and standard methods of reporting information for the purpose of determining:

(1) the eligibility of institutions under Section 62.145; and

(2) the amount of restricted research funds expended by an eligible institution in a state fiscal year.

(b) As soon as practicable in each state fiscal year, based on information submitted by the institutions to the coordinating

board as required by the coordinating board, the coordinating board shall certify to the comptroller and the legislature verified information relating to the criteria established by Section 62.145 to be used to determine which institutions are eligible for distributions of money from the fund.

(c) Information submitted to the coordinating board by institutions for purposes of establishing eligibility under this subchapter and the coordinating board's certification or verification of that information under this section are subject to a mandatory audit by the state auditor in accordance with Chapter 321, Government Code. The coordinating board may also request one or more audits by the state auditor as necessary or appropriate at any time after an eligible institution begins receiving distributions under this subchapter. Each audit must be based on an examination of all or a representative sample of the restricted research funds awarded to the institution and the institution's expenditures of those funds, and must include, among other elements:

(1) verification of the amount of restricted research funds expended by the institution in the appropriate state fiscal year or years; and

(2) verification of compliance by the institution and the coordinating board with the standard methods of accounting and standard methods of reporting prescribed by the coordinating board under Subsection (a), including verification of:

(A) the institution's compliance with the coordinating board's standards and accounting methods for reporting expenditures of restricted research funds; and

(B) whether the institution's expenditures meet the coordinating board's definition of restricted research expenditures.

(d) From money appropriated from the fund, the comptroller shall reimburse the state auditor for the expenses of any audits conducted under Subsection (c).

Added by Acts 2009, 81st Leg., R.S., Ch. 287 (H.B. 51), Sec. 13, eff. September 1, 2009.

Amended by:

Acts 2011, 82nd Leg., R.S., Ch. 1131 (H.B. 1000), Sec. 2, eff. June 17, 2011.

Sec. 62.147. INELIGIBILITY OF INSTITUTIONS RECEIVING PERMANENT UNIVERSITY FUND SUPPORT AND MAINTENANCE. The University of Texas at Austin and Texas A&M University are ineligible to receive money under this subchapter.

Added by Acts 2009, 81st Leg., R.S., Ch. 287 (H.B. 51), Sec. 13, eff. September 1, 2009.

Sec. 62.148. DISTRIBUTION OF APPROPRIATED FUNDS TO ELIGIBLE INSTITUTIONS. (a) In each state fiscal year, the comptroller shall distribute to eligible institutions in accordance with this section money appropriated from the fund for that fiscal year.

(b) The total amount appropriated from the fund for any state fiscal year may not exceed an amount equal to 4.5 percent of the average net market value of the investment assets of the fund for the 12 consecutive state fiscal quarters ending with the last quarter of the preceding state fiscal year, as determined by the comptroller.

(b-1) Expired.

(c) Subject to Subsection (e), of the total amount appropriated from the fund for distribution in a state fiscal year, each eligible institution is entitled to a distribution in an amount equal to the sum of:

(1) one-seventh of the total amount appropriated; and

(2) an equal share of any amount remaining after distributions are calculated under Subdivision (1), not to exceed an amount equal to one-fourth of that remaining amount.

(d) The comptroller shall retain within the fund any portion of the total amount appropriated from the fund for distribution that remains after all distributions are made for a state fiscal year as prescribed by Subsection (c). The appropriation of that retained amount lapses at the end of that state fiscal year.

(e) If the number of institutions that are eligible for distributions in a state fiscal year is more than four, each

eligible institution is entitled to an equal share of the total amount appropriated from the fund for distribution in that fiscal year.

(f) For purposes of this section, the total amount appropriated from the fund for distribution in a state fiscal year does not include any portion of the amount appropriated that is used to reimburse the costs of an audit conducted under Section 62.146(c).

Added by Acts 2009, 81st Leg., R.S., Ch. 287 (H.B. 51), Sec. 13, eff. September 1, 2009.

Amended by:

Acts 2011, 82nd Leg., R.S., Ch. 1131 (H.B. 1000), Sec. 3, eff. June 17, 2011.

Sec. 62.149. USE OF ALLOCATED AMOUNTS. (a) An eligible institution may use money received under this subchapter only for the support and maintenance of educational and general activities that promote increased research capacity at the institution.

(b) For purposes of Subsection (a), the use of money shall be limited to the following permitted activities:

- (1) providing faculty support and paying faculty salaries;
- (2) purchasing equipment or library materials;
- (3) paying graduate stipends; and
- (4) supporting research performed at the institution, including undergraduate research.

(c) Money received in a fiscal year by an institution under this subchapter that is not used in that fiscal year by the institution may be held and used by the institution in subsequent fiscal years for the purposes prescribed by this section.

Added by Acts 2009, 81st Leg., R.S., Ch. 287 (H.B. 51), Sec. 13, eff. September 1, 2009.

Subchapter H, consisting of Secs. 62.161 to 62.168, was added by Acts 2015, 84th Leg., R.S., Ch. 323 (S.B. 632), Sec. 1, and Ch. 915 (H.B. 26), Sec. 1.01.

For another Subchapter H, consisting of Secs. 62.161 to 62.168,

added by Acts 2015, 84th Leg., R.S., Ch. 448 (H.B. 7), Sec. 11, see  
Sec. 62.161 et seq., post.

SUBCHAPTER H. GOVERNOR'S UNIVERSITY RESEARCH INITIATIVE

Sec. 62.161. DEFINITIONS. In this subchapter:

(1) "Distinguished researcher" means a researcher who  
is:

(A) a Nobel laureate; or

(B) a member of the National Academy of Sciences,  
the National Academy of Engineering, or the National Academy of  
Medicine, formerly known as the Institute of Medicine.

(2) "Eligible institution" means a general academic  
teaching institution or medical and dental unit.

(3) "Fund" means the governor's university research  
initiative fund established under this subchapter.

(4) "General academic teaching institution" has the  
meaning assigned by Section 61.003.

(5) "Medical and dental unit" has the meaning assigned  
by Section 61.003.

(6) "Office" means the Texas Economic Development and  
Tourism Office within the office of the governor.

(7) "Private or independent institution of higher  
education" has the meaning assigned by Section 61.003.

Added by Acts 2015, 84th Leg., R.S., Ch. 323 (S.B. 632), Sec. 1,  
eff. September 1, 2015.

Added by Acts 2015, 84th Leg., R.S., Ch. 915 (H.B. 26), Sec. 1.01,  
eff. September 1, 2015.

Sec. 62.162. ADMINISTRATION OF INITIATIVE. (a) The  
governor's university research initiative is administered by the  
Texas Economic Development and Tourism Office within the office of  
the governor.

(b) The office may adopt any rules the office considers  
necessary to administer this subchapter.

Added by Acts 2015, 84th Leg., R.S., Ch. 323 (S.B. 632), Sec. 1,  
eff. September 1, 2015.

Added by Acts 2015, 84th Leg., R.S., Ch. 915 (H.B. 26), Sec. 1.01,

eff. September 1, 2015.

Sec. 62.163. MATCHING GRANTS TO RECRUIT DISTINGUISHED RESEARCHERS. (a) From the governor's university research initiative fund, the office shall award matching grants to assist eligible institutions in recruiting distinguished researchers.

(b) An eligible institution may apply to the office for a matching grant from the fund. If the office approves a grant application, the office shall award to the applicant institution a grant amount equal to the amount committed by the institution for the recruitment of a distinguished researcher.

(c) A grant application must identify the source and amount of the eligible institution's matching funds and must demonstrate that the proposed use of the grant has the support of the institution's president and of the institution's governing board, the chair of the institution's governing board, or the chancellor of the university system, if the institution is a component of a university system. An applicant eligible institution may commit for matching purposes any funds of the institution available for that purpose other than appropriated general revenue.

(d) A matching grant may not be used by an eligible institution to recruit a distinguished researcher from:

- (1) another eligible institution; or
- (2) a private or independent institution of higher education.

Added by Acts 2015, 84th Leg., R.S., Ch. 323 (S.B. 632), Sec. 1, eff. September 1, 2015.

Added by Acts 2015, 84th Leg., R.S., Ch. 915 (H.B. 26), Sec. 1.01, eff. September 1, 2015.

Sec. 62.164. GRANT AWARD CRITERIA; PRIORITIES. (a) In awarding grants, the office shall give priority to grant proposals that involve the recruitment of distinguished researchers in the fields of science, technology, engineering, mathematics, and medicine. With respect to proposals involving those fields, the office shall give priority to proposals that demonstrate a reasonable likelihood of contributing substantially to this

state's national and global economic competitiveness.

(b) A grant proposal should identify a specific distinguished researcher being recruited.

Added by Acts 2015, 84th Leg., R.S., Ch. 323 (S.B. 632), Sec. 1, eff. September 1, 2015.

Added by Acts 2015, 84th Leg., R.S., Ch. 915 (H.B. 26), Sec. 1.01, eff. September 1, 2015.

Sec. 62.165. GOVERNOR'S UNIVERSITY RESEARCH INITIATIVE FUND. (a) The governor's university research initiative fund is a dedicated account in the general revenue fund.

(b) The fund consists of:

(1) amounts appropriated or otherwise allocated or transferred by law to the fund;

(2) money deposited to the fund under Section 62.166 of this subchapter or under Section 490.101(b-1), Government Code; and

(3) gifts, grants, and other donations received for the fund.

(c) The fund may be used by the office only for the purposes of this subchapter, including for necessary expenses incurred in the administration of the fund and this subchapter.

Added by Acts 2015, 84th Leg., R.S., Ch. 323 (S.B. 632), Sec. 1, eff. September 1, 2015.

Added by Acts 2015, 84th Leg., R.S., Ch. 915 (H.B. 26), Sec. 1.01, eff. September 1, 2015.

Sec. 62.166. WINDING UP OF CONTRACTS AND AWARDS IN CONNECTION WITH TEXAS EMERGING TECHNOLOGY FUND. (a) The governor's university research initiative is the successor to the Texas emerging technology fund. Awards from the Texas emerging technology fund shall be wound up in accordance with this section and Section 490.104, Government Code, and contracts governing awards from that fund shall be wound up in accordance with this section.

(b) If a contract governing an award from the Texas emerging technology fund provides for the distribution of royalties,



revenue, or other financial benefits to the state, including royalties, revenue, or other financial benefits realized from the commercialization of intellectual or real property developed from an award from the fund, those royalties, revenues, or other financial benefits shall continue to be distributed in accordance with the terms of the contract unless the award recipient and the governor agree otherwise. Unless otherwise required by law, royalties, revenue, or other financial benefits accruing to the state under a contract described by this subsection, including any money returned or repaid to the state by an award recipient, shall be credited to the governor's university research initiative fund.

(c) If money awarded from the Texas emerging technology fund is encumbered by a contract executed before September 1, 2015, but has not been distributed before that date, the money shall be distributed from the governor's university research initiative fund in accordance with the terms of the contract, unless the award recipient and the governor agree otherwise.

(d) Except for an obligation regarding the distribution of royalties, revenue, or other financial benefits to the state as provided by Subsection (b), if money awarded from the Texas emerging technology fund under a contract executed before September 1, 2015, has been fully distributed and the entity that received the award has fully performed all specific actions under the terms of the contract governing the award, the entity is considered to have fully satisfied the entity's obligations under the contract. The entity shall file with the office a final report showing the purposes for which the award money has been spent and, if award money remains unspent, the purposes for which the recipient will spend the remaining money.

Added by Acts 2015, 84th Leg., R.S., Ch. 323 (S.B. 632), Sec. 1, eff. September 1, 2015.

Added by Acts 2015, 84th Leg., R.S., Ch. 915 (H.B. 26), Sec. 1.01, eff. September 1, 2015.

Sec. 62.167. CONFIDENTIALITY OF INFORMATION CONCERNING AWARDS FROM TEXAS EMERGING TECHNOLOGY FUND. (a) Except as provided by Subsection (b), information collected under former

provisions of Chapter 490, Government Code, concerning the identity, background, finance, marketing plans, trade secrets, or other commercially or academically sensitive information of an individual or entity that was considered for or received an award from the Texas emerging technology fund is confidential unless the individual or entity consents to disclosure of the information.

(b) The following information collected in connection with the Texas emerging technology fund is public information and may be disclosed under Chapter 552, Government Code:

(1) the name and address of an individual or entity that received an award from that fund;

(2) the amount of funding received by an award recipient;

(3) a brief description of the project funded under former provisions of Chapter 490, Government Code;

(4) if applicable, a brief description of the equity position that the governor, on behalf of the state, has taken in an entity that received an award from that fund; and

(5) any other information with the consent of:

(A) the governor;

(B) the lieutenant governor;

(C) the speaker of the house of representatives;

and

(D) the individual or entity that received an award from that fund, if the information relates to that individual or entity.

Added by Acts 2015, 84th Leg., R.S., Ch. 323 (S.B. 632), Sec. 1, eff. September 1, 2015.

Added by Acts 2015, 84th Leg., R.S., Ch. 915 (H.B. 26), Sec. 1.01, eff. September 1, 2015.

Sec. 62.168. REPORTING REQUIREMENT. (a) Before the beginning of each regular session of the legislature the governor shall submit to the lieutenant governor, the speaker of the house of representatives, and the standing committees of each house of the legislature with primary jurisdiction over economic development and higher education matters and post on the office of the

governor's Internet website a report on matching grants made to eligible institutions from the fund that states:

(1) the total amount of matching funds granted by the office;

(2) the total amount of matching funds granted to each recipient institution;

(3) a brief description of each distinguished researcher recruited by each recipient institution, including any amount of external research funding that followed the distinguished researcher to the institution;

(4) a brief description of the expenditures made from the matching grant funds for each distinguished researcher; and

(5) when available, a brief description of each distinguished researcher's contribution to the state's economic competitiveness, including:

(A) any patents issued to the distinguished researcher after accepting employment by the recipient institution; and

(B) any external research funding, public or private, obtained by the distinguished researcher after accepting employment by the recipient institution.

(a-1) The report may not include information that is made confidential by law.

(b) The governor may require an eligible institution that receives a matching grant under this subchapter to submit, on a form the governor provides, information required to complete the report. Added by Acts 2015, 84th Leg., R.S., Ch. 323 (S.B. 632), Sec. 1, eff. September 1, 2015.

Added by Acts 2015, 84th Leg., R.S., Ch. 915 (H.B. 26), Sec. 1.01, eff. September 1, 2015.

Subchapter H, consisting of Secs. 62.161 to 62.168, was added by Acts 2015, 84th Leg., R.S., Ch. 448 (H.B. 7), Sec. 11.

For another Subchapter H, consisting of Secs. 62.161 to 62.168, added by Acts 2015, 84th Leg., R.S., Ch. 323 (S.B. 632), Sec. 1, and Ch. 915 (H.B. 26), Sec. 1.01, see Sec. 62.161 et seq., post.

SUBCHAPTER H. GOVERNOR'S UNIVERSITY RESEARCH INITIATIVE

Sec. 62.161. DEFINITIONS. In this subchapter:

(1) "Advisory board" means the governor's university research initiative advisory board.

(2) "Distinguished researcher" means a researcher who is:

(A) a Nobel laureate or the recipient of an equivalent honor; or

(B) a member of a national honorific society, such as the National Academy of Sciences, the National Academy of Engineering, or the Institute of Medicine, or an equivalent honorific organization.

(3) "Eligible institution" means a general academic teaching institution or health-related institution.

(4) "Fund" means the governor's university research initiative fund established under this subchapter.

(5) "General academic teaching institution" has the meaning assigned by Section 61.003.

(6) "Governing board" has the meaning assigned by Section 61.003.

(7) "Health-related institution" means a medical and dental unit as defined by Section 61.003 and any other public health science center, public medical school, or public dental school established by statute or in accordance with Chapter 61.

(8) "Office" means the Texas Economic Development and Tourism Office within the office of the governor.

(9) "Private or independent institution of higher education" has the meaning assigned by Section 61.003.

Added by Acts 2015, 84th Leg., R.S., Ch. 448 (H.B. 7), Sec. 11, eff. September 1, 2015.

Sec. 62.162. ADMINISTRATION OF INITIATIVE. (a) The governor's university research initiative is administered by the Texas Economic Development and Tourism Office within the office of the governor.

(b) From the governor's university research initiative fund, the office shall award matching grants to assist eligible

institutions in recruiting distinguished researchers.

(c) The office may adopt any rules the office considers necessary to administer this subchapter.

Added by Acts 2015, 84th Leg., R.S., Ch. 448 (H.B. 7), Sec. 11, eff. September 1, 2015.

Sec. 62.163. MATCHING GRANTS. (a) An eligible institution may apply to the office for a matching grant from the fund. Before approval or disapproval of a grant application, the office shall consider the recommendation of the advisory board regarding the grant proposal. If the office approves a grant application, the office shall award to the applicant institution a grant amount equal to the amount committed by the institution for the recruitment of a distinguished researcher, except as provided by Subsection (c)(2).

(b) A grant application must identify the source and amount of the eligible institution's matching funds and must demonstrate that the proposed use of the grant has the support of the institution's president and of the institution's governing board, the chair of the institution's governing board, or the chancellor of the university system, if the institution is a component of a university system. An applicant eligible institution may commit for matching purposes any funds of the institution available for that purpose other than appropriated general revenue.

(c) The office may set a deadline for grant applications for each state fiscal year. After fully funding approved grant applications received during an application period for a state fiscal year, the office may reopen applications for that year and:

(1) award the full amount of matching funds from the fund for new applications; or

(2) approve previously disapproved applications submitted before the original application deadline for receipt of a reduced grant amount.

(d) A matching grant received by an eligible institution under this subchapter may not be considered as a basis to reduce, directly or indirectly, the amount of money otherwise appropriated to the institution.

(e) A matching grant may not be used by an eligible institution to recruit a distinguished researcher or other employee from:

- (1) another eligible institution; or
- (2) a private or independent institution of higher education.

(f) The office shall require an application and all supporting documentation to be submitted to the office electronically in the manner prescribed by the office.

Added by Acts 2015, 84th Leg., R.S., Ch. 448 (H.B. 7), Sec. 11, eff. September 1, 2015.

Sec. 62.164. GRANT AWARD CRITERIA; PRIORITIES. (a) The office may award grants only to grant proposals that involve the recruitment of distinguished researchers in the fields of science, technology, engineering, mathematics, and medicine. The office shall give priority to proposals that:

- (1) demonstrate a reasonable probability of enhancing Texas' national and global economic competitiveness;
- (2) demonstrate a reasonable probability of creating a nationally or internationally recognized locus of research superiority or a unique locus of research;
- (3) are matched with a significant amount of funding from a federal or private source that may be transferred to the eligible institution;
- (4) are interdisciplinary and collaborative; or
- (5) include a strategic plan for intellectual property development and commercialization of technology.

(b) The office may award a grant to a proposal that:

- (1) supports the recruitment of a distinguished researcher distinguished in, or to be engaged in, basic, translational, or applied research; or
- (2) proposes the recruitment of a distinguished researcher for new research capabilities of the eligible institution or to expand the institution's existing research capabilities.

(c) A grant proposal should identify a specific

distinguished researcher being recruited. In addition to the factors considered in evaluating proposals considered a priority under Subsection (a), the office may consider:

(1) the likelihood that the researcher being recruited will not accept a research position with the applicant eligible institution without the institution's receipt of a matching grant under this subchapter;

(2) the extent to which the subject matter of the researcher's research offers the opportunity for interdisciplinary and collaborative research at the applicant eligible institution and with other eligible institutions; and

(3) any commercialization track record of the researcher being recruited.

Added by Acts 2015, 84th Leg., R.S., Ch. 448 (H.B. 7), Sec. 11, eff. September 1, 2015.

Sec. 62.165. CONFIDENTIALITY. Information collected or obtained by the office or the advisory board concerning the identity of a particular distinguished researcher who is the subject of a grant proposal under this subchapter is confidential unless the researcher and the applicant eligible institution consent to disclosure of the information. The information remains confidential until the date, if any, on which the researcher enters into an employment relationship with the recruiting institution as contemplated in the grant proposal.

Added by Acts 2015, 84th Leg., R.S., Ch. 448 (H.B. 7), Sec. 11, eff. September 1, 2015.

Sec. 62.166. ADVISORY BOARD. (a) The governor's university research initiative advisory board is established to assist the office with the review and evaluation of applications for funding of grant proposals under this subchapter. The advisory board shall make recommendations to the office for approval or disapproval of those applications.

(b) The advisory board must be composed of at least nine members appointed by the governor. Of the members of the board:

(1) one-third of the members, as nearly as possible,

must have a background in finance;

(2) one-third of the members, as nearly as possible, must have an academic background in science, technology, engineering, or mathematics; and

(3) one-third of the members, as nearly as possible, must be public members.

(c) Chapter 2110, Government Code, does not apply to the size, composition, or duration of the advisory board.

(d) A member of the advisory board who is or has been employed by, is or has been a party to a contract for any purpose with, or is a student or former student of an applicant eligible institution may not be involved in the review, evaluation, or recommendation of a grant proposal made by that institution.

(e) An advisory board member is not required to be a resident of this state.

(f) Appointments to the advisory board shall be made without regard to the race, color, disability, sex, religion, age, or national origin of the appointees.

(g) Members of the advisory board serve without compensation but are entitled to reimbursement for actual and necessary expenses in attending meetings of the board or performing other official duties authorized by the office.

Added by Acts 2015, 84th Leg., R.S., Ch. 448 (H.B. 7), Sec. 11, eff. September 1, 2015.

Sec. 62.167. TIMELY ACTION ON APPLICATIONS. (a) The advisory board shall meet in person or by teleconference to consider grant applications under this subchapter and shall strive to present to the office the board's recommendation for approval or disapproval of an application not later than the 14th day after the date the board receives the application.

(b) The office shall make a final decision regarding approval of a grant application not later than the 14th day after the date the office receives the advisory board's recommendation.

Added by Acts 2015, 84th Leg., R.S., Ch. 448 (H.B. 7), Sec. 11, eff. September 1, 2015.



Sec. 62.168. GOVERNOR'S UNIVERSITY RESEARCH INITIATIVE FUND. (a) The governor's university research initiative fund is a dedicated account in the general revenue fund.

(b) The fund consists of:

(1) amounts appropriated or otherwise allocated or transferred by law to the fund; and

(2) gifts, grants, and other donations received for the fund.

(c) Sections 403.095 and 404.071, Government Code, do not apply to the fund.

(d) The fund may be used by the office only for the purposes of this subchapter, including for necessary expenses incurred in the administration of the fund and this subchapter.

Added by Acts 2015, 84th Leg., R.S., Ch. 448 (H.B. 7), Sec. 11, eff. September 1, 2015.