

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, G, and I, "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.

Acts 2021, 87th Leg., R.S., Ch. 186 (S.B. 1295), Sec. 1, eff. September 1, 2021.

SUBCHAPTER B. AMOUNTS ALLOCATED BY EQUITABLE ALLOCATION FORMULA

Sec. 62.021. ALLOCATIONS.

(a) In each state fiscal year beginning with the state fiscal year ending August 31, 2021, 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) to the following component institutions of the University of North Texas System:

(A) \$38,473,304 to the University of North Texas;

(B) \$15,581,837 to the University of North Texas Health Science Center at Fort Worth; and

(C) \$3,455,644 to the University of North Texas at Dallas;

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

(A) \$13,537,649 to Lamar University;

(B) \$2,630,158 to the Lamar Institute of Technology;

(C) \$1,533,301 to Lamar State College--Orange;

(D) \$2,283,992 to Lamar State College--Port Arthur;

(E) \$18,787,013 to Sam Houston State University;

(F) \$38,741,061 to Texas State University;

(G) \$2,216,640 to Sul Ross State University; and

(H) \$487,157 to Sul Ross State University--Rio Grande College;

(3) \$12,072,906 to Texas Southern University;

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

(A) \$51,379,461 to Texas Tech University;

(B) \$22,305,642 to Texas Tech University Health Sciences Center;

(C) \$6,997,943 to Angelo State University;

(D) \$5,725,243 to Texas Tech University Health Sciences Center--El Paso; and

(E) \$5,082,034 to Midwestern State University;

(5) \$14,993,229 to the component institutions of the Texas Woman's University System, allocated as determined by the board of regents of the system;

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

(A) \$56,158,685 to the University of Houston;

(B) \$3,649,703 to the University of Houston--Victoria;

(C) \$7,959,137 to the University of Houston--Clear Lake; and

(D) \$11,155,034 to the University of Houston--Downtown;

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

(A) \$11,825,139 to Texas A&M University--Corpus Christi;

(B) \$7,687,534 to Texas A&M International University;

(C) \$9,125,307 to Texas A&M University--Kingsville;

(D) \$7,671,155 to West Texas A&M University;

(E) \$11,459,464 to Texas A&M University--Commerce; and

(F) \$2,112,129 to Texas A&M University--Texarkana; and

(8) \$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;

(D) Texas State Technical College--Waco;

(E) Texas State Technical College--Fort Bend;
and

(F) Texas State Technical College--North Texas.

(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 Section 17, Article VII, Texas Constitution, including to purchase or contract for cloud computing services or other intangible assets with an expected useful life or for a contract period of more than one year.

(c) Each governing board participating in the distribution of funds as described in this section may issue bonds and notes as authorized in Section 17, Article VII, Texas Constitution.

(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) Repealed by Acts 2019, 86th Leg., R.S., Ch. 970 (S.B. 709), Sec. 2, eff. August 31, 2019.

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.

Acts 2019, 86th Leg., R.S., Ch. 970 (S.B. [709](#)), Sec. 1, eff.
August 31, 2019.

Acts 2019, 86th Leg., R.S., Ch. 970 (S.B. [709](#)), Sec. 2, eff.
August 31, 2019.

Acts 2021, 87th Leg., R.S., Ch. 145 (S.B. [1126](#)), Sec. 31, eff.
May 26, 2021.

Acts 2021, 87th Leg., R.S., Ch. 417 (H.B. [1522](#)), Sec. 13, eff.
September 1, 2021.

Acts 2023, 88th Leg., R.S., Ch. 6 (S.B. [1055](#)), Sec. 5, eff.
September 1, 2023.

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	1.0
Student			
Noncritical	Field/At-Risk		2.0
Student			
Critical	Field/Not	At-Risk	2.0
Student			
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) or 62.145.

(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.

Acts 2023, 88th Leg., R.S., Ch. 1004 (H.B. 1595), Sec. 2, eff. January 1, 2024.

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. In each state fiscal year, amounts shall be appropriated to eligible institutions in the same manner that research performance funding is appropriated to institutions eligible to receive funding from the Texas University Fund under Section 62.1482(a).

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.

Acts 2023, 88th Leg., R.S., Ch. 1004 (H.B. 1595), Sec. 3, eff. January 1, 2024.

Sec. 62.096. VERIFICATION. (a) Repealed by Acts 2023, 88th Leg., R.S., Ch. 1004 (H.B. 1595), Sec. 20(1), eff. January 1, 2024.

(1) Expired.

(2) Expired.

(b) Repealed by Acts 2023, 88th Leg., R.S., Ch. 1004 (H.B. 1595), Sec. 20(1), eff. January 1, 2024.

(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) Repealed by Acts 2023, 88th Leg., R.S., Ch. 1004 (H.B. 1595), Sec. 20(1), eff. January 1, 2024.

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.

Acts 2023, 88th Leg., R.S., Ch. 1004 (H.B. 1595), Sec. 20, eff. January 1, 2024.

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. NATIONAL RESEARCH SUPPORT FUND

Sec. 62.131. PURPOSE. The national research support fund is established to provide funding to promote increased research capacity at certain institutions of higher education eligible to participate in the available university fund.

Amended by:

Acts 2023, 88th Leg., R.S., Ch. 1004 (H.B. 1595), Sec. 5, eff. January 1, 2024.

Sec. 62.132. DEFINITIONS. In this subchapter:

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

(2) "Eligible institution" means a general academic teaching institution that:

(A) is entitled to participate in the funding provided by Section 18, Article VII, Texas Constitution;

(B) spent on average at least the following amount in federal and private research funds per state fiscal year during the preceding three state fiscal years:

(i) for the state fiscal year beginning September 1, 2023, \$20 million; or

(ii) for a state fiscal year beginning on or after September 1, 2024, the amount determined under this paragraph for the preceding state fiscal year adjusted by the increase, if any, in the general price level during the preceding state fiscal year, as determined by the coordinating board on the basis of changes in the consumer price index published by the Bureau of Labor

Statistics of the United States Department of Labor or a successor agency; and

(C) awarded on average at least 45 research doctoral degrees per academic year during the preceding three academic years.

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

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

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

Amended by:

Acts 2023, 88th Leg., R.S., Ch. 1004 (H.B. [1595](#)), Sec. 6, eff. January 1, 2024.

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

Amended by:

Acts 2023, 88th Leg., R.S., Ch. 1004 (H.B. [1595](#)), Sec. 7, eff. January 1, 2024.

Sec. 62.1335. 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 the institution:

(1) is entitled to participate in the funding provided by Section [18](#), Article VII, Texas Constitution;

(2) spent on average at least \$20 million in federal and private research funds per state fiscal year during the preceding three state fiscal years; and

(3) awarded on average at least 45 research doctoral degrees per academic year during the preceding three academic years.

(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 2023, 88th Leg., R.S., Ch. 1004 (H.B. 1595), Sec. 8, eff. January 1, 2024.

Sec. 62.134. APPROPRIATION OF FUND TO ELIGIBLE INSTITUTIONS. In each state fiscal year, amounts shall be appropriated to eligible institutions in the same manner that research performance funding is appropriated to institutions eligible to receive funding from the Texas University Fund under Section 62.1482.

Amended by:

Acts 2023, 88th Leg., R.S., Ch. 1004 (H.B. 1595), Sec. 9, eff. January 1, 2024.

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) Repealed by Acts 2023, 88th Leg., R.S., Ch. 1004 (H.B. 1595), Sec. 20(2), eff. January 1, 2024.

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

Amended by:

Acts 2023, 88th Leg., R.S., Ch. 1004 (H.B. 1595), Sec. 20(2), eff. January 1, 2024.

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. TEXAS UNIVERSITY FUND

Sec. 62.141. PURPOSE. The purpose of this subchapter is to allocate appropriations from the Texas University Fund to provide a dedicated, independent, and equitable source of funding to enable certain general academic teaching institutions to achieve national prominence as major research universities and drive the state economy.

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

Amended by:

Acts 2023, 88th Leg., R.S., Ch. 1004 (H.B. 1595), Sec. 11, eff. January 1, 2024.

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) Repealed by Acts 2023, 88th Leg., R.S., Ch. 1004

(H.B. 1595), Sec. 20(3), eff. January 1, 2024.

(3) "Fund" means the Texas University Fund.

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

(5) "Trust company" means the Texas Treasury Safekeeping Trust Company.

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

Amended by:

Acts 2023, 88th Leg., R.S., Ch. 1004 (H.B. 1595), Sec. 12, eff. January 1, 2024.

Acts 2023, 88th Leg., R.S., Ch. 1004 (H.B. 1595), Sec. 20, eff. January 1, 2024.

Sec. 62.143. ADMINISTRATION AND INVESTMENT OF FUND.

(a) The Texas University Fund is a fund outside the state treasury held by the comptroller and administered by the trust company.

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

(c) The trust company shall determine the amount available for distribution from the fund in accordance with a distribution policy adopted by the comptroller that is designed to:

(1) preserve the purchasing power of the fund's assets over an economic cycle, subject to the liquidity needs of the fund; and

(2) provide as nearly as practicable a stable and predictable stream of annual distributions.

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

Amended by:

Acts 2023, 88th Leg., R.S., Ch. 1004 (H.B. 1595), Sec. 13, eff. January 1, 2024.

Sec. 62.144. FUNDING. (a) The fund consists of:

(1) money appropriated or transferred to the credit of the fund;

(2) gifts and grants contributed to the fund; and

(3) the interest and other earnings attributable to the investment of money in the fund.

(b) The comptroller may solicit and 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.

Amended by:

Acts 2023, 88th Leg., R.S., Ch. 1004 (H.B. 1595), Sec. 14, eff. January 1, 2024.

Sec. 62.145. ELIGIBILITY TO RECEIVE DISTRIBUTIONS FROM FUND. (a) The following general academic teaching institutions are eligible to receive distributions under this subchapter for each state fiscal year:

- (1) Texas State University;
- (2) Texas Tech University;
- (3) the University of Houston; and
- (4) the University of North Texas.

(b) A general academic teaching institution not listed in Subsection (a) becomes eligible to receive an initial distribution of money appropriated under this subchapter for a state fiscal year if:

(1) the institution:
(A) is not entitled to participate in the funding provided by Section 18, Article VII, Texas Constitution;

(B) spent on average at least the following amount in federal and private research funds per state fiscal year during the preceding three state fiscal years:

(i) for the state fiscal year beginning September 1, 2023, \$20 million; or

(ii) for a state fiscal year beginning on or after September 1, 2024, the amount determined under this paragraph for the preceding state fiscal year adjusted by the increase, if any, in the general price level during the preceding state fiscal year, as determined by the coordinating board on the basis of changes in the consumer price index published by the Bureau of Labor Statistics of the United States Department of Labor or a successor

agency; and

(C) awarded on average at least 45 research doctoral degrees per academic year during the preceding three academic years; and

(2) the legislature appropriates money to the fund in an amount that is sufficient to ensure as nearly as practicable a stable and predictable stream of annual distributions from the fund to each eligible institution and may not be less than the difference between:

(A) the quotient of:

(i) the market value of the fund on September 1 of the state fiscal year in which the institution would receive the initial distribution; and

(ii) the difference between one and the institution's percentage share of the fund for the state fiscal year in which the institution would receive the initial distribution, as determined by coordinating board rule; and

(B) the market value of the fund on September 1 of the state fiscal year in which the institution would receive the initial distribution.

(c) 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.

Acts 2023, 88th Leg., R.S., Ch. 1004 (H.B. 1595), Sec. 15, eff. January 1, 2024.

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 subchapter 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 7.0 percent of the average net market value of the investment assets of the fund, as determined by the comptroller, for a period set by comptroller policy.

(c) The amount appropriated from the fund for distribution in a state fiscal year must be allocated as follows:

(1) 75 percent to the permanent endowment for education and research base funding under Section 62.1481; and

(2) 25 percent to the research performance funding under Section 62.1482.

(d) Repealed by Acts 2023, 88th Leg., R.S., Ch. 1004 (H.B. 1595), Sec. 20(5), eff. January 1, 2024.

(e) Repealed by Acts 2023, 88th Leg., R.S., Ch. 1004 (H.B. 1595), Sec. 20(5), eff. January 1, 2024.

(f) Repealed by Acts 2023, 88th Leg., R.S., Ch. 1004 (H.B. 1595), Sec. 20(5), eff. January 1, 2024.

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.

Acts 2023, 88th Leg., R.S., Ch. 1004 (H.B. 1595), Sec. 16, eff. January 1, 2024.

Acts 2023, 88th Leg., R.S., Ch. 1004 (H.B. 1595), Sec. 20, eff. January 1, 2024.

Sec. 62.1481. PERMANENT ENDOWMENT FOR EDUCATION AND RESEARCH BASE FUNDING. (a) For each state fiscal year, an eligible institution is entitled to a distribution of a portion of the total amount allocated for the permanent endowment for education and research base funding under Section 62.148(c)(1) for that fiscal year. The portion to which an eligible institution is entitled is a fraction computed as follows:

(1) subject to Subsection (c), for an institution that spent at least the amount determined under Subsection (b) in federal and private research funds in each of the preceding two state fiscal years, an amount computed by dividing two by the sum

of:

(A) the number of institutions entitled to receive a distribution under this subdivision multiplied by two; and

(B) the number of institutions to which Subdivision (2) applies; or

(2) for an institution not described by Subdivision (1), half the amount to which an institution to which Subdivision (1) applies is entitled.

(b) For purposes of Subsection (a)(1), the minimum amount in federal and private research funds required to be spent in each of the preceding two state fiscal years is:

(1) for the state fiscal year beginning September 1, 2023, \$45 million; or

(2) for a state fiscal year beginning on or after September 1, 2024, the amount determined under this subsection for the preceding state fiscal year adjusted by the increase, if any, in the general price level during the preceding state fiscal year, as determined by the coordinating board on the basis of changes in the consumer price index published by the Bureau of Labor Statistics of the United States Department of Labor or a successor agency.

(c) An eligible institution is entitled to receive a distribution under Subsection (a)(1) only if:

(1) in each of the state fiscal years beginning September 1, 2020, and September 1, 2021, the institution spent at least the amount in federal and private research funds described by that subdivision; or

(2) the legislature appropriates money to the fund in an amount required by Section [62.145\(b\)\(2\)](#).

(d) An eligible institution that becomes eligible to receive a distribution under Subsection (a)(1) remains eligible to receive a distribution under that subdivision in each subsequent state fiscal year.

Added by Acts 2023, 88th Leg., R.S., Ch. 1004 (H.B. [1595](#)), Sec. 17, eff. January 1, 2024.

Sec. 62.1482. RESEARCH PERFORMANCE FUNDING. (a) From 85

percent of the amount allocated for research performance funding under Section [62.148\(c\)\(2\)](#) for a state fiscal year, an eligible institution is entitled to a distribution for that fiscal year in an amount proportionate to the average amount of federal and private research funds the institution spends per state fiscal year during the preceding three state fiscal years as compared to the average amount of those funds all eligible institutions spend per state fiscal year during that period.

(b) From 15 percent of the amount allocated for research performance funding under Section [62.148\(c\)\(2\)](#) for a state fiscal year, an eligible institution is entitled to a distribution for that fiscal year in an amount proportionate to the average number of research doctoral degrees the institution awards per academic year during the preceding three academic years as compared to the average number of those degrees all eligible institutions award per academic year during that period.

(c) The coordinating board by rule shall establish a method for determining the amounts to which each eligible institution is entitled under this section.

Added by Acts 2023, 88th Leg., R.S., Ch. 1004 (H.B. [1595](#)), Sec. 17, eff. January 1, 2024.

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 in a manner that aligns with the goals of the state's master plan for higher education developed under Section [61.051](#).

(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;
- (4) supporting research performed at the institution, including undergraduate research;
- (5) increasing technology transfer,

commercialization, and patent development; and

(6) increasing the number of research doctoral graduates in this state.

(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.

Amended by:

Acts 2023, 88th Leg., R.S., Ch. 1004 (H.B. 1595), Sec. 18, eff. January 1, 2024.

Sec. 62.150. INSTITUTIONAL ENDOWMENT REPORTING. (a) In this section, "institutional endowment fund" means a fund established to support a general academic teaching institution's mission in perpetuity.

(b) For purposes of reporting the amount of an institution's institutional endowment funds, each eligible institution may include as a true endowment, in accordance with coordinating board rule, the institution's share of the market value of the fund corresponding to the share of the permanent endowment for education and research base funding to which the institution is entitled for a state fiscal year as provided by Section 62.1481.

Added by Acts 2023, 88th Leg., R.S., Ch. 1004 (H.B. 1595), Sec. 19, eff. January 1, 2024.

Sec. 62.151. DETERMINATION AND REPORT OF AMOUNT OF DISTRIBUTIONS. For each state fiscal biennium, the Legislative Budget Board, in consultation with the coordinating board, shall:

(1) determine the amount of each distribution from the fund to which each eligible institution is entitled as provided by this subchapter; and

(2) report the determinations made under Subdivision (1) to the legislature and the comptroller.

Added by Acts 2023, 88th Leg., R.S., Ch. 1004 (H.B. 1595), Sec. 19, eff. January 1, 2024.

Sec. 62.152. RULES. The coordinating board may adopt rules as necessary to implement this subchapter.
Added by Acts 2023, 88th Leg., R.S., Ch. 1004 (H.B. 1595), Sec. 19, eff. January 1, 2024.

SUBCHAPTER H. GOVERNOR'S UNIVERSITY RESEARCH INITIATIVE

Sec. 62.161. DEFINITIONS. In this subchapter:

(1) "Distinguished researcher" means:

(A) an individual researcher who:

(i) is a Nobel laureate;

(ii) is 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; or

(iii) has attained a highly prestigious national academic recognition, as defined by office rule; or

(B) a group of researchers who have attained the recognition described by Paragraph (A)(iii), as defined by office rule.

(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.

Amended by:

Acts 2021, 87th Leg., R.S., Ch. 402 (S.B. 1525), Sec. 1, eff. June 7, 2021.

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 in consultation with the commissioner of higher education may adopt any rules the office considers necessary to administer this subchapter. The commissioner shall recommend to the office the types of national academic recognitions that are considered to be highly prestigious for purposes of determining which individuals or groups qualify as a "distinguished researcher" under Section 62.161.

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.

Amended by:

Acts 2021, 87th Leg., R.S., Ch. 402 (S.B. 1525), Sec. 2, eff. June 7, 2021.

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.

Sec. 62.169. 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 2021, 87th Leg., R.S., Ch. 402 (S.B. 1525), Sec. 3, eff. June 7, 2021.

SUBCHAPTER I. COMPREHENSIVE REGIONAL UNIVERSITY FUNDING

Sec. 62.181. DEFINITIONS. In this subchapter:

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

(A) whose score on the SAT or ACT assessment test is less than the national mean score of students' scores on that test; or

(B) who has previously received a grant under the federal Pell Grant program.

(2) "Eligible institution" means an institution of higher education designated as a comprehensive university, doctoral university, or master's university under the coordinating board's accountability system.

Added by Acts 2021, 87th Leg., R.S., Ch. 186 (S.B. 1295), Sec. 2, eff. September 1, 2021.

Sec. 62.182. PURPOSE. The purpose of this subchapter is to provide funding to each eligible institution to support the institution in serving at-risk students, helping meet the state's workforce needs, and enhancing the institution's regional economy.

Added by Acts 2021, 87th Leg., R.S., Ch. 186 (S.B. 1295), Sec. 2, eff. September 1, 2021.

Sec. 62.183. FUNDING. (a) Subject to Subsection (b), for

each state fiscal biennium, an eligible institution is entitled to receive an amount equal to the sum of:

(1) a base amount of \$500,000 or a greater base amount provided by appropriation; and

(2) the product of \$1,000 or a greater amount provided by appropriation and the average number of at-risk students awarded a degree by the institution each year during the three state fiscal years preceding the biennium.

(b) An alternative method of allocating funding under this section may be provided by appropriation.

Added by Acts 2021, 87th Leg., R.S., Ch. 186 (S.B. [1295](#)), Sec. 2, eff. September 1, 2021.