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.


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.


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.


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 each state fiscal year beginning with the state fiscal year ending August 31, 2011, 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) $3,559,433 to Midwestern State University;
(2) $27,846,476 to the University of North Texas;
(3) $8,771,265 to the University of North Texas Health Science Center at Fort Worth;
(4) $12,311,123 to The University of Texas--Pan American;
(5) $5,057,420 to The University of Texas at Brownsville;
(6) $8,425,937 to Stephen F. Austin State University;
(7) to the following component institutions of the Texas State University System:
   (A) $8,330,933 to Lamar University;
   (B) $2,332,463 to the Lamar Institute of Technology;
   (C) $1,235,752 to Lamar State College--Orange;
   (D) $1,244,694 to Lamar State College--Port Arthur;
   (E) $11,893,110 to Sam Houston State University;
   (F) $21,863,258 to Texas State University;
   (G) $1,625,061 to Sul Ross State University; and
   (H) $445,380 to Sul Ross State University-Rio Grande College;
(8) $8,894,700 to Texas Southern University;
(9) to the following component institutions of the Texas Tech University System:
   (A) $23,936,088 to Texas Tech University;
   (B) $16,973,569 to Texas Tech University Health Sciences Center; and
   (C) $3,743,027 to Angelo State University;
(10) $10,169,695 to Texas Woman's University;
(11) to the following component institutions of the University of Houston System:
   (A) $35,885,768 to the University of Houston;
   (B) $2,393,921 to the University of Houston--Victoria;
   (C) $5,214,167 to the University of Houston--Clear Lake; and
   (D) $7,435,238 to the University of Houston--Downtown;
(12) to the following component institutions of The Texas A&M University System:
   (A) $7,139,067 to Texas A&M University--Corpus Christi;
   (B) $3,796,436 to Texas A&M International University;
   (C) $5,046,885 to Texas A&M University--Kingsville;
   (D) $4,652,995 to West Texas A&M University;
   (E) $5,193,232 to Texas A&M University--Commerce; and
   (F) $1,307,907 to Texas A&M University--Texarkana; and
(13) $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.

(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, the University of North Texas at Dallas is entitled to
participate in the funding provided by Section 17, Article VII, Texas Constitution, as soon as the University of North Texas at Dallas operates as a general academic teaching institution.

(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.

(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.


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.

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.


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.


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, 2008, the amount of the annual constitutional appropriation under that subsection is increased to $262.5 million.
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 79th Legislature, Regular Session, 2005, 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, 2008, constitutes the increase in accordance with Section 17(a) that the legislature considers appropriate for the five-year period beginning September 1, 2005.

SUBCHAPTER C. TEXAS COMPETITIVE KNOWLEDGE FUND

Sec. 62.051. DEFINITIONS. In this subchapter:

(1) "Eligible institution" means an institution of higher education that:

(A) is designated as a research university under the coordinating board's accountability system and, for any three