



# **National Research University Fund Eligibility**

A Report to the Comptroller  
and the Texas Legislature

**Academic Quality and Workforce**

**March 2015**



## Texas Higher Education Coordinating Board

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## Mission, Vision, Philosophy, and Core Values

### Agency Mission

The Texas Higher Education Coordinating Board promotes access, affordability, quality, success, and cost efficiency in the state's institutions of higher education, through *Closing the Gaps* and its successor plan, resulting in a globally competent workforce that positions Texas as an international leader in an increasingly complex world economy.

### Agency Vision

The THECB will be recognized as an international leader in developing and implementing innovative higher education policy to accomplish our mission.

### Agency Philosophy

The THECB will promote access to and success in quality higher education across the state with the conviction that access and success without quality is mediocrity and that quality without access and success is unacceptable.

### The Coordinating Board's core values are:

**Accountability:** We hold ourselves responsible for our actions and welcome every opportunity to educate stakeholders about our policies, decisions, and aspirations.

**Efficiency:** We accomplish our work using resources in the most effective manner.

**Collaboration:** We develop partnerships that result in student success and a highly qualified, globally competent workforce.

**Excellence:** We strive for preeminence in all our endeavors.

The Texas Higher Education Coordinating Board does not discriminate on the basis of race, color, national origin, gender, religion, age or disability in employment or the provision of services.

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## Executive Summary

In 2009, the 81st Texas Legislature, Regular Session, passed HB 51, codified as Texas Education Code (TEC) Subchapter G. National Research University Fund (NRUF). In 2011, the 82nd Texas Legislature, Regular Session, passed HB 1000, which amended NRUF, TEC 62.146(b). The amendment requires the Texas Higher Education Coordinating Board (THECB) annually to verify and certify information about the criteria used for determining the eligibility of higher education institutions to receive monetary distributions from the National Research University Fund (NRUF). Reports on institutional eligibility are due to the Comptroller and Legislature as soon as practicable in each state fiscal year.

At its October 2011 meeting, the THECB adopted rules, Texas Administration Code Title 19, Part 1, Subchapter C, that further specified the NRUF eligibility criteria as authorized by TEC 62.145.

This report provides an update to the Comptroller and the Legislature on the progress each institution is making on all criteria and identifies which institutions have met the minimum requirements to become eligible to receive distributions from the NRUF. The information is summarized below:

- Eight universities are designated as emerging research universities in the THECB's Accountability System: Texas State University, Texas Tech University, The University of Texas at Arlington, The University of Texas at Dallas, The University of Texas at El Paso, The University of Texas at San Antonio, University of Houston, and University of North Texas.
- Texas Tech University and University of Houston data are not included in the report; both institutions met eligibility in fiscal year 2012 and began to receive distributions from NRUF.
- For fiscal years 2013 and 2014, none of the remaining emerging research institutions reported restricted research expenditures at or above the statutory threshold of \$45 million, a mandatory requirement to receive distributions from NRUF.

## I. Introduction

In 2009, the 81st Texas Legislature, Regular Session, passed HB 51, codified as Texas Education Code (TEC) Subchapter G. National Research University Fund (NRUF), Sections 62.141 to 62.149 (Appendix A). In 2011, the 82nd Texas Legislature, Regular Session, passed HB 1000, which amended TEC 62.146(b). The amendment requires the THECB annually to verify and certify information about criteria used for determining the eligibility of higher education institutions to receive monetary distributions from NRUF. Reports on institutional eligibility are due to the Comptroller and Legislature as soon as practicable in each state fiscal year.

At its October 2011 meeting, the Coordinating Board adopted rules, Texas Administration Code Title 19, Part 1, Subchapter C, rules 15.40 to 15.44 (Appendix B). The rules further specify the NRUF eligibility criteria as authorized by TEC 62.145.

This report provides an update to the Comptroller and the Legislature on the progress each institution is making on all criteria and identifies which institutions have met the minimum number of criteria to become eligible for distributions from the NRUF. The report includes data from fiscal years 2013 and 2014. Eligibility criteria require data for the two fiscal years preceding the state fiscal year for which the appropriation is made: fiscal year 2015. The next report, due in fiscal year 2015, will include data from fiscal years 2014 and 2015.

The NRUF statute created two categories of eligibility criteria: mandatory and optional. The mandatory criteria include designation as an “emerging research university” in the Coordinating Board’s Accountability System and at least \$45 million in restricted research expenditures in each of the two state fiscal years preceding the state fiscal year for which the appropriation is made. The optional category allows institutions flexibility in meeting the criteria: an institution must meet four of the six statutory established criteria.

Eight universities are designated as emerging research universities in the Coordinating Board’s accountability system: Texas State University (TxStU), Texas Tech University (TTU), The University of Texas at Arlington (UT-A), The University of Texas at Dallas (UT-Dallas), The University of Texas at El Paso (UT-EL Paso), The University of Texas at San Antonio (UT-San Antonio), University of Houston (UH), and University of North Texas (UNT).

In the 2012 NRUF Report, the THECB reported that Texas Tech University and University of Houston met eligibility. Both institutions received distributions from NRUF after the mandatory audit, in accordance with TEC 62.146(c), was conducted and completed by the state auditor.

Based on the data from the remaining six emerging research institutions, none meet the necessary eligibility requirements to receive distributions from NRUF. For fiscal years 2013 and 2014, none of the universities reported restricted research expenditures at or above the statutory threshold of \$45 million, a mandatory requirement to receive distributions from NRUF. Institutional performance varied on the six measures specified in the optional category.

Section II of the report provides an overview of the eligibility criteria and discusses the universities that meet the criteria. Sections III through X present specific data related to each eligibility criterion.

## II. Overview of Eligibility

The tables below present the eligibility criteria each institution met during the reporting period (indicated by a ✓). An emerging research university must meet the threshold for restricted research expenditures and four of the six criteria identified in Texas Administrative Code rules 15.43(b)(3)(A) to 15.43(b)(3)(F) (Appendix B). The following pages provide the definition of each criteria and the current status of each university towards achieving that criteria.

Table 1.  
*Mandatory and Optional Criteria*

### Mandatory Criteria

	TxStU	UTA	UTD	UTEP	UTSA	UNT
<b>(1)</b> Emerging Research University	✓	✓	✓	✓	✓	✓
<b>(2)</b> Restricted Research Expenditures	—	—	—	—	—	—

### Optional Criteria

	TxStU	UTA	UTD	UTEP	UTSA	UNT
<b>(A)</b> Endowment Funds	—	—	—	—	—	—
<b>(B)</b> Number of Doctor of Philosophy (Ph.D.) Degrees Awarded	—	—	—	—	—	—
<b>(C)</b> Freshman Class of High Academic Achievement	—	✓	✓	—	✓	✓
<b>(D)</b> Institutional Recognition of Research Capabilities and Scholarly Attainment	✓	✓	✓	✓	✓	✓
<b>(E)</b> High-Quality Faculty	—	—	✓	—	—	—
<b>(F)</b> High-Quality Graduate Education	—	—	—	—	—	—

### III. Emerging Research Universities

Coordinating Board Rule 15.43(b)(1): The institution is designated as an emerging research university under the coordinating board's accountability system.

Eight public universities are classified as “emerging research universities” under the Coordinating Board’s Accountability System<sup>1</sup>:

- Texas State University
- Texas Tech University
- The University of Texas at Arlington
- The University of Texas at Dallas
- The University of Texas at El Paso
- The University of Texas at San Antonio
- University of Houston
- University of North Texas

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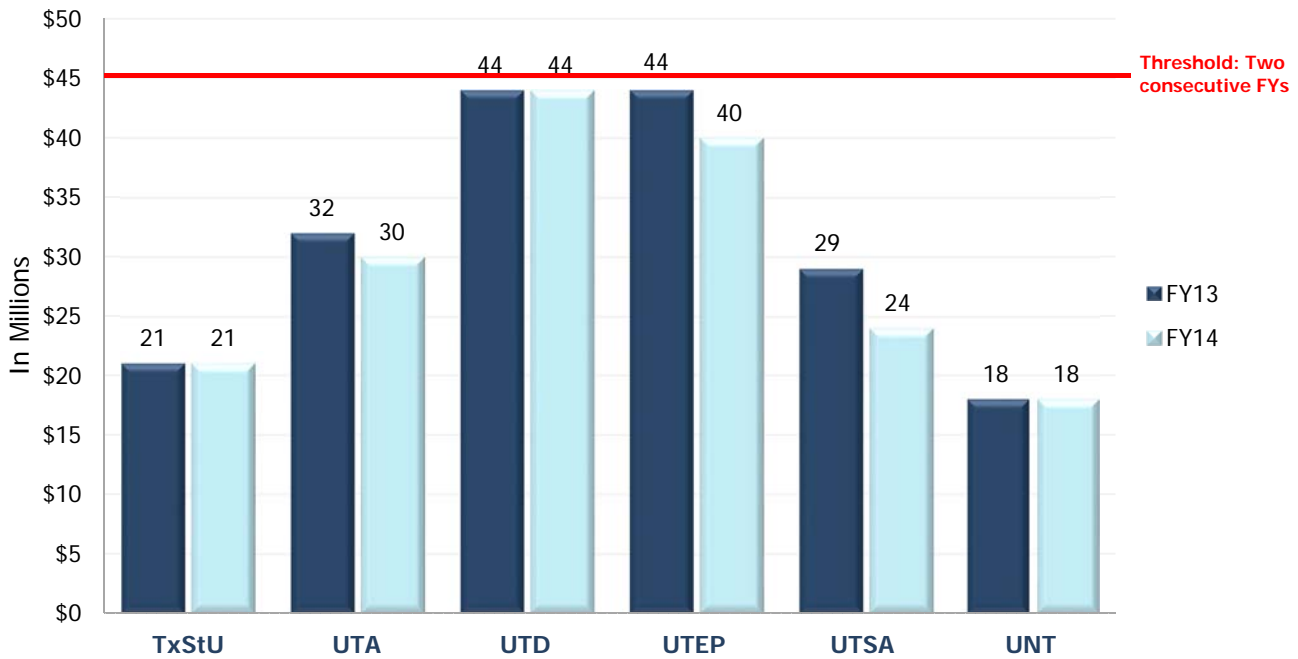
<sup>1</sup> As of June 2012, Texas Tech University and University of Houston met eligibility criteria and began to receive distributions from NRUF following the mandatory audit conducted by the state auditor; thus, this report does not include Texas Tech University and University of Houston data.



## IV. Restricted Research Expenditures

15.43(b)(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.

**Figure 1. Restricted Research Expenditures**

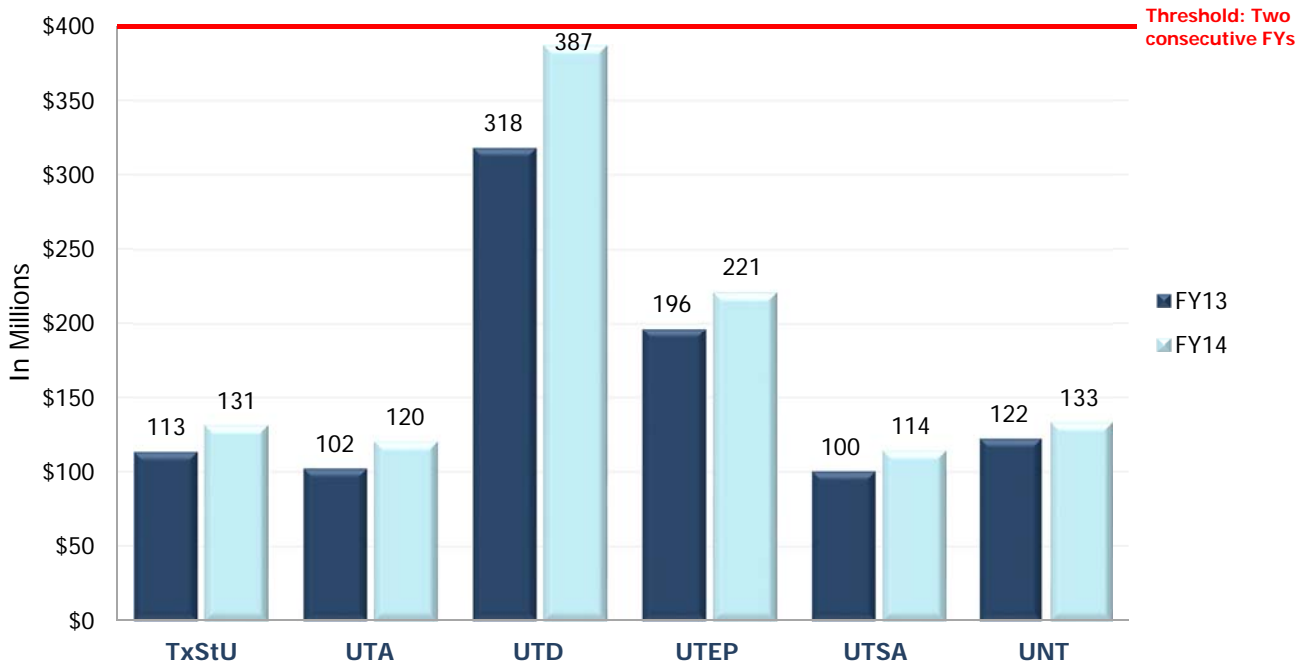


Source: Institutional data reported to the Coordinating Board (See Appendix E)

## V. Endowment Funds

15.43(b)(3)(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.

**Figure 2. Endowment Funds**

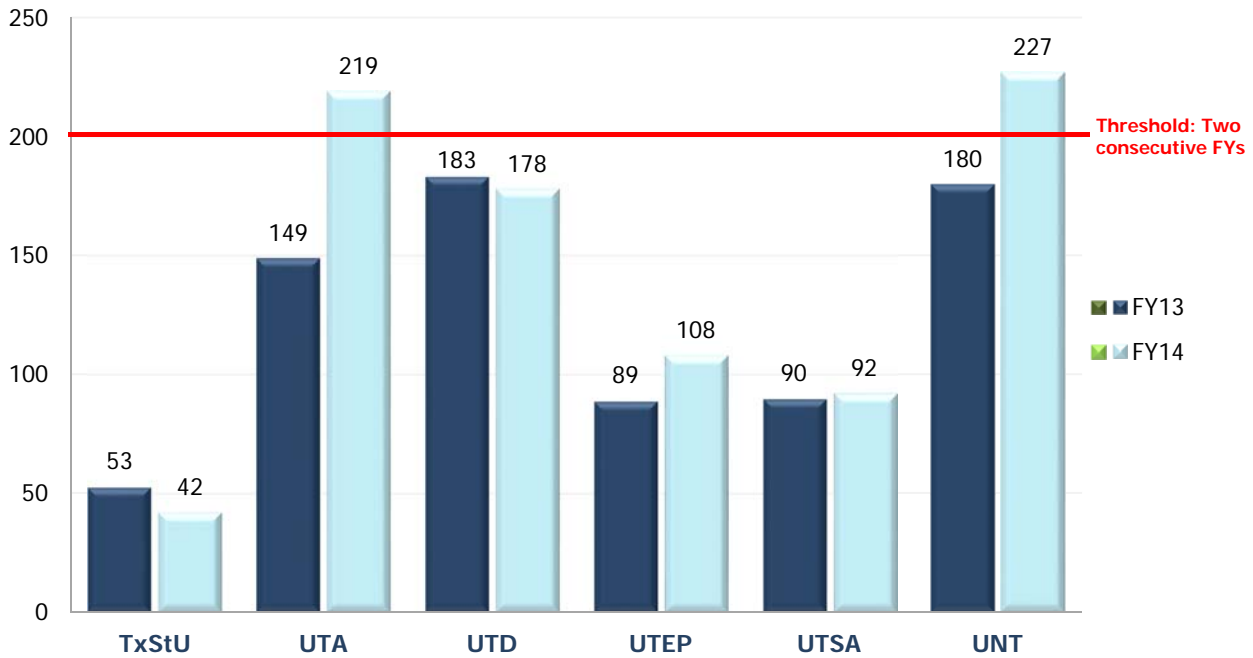


Source: Institutional data reported to the Coordinating Board (See Appendix E)

## VI. Doctor of Philosophy (Ph.D.) Degrees Awarded

15.43(b)(3)(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.

**Figure 3.** Number Doctor of Philosophy (Ph.D.) Degrees Awarded



Source: Institutional data reported to the Coordinating Board (See Appendix E)

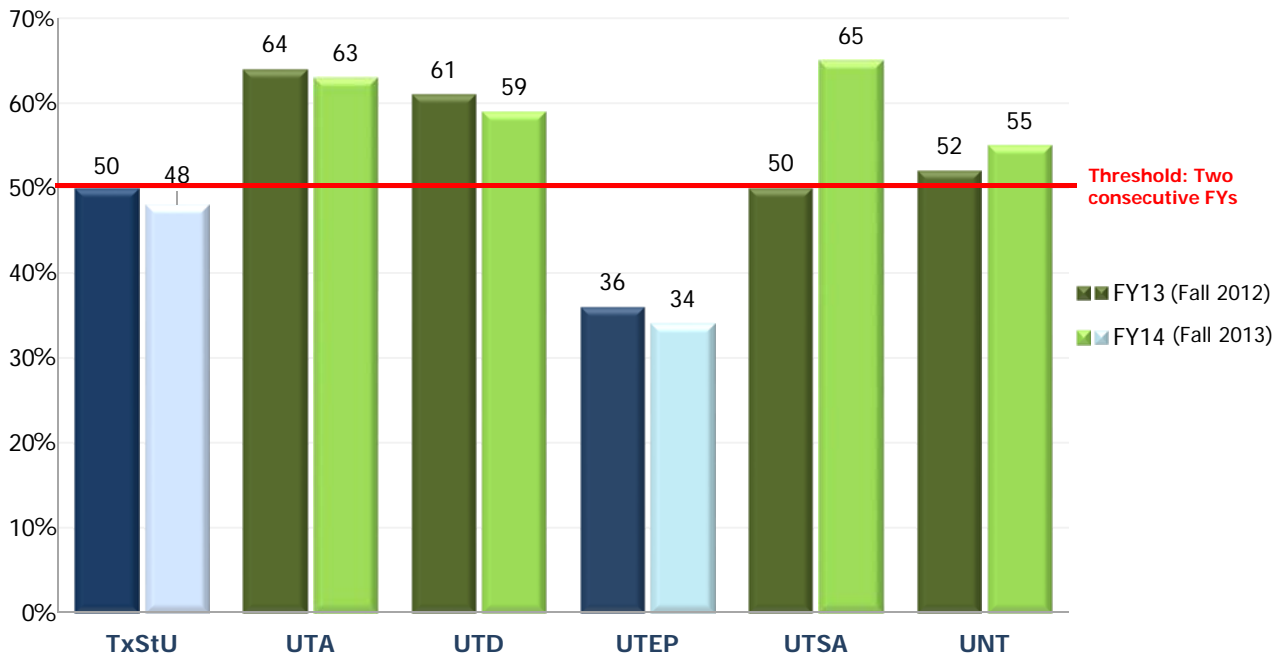
## VII. Freshman Class of High Academic Achievement

15.43(b)(3)(C): In each of the two academic years preceding the state fiscal year for which the appropriation is made, the entering freshman class of the institution demonstrated high academic achievement as reflected in the following criteria:

### a. Percent of Freshman Class in Top 25 Percent of Their High School Class

(i) At least 50 percent of the first-time entering freshman class students at the institution are in the top 25 percent of their high school class; or (ii) and (iii).

**Figure 4.** Percent of Freshman Class in Top 25 Percent of High School Class



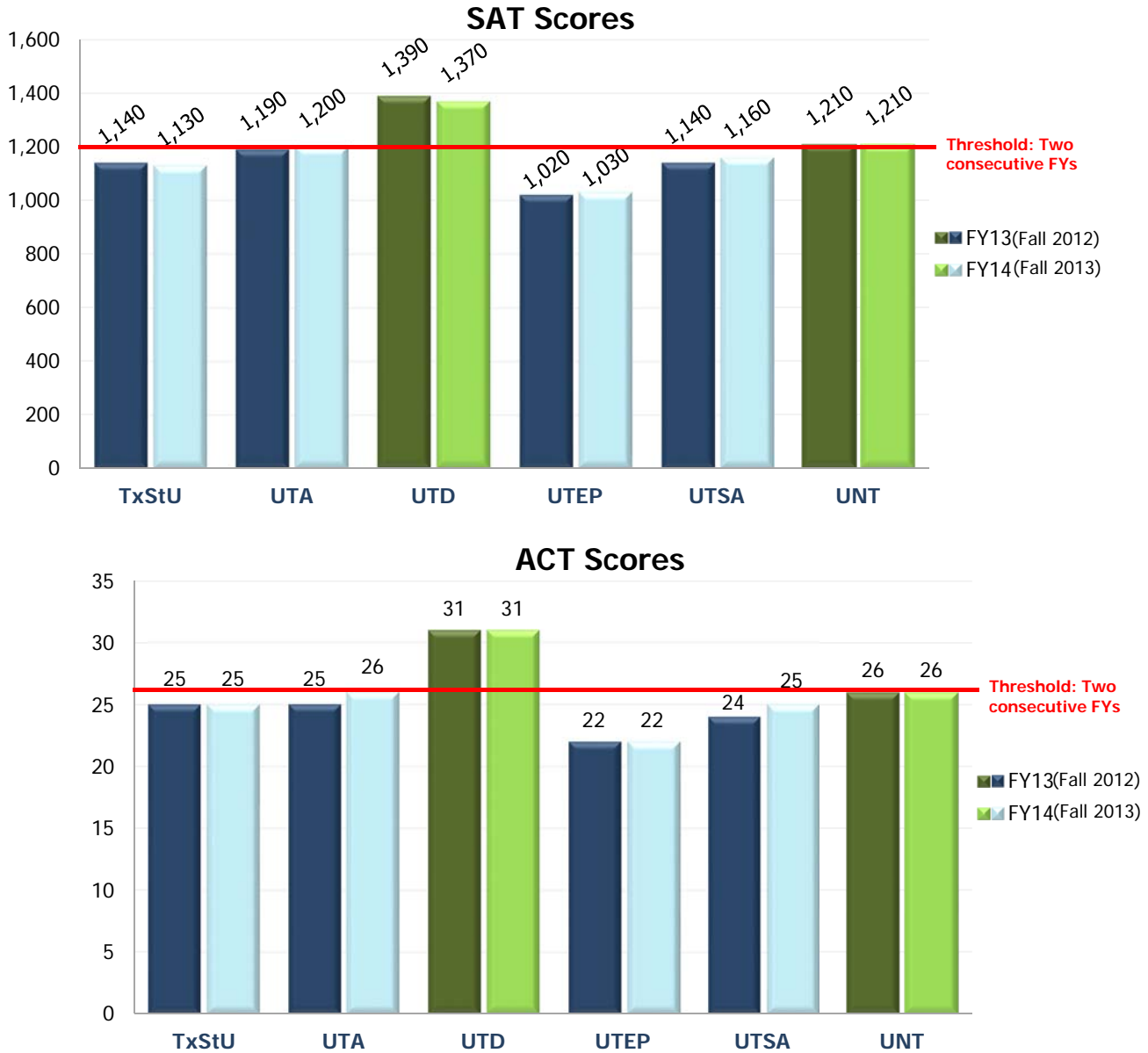
Source: Institutional data reported to the Coordinating Board (See Appendix E)

**Note:** A pair of green bars indicates that the institution has met the required threshold for the measure for both report years.

**b. SAT or ACT Scores**

(ii) The average SAT score of first-time entering freshman class students at or above the 75th percentile of SAT scores was equal to or greater than 1210 (consisting of the Critical Reading and Mathematics Sections) or the average ACT score of first-time entering freshman class students at or above the 75th percentile of ACT scores was equal to or greater than 26; and (iii).

**Figure 5. SAT and ACT Scores**



Source: The Integrated Postsecondary Education Data System (IPEDS) (See Appendix E)

**Note:** A pair of green bars indicates that the institution has met the required threshold for the measure for both report years.

**c. Institutional Commitment to Improving the Participation and Success of Underrepresented Students**

(iii) The composition of the institution's first-time entering freshman class demonstrates progress toward achieving the goals of the Board's *Closing the Gaps* report by reflecting the population of the state or the institution's region with respect to underrepresented students and shows a commitment to improving the academic performance of underrepresented students. One way in which this could be accomplished is by active participation in one of the Federal TRIO Programs, such as having one or more McNair Scholars in a particular cohort.

Table 2 *Institutional Progress towards Closing the Gaps, FY 2014*

Institution	CTG: Participation	CTG: Success
Texas State University	Yes	Yes
The University of Texas at Arlington	Yes	Yes
The University of Texas at Dallas	Yes	Yes
The University of Texas at El Paso	Yes	Yes
The University of Texas at San Antonio	Yes	Yes
University of North Texas	Yes	Yes

Source: Institutional data reported to the Coordinating Board (See Appendix E)

## VIII. Institutional Recognition of Research Capabilities and Scholarly Attainment

15.43(b)(3)(D): The institution is designated as a member of the Association of Research Libraries, has a Phi Beta Kappa chapter, or is a member of Phi Kappa Phi.

Table 3  
*Institutional Recognition of Research Capabilities and Scholarly Attainment, FY 2014*

Institution	Association of Research Libraries	Phi Beta Kappa	Phi Kappa Phi
Texas State University	No	No	Yes
The University of Texas at Arlington	No	No	Yes
The University of Texas at Dallas	No	No	Yes
The University of Texas at El Paso	No	No	Yes
The University of Texas at San Antonio	No	No	Yes
University of North Texas	No	No	Yes

Source: Institutional data reported to the Coordinating Board (See Appendix E)

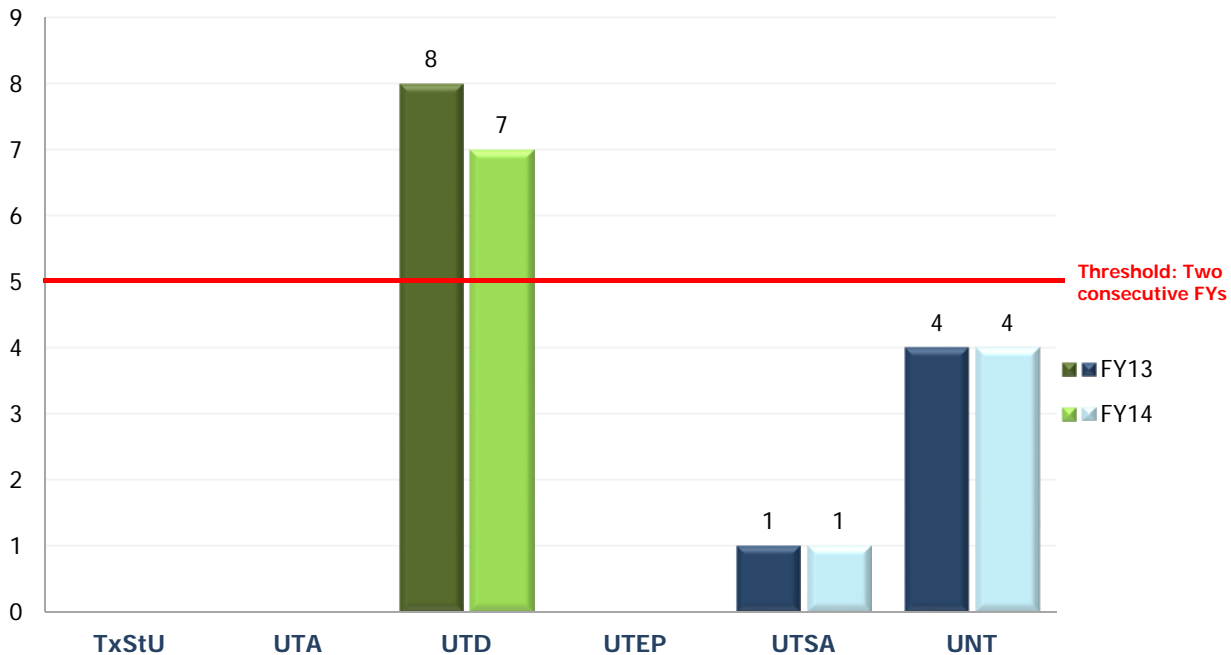
## IX. High-Quality Faculty

15.43(b)(3)(E): In each of the two academic years preceding the state fiscal year for which the appropriation is made, the faculty of the institution was of high quality as reflected in the following:

**a. National Academy Members or Nobel Prize Recipients**

(i) The cumulative number of tenured/tenure-track faculty who have achieved national or international distinction through recognition as a member of one of the National Academies (including National Academy of Science, National Academy of Engineering, Academy of Arts and Sciences, and Institute of Medicine) or are Nobel Prize recipients is equal to or greater than 5; or (ii).

**Figure 6.** National Academy Members and Nobel Prize Recipients<sup>2</sup>



Source: Institutional data reported to the Coordinating Board (See Appendix E)

**Note:** A pair of green bars indicates that the institution has met the required threshold for the measure for both report years.

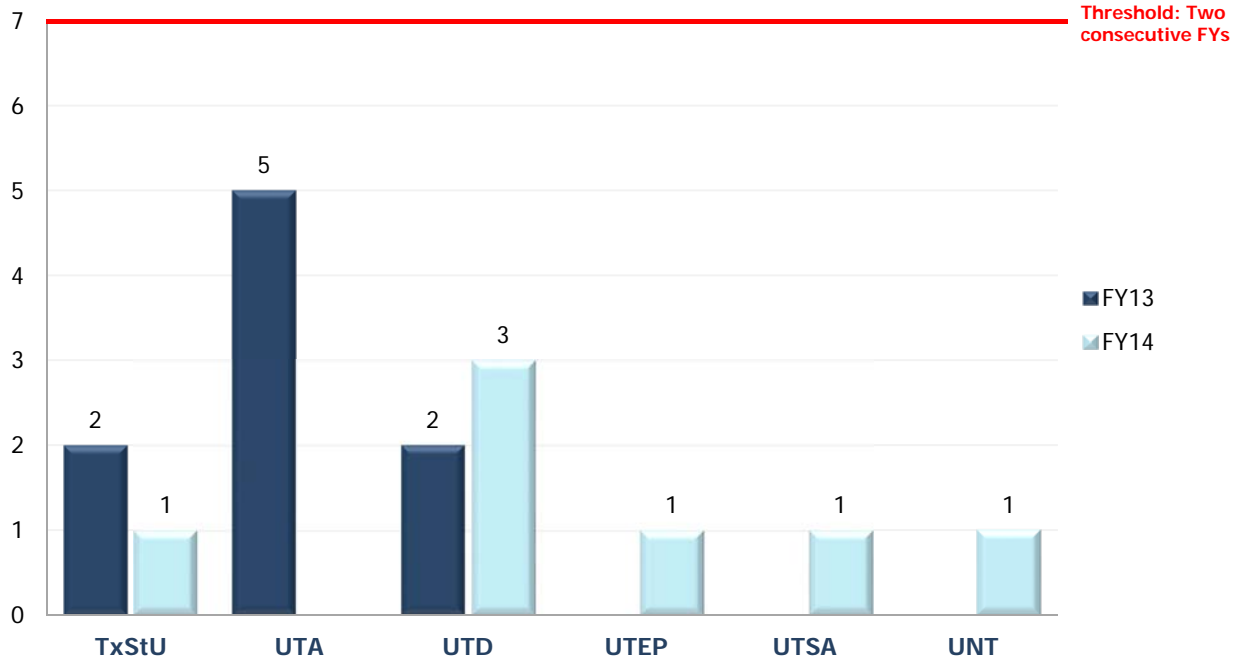
<sup>2</sup> See Appendix C for list of faculty awards.



**b. Other Faculty Awards**

(ii) The annual number of tenured/tenure-track faculty who have been awarded national or international distinction during a specific state fiscal year in any of the following categories<sup>3</sup> is equal to or greater than 7.

**Figure 7. Other Faculty Awards<sup>4</sup>**



Source: Institutional data reported to the Coordinating Board (See Appendix E)

**c. Comprehensive Review of Faculty in Five Doctoral Programs**

(iii) In lieu of meeting either clause (i) or (ii) of this subparagraph, an institution may request that a comprehensive review of the faculty in five of the institution's Doctoral degree programs be conducted by external consultants selected by Coordinating Board staff in consultation with the institution and said review must demonstrate that the faculty are comparable to and competitive with faculty in similar programs at public institutions in the Association of American Universities. Costs for the review shall be borne by the institution. This review is only available if the institution has already met or, as determined by Coordinating Board staff, is on track to meet three of the other eligibility criteria listed in subparagraphs (A) - (D) of this paragraph.

**Note:** Regarding measure 15.43(b)(3)(E)(iii), no institution requested a comprehensive review of faculty in five doctoral programs during the reporting period.

<sup>3</sup> See Appendix B for list of categories.

<sup>4</sup> Revised December 2015, see Appendix D for list of faculty awards.

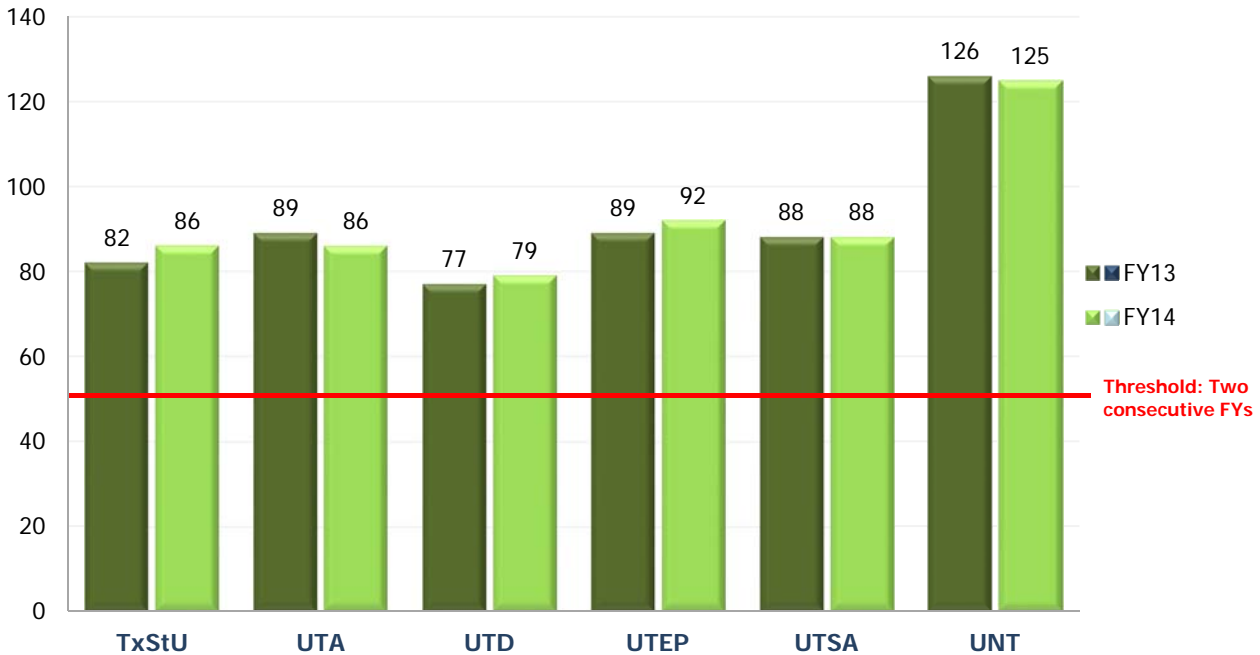
## X. High-Quality Graduate Education

15.43(b)(3)(F): In each of the two academic years preceding the state fiscal year for which the appropriation is made, the institution has demonstrated a commitment to high-quality graduate education as reflected in the following:

**a. Graduate Programs**

(i) The number of graduate-level programs at the institution is equal to or greater than 50; and (ii) and (iii)

**Figure 8.** Number of Graduate-Level Programs



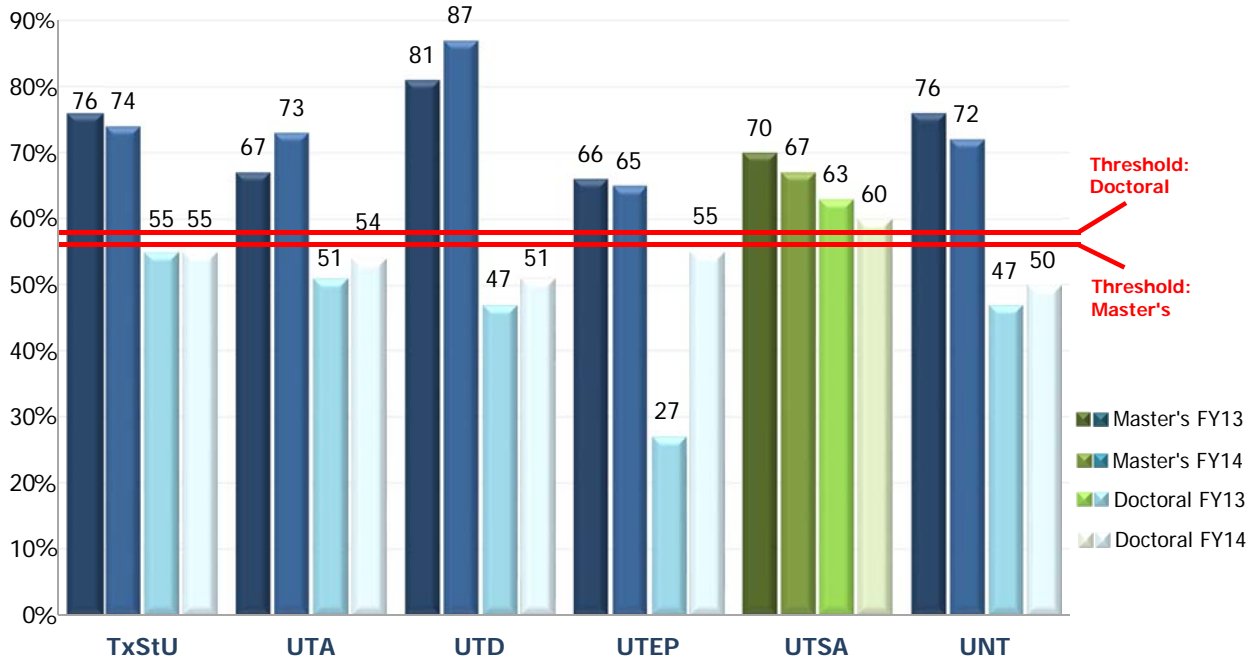
Source: THECB program inventory (See Appendix E)

**Note:** A pair of green bars indicates that the institution has met the required threshold for the measure for both report years.

**b. Master's and Doctoral Graduation Rates**

(ii) The Master's Graduation Rate at the institution is 56 percent or higher **and** the Doctoral Graduation Rate is 58 percent or higher; and (iii)

**Figure 9. Master's and Doctoral Graduation Rates**



Source: Institutional data reported to the Coordinating Board (See Appendix E)

**Note:** Two pairs of green bars indicate that the institution has met the required threshold for the measure for both report years.

**c. Comprehensive Review of Five Doctoral Programs**

(iii) The institution must demonstrate that the overall commitment to five Doctoral degree programs, including the financial support for Doctoral degree students, is competitive with that of comparable high-quality programs at public institutions in the Association of American Universities. The five Doctoral degree programs selected for this review must be those selected in subparagraph (E)(iii) of this paragraph or, if subparagraph (E)(iii) of this paragraph is not chosen by the institution, then any five Doctoral degree programs at the institution. Costs for the review shall be borne by the institution.

**Note:** Regarding measure 15.43(b)(3)(F)(iii), no institution requested a comprehensive review of five doctoral programs during the reporting period.

## X. Conclusions

The information contained in this status report on NRUF eligibility is summarized below.

- In fiscal year 2014, eight universities were designated as emerging research universities in the Coordinating Board's Accountability System: Texas State University, Texas Tech University, The University of Texas at Arlington, The University of Texas at Dallas, The University of Texas at El Paso, The University of Texas at San Antonio, University of Houston, and University of North Texas.
- Texas Tech University and University of Houston met eligibility in fiscal year 2012 and began to receive monetary distributions from NRUF.
- For fiscal years 2013 and 2014, none of the remaining six emerging research institutions reported restricted research expenditures at or above the statutory threshold of \$45 million, a mandatory requirement to receive distributions from NRUF.

TEC 62.146(b) requires the Coordinating Board to verify and certify information about criteria used for determining the eligibility of higher education institutions to receive monetary distributions from the National Research University Fund (NRUF) each state fiscal year. The next report will include data from fiscal years 2014 and 2015. The Coordinating Board will submit that report in early 2016.

## Appendix A

### TEXAS EDUCATION CODE

TITLE 3. HIGHER EDUCATION  
SUBTITLE B. STATE COORDINATION OF HIGHER EDUCATION  
CHAPTER 62, 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.

## **Appendix B**

### **Coordinating Board Rules**

#### Chapter 15. National Research Universities Subchapter C. National Research University Fund

- 15.40 Purpose
- 15.41 Authority
- 15.42 Definitions
- 15.43 Eligibility
- 15.44 Accounting and Reporting

#### 15.40. Purpose

This subchapter establishes rules for eligible institutions to receive funds under the National Research University Fund, which is established to support emerging research universities to achieve national prominence as major research universities.

#### 15.41. Authority

Authority for this subchapter is provided by Texas Education Code, Section 62.145 - 62.146, which directs the Coordinating Board to adopt standards for the purposes of determining an institution's eligibility for funding from the National Research University Fund (NRUF) and authorizes the Board to adopt rules for the standard methods of accounting and standard methods of reporting information for the purpose of determining eligibility of institutions to receive funds under the NRUF.

#### 15.42. Definitions

The following words and terms, when used in this subchapter, shall have the following meanings, unless the context clearly indicates otherwise.

- (1) Coordinating Board or Board--The Texas Higher Education Coordinating Board.
- (2) Doctoral degree--An academic degree beyond the level of a master's degree that typically represents the highest level of formal study or research in a given field, e.g., a Doctor of Philosophy, Doctor of Education, Doctor of Musical Arts, Doctor of Engineering, Doctor of Public Health, Doctor of Nursing Practice.
- (3) Eligible institution--A general academic teaching institution that is eligible and meets the Coordinating Board's standards to receive distributions of money under the NRUF.
- (4) Emerging research university--A public institution of higher education designated as an emerging research university under the Board's accountability system.

- (5) Endowment funds--Funds treated as total endowment funds under the Board's accountability system.
- (6) Fund--The National Research University Fund (NRUF).
- (7) General academic teaching institution--As defined in Texas Education Code, §61.003.
- (8) Graduate-level program--Degree programs leading to master's, professional, and/or doctoral degree.
- (9) Master's degree--An academic degree that requires the successful completion of a program of study of at least 30 semester credit hours or the equivalent at the post-baccalaureate, graduate, or professional level.
- (10) Master's Graduation Rate--The Master's Graduation Rate is the percent of students in an entering fall and spring cohort for a specific degree program who graduate within five years.
- (11) Doctoral Graduation Rate--The Doctoral Graduation Rate is the percent of students in an entering fall cohort for a specific degree program who graduate within 10 years. Doctoral graduation rates do not include students who received a master's degree.
- (12) Restricted funds (restricted awards)--As defined in §13.122 of this title (relating to Definitions).
- (13) Restricted research expenditures--As defined in §13.122 of this title and further developed in §§13.123 - 13.127 of this title (relating to Research Development Fund).

#### 15.43. Eligibility

(a) The eligibility criteria for a general academic teaching institution to receive distributions from the Fund include: having an entering freshman class of high academic achievement; receiving recognition of research capabilities and scholarly attainment of the institution; having a high-quality faculty; and demonstrating commitment to high-quality graduate education.

(b) A general academic teaching institution is eligible to receive an initial distribution from the Fund appropriated for each state fiscal year if:

- (1) 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 six 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) in each of the two academic years preceding the state fiscal year for which the appropriation is made, the entering freshman class of the institution demonstrated high academic achievement as reflected in the following criteria:
    - (i) At least 50 percent of the first-time entering freshman class students at the institution are in the top 25 percent of their high school class; or
    - (ii) The average SAT score of first-time entering freshman class students at or above the 75th percentile of SAT scores was equal to or greater than 1210 (consisting of the Critical Reading and Mathematics Sections) or the average ACT score of first-time entering freshman class students at or above the 75th percentile of ACT scores was equal to or greater than 26; and
    - (iii) The composition of the institution's first-time entering freshman class demonstrates progress toward achieving the goals of the Board's Closing the Gaps report by reflecting the population of the state or the institution's region with respect to underrepresented students and shows a commitment to improving the academic performance of underrepresented students. One way in which this could be accomplished is by active participation in one of the Federal TRIO Programs, such as having one or more McNair Scholars in a particular cohort.
  - (D) the institution is designated as a member of the Association of Research Libraries, has a Phi Beta Kappa chapter, or is a member of Phi Kappa Phi;
  - (E) in each of the two academic years preceding the state fiscal year for which the appropriation is made, the faculty of the institution was of high quality as reflected in the following:
    - (i) The cumulative number of tenured/tenure-track faculty who have achieved national or international distinction through recognition as a member of one of the National Academies (including National Academy of Science, National Academy of Engineering, Academy of Arts and Sciences, and Institute of Medicine) or are Nobel Prize recipients is equal to or greater than 5; or

- (ii) The annual number of tenured/tenure-track faculty who have been awarded national or international distinction during a specific state fiscal year in any of the following categories is equal to or greater than 7.

- (I) American Academy of Nursing Member
- (II) American Council of Learned Societies (ACLS) Fellows
- (III) American Law Institute
- (IV) Beckman Young Investigators
- (V) Burroughs Wellcome Fund Career Awards
- (VI) Cottrell Scholars
- (VII) Getty Scholars in Residence
- (VIII) Guggenheim Fellows
- (IX) Howard Hughes Medical Institute Investigators
- (X) Lasker Medical Research Awards
- (XI) MacArthur Foundation Fellows
- (XII) Andrew W. Mellon Foundation Distinguished Achievement Awards
- (XIII) National Endowment for the Humanities (NEH) Fellows
- (XIV) National Humanities Center Fellows
- (XV) National Institutes of Health (NIH) MERIT
- (XVI) National Medal of Science and National Medal of Technology winners
- (XVII) NSF CAREER Award winners (excluding those who are also PECASE winners)
- (XVIII) Newberry Library Long-term Fellows
- (XIV) Pew Scholars in Biomedicine
- (XX) Pulitzer Prize Winners
- (XXI) Winners of the Presidential Early Career Awards for Scientists and Engineers (PECASE)
- (XXII) Robert Wood Johnson Policy Fellows
- (XXIII) Searle Scholars
- (XXIV) Sloan Research Fellows
- (XXV) Woodrow Wilson Fellows

- (iii) In lieu of meeting either clause (i) or (ii) of this subparagraph, an institution may request that a comprehensive review of the faculty in five of the institution's Doctoral degree programs be conducted by external consultants selected by Coordinating Board staff in consultation with the institution and said review must demonstrate that the faculty are comparable to and competitive with faculty in similar programs at public institutions in the Association of American Universities. Costs for the review shall be borne by the institution. This review is only available if the institution has already met or, as determined by Coordinating Board staff, is on track to meet three of the other eligibility criteria listed in subparagraphs (A) - (D) of this paragraph;

- (F) in each of the two academic years preceding the state fiscal year for which the appropriation is made, the institution has demonstrated a commitment to high-quality graduate education as reflected in the following:

- (i) The number of Graduate-level programs at the institution is equal to or greater than 50;
- (ii) The Master's Graduation Rate at the institution is 56 percent or higher and the Doctoral Graduation Rate is 58 percent or higher; and
- (iii) The institution must demonstrate that the overall commitment to five Doctoral degree programs, including the financial support for Doctoral degree students, is competitive with that of comparable high-quality programs at public institutions in the Association of American Universities. The five Doctoral degree programs selected for this review must be those selected in subparagraph (E)(iii) of this paragraph or, if subparagraph (E)(iii) of this paragraph is not chosen by the institution, then any five Doctoral degree programs at the institution. Costs for the review shall be borne by the institution.

#### 15.44. Accounting and Reporting

(a) Emerging research universities shall report data pertaining to this subchapter according to the procedures outlined in the Coordinating Board's reporting manuals.

(b) As soon as practicable in each state fiscal year, the Coordinating Board shall certify to the comptroller and the legislature verified information relating to the criteria established by Texas Education Code §62.145, which are addressed in this subchapter, to be used to determine which institutions are eligible for distributions of money from the Fund.

(c) Information submitted by institutions for the purpose of establishing eligibility is subject to a mandatory audit by the state auditor in accordance with Government Code, Chapter 321. The Coordinating Board reserves the right to request additional audits by the state auditor as deemed necessary and appropriate at any time after an eligible institution begins receiving distributions.

## Appendix C

### Detailed List of National Academy Members and Nobel Prize Recipients

#### The University of Texas at Dallas

- Ray Baughman, National Academy of Engineering (FY13/FY14)
- Brian Berry, Academy of Arts and Sciences (FY13/FY14)
- Brian Berry, National Academy of Science (FY13/FY14)
- James J. Coleman, National Academy of Engineering (FY13/FY14)
- David Daniel, National Academy of Engineering (FY13/FY14)
- Russell Hulse, Nobel Prize (FY13/FY14)
- Kaushik Rajashekara, National Academy of Engineering (FY13/FY14)
- Don Shaw National Academy of Engineering (FY13)

#### The University of Texas at San Antonio

- Joseph Salamone, National Academy of Engineering (FY13/FY14)

#### University of North Texas

- Richard Dixon, National Academy of Science (FY13/FY14)
- Alan Needleman, Academy of Arts and Sciences (FY13/FY14)
- Alan Needleman, National Academy of Engineering (FY13/FY14)
- James Williams, National Academy of Engineering (FY13/FY14)

## Appendix D

### Detailed List of Other Faculty Awards

#### Texas State University

- Oleg Komogortsev, NSF CAREER Award (FY14)
- Apad Muhammad Qasem, NSF CAREER Award (FY13)
- Nikoleta Theodoropoulou, NSF CAREER Award (FY13)

#### The University of Texas at Arlington

- Jennifer Grey, American Academy of Nursing Member (FY13)
- Judy LeFlore, American Academy of Nursing Member (FY13)
- Fuqiang Liu, NSF CAREER Award (FY13)
- Hyejin Moon, NSF CAREER Award (FY13)
- Baohong Yuan, NSF CAREER Award (FY13)

#### The University of Texas at Dallas

- Siavash Pourkamali Anaraki, NSF CAREER Award (FY13)
- Leonidas Bleris, NSF CAREER Award (FY14)
- Robert Gregg, Burroughs Wellcome Fund Career Award (FY14)
- Xiaohu Guo, NSF CAREER Award (FY13)
- Anton Malko, NSF CAREER Award (FY14)

#### The University of Texas at El Paso

- Adam Arenson, National Endowment for the Humanities Fellowship (FY14)

#### The University of Texas at San Antonio

- Jill Hernandez, National Endowment for Humanities Faculty Award (FY14)

#### University of North Texas

- Lynn Seaton, Fulbright American Scholar (FY14)

Revised December 2015: American Academy of Nursing Members counted only during the specific academic year in which membership was awarded; TAC rule 15.43(b)(3)(E)(ii).



## Appendix E

### Sources and Methodologies for Quantitative Measures

The appendix lists data sources and methodologies of data compilation for each section of the Texas Administrative Code (TAC) for the National Research University Fund (NRUF) eligibility criteria.

#### Emerging Research Universities

TAC Rule: 15.43(b)(1)

Source: <http://www.txhighereddata.org/Interactive/Accountability/PeerGroup.cfm>.

Methodology: *University Peer Group Categories: Criteria Revisions* (Adopted July 25, 2013).

#### Restricted Research Expenditures

TAC Rule: 15.43(b)(2)

Source: Institutional data reported to the Coordinating Board and posted at <http://www.thecb.state.tx.us/RDF>.

Methodology: Texas Administration Code rules 13.120 to 13.127, Research Development Fund, and *Standard and Accounting Methods* (SAMs) for Reporting Restricted Research Expenditures at <http://www.thecb.state.tx.us/RDF>.

#### Endowment Funds

TAC Rule: 15.43(b)(3)(A)

Source: Institutional data reported to the Coordinating Board and posted at <http://www.txhighereddata.org/Interactive/Accountability>; institutional efficiency and effectiveness contextual measure: *Total Endowment (\$ millions)*.

Methodology: Universities (Texas public) Measures and Definitions at <http://www.txhighereddata.org/Interactive/Accountability/Measures.cfm>; measure 65. Total of true and quasi endowments.

#### Number of Doctor of Philosophy (Ph.D.) Degrees Awarded

TAC Rule: 15.43(b)(3)(B)

Source: Institutional data reported to the Coordinating Board.

Methodology: Reporting and Procedures Manual for Texas Public Universities at <http://www.txhighereddata.org/>; Graduation Report CBM009 Item #8: Doctor's Degree-Research/Scholarship.

#### Percent of Freshman Class in Top 25 Percent of Their High School Class

TAC Rule: 15.43(b)(3)(C)(i)

Source: Institutional data reported to the Coordinating Board at <http://www.txhighereddata.org/Interactive/Accountability>; participation contextual measure: *First-time Texas public high school students in Top 10 percent plus First-Time Students in Top 11-25 percent*. However the measure listed in this report also includes out-of-state or private school students ranked in the top 25 percent and is therefore slightly higher than the numbers posted in the Accountability System.

Methodology: Records of students that are determined to be fall First-Time-in-College (FTIC) students are matched to students that were ranked in the top twenty-five percent of their high school graduation class as listed in CBM00B.

#### SAT and ACT Scores

TAC Rule: 15.43(b)(3)(C)(ii)

Source: The Integrated Postsecondary Education Data System (IPEDS). Website found at <https://nces.ed.gov/ipeds/>.

Methodology: Institutions report data if scores are required for admission and at least 60 percent of enrolled students submitted scores for a given test.

#### Institutional Progress towards Closing the Gaps

TAC Rule: 15.43(b)(3)(C)(iii)

Source: Institution reports submitted to the Coordinating Board.

Methodology: Criteria, such as active participation in one of the federal TRIO Programs or of having one or more McNair Scholars in a particular cohort, show progress toward achieving the goals of the Board's *Closing the Gaps* through a commitment to improving the academic performance of underrepresented students.

#### Institutional Recognition of Research Capabilities and Scholarly Attainment

TAC Rule: 15.43(b)(3)(D)

Source: Membership data posted by associations.

Methodology: Institution is designated as a member of the Association of Research Libraries, has a Phi Beta Kappa chapter, or is a member of Phi Kappa Phi.

#### National Academy Members or Nobel Prize Recipients

TAC Rule: 15.43(b)(3)(E)(i)

Source: Institutional data reported to the Coordinating Board at <http://www.txhighereddata.org/Interactive/Accountability>; excellence contextual measure: *Nobel Prize Winners and National Academies*.

Methodology: Universities (Texas public) Measures and Definitions at <http://www.txhighereddata.org/Interactive/Accountability/Measures.cfm>; measure 43. Faculty awards from National Academy of Science, National Academy of Engineering, Academy of Arts and Sciences, Institute of Medicine, and Nobel Committees.

#### Other Faculty Awards

TAC Rule: 15.43(b)(3)(E)(ii)

Source: Institutional data reported to the Coordinating Board at <http://www.txhighereddata.org/Interactive/Accountability>; excellence contextual measure: *Other Faculty Awards*.

Methodology: Universities (Texas public) Measures and Definitions at <http://www.txhighereddata.org/Interactive/Accountability/Measures.cfm>; measure 44. The annual number of tenured/tenure-track faculty who have been awarded national or international distinction. See TAC Title 19, Chapter 15, Rule 15.43 for list of awards.

### Comprehensive Review of Faculty in Five Doctoral Programs

TAC Rule: 15.43(b)(3)(E)(iii)

Source: No institution requested a comprehensive review during the reporting period.

Methodology: An institution wishing to undergo a review must notify the Coordinating Board at least one year in advance of the next scheduled report to the Legislature in order to ensure sufficient time to identify out-of-state consultants, organize and schedule site visits, and draft reports on each doctoral program.

### Number of Graduate-Level Programs

TAC Rule: 15.43(b)(3)(F)(i)

Source: Coordinating Board's program inventory for each institution at <http://www.theccb.state.tx.us/apps/programinventory/InvSearch.cfm>.

Methodology: Number of graduate-level degree programs by Classification of Instructional Programs (CIP) code at the master's and doctoral degree level.

### Master's and Doctoral Graduation Rates

TAC Rule: 15.43(b)(3)(F)(ii)

Source: Calculated rates based on institutional data reported to the Coordinating Board at <http://www.txhighereddata.org/Interactive/Accountability>; success contextual measure: *Graduation Rates*.

Methodology: Universities (Texas public) Measures and Definitions at <http://www.txhighereddata.org/Interactive/Accountability/Measures.cfm>; measure 27. The Master's Graduation Rate is the percent of students in entering fall cohort for a specific degree program who graduated within five years. The Doctoral Graduation Rate is the percent of students in an entering fall cohort for a specific degree program who graduated within 10 years. The master's cohort do not include students who received a master's level certificate or were classified as a doctorate student within the next 5 years and did not earn a master's degree.

### Comprehensive Review of Five Doctoral Programs

TAC Rule: 15.43(b)(3)(F)(iii)

Source: No institution requested a comprehensive review during the reporting period.

Methodology: An institution wishing to undergo a review must notify the Coordinating Board at least one year in advance of the next scheduled report to the Legislature in order to ensure sufficient time to identify out-of-state consultants, organize and schedule site visits, and draft reports on each doctoral program.

This document is available on the Texas Higher Education Coordinating Board website:  
<http://www.thecb.state.tx.us/NRUF>

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