

HOUSE COMMITTEE ON APPROPRIATIONS

RIDERS ADOPTED BY THE SUBCOMMITTEE ON ARTICLE III

PUBLIC EDUCATION AND HIGHER EDUCATION



March 11, 2019

By: Representative Donna Howard

**Texas Education Agency
Proposed Rider
Foundation School Program Estimated Methods of Finance**

Prepared by LBB Staff, 12/12/2018

Overview

Prepare an informational rider which states the estimated amounts for the Methods of Financing the Foundation School Program in the Texas Education Agency's bill pattern. Amounts in rider will be updated to reflect subsequent legislative actions.

Required Action

On page III-28 of the Texas Education Agency's bill pattern, add the following rider:

- _____. **Foundation School Program Estimated Methods of Finance.** The Foundation School Program is funded with a sum-certain All Funds appropriation comprising four estimated dedicated revenue streams, and an estimated appropriation of unrestricted General Revenue (Foundation School Fund No. 193) which increases or decreases in response to actual amounts received from the four dedicated revenue streams.

Included in amounts appropriated above to the Foundation School Program are the following estimated methods of financing:

	Fiscal Year 2020	Fiscal Year 2021
<u>General Revenue</u>		
Foundation School Fund No. 193, <u>estimated</u>	<u>\$13,834,428,522</u>	<u>\$11,776,137,044</u>
Available School Fund, <u>estimated</u>	<u>\$900,425,282</u>	<u>\$1,828,237,732</u>
Lottery Proceeds, <u>estimated</u>	<u>\$1,297,000,000</u>	<u>\$1,316,500,000</u>
<u>Subtotal, General Revenue Fund</u>	<u>\$16,031,853,804</u>	<u>\$14,920,876,776</u>
<u>Other Funds</u>		
Property Tax Relief Fund, <u>estimated</u>	<u>\$1,742,200,000</u>	<u>\$1,852,000,000</u>
Recapture Payments – Attendance <u>Credits, estimated</u>	<u>\$3,140,497,643</u>	<u>\$3,796,646,991</u>
<u>Subtotal, Other Funds</u>	<u>\$4,882,697,643</u>	<u>\$5,648,646,991</u>
<u>Total</u>	<u>\$20,914,551,447</u>	<u>\$20,569,521,767</u>

By: Representative Ernest Bailes

Texas Education Agency, Article III

Proposed Rider

Reporting on Charter School Facilities

Prepared by LBB Staff, 3/7/19

Overview

The purpose of this rider is to direct the Texas Education Agency (TEA) to maintain a report on each facility owned or leased by open-enrollment charter schools.

Required Action

On page III-28 of the Texas Education Agency's bill pattern, add the following rider:

_____. **Reporting on Charter School Facilities.** Out of administrative funds appropriated above, the Texas Education Agency shall maintain a report on each facility owned or leased by open-enrollment charter schools, including ownership of the facility, whether the facility is an instructional facility, information on each lease or mortgage agreement, information on each charter school's use of facility funding provided under Education Code §12.106(d-f), information about the amount and terms of each charter school's bonds and debt service and whether a bond is backed by a guarantee from the Permanent School Fund, and the aggregate amount of charter schools' outstanding bonds. The agency shall provide the list by January 1, 2020 and January 1, 2021. The information required by this rider shall be posted on the agency's website and submitted to the Governor, the Lieutenant Governor, the Speaker of the House, the Legislative Budget Board, and the presiding officers of the standing committees of the legislature with primary jurisdiction over public education.

By: Representative Armando Walle

Texas Education Agency, Article III
Proposed Rider
Texas Safe and Healthy Schools Initiative

Prepared by LBB Staff, 3/7/19

Overview

This revised rider specifies that school based behavioral health clinics are an allowable and specified use of grant funds.

Required Action

On page III-23 of the Texas Education Agency bill pattern, amend the following rider:

74. **Texas Safe and Healthy Schools Initiative.** Appropriations above include a total of \$54,478,500 and 6.0 FTEs for the Safe and Healthy Schools Initiative. The Commissioner shall allocate these funds for the following purposes.

General Revenue Funds:

- a. From Strategy B.2.2, Health & Safety, \$10,000,000 in fiscal year 2020 for Mental Health First Aid, Telemedicine, trauma-informed care, and coordination of access to mental health providers, including creation and maintenance of regional and local provider lists;
- b. From Strategy B.3.2, Agency Operations, \$750,000 and 6.0 FTEs in each year of the biennium for mental health supports and positive school culture, including promulgating best practices, providing sample tools, resources, and effective models, providing technical support, and managing statewide grants; and
- c. From Strategy B.3.5, Information Systems Technology, \$478,500 in fiscal year 2020 for information technology needs related to mental health supports and positive school culture.

Economic Stabilization Fund No. 599 in fiscal year 2020:

- d. From Strategy B.2.2, Health & Safety, the Commissioner shall allocate the following amounts:
 - (1) \$20,000,000 for grants for mental health and positive school culture programs, including school based behavioral health clinics, with the goal of ensuring

students on every campus across the state have access to needed behavioral health services through innovative, proven programs;

- (2) \$5,000,000 to support one FTE at each Education Service Center to provide local support for mental health and positive school culture;
- (3) \$5,000,000 for pilot grants for innovative programs to increase school health and safety;
- (4) \$10,000,000 for matching grants to school districts and charters for facility hardening activities; and
- (5) \$2,500,000 for grants to the Texas School Safety Center to coordinate and conduct Emergency Response audits and to identify school district and charter facility and school safety improvement needs.

Any unexpended balances as of August 31, 2020, are hereby appropriated to fiscal year 2021 for the same purpose.

By: Representative Gary VanDeaver

Texas Education Agency, Article III
Proposed Funding and Rider
Restricting Adult Charter School Funds to the Program Authorized in 2014

Prepared by LBB Staff, 3/7/19

Overview

This amended rider would restrict funds from the Adult Charter School Program to the Charter School that was authorized in 2014. The rider would also allow intra-biennium unexpended balance authority for the program.

Required Action

On page III-21 of the Texas Education Agency bill pattern, amend the following rider:

- _____. **Adult Charter School.** From General Revenue funds appropriated above in Strategy A.2.1, Statewide Educational Programs, \$2,500,000 is allocated in fiscal year 2020 and \$5,000,000 is allocated in fiscal year 2021 for the adult high school diploma and industry certification charter school ~~program~~ authorized in 2014 for adults 19 to 50 years of age as authorized under Texas Education Code, §29.259. The Commissioner may require any entity with which the Texas Education Agency contracts for purposes of administering programs under this rider to provide any expenditure and performance data necessary to assess the success of the program. Any unexpended balances as of August 31, 2020 are hereby appropriated for fiscal year 2021.

By: Representative Armando Walle

Texas Education Agency, Article III
Proposed Rider
Early Childhood School Readiness Program

Prepared by LBB Staff, 3/7/19

Overview

This revised rider would change the date of submission for the required expenditure and performance data report.

Required Action

On page III-15 of the Texas Education Agency bill pattern, amend the following rider:

42. **Early Childhood School Readiness Program.** Out of funds appropriated above in Strategy A.2.1, Statewide Educational Programs, \$1,750,000 in fiscal year 2020 and \$1,750,000 in fiscal year 2021 shall be distributed to the Children's Learning Institute at the University of Texas Health Science Center at Houston to be used to support the Early Childhood School Readiness Program. The Early Childhood School Readiness Program resources and services will be provided to public prekindergarten, Head Start, university early childhood programs, and/or private non-profit early childhood care programs that have entered into an integrated program with a public school. The Texas Education Agency shall expend these funds in accordance with the following provisions:

Funds shall be distributed on a competitive grant basis to preschool programs to provide scientific, research-based instruction across primary development domains including, but not limited to, physical, mathematical concepts and thinking, language and communication, literacy, reading and writing, and social emotional development with the goal of directly improving the skills of three- and four-year-old children and improving overall kindergarten readiness. To be eligible for the grants, applicants must serve at least 75 percent low income students, as determined by the Commissioner. It is the intent of the Legislature that the Texas Education Agency participate to the extent practicable in interagency early childhood education and care coordination initiatives. This includes, but is not limited to, participation in the Head Start collaboration project or any other interagency entity formed to address the coordination of early childhood care and education service delivery and funding.

From amounts referenced above, the Texas Education Agency shall ensure that the Children's Learning Institute at the University of Texas Health Science Center at Houston

uses funds to support the Texas School Ready! system, Engage, and CIRCLE platforms and implement the following requirements:

- a. Provide statewide online access to research-based professional development for beginning, intermediate and advanced instruction and activities across the primary developmental domains;
- b. Provide statewide online access to research-based professional development courses across the primary developmental domains;
- c. Provide statewide access and support for CIRCLE student progress monitoring to assist teachers with determining a child's progress in the primary developmental domains and plan effective instruction; and
- d. Significantly increase the impact and use of the Texas School Ready! system, Engage, and CIRCLE platforms.

The Commissioner shall require The Children's Learning Institute to provide any expenditure and performance data deemed necessary to assess the success of the program in meeting the requirements identified in this rider.

In the expenditure of funds referenced above, the Texas Education Agency or any entity with which the Texas Education Agency contracts for purposes of administering programs under this rider shall comply with contract management requirements pursuant to Texas Government Code, Chapter 2262.

As a condition of receipt of these funds, the Commissioner shall require the Children's Learning Institute to submit a report to the Governor, the Lieutenant Governor, the Speaker of the House, the Legislative Budget Board, and the presiding officers of the standing committees of the Legislature with primary jurisdiction over public education not later than ~~October~~ December 1 of each year providing detailed information on the expenditure of state funds and performance data in the prior fiscal year for purposes of programs administered under this rider.

Any unexpended balances as of August 31, 2020, are hereby appropriated to fiscal year 2021 for the same purpose.

By: Representative Armando Walle

Texas Education Agency, Article III

Proposed Rider

Rider Directing TEA to Conduct a Study on the Enrollment of Students with a Delinquent or Provisional Immunization Status

Prepared by LBB Staff, 2/26/19

Overview

The purpose of this rider is to direct the Texas Education Agency (TEA) to assess the school enrollment process for students who have a delinquent or provisional immunization status and make recommendations to increase immunization coverage rates among students across the state.

Required Action

On page III-28 of the Texas Education Agency's bill pattern, add the following rider:

_____. **Evaluation of Processes Related to the Enrollment of Students with a Delinquent or Provisional Immunization Status.** Out of administrative funds appropriated above to the Texas Education Agency, the agency shall evaluate the school enrollment process for students who have a delinquent or provisional immunization status. The intent of this evaluation is to identify best practices related to the enrollment of students with delinquent or provisional immunization status with the goal of increasing immunization rates, improving student health, and reducing absenteeism. The report shall identify constraints or challenges that school districts encounter when implementing admission and eligibility requirements, including challenges in regions of the state where access to care may be limited. The report shall identify evidence-based practices to improve compliance and reduce absenteeism. A copy of the report shall be posted on the agency's web site and delivered to the Governor, Legislative Budget Board, and the appropriate legislative education standing committees no later than August 31, 2020.

By: Representative Donna Howard

Texas Education Agency, Article III

Proposed Rider

Open education materials for dual credit courses

Prepared by LBB Staff, 2/14/19

Overview

This revised rider would direct the Texas Education Agency to include in the list of priorities for Open Education Resource Instructional Materials program dual-credit courses for which the agency determines high-quality materials are not readily available.

Required Action

On page III-21 of the Texas Education Agency bill pattern, amend the following rider:

57. **Open Education Resource Instructional Materials.** Out of funds appropriated above in Strategy B.2.1, Technology and Instructional Materials, the Commissioner shall set aside \$10,000,000 from the Technology and Instructional Materials Fund in each fiscal year of the biennium to issue a request for proposals for state-developed open education resource instructional materials under Texas Education Code §31.071. It is the intent of the Legislature that the request should prioritize the procurement of materials in subject areas that constitute the bulk of school district purchases, including subject areas aligned with the State Board of Education curriculum revision schedule, and advanced secondary courses supporting the study of science, technology, engineering, and mathematics, and courses commonly offered for dual credit under Texas Education Code §28.009 for which the agency determines that high-quality open education resource instructional materials are not readily available.

The Commissioner shall require that any external entity developing open education resource instructional materials funded by this rider provide any data deemed necessary to assess the progress and success in developing such materials. The Commissioner shall annually submit a report by September 1 to the Governor, the Lieutenant Governor, the Speaker of the House, the Legislative Budget Board, and the presiding officers of the standing committees of the legislature with primary jurisdiction over public education. The report shall include information on the number and type of open education resource instructional materials developed, use of those materials by school districts and open-enrollment charter schools, and plans for assessing the effectiveness of those materials.

By: Representative Gary VanDeaver

**Texas Education Agency
Proposed Rider
Foundation School Program Funding**

Prepared by LBB Staff, 3/6/2019

Overview

Modify Rider 3, Foundation School Program Funding, to move the adjustment for the rapid decline in taxable value of property to be listed first in the list of adjustments that the Commissioner of Education may make if it were determined that there were a surplus in the Foundation School Program.

Required Action

On page III-6 of the Texas Education Agency's bill pattern, amend the following rider:

3. **Foundation School Program Funding.** Out of the funds appropriated above, a total of \$21,754,335,602 in fiscal year 2020 and \$21,881,635,602 in fiscal year 2021 shall represent the sum-certain appropriation to the Foundation School Program. The total appropriation may not exceed the sum-certain amount. This appropriation includes allocations under Chapters 41, 42 and 46 of the Texas Education Code.

Formula Funding: The Commissioner shall make allocations to local school districts under Chapters 41, 42 and 46 based on:

- (a) estimates of average daily attendance provided by the Texas Education Agency in March 2019;
- (b) local district tax rates as determined by the Legislative Budget Board;
- (c) final tax year 2018 property values;
- (d) and assumed increases in property values, and the estimates of local tax collections on which they are based, as estimated by the Comptroller of Public Accounts, of 6.19 percent for tax year 2019 and by 4.07 percent for tax year 2020.

To the extent that estimates provided for in subsections (a) - (d) above differ from a school district's actual average daily attendance, tax rates, property values, or local tax collections, the Commissioner shall settle-up with local school districts pursuant to Rider 7, Appropriation of Audit Adjustments, Settle-Up Funds and Attendance Credit Revenues and applicable provisions in Chapters 41, 42, and 46 of the Education Code.

For purposes of distributing the Foundation School Program basic tier state aid appropriated above and in accordance with §42.101 of the Texas Education Code, the Basic Allotment is established at \$5,140 in fiscal year 2020 and \$5,140 fiscal year 2021.

For purposes of distributing the Foundation School Program enrichment tier state aid appropriated above and in accordance with §41.002(a)(2) and §42.302(a-1)(1) of the Texas Education Code, the Guaranteed Yield is \$126.88 in fiscal year 2020 and \$135.92 in fiscal year 2021.

Included in amounts appropriated above and allocated by this rider to the Foundation School Program, \$23,750,000 in each fiscal year of the biennium out of the Foundation School Fund No. 193 is for the New Instructional Facilities Allotment under §42.158 of the Texas Education Code.

Included in amounts appropriated above and allocated by this rider to the Foundation School Program, \$37,500,000 in fiscal year 2020 and \$37,500,000 in fiscal year 2021 out of the Foundation School Fund No. 193 is for adjustments due to rapid property value decline pursuant to §42.2521 of the Texas Education Code.

From the amount appropriated above to the Texas Education Agency for Strategy A.1.1, FSP - Equalized Operations, in each year of the 2020-21 biennium, the Commissioner may not spend more than the amount that, together with all other amounts appropriated from the Foundation School Fund or another source of the Foundation School Program or for paying the costs of school property tax relief, is necessary to achieve a state compression percentage, as defined by Section 42.2516, Texas Education Code, of 66.67 percent and fully fund the school funding formulas under Chapters 41 and 42, Texas Education Code, without the prior approval of the Legislative Budget Board.

Notwithstanding any other provision of this Act, the Texas Education Agency may make transfers as appropriate between Strategy A.1.1, FSP - Equalized Operations, and Strategy A.1.2, FSP - Equalized Facilities. The TEA shall notify the Legislative Budget Board and the Governor of any such transfers at least 15 days prior to the transfer.

To the extent necessary to avoid reductions in state aid as authorized by Texas Education Code §42.253(h), the Commissioner of Education is authorized to transfer Foundation School Program funds from fiscal year 2021 to 2020 only upon the approval of the Legislative Budget Board and the Governor's Office. The request to transfer Foundation School Program funds from fiscal year 2021 to 2020 shall be considered to be approved unless the Legislative Budget Board or the Governor issues a written disapproval within 30 business days after the date on which the staff of the Legislative Budget Board concludes its review of the request to transfer appropriations and forwards its review to the Chair of the House Appropriations Committee, Chair of the Senate Finance Committee, Speaker of the House, and Lieutenant Governor. Any

requests for additional information made by the Legislative Budget Board shall suspend the counting of the 30 business days.

The Texas Education Agency shall submit reports on the prior month's expenditures on programs described by this rider no later than the 20th day of each month to the Legislative Budget Board and the Governor's Office in a format determined by the Legislative Budget Board in cooperation with the agency.

Contingent on the Commissioner of Education identifying a budget surplus of Foundation School Program funds appropriated above in either fiscal year of the 2020-21 biennium, the Commissioner shall notify the Legislative Budget Board and the Office of the Governor in writing no later than 30 calendar days before taking any action pursuant to the Education Code §§42.2521, 7.062, 42.2517, 42.2521, 42.2522, 42.2523, 42.2524, or 42.2528.

By: Representative Mary Gonzalez

Texas Education Agency, Article III

Proposed Rider Amendment

Special Education Supports

Prepared by LBB Staff, 2/21/19

Overview

This rider amendment would expand the allowable uses of the funding directed by TEA Rider 75, Special Education Supports.

Required Action

On page III-26 of the Texas Education Agency's bill pattern, amend existing Rider 75, Special Education Supports, as follows:

75. Special Education Supports. Appropriations above include a total of \$50,478,500 in General Revenue Funds for the Special Education Supports initiative. The Commissioner shall allocate these funds for the following purposes:

- a. From Strategy A.2.3, Students with Disabilities, \$50,000,000 in General Revenue Funds in fiscal year 2020 for grants to reimburse school districts for the following costs: providing extended school year services for students receiving special education; reimburse school districts for costs relating to identification of students needing special education, including full individual and initial evaluations and independent educational evaluations; and for certain compensatory services costs related to the provision of services to students under the Individuals with Disabilities Education Act (IDEA);
- b. From Strategy B.3.5, Information Systems Technology, \$478,500 in General Revenue Funds in fiscal year 2020 for information technology needs related to the IDEA compensatory services grant program Special Education Supports initiative.

The Texas Education Agency shall report to the Legislative Budget Board and the Office of the Governor about the implementation of the grant program as directed by this rider by December 31, 2020.

By: Representative Donna Howard

Texas Education Agency, Article III
Proposed Rider
Public Education State Funding Transparency

Prepared by LBB Staff, 3/7/19

Overview

This rider seeks to increase transparency in the disbursement of funds from the Foundation School Program.

Required Action

On page III-22 of the Texas Education Agency bill pattern, amend the following rider:

67. **Public Education State Funding Transparency.** Out of funds appropriated above to the Texas Education Agency, the agency shall evaluate, for the existing and prior five four biennia, state aid provided through the Foundation School Program for school districts per student in average daily attendance and per student in weighted average daily attendance, as well as in the manner provided below for the total dollar amount of state aid for school districts. In its evaluation, the agency shall compare state aid with the rate of inflation and other factors impacting school district costs. The agency shall report its findings to the Governor, the Legislative Budget Board, and the appropriate legislative education standing committees by January 1, 2020.

No later than January 1, 2021, the Texas Education Agency shall report on its external website the following information related to the Foundation School Program for fiscal years 2010 through 2020, and projections for fiscal year 2021:

- a. the average daily attendance for charter holders and the percentage of the total statewide average daily attendance;
- b. the average daily attendance for only traditional school districts, excluding charter holders, and the percentage of the total statewide average daily attendance for traditional school districts;
- c. local revenue for public education;
- d. state aid for public education;
- e. the amount of state aid provided for maintenance and operations and for combined maintenance and operations and facilities both by total dollar and per student in

average daily attendance for school districts, represented in constant dollars;

- f. the amount of state aid provided both by total dollar and per student in average daily attendance for charter holders, represented both in actual and in constant dollars;
- g. the amount of recapture revenue, represented in both actual and constant dollars;
- h. the total funding provided to school districts, represented in both actual and constant dollars;
 - i. the total amount of state aid provided to school districts, and the percentage that number represents of the total state aid for all school districts and charter schools; and
 - j. the total amount of state aid provided to charter schools, and the percentage that number represents of the total state aid for all school districts and charter schools.

Constant dollars should consider the rate of inflation and other factors impacting school district costs.

In reporting its funding pursuant to the calculations directed by subsections (a-j) above, TEA shall count Foundation School Program recapture revenue as a portion of the local share of the cost of education.

By: Representative Donna Howard

Texas Education Agency Proposed Rider Expanded Learning

Prepared by LBB Staff, 2/25/2019

Overview

This rider requires TEA to consult with the Expanded Learning Opportunities Council and nonprofit organizations with expertise in outside classroom expanded learning opportunities and provide best practices and voluntary standards on the agency's external website.

Required Action

On page III-28 of the Texas Education Agency's bill pattern, add the following rider:

_____. **Expanded Learning.** Out of administrative funds appropriated above the Commissioner of Education shall consult with a private nonprofit organization(s) with experience in outside classroom expanded learning opportunities, and the Expanded Learning Opportunities Council to develop best practice recommendations and voluntary standards related to expanded learning opportunities and make them available on the agency's external website no later than December 31, 2020.

By: Representative Dustin Burrows

Teacher Retirement System, Article III

Proposed Rider Incentive to Shop

Prepared by LBB Staff, 02/28/19

Overview

Add a rider directing the Teacher Retirement System to incentivize TRS-Care and TRS-ActiveCare members to shop for lower cost care.

Required Action

On page III-42 of the Teacher Retirement System bill pattern, add the following rider:

- _____. **Right to Shop Incentive.** It is the intent of the Legislature that the Teacher Retirement System incentivize members of TRS-Care and TRS-ActiveCare to shop for lower cost care within the health plans in order to achieve shared savings. Pursuant to the provisions of Insurance Code §1575.109, §1579.052, and Article IX, Sec. 7.12, Notification of Certain Purchases or Contract Awards, Amendments, and Extensions, the agency may contract with a third-party vendor for this purpose.

By: Representative Drew Darby

**Teacher Retirement System
Proposed Rider
TRS-Care Premium Increases Contingent on Ongoing Annuity Increases**

Prepared by LBB Staff, 3/6/2019

Overview

Draft a rider that expresses legislative intent that the TRS Board not adopt premium increases in the TRS-Care program unless the Legislature adopts ongoing annuity increases of at least the same amount.

Required Action

On page III-42 of the Teacher Retirement System bill pattern, add the following rider:

- _____. **Legislative Intent Relating to TRS-Care Premiums.** It is the intent of the Legislature that the Teacher Retirement System Board of Trustees shall not increase retiree health insurance premiums for the 2020-21 biennium unless the Legislature provides an ongoing increase in annuities under Chapter 824, Government Code, in an amount commensurate to offset the increase in premiums. This increase is intended to be above and beyond the supplemental annuity contingent upon the enactment of House Bill 9, or similar legislation relating to additional onetime payments to TRS annuitants.

By: González

Public Community/Junior Colleges

Proposed Rider

Study of Workforce Awards

Prepared by LBB Staff, 3/1/2019

Overview

The following action would create a new rider within the Public Community/Junior Colleges bill pattern that would direct the Texas Higher Education Coordinating Board Community and Technical Colleges Formula Advisory Committee to review workforce awards not currently included in success point calculations.

Required Actions

1. On page III-213 of House Bill 1 as Introduced, add the following rider to the Public Community/Junior Colleges bill pattern:

Study of Workforce Awards. It is the intent of the Legislature that the Commissioner of Higher Education charge the Community and Technical Colleges Formula Advisory Committee, which is convened as per TEC, Section 61.059(b), with reviewing workforce awards that are not currently included in success point calculations for possible inclusion in these calculations, including proposing a definition for workforce awards.

By Howard

**The University of Texas at Austin
Darrell K. Royal Alzheimer's Initiative
Prepared by LBB Staff,
March 6, 2019**

Overview

The following rider revision would clarify that the funds allocated to The University of Texas at Austin for its Darrell K. Royal Alzheimer's Initiative may only be expended on the functions of the Darrell K. Royal Alzheimer's Initiative as directed by the Texas Council on Alzheimer's Disease and Related Disorders under Section 154.006 of the Education Code.

Required Action

1. On page III-80 of House Bill 1 – Introduced, within The University of Texas of Texas at Austin's bill pattern, amend the following rider.

Darrell K Royal Alzheimer's Initiative. Amounts appropriated above in Strategy D.1.1, Darrell K Royal Texas Alzheimer's Initiative, are funds trustee to The University of Texas at Austin, and The University of Texas at Austin may not transfer the amount appropriated to other purposes. All amounts, net of cost of administration, shall be allocated at the direction of the Texas Council on Alzheimer's Disease and Related Disorders as provided by Education Code §154.006~~law~~ to the Consortium of Alzheimer's Disease Centers ~~for the research activities of the consortium as and for other disease-specific purposes that are part of the Darrell K Royal Texas Alzheimer's Initiative, as approved by the Texas Council on Alzheimer's Disease and Related Disorders.~~ Any unexpended balances at the end of fiscal year 2020 are hereby appropriated for the same purposes for fiscal year 2021.

By Walle

**The University of Texas Rio Grande Valley
Consolidation of Economic Development Strategies**
Prepared by LBB Staff, 3/6/2019

Overview

The following action would consolidate the current strategies, C.2.1, Economic Development, C.2.5, Trade & Technology/Telecom, and C.2.9, Border Economic Development in the bill pattern of The University of Texas Rio Grande Valley, with a new strategy, Border Economic and Enterprise Development.

Required Action

On page III-86 of House Bill 1, modify the following non-formula support strategies:

	<u>2020</u>	<u>2021</u>
C.2.1 Economic Development	\$328,741	\$328,741
C.2.5 Trade & Technology/Telecom	\$41,306	\$41,306
C.2.9 Border Economic Development	\$180,112	\$180,112
<u>C.2.1 Border Economic/Enterprise Development</u>	<u>\$550,159</u>	<u>\$550,159</u>

By: Shine

**Texas A&M University Health Science Center
Rider Amendment
Cardiovascular Research Institute**
Prepared by LBB Staff, 3/06/2019

Overview

The following action amends Rider 2, Cardiovascular Research Institute, to remove the provisions requiring funds to be expended specifically at the Temple campus due to the move of the Institute's host department from Temple, Texas, to Bryan, Texas. The rider amendment allows Texas A&M University Health Science Center to expend funds in support of the Institute's activities at any of the institution's health science center facilities.

Required Action

1. On page III-191 of House Bill 1 as Introduced, within the bill pattern of Texas A&M University Health Science Center, amend the following rider:

Cardiovascular Research Institute. Out of the amounts appropriated above, Texas A&M University System Health Science Center shall expend funds for Cardiovascular Research Institute activities conducted ~~primarily at the~~ health science center facilities ~~in~~ Temple. It is the intent of the Legislature that these funds would be in addition to the amounts allocated ~~to the Temple campus~~ for the normal operation and maintenance of programs and facilities during the biennium.

By: Gonzalez of El Paso

**Texas A&M AgriLife Research
Proposed Rider
Study on State of Malnutrition in Texas**
Prepared by LBB Staff, 03/01/2019

Overview

Add a rider to the Texas A&M AgriLife Research bill pattern requiring that the agency use existing resources to prepare a report on malnutrition in Texas and report the findings to the Office of the Governor and Legislature.

Required Action

On page III-228 of the Texas A&M AgriLife Research bill pattern, add the following rider:

- _____. **Study on State of Malnutrition in Texas.**
- a. Out of funds appropriated above, and any received from gifts, grants, or donations, Texas A&M AgriLife Research shall prepare a report which compiles existing statewide data on the incidence and impact of malnutrition in Texas in order to increase awareness and provide a framework to achieve success in preventing and treating malnutrition.
- b. Not later than September 1, 2020, Texas A&M AgriLife Research shall report the findings and recommendations of the study conducted under Subsection (a) of this section to the Office of the Governor, the Texas Senate, and the Texas House of Representatives.

By: Howard

Special Provisions Relating Only to State Agencies of Higher Education

Proposed Rider

State Premium Contribution Rate

Prepared by LBB Staff, 03/07/2019

Overview

Add a rider that would provide an informational listing of the premium contribution rate for higher education employees compared to ERS premium rates.

Required Action

On page III-267 of the Special Provisions Relating Only to State Agencies of Higher Education bill pattern, add the following rider:

HEGI State Premium Contribution Rate. For the 2020-21 biennium, funds identified and appropriated through the Higher Education Employees Group Insurance bill pattern are based on the following percentage of the full Employee Retirement System (ERS) premium rates, based on the following institutional categories:

	2020-21
The University of Texas System	80.6%
Texas A&M University System	80.6%
ERS Participating Institutions	81.0%
Public Community/Junior Colleges	50.0%

By Howard

**Special Provisions Relating Only to State Agencies of Higher Education
Research Funds**
Prepared by LBB Staff
March 9, 2019

Overview

The following rider revisions would provide informational listings of the funding rates for the Comprehensive Research Fund, Core Research Support and the Texas Research University Fund. The rates included below are based on the three year average of research expenditure data from Fiscal Year 2016 to Fiscal Year 2018.

Required Actions

1. On page III-264 of House Bill 1 as Introduced, within Special Provisions Relating Only to State Agencies of Higher Education, amend the following rider.

Sec. 58. Research Funding for General Academic Institutions. Below are informational amounts related to the Texas Research University Fund and the Comprehensive Research Fund.

1. Texas Research University Fund. The Texas Research University Fund shall provide funding to the University of Texas at Austin and Texas A&M University based on each institution's average research expenditures for the previous three-year period as reported to the Higher Education Coordinating Board. For the 2020-21 biennium, each institution receives 10.8 percent of its three-year average of total research expenditures as reported to the Texas Higher Education Coordinating Board. The amounts listed below for informational purposes are appropriated out of the General Revenue fund elsewhere in the Act in each affected institution's "Texas Research University Fund" strategy and shall be expended to support faculty for the purpose of instructional excellence and research Any unexpended balances as of August 31, 2020, are hereby appropriated for the same purpose for the fiscal year beginning September 1, 2020.

	<u>2020</u>	<u>2021</u>
The University of Texas at Austin	\$32,212,871 27,720,542	\$32,212,871 27,720,542
Texas A&M University	\$41,325,026 34,863,565	\$41,325,026 34,863,565
Total	\$73,537,897 62,584,107	\$73,537,897 62,584,107

2. Comprehensive Research Fund. The Comprehensive Research Fund shall provide funding to promote increased research capacity at general academic institutions, excluding The University of Texas at Austin, Texas A&M University, and institutions of higher education designated as an emerging research university under the Higher Education Coordinating Board's accountability system. Funding to eligible institutions shall be allocated among institutions based on the average amount of restricted research funds expended by each institution per year for the three preceding state fiscal years as reported to the Higher Education Coordinating Board. For the 2020-21 biennium, each institution receives 17.9 percent of its three-year average of restricted research expenditures as reported to the Texas Higher Education Coordinating Board. The amounts listed below for informational purposes are appropriated out of the General Revenue fund elsewhere in the Act in each affected institutions' "Comprehensive Research Fund" strategy and shall be expended for the support and maintenance of educational and general activities, including research and student services, that promote increased research capacity at the institution. Any unexpended balances as of August 31, 2020, are hereby appropriated for the same purpose for the fiscal year beginning September 1, 2020.

	2020	2021
The University of Texas Permian Basin	<u>\$41,86643,810</u>	<u>\$41,86643,810</u>
The University of Texas Rio Grande Valley	<u>\$838,07658,654</u>	<u>\$838,07658,654</u>
The University of Texas at Tyler	<u>\$100,09981,563</u>	<u>\$100,09981,563</u>
Texas A&M University at Galveston	<u>\$447,836380,633</u>	<u>\$447,836380,633</u>
Prairie View A&M University	<u>\$657,941623,627</u>	<u>\$657,941623,627</u>
Tarleton State University	<u>\$481,073452,667</u>	<u>\$481,073452,667</u>
Texas A&M University – Corpus Christi	<u>\$1,435,5021,257,260</u>	<u>\$1,435,5021,257,260</u>
Texas A&M International University	<u>\$221,013166,317</u>	<u>\$221,013166,317</u>
Texas A&M University – Kingsville	<u>\$1,120,8151,055,544</u>	<u>\$1,120,8151,055,544</u>
Texas A&M San Antonio	<u>\$13,88242,458</u>	<u>\$13,88242,458</u>
Texas A&M University - Commerce	<u>\$136,949149,247</u>	<u>\$136,949149,247</u>
Texas A&M University - Texarkana	<u>\$766724</u>	<u>\$766724</u>
West Texas A&M University	<u>\$152,514157,309</u>	<u>\$152,514157,309</u>
University of Houston – Clear Lake	<u>\$90,41376,309</u>	<u>\$90,41376,309</u>
University of Houston – Downtown	<u>\$182,433163,060</u>	<u>\$182,433163,060</u>
University of Houston – Victoria	<u>\$20,60820,833</u>	<u>\$20,60820,833</u>
Angelo State University	<u>\$20,26517,031</u>	<u>\$20,26517,031</u>
University of North Texas - Dallas	<u>\$2,88382,055</u>	<u>\$2,88382,055</u>
Stephen F. Austin State University	<u>\$171,476187,21</u>	<u>\$171,476187,213</u>
Texas Southern University	<u>\$323,882244,890</u>	<u>\$323,882244,890</u>
Texas Woman's University	<u>\$152,152114,511</u>	<u>\$152,152114,511</u>

Lamar University	\$133,605,111,094	\$133,605,111,094
Sul Ross State University	\$113,412,402,990	\$113,412,402,990
Sam Houston State University	\$236,356,211,552	\$236,356,211,552
Total	\$7,136,187,6422,575	\$7,136,187,6422,575

2. On page III-266 of House Bill 1 as Introduced, within Special Provisions Relating Only to State Agencies of Higher Education, amend the following rider.

Sec. 60. Emerging Research Universities Research Funding. Funding to support research at Emerging Research Universities shall consist of appropriations from two research programs.

- 1. Texas Research Incentive Program.** Pursuant to Education Code, Sec. 62.121-62.124, the Texas Research Incentive Program shall provide matching funds to emerging research universities, designated under the Higher Education Coordinating Board's accountability system, to assist institutions in leveraging private gifts for the enhancement of research productivity. The amounts lists below for each emerging research university are for informational purposes only.

	2020	2021
The University of Texas at Arlington	\$ 487,500	\$ 275,000
The University of Texas at Dallas	\$ 2,184,181	\$ 3,885,819
The University of Texas at El Paso	\$ 381,768	\$ 284,852
The University of Texas at San Antonio	\$ 1,225,000	\$ 780,187
University of Houston	\$ 2,850,000	\$ 5,109,774
Texas Tech University	\$ 5,887,434	\$ 4,646,618
University of North Texas	\$ 934,955	\$ 2,317,750
Texas State University	\$ 3,549,162	\$ 200,000
Total	\$17,500,000	\$17,500,000

- 2. Core Research Support.** Provides The core research support fund is established to promote increased research capacity at the Emerging Research Universities. Funding to eligible institutions shall be allocated as follows: 50 percent based on the average amount of restricted research funds expended by each institution per year for the three preceding state fiscal years, determined in the manner described by Section 62.095(b); and 50 percent based on the average amount of total research funds expended by each institution per year for the three preceding state fiscal years, determined in the manner described by Section 62.053(b). For the 2020-21 biennium, each institution is funded at an average of 11.3 percent of eligible research expenditures as determined by criteria listed above. Any unexpended balances as of August 31, 2020, are hereby appropriated for the same

purpose for the fiscal year beginning September 1, 2020. The amounts listed below for each institution are for informational purposes only:

	<u>2020</u>	<u>2021</u>
The University of Texas at Arlington	\$ <u>6,757,244</u> <u>5,855,944</u>	\$ <u>6,757,244</u> <u>5,855,944</u>
The University of Texas at Dallas	\$ <u>8,580,387</u> <u>7,845,014</u>	\$ <u>8,580,387</u> <u>7,845,014</u>
The University of Texas at El Paso	\$ <u>7,447,977</u> <u>7,092,644</u>	\$ <u>7,447,977</u> <u>7,092,644</u>
The University of Texas at San Antonio	\$ <u>5,215,844</u> <u>4,493,715</u>	\$ <u>5,215,844</u> <u>4,493,715</u>
University of Houston	\$ <u>11,608,277</u> <u>10,137,518</u>	\$ <u>11,608,277</u> <u>10,137,518</u>
Texas Tech University	\$ <u>11,608,277</u> <u>10,644,975</u>	\$ <u>11,608,277</u> <u>10,644,975</u>
University of North Texas	\$ <u>2,437,730</u> <u>2,213,918</u>	\$ <u>2,437,730</u> <u>2,213,918</u>
Texas State University	\$ <u>5,028,961</u> <u>4,416,405</u>	\$ <u>5,028,961</u> <u>4,416,405</u>
Total	\$ <u>58,555,705</u> <u>52,700,133</u>	\$ <u>58,555,705</u> <u>52,700,133</u>

By Howard

**Special Provisions Relating Only to State Agencies
Of Higher Education
General Academic Funding
Prepared by LBB Staff
March 6, 2019**

Overview

The Higher Education Coordinating Board is currently required to review formula and supplemental items of institutions of higher education by Section 26, General Academic Funding, in Special Provisions Related Only to State Agencies of Higher Education. The Higher Education Coordinating Board's study committees are required to review the expenditure study that is used for the cost matrix and make recommendations based on its study. The rider revision would require the study committees to take cost growth and the impact that it has had on higher education institutions' funding levels into consideration during their review.

Required Action

1. On page III-255 of House Bill 1 – Introduced, within Section 26, General Academic Funding, in Special Provisions Relating Only to State Agencies of Higher Education, amend the following rider.

Sec. 26. General Academic Funding. Appropriations made in this Act for formula funding for general academic institutions will consist of four formulas and supplemental items.

1. **Instruction and Operation Formula.** The Instruction and Operations Formula shall provide funding for faculty salaries, including nursing, departmental operating expense, library, instructional administration, research enhancement, student services, and institutional support. These funds are distributed on a weighted semester credit hour basis. The rate per weighted semester credit hour for the 2020-21 biennium is \$55.82 in fiscal year 2020 and fiscal year 2021.

Weighting is determined by the following matrix:

	Lower Div.	Upper Div.	Masters	Doctoral	Special Professional
Liberal Arts	1.00	1.73	4.11	11.35	
Science	1.57	2.78	7.10	21.72	
Fine Arts	1.46	2.58	6.27	7.87	
Teacher Ed	1.48	2.01	2.38	7.35	
Agriculture	1.98	2.44	6.87	12.43	
Engineering	2.05	3.12	5.49	17.39	
Home Economics	1.11	1.76	2.88	9.50	
Law					4.79
Social Services	1.54	1.83	2.30	20.67	

Library Science	1.87	1.62	3.12	15.47	
Vocational Training	1.15	2.79			
Physical Training	1.42	1.29			
Health Services	0.99	1.54	2.55	10.74	2.68
Pharmacy	3.12	4.41	30.82	36.55	4.32
Business Admin	1.14	1.81	3.22	25.73	
Optometry					7.54
Teacher Ed Practice	2.00	2.22			
Technology	1.97	2.31	3.46	14.25	
Nursing	1.42	2.03	2.86	10.01	
Developmental Ed	1.00				
Veterinary Medicine					24.35

2. **Teaching Experience Supplement.** For the 2020-21 biennium, an additional weight of 10 percent is added to lower division and upper division semester credit hours taught by tenured and tenure-track faculty. Furthermore, it is the intent of the Legislature that the weight shall increase by 10 percent per biennium, up to 50 percent.
3. **Infrastructure Support.** Funding associated with plant-related formulas and utilities shall be distributed by the infrastructure support formula which is driven by the predicted square feet for universities' educational and general activities produced by the Space Projection Model developed by the Coordinating Board. The portion of the formula related to utilities is adjusted to reflect differences in unit costs for purchased utilities, including electricity, natural gas, water and wastewater, and thermal energy. The average rate per square foot is \$5.41 in fiscal year 2020 and fiscal year 2021.
4. **Supplemental Non-formula Items.** Institutions shall receive a direct reimbursement as applicable for staff group insurance (other educational and general income portion), workers' compensation insurance, unemployment compensation insurance, public education grants, organized activities, scholarships, tuition revenue bond payments, and facility lease charges. Institutions may receive an appropriation for non-formula support items. Revenue derived from board authorized tuition would still be appropriated to the institutions levying the additional charges.
5. The General Academic Instruction and Operations and Infrastructure formulas shall incorporate the Higher Education Coordinating Board's October 2006 recommendations for mission-specific formula funding for Texas A&M University at Galveston.

These formulas and supplemental items shall be reviewed and updated by study committees appointed by the Higher Education Coordinating Board and recommended changes forwarded to the Legislature, Legislative Budget Board, and Governor by June 1, 2020. The study committees shall review the expenditure study that is used for the cost matrix above, including determining and reviewing the growth of costs affiliated with higher education and its consequent impact on higher education institutions, and make recommendations for improvements to better reflect the actual expenditure of the institutions. The study committee recommendations shall be forwarded to the Legislative Budget Board along with the recommendations and formulas and supplemental items.