

**Senate Finance Committee
Riders - Article III
Higher Education**

Adopted

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Legislative Budget Board

By Paul Bellercom

Texas Higher Education Coordinating Board
Commissioner of Higher Education Salary

Overview

The Texas Higher Education Coordinating Board (THECB) is launching a national search for the next Commissioner of Higher Education. Due to the size and complexity of the Texas higher education system, as well as the broad range of fiscal and administrative responsibilities of the agency, it is imperative that this search attracts the most qualified and talented applicants. This position also plays a critical role in achieving the goals of the state's higher education plan, *60x30TX*, which will ensure that the Texas economy remains nationally and internationally competitive.

The annual salary for this position is \$212,135, which is not competitive with salaries of presidents or many other upper-level management employees of Texas public institutions of higher education. A more competitive salary of \$299,813 per year, which is the maximum amount of the salary range prescribed for Salary Group 8 in SB 1- Introduced, Page IX-21, will expand the pool of highly qualified and talented applicants from Texas and nationally. Additionally, this salary increase will not require an increase in General Revenue. Rider 3 of the THECB's bill pattern of the GAA limits \$77,851 of General Revenue to be used to fund the Commissioner's annual salary. The remaining salary funds come from the THECB's student loan program ("other funds"), which provides for indirect costs associated with the program.

Required Action

On page III-54 of Senate Bill 1 (Introduced), 86th Legislature, Texas Higher Education Coordinating Board's bill pattern, add the following new rider:

3. Commissioner's Salary. The Coordinating Board is hereby authorized to utilize \$77,851 per year from General Revenue funds appropriated to Goal B, in fiscal year 2020 and fiscal year 2021 and any earned funds for the purpose of funding the salary of the Commissioner of Higher Education at a rate not to exceed ~~\$212,135~~ \$299,813 in fiscal year 2020 and ~~\$212,135~~ \$299,813 in fiscal year 2021.

Special Provisions Relating Only to State Agencies of Higher Education

Proposed Rider

Digital Infrastructure Formula Study

Prepared by LBB Staff, 3/24/19

Overview

The following rider would direct the formula advisory committees at the Higher Education Coordinating Board to review the Space Projection Model as it relates to distance education courses.

Required Action

1. On page III-252, modify the following rider to Section 26 in Special Provisions Relating Only to State Agencies of Higher Education:

Sec. 26. General Academic Funding. 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 formula advisory committees shall review the Space Projection Model as it relates to distance education courses, including the different physical space and technology needs between traditional courses, online courses, and distance education courses, as well as information on associated costs of each course type.

Texas A&M University – Central Texas
Proposed Funding and Rider
Upper Level Institution Support
Prepared by LBB Staff, 3/24/19

Overview

The following action modifies the strategy name for Transition Funding to Upper Level Institution Support. Additionally, the following amends the Transition Funding rider in Texas A&M University – Central Texas’s bill pattern to reflect the amended strategy name.

Required Action

1. On page III-105 of Senate Bill 1 as Introduced, modify the following strategy:

	<u>2020</u>	<u>2021</u>
C.1.1. Transition Funding	\$3,867,814	\$3,867,814
<u>C.1.1. Upper Level Institution Support</u>	<u>\$3,867,814</u>	<u>\$3,867,814</u>

2. On page III-105, Amend the following rider in Texas A&M University – Central Texas’ bill pattern:

~~Transition Funding~~Upper Level Institution Support – Texas A&M University – Central Texas. It is the intent of the legislature that non-formula General Revenue operations funding in Strategy C.1.1, ~~Transition Funding~~Upper Level Institution Support, for Texas A&M University – Central Texas will be phased out by 25 percent over four biennia beginning in the 2022-23 biennium as formula funding increases, or until the institution reaches 6,000 full time student equivalents.

Sam Houston State University

CMIT/LEMIT

Prepared by LBB Staff, 3/21/2019

Overview

The following action amends the existing riders for the Correctional Management Institute of Texas (CMIT) & Law Enforcement Management Institute of Texas (LEMIT) programs at Sam Houston State University to allow unexpended balance authority within the biennium.

Required Action

1. On page III-159 of Senate Bill 1 as Introduced modify Rider #2, in Sam Houston State University's bill pattern:

Criminal Justice Correctional Management Institute of Texas Fund. Appropriations to Strategy C.2.4, Correctional Management Institute of Texas, include \$1,400,112 in fiscal year 2020 and \$1,400,112 in fiscal year 2021 from the Criminal Justice Correctional Management Institute of Texas Fund (GR-Dedicated Fund 5083). Any balances in Fund 5083 remaining as of August 31, 2020 are appropriated for the same purpose for the fiscal year beginning September 1, 2020.

2. On page III-159 of Senate Bill 1 as Introduced modify Rider #3, in Sam Houston State University's bill pattern:

Law Enforcement Management Institute of Texas Fund. Appropriations to Strategy C.2.3, Law Enforcement Management of Texas, include \$3,474,128 in fiscal year 2020 and \$3,474,127 in fiscal year 2021 from the Law Enforcement Management Institute of Texas Fund (GR-Dedicated Fund 581). Any balances in Fund 581 remaining as of August 31, 2020 are appropriated for the same purpose for the fiscal year beginning September 1, 2020.

By Paul Bellerwint

**Texas A&M University Health Science Center
Cardiovascular Research Institute**

Overview

The following action amends the rider specifying the funding of the Cardiovascular Research Institute specifically in Temple. The Cardiovascular Research Institute currently includes researchers from multiple locations, including Temple, Dallas, Bryan, College Station, Houston and Round Rock as well as researchers from other colleges in Texas A&M University. The Department of Medical Physiology, where the Cardiovascular Research Institute is headquartered, is moving from Temple to the newly constructed Medical Research and Education Building in Bryan, Texas. The Medical Research and Education Building was funded primarily through a tuition revenue bond, authorized by the 84th Legislature, Regular Session, 2015 and will be completed during the current fiscal year. The move will take advantage of the new building and provide an opportunity for collaborative research with other departments within the Health Science Center and Texas A&M University.

Required Action

On page III-190 of Texas A&M Health Science Center's bill pattern, amend the following rider:

2. 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.

**Texas Tech University Health Sciences Center at El Paso
Proposed funding and Rider
School of Dental Medicine**

Overview

The following action creates a new non-formula support item strategy, D.1.4, School of Dental Medicine, in the bill pattern of Texas Tech University Health Sciences Center at El Paso; reallocates \$10,000,000 in General Revenue Funds, in each fiscal year of the 2020-21 biennium; and increases full-time equivalents (FTEs). Additionally, this action creates a new rider to direct the use of funds appropriated in this strategy to establish a School of Dental Medicine. The school will help educate and retain dental health professionals in a region that has been designated as a Dental Health Professional Shortage Area (DHPSA) and a "high need" area for dental care providers.

Required Actions

1. On page III-199 of Senate Bill 1 as Introduced, within Texas Tech University Health Sciences Center at El Paso's bill pattern, create a new strategy, D.1.4, School of Dental Medicine, as follows:

D.1.4. Strategy: SCHOOL OF DENTAL MEDICINE

2. On page III-199 of Senate Bill 1 as Introduced, within Texas Tech University Health Sciences Center at El Paso's bill pattern, reallocate the General Revenue appropriation within the following non-formula support item strategies as follows:

	2020	2021
D.1.3. Strategy: PAUL L. FOSTER SCHOOL OF MEDICINE	25,000,000	25,000,000
	15,000,000	15,000,000
D.1.4. Strategy: SCHOOL OF DENTAL MEDICINE	<u>10,000,000</u>	<u>10,000,000</u>

3. On page III-198 of Senate Bill 1 as Introduced, within Texas Tech University Health Sciences Center at El Paso's bill pattern, add 15.0 FTEs by amending the FTE cap as follows:

	2020	2021
Number of Full-Time-Equivalents (FTE)-	679.6	679.6
Appropriated Funds	692.6	722.6

4. On page III-201 of Senate Bill 1 as Introduced, within Texas Tech University Health Sciences Center at El Paso's bill pattern, add the following rider:

School of Dental Medicine. Out of funds appropriated above in strategy D.1.4, School of Dental Medicine, \$10,000,000 in General Revenue in each fiscal year of the biennium shall be used to establish a School of Dental Medicine. The school will help educate and retain dental health

professionals in a region that has been designated as a Dental Health Professional Shortage Area (DHPSA) and a "high need" area for dental care providers.

**Special Provisions Relating Only to State Agencies of Higher Education
Core Research Support
Prepared by LBB Staff,
3/24/19**

Overview

The following rider revision would provide an informational listing of the funding rate for the Core Research Support Fund. The rate included below is based on the three year average of eligible research expenditure data from Fiscal Year 2016 to Fiscal Year 2018.

Required Action

1. On page III-263 of Senate Bill 1 – 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 9.4 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>\$6,081,520</u> 5,855,944	<u>\$6,081,520</u> 5,855,944
The University of Texas at Dallas	<u>\$7,722,348</u> 7,845,014	<u>\$7,722,348</u> 7,845,014
The University of Texas at El Paso	<u>\$6,703,179</u> 7,092,644	<u>\$6,703,179</u> 7,092,644
The University of Texas at San Antonio	<u>\$4,694,259</u> 4,493,715	<u>\$4,694,259</u> 4,493,715
University of Houston	<u>\$10,331,356</u> 10,137,518	<u>\$10,331,356</u> 10,137,518
Texas Tech University	<u>\$10,447,449</u> 10,644,975	<u>\$10,447,449</u> 10,644,975
University of North Texas	<u>\$2,193,957</u> 2,213,918	<u>\$2,193,957</u> 2,213,918
Texas State University	<u>\$4,526,065</u> 4,416,405	<u>\$4,526,065</u> 4,416,405
Total	\$52,700,133	\$52,700,133

**Special Provisions Relating Only to State Agencies of Higher Education
Comprehensive Research Fund**

Prepared by LBB Staff,
3/24/19

Overview

The following rider revision would provide an informational listing of the funding rate for the Comprehensive Research Fund. The rate included below is based on the three year average of restricted research expenditure data from Fiscal Year 2016 to Fiscal Year 2018.

Required Action

1. On page III-261 of Senate Bill 1 – 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. 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.

	2020	2021
The University of Texas at Austin	\$27,720,542	\$27,720,542
Texas A&M University	\$34,863,565	\$34,863,565
Total	\$62,584,107	\$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 15.3 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.

	<u>2020</u>	<u>2021</u>
The University of Texas Permian Basin	\$37,67922,677	\$37,67922,677
The University of Texas Rio Grande Valley	\$754,269775,509	\$754,269775,509
The University of Texas at Tyler	\$90,08981,563	\$90,08981,563
Texas A&M University at Galveston	\$403,053380,633	\$403,053380,633
Prairie View A&M University	\$592,147623,627	\$592,147623,627
Tarleton State University	\$432,967452,667	\$432,967452,667
Texas A&M University -- Corpus Christi	\$1,291,9531,257,260	\$1,291,9531,257,260
Texas A&M International University	\$198,912166,317	\$198,912166,317
Texas A&M University - Kingsville	\$1,008,7341,055,544	\$1,008,7341,055,544
Texas A&M San Antonio	\$12,49412,458	\$12,49412,458
Texas A&M University - Commerce	\$123,254149,247	\$123,254149,247
Texas A&M University - Texarkana	\$690724	\$690724
West Texas A&M University	\$137,263157,309	\$137,263157,309
University of Houston -- Clear Lake	\$81,37276,309	\$81,37276,309
University of Houston -- Downtown	\$164,190163,060	\$164,190163,060
University of Houston -- Victoria	\$18,54720,833	\$18,54720,833
Angelo State University	\$18,23917,031	\$18,23917,031
University of North Texas - Dallas	\$2,59582,055	\$2,59582,055
Stephen F. Austin State University	\$154,239187,213	\$154,239187,213
Texas Southern University	\$291,494244,890	\$291,494244,890
Texas Woman's University	\$136,937114,511	\$136,937114,511
Lamar University	\$120,244111,094	\$120,244111,094
Sul Ross State University	\$102,071102,990	\$102,071102,990
Sam Houston State University	\$212,721211,552	\$212,721211,552
Total	\$6,422,575	\$6,422,575

**Special Provisions Relating Only to State Agencies of Higher Education
Texas Research University Fund
Prepared by LBB Staff,
3/24/19**

Overview

The following rider revision would provide an informational listing of the funding rate for the Texas Research University Fund. The rate included below is based on the three year average of eligible research expenditure data from Fiscal Year 2016 to Fiscal Year 2018.

Required Action

1. On page III-261 of Senate Bill 1 – Introduced, within Special Provisions Relating Only to State Agencies of Higher Education, amend the following rider.

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 9.2 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	\$ <u>27,414,624</u> <u>27,720,542</u>	\$ <u>27,414,624</u> <u>27,720,542</u>
Texas A&M University	\$ <u>35,169,483</u> <u>34,863,565</u>	\$ <u>35,169,483</u> <u>34,863,565</u>
Total	\$62,584,107	\$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. 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 of the Permian Basin	\$ 22,677	\$ 22,677
The University of Texas Rio Grande Valley	\$ 775,509	\$ 775,509
The University of Texas at Tyler	\$ 81,563	\$ 81,563
Texas A&M University at Galveston	\$ 380,633	\$ 380,633
Prairie View A&M University	\$ 623,627	\$ 623,627
Tarleton State University	\$ 452,667	\$ 452,667
Texas A&M University-Corpus Christi	\$1,257,260	\$ 1,257,260
Texas A&M International University	\$ 166,317	\$ 166,317
Texas A&M University-Kingsville	\$1,055,554	\$ 1,055,554
Texas A&M San Antonio	\$ 12,458	\$ 12,458
Texas A&M University-Commerce	\$ 149,247	\$ 149,247
Texas A&M University-Texarkana	\$ 724	\$ 724
West Texas A&M University	\$ 157,309	\$ 157,309
University of Houston-Clear Lake	\$ 76,309	\$ 76,309
University of Houston-Downtown	\$ 163,060	\$ 163,060
University of Houston-Victoria	\$ 20,833	\$ 20,833
Angelo State University	\$ 17,031	\$ 17,301
University of North Texas-Dallas	\$ 2,055	\$ 2,055
Midwestern State University	\$ 35,492	\$ 35,492
Stephen F. Austin State University	\$ 187,213	\$ 187,213
Texas Southern University	\$ 244,890	\$ 244,890
Texas Woman's University	\$ 114,511	\$ 114,511
Lamar University	\$ 111,094	\$ 111,094
Sul Ross State University	\$ 102,990	\$ 102,990
Sam Houston State University	\$ 211,552	\$ 211,552
Total	\$ 6,422,575	\$ 6,422,575

By: Thule Watson

**Special Provisions Relating Only to State Agencies of Higher Education
Proposed Rider
State Premium Contribution Rate**

Overview

While premium contributions for general state employees are funded at 100 percent of Employee Retirement System (ERS) premium rates, since fiscal year 2004 the Legislature has provided a lower level of premium contributions for higher education employees. The proposed rider would provide an informational listing of the premium contribution rate for higher education employees compared to ERS premium rates.

Required Action

- 1) On page III-265 of the Special Provisions Relating Only to State Agencies of Higher Education bill pattern, add the following rider:

XXX. 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:

	<u>2020-21</u>
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%