

**Rider Comparison Packet**

**Conference Committee on House Bill 1**

**2012-13 General Appropriations Bill**

**Article 3 - Higher Education**

**ARTICLE III - AGENCIES OF EDUCATION**  
**30M Higher Education Employees Group Insurance Contributions**  
**DIFFERENCES ONLY**

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**1. State Contribution to Group Insurance for Higher Education Employees Participating in the Employees Retirement System Group Benefits Program.** Funds appropriated above for group insurance are intended to fund:

- a. a portion of the cost of providing health coverage for all active and retired employees;
- b. active and retired employees enrolled in the Group Benefits Program shall pay ten percent of the total cost of the Member Only premium for health coverage; and
- c. fifty percent of the total cost of health coverage for the spouses and dependent children enrolled in coverage categories which include a spouse and/or dependent children.

In no event shall the total amount of state contributions allocated to fund coverage in an optional health plan exceed the actuarially determined total amount of state contributions that would be required to fund basic health coverage for those active employees and retirees who have elected to participate in that optional health plan.

General Revenue funds appropriated herein for the employee incentive opt-out program are intended to contribute towards the General Revenue billing costs incurred by the Employee Retirement System for those active and retired employees opting out of the Group Benefits Program pursuant to Insurance Code § 1551.222.

Funds appropriated for higher education employees' group insurance contributions may not be used for any other purpose.

It is further provided that institutions shall cooperate so that employees employed by more than one institution may be covered under one group policy and that said policy may be held jointly by two or more institutions and paid from funds appropriated to the institutions for payment of employee insurance premiums as set out above.

**1. State Contribution to Group Insurance for Higher Education Employees Participating in the Employees Retirement System Group Benefits Program.** Funds identified and appropriated above for group insurance are intended to fund:

- a. the majority of the cost of the basic life and health coverage for all active and retired employees; and
- b. fifty percent of the total cost of health coverage for the spouses and dependent children of all active and retired employees who enroll in coverage categories which include a spouse and/or dependent children.

In no event shall the total amount of state contributions allocated to fund coverage in an optional health plan exceed the actuarially determined total amount of state contributions that would be required to fund basic health coverage for those active employees and retirees who have elected to participate in that optional health plan.

General Revenue funds appropriated herein for the employee incentive opt-out program are intended to contribute towards the General Revenue billing costs incurred by the Employee Retirement System for those active and retired employees opting out of the Group Benefits Program pursuant to Insurance Code § 1551.222.

Funds appropriated for higher education employees' group insurance contributions may not be used for any other purpose.

It is further provided that institutions shall cooperate so that employees employed by more than one institution may be covered under one group policy and that said policy may be held jointly by two or more institutions and paid from funds appropriated to the institutions for payment of employee insurance premiums as set out above.

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**5. Specification of Appropriations.** The amount of the appropriation made for Strategy C.1.30, Public Community/Junior Colleges, shall be allocated to each eligible college in accordance with a report, specifying the exact amounts for each eligible college, to be provided by the Legislative Budget Board to the Employees Retirement System.

**5. Specification of Appropriations.** The amount of the appropriation made for Strategy C.1.30, Public Community/Junior Colleges, shall be allocated to each college in accordance with a report, specifying the exact amounts for each college, to be provided by the Legislative Budget Board to the Employees Retirement System.

**6. Appropriations Transfers.**

**6. Appropriations Transfers.**

a. Funds appropriated above to institutions other than those belonging to The University of Texas System or the Texas A&M University System, may be transferred from one appropriation item to another at the discretion of the chief administrative officer of the Employees Retirement System for the purpose of applying appropriations in excess of actual General Revenue group insurance premium costs at any of the higher education institutions named above to appropriation shortfalls for General Revenue group insurance premiums at any of the higher education institutions named above. Reallocation dollars provided by the group of institutions submitting annual Accounting Policy Statement 011 (Benefits Proportional by Fund) reports to the Comptroller shall be first apportioned among the same group of institutions, and any remaining funds may be applied to appropriation shortfalls among other institutions of higher education. Funds appropriated above to components of The University of Texas System and the Texas A&M University System may be transferred from one component to another component within the same system at the discretion of the chief administrative officer of each system for the same purposes stated above.

a. Funds appropriated above to institutions other than those belonging to The University of Texas System or the Texas A&M University System, may be transferred from one appropriation item to another at the discretion of the chief administrative officer of the Employees Retirement System for the purpose of applying appropriations in excess of actual General Revenue group insurance premium costs at any of the higher education institutions named above to appropriation shortfalls for General Revenue group insurance premiums at any of the higher education institutions named above. Reallocation dollars provided by the group of institutions submitting annual Accounting Policy Statement 011 (Benefits Proportional by Fund) reports to the Comptroller shall be first apportioned among the same group of institutions, and any remaining funds may be applied to appropriation shortfalls among other institutions of higher education. Funds appropriated above to components of The University of Texas System and the Texas A&M University System may be transferred from one component to another component within the same system at the discretion of the chief administrative officer of each system for the same purposes stated above.

b. The Employees Retirement System, The University of Texas System, and the Texas A&M University System shall file a report with the Legislative Budget Board, the Governor and the Comptroller by December 1 of each year, detailing any such transfers.

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c. Out of the funds appropriated above in Strategy A.1.11, The University of Texas Medical Branch at Galveston, \$1,206,121 in fiscal year 2012 and \$1,206,121 in fiscal year 2013 is

c. Out of the funds appropriated above in Strategy A.1.11, The University of Texas Medical Branch at Galveston, \$1,156,393 in fiscal year 2012 and \$1,237,341 in fiscal year 2013 is

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for the purpose of paying General Revenue group insurance premiums for employees participating in the Employees Retirement System Group Benefit Program for managed health and mental care associated with the Texas Youth Commission and the Texas Department of Criminal Justice. Out of the funds appropriated above in Strategy C.1.23, Texas Tech University Health Sciences Center, \$3,984,114 in fiscal year 2012 and \$3,984,114 in fiscal year 2013 is for the purpose of paying General Revenue group insurance premiums for employees paid from managed health care contracts associated with the Texas Department of Criminal Justice. Except for the transfer authority provided above in Subsection a, these amounts are sum certain.

for the purpose of paying General Revenue group insurance premiums for employees participating in the Employees Retirement System Group Benefit Program for managed health and mental care associated with the Texas Youth Commission and the Texas Department of Criminal Justice. Out of the funds appropriated above in Strategy C.1.23, Texas Tech University Health Sciences Center, \$4,410,957 in fiscal year 2012 and \$4,719,724 in fiscal year 2013 is for the purpose of paying General Revenue group insurance premiums for employees paid from managed health care contracts associated with the Texas Department of Criminal Justice. Except for the transfer authority provided above in Subsection a, these amounts are sum certain.

- d. Included in the funds appropriated above in Strategy B.1.19, Texas Forest Service, \$1,488,543 in fiscal year 2012 and in fiscal year 2013 is for the purpose of paying group health insurance premiums for employees paid with direct appropriations to the Texas Forest Service from the Insurance Companies Maintenance Tax and Insurance Department Fees method of finance. Except for the transfer authority provided above in Subsection a, these amounts are sum certain.

- d. Included in the funds appropriated above in Strategy B.1.19, Texas Forest Service, \$1,497,919 in fiscal year 2012 and \$1,602,773 in fiscal year 2013 is for the purpose of paying group health insurance premiums for employees paid with direct appropriations to the Texas Forest Service from the Insurance Companies Maintenance Tax and Insurance Department Fees method of finance. Except for the transfer authority provided above in Subsection a, these amounts are sum certain.

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8. **Physician Education Loan Repayment Program.** The funds provided to Strategy D.1.8, Physician Education Loan Repayment Program, are appropriated in accordance with Education Code §§ 61.531 - 61.539 for repayment of eligible student loans received by a physician who meets the stipulated requirements. . Any balances on hand at the end of fiscal year 2012 may be carried over to fiscal year 2013 for the same purpose.
  
12. **Research Programs.** The appropriations made by this Act for the Norman Hackerman Advanced Research Program shall be distributed in accordance with the provisions of Education Code, Chapter 142. However, no more than 70 percent of the funds shall be designated for The University of Texas and the Texas A&M University Systems in the 2012-13 biennium. Out of funds allocated, up to \$750,000 in each year of the biennium may be expended to support the development, implementation, and administration of summer research efforts to provide Texas high school math and science teachers an experience in a research lab supported by a research grant awarded under this section. Institutions receiving transfers of funds under this program shall report to the Coordinating Board in accordance with the provisions of Education Code § 142.005. Similarly, the Coordinating Board shall report to the Governor and the Legislative Budget Board. Funds allocated for this research program are exempt from Comptroller of Public Accounts rules and regulations.
  
13. **Family Practice Rural and Public Health Rotations.** Funds appropriated above for Family Practice Residency Programs, include up to \$272,250 in 2012 and \$272,250 in 2013 for one month rural rotations or one month public health rotations for family practice residents in accordance with the provision of Education Code § 51.918.
  
15. **Graduate Medical Education.** Funds appropriated above in Strategy D.1.6, Graduate Medical Education, are for the purpose of supporting the educational costs of primary care graduate medical education programs at unaffiliated independent residency programs. Each entity incurring the costs of faculty responsible for instruction or supervision of resident physicians in such accredited programs may receive funds in an amount not to exceed \$12,500 in each fiscal year for each filled residency position. For the purposes of this rider, primary care shall include family practice, obstetrics/gynecology, general internal medicine, and general pediatrics. The Higher Education Coordinating Board shall promulgate rules for the

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- 20. Student Financial Aid Programs.** The amounts appropriated above in Strategy B.1.8, Student Financial Aid Programs, shall be expended by the Higher Education Coordinating Board to provide student financial aid through the following programs: Texas B-On-Time, College Work Study, TEXAS Grant, Tuition Equalization Grant Program, and Texas Education Opportunity Grant Program. Any balances on hand at the end of fiscal year 2012 may be carried over to fiscal year 2013 and any such funds are appropriated for fiscal year 2013 for the same purpose.
- a. Out of the funds appropriated above in Strategy B.1.8, Student Financial Aid Programs, an amount not less than \$7,529,639 each year shall be allocated to the College Work Study Program. The Higher Education Coordinating Board may allocate additional funds from the strategy to this program.
  - b. Out of the funds appropriated above in Strategy B.1.8, Student Financial Aid Programs, an amount not less than \$12,030,800 in fiscal year 2012 and \$12,030,800 in fiscal year 2013 shall be allocated to the Texas Education Opportunity Grant Program. The Higher Education Coordinating Board may allocate additional funds from the strategy to this program.
  - c. Out of funds appropriated above in Strategy B.1.8, Student Financial Aid Programs, an amount not less than \$62,308,202, each year shall be allocated to the Tuition Equalization Grant Program. The Higher Education Coordinating Board may allocate additional funds from the strategy to this program.
  - d. Out of the funds appropriated above in Strategy B.1.8, Student Financial Aid Programs, the Higher Education Coordinating Board shall allocate not less than \$228,249,693 in fiscal year 2012 and \$137,459,000 in fiscal year 2013 to the TEXAS Grant Program. The Higher

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equitable distribution of these funds. Funds appropriated above in Strategy D.1.6, Graduate Medical Education, may only be allocated to independent residency programs that are not affiliated with a Texas medical school.

- 28. Student Financial Aid Programs.** The amounts appropriated above in Strategy B.1.8, Student Financial Aid Programs, shall be expended by the Higher Education Coordinating Board to provide student financial aid through the following programs: Texas B-On-Time, College Work Study, TEXAS Grant, Tuition Equalization Grant Program, and Texas Education Opportunity Grant Program. Any balances on hand at the end of fiscal year 2012 may be carried over to fiscal year 2013 and any such funds are appropriated for fiscal year 2013 for the same purpose.
- a. Out of the funds appropriated above in Strategy B.1.8, Student Financial Aid Programs, an amount not less than \$7,529,639 each year shall be allocated to the College Work Study Program. The Higher Education Coordinating Board may allocate additional funds from the strategy to this program.
  - b. Out of the funds appropriated above in Strategy B.1.8, Student Financial Aid Programs, an amount not less than \$12,030,800 in fiscal year 2012 and \$12,030,800 in fiscal year 2013 shall be allocated to the Texas Education Opportunity Grant Program. The Higher Education Coordinating Board may allocate additional funds from the strategy to this program.
  - c. Out of funds appropriated above in Strategy B.1.8, Student Financial Aid Programs, an amount not less than \$84,422,827 each year shall be allocated to the Tuition Equalization Grant Program. The Higher Education Coordinating Board may allocate additional funds from the strategy to this program. All unexpended balances of the Tuition Equalization Grant program as of August 31, 2011, up to \$6,200,000 (and included above in the Method of Financing), are hereby appropriated to the Higher Education Coordinating Board for the biennium ending August 31, 2013 for the same purpose.

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Education Coordinating Board may allocate additional funds from the strategy to this program.

- e. Out of funds appropriated above in Strategy B.1.8, Student Financial Aid Programs, the Higher Education Coordinating Board shall allocate an amount not less than \$14,700,000 in General Revenue in fiscal year 2012 and \$11,500,000 in fiscal year 2013 and up to \$30,000,000 in General Revenue-Dedicated B-On-Time Set Asides Fund No. 5103 in fiscal year 2012 to the B-On-Time Program. The Higher Education Coordinating Board may allocate additional funds from the strategy to this program. The funds provided to the B-On-Time Program are appropriated in accordance with Education Code §§ 56.451-56.465 to provide eligible Texas students forgivable no-interest loans to attend colleges and universities in Texas. All balances in the General Revenue-Dedicated Texas B-On-Time Student Loan Account as of August 31, 2011, up to \$40,000,000 (and included above in Method of Financing) are hereby appropriated to the Coordinating Board for the biennium ending August 31, 2013 for the same purpose. Any balances on hand at the end of fiscal year 2012 may be carried over to the fiscal year 2013 and any such funds are appropriated for fiscal year 2013 for the same purpose.

Contingent Transfers: Higher Education Coordinating Board. It is the intent of the legislature that if, not later than September 1, 2012, it is determined by the Higher Education Coordinating Board that any of the amounts appropriated to the Higher Education Coordinating Board under Strategy B.1.8, Student Financial Aid Programs, and identified above by Rider 20(e) to be used for the B-On-Time Program for the state fiscal biennium ending August 31, 2013, have not been awarded under the B-On-Time Program, the Higher Education Coordinating Board shall transfer an amount equal to the total amount of such funds not awarded, but not to exceed \$5,000,000, as follows:

- 1) \$2,500,000 to the Developmental Education Program identified under Strategy E.1.1 for use for that program during the remainder of the state fiscal biennium ending August 31, 2013; and
- 2) \$2,500,000 to the Adult Basic Education Community College Grants identified

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- d. Out of the funds appropriated above in Strategy B.1.8, Student Financial Aid Programs, the Higher Education Coordinating Board shall allocate not less than \$325,164,259 in fiscal year 2012 and \$234,373,565 in fiscal year 2013 to the TEXAS Grant Program The Higher Education Coordinating Board may allocate additional funds from the strategy to this program. All unexpended balances of the TEXAS Grant program as of August 31, 2011, up to \$6,200,000 (and included above in the Method of Financing), are appropriated in accordance with Education Code §§ 56.301-56.311 for the same purposes for use during the biennium beginning September 1, 2011.
- e. Out of funds appropriated above in Strategy B.1.8, Student Financial Aid Programs, the Higher Education Coordinating Board shall allocate an amount not less than \$14,700,000 in General Revenue in fiscal year 2012 and \$11,500,000 in fiscal year 2013 and up to \$40,557,791 in General Revenue-Dedicated B-On-Time Set Asides Fund No. 5103 in fiscal year 2012 to the B-On-Time Program. The Higher Education Coordinating Board may allocate additional funds from the strategy to this program. The funds provided to the B-On-Time Program are appropriated in accordance with Education Code §§ 56.451-56.465 to provide eligible Texas students forgivable no-interest loans to attend colleges and universities in Texas. All balances in the General Revenue-Dedicated Texas B-On-Time Student Loan Account as of August 31, 2011, up to \$40,000,000 (and included above in Method of Financing) are hereby appropriated to the Coordinating Board for the biennium ending August 31, 2013 for the same purpose. Any balances on hand at the end of fiscal year 2012 may be carried over to the fiscal year 2013 and any such funds are appropriated for fiscal year 2013 for the same purpose. All general revenue unexpended balances for the B-On-Time Program as of August 31, 2011, up to \$10,100,000 (and included above in the Method of Financing), are hereby appropriated to the Higher Education Coordinating Board for the biennium ending August 31, 2013 for the same purpose.
- f. Any amounts received by the Coordinating Board as donations under Texas Education Code §56.310 during the biennium beginning September 1, 2011 are hereby appropriated for the purpose of awarding TEXAS Grants during the biennium beginning September 1,

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under Strategy E.1.7 for use for that program during the remainder of the state fiscal biennium ending August 31, 2013.

- f. Any amounts received by the Coordinating Board as donations under Texas Education Code §56.310 during the biennium beginning September 1, 2011 are hereby appropriated for the purpose of awarding TEXAS Grants during the biennium beginning September 1, 2011.
- g. Any amounts transferred to the Coordinating Board by the Comptroller in accordance with Texas Property Code §72.1016(e), which provides that five percent of the money collected from stored valued cards presumed to be abandoned are to be used as grants under Subchapter M, Education Code §56, are hereby appropriated for the biennium beginning September 1, 2011 for the purpose of awarding TEXAS Grants during the biennium beginning September 1, 2011.

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- g. Any amounts transferred to the Coordinating Board by the Comptroller in accordance with Texas Property Code §72.1016(e), which provides that five percent of the money collected from stored valued cards presumed to be abandoned are to be used as grants under Subchapter M, Education Code §56, are hereby appropriated for the biennium beginning September 1, 2011 for the purpose of awarding TEXAS Grants during the biennium beginning September 1, 2011.

**22. Teach for Texas Loan Repayment Assistance Program.**

- a. Of the funds appropriated above in Strategy B.1., Teach for Texas Loan Repayment Program, any unexpended balances on hand at the end of fiscal year 2012 are hereby appropriated for the same purposes in fiscal year 2013.
- b. Any payments received from students are hereby appropriated for the same purposes as the original Teach for Texas Loan Repayment Assistance Program.

**23. Border Faculty Loan Repayment Program.** The Higher Education Coordinating Board may allocate additional funds from Strategy B.1.8, Student Financial Aid Programs, to the Border Faculty Loan Repayment Program, and any unexpended balances on hand at the end of fiscal year 2012 are hereby appropriated for the same purposes in fiscal year 2013.



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- 29. Align Adult Basic Education and Postsecondary Education.** Out of funds appropriated above, the Higher Education Coordinating Board shall coordinate with the Texas Education Agency and Texas Workforce Commission to implement an immediate and long-range coordinated action plan to align Adult Basic Education and postsecondary education. For purposes of developing this action plan, the terms adult education and adult basic education (ABE) refer to adults who lack basic skills in reading, writing, math, or English, including students who are studying for a GED Certificate. This group includes adults who speak English as a second or other language and who may also be referred to as (1) English Language Learners (ELLs), (2) Limited English Proficient (LEP), (3) speakers of English as a second language (ESL), or (4) non-native speakers of English (NNSE). These adult learners may be placed in programs that are referred to as (1) English as a Second Language (ESL), (2) English for speakers of other languages (ESOL), (3) Adult Basic Education/English as a Second Language (ABE/ESL), or another name unique to the institution or program.

To increase the number, success and persistence of students transitioning to postsecondary education, these action plans shall address at a minimum:

- a. outreach and advising;
- b. assessment, curriculum, and instruction;
- c. persistence interventions;
- d. state-level accountability systems to monitor performance;
- e. service-provider-level performance measures and program evaluation;
- f. standards to enhance data quality and sharing among state agencies and service-providers;
- g. needs assessment of students and service-providers to identify other structural issues

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- 24. Dental Education Loan Repayment Program.** The funds provided to Strategy D.1.11, Dental Education Loan Repayment Program, are appropriated in accordance with Education Code, §§ 61.901 - 61.910, for repayment of eligible student loans received by a dentist who meets the stipulated requirements. . Any balances on hand at the end of the fiscal year 2012 may be carried over to fiscal year 2013 for the same purpose.
- 41. Align Adult Basic Education and Postsecondary Education.** Out of funds appropriated above, the Higher Education Coordinating Board shall coordinate with the Texas Education Agency and Texas Workforce Commission to implement an immediate and long-range coordinated action plan to align Adult Basic Education and postsecondary education. The terms adult education and adult basic education (ABE) refer to adults who lack basic skills in reading, writing, math, or English, including students who are studying for a GED Certificate. This group includes adults who speak English as a second or other language and who may also be referred to as (1) English Language Learners (ELLs), (2) Limited English Proficient (LEP), (3) speakers of English as a second language (ESL), or (4) non-native speakers of English (NNSE). These adult learners may be placed in programs that are referred to as (1) English as a Second Language (ESL), (2) English for speakers of other languages (ESOL), (3) Adult Basic Education/English as a Second Language (ABE/ESL), or another name unique to the institution or program.

To increase the number, success and persistence of students transitioning to postsecondary education, these action plans shall address at a minimum:

- a. outreach and advising;
- b. assessment, curriculum, and instruction;
- c. persistence interventions;
- d. state-level accountability systems to monitor performance;
- e. service-provider-level performance measures and program evaluation;
- f. standards to enhance data quality and sharing among state agencies and service-providers;
- g. needs assessment of students and service-providers to identify other structural issues

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and barriers; and

- h. grants (including Federal Funds and Other Funds) to maximize effective use of limited General Revenue Funds.

To measure the effectiveness of this action plan, the Higher Education Coordinating Board, in coordination with the Texas Education Agency, shall calculate annual performance measures for the: (1) number of adults in need of Adult Basic Education services statewide; (2) number of Adult Basic Education students served, including those served by developmental education, by provider, institution, and statewide; (3) number of students that passed the General Education Diploma test served and not served by TEA; (4) number of Adult Basic Education students exiting the program by provider and statewide; (5) number of Adult Basic Education students exiting the program with a higher education goal by provider and statewide; (6) number of Adult Basic Education students enrolled in higher education by provider, institution, and statewide; and (7) total annual program expenditures by revenue source per provider. The agencies shall prepare a report that summarizes performance, evaluates outcomes, and recommends changes to improve outcomes and the components of the action plan.

For purposes of this rider, the Texas Higher Education Coordinating Board shall be considered the lead agency. The agencies shall also provide recommendations for the coordination and alignment of adult basic education assessments and State College Readiness Standards under Sec. 51.3062, Education Code, for the appropriate student placement in adult basic education or developmental education courses. A progress report shall be submitted on the effectiveness of the action plan to the House Committee on Higher Education, House Appropriations Committee, Senate Education Committee, Senate Finance Committee, the Governor, Texas Workforce Commission, and the Legislative Budget Board by January 31, 2012.

- 35. Top 10 Percent Scholarships.** Amounts appropriated above in Strategy B.1.12, Top Ten Percent Scholarships, shall be used to provide scholarships for undergraduate students who have graduated with a grade point average in the top 10 percent of the student's high school graduating class from an accredited Texas High School.

and barriers; and

- h. grants (including Federal Funds and Other Funds) to maximize effective use of limited General Revenue Funds.

To measure the effectiveness of this action plan, the Higher Education Coordinating Board, in coordination with the Texas Education Agency, shall calculate annual performance measures for the: (1) number of adults in need of Adult Basic Education services statewide; (2) number of Adult Basic Education students served, including those served by developmental education, by provider, institution, and statewide; (3) number of students that passed the General Education Diploma test served and not served by TEA; (4) number of Adult Basic Education students exiting the program by provider and statewide; (5) number of Adult Basic Education students exiting the program with a higher education goal by provider and statewide; (6) number of Adult Basic Education students enrolled in higher education by provider, institution, and statewide; and (7) total annual program expenditures by revenue source per provider. The agencies shall prepare a report that summarizes performance, evaluates outcomes, and recommends changes to improve outcomes and the components of the action plan.

For purposes of this rider, the Texas Higher Education Coordinating Board shall be considered the lead agency. A progress report shall be submitted on the effectiveness of the action plan to the House Committee on Higher Education, House Appropriations Committee, Senate Education Committee, Senate Finance Committee, the Governor, Texas Workforce Commission, and the Legislative Budget Board by January 31, 2012.

- 50. Top 10 Percent Scholarships.** Amounts appropriated above in Strategy B.1.12, Top Ten Percent Scholarships, shall be used to provide scholarships for undergraduate students who have graduated with a grade point average in the top 10 percent of the student's high school graduating class from an accredited Texas High School. All unexpended balances of the Top Ten Percent Scholarship Program as of August 31, 2011, up to \$1,500,000 (and included above

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in the Method of Financing), are hereby appropriated to the Higher Education Coordinating Board for the biennium ending August 31, 2013 for the same purpose.

- 37. Professional Nursing Shortage Reduction Program.** Appropriations for the Professional Nurse Shortage program total \$15,000,000 for the 2012-13 biennium. Those funds shall be allocated as follows:

The Texas Higher Education Coordinating Board (THECB) shall allocate the funds appropriated in their bill pattern in Strategy D.1.12, as follows:

- (a) Up to 5 percent each year may be used for administrative expenses.
- (b) In each fiscal year \$2,466,750 shall be distributed in an equitable manner to institutions with nursing programs, including institutions graduating their first nursing class, based on increases in numbers of nursing student graduating. The THECB shall apply a weight of 1.5 for increased graduates in nursing educator programs identified with a Classification of Instructional Program code of 51.3808 and 51.3817. The THECB shall allocate up to 50 percent in each fiscal year of the biennium and any

- 35. African American Museum Internship.** Funds appropriated above in Strategy E.1.6, African American Museum Internship, are for the purpose of supporting an internship at the African American Museum in Dallas. The Higher Education Coordinating Board may contract with an institution of higher education to provide for the internship. The Higher Education Coordinating Board may require periodic submission of data and reports as the Board considers necessary to assess the overall performance of the museum internship program. By September 1 of each year, the museum shall report data to the board as required to assess the overall performance of the internship program. The Higher Education Coordinating Board is required to report to the Legislative Budget Board and the Governor's Office concerning the effectiveness of the program by October 1, 2012.

- 36. Professional Nursing Shortage Reduction Program.** Appropriations for the Professional Nurse Shortage program total \$36,257,608 for the 2012-13 biennium. Those funds shall be allocated as follows:

The Texas Higher Education Coordinating Board (THECB) shall allocate the funds appropriated in their bill pattern in Strategy D.1.12, as follows:

- (a) Up to 5 percent each year may be used for administrative expenses.
- (b) In each fiscal year \$5,962,563 shall be distributed in an equitable manner to institutions with nursing programs, including institutions graduating their first nursing class, based on increases in numbers of nursing student graduating. The THECB shall apply a weight of 1.5 for increased graduates in nursing educator programs identified with a Classification of Instructional Program code of 51.3808 and 51.3817. The THECB shall allocate up to 50 percent in each fiscal year of the biennium and any

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unexpended amounts to community colleges.

- (c) \$3,442,500 in fiscal year 2012 and \$3,442,500 in fiscal year 2013 shall be distributed at a rate of \$10,000 per year for each additional nursing student enrolled in a professional nursing program to institutions with professional nursing programs based on the following criteria: (1) a graduation rate of 70% or above as reflected in the final 2010 graduation rates reported by the THECB and (2) an increase in new enrollees for fiscal year 2012 equal to 12 percent and 18 percent in fiscal year 2013 of the first-year enrollments for the 2009-10 academic year as reported by the institutions to the Texas Center for Nursing Workforce Studies.
- (d) THECB shall allocate any remaining appropriation, estimated to be \$1,590,750 in fiscal year 2012 and \$1,590,750 in fiscal year 2013 to (1) professional nursing programs with nursing graduation rates below 70 percent as reflected in the final 2010 graduation rates reported by the THECB, (2) hospital-based diploma programs, or (3) new professional nursing programs whose graduation rates which have not been determined by the THECB. From funds available for that purpose, institutions shall receive \$20,000 for each additional initial RN graduate in two year programs and \$10,000 for each additional graduate in one-year programs. If sufficient funds are not available to provide this allocation, the HECB shall submit a plan to the Legislative Budget Board and to the Governor outlining a method of proration. THECB shall develop an application process for institutions willing to increase the number of nursing graduates. The application shall indicate the number of nursing graduates for initial licensure the institution will produce; indicate the number of payments and payment schedule; identify benchmarks an institution must meet to receive payment; and specify the consequences of failing to meet the benchmarks.
- (e) Any funds not expended in fiscal year 2012 may be expended in fiscal year 2013 for the same purposes. If an institution does not meet targets for purposes of subsections b, c and d, the institution shall return these unearned funds to the THECB by August 31 of each fiscal year. The THECB shall reallocate these funds to other qualified

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unexpended amounts to community colleges.

- (c) \$8,321,121 in fiscal year 2012 and \$8,321,121 fiscal year 2013 shall be distributed at a rate of \$10,000 per year for each additional nursing student enrolled in a professional nursing program to institutions with professional nursing programs based on the following criteria: (1) a graduation rate of 70% or above as reflected in the final 2010 graduation rates reported by the THECB and (2) an increase in new enrollees for fiscal year 2012 equal to 12 percent and 18 percent in fiscal year 2013 of the first-year enrollments for the 2009-10 academic year as reported by the institutions to the Texas Center for Nursing Workforce Studies.
- (d) THECB shall allocate any remaining appropriation, estimated to be \$3,845,119 in fiscal year 2012 and \$3,845,119 in fiscal year 2013 to (1) professional nursing programs with nursing graduation rates below 70 percent as reflected in the final 2010 graduation rates reported by the THECB, (2) hospital-based diploma programs, or (3) new professional nursing programs whose graduation rates which have not been determined by the THECB. From funds available for that purpose, institutions shall receive \$20,000 for each additional initial RN graduate in two year programs and \$10,000 for each additional graduate in one-year programs. If sufficient funds are not available to provide this allocation, the HECB shall submit a plan to the Legislative Budget Board and to the Governor outlining a method of proration. THECB shall develop an application process for institutions willing to increase the number of nursing graduates. The application shall indicate the number of nursing graduates for initial licensure the institution will produce; indicate the number of payments and payment schedule; identify benchmarks an institution must meet to receive payment; and specify the consequences of failing to meet the benchmarks.
- (e) Any funds not expended in fiscal year 2012 may be expended in fiscal year 2013 for the same purposes. If an institution does not meet targets for purposes of subsections b, c and d, the institution shall return these unearned funds to the THECB by August 31 of each fiscal year. The THECB shall reallocate these funds to other qualified

**ARTICLE III - AGENCIES OF EDUCATION**  
**781 Higher Education Coordinating Board**  
**DIFFERENCES ONLY**  
(Continued)

**House**

programs. All institutions receiving funds shall submit to the THECB a detailed accounting of funds received, obligated or expended.

- 40. ABE Community College Grants.** Out of funds appropriated above in Strategy, E.1.7, ABE Community College Grants, \$875,000 in general revenue for fiscal year 2012 and \$875,000 in general revenue for fiscal year 2013 shall be used for the purpose of awarding competitive grants to community colleges and public technical institutions to increase participation in adult basic education. Any balances as of August 31, 2012 are hereby appropriated for the same purpose for the fiscal year beginning September 1, 2012.
- 41. Intent Concerning Developmental Education Interventions.** It is the intent of the Legislature that developmental education will be offered and conducted to address specific student developmental needs by non semester length developmental education interventions rather than semester length developmental education coursework beginning September 1, 2012.
- 42. Texas State Technical College "Returned Value" Funding Model.** The Texas Higher Education Coordinating Board shall work with the Texas State Technical College System, the Legislative Budget Board and other relevant agencies to develop a new A&I funding formula to be implemented for the 2014-15 biennium for the Texas State Technical Colleges. The formula shall reward job placement and graduate earnings projections, not time in training or

**Senate**

programs. All institutions receiving funds shall submit to the THECB a detailed accounting of funds received, obligated or expended.

- 38. College Readiness Initiative.** Funds appropriated above in Strategy E.1.9, College Readiness Grants, are to be used to implement the college readiness and success strategic plan and the initiatives called for in Texas Education Code §61.0761 and §61.0762, for the development and implementation of the college readiness standards in accordance with Texas Education Code §28.008, for the creation and implementation of the governor's schools in accordance with Texas Education Code §61.07621, and for establishment and support of the education research centers in accordance with Texas Education Code §1.005. Any unexpended balances remaining on August 31, 2012 may be carried forward to fiscal year 2013 are hereby appropriated for the same purposes.
- 52. Adult Basic Education Community College Grants.** Out of funds appropriated above in Strategy, E.1.7, ABE Community College Grants, \$3,562,500 in general revenue for fiscal year 2012 and \$3,562,500 in general revenue for fiscal year 2013 shall be used for the purpose of awarding competitive grants to community colleges and public technical institutions to increase participation in adult basic education. Any balances as of August 31, 2012 are hereby appropriated for the same purpose for the fiscal year beginning September 1, 2012.
- 56. Texas State Technical College "Returned Value" Funding Model.** The Higher Education Coordinating Board shall work with the Texas State Technical College System, the Legislative Budget Board and other relevant agencies to develop a new A&I funding formula for recommendations to the 83rd Legislature for the Texas State Technical Colleges. The formula shall reward job placement and graduate earnings projections, not time in training or contact

**ARTICLE III - AGENCIES OF EDUCATION**  
**781 Higher Education Coordinating Board**  
**DIFFERENCES ONLY**  
(Continued)

**House**

**Senate**

contact hours.

hours.

**43. Contingency Rider for Texas Grants.** Contingent on passage and enactment of legislation relating to the Texas Guaranteed Student Loan Corporation and higher education student financial aid services for the state, the Higher Education Coordinating Board is hereby appropriated \$25,000,000 in fiscal year 2012 and \$25,000,000 million in fiscal year 2013 from the Student Financial Aid Services Fund to Strategy B.1.8, Student Financial Aid for the Texas Grants Program. Any balances on hand at the end of the fiscal year 2012 are hereby appropriated for fiscal year 2013 for the same purpose.

**54. Contingency Rider for Student Financial Aid.** Contingent on passage and enactment of Senate Bill XX or similar legislation relating to the Texas Guaranteed Student Loan Corporation and higher education student financial aid services for the state, the Higher Education Coordinating Board is hereby appropriated \$25,000,000 in fiscal year 2012 and \$25,000,000 million in fiscal year 2013 from the Student Financial Aid Services Fund to Strategy B.1.8, Student Financial Aid. Any balances on hand at the end of the fiscal year 2012 are hereby appropriated for fiscal year 2013 for the same purpose.

**46. Higher Education Performance Incentive Initiative.** Amounts appropriated above in Strategy B.1.11, Higher Education Performance Incentive Initiative, shall be used to implement the Texas Research Incentive Program as contained in House Bill 51, 81st Regular Session.

**47. OAG Lawyer's Loan Repayment Program.** The funds provided to Strategy B.1.7, OAG Lawyer's Loan Repayment Program, are appropriated in accordance with Education Code §§ 61.9721-61.9732 for providing education loan repayments for attorneys who agree to work for the Attorney General's Office for one year. Any balances on hand at the end of fiscal year 2012 may be carried over to fiscal year 2013 and such funds are appropriated for fiscal year 2013 for the same purpose.

**49. Cancer Registry.** Not later than December 1, 2011, the Texas Higher Education Coordinating Board shall collect from each health-related institution, including Baylor College of Medicine, and each general academic institution that conducts cancer-related research an amount of \$2,969,554 in fiscal year 2012 and \$2,969,554 in fiscal year 2013. The Coordinating Board shall develop a methodology that assesses a proportional share for the cost for each institution. The Coordinating Board shall enter into an interagency cooperation agreement with the Texas Department of State Health Services to transfer the funds to the Department for the purposes of maintaining the infrastructure of the state cancer registry and to fund a position to monitor

**ARTICLE III - AGENCIES OF EDUCATION**  
**781 Higher Education Coordinating Board**  
**DIFFERENCES ONLY**  
(Continued)

House

Senate

contract compliance and quality assurance of the cancer registry.

- 51. Developmental Education.** Funds appropriated above in Strategy E.1.1, Developmental Education Program, \$2,643,750 in general revenue for fiscal year 2012 and \$2,643,750 in general revenue for fiscal year 2013 shall be used for the purpose of implementing and supporting demonstration projects at community colleges and public technical institutions. The programs would use technology and diagnostic assessments to determine students' needs and college readiness and use educational methods, including non-course based, that would improve developmental education outcomes. Out of funds appropriated to this strategy, the Higher Education Coordinating Board will study the issue of developmental education focusing on researching best practices to implement statewide and submit a report to the Governor, Lieutenant Governor, Speaker of the House of Appropriations, the Chair of the Senate Finance Committee, the Chair of House Appropriations, Senate Committee on Higher Education and House Committee on Higher Education before January 1, 2013. Any balances remaining as of August 31, 2012 are hereby appropriated for the same purpose for the fiscal year beginning September 1, 2012.
- 53. Alternative Teaching Certification.** The Texas Higher Education Coordinating Board shall allocate the funds appropriated in Strategy, E.1.8, Alternative Teacher Certification Programs at Community Colleges, only if an institution is able to demonstrate to the satisfaction of the Texas Higher Education Coordinating Board it significantly reduced the cost of tuition for coursework in Alternative Teacher Certification in comparison to the institution's average tuition.
- 57. System Administration for Community Colleges.** Out of the amounts appropriated above, the agency shall allocate an amount not to exceed \$350,000 in General Revenue Funds to hire a national-level consultant who possesses demonstrated and in-depth expertise in higher education governance issues to provide the Legislative Budget Board and the Governor with a blueprint to establish a state system administration for public community colleges by no later than June 1, 2012. The specific criteria for the consultant's final product shall be determined

**ARTICLE III - AGENCIES OF EDUCATION**  
**781 Higher Education Coordinating Board**  
**DIFFERENCES ONLY**  
(Continued)

**House**

**Senate**

collaboratively by the Legislative Budget Board, Governor and Texas Higher Education Coordinating Board.

- 58. Community College Outcome Based Funding.** The funds appropriated above in Strategy B.1.16, Community College Outcome Based Funding, shall be allocated by Momentum Points using criteria developed by the Texas Higher Education Coordinating Board.



**ARTICLE III - AGENCIES OF EDUCATION**  
**714 The University of Texas at Arlington**  
**DIFFERENCES ONLY**

**House**

- 2. Robotics Engineering Research Program Transferability Authority.** The University of Texas at Arlington is hereby authorized to transfer or utilize from funds appropriated above an amount not to exceed \$367,500 to the Robotics Engineering Research Program in addition to the amount specified for that item. However, no funds may be transferred from any specified amount for faculty salaries, general scholarships, or minority scholarships and recruitment.
  
- 3. Center for Mexican American Studies.** The University of Texas at Arlington is hereby authorized to transfer or utilize, from funds appropriated above, an amount not to exceed \$220,500 for the operation of the Center for Mexican American Studies.

**Senate**

- 4. Robotics Engineering Research Program Transferability Authority.** The University of Texas at Arlington is hereby authorized to transfer or utilize from funds appropriated above an amount not to exceed \$425,000 to the Robotics Engineering Research Program in addition to the amount specified for that item. However, no funds may be transferred from any specified amount for faculty salaries, general scholarships, or minority scholarships and recruitment.
  
- 5. Center for Mexican American Studies.** The University of Texas at Arlington is hereby authorized to transfer or utilize, from funds appropriated above, an amount not to exceed \$255,000 for the operation of the Center for Mexican American Studies.

**ARTICLE III - AGENCIES OF EDUCATION**  
**721 The University of Texas at Austin**  
**DIFFERENCES ONLY**

**House**

**Senate**

2. **Bureau of Economic Geology Contingency.** Contingent upon certification by the Comptroller of Public Accounts that increased activity by the Bureau of Economic Geology will generate at least \$3,000,000 for the biennium in additional revenue to the General Revenue Fund, \$1,500,000 in each year of the biennium is included in the appropriation above for the Bureau of Economic Geology.
  
4. **Public Policy Clinics.** Out of the funds appropriated above, up to \$164,063 in each year of the biennium shall be used for the Irma Lerma Rangel Public Policy Clinics in the Department of Government. The clinics shall be focused on public policy issues salient to the State of Texas and to be offered as graduate-level seminars to help maximize the partnership with the Tomas Rivera Center, the Center for Migration and Border Studies and other academic institutions. These funds shall be used to pay for the Irma Lerma Rangel Research Fellowships in Law and Public Policy, surveys, and other expenses associated with the clinics.
  
5. **Garner Museum.** Out of funds appropriated above in Strategy, C.3.5, Garner Museum, \$110,250 each year will be used for repair and maintenance of the Garner Museum.
  
6. **Legislative Law Clinic.** Out of the funds appropriated above, \$210,000 in each year of the biennium shall be used for the continuation of the Legislative Lawyering Clinic in the School of Law. These funds shall be used to pay for clinic academic and administrative personnel, research, surveys, and other expenses associated with the clinic.

2. **Bureau of Economic Geology Contingency.** Contingent upon certification by the Comptroller of Public Accounts that increased activity by the Bureau of Economic Geology will generate at least \$9,000,000 for the biennium in additional revenue to the General Revenue Fund, \$4,500,000 in each year of the biennium is included in the appropriation above for the Bureau of Economic Geology.

**ARTICLE III - AGENCIES OF EDUCATION**  
**738 The University of Texas at Dallas**  
**DIFFERENCES ONLY**

**House**

**Senate**

- 2. Center for Values in Medicine and Technology.** Out of the funds appropriated in fiscal year 2012 shall be used for the support of the Center for Values in Medicine and Technology at The University of Texas at Dallas Graduate School of Arts and Humanities. The Center will (1) offer graduate level courses for students in the Humanities, students in Medicine, practicing physicians, and others involved in the Health Professions leading to a Certificate in Medicine and Technology; (2) it will sponsor annual public forums that will address specific technology-driven issues in Medicine; (3) it will join with the Institute of Interactive Arts and Engineering to develop more accurate, effective, and appealing ways to inform the general public about current issues in medicine and especially the mutual impact of digital technology with diagnosis and treatment. Any unexpended balances as of August 31, 2012 in the appropriations made herein are hereby appropriated for the same purposes for the fiscal year beginning September 1, 2012.

- 2. Center for Values in Medicine and Technology.** Out of the funds appropriated above \$127,500 in fiscal year 2012 shall be used for the support of the Center for Values in Medicine and Technology at The University of Texas at Dallas Graduate School of Arts and Humanities. The Center will (1) offer graduate level courses for students in the Humanities, students in Medicine, practicing physicians, and others involved in the Health Professions leading to a Certificate in Medicine and Technology; (2) it will sponsor annual public forums that will address specific technology-driven issues in Medicine; (3) it will join with the Institute of Interactive Arts and Engineering to develop more accurate, effective, and appealing ways to inform the general public about current issues in medicine and especially the mutual impact of digital technology with diagnosis and treatment. Any unexpended balances as of August 31, 2012 in the appropriations made herein are hereby appropriated for the same purposes for the fiscal year beginning September 1, 2012.

**ARTICLE III - AGENCIES OF EDUCATION**  
**724 The University of Texas at El Paso**  
**DIFFERENCES ONLY**

**House**

**Senate**

**2. Transfer of Consortium Funds.** Funds identified for the Texas Centers for Border Economic and Enterprise Development are to be distributed among the member institutions of the consortium by transfers from appropriations to The University of Texas at El Paso to The University of Texas-Pan American and Texas A&M International University. Such transfers are subject to the special and general provisions of this Act and are authorized as follows:

	<u>2012</u>	<u>2013</u>
Texas A&M International University: Institute for International Trade	\$ 142,241	\$142,241
The University of Texas - Pan American: Center for Entrepreneurship and Economic Development	\$ 235,935	\$235,935

**2. Transfer of Consortium Funds.** Funds identified for the Texas Centers for Border Economic and Enterprise Development are to be distributed among the member institutions of the consortium by transfers from appropriations to The University of Texas at El Paso to The University of Texas-Pan American and Texas A&M International University. Such transfers are subject to the special and general provisions of this Act and are authorized as follows:

	<u>2012</u>	<u>2013</u>
Texas A&M International University: Institute for International Trade	\$164,496	\$164,496
The University of Texas - Pan American: Center for Entrepreneurship and Economic Development	\$272,851	\$272,851

**ARTICLE III - AGENCIES OF EDUCATION**  
**724 The University of Texas at San Antonio**  
**DIFFERENCES ONLY**

**House**

**Senate**

**4. Institute of Texan Cultures.** Out of the funds appropriated above, it is the intent of the Legislature that The University of Texas at San Antonio spend up to \$1,435,547 each year of the biennium for the Institute of Texan Cultures.

**4. Institute of Texan Cultures.** Out of the funds appropriated above, it is the intent of the Legislature that The University of Texas at San Antonio spend up to \$1,660,157 each year of the biennium for the Institute of Texan Cultures.

**5. Unexpended Balances Between Fiscal Years: San Antonio Life Sciences Institute.** Any unexpended balances as of August 31, 2012, from the appropriations identified in Strategy C.2.1, San Antonio Life Sciences Institute, are hereby appropriated to The University of Texas at San Antonio for the same purpose for the fiscal year beginning September 1, 2012.

**ARTICLE III - AGENCIES OF EDUCATION**  
**710 Texas A&M University System Administrative and General Offices**  
**DIFFERENCES ONLY**

**House**

**Senate**

2. **Mineral Fund Appropriated.** Appropriated in the funds above to the Board of Regents of the Texas A&M University System are the funds in the Texas A&M University System Special Mineral Fund to be invested by said board in accordance with Education Code § 85.70. The income from said Fund is included in the appropriation above to the Board of Regents of the Texas A&M University System to be disbursed for the purposes provided for and in accordance with the provisions of the above citation. Mineral Funds are estimated to be \$4,110,365 in fiscal year 2012 and \$4,110,365 in fiscal year 2013.

2. **Mineral Fund Appropriated.** Appropriated in the funds above to the Board of Regents of the Texas A&M University System are the funds in the Texas A&M University System Special Mineral Fund to be invested by said board in accordance with Education Code § 85.70. The income from said Fund is included in the appropriation above to the Board of Regents of the Texas A&M University System to be disbursed for the purposes provided for and in accordance with the provisions of the above citation. Mineral Funds are estimated to be \$2,810,000 in fiscal year 2012 and \$2,810,000 in fiscal year 2013.

**ARTICLE III - AGENCIES OF EDUCATION**  
**715 Prairie View A&M University**  
**DIFFERENCES ONLY**

**House**

- 3. Academic Development Initiative.** Funds appropriated above in Strategy D.1.1, Academic Development Initiative, in the amount of \$8,906,250 in fiscal year 2012 and \$8,906,250 in fiscal year 2013, are to be used for (1) proven academic success programs such as Access, the University College, and the Undergraduate Medical Academy, (2) proven graduate programs, (3) undergraduate education, and (4) initiatives to target enrollment growth. Prairie View A&M University and Texas A&M University System shall jointly create and submit an accountability report outlining use of these funds by November 1 of each fiscal year to the Texas A&M University system Board of Regents, the Texas Higher Education Coordinating Board, the Legislative Budget Board, and the Governor. This accountability report shall set forth goals to be achieved with the Academic Development Initiative funding, establish milestones and timelines showing progress toward meeting the goals. For milestones that are not met, the report will include recommended actions to achieve the milestones or recommended changes to more efficiently meet the goals of the Academics Development Initiative. Any unexpended balances as of August 31, 2012, (estimated to be \$0) appropriated by the Legislature for the Academic Development Initiative, are hereby appropriated to Prairie View A&M University for the fiscal year beginning September 1, 2012.

**Senate**

- 3. Academic Development Initiative.** Funds appropriated above in Strategy D.1.1, Academic Development Initiative, in the amount of \$10,093,750 in fiscal year 2012 and \$10,093,750 in fiscal year 2013, are to be used for (1) proven academic success programs such as Access, the University College, and the Undergraduate Medical Academy, (2) proven graduate programs, (3) undergraduate education, and (4) initiatives to target enrollment growth. Prairie View A&M University and Texas A&M University System shall jointly create and submit an accountability report outlining use of these funds by November 1 of each fiscal year to the Texas A&M University system Board of Regents, the Texas Higher Education Coordinating Board, the Legislative Budget Board, and the Governor. This accountability report shall set forth goals to be achieved with the Academic Development Initiative funding, establish milestones and timelines showing progress toward meeting the goals. For milestones that are not met, the report will include recommended actions to achieve the milestones or recommended changes to more efficiently meet the goals of the Academics Development Initiative. Any unexpended balances as of August 31, 2012, (estimated to be \$0) appropriated by the Legislature for the Academic Development Initiative, are hereby appropriated to Prairie View A&M University for the fiscal year beginning September 1, 2012.

**ARTICLE III - AGENCIES OF EDUCATION**  
**770 Texas A&M University - Central Texas**  
**DIFFERENCES ONLY**

**House**

**Senate**

- 2. Transition Funding - 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 for Texas A&M University - Central Texas will be phased out as formula funding increases until the institution researches 6,000 full time student equivalents.



**ARTICLE III - AGENCIES OF EDUCATION**  
**760 Texas A&M University - Corpus Christi**  
**DIFFERENCES ONLY**

**House**

**Senate**

4. **Art Museum Contingency.** Out of the General Revenue funds appropriated above, \$183,961 in each year of the biennium for the Art Museum is contingent upon the Art Museum receiving at least \$367,921 each year from local gifts, grants, and donations for the purposes of the operations of the Art Museum. In the event that gifts, grants, or donations for each fiscal year total less than \$367,921, the appropriation in each fiscal year is reduced to an amount equal to one-half of the total gifts, grants, and donations received in that fiscal year.
5. **Engineering Program.** Funds appropriated above in Strategy C.1.1, Engineering Program in the amount of \$1,396,500 per year shall be used to support an engineering program.

4. **Art Museum Contingency.** Out of the General Revenue funds appropriated above, \$224,068 in each year of the biennium for the Art Museum is contingent upon the Art Museum receiving at least \$448,135 each year from local gifts, grants, and donations for the purposes of the operations of the Art Museum. In the event that gifts, grants, or donations for each fiscal year total less than \$448,135, the appropriation in each fiscal year is reduced to an amount equal to one-half of the total gifts, grants, and donations received in that fiscal year.
5. **Engineering Program.** Funds appropriated above in Strategy C.1.1, Engineering Program in the amount of \$1,700,000 per year shall be used to support an engineering program.

**ARTICLE III - AGENCIES OF EDUCATION  
749 Texas A&M University - San Antonio  
DIFFERENCES ONLY**

**House**

**Senate**

2. **Transition Funding - Texas A&M University - San Antonio.** It is the intent of the legislature that non-formula General Revenue operations funding in Strategy C.1.1 Transition Funding for Texas A&M University - San Antonio will be phased out as formula funding increases until the institution researches 6,000 full time student equivalents.

**ARTICLE III - AGENCIES OF EDUCATION**  
**764 Texas A&M University - Texarkana**  
**DIFFERENCES ONLY**

**House**

**Senate**

- 3. Transition Funding - Texas A&M University - Texarkana.** It is the intent of the legislature that non-formula General Revenue operations funding in Strategy C.3.3, Downward Expansion for Texas A&M University - Texarkana will be phased out as formula funding increases until the institution researches 6,000 full time student equivalents.

**ARTICLE III - AGENCIES OF EDUCATION**  
**765 University of Houston - Victoria**  
**DIFFERENCES ONLY**

**House**

**Senate**

2. **Downward Expansion - University of Houston Victoria.** It is the intent of the legislature that non-formula General Revenue operations funding in Strategy C.1.2, Downward Expansion for University of Houston Victoria will be phased out as formula funding increases until the institution researches 6,000 full time student equivalents.

**ARTICLE III - AGENCIES OF EDUCATION**  
**735 Northwestern State University**  
**DIFFERENCES ONLY**

**House**

**Senate**

**3. Appropriation of Special Mineral Fund.** Income to the Northwestern State University Special Mineral Fund No. 412 is estimated to be \$8,000 in fiscal year 2012 and \$8,000 in fiscal year 2013. Appropriations from this fund are \$6,000 in fiscal year 2012 and \$6,000 in fiscal year 2013.

**5. Appropriation of Special Mineral Fund.** Any income during the biennium beginning September 1, 2011, deposited in the Northwestern State University Special Mineral Fund No. 412 is appropriated in the funds above to Northwestern State University for the general operations of the university. Mineral Funds are estimated to be \$7,000 in fiscal year 2012 and \$7,000 in fiscal year 2013.

**ARTICLE III - AGENCIES OF EDUCATION**  
**769 University of North Texas System Administration**  
**DIFFERENCES ONLY**

**House**

**Senate**

**3. Universities Center at Dallas Operating Costs.** Out of funds appropriated above in Strategy B.1.2, Universities Center at Dallas, \$73,500 each year will be used for operating costs of the Universities Center at Dallas.

**5. Universities Center at Dallas Operating Costs.** Out of funds appropriated above in Strategy B.1.2, Universities Center at Dallas, \$85,000 each year will be used for operating costs of the Universities Center at Dallas.

**ARTICLE III - AGENCIES OF EDUCATION**  
**773 University of North Texas at Dallas**  
**DIFFERENCES ONLY**

**House**

**Senate**

2. **Transition Funding - University of North Texas at Dallas.** It is the intent of the legislature that non-formula General Revenue operations funding in Strategy C.1.1 Transitional Funding for the University of North Texas at Dallas will be phased out as formula funding increases until the institution researches 6,000 full time student equivalents.

2. **College of Pharmacy.** The University of North Texas at Dallas is authorized to establish a joint College of Pharmacy with the University of North Texas, offering the standard pharmacy curriculum leading to a Doctor of Pharmacy (Pharm. D). The University of North Texas at Dallas is authorized to construct necessary facilities or make current space available to establish a College of Pharmacy. The College of Pharmacy shall be located jointly at the University of North Texas at Dallas and the University of North Texas.

No state funds may be expended on costs associated with the constructing or maintaining the Pharmacy School.

From funds appropriated above in Strategy A.1.1, an amount not to exceed \$100,000 in fiscal year 2012 with unexpended balance authority in fiscal year 2013 is for the purpose of developing curriculum and gaining accreditation.

**ARTICLE III - AGENCIES OF EDUCATION**  
**717 Texas Southern University**  
**DIFFERENCES ONLY**

**House**

**Senate**

**4. Academic Development Initiative.** Funds appropriated above in Strategy D.1.1, Academic Development Initiative, in the amount of \$9,375,000 in fiscal year 2012 and \$9,375,000 in fiscal year 2013, are to be used for (1) proven academic success programs; (2) existing graduate programs; (3) undergraduate education; and (4) initiatives to target enrollment growth. Not later than November 1 of each fiscal year, the University shall submit to the Texas Southern University Board of Regents, the Texas Higher Education Coordinating Board, the Legislative Budget Board, and the Governor a report describing the use of the funds appropriated by Subsection (a) of this section that states the goals to be achieved through use of the funds and established timelines and milestones for showing progress in meeting the goals. The report shall include proposed actions to be taken in the event a milestone is not met. Any unexpended balances as of August 31, 2012, (estimated to be \$0) appropriated by the Legislature for the Academic Development Initiative, are hereby appropriated to Texas Southern University for the fiscal year beginning September 1, 2012.

**4. Academic Development Initiative.** Funds appropriated above in Strategy D.1.1, Academic Development Initiative, in the amount of \$10,625,000 in fiscal year 2012 and \$10,625,000 in fiscal year 2013, are to be used for (1) proven academic success programs; (2) existing graduate programs; (3) undergraduate education; and (4) initiatives to target enrollment growth. Not later than November 1 of each fiscal year, the University shall submit to the Texas Southern University Board of Regents, the Texas Higher Education Coordinating Board, the Legislative Budget Board, and the Governor a report describing the use of the funds appropriated by Subsection (a) of this section that states the goals to be achieved through use of the funds and established timelines and milestones for showing progress in meeting the goals. The report shall include proposed actions to be taken in the event a milestone is not met. Any unexpended balances as of August 31, 2012, (estimated to be \$0) appropriated by the Legislature for the Academic Development Initiative, are hereby appropriated to Texas Southern University for the fiscal year beginning September 1, 2012.



**ARTICLE III - AGENCIES OF EDUCATION**  
**768 Texas Tech University System Administration**  
**DIFFERENCES ONLY**

House

Senate

1. **Governing Board.** Out of the funds appropriated above, an amount not to exceed \$125,000 in each year of the biennium shall be for all expenses associated with the governing board's duties including, but not limited to: travel, entertainment, lodging, and expenses of state employees who provide services for the governing board.

A separate record of the board's expenditures shall be kept and retained in the same manner as the fiscal records of the institution(s) the board governs. No funds may be used for the governing board's expenses except for the specific amounts designated above. Funds appropriated for the governing board's expenses may be used for any other purpose covered by this Act.

**ARTICLE III - AGENCIES OF EDUCATION**  
**733 Texas Tech University**  
**DIFFERENCES ONLY**

**House**

**Senate**

- 4. Texas Tech University Museum.** Out of funds appropriated above in Strategy C.3.4. for the Museums and Historical, Cultural and Educational Centers, \$392,171 in fiscal year 2012 and \$318,671 in fiscal year 2013 shall be allocated to the Ranching Heritage Center, and \$196,141 in each fiscal year shall be allocated to the Lubbock Lake Landmark and at least \$36,750 per year will be allocated to the Vietnam Center and Archive.
  
- 5. Appropriation of Special Mineral Fund.** Income to the Texas Tech University Special Mineral Fund No. 269 is estimated to be \$54,000 in fiscal year 2012 and \$54,000 in fiscal year 2013. Appropriations from this fund are \$38,153 in fiscal year 2012 and \$38,153 in fiscal year 2013.

- 4. Texas Tech University Museum.** Out of funds appropriated above in Strategy C.3.4. for the Museums and Historical, Cultural and Educational Centers, \$453,530 in fiscal year 2012 and \$368,530 in fiscal year 2013 shall be allocated to the Ranching Heritage Center, and \$226,830 in each fiscal year shall be allocated to the Lubbock Lake Landmark and at least \$42,500 per year will be allocated to the Vietnam Center and Archive.
  
- 5. Appropriation of Special Mineral Fund.** Any income during the biennium beginning September 1, 2011, deposited to the Texas Tech University Special Mineral Fund No. 269 is appropriated in the funds above to Texas Tech University for the general operations of the University. Mineral Funds are estimated to be \$54,000 in fiscal year 2012 and \$54,000 in fiscal year 2013.

**ARTICLE III - AGENCIES OF EDUCATION**  
**758 Texas State University System**  
**DIFFERENCES ONLY**

**House**

**Senate**

- 1. Governing Board.** Out of the funds appropriated above, an amount not to exceed \$85,000 in each year of the biennium shall be for all expenses associated with the governing board's duties including, but not limited to: travel, entertainment, lodging, and expenses of state employees who provide services for the governing board.

A separate record of the board's expenditures shall be kept and retained in the same manner as the fiscal records of the institution(s) the board governs. No funds may be used for the governing board's expenses except for the specific amounts designated above. Funds appropriated for the governing board's expenses may be used for any other purpose covered by this Act.

**ARTICLE III - AGENCIES OF EDUCATION**  
**753 Sam Houston State University**  
**DIFFERENCES ONLY**

**House**

**Senate**

- 2. Criminal Justice Correctional Management Institute of Texas Fund.** Any balances in Fund 5083 remaining as of August 31, 2012 are appropriated for the same purpose for the fiscal year beginning September 1, 2012. Fund 5083 revenues are estimated to be \$2,699,100 in fiscal year 2012 and \$2,699,100 in fiscal year 2013. Appropriations from this fund are \$2,024,325 in fiscal year 2012 and \$2,024,325 in fiscal year 2013.
  
- 3. Law Enforcement Management Institute of Texas Fund.** Any balances in Fund 581 remaining as of August 31, 2012 are appropriated for the same purpose for the fiscal year beginning September 1, 2012. Fund 581 revenues are estimated to be \$4,814,125 in fiscal year 2012 and \$4,814,125 in fiscal year 2013. Appropriations from this fund are \$3,610,593 in fiscal year 2012 and \$3,610,593 in fiscal year 2013.
  
- 4. Appropriation for the Texas Forensic Science Commission.** Out of the funds appropriated above in Strategy C.2.6, Texas Forensic Commission, \$183,750 per year in General Revenue shall be used for the Texas Forensic Science Commission.

- 4. Criminal Justice Correctional Management Institute of Texas Fund.** Any balances in Fund 5083 remaining as of August 31, 2012 are appropriated for the same purpose for the fiscal year beginning September 1, 2012. Fund 5083 revenues are estimated to be \$2,191,330 in fiscal year 2012 and \$2,213,400 in fiscal year 2013. Appropriations from this fund are \$2,191,300 in fiscal year 2012 and \$2,213,400 in fiscal year 2013.
  
- 5. Law Enforcement Management Institute of Texas Fund.** Any balances in Fund 581 remaining as of August 31, 2012 are appropriated for the same purpose for the fiscal year beginning September 1, 2012. Fund 581 revenues are estimated to be \$3,963,500 in fiscal year 2012 and \$3,990,750 in fiscal year 2013. Appropriations from this fund are \$3,963,550 in fiscal year 2012 and \$3,990,750 in fiscal year 2013.
  
- 6. Appropriation for the Texas Forensic Science Commission.** Out of the funds appropriated above, \$212,500 per year in General Revenue shall be used for the Texas Forensic Science Commission.

**ARTICLE III - AGENCIES OF EDUCATION**  
**745 The University of Texas Health Science Center at San Antonio**  
**DIFFERENCES ONLY**

**House**

**Senate**

- 6. Unexpended Balances Between Fiscal Years: San Antonio Life Sciences Institute.** Any unexpended balances as of August 31, 2012, from the appropriations identified in Strategy E.3.2. San Antonio Life Sciences Institute, are hereby appropriated to The University of Texas Health Science Center at San Antonio for the same purpose for the fiscal year beginning September 1, 2012.

**ARTICLE III - AGENCIES OF EDUCATION**  
**704 Public Community/Junior Colleges**  
**DIFFERENCES ONLY**

**House**

**Senate**

- 1. Administration of Appropriated Funds.** Funds appropriated above shall be administered by the Texas Higher Education Coordinating Board.

To ensure the efficient allocation of state appropriations, the Coordinating Board shall reallocate the formula funds appropriated in this bill pattern in the second year of the biennium using certified contact hour data from the previous academic year. The Higher Education Coordinating Board shall exclude contact hours related to physical education courses for students who are registered to receive both high school and college credit from the contact hours used to reallocate formula funds in the second year of the biennium.

- 12. Informational Listing of Other Appropriations.** In addition to the funds appropriated above, general revenue is appropriated elsewhere in this Act for the use of the Public Community/Junior Colleges as follows:

- a. Out of the General Revenue funds appropriated to the Higher Education Employees Group Insurance Contributions, \$200,039,877 is intended for the use of public community colleges, subject to the provisions associated with that appropriation.
- b. Out of the General Revenue funds appropriated to the Teacher Retirement System, an estimated \$65,626,292 is appropriated for the state matching contribution for public community college employees.
- c. Out of the General Revenue funds appropriated to the Optional Retirement Program, an estimated \$47,426,288 is appropriated for the state matching contribution for public community college employees.

- 13. Financial Information Reporting Requirement.** Each community college shall provide to the Texas Higher Education Coordinating Board financial data related to the operation of each community college using the specific content and format prescribed by the Coordinating Board. Each community college shall provide the report no later than January 1<sup>st</sup> of each year.

- 1. Administration of Appropriated Funds.** Funds appropriated above shall be administered by the Texas Higher Education Coordinating Board.

To ensure the efficient allocation of state appropriations, the Coordinating Board shall reallocate the formula funds appropriated in this bill pattern in the second year of the biennium using certified contact hour data from the previous academic year.

- 12. Informational Listing of Other Appropriations.** In addition to the funds appropriated above, general revenue is appropriated elsewhere in this Act for the use of the Public Community/Junior Colleges as follows:

- a. Out of the General Revenue funds appropriated to the Higher Education Employees Group Insurance Contributions, \$198,398,280 is intended for the use of public community colleges, subject to the provisions associated with that appropriation.
- b. Out of the General Revenue funds appropriated to the Teacher Retirement System, an estimated \$65,626,292 is appropriated for the state matching contribution for public community college employees.
- c. Out of the General Revenue funds appropriated to the Optional Retirement Program, an estimated \$47,426,288 is appropriated for the state matching contribution for public community college employees.

- 13. Financial Information Reporting Requirement.** Each community college shall provide to the Texas Higher Education Coordinating Board financial data related to the operation of each community college using the specific content and format prescribed by the Coordinating Board. Each community college shall provide the report no later than January 1<sup>st</sup> of each year.

**ARTICLE III - AGENCIES OF EDUCATION**  
**704 Public Community/Junior Colleges**  
**DIFFERENCES ONLY**  
(Continued)

**House**

The Coordinating Board shall provide an annual report due on April 1 to the Legislative Budget Board and Governor's Office about the financial condition of the state's community college districts.

- 19. Developmental Education Intervention Formulas.** It is the intent of the Legislature that during fiscal years 2012 and 2013 the Texas Higher Education Coordinating Board use the funds appropriated by this act to be in a position to implement funding formula recommendations on a weighted contact hour basis, under Sec. 61.059, Education Code, for semester length and non-semester length developmental education interventions (including course-based, non-course based, alternative-entry/exit, modules, paired courses, and competency based courses, and other intensive developmental education activities) based on existing developmental education cost studies, ongoing research studies, and survey data.

**Senate**

The Coordinating Board shall provide an annual report due on May 1 to the Legislative Budget Board and Governor's Office about the financial condition of the state's community college districts.

**ARTICLE III - AGENCIES OF EDUCATION**  
**S03 Special Provisions Relating Only to State Agencies of Higher Education**  
**DIFFERENCES ONLY**

House

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**Sec. 28. General Academic Funding.** Appropriations made in this Act for formula funding for general academic institutions, other than Lamar State College - Orange, Lamar State College - Port Arthur, and Lamar Institute of Technology, 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.

a. Funds for fiscal year 2012 are distributed on a weighted semester credit hour basis. During fiscal year 2013, 100% of funds for Masters, Doctoral, and Special Professional semester credit hours, and 90% of funds for lower division and upper division semester credit hours, are distributed on a weighted semester credit hour basis. The rate per weighted semester credit hour for fiscal year 2012 is \$53.41. The rate per weighted semester credit hour for fiscal year 2013 is \$53.41 for Masters, Doctoral, and Special Professional semester credit hours and \$48.04 for lower division and upper division semester credit hours. Weighting is determined by the following matrix:

	Lower Div.	Upper Div.	Masters	Doctoral	Special Professional
Liberal Arts	1.00	1.70	4.07	9.26	
Science	1.74	2.95	8.07	20.30	
Fine Arts	1.40	2.31	5.44	7.07	
Teacher Ed	1.41	1.73	2.34	7.58	
Agriculture	1.88	2.46	7.01	9.35	
Engineering	2.41	3.82	7.47	15.81	
Home Economics	1.04	1.68	2.88	6.97	
Law					3.92
Social Services	1.90	2.03	2.93	14.40	
Library Science	1.33	1.08	2.58	7.50	
Vocational Training	1.44	1.86			
Physical Training	1.35	1.20			

**Sec. 28. 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 Operations 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 2012-13 biennium is \$54.70. Weighting is determined by the following matrix:

	Lower Div.	Upper Div.	Masters	Doctoral	Special Professional
Liberal Arts	1.00	1.70	4.07	9.26	
Science	1.74	2.95	8.07	20.30	
Fine Arts	1.40	2.31	5.44	7.07	
Teacher Ed	1.41	1.73	2.34	7.58	
Agriculture	1.88	2.46	7.01	9.35	
Engineering	2.41	3.82	7.47	15.81	
Home Economics	1.04	1.68	2.88	6.97	
Law					3.92
Social Services	1.90	2.03	2.93	14.40	
Library Science	1.33	1.08	2.58	7.50	
Vocational Training	1.44	1.86			
Physical Training	1.35	1.20			
Health Services	1.23	1.89	3.23	9.14	2.42
Pharmacy	1.27	4.53	23.49	30.57	3.77
Business Admin	1.09	1.70	3.26	24.41	18.99
Optometry			5.46	19.12	7.00
Teacher Ed Practice	1.43	1.74			
Technology	1.96	2.42	4.07	2.95	
Nursing	1.96	2.35	4.45	9.94	



**ARTICLE III - AGENCIES OF EDUCATION**  
**S03 Special Provisions Relating Only to State Agencies of Higher Education**  
**DIFFERENCES ONLY**  
(Continued)

	<b>House</b>				
Health Services	1.23	1.89	3.23	9.14	2.42
Pharmacy	1.27	4.53	23.49	30.57	3.77
Business Admin	1.09	1.70	3.26	24.41	18.99
Optometry			5.46	19.12	7.00
Teacher Ed Practice	1.43	1.74			
Technology	1.96	2.42	4.07	2.95	
Nursing	1.96	2.35	4.45	1.94	
Developmental Ed	1.00				
Veterinary Medicine					15.05

	<b>Senate</b>	
Developmental Ed	1.00	
Veterinary Medicine		15.05

b. For fiscal year 2013, the remaining 10% of funds for lower division and upper division semester credit hours are allocated based upon weighted measures of bachelor's degrees awarded. The metrics and weights are as follows:

Metric	Weight
Total number of bachelor's degrees awarded:	1
Total number of bachelor's degrees awarded to at-risk students, as defined in statute	1
Total number of bachelor's degrees awarded in critical fields, as defined in statute	2
Predicted Graduation Factor	1

The Predicted Graduation Factor is the difference between the number of first-time students enrolling straight from high school who graduate in six years and the number predicted to graduate in six years, as determined by the Texas Higher Education Coordinating Board.

The Comptroller of Public Accounts shall adjust the Instruction and Operations amounts listed for general academic institutions for fiscal year 2013 by June 1, 2012 based upon the most recent data available regarding these metrics, to be provided by the Legislative Budget Board. The Texas Higher Education Coordinating Board shall provide any information requested by the Legislative Budget

2. **Teaching Experience Supplement.** For the 2012-13 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 \$5.49.
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, Skiles Act bond payments, and facility lease charges. Institutions may receive an appropriation for special 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, 2012.

**ARTICLE III - AGENCIES OF EDUCATION**  
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**DIFFERENCES ONLY**  
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Board for these adjustments by May 1, 2012.

2. **Teaching Experience Supplement.** For the 2012-13 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 \$5.35.
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, Skiles Act bond payments, and facility lease charges. Institutions may receive an appropriation for special items. Revenue derived from board authorized tuition would still be appropriated to the institutions levying the additional charges.

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, 2012.

The Higher Education Coordinating Board shall, in consultation with affected institutions, consider in

**ARTICLE III - AGENCIES OF EDUCATION**  
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its recommended changes to the Legislature, Legislative Budget Board, and Governor, alternative funding recommendations for those institutions that have reached capacity of have enrollment limitations that when processed through the formula funding model, result in a funding recommendation contrary to important State goals.

**Sec. 29. Health Related Institutions Funding.** Appropriations made in this Act for formula funding for health related institutions shall consist of three formulas plus supplemental non-formula items.

1. **Instruction and Operations Support Formula.** The Instruction and Operations Support Formula shall provide funding on a per student or full time equivalent basis. Funding for each instructional program is based on the following funding weights per student, with a base value per weighted student of \$8,546:

<u>Program</u>	<u>Weight Per Student</u>
Allied Health	1.000
Biomedical Science	1.018
Nursing	1.138
Pharmacy	1.670
Public Health	1.721
Dental	4.601
Medical	4.753

Instructional programs with enrollments of less than 200 students at individual campuses shall receive additional funding to compensate for the diseconomies of scale. The minimum formula shall generate additional funding per student, on a sliding scale, with programs with small enrollments receiving more additional funding per student.

2. **Infrastructure Support Formula.** Funding to the health-related institutions for plant support and utilities shall be distributed by the infrastructure support formula which is driven by the predicted

**Sec. 29. Health Related Institutions Funding.** Appropriations made in this Act for formula funding for health related institutions shall consist of three formulas plus supplemental non-formula items.

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<u>Program</u>	<u>Weight Per Student</u>
Allied Health	1.000
Biomedical Science	1.018
Nursing	1.138
Pharmacy	1.670
Public Health	1.721
Dental	4.601
Medical	4.753

Instructional programs with enrollments of less than 200 students at individual campuses shall receive additional funding to compensate for the diseconomies of scale. The minimum formula shall generate additional funding per student, on a sliding scale, with programs with small enrollments receiving more additional funding per student.

2. **Infrastructure Support Formula.** Funding to the health-related institutions for plant support and utilities shall be distributed by the infrastructure support formula which is driven by the predicted

**ARTICLE III - AGENCIES OF EDUCATION**  
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square feet for the health related institutions produced by the Space Projection Model developed by the Texas Higher Education Coordinating Board. The rate per square foot is \$6.09 for all health related institutions, excluding The University of Texas M.D. Anderson Cancer Center and The University of Texas Health Science Center at Tyler. For these two institutions, the per square foot rate is \$5.75.

Because the Space Projection Model does not account for hospital space, separate infrastructure funding for hospital space at The University of Texas Medical Branch at Galveston, The University of Texas M.D. Anderson Cancer Center, and The University of Texas Health Science Center at Tyler shall be included in the total funding for hospital and patient care activities.

3. **Research Funding.** The health-related institutions shall retain 100 percent of indirect research costs recovered on grants. Each institution also receives research enhancement funding of \$1,412,500 plus 0.99 percent of its research expenditures as reported to the Texas Higher Education Coordinating Board.
4. **Graduate Medical Education Formula.** The Graduate Medical Education Formulas shall provide funding on a per medical resident basis. Funding is based on a base value of \$8,920 per medical resident in an accredited program. Appropriations for Graduate Medical Education for fiscal year 2012 are \$4,460 per resident and appropriations for fiscal year 2013 are \$4,460 per resident.
5. **Health Related Institution Graduate Medical Education.** The funds appropriated above in each of the health-related institutions bill pattern titled Graduate Medical Education (GME) shall be spent to increase the number of resident slots in the State of Texas as well as faculty costs relating to GME. In addition, each health-related institution shall work with the Higher Education Coordinating Board to develop new performance measures relating to increasing the number of resident slots in the State of Texas.
6. **Supplemental Non-formula Items.** Institutions shall receive a direct reimbursement as applicable for staff group insurance, workers' compensation insurance, unemployment insurance,

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square feet for the health related institutions produced by the Space Projection Model developed by the Texas Higher Education Coordinating Board. The rate per square foot is \$6.45 for all health related institutions, excluding The University of Texas M.D. Anderson Cancer Center and The University of Texas Health Science Center at Tyler. For these two institutions, the per square foot rate is \$5.89.

Because the Space Projection Model does not account for hospital space, separate infrastructure funding for hospital space at The University of Texas Medical Branch at Galveston, The University of Texas M.D. Anderson Cancer Center, and The University of Texas Health Science Center at Tyler shall be included in the total funding for hospital and patient care activities.

3. **Research Funding.** The health-related institutions shall retain 100 percent of indirect research costs recovered on grants. Each institution also receives research enhancement funding of \$1,412,500 plus 1.08 percent of its research expenditures as reported to the Texas Higher Education Coordinating Board.
4. **Graduate Medical Education Formula.** The Graduate Medical Education Formulas shall provide funding on a per medical resident basis. Funding is based on a base value of \$9,416 per medical resident in an accredited program. Appropriations for Graduate Medical Education for fiscal year 2012 are \$4,708 per resident and appropriations for fiscal year 2013 are \$4,708 per resident.
5. **Health Related Institution Graduate Medical Education.** The funds appropriated above in each of the health-related institutions bill pattern titled Graduate Medical Education (GME) shall be spent to increase the number of resident slots in the State of Texas as well as faculty costs relating to GME. In addition, each health-related institution shall work with the Higher Education Coordinating Board to develop new performance measures relating to increasing the number of resident slots in the State of Texas.
6. **Supplemental Non-formula Items.** Institutions shall receive a direct reimbursement as applicable for staff group insurance, workers' compensation insurance, unemployment insurance,

**ARTICLE III - AGENCIES OF EDUCATION**  
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public education grants, medical loans, tuition revenue bond payments, and facility lease charges. Institutions may receive an appropriation for special items. Hospital and clinic operations shall be funded through a combination of hospital and clinic revenue and general revenue.

7. **Formula Study Committees.** These formulas shall be reviewed and updated by study committees appointed by the Texas Higher Education Coordinating Board and recommended changes forwarded to the Legislature, Legislative Budget Board, and Governor by June 1, 2012.
8. **Mission Specific Support.** The University of Texas M.D. Anderson Cancer Center and The University of Texas Health Science Center at Tyler do not provide formal medical education which qualifies for instruction support under subsection 1 above. Therefore, funding allocated to these institutions shall be based on the following criteria:
  - a. The General Revenue Operations formula funding provided to The University of Texas M.D. Anderson Cancer Center in Strategy A.2.1, Cancer Center Operations, shall be based on the total number of Texas cancer patients served at The University of Texas M. D. Anderson Cancer Center. General Revenue appropriations for fiscal years 2012 and 2013 shall be based on the number of total Texas cancer patients served in 2010. The rate per patient shall be \$1,752 in fiscal year 2012 and \$1,752 in fiscal year 2013 for Strategy A.2.1, Cancer Center Operations. For formula funding purposes, the amount of growth in total funding from one biennium to another may not exceed the average growth in funding for Health Related Institutions in the Instruction and Operations formula for the current biennium.
  - b. The University of Texas Health Science Center at Tyler has a statutory mission to conduct research, develop diagnostic and treatment techniques, provide training and teaching programs, and provide diagnosis and treatment of inpatients and outpatients with pulmonary, respiratory and other diseases of the chest. General Revenue funds appropriated to The University of Texas Health Science Center at Tyler in Strategy A.1.2, Chest Disease Center Operations, shall be based on the number of cases in which disease diagnoses are treated by The University of Texas Health Science Center at Tyler. General Revenue

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public education grants, medical loans, tuition revenue bond payments, and facility lease charges. Institutions may receive an appropriation for special items. Hospital and clinic operations shall be funded through a combination of hospital and clinic revenue and general revenue.

7. **Formula Study Committees.** These formulas shall be reviewed and updated by study committees appointed by the Texas Higher Education Coordinating Board and recommended changes forwarded to the Legislature, Legislative Budget Board, and Governor by June 1, 2012.
8. **Mission Specific Support.** The University of Texas M.D. Anderson Cancer Center and The University of Texas Health Science Center at Tyler do not provide formal medical education which qualifies for instruction support under subsection 1 above. Therefore, funding allocated to these institutions shall be based on the following criteria:
  - a. The General Revenue Operations formula funding provided to The University of Texas M.D. Anderson Cancer Center in Strategy A.2.1, Cancer Center Operations, shall be based on the total number of Texas cancer patients served at The University of Texas M. D. Anderson Cancer Center. General Revenue appropriations for fiscal years 2012 and 2013 shall be based on the number of total Texas cancer patients served in 2010. The rate per patient shall be \$1,654 in fiscal year 2012 and \$1,654 in fiscal year 2013 for Strategy A.2.1, Cancer Center Operations. For formula funding purposes, the amount of growth in total funding from one biennium to another may not exceed the average growth in funding for Health Related Institutions in the Instruction and Operations formula for the current biennium.
  - b. The University of Texas Health Science Center at Tyler has a statutory mission to conduct research, develop diagnostic and treatment techniques, provide training and teaching programs, and provide diagnosis and treatment of inpatients and outpatients with pulmonary, respiratory and other diseases of the chest. General Revenue funds appropriated to The University of Texas Health Science Center at Tyler in Strategy A.1.2, Chest Disease Center Operations, shall be based on the number of cases in which disease diagnoses are treated by The University of Texas Health Science Center at Tyler. General Revenue

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appropriations for fiscal years 2012 and 2013 shall be based on the number of such cases treated in fiscal year 2010. The rate per case for fiscal years 2012 and 2013 shall be \$322.

- c. The University of Texas M.D. Anderson Cancer Center and The University of Texas Health Science Center at Tyler shall submit to the Legislative Budget Board, Governor, and Texas Higher Education Coordinating Board a copy of the appropriate reports discussed above and supporting documentation which provides the necessary information to calculate the formula allocations in subsections (a) and (b) above.

**Sec. 33. Funding for Physical Education Courses.** No funds appropriated under this act shall be used for contact hours or semester credit hours for students who are registered solely for physical education, weight lifting, group exercises, aerobics, or related courses; have registered for the same such course more than once; and are not seeking a degree plan or certificate of completion of a course of study.

Furthermore, it is the intent of the Legislature that the Higher Education Coordinating Board shall, during fiscal years 2012 and 2013, use the funds appropriated by this act to be in a position to recommend to the 83<sup>rd</sup> Legislature a funding methodology that excludes semester credit hours related to physical education courses for students who are registered to receive both high school and college credit.

**Sec. 51. Texas A&M System Agencies' Infrastructure Support Inside Brazos County.** General Revenue funding associated with infrastructure expenses and utilities for the Texas A&M System Agencies inside Brazos County shall be determined by the infrastructure support formula as outlined in Section 28 (3). Infrastructure support for the A&M System Agencies shall be determined by multiplying the Texas A&M University rate as determined under Section 28 (3) (estimated to be \$5.28) times the square footage provided by the Space Projection Model developed by the Coordinating Board.

**Senate**

appropriations for fiscal years 2012 and 2013 shall be based on the number of such cases treated in fiscal year 2010. The rate per case for fiscal years 2012 and 2013 shall be \$304.

- c. The University of Texas M.D. Anderson Cancer Center and The University of Texas Health Science Center at Tyler shall submit to the Legislative Budget Board, Governor, and Texas Higher Education Coordinating Board a copy of the appropriate reports discussed above and supporting documentation which provides the necessary information to calculate the formula allocations in subsections (a) and (b) above.

**Sec. 33. Funding for Physical Education Courses.** No funds appropriated under this act shall be used for contact hours or semester credit hours for students who are registered solely for physical education, weight lifting, group exercises, aerobics, or related courses; have registered for the same such course more than once; and are not seeking a degree plan or certificate of completion of a course of study.

**Sec. 51. Texas A&M System Agencies' Infrastructure Support Inside Brazos County.** General Revenue funding associated with infrastructure expenses and utilities for the Texas A&M System Agencies inside Brazos County shall be determined by the infrastructure support formula as outlined in Section 28 (3). Infrastructure support for the A&M System Agencies shall be determined by multiplying the Texas A&M University rate as determined under Section 28 (3) (estimated to be \$5.57) times the square footage provided by the Space Projection Model developed by the Coordinating Board.

**ARTICLE III - AGENCIES OF EDUCATION**  
**S03 Special Provisions Relating Only to State Agencies of Higher Education**  
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**Senate**

**Sec. 55. Appropriations for the Texas Competitive Knowledge Fund.** The amounts listed below for informational purposes are appropriated out of the General Revenue fund elsewhere in this Act in each affected institution's "Texas Competitive Knowledge" strategy and shall be expended to support faculty for the purpose of instructional excellence and research. Any unexpended balances as of August 31, 2012 elsewhere in this Act, are hereby appropriated for the same purpose for the fiscal year beginning September 1, 2012.

**Sec. 55. Appropriations for the Texas Competitive Knowledge Fund.** The amounts listed below for informational purposes are appropriated out of the General Revenue fund elsewhere in this Act in each affected institution's "Texas Competitive Knowledge" strategy and shall be expended to support faculty for the purpose of instructional excellence and research. Any unexpended balances as of August 31, 2012 elsewhere in this Act, are hereby appropriated for the same purpose for the fiscal year beginning September 1, 2012.

	2012	2013
The University of Texas at Austin	\$17,897,830	\$17,897,830
Texas A&M University	\$19,368,690	\$19,368,690
University of Houston	\$2,979,743	\$2,979,743
Texas Tech University	\$2,968,296	\$2,968,296
The University of Texas at Dallas	\$2,312,252	\$2,312,252
The University of Texas at Arlington	\$1,883,837	\$1,883,837
The University of Texas at El Paso	\$1,888,460	\$1,888,460
 Total	 \$49,299,108	 \$49,299,108

	2012	2013
The University of Texas at Austin	\$18,658,394	\$18,658,394
Texas A&M University	\$20,191,759	\$20,191,759
University of Houston	\$3,106,367	\$3,106,367
Texas Tech University	\$3,094,433	\$3,094,433
The University of Texas at Dallas	\$2,410,511	\$2,410,511
 Total	 \$47,461,464	 \$47,461,464

**Sec. 56. Contingency for Disposition of the Permanent Health Fund for Higher Education Tobacco Funds.** Contingent on passage and enactment of SB \_ or similar legislation providing for the liquidation of the Permanent Health Fund for Higher Education and distribution of those funds to the nine health-related institutions and the Baylor College of Medicine, appropriations made above out of the Permanent Health Fund for Higher Education, No. 810 are reduced in the following amounts:

	2012	2013
The University of Texas Southwestern Medical Center at Dallas	\$2,705,360	\$2,705,360

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	University of Texas Medical Branch at Galveston \$3,748,860 \$2,153,237
	The University of Texas Health Science Center at Houston \$2,139,910 \$2,139,910
	The University of Texas health Science Center at San Antonio \$2,149,647 \$1,949,647
	University of Texas M.D. Anderson Cancer Center \$2,476,032 \$2,541,044
	University of Texas Health Science Center at Tyler \$1,403,874 \$1,403,874
	Texas A&M University System Health Science Center \$1,184,951 \$3,976,957
	University of North Texas Health Science Center at Ft. Worth \$5,035,844 \$1,155,420
	Texas Tech University Health Sciences Center \$1,398,600 \$1,398,600
	Baylor College of Medicine (Higher Education Coordinating Board) \$1,965,830 \$1,915,830

The corpus of the fund, estimated to be \$430 million, shall be distributed to the institutions identified above in the manner provided by that legislation. The total amount of distribution is estimated to be as follows:

	2012-13
The University of Texas Southwestern Medical Center at Dallas	\$59,997,900
University of Texas Medical Branch at Galveston	\$47,110,800
The University of Texas Health Science Center at Houston	\$47,450,500
The University of Texas health Science Center at San Antonio	\$43,240,800
University of Texas M.D. Anderson Cancer Center	\$49,278,000
University of Texas Health Science Center at Tyler	\$31,140,660
Texas A&M University System Health Science Center	\$32,581,100
University of North Texas Health Science Center at Ft. Worth	\$32,430,600
Texas Tech University Health Sciences Center	\$37,971,700
Baylor College of Medicine (Higher Education Coordinating Board)	\$48,848,000

**Sec. 56. Funding of Student Centers for Family and Traditional Values.** It is the intent of the Legislature that an institution of higher education shall use an amount of appropriated funds to support a family and traditional values center for students of the institution that is not less than any amount of



**ARTICLE III - AGENCIES OF EDUCATION**  
**S03 Special Provisions Relating Only to State Agencies of Higher Education**  
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appropriated funds used by the institution to support a gender and sexuality center or other center for students focused on gay, lesbian, homosexual, bisexual, or pansexual, transsexual, transgender, gender questioning, or other gender identity issues.

**Sec. 57. Online Degree Plans.**

- (a) Using funds appropriated by this Act, not later than August 1, 2012, each public institution of higher education receiving appropriations under this Act shall submit to the Higher Education Coordinating Board a study of the costs making available online four of the institution's most popular degree plans, as determined by the institution. Each institution's reported cost study must include the methodology used for the cost study and an explanation for each expense listed in the study.
- (b) The coordinating board shall use new and existing data, including performance measures, ongoing research studies, and survey data, to evaluate probable student outcomes for online degree plans identified by the institutions. The coordinating board shall:
  - (1) analyze and compare all reported cost studies under this section and corresponding student outcomes to determine the most efficient and effective of the proposed online degree plans among those institutions generally; and
  - (2) notify each institution of its conclusions.

**Sec. 57. Hold Harmless.** It is the intent of the legislature that any amounts appropriated to general academic institutions, Lamar State Colleges, and Texas State Technical Colleges in hold harmless funding not be included in the 2014-15 Instruction and Operations and Infrastructure formula funding.