

SPECIAL PROVISIONS RELATING ONLY TO STATE AGENCIES OF HIGHER EDUCATION

(Continued)

cost to charge and providers will recognize appropriate patient specific funding and lump sum funding available to offset costs. Any amounts received by the Physician Practice Plan from Upper Payment Limit shall be counted as payments received for uncompensated care.

Sec. 21. County Indigent Care Contracts.

1. **Contracts Required.** It is the intent of the Legislature that all institutions of higher education providing indigent health care contract with relevant counties in their service area to recover the costs associated with treating those counties' indigent patients.
2. **County Indigent Care Contracts Reporting.** 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 submit to the Legislative Budget Board and the Governor at the end of each fiscal year a list of counties whose indigent residents have been served by each institution; the total amount of reimbursement received by each institution from each county pursuant to the Indigent Health Care and Treatment Act; and the total cost, by county, of services provided by each institution for which counties are liable pursuant to the Indigent Health Care and Treatment Act. In addition, each institution shall report annually (no later than March 1st) to the Legislative Budget Board and Governor on the status of contract agreements or negotiations with each county whose indigent residents have been served by the institution.

Sec. 22. Ethics Policy.

1. None of the funds appropriated by this Act may be expended by an institution of higher education until its governing board has filed with the Texas Higher Education Coordinating Board an ethics policy which has been adopted by the board of regents. The ethics policy shall apply to the board of regents and its staff, the administration, staff, and faculty of the institutions under the board's governance.
2. The ethics policy adopted by each board of regents shall include specific provisions regarding sexual harassment.

Sec. 23. Driscoll Children's Hospital. No funds appropriated to a health-related institution of higher education shall be used to replace or duplicate the Driscoll Children's Hospital in caring for children with special health-care needs, including pediatric cardiovascular diseases, or in assuming the direct care of those children. This rider language shall not restrict the traditional referral patterns utilized by physicians to refer patients to health related institutions.

Sec. 24. Participation in Drug Development Research Projects. A public university may not expend funds appropriated by this Act, including appropriations of grants or gifts, to conduct a drug development research protocol involving a person who is receiving mental health services under a protective custody order, pursuant to Chapter 574, Health and Safety Code. This rider is not intended to limit or prohibit provisions for treatment established under §576.022, Health and Safety Code.

Sec. 25. Post Tenure Review. None of the funds appropriated by this Act may be expended by an institution of higher education until its governing board has filed with the Texas Higher Education Coordinating Board policies and procedures regarding post tenure review which have been adopted by the board of regents. Post tenure policies shall include review procedures to determine that a tenured faculty member is performing consistently at an acceptable, professional level and a mechanism whereby a faculty member is informed of any deficiencies and provided opportunities to effectively improve his or her performance.

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

1. **Instruction and Operation Formula.** The Instruction and Operations Formula shall provide funding for faculty salaries, including nursing, departmental operating expense, library, instructional administration, research enhancement, student services, and institutional support. These funds are distributed on a weighted semester credit hour basis. The rate per weighted semester credit hour for the 2020-21 biennium is \$55.85 in fiscal year 2020 and fiscal year 2021.

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Weighting is determined by the following matrix:

	Lower Div.	Upper Div.	Masters	Doctoral	Special Professional
Liberal Arts	1.00	1.75	4.30	12.38	
Science	1.51	2.76	7.33	21.87	
Fine Arts	1.45	2.66	6.69	8.47	
Teacher Ed	1.46	1.98	2.41	8.12	
Agriculture	1.87	2.38	7.43	13.58	
Engineering	1.96	2.99	6.00	18.47	
Home Economics	1.11	1.80	3.06	10.50	
Law					4.99
Social Services	1.58	1.85	2.31	23.84	
Library Science	2.19	1.75	3.02	15.16	
Vocational Training	1.22	2.93			
Physical Training	1.38	1.33			
Health Services	0.97	1.56	2.62	11.28	2.80
Pharmacy	7.37	4.13	34.67	39.21	4.47
Business Admin	1.13	1.79	3.27	28.23	
Optometry					7.08
Teacher Ed Practice	2.00	2.19			
Technology	1.91	2.29	3.82	11.55	
Nursing	1.37	2.04	2.74	10.29	
Developmental Ed	1.00				
Veterinary Medicine					24.58

2. **Teaching Experience Supplement.** For the 2020-21 biennium, an additional weight of 10 percent is added to lower division and upper division semester credit hours taught by tenured and tenure-track faculty. Furthermore, it is the intent of the Legislature that the weight shall increase by 10 percent per biennium, up to 50 percent.
3. **Infrastructure Support.** Funding associated with plant-related formulas and utilities shall be distributed by the infrastructure support formula which is driven by the predicted square feet for universities' educational and general activities produced by the Space Projection Model developed by the Coordinating Board. The portion of the formula related to utilities is adjusted to reflect differences in unit costs for purchased utilities, including electricity, natural gas, water and wastewater, and thermal energy. The average rate per square foot is \$5.47 in fiscal year 2020 and fiscal year 2021.
4. **Supplemental Non-formula Items.** Institutions shall receive a direct reimbursement as applicable for staff group insurance (other educational and general income portion), workers' compensation insurance, unemployment compensation insurance, public education grants, organized activities, scholarships, tuition revenue bond payments, and facility lease charges. Institutions may receive an appropriation for non-formula support items. Revenue derived from board authorized tuition would still be appropriated to the institutions levying the additional charges.
5. The General Academic Instruction and Operations and Infrastructure formulas shall incorporate the Higher Education Coordinating Board's October 2006 recommendations for mission-specific formula funding for Texas A&M University at Galveston.

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

The formula advisory committees shall also review the Space Projection Model as it relates to distance education courses, including the different physical space and technology needs between traditional