



**National Research University  
Fund Eligibility**

A Report to the Comptroller  
and the Texas Legislature

February 2012



## Texas Higher Education Coordinating Board

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### Mission of the Coordinating Board

The Texas Higher Education Coordinating Board's mission is to work with the Legislature, Governor, governing boards, higher education institutions and other entities to help Texas meet the goals of the state's higher education plan, Closing the Gaps by 2015, and thereby provide the people of Texas the widest access to higher education of the highest quality in the most efficient manner.

### Philosophy of the Coordinating Board

The Texas Higher Education Coordinating Board will promote access to quality higher education across the state with the conviction that access without quality is mediocrity and that quality without access is unacceptable. The Board will be open, ethical, responsive, and committed to public service. The Board will approach its work with a sense of purpose and responsibility to the people of Texas and is committed to the best use of public monies. The Coordinating Board will engage in actions that add value to Texas and to higher education. The agency will avoid efforts that do not add value or that are duplicated by other entities.

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

## EXECUTIVE SUMMARY

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

At its October 2011 meeting, the Coordinating Board adopted rules that further specified the NRUF eligibility criteria as authorized by TEC 62.145, in addition to the criteria that were statutorily established in 2009.

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

- In 2011, seven universities were designated as emerging research universities in the Coordinating Board's accountability system: Texas Tech University, The University of Texas at Arlington, The University of Texas at Dallas, The University of Texas at El Paso, The University of Texas at San Antonio, University of Houston, and University of North Texas.
- Based on data from the seven emerging research universities, Texas Tech University and University of Houston are eligible to receive distributions from NRUF, pending a mandatory audit conducted by the state auditor in accordance with Texas Education Code 62.146(c).

**TABLE OF CONTENTS**

EXECUTIVE SUMMARY..... 1

I. Introduction ..... 3

II. Overview of Eligibility..... 4

III. Emerging Research Universities ..... 5

IV. Restricted Research Expenditures ..... 6

V. Endowment Funds ..... 7

VI. Doctor of Philosophy (Ph.D.) Degrees Awarded ..... 8

VII. Freshman Class of High Academic Achievement..... 9

    a. Percent of Freshman Class in Top 25 Percent of Their High School Class..... 9

    b. SAT or ACT Scores.....10

    c. Institutional Commitment to Improving the Participation and Success of Underrepresented Students.....11

VIII. Institutional Recognition of Research Capabilities and Scholarly Attainment.....12

IX. High-Quality Faculty.....13

    a. National Academy Members or Nobel Prize Recipients .....13

    b. Other Faculty Awards .....14

    c. Comprehensive Review of Faculty in Five Doctoral Programs .....14

X. High-Quality Graduate Education .....15

    a. Graduate Programs .....15

    b. Master’s and Doctoral Graduation Rates .....16

    c. Comprehensive Review of Five Doctoral Programs .....16

XI. Conclusion .....17

Appendix A .....18

    HB 1000, 82nd Texas Legislature, Regular Session .....18

Appendix B .....21

    Coordinating Board Rules .....21

Appendix C .....26

    Detailed List of National Academy Members and Nobel Prize Recipients .....26

Appendix D.....27

    Detailed List of Other Faculty Awards.....27

## **I. Introduction**

In 2009, the 81st Texas Legislature, Regular Session, passed House Bill 51, codified as Texas Education Code (TEC) Subchapter G. National Research University Fund. In 2011, the 82nd Texas Legislature, Regular Session, passed House Bill 1000, which amended TEC 62.146(b). The amendment that the Coordinating Board certify verified information relating to criteria to be used in determining the eligibility of institutions of higher education to receive distributions of monies from the National Research University Fund (NRUF). Reports on institutional eligibility are due to the comptroller and Legislature as soon as practicable in each state fiscal year.

At its October 2011 meeting, the Coordinating Board adopted rules that further specified the NRUF eligibility criteria as authorized by TEC 62.145, in addition to the criteria that were statutorily established in 2009.

This report provides an update to the comptroller and the Legislature on the progress that each institution is making on all criteria and identifies which institutions have met the minimum number of criteria to become eligible for distributions from the NRUF. For eligibility criteria for which two years of data are required (two fiscal years preceding the state fiscal year for which the appropriation is made), the report includes data from fiscal years 2010 and 2011. The next report, due in fiscal year 2013, will include data from FY2011 and FY2012. The Coordinating Board will submit that report in early 2013.

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

Seven universities are designated as emerging research universities in the Coordinating Board's accountability system: Texas Tech University (TTU), The University of Texas at Arlington (UTA), The University of Texas at Dallas (UTD), The University of Texas at El Paso (UTEP), The University of Texas at San Antonio (UTSA), University of Houston (UH), and University of North Texas (UNT).

Based on data from the seven emerging research universities, Texas Tech University and University of Houston are eligible to receive distributions from NRUF, pending a mandatory audit conducted by the state auditor in accordance with Texas Education Code 62.146(c).

For FY2010 and FY2011, Texas Tech University and University of Houston reported restricted research expenditures at or above the statutory threshold of \$45 million. Institutional performance varied on the specific measures included in each of the six other criteria; however, Texas Tech University and University of Houston met four of the six criteria identified in 15.43(b)(3)(A)-15.43(b)(3)(F) of Coordinating Board rules during the reporting period.

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

## II. Overview of Eligibility

The tables below present the eligibility criteria each institution met during the reporting period (indicated by a ✓). An emerging research university must meet the threshold for restricted research expenditures and four of the six criteria identified in 15.43(b)(3)(A)-15.43(b)(3)(F) of Coordinating Board rules. Explanations of each are presented in Appendix B, p. 21-25.

Mandatory Criteria							
	TTU	UTA	UTD	UTEP	UTSA	UH	UNT
Emerging Research University	✓	✓	✓	✓	✓	✓	✓
Restricted Research Expenditures	✓	—	—	—	—	✓	—

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

### III. Emerging Research Universities

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

Seven public universities are classified as "emerging research universities" under the Coordinating Board's accountability system<sup>1</sup>:

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

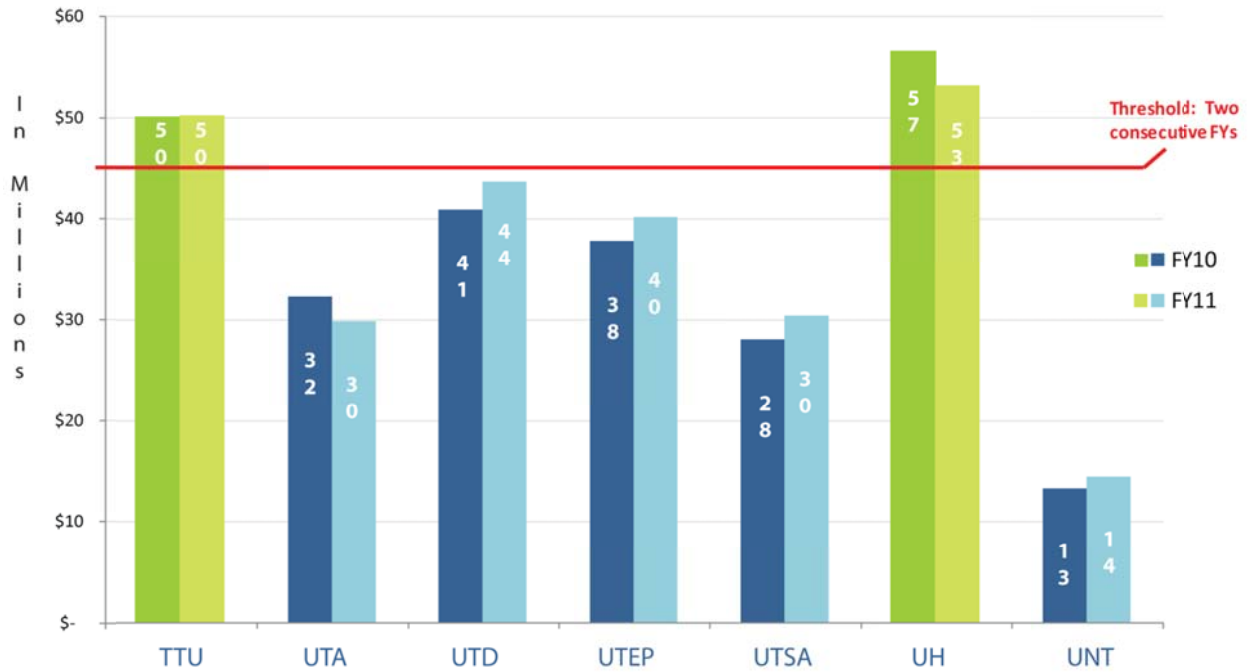
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<sup>1</sup> As of January 11, 2012, Texas State University met the requirements to be classified as an emerging research university in the Coordinating Board's Accountability System. However, since this report covers the universities that were classified as emerging research universities in 2011, the data do not include Texas State University.

#### IV. Restricted Research Expenditures

15.43(b)(2): In each of the two state fiscal years preceding the state fiscal year for which the appropriation is made, the institution expended at least \$45 million in restricted research funds.

**Figure 1: Restricted Research Expenditures**



Source: Institutional Data reported to the Coordinating Board.

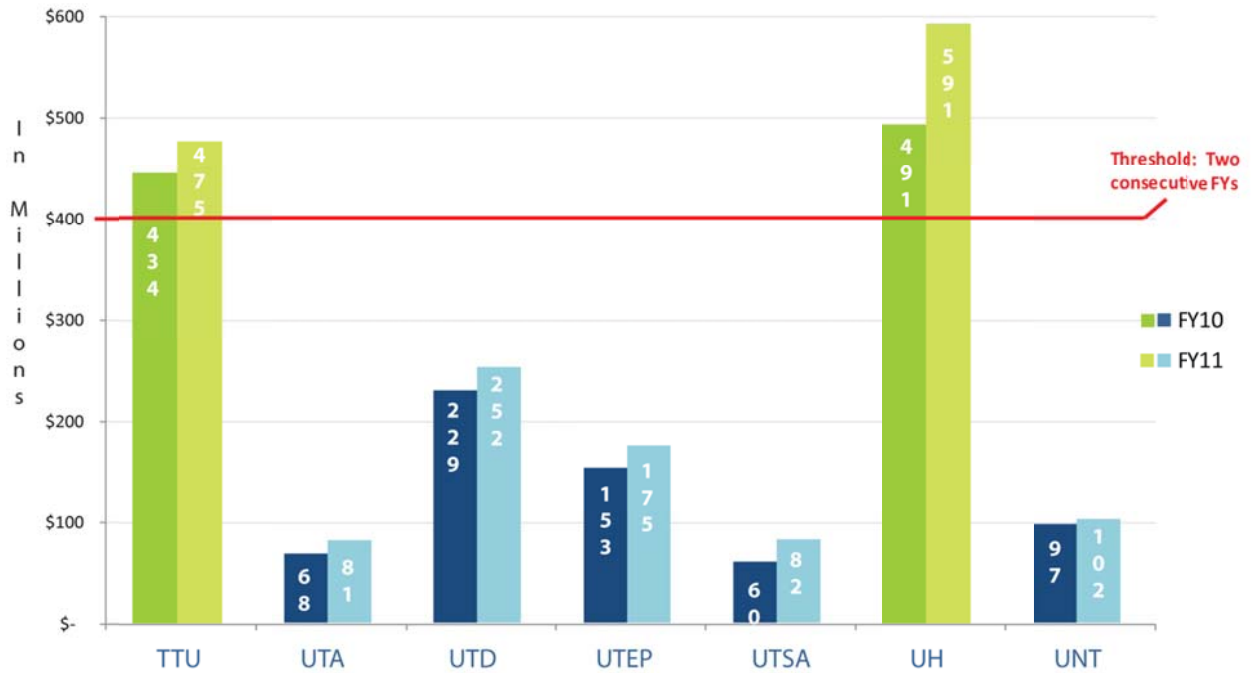
**NOTE:** A green bar indicates that the institution has met the threshold for the measure during the period reported.



**V. Endowment Funds**

15.43(b)(3)(A): The value of the institution's endowment funds is at least \$400 million in each of the two state fiscal years preceding the state fiscal year for which the appropriation is made.

**Figure 2: Endowment Funds**



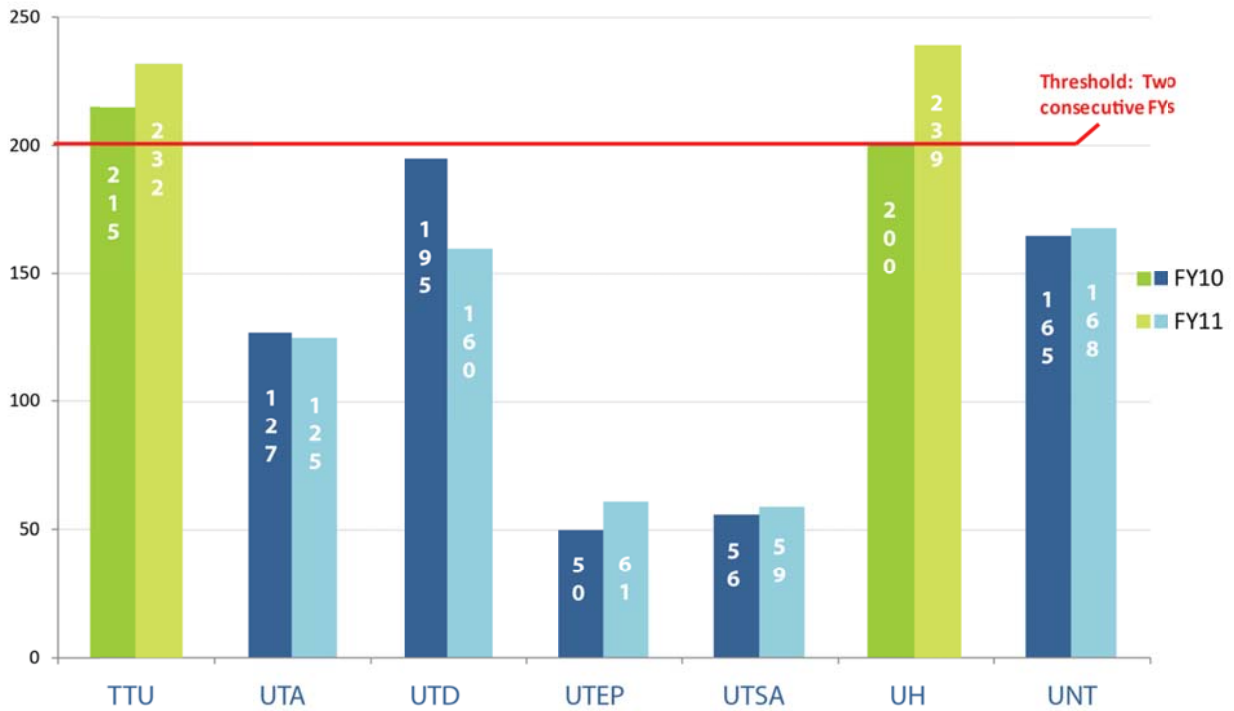
Source: Institutional Data reported the Coordinating Board.

**NOTE:** A green bar indicates that the institution has met the threshold for the measure during the period reported.

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

15.43(b)(3)(B): The institution awarded at least 200 doctor of philosophy degrees during each of the two academic years preceding the state fiscal year for which the appropriation is made.

Figure 3: Number of PhDs Awarded



Source: Institutional Data reported to the Coordinating Board.

**NOTE:** A green bar indicates that the institution has met the threshold for the measure during the period reported.

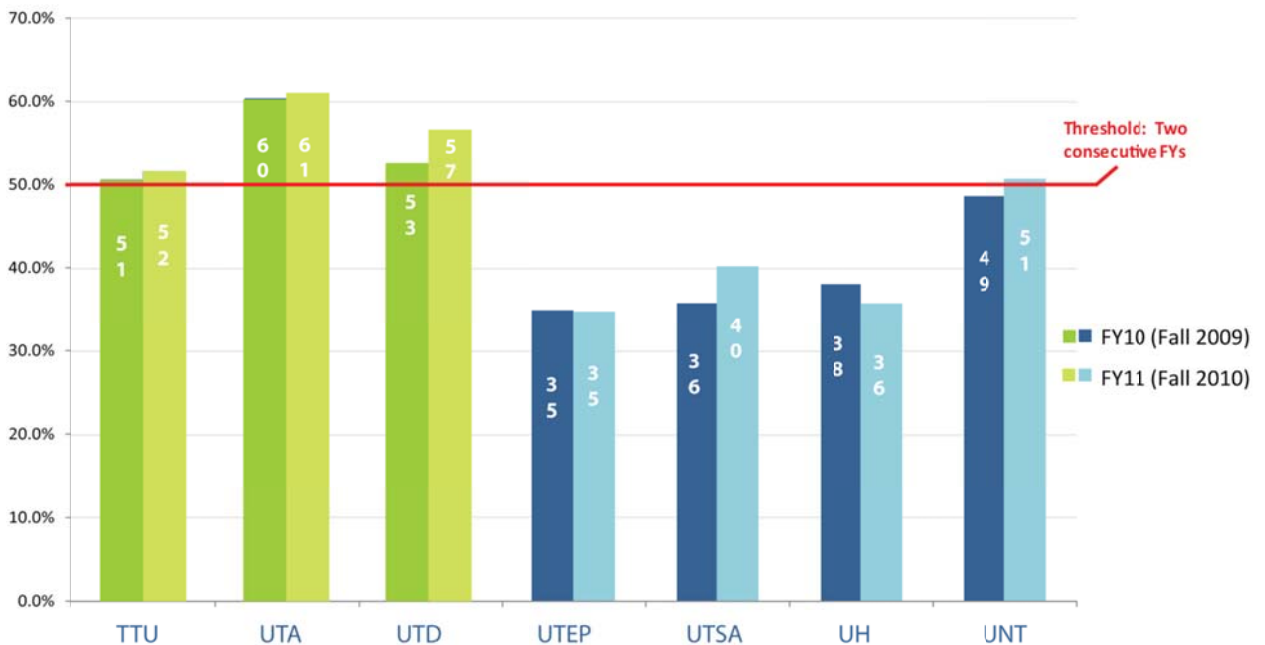
## VII. Freshman Class of High Academic Achievement

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

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

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

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



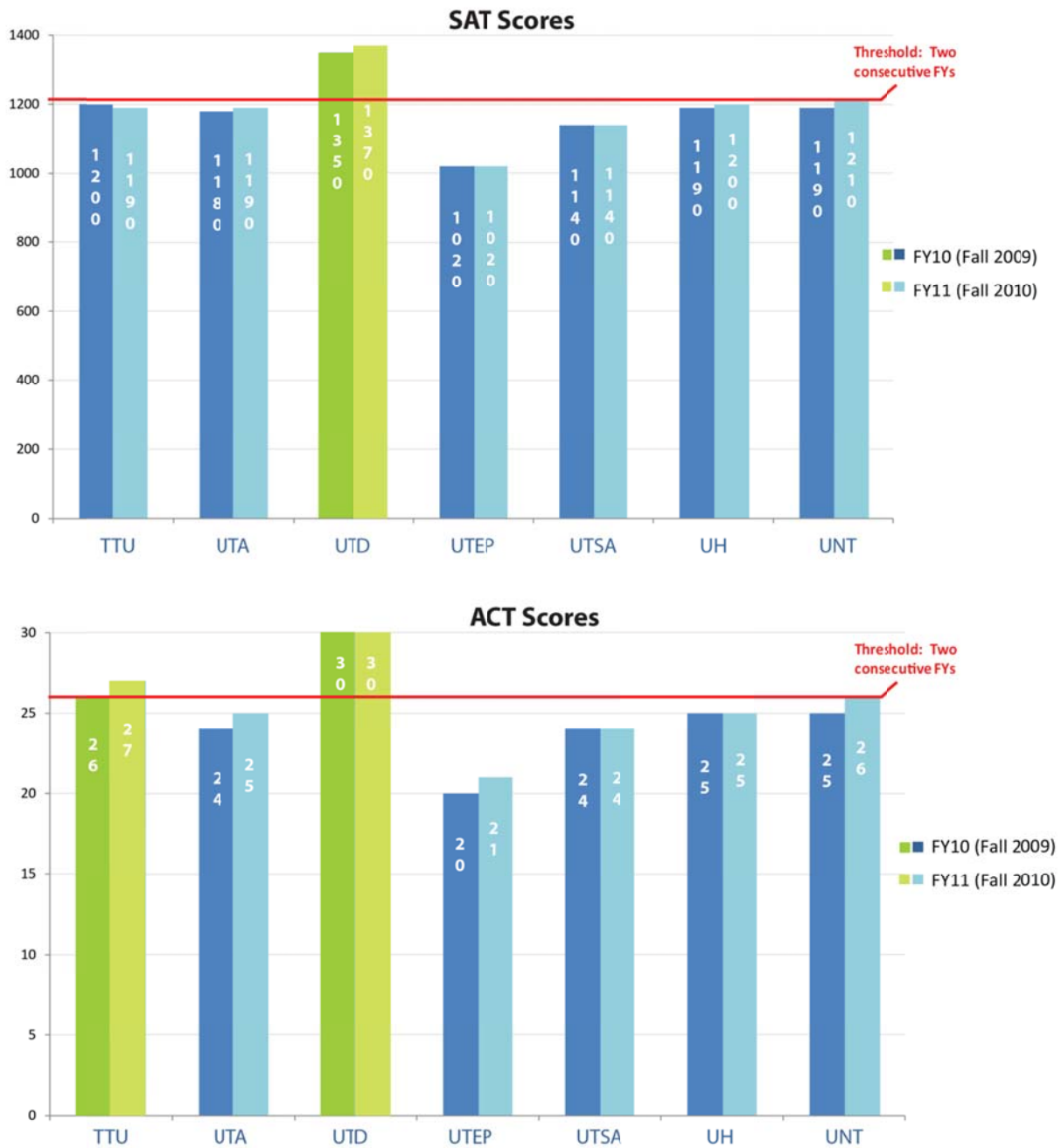
Source: Institutional Data reported to the Coordinating Board.

**NOTE:** A green bar indicates that the institution has met the threshold for the measure during the period reported.

**b. SAT or ACT Scores**

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

**Figure 5: SAT and ACT Scores**



Source: The Integrated Postsecondary Education Data System (IPEDS)

**NOTE:** A green bar indicates that the institution has met the threshold for the measure during the period reported.

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

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

**Table 1: Institutional Progress towards *Closing the Gaps***

	CTG: Participation	CTG: Success
Texas Tech University	Y	Y
The University of Texas at Arlington	Y	Y
The University of Texas at Dallas	Y	Y
The University of Texas at El Paso	Y	Y
The University of Texas at San Antonio	Y	Y
University of Houston	Y	Y
University of North Texas	Y	Y

Source: Institutional Data reported to the Coordinating Board.

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

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

**Table 2: Institutional Recognition of Research Capabilities and Scholarly Attainment**

	Association of Research Libraries	Phi Beta Kappa	Phi Kappa Phi
Texas Tech University	Y	Y	Y
The University of Texas at Arlington	N	N	Y
The University of Texas at Dallas	N	N	Y
The University of Texas at El Paso	N	N	Y
The University of Texas at San Antonio	N	N	N
University of Houston	Y	N	Y
University of North Texas	N	N	Y

Source: Institutional Data reported to the Coordinating Board.

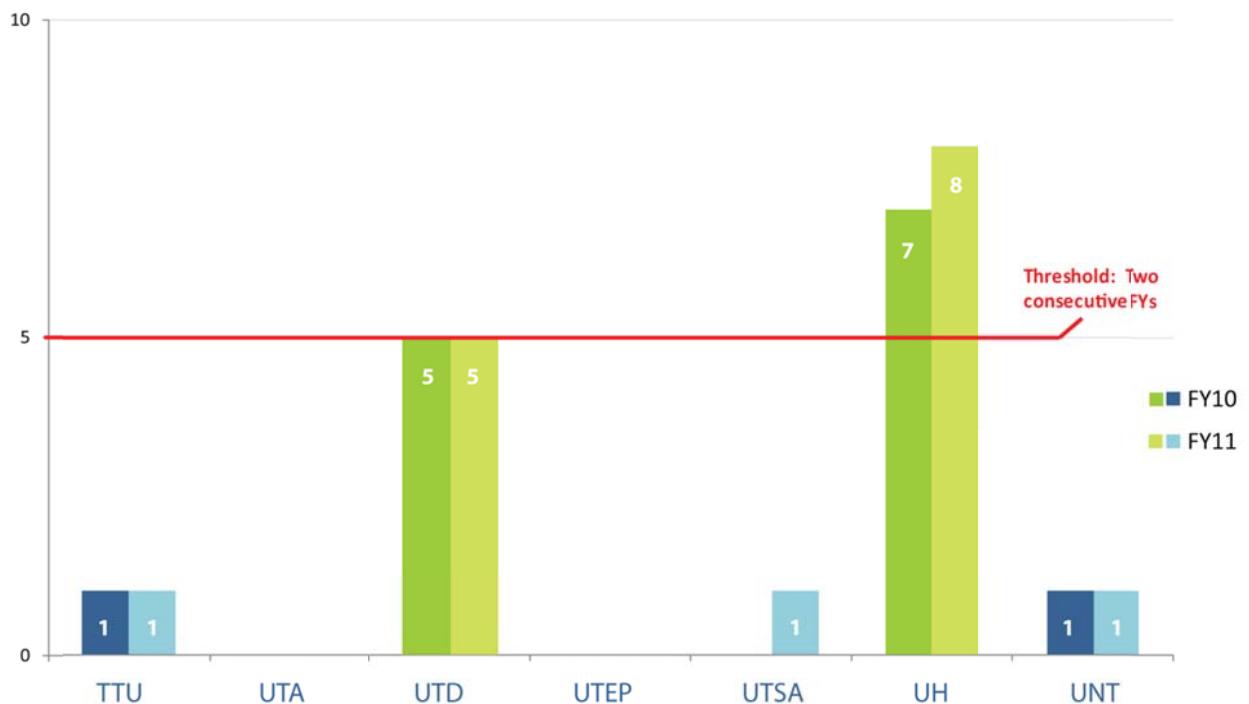
## IX. High-Quality Faculty

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

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

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

**Figure 6: National Academy Members or Nobel Prize Recipients**



Source: Institutional Data reported to the Coordinating Board.<sup>2</sup>

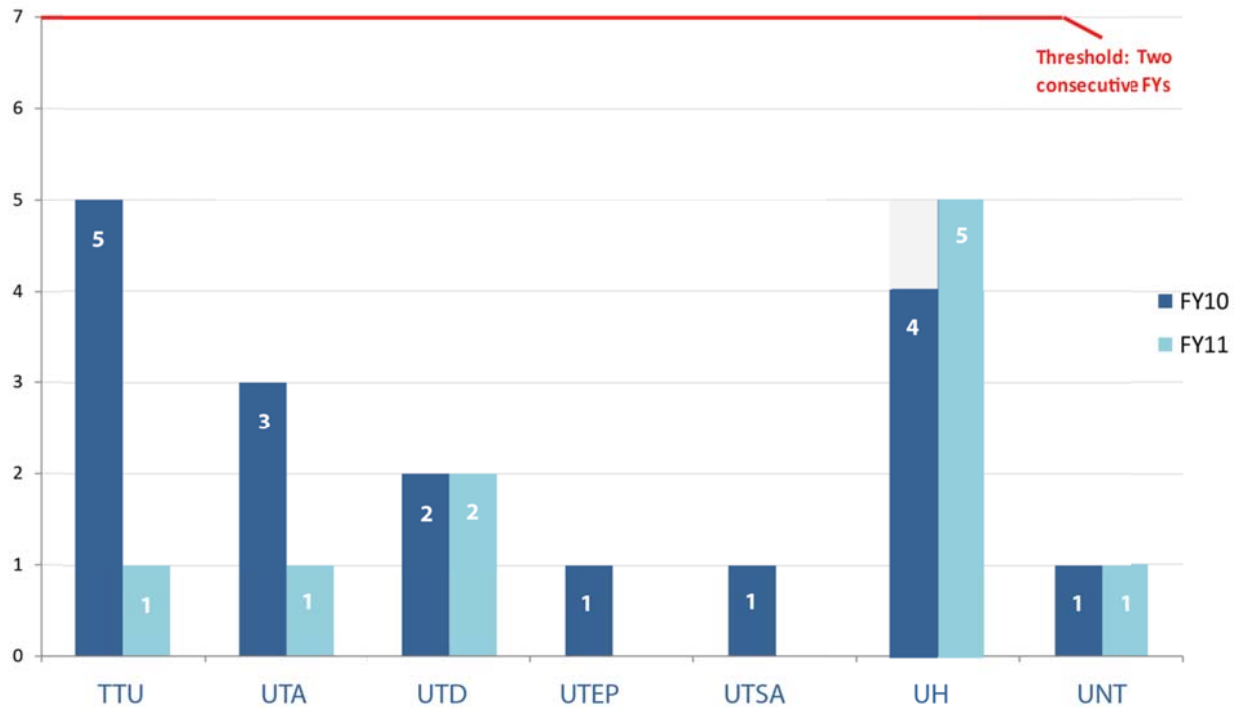
**NOTE:** A green bar indicates that the institution has met the threshold for the measure during the period reported.

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

**b. Other Faculty Awards**

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

**Figure 7: Other Faculty Awards**



Source: Institutional Data reported to the Coordinating Board.<sup>2</sup>

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

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

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

<sup>3</sup> See Appendix C for full list of faculty awards.



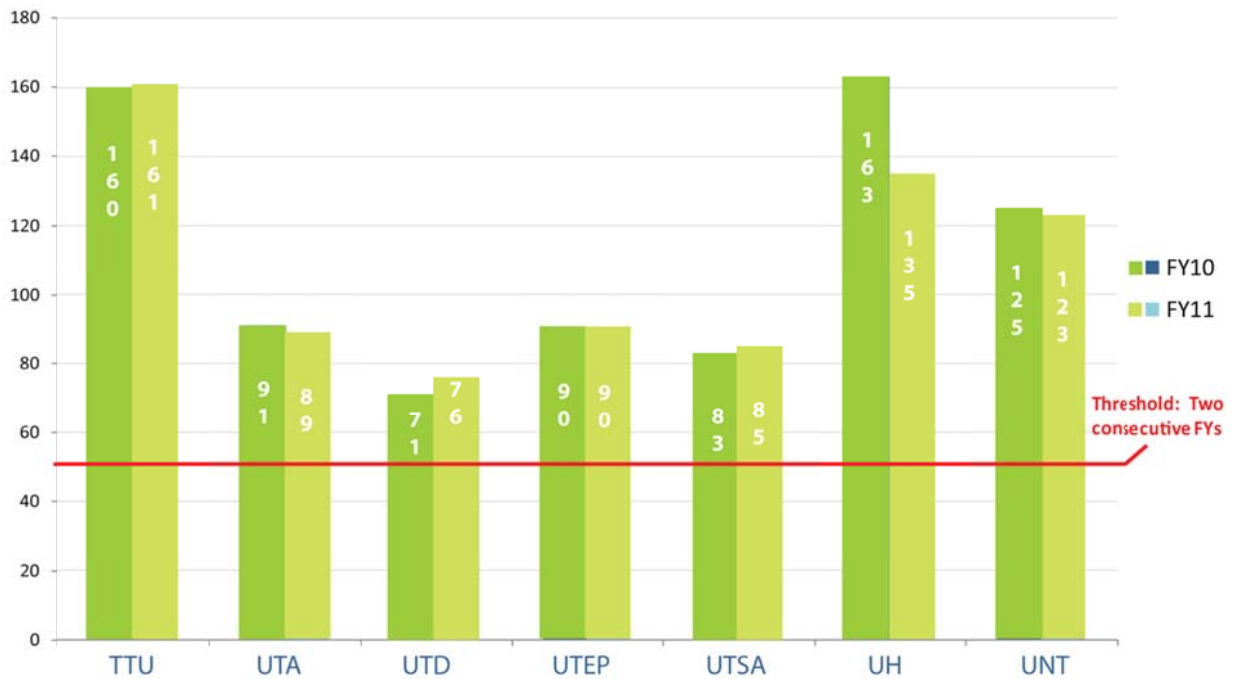
**X. High-Quality Graduate Education**

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

**a. Graduate Programs**

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

**Figure 8: Graduate Programs**



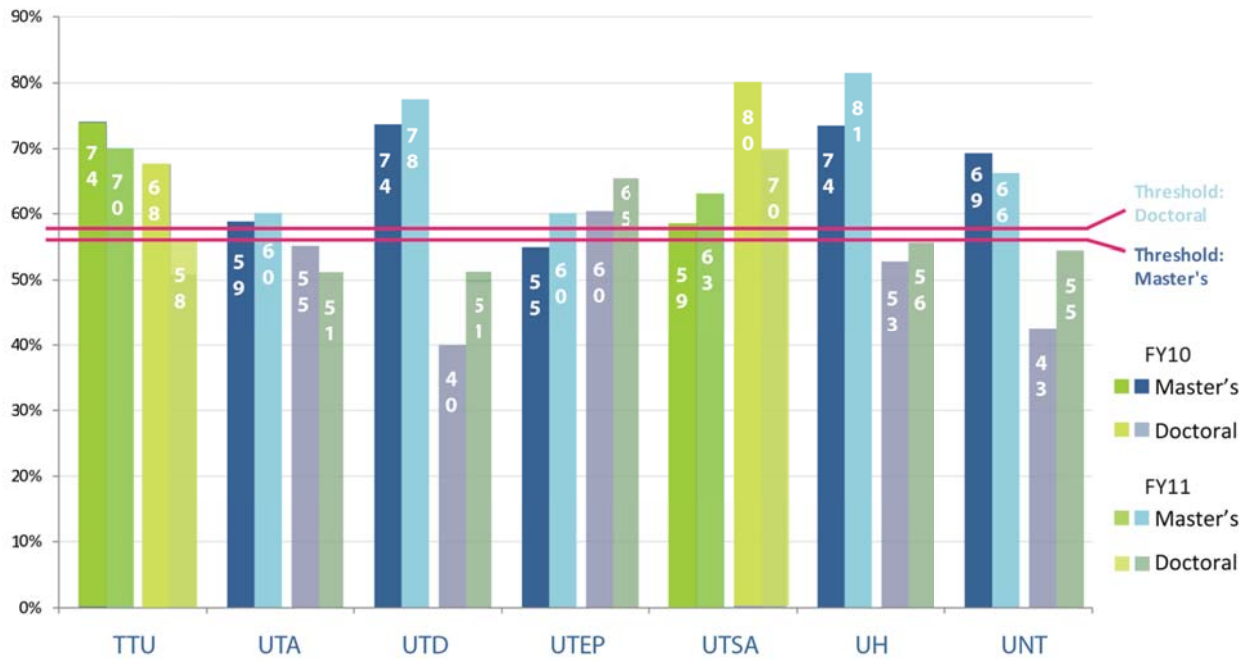
Source: THECB program inventory, 2011

**NOTE:** A green bar indicates that the institution has met the threshold for the measure during the period reported.

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

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

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



Source: THECB Accountability System

**NOTE:** A green bar indicates that the institution has met the threshold for the measure during the period reported.

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

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

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

## **XI. Conclusion**

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

- Seven universities are designated as emerging research universities in the Coordinating Board's accountability system: Texas Tech University, The University of Texas at Arlington, The University of Texas at Dallas, The University of Texas at El Paso, The University of Texas at San Antonio, University of Houston, and University of North Texas.
- Based on the data for these seven universities, Texas Tech University and University of Houston are eligible to receive distributions from NRUF pending a mandatory audit conducted by the state auditor in accordance with Texas Education Code 62.146(c).
- For FY2010 and FY2011, both Texas Tech University and University of Houston reported restricted research expenditures at or above the statutory threshold of \$45 million.
- Institutional performance varies on the specific measures included in each of the six other criteria; however, Texas Tech University and University of Houston met four of the six criteria identified in 15.43(b)(3)(A)-15.43(b)(3)(F) of Coordinating Board rules during the reporting period.

Texas Education Code 62.146(b) requires that the Coordinating Board certify verified information relating to criteria to be used in determining the eligibility of institutions of higher education to receive distributions of monies from the National Research University Fund (NRUF) in each state fiscal year. The next report will include data from FY2011 and FY2012. The Coordinating Board will submit that report in early 2013.

## Appendix A

### HB 1000, 82nd Texas Legislature, Regular Session

#### AN ACT

relating to the distribution of money appropriated from the national research university fund; making an appropriation.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

SECTION 1. Section 62.145(a), Education Code, is amended to read as follows:

(a) A general academic teaching institution becomes eligible to receive an initial a distribution of money appropriated under this subchapter for a state fiscal year if:

(1) the institution is designated as an emerging research university under the coordinating board's accountability system;

(2) in each of the two state fiscal years preceding the state fiscal year for which the appropriation is made, the institution expended at least \$45 million in restricted research funds; and

(3) the institution satisfies at least four of the following criteria:

(A) the value of the institution's endowment funds is at least \$400 million in each of the two state fiscal years preceding the state fiscal year for which the appropriation is made;

(B) the institution awarded at least 200 doctor of philosophy degrees during each of the two academic years preceding the state fiscal year for which the appropriation is made;

(C) the entering freshman class of the institution for each of those two academic years demonstrated high academic achievement, as determined according to standards prescribed by the coordinating board by rule, giving consideration to the future educational needs of the state as articulated in the coordinating board's "Closing the Gaps" report;

(D) the institution is designated as a member of the Association of Research Libraries or has a Phi Beta Kappa chapter or has received an equivalent recognition of research capabilities and scholarly attainment as determined according to standards prescribed by the coordinating board by rule;

(E) the faculty of the institution for each of those two academic years was of high quality, as determined according to coordinating board standards based on the professional achievement and recognition of the institution's faculty, including the election of faculty members to national academies; and

(F) for each of those two academic years, the institution has demonstrated a commitment to high-quality graduate education, as determined according to standards prescribed by the coordinating board by rule, including standards relating to the number of graduate-level programs at the institution, the institution's admission standards for graduate programs, and the level of institutional support for graduate students.

SECTION 2. Section 62.146, Education Code, is amended to read as follows:

Sec. 62.146. ACCOUNTING STANDARDS; VERIFICATION OF INFORMATION. (a) The coordinating board by rule shall prescribe standard methods of accounting and standard methods of reporting information for the purpose of determining:

- (1) the eligibility of institutions under Section 62.145; and
- (2) the amount of restricted research funds expended by an eligible institution in a state fiscal year.

(b) As soon as practicable in each state fiscal year, based on information submitted by the institutions to the coordinating board as required by the coordinating board, the coordinating board shall certify to the comptroller and the legislature verified information relating to the criteria established by Section 62.145 to be used to determine which institutions are eligible for distributions of money from the fund.

(c) Information submitted to the coordinating board by institutions for purposes of establishing eligibility under this subchapter and the coordinating board's certification or verification of that information under this section are subject to a mandatory audit by the state auditor in accordance with Chapter 321, Government Code. The coordinating board may also request one or more audits by the state auditor as necessary or appropriate at any time after an eligible institution begins receiving distributions under this subchapter. Each audit must be based on an examination of all or a representative sample of the restricted research funds awarded to the institution and the institution's expenditures of those funds, and must include, among other elements:

- (1) verification of the amount of restricted research funds expended by the institution in the appropriate state fiscal year or years; and
- (2) verification of compliance by the institution and the coordinating board with the standard methods of accounting and standard methods of reporting prescribed by the coordinating board under Subsection (a), including verification of:
  - (A) the institution's compliance with the coordinating board's standards and accounting methods for reporting expenditures of restricted research funds; and
  - (B) whether the institution's expenditures meet the coordinating board's definition of restricted research expenditures.

(d) From money appropriated from the fund, the comptroller shall reimburse the state auditor for the expenses of any audits conducted under Subsection (c).

SECTION 3. Section 62.148, Education Code, is amended to read as follows:

Sec. 62.148. DISTRIBUTION OF APPROPRIATED FUNDS TO ELIGIBLE INSTITUTIONS.

(a) In each state fiscal year, the comptroller shall distribute to eligible institutions in accordance with this section money appropriated from the fund for that fiscal year.

(b) The total amount appropriated from the fund for any state fiscal year may not exceed an amount equal to 4.5 percent of the average net market value of the investment assets of the fund for the 12 consecutive state fiscal quarters ending with the last quarter of the preceding state fiscal year, as determined by the comptroller.

(b-1) For purposes of Subsection (b), for a state fiscal quarter that includes any period before the fund was established on January 1, 2010, a reference to the average net market value of the investment assets of the fund includes the average net market value of the investment assets of the former higher education fund for the applicable state fiscal quarter. This subsection expires January 1, 2014.

(c) Subject to Subsection (e), of the total amount appropriated from the fund for distribution in a state fiscal year, each eligible institution is entitled to a distribution in an amount equal to the sum of:

(1) one-seventh of the total amount appropriated; and

(2) an equal share of any amount remaining after distributions are calculated under Subdivision (1), not to exceed an amount equal to one-fourth of that remaining amount.

(d) The comptroller shall retain within the fund any portion of the total amount appropriated from the fund for distribution that remains after all distributions are made for a state fiscal year as prescribed by Subsection (c). The appropriation of that retained amount lapses at the end of that state fiscal year.

(e) If the number of institutions that are eligible for distributions in a state fiscal year is more than four, each eligible institution is entitled to an equal share of the total amount appropriated from the fund for distribution in that fiscal year.

(f) For purposes of this section, the total amount appropriated from the fund for distribution in a state fiscal year does not include any portion of the amount appropriated that is used to reimburse the costs of an audit conducted under Section 62.146(c).

SECTION 4. For each fiscal year of the state fiscal biennium ending August 31, 2013, the maximum amount permitted by Section 20, Article VII, Texas Constitution, and by Section 62.148(b), Education Code, as added by this Act, is appropriated to the comptroller from the national research university fund for distribution to eligible state universities in accordance with and for the purposes described by Subchapter G, Chapter 62, Education Code.

SECTION 5. This Act takes effect immediately if it receives a vote of two-thirds of all the members elected to each house, as provided by Section 39, Article III, Texas Constitution. If this Act does not receive the vote necessary for immediate effect, this Act takes effect September 1, 2011.

## Appendix B

### Coordinating Board Rules

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

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

#### 15.40. Purpose

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

#### 15.41. Authority

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

#### 15.42. Definitions

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

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

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

#### 15.43. Eligibility

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

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

- (1) institution is designated as an emerging research university under the coordinating board's accountability system;
- (2) in each of the two state fiscal years preceding the state fiscal year for which the appropriation is made, the institution expended at least \$45 million in restricted research funds; and



- (3) the institution satisfies at least four of the following six criteria:
- (A) the value of the institution's endowment funds is at least \$400 million in each of the two state fiscal years preceding the state fiscal year for which the appropriation is made;
  - (B) the institution awarded at least 200 doctor of philosophy degrees during each of the two academic years preceding the state fiscal year for which the appropriation is made;
  - (C) in each of the two academic years preceding the state fiscal year for which the appropriation is made, the entering freshman class of the institution demonstrated high academic achievement as reflected in the following criteria:
    - (i) At least 50 percent of the first-time entering freshman class students at the institution are in the top 25 percent of their high school class; or
    - (ii) The average SAT score of first-time entering freshman class students at or above the 75th percentile of SAT scores was equal to or greater than 1210 (consisting of the Critical Reading and Mathematics Sections) or the average ACT score of first-time entering freshman class students at or above the 75th percentile of ACT scores was equal to or greater than 26; and
    - (iii) The composition of the institution's first-time entering freshman class demonstrates progress toward achieving the goals of the Board's Closing the Gaps report by reflecting the population of the state or the institution's region with respect to underrepresented students and shows a commitment to improving the academic performance of underrepresented students. One way in which this could be accomplished is by active participation in one of the Federal TRIO Programs, such as having one or more McNair Scholars in a particular cohort.
  - (D) the institution is designated as a member of the Association of Research Libraries, has a Phi Beta Kappa chapter, or is a member of Phi Kappa Phi;
  - (E) in each of the two academic years preceding the state fiscal year for which the appropriation is made, the faculty of the institution was of high quality as reflected in the following:
    - (i) The cumulative number of tenured/tenure-track faculty who have achieved national or international distinction through recognition as a member of one of the National Academies (including National Academy of Science, National Academy of Engineering, Academy of Arts and Sciences, and Institute of Medicine) or are Nobel Prize recipients is equal to or greater than 5; or

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

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

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

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

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

#### 15.44. Accounting and Reporting

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

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

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

## Appendix C

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

#### Texas Tech University

- Kishor C. Mehta, National Academy of Engineering (FY10/FY11)

#### The University of Texas at Dallas

- Ray Baughman, National Academy of Engineering (FY10/FY11)
- Brian Berry, National Academy of Science (FY10/FY11)
- David Daniel, National Academy of Engineering (FY10/FY11)
- Russell Hulse, Nobel Prize (FY10/FY11)
- Don Shaw, National Academy of Engineering (FY10/FY11)

#### The University of Texas at San Antonio

- Joseph Salamone, National Academy of Engineering (FY10/FY11)

#### University of Houston

- Ching Chu, National Academy of Science (FY10/FY11)
- Ching Chu, Academy of Arts and Sciences (FY10/FY11)
- Joseph Colaco, National Academy of Engineering (FY10/FY11)
- Jan-Ake Gustafson, National Academy of Science (FY10/FY11)
- Fazle Hussain, National Academy of Engineering (FY10/FY11)
- John Lienhard, National Academy of Engineering (FY10/FY11)
- Dan Luss, National Academy of Engineering (FY10/FY11)
- Kaspar William, National Academy of Engineering (FY11)

#### University of North Texas

Alan Needleman, National Academy of Engineering (FY10/FY11)

## Appendix D

### Detailed List of Other Faculty Awards

#### Texas Tech University

- Jennifer S. Bard, American Law Institute (FY10)
- Gerry W. Beyer, American Law Institute (FY11)
- Ann Graham, American Law Institute (FY10)
- Luis Grave de Peralat, NSF CAREER Award (FY10)
- Ranadip Pal, NSF CAREER Award (FY10)
- Shiren (Edward) Wang, NSF CAREER Award (FY10)

#### The University of Texas at Arlington

- Vassillis Athitsos, NSF CAREER Award (FY11)
- Yue Deng, NSF CAREER Award (FY10)
- Matthew Wright, NSF CAREER Award (FY10)
- Jian Yang, NSF CAREER Award (FY10)

#### The University of Texas at Dallas

- Kevin Hamlen, NSF CAREER Award (FY11)
- Walter Hu, NSF CAREER Award (FY10)
- Hoi Lee, NSF CAREER Award (FY11)
- Stefan Mihaela, NSF CAREER Award (FY10)

#### The University of Texas at El Paso

- Martine Ceberio, NSF CAREER Award (FY10)

#### The University of Texas at San Antonio

- Dakai Zhu, NSF CAREER Award (FY10)

#### University of Houston

- Richard M. Alderman, American Law Institute (FY11)
- Stanko Brankovic, NSF CAREER Award (FY10)
- Patrick Cirino, NSF CAREER Award (FY11)
- Meredith J. Duncan, American Law Institute (FY11)
- Zhu Han, NSF CAREER Award (FY10)
- Lonny S. Hoffman, American Law Institute (FY10)
- Vassiliy Lubchenko, NSF CAREER Award (FY11)
- Vassiliy Lubchenko, Sloan Research Fellow (FY11)
- Howard Pollack, NEH Fellow (FY10)

#### University of North Texas

- Srinivasan Srivilliputhur, NSF CAREER Award (FY10)
- Cheng Yu, NSF CAREER Award (FY11)

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Website: <http://www.thecb.state.tx.us>

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