

BILL ANALYSIS

C.S.H.B. 3247
By: Ritter
Economic Development
Committee Report (Substituted)

BACKGROUND AND PURPOSE

In 2003, the legislature created the Texas Enterprise Fund (TEF) with Senate Bill 1771. The Enterprise Fund is used to promote economic development in Texas by providing financial incentives to businesses who are considering locating operations in the state. Currently, the Enterprise Fund may be used for economic development, infrastructure and community development, job training, and business incentives.

CSHB 3247 requires that the governor award at least ten percent of each biennium's enterprise fund amount for the purpose of funding science and technology research at public or private institutions who are historically under-funded by federal research grants.

RULEMAKING AUTHORITY

This Act does not expressly grant additional rulemaking authority to any state officer, agency, department or institution.

ANALYSIS

SECTION 1. Amends Section 481.078, Government Code, Subsection C, by adding Subsection C-1 to state the Texas Enterprise Fund may be used for grants to fund research projects to foster and support alternative research centers. Provides that the governor shall not use less than 10 percent of the amount in the fund in each biennium for alternative research center grants.

SECTION 2. Amends Chapter 61, Education Code, by adding Chapter FF to read as follows:

SUBCHAPTER FF. GRANTS TO FOSTER AND SUPPORT ALTERNATIVE RESEARCH CENTERS.

Section 61.9751. PURPOSE OF PROGRAM. States that the purpose of the program is to support science and technology that has significant potential to promote economic development in the state, to foster new centers of excellence in research and diversify the research capacity of the state.

Section 61.9752. ELIGIBLE INSTITUTION PROGRAM; GRANT CRITERIA. Provides that grants in this fund will be awarded to public or private institutions of higher education that have received an average of less than \$10 million in federal research grant funding in the most recent five fiscal years.

Section 61.9753 ADMINISTRATION OF PROGRAM; GRANT CRITERIA. (a) Direct the Texas Higher Education Coordinating Board to develop and implement a program (b) Establish advisory committees to coordinate the administrative process (c) States the requirements recommendations to the governor are to be based on regarding science and technology projects at eligible institutions (d) Regard the availability of funds to promote the purpose of the program (e) Sets forth requirements for the board's recommendations.

Section 61.9754. GRANTS; USE OF GRANT FUNDS. (a) States that the governor may award a grant from the Texas Enterprise Fund based on a board recommendation for a period not to exceed two years and in an amount not to exceed \$250,000 (b) Gives the board permission to monitor the projects funded under this program (c) Establishes the application of intellectual property policies of eligible institutions.

SECTION 3. Provides the effective date of this Act.

EFFECTIVE DATE

Upon passage, or, if the Act does not receive the necessary vote, the Act takes effect September 1, 2005.

COMPARISON OF ORIGINAL TO SUBSTITUTE

Section 61.9754. GRANTS; USE OF GRANT FUNDS. (a) is amended to state that the governor may award a grant from the Texas Enterprise Fund based on a board recommendation for a period not to exceed two years and in an amount not to exceed \$250,000.