

By: Ritter

H.B. No. 3247

Substitute the following for H.B. No. 3247:

By: Cook of Navarro

C.S.H.B. No. 3247

A BILL TO BE ENTITLED

AN ACT

1
2 relating to a program to promote research with economic development
3 potential at certain institutions of higher education through
4 financial assistance from the Texas Enterprise Fund.

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

6 SECTION 1. Section 481.078, Government Code, is amended by
7 amending Subsection (c) and adding Subsection (c-1) to read as
8 follows:

9 (c) Except as provided by Subsection (d), the fund may be
10 used only for economic development, infrastructure development,
11 community development, job training programs, ~~and~~ business
12 incentives, and grants to fund research projects under Subchapter
13 FF, Chapter 61, Education Code.

14 (c-1) The governor shall use not less than 10 percent of the
15 amount awarded from the fund in each state fiscal biennium for
16 grants to fund research projects under Subchapter FF, Chapter 61,
17 Education Code.

18 SECTION 2. Chapter 61, Education Code, is amended by adding
19 Subchapter FF to read as follows:

20 SUBCHAPTER FF. GRANTS TO FOSTER AND SUPPORT

21 ALTERNATIVE RESEARCH CENTERS

22 Sec. 61.9751. PURPOSES OF PROGRAM. The purposes of the
23 program administered under this subchapter are to support research
24 in science and technology that has significant potential to promote

1 economic development in this state, and to foster new centers of
2 research excellence and diversify the research capacity of this
3 state, by awarding grants to support research conducted in
4 collaboration with the private sector at public or private
5 institutions of higher education that are not currently major
6 recipients of federal research funding.

7 Sec. 61.9752. ELIGIBLE INSTITUTION DEFINED. In this
8 subchapter, "eligible institution" means a public or private or
9 independent institution of higher education, or a separately
10 administered school, campus, or institute of an institution of
11 higher education, that performs research in science and technology
12 and that has received an average of less than \$10 million in federal
13 research grant funding, as determined by the board, in each of the
14 most recent five fiscal years for which the information is
15 available to the board.

16 Sec. 61.9753. ADMINISTRATION OF PROGRAM; GRANT CRITERIA.
17 (a) The board shall develop and implement a program under which the
18 board makes recommendations to the governor regarding science and
19 technology research projects conducted at eligible institutions
20 that the board determines should be awarded grants from the Texas
21 Enterprise Fund established by Section 481.078, Government Code, to
22 promote the purposes of the program. The board, in consultation
23 with the governor, shall prescribe procedures for soliciting and
24 administering applications for grant recommendations under the
25 program and shall prescribe criteria that an eligible institution
26 or research project must meet to be recommended for or receive a
27 grant under the program.

1 (b) The board may appoint one or more advisory committees to
2 advise the coordinating board regarding the board's administration
3 of this subchapter.

4 (c) The board must base its recommendations to the governor
5 under the program on competitive peer review by qualified experts
6 to ensure that funds provided under the program achieve maximum
7 effect and that projects receiving grants under the program have
8 significant scientific or technological potential and are likely to
9 promote the purposes of the program.

10 (d) The board shall consider the availability of matching
11 funds in recommending projects for funding to the extent that
12 matching funds will promote the purposes of the program, but may not
13 condition a recommendation on the availability of matching funds.

14 (e) The board shall consider the extent to which a project
15 is or will be conducted with the participation, collaboration, or
16 financial support of private industry or other entities that are
17 likely to contribute to the success of the project and the practical
18 application of the research funded by the grant.

19 Sec. 61.9754. GRANTS; USE OF GRANT FUNDS. (a) The governor
20 may award a grant from the Texas Enterprise Fund established by
21 Section 481.078, Government Code, to a project for which the board
22 recommends funding under the program. A grant must cover a period
23 of not less than two years and the amount of a grant may not exceed
24 \$250,000.

25 (b) The board shall provide for monitoring of each project
26 funded under the program to ensure grant funds are used effectively
27 for their intended purposes and to determine the effectiveness of

1 the grant and of the program. Receipt of funds after the first year
2 of funding must be conditioned on an annual assessment by qualified
3 experts to ensure that the project is making sufficient progress to
4 merit continued funding.

5 (c) The intellectual property policies of the eligible
6 institution conducting or sponsoring the research funded under the
7 program apply to the research project and to any scientific and
8 technological developments, including inventions, discoveries,
9 trade secrets, and computer software, resulting from the research
10 project.

11 SECTION 3. This Act takes effect September 1, 2005.