

SUBJECT: Requiring annual report on Texas Emerging Technology Fund

COMMITTEE: Technology, Economic Development and Workforce — committee substitute recommended

VOTE: 8 ayes — Strama, Parker, F. Brown, Button, Eissler, Gattis, Harless, Rodriguez
0 nays
1 absent — Ritter

WITNESSES: For — (*Registered, but did not testify*: Sylvia Borunda Firth, City of El Paso; Steve Bresnen, El Paso County; Matthew Johnson, Public Citizen; Rick Levy, TX AFL-CIO; James Mason, Texas Impact)

Against — None

On — Robert Norris, Legislative Budget Board; (*Registered, but did not testify*: James Poage, Satai Network Foundation and ETF Regional Centers of Innovation and Commercialization (RCIC))

BACKGROUND: The Emerging Technology Fund is managed by the Governor's Office and promotes technology-related research and commercialization through a collaboration of private sector, higher education, and regional economic development entities.

The Legislative Budget Board, in its 2009 *Texas State Government Effectiveness and Efficiency* report, pointed to the fact that Texas did not require the Governor's Office to produce an annual report showing the Emerging Technology Fund's actual performance, as is standard accountability practice in similar technology development agencies in other states.

DIGEST: CSHB 2531 would require the governor, by January 1 of each year, to submit to the Legislature and post on the Governor's Office website a report on the activities of the Emerging Technology Fund for the three preceding state fiscal years. The report could not include confidential information, but would have to include the following:

- the total number and amount of awards made;
- the number and amount of awards made for commercialization activities, matching research awards, and acquisition of research superiority;
- the aggregate total of private sector investment, federal government funding, and contributions from other sources obtained in connection with awards from the fund;
- the name of each award recipient and the amount the recipient was awarded;
- a brief description of the equity position that the governor, on behalf of the state, could take in companies receiving awards and the names of the companies in which the state had taken an equity position;
- a brief description of the intended outcomes of projects funded for commercialization activities during the two preceding fiscal years; and
- a brief description of the actual outcomes of all projects funded over the entirety of the fund for commercialization activities, including any financial impact on the state resulting from a liquidity event involving a company whose project was funded for commercialization.

The bill would take immediate effect if finally passed by a two-thirds record vote of the membership of each house. Otherwise, it would take effect September 1, 2009. The governor would have to submit the initial report by January 1, 2011.