

SUBJECT: Matching gifts to fund technology workforce development grants

COMMITTEE: Higher Education — favorable, without amendment

VOTE: 6 ayes — Morrison, Goolsby, Gallego, Harper-Brown, J. Jones, Rose
0 nays
3 absent — F. Brown, Dawson, Giddings

WITNESSES: For — Janis Carter, Texas Instruments; H. Thomas Dickey, Texas Engineering and Technology Consortium
Against — None

BACKGROUND: In 2001, the 77th Legislature enacted SB 353 by Ellis, establishing the Texas Engineering and Technical Consortium (TETC). It allows public and private higher education institutions with accredited engineering programs and computer science programs to form partnerships with private businesses in Texas in order to increase the number of engineering and computer science graduates from Texas universities.

The consortium can solicit and accept gifts, grants, and donations to support the program. Funds must be deposited into the Technology Workforce Development Account. The Texas Higher Education Coordinating Board (THECB) administers the account and uses the funds to award grants on a competitive, peer-review basis to eligible public and private engineering and computer science institutions. Education Code, sec. 51.856 establishes a state matching program that allows the Legislature to appropriate general revenue to match private donations and in-kind contributions raised by the consortium. To date, TETC has awarded 48 grants totaling \$10.6 million and has provided \$660,000 through in-kind contributions to 32 public and private institutions. Private companies can join as consortium participants and must contribute \$100,000 a year to the consortium.

DIGEST: HB 1697 would allow the state to match the amount or value of any gift, grant, or donation that was received for the purposes of the technology workforce development grant program directly by a higher education institution from a source other than a participant in the consortium.

The bill would refer to the THECB committee charged with evaluating the effectiveness of the grant program as the “evaluation” committee rather than the “advisory” committee. It also would exempt the evaluation committee from state agency advisory committee regulations under Government Code, ch. 2110.

The bill would take effect September 1, 2005, and would apply to appropriations made on or after the effective date.

SUPPORTERS SAY: HB 1697 would clear up confusion about whether donations that go directly to higher education institutions for the technology workforce development grant program are eligible for state matching funds. The original intent of TETC was that grants received directly by an institution, including National Science Foundation (NSF) grants, would be eligible for state matching funds. According to the comptroller, however, the state under current law cannot match grants from the NSF and others received directly by institutions.

TETC has been very successful since its inception, during which time electrical engineering enrollment has increased by 7 percent. The grant program has a vital role to play in meeting the future demand for engineering and computer science graduates. Texas currently graduates 4,700 engineers a year, but technology experts predict Texas will need 90,000 engineers over the next decade. In this climate, it is all the more important to allow the state to match all available donations so that institutions could put even more grant money to work training the next generation of engineers.

The advisory committee name should be changed to reflect the work of the committee, which is to evaluate the effectiveness of the grant program. Calling it an advisory committee prevents committee members from being reimbursed for their expenses because of state regulations that govern advisory committees.

OPPONENTS SAY: No apparent opposition.

NOTES: The Senate Education Subcommittee on Higher Education heard the companion bill, SB 1034 by West, on April 12.