

Amend CSSB 1 (house committee printing) by adding the following appropriately numbered ARTICLE to the bill and renumbering the remaining ARTICLES and SECTIONS of the bill accordingly:

ARTICLE \_\_\_\_\_. STRATEGIC CAPITAL INVESTMENTS

SECTION \_\_\_\_\_.01. Subchapter A, Chapter 55, Education Code, is amended by adding Section 55.05 to read as follows:

Sec. 55.05. STRATEGIC CAPITAL INVESTMENT PROJECTS. (a) An institution of higher education that authorizes the issuance of bonds under this chapter for strategic capital investment projects qualifying under this section may receive state support of the debt service on those bonds.

(b) An institution of higher education that authorizes the issuance of bonds for a strategic capital investment project must apply to the commissioner of higher education to qualify for state support of the debt service on those bonds under this section. Subject to Subsection (e), the commissioner of higher education shall approve the project for that state support if the commissioner finds that:

(1) the project is of vital importance to the institution and to higher education in this state because the project will:

(A) facilitate an innovative or transformative model of education in a field designated by the commissioner as a high-priority for the education of an innovative workforce;

(B) increase the institution's ability to attract federal and industry funding for research; and

(C) support the commercialization of technology that strengthens the state's ability to attract capital and talent for startup companies and new ventures;

(2) the institution's governing board has designated the project a high priority and a strategic capital investment by; and

(3) the project has funding support from private philanthropic sources, or from funds available to the institution other than formula funding general revenue appropriations, equal to at least two-thirds of the estimated completed cost of the project

on the date that the institution applies for state support.

(c) Subject to Subsection (d), the legislature shall appropriate funds for the purpose of reimbursing a university system or institution of higher education that issues bonds for a project that qualifies under this section for the debt service on those bonds. The reimbursement for debt service on an approved project may not exceed an amount equal to the lesser of:

(1) the debt service on \$100 million in aggregate value of bonds; or

(2) the debt service on an amount of bonds equal to one-third of the estimated completed cost of the project.

(d) The legislature may not appropriate funds other than formula funding general revenue to support the debt service on bonds for projects approved under this section earlier than the second state fiscal biennium after the fiscal biennium in which the institution issues bonds for the project.

(e) The commissioner of education may approve projects for state support of debt service under this section with an aggregate total bonded indebtedness of not more than \$400 million.

(f) The commissioner of higher education may not approve a project under this section after September 1, 2015.

(g) Not later than December 31, 2014, the commissioner of higher education shall submit a report to the governor, the legislature, the Legislative Budget Board, and the Texas Public Finance Authority on:

(1) the number and scope of projects approved for funding under this section; and

(2) the effectiveness of those projects in achieving the goals described in Subsection (b)(1).