

## LEGISLATIVE BUDGET BOARD

Austin, Texas

### FISCAL NOTE, 88TH LEGISLATIVE REGULAR SESSION

April 2, 2023

**TO:** Honorable Angie Chen Button, Chair, House Committee on International Relations & Economic Development

**FROM:** Jerry McGinty, Director, Legislative Budget Board

**IN RE:** HB2466 by Button (relating to the creation of the Texas technology and innovation program.),  
**Committee Report 1st House, Substituted**

The fiscal implications of the bill cannot be determined due to costs being dependent upon the amount appropriated to the program, the number of applicants, and the number of grantees.

The bill would create the Texas Technology and Innovation Program (Program) and Texas Technology and Innovation Fund. The Economic Development and Tourism Office (EDT), which is located within the Office of the Governor, is required to establish, and administer the program to provide matching grants from funds received by a business entity through the small business innovation research and small business technology transfer program established by 15 U.S.C. Section 638.

The bill would impose eligibility, application, and award requirements on business entities and EDT for the grant matching program. EDT would be authorized to award phase zero, one, and two grants to eligible business entities.

Federal Small Business Innovation Research and Small Business Technology Transfer award data from the U.S. Small Business Administration indicates that 247 phase one and 160 phase two awards corresponding to a total obligated amount of \$242,066,754 were awarded to Texas small businesses in fiscal year 2022. Since the first awards made to Texas small businesses in 1983, a total of 6,150 phases one and 2,462 phase two awards corresponding to a total obligated amount of \$2,794,006,548.

Program awards would be based on available funds and additional appropriations in the fund the number of grantees, timing of awards, and any appropriations or other available money for this purpose are unknown.

This legislation would do one or more of the following: create or recreate a dedicated account in the General Revenue Fund, create or recreate a special or trust fund either within or outside of the Treasury, or create a dedicated revenue source. The fund, account, or revenue dedication included in this bill would be subject to funds consolidation review by the current Legislature.

If additional appropriations are made by the Legislature for this program, the EDT anticipates that four new FTEs would be required to standup and administer the new grant program. These would include 1.0 Manager V, 1.0 Grant Specialist IV, 0.5 Compliance Analyst IV, 1.0 Accountant IV, and 0.5 Attorney III.

The Comptroller's Office indicates that the fiscal implications of the bill cannot be determined.

#### Local Government Impact

No significant fiscal implication to units of local government is anticipated.

**Source Agencies:** 300 Trusteed Programs Within the Office of the Governor, 304 Comptroller of Public Accounts

**LBB Staff:** JMc, SZ, LCO, HGR, NV