

SENATE AMENDMENTS

2nd Printing

By: Bonnen, Paul, Anderson,
Morales of Maverick, et al.

H.B. No. 3447

A BILL TO BE ENTITLED

1 AN ACT

2 relating to the establishment and administration of the Texas
3 Aerospace Research and Space Economy Consortium and the Texas Space
4 Commission.

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

6 SECTION 1. Chapter 61, Education Code, is amended by adding
7 Subchapter V-1 to read as follows:

8 SUBCHAPTER V-1. TEXAS AEROSPACE RESEARCH AND SPACE ECONOMY

9 CONSORTIUM

10 Sec. 61.921. DEFINITIONS. In this subchapter:

11 (1) "Consortium" means the Texas Aerospace Research
12 and Space Economy Consortium.

13 (2) "Executive committee" means the executive
14 committee of the consortium.

15 Sec. 61.922. ESTABLISHMENT; PURPOSE. The Texas Aerospace
16 Research and Space Economy Consortium is established to:

17 (1) identify research opportunities for entities
18 within this state that:

19 (A) strengthen this state's proven leadership in
20 civil, commercial, and military aerospace activity;

21 (B) enhance this state's position in aeronautics
22 research and development, astronautics, space commercialization,
23 and space flight infrastructure; and

24 (C) enhance the integration of the space,

1 aeronautics, astronautics, and aviation industries into this
2 state's economy; and

3 (2) provide funding and research recommendations to
4 the Texas Space Commission established under Section 481.552,
5 Government Code.

6 Sec. 61.923. CONSORTIUM COMPOSITION. The consortium is
7 composed of:

8 (1) each institution of higher education; and

9 (2) any other entity that the executive committee
10 considers necessary.

11 Sec. 61.924. ADMINISTRATIVE ATTACHMENT. (a) The
12 consortium is administratively attached to the board for the
13 purpose of receiving and administering appropriations and other
14 funds under this subchapter. The board is not responsible for
15 providing to the consortium staff, human resources, contract
16 monitoring, purchasing, or any other administrative support
17 services.

18 (b) The board may not use funds intended to carry out the
19 purposes of this subchapter for any costs incurred by the board
20 under this subchapter.

21 Sec. 61.925. EXECUTIVE COMMITTEE COMPOSITION. (a) The
22 consortium is governed by an independent executive committee
23 composed of the following nine members:

24 (1) two members appointed by the governor;

25 (2) two members appointed by the lieutenant governor;

26 (3) two members appointed by the speaker of the house
27 of representatives;

1 (4) the chancellor of The Texas A&M University System
2 or the chancellor's designee;

3 (5) the chancellor of The University of Texas System
4 or the chancellor's designee; and

5 (6) the president of Rice University or the
6 president's designee.

7 (b) In making appointments under Subsection (a), the
8 governor, the lieutenant governor, and the speaker of the house of
9 representatives, respectively, shall:

10 (1) prioritize appointing individuals with experience
11 in:

12 (A) aeronautics;

13 (B) space economic development; and

14 (C) academic engagement with the space economy;

15 and

16 (2) ensure that the appointments reflect, to the
17 extent possible, the ethnic and geographic diversity of this state.

18 (c) A vacancy on the executive committee is filled in the
19 same manner as the initial appointment.

20 (d) The executive committee shall:

21 (1) elect a presiding officer from among the members
22 of the committee; and

23 (2) meet at the call of the presiding officer.

24 Sec. 61.926. GIFTS, GRANTS, AND DONATIONS. The executive
25 committee may solicit and accept on behalf of the consortium gifts,
26 grants, or donations from any public or private source for the
27 purpose of carrying out this subchapter.

1 Sec. 61.927. GENERAL DUTIES. (a) The executive committee
2 shall:

3 (1) develop and execute a comprehensive statewide
4 strategic plan to further the purposes of the consortium;

5 (2) gather and coordinate recommendations from
6 consortium members on funding and research opportunities in
7 accordance with the purposes of the consortium; and

8 (3) establish procedures and policies for the
9 administration of the consortium, including:

10 (A) procedures for documenting compliance by
11 members of the committee and consortium and consortium staff with
12 applicable laws governing conflicts of interest;

13 (B) designation of a member of the committee as
14 the committee's liaison to the Texas Space Commission established
15 under Section 481.552, Government Code; and

16 (C) procedures for entering into contracts with
17 The Texas A&M University System as necessary for that system to
18 provide administrative and staff support to the consortium.

19 (b) A member of the consortium under Section 61.923 may
20 participate in consortium fact-finding, strategic planning, and
21 the formation of recommendations for purposes of Subsections (a)(1)
22 and (a)(2). Before assisting the executive committee as provided
23 by this subsection, a member of the consortium must designate a
24 liaison to the executive committee to represent that member.

25 Sec. 61.928. BIENNIAL REPORT. Not later than December 31 of
26 each even-numbered year, the executive committee shall submit to
27 the Texas Space Commission established under Section 481.552,

- 1 Government Code, a written report that includes for that biennium:
2 (1) the activities and objectives of the consortium;
3 (2) a synopsis of the funding and research
4 opportunities identified by the consortium under Section
5 61.927(a);
6 (3) legislative recommendations, if any;
7 (4) prospective grants or funding the consortium
8 members expect to receive, if any; and
9 (5) research accomplishments associated with the
10 consortium, if any.

11 SECTION 2. Chapter 481, Government Code, is amended by
12 adding Subchapter FF to read as follows:

13 SUBCHAPTER FF. TEXAS SPACE COMMISSION

14 Sec. 481.551. DEFINITIONS. In this subchapter:

- 15 (1) "Board" means the board of directors of the
16 commission.
17 (2) "Commission" means the Texas Space Commission.
18 (3) "Fund" means the Space Exploration and Aeronautics
19 Research Fund.
20 (4) "Institution of higher education" has the meaning
21 assigned by Section 61.003, Education Code.

22 Sec. 481.552. ESTABLISHMENT; PURPOSE. (a) The Texas Space
23 Commission is established to strengthen this state's proven
24 leadership in civil, commercial, and military aerospace activity.

25 (b) The purpose of the commission is to promote innovation
26 in the fields of space exploration and commercial aerospace
27 opportunities, including the integration of space, aeronautics,

1 and aviation industries into the economy of this state.

2 Sec. 481.553. BOARD OF DIRECTORS; EXECUTIVE DIRECTOR. (a)

3 The commission is governed by a nine-member board of directors. The
4 board is composed of:

5 (1) three members appointed by the governor;

6 (2) three members appointed by the lieutenant
7 governor; and

8 (3) three members appointed by the governor from a
9 list of names submitted by the speaker of the house of
10 representatives.

11 (b) In making appointments or selecting persons for
12 inclusion on the list submitted to the governor under Subsection
13 (a), the governor, lieutenant governor, and speaker of the house of
14 representatives shall prioritize appointing or selecting, as
15 applicable, individuals with experience in:

16 (1) commercial aerospace;

17 (2) civil aviation;

18 (3) military aerospace;

19 (4) space economic development;

20 (5) space-related academic research; and

21 (6) nonprofit support of the space economy.

22 (c) Members of the board serve two-year terms and may be
23 reappointed for additional terms.

24 (d) A vacancy on the board is filled in the same manner as
25 the initial appointment.

26 (e) The board shall:

27 (1) elect a presiding officer from among the members

1 of the board;

2 (2) appoint an executive director of the commission
3 and determine the title, functions, duties, powers, and salary of
4 the executive director; and

5 (3) adopt rules as necessary to implement the duties
6 of the commission under this subchapter.

7 (f) The executive director of the commission may hire staff
8 as necessary to implement the duties of the commission under this
9 subchapter.

10 Sec. 481.554. ADMINISTRATIVE ATTACHMENT. (a) The
11 commission is administratively attached to the office of the
12 governor.

13 (b) The office of the governor shall provide the commission
14 staff and facilities as necessary to assist the commission in
15 performing the commission's duties under this subchapter.

16 Sec. 481.555. AUTHORITY. The commission may, as necessary
17 to perform the commission's duties under this subchapter:

18 (1) execute contracts and other documents, including
19 by authorizing one or more members of the commission to execute
20 contracts and other documents on behalf of the commission;

21 (2) conduct proceedings and other activities;

22 (3) establish and create boards, committees, or other
23 entities, which may include an advisory board composed of
24 representatives of military, federal government, and private
25 aeronautic entities, and delegate authority or duties to those
26 entities;

27 (4) provide financial services to support

1 aerospace-related development within this state, including by:

2 (A) capitalizing, underwriting, leasing,
3 selling, or securing funding for aerospace-related infrastructure;
4 and

5 (B) acquiring, accepting, or administering
6 grants and contracts to perform activities consistent with the
7 commission's purpose;

8 (5) execute intergovernmental agreements and
9 development agreements consistent with existing law, including
10 with institutions of higher education and nonprofit entities; and

11 (6) engage in the planning and implementation of
12 aerospace-related educational opportunities within this state in
13 coordination with the Texas Aerospace Research and Space Economy
14 Consortium established under Section 61.922, Education Code.

15 Sec. 481.556. STRATEGIC PLAN. (a) The commission shall
16 develop and annually update a strategic plan for the promotion of
17 space, aeronautics, and aviation economic development in this
18 state.

19 (b) The strategic plan must include a list of potential
20 projects that further the purpose of the commission, and, for each
21 project:

22 (1) the estimated total cost for completion, including
23 a potential state matching cost; and

24 (2) an assessment of the availability of external
25 funding sources.

26 (c) The strategic plan may include any other information the
27 commission determines is relevant to furthering the purpose of the

1 commission.

2 (d) The board shall submit the strategic plan to the
3 governor, the lieutenant governor, and the speaker of the house of
4 representatives not later than December 31 of each year.

5 Sec. 481.557. SPACE EXPLORATION AND AERONAUTICS RESEARCH
6 FUND; GRANTS. (a) The commission shall establish the Space
7 Exploration and Aeronautics Research Fund to provide grants to
8 eligible entities as provided by this section.

9 (b) The fund is a trust fund outside the treasury with the
10 comptroller and administered by the commission.

11 (c) The fund is composed of:

12 (1) gifts, grants, or donations provided to the
13 commission; and

14 (2) money from any source designated by the
15 legislature.

16 (d) Using money available in the fund, the commission may
17 provide grants to eligible entities described by Subsection (e) for
18 the purposes of:

19 (1) development of emerging technologies required for
20 any aspect of human space flight;

21 (2) research involving any aspect of space exploration
22 and space flight;

23 (3) workforce training to promote space exploration
24 and space flight; and

25 (4) curation of post-mission materials involved in
26 space exploration and space flight.

27 (e) The following entities are eligible for a grant made

1 under this section:

2 (1) a business or nonprofit entity involved in the
3 space exploration, research, or aeronautics industry; and

4 (2) a governmental entity with which the commission
5 has entered into an intergovernmental agreement for that purpose.

6 (f) The commission shall establish procedures for the
7 administration and approval of grants made under this section,
8 including procedures to ensure that a grant provided under this
9 section is in the public interest and serves the public purpose of
10 economic development and diversification.

11 SECTION 3. This Act takes effect September 1, 2023.

ADOPTED

MAY 16 2023

FLOOR AMENDMENT NO. 1

Latey Saw
Secretary of the Senate

BY:

Jean Huffman

1 Amend H.B. 3447 (senate committee printing) as follows:

2 (1) In SECTION 1 of the bill, in added Section 61.922(1)(B),
3 Education Code (page 1, lines 46 and 47), between "aeronautics" and
4 "research", insert "and space".

5 (2) In SECTION 2 of the bill, in added Section 481.552(b),
6 Government Code (page 3, line 27), between "exploration" and "and",
7 insert "and discovery".

8 (3) In SECTION 2 of the bill, in added Section
9 481.557(d)(2), Government Code (page 4, lines 61 and 62), between
10 "exploration" and "and", insert "and discovery".

11 (4) In SECTION 2 of the bill, in added Section
12 481.557(d)(3), Government Code (page 4, lines 63 and 64), between
13 "exploration" and "and", insert "and discovery".

14 (5) In SECTION 2 of the bill, in added Section
15 481.557(d)(4), Government Code (page 4, line 65), between
16 "curation" and "of", insert "and analysis".

17 (6) In SECTION 2 of the bill, in added Section
18 481.557(d)(4), Government Code (page 4, line 66), between
19 "exploration" and "and", insert "and discovery".

LEGISLATIVE BUDGET BOARD

Austin, Texas

FISCAL NOTE, 88TH LEGISLATIVE REGULAR SESSION

May 17, 2023

TO: Honorable Dade Phelan, Speaker of the House, House of Representatives

FROM: Jerry McGinty, Director, Legislative Budget Board

IN RE: HB3447 by Bonnen (Relating to the establishment and administration of the Texas Aerospace Research and Space Economy Consortium and the Texas Space Commission.), **As Passed 2nd House**

Estimated Two-year Net Impact to General Revenue Related Funds for HB3447, Committee Report 1st House, As Amended : a negative impact of (\$3,787,216) through the biennium ending August 31, 2025. The impact reflects the cost to administer the Texas Space Commission. There would additionally be an indeterminate cost to provide financial assistance to eligible institutions for purposes specified in the bill. The cost would be dependent on appropriations to the Space Exploration and Aeronautics Research fund that would be established pursuant to the bill.

The bill would make no appropriation but could provide the legal basis for an appropriation of funds to implement the provisions of the bill.

General Revenue-Related Funds, Five- Year Impact:

<i>Fiscal Year</i>	<i>Probable Net Positive/(Negative) Impact to General Revenue Related Funds</i>
2024	(\$1,904,073)
2025	(\$1,883,143)
2026	(\$1,886,313)
2027	(\$1,889,573)
2028	(\$1,892,933)

All Funds, Five-Year Impact:

<i>Fiscal Year</i>	<i>Probable Savings/(Cost) from General Revenue Fund 1</i>	<i>Change in Number of State Employees from FY 2023</i>
2024	(\$1,904,073)	10.0
2025	(\$1,883,143)	10.0
2026	(\$1,886,313)	10.0
2027	(\$1,889,573)	10.0
2028	(\$1,892,933)	10.0

Fiscal Analysis

The bill would create the Texas Space Commission and the Texas Aerospace Research and Space Economy Consortium, which are respectively attached to the Office of the Governor (OOG) and the Texas Higher Education Coordinating Board (THECB). The Texas Space Commission would be composed of a nine-member board of specially qualified individuals. The Commission would be directed to actively seek to promote the

space, aeronautics, and aviation industries within Texas, administer contracts, create boards and committees, provide financial services, and engage in planning and implementation of aerospace-related opportunities. The Commission would be granted rulemaking abilities. The Commission would be directed to create and adopt a yearly strategic plan for its activities, to include potential projects, cost estimates, or any other information deemed necessary.

The Aerospace Research and Space Economy Consortium would be composed of a nine-member executive committee with specific qualifications, of which two members are appointed by the Governor. The Consortium would be directed to identify, promote, and enhance Texas' research and development into aerospace related industries. The Consortium would be required to submit a biennial report to the Texas Space Commission regarding Consortium activities, funding and research opportunities, legislative recommendations, prospective grants of funding the consortium may receive and any research accomplishments associated with the consortium.

The bill would also create the Space Exploration and Aeronautics Research fund outside of the state treasury. It would consist of gifts, grants, donations, and legislative appropriations. The Commission may utilize the funding to make grants to eligible entities for the development of emerging technologies, research, workforce training, and curation of post-mission materials.

The 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 in, with, or outside the Treasury, or create a dedicated revenue source. The fund, account, or revenue dedication included in this bill would be subject funds consolidation review by the current Legislature.

Methodology

It is anticipated that for the Commission to establish and perform the necessary duties the OOG will need an additional 10 FTEs. The bill specifies that the Commission would be required to have an Executive Director position, which the OOG estimates would be at the Group 6 salary level. In addition, the OOG is anticipating that, to perform programmatic duties, the Commission would need 2 Directors (one to serve as the deputy ED and the other to manage programs), one research specialist, 1 Financial Analyst IV to provide financial services to support aerospace-related development within the state, a Grant Specialist III to administer and monitor grants overseen by the Commission, and 1 Planner V to map out the statewide strategic plan required in the bill. To perform the administrative functions, the OOG anticipates the need for 1 Attorney IV to provide legal advice and guidance to the Commission in the execution of their duties, 0.5 Accountant V to provide financial budgetary support related to fiscal matters of the Commission, 1 Network Specialist V for IT support, and 0.5 Compliance Analyst III to provide oversight and compliance for contracts and grants executed by the Commission. The total estimate for FTE-related costs in the 2024-25 biennium associated with the Commission is anticipated to be \$3,379,287.

Costs associated with the Space Exploration and Research Fund are unknown at this time and will be dependent on appropriations and the number of grants to be administered.

The OOG also indicates that additional office space would be needed to support the Commission's staff. It is anticipated that the additional space would result in a two-year cost of \$207,930, assuming the space is leased.

It is not anticipated by THECB that the Consortium created by the bill will have any significant fiscal implications for the state.

The Comptroller's Office anticipates that the fiscal impact of the bill cannot be estimated.

Technology

The technology impact of the bill includes one-time costs of \$24,000 in fiscal year 2024 and a recurring annual cost of \$32,000 in each fiscal year 2024-2028 thereafter. One-time costs include computers, software, printer, and telecom/voicemail. Annual recurring charges cover data center services and voice line.

Local Government Impact

The fiscal implications of the bill cannot be determined at this time.

Source Agencies: 300 Trusted Programs Within the Office of the Governor, 304 Comptroller of Public Accounts, 710 Texas A&M University System Administrative and General Offices, 720 The University of Texas System Administration, 758 Texas State University System, 768 Texas Tech University System Administration, 769 University of North Texas System Administration, 781 Higher Education Coordinating Board, 783 University of Houston System Administration

LBB Staff: JMc, SD, KK, HGR, SMAT, LCO, NV

LEGISLATIVE BUDGET BOARD

Austin, Texas

FISCAL NOTE, 88TH LEGISLATIVE REGULAR SESSION

May 9, 2023

TO: Honorable Joan Huffman, Chair, Senate Committee on Finance

FROM: Jerry McGinty, Director, Legislative Budget Board

IN RE: HB3447 by Bonnen (Relating to the establishment and administration of the Texas Aerospace Research and Space Economy Consortium and the Texas Space Commission.), **As Engrossed**

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The bill would make no appropriation but could provide the legal basis for an appropriation of funds to implement the provisions of the bill.

General Revenue-Related Funds, Five- Year Impact:

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Fiscal Analysis

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space, aeronautics, and aviation industries within Texas, administer contracts, create boards and committees, provide financial services, and engage in planning and implementation of aerospace-related opportunities. The Commission would be granted rulemaking abilities. The Commission would be directed to create and adopt a yearly strategic plan for its activities, to include potential projects, cost estimates, or any other information deemed necessary.

The Aerospace Research and Space Economy Consortium would be composed of a nine-member executive committee with specific qualifications, of which two members are appointed by the Governor. The Consortium would be directed to identify, promote, and enhance Texas' research and development into aerospace related industries. The Consortium would be required to submit a biennial report to the Texas Space Commission regarding Consortium activities, funding and research opportunities, legislative recommendations, prospective grants of funding the consortium may receive and any research accomplishments associated with the consortium.

The bill would also create the Space Exploration and Aeronautics Research fund outside of the state treasury. It would consist of gifts, grants, donations, and legislative appropriations. The Commission may utilize the funding to make grants to eligible entities for the development of emerging technologies, research, workforce training, and curation of post-mission materials.

The 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 in, with, or outside the Treasury, or create a dedicated revenue source. The fund, account, or revenue dedication included in this bill would be subject funds consolidation review by the current Legislature.

Methodology

It is anticipated that for the Commission to establish and perform the necessary duties the OOG will need an additional 10 FTEs. The bill specifies that the Commission would be required to have an Executive Director position, which the OOG estimates would be at the Group 6 salary level. In addition, the OOG is anticipating that, to perform programmatic duties, the Commission would need 2 Directors (one to serve as the deputy ED and the other to manage programs), one research specialist, 1 Financial Analyst IV to provide financial services to support aerospace-related development within the state, a Grant Specialist III to administer and monitor grants overseen by the Commission, and 1 Planner V to map out the statewide strategic plan required in the bill. To perform the administrative functions, the OOG anticipates the need for 1 Attorney IV to provide legal advice and guidance to the Commission in the execution of their duties, 0.5 Accountant V to provide financial budgetary support related to fiscal matters of the Commission, 1 Network Specialist V for IT support, and 0.5 Compliance Analyst III to provide oversight and compliance for contracts and grants executed by the Commission. The total estimate for FTE-related costs in the 2024-25 biennium associated with the Commission is anticipated to be \$3,379,287.

Costs associated with the Space Exploration and Research Fund are unknown at this time and will be dependent on appropriations and the number of grants to be administered.

The OOG also indicates that additional office space would be needed to support the Commission's staff. It is anticipated that the additional space would result in a two-year cost of \$207,930, assuming the space is leased.

It is not anticipated by THECB that the Consortium created by the bill will have any significant fiscal implications for the state.

The Comptroller's Office anticipates that the fiscal impact of the bill cannot be estimated.

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The technology impact of the bill includes one-time costs of \$24,000 in fiscal year 2024 and a recurring annual cost of \$32,000 in each fiscal year 2024-2028 thereafter. One-time costs include computers, software, printer, and telecom/voicemail. Annual recurring charges cover data center services and voice line.

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LBB Staff: JMc, KK, HGR, SMAT, LCO, NV

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 88TH LEGISLATIVE REGULAR SESSION
Revision 1

April 16, 2023

TO: Honorable Todd Hunter, Chair, House Committee on State Affairs

FROM: Jerry McGinty, Director, Legislative Budget Board

IN RE: HB3447 by Bonnen (relating to the establishment and administration of the Texas Aerospace Research and Space Economy Consortium and the Texas Space Commission.), **Committee Report 1st House, Substituted**

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The bill would also create the Space Exploration and Aeronautics Research fund outside of the state treasury. It would consist of gifts, grants, donations, and legislative appropriations. The Commission may utilize the funding to make grants to eligible entities for the development of emerging technologies, research, workforce training, and curation of post-mission materials.

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Local Government Impact

The fiscal implications of the bill cannot be determined at this time.

Source Agencies: 300 Trusteed Programs Within the Office of the Governor, 304 Comptroller of Public Accounts, 710 Texas A&M University System Administrative and General Offices, 720 The University of Texas System Administration, 758 Texas State University System, 768 Texas Tech University System Administration, 769 University of North Texas System Administration, 781 Higher Education Coordinating Board, 783 University of Houston System Administration

LBB Staff: JMc, SMAT, LCO, HGR, NV

LEGISLATIVE BUDGET BOARD

Austin, Texas

FISCAL NOTE, 88TH LEGISLATIVE REGULAR SESSION

April 16, 2023

TO: Honorable Todd Hunter, Chair, House Committee on State Affairs

FROM: Jerry McGinty, Director, Legislative Budget Board

IN RE: HB3447 by Bonnen (relating to the establishment and administration of the Texas Aerospace Research and Space Economy Consortium and the Texas Space Commission.), Committee Report 1st House, As Amended

Estimated Two-year Net Impact to General Revenue Related Funds for HB3447, Committee Report 1st House, As Amended : a negative impact of (\$3,787,216) through the biennium ending August 31, 2025. The impact reflects the cost to administer the Texas Space Commission. There would additionally be an indeterminate cost to provide financial assistance to eligible institutions for purposes specified in the bill. The cost would be dependent on appropriations to the Space Exploration and Aeronautics Research fund that would be established pursuant to the bill. The bill would make no appropriation but could provide the legal basis for an appropriation of funds to implement the provisions of the bill.

General Revenue-Related Funds, Five- Year Impact:

Table with 2 columns: Fiscal Year, Probable Net Positive/(Negative) Impact to General Revenue Related Funds. Rows for years 2024 through 2028.

All Funds, Five-Year Impact:

Table with 3 columns: Fiscal Year, Probable Savings/(Cost) from General Revenue Fund, Change in Number of State Employees from FY 2023. Rows for years 2024 through 2028.

Fiscal Analysis

The bill would create the Texas Space Commission and the Texas Aerospace Research and Space Economy Consortium, which are respectively attached to the Office of the Governor (OOG) and the Texas Higher Education Coordinating Board (THECB). The Texas Space Commission would be composed of a nine-member

board of specially qualified individuals. The Commission would be directed to actively seek to promote the space, aeronautics, and aviation industries within Texas, administer contracts, create boards and committees, provide financial services, and engage in planning and implementation of aerospace-related opportunities. The Commission would be granted rulemaking abilities. The Commission would be directed to create and adopt a yearly strategic plan for its activities, to include potential projects, cost estimates, or any other information deemed necessary.

The Aerospace Research and Space Economy Consortium would be composed of a nine-member executive committee with specific qualifications, of which two members are appointed by the Governor. The Consortium would be directed to identify, promote, and enhance Texas' research and development into aerospace related industries. The Consortium would be required to submit a biennial report to the Texas Space Commission regarding Consortium activities, funding and research opportunities, legislative recommendations, prospective grants of funding the consortium may receive and any research accomplishments associated with the consortium.

The bill would also create the Space Exploration and Aeronautics Research fund outside of the state treasury. It would consist of gifts, grants, donations, and legislative appropriations. The Commission may utilize the funding to make grants to eligible entities for the development of emerging technologies, research, workforce training, and curation of post-mission materials.

The 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 in, with, or outside the Treasury, or create a dedicated revenue source. The fund, account, or revenue dedication included in this bill would be subject funds consolidation review by the current Legislature.

Methodology

It is anticipated that for the Commission to establish and perform the necessary duties the OOG will need an additional 10 FTEs. The bill specifies that the Commission would be required to have an Executive Director position, which the OOG estimates would be at the Group 6 salary level. In addition, the OOG is anticipating that, to perform programmatic duties, the Commission would need 2 Directors (one to serve as the deputy ED and the other to manage programs), one research specialist, 1 Financial Analyst IV to provide financial services to support aerospace-related development within the state, a Grant Specialist III to administer and monitor grants overseen by the Commission, and 1 Planner V to map out the statewide strategic plan required in the bill. To perform the administrative functions, the OOG anticipates the need for 1 Attorney IV to provide legal advice and guidance to the Commission in the execution of their duties, 0.5 Accountant V to provide financial budgetary support related to fiscal matters of the Commission, 1 Network Specialist V for IT support, and 0.5 Compliance Analyst III to provide oversight and compliance for contracts and grants executed by the Commission. The total estimate for FTE-related costs in the 2024-25 biennium associated with the Commission is anticipated to be \$3,379,287.

Costs associated with the Space Exploration and Research Fund are unknown at this time and will be dependent on appropriations and the number of grants to be administered.

The OOG also indicates that additional office space would be needed to support the Commission's staff. It is anticipated that the additional space would result in a two-year cost of \$207,930, assuming the space is leased.

It is not anticipated by THECB that the Consortium created by the bill will have any significant fiscal implications for the state.

The Comptroller's Office anticipates that the fiscal impact of the bill cannot be estimated.

Technology

The technology impact of the bill includes one-time costs of \$24,000 in fiscal year 2024 and a recurring annual cost of \$32,000 in each fiscal year 2024-2028 thereafter. One-time costs include computers, software, printer, and telecom/voicemail. Annual recurring charges cover data center services and voice line.

Local Government Impact

The fiscal implications of the bill cannot be determined at this time.

Source Agencies: 300 Trusteed Programs Within the Office of the Governor, 304 Comptroller of Public Accounts, 710 Texas A&M University System Administrative and General Offices, 720 The University of Texas System Administration, 758 Texas State University System, 768 Texas Tech University System Administration, 769 University of North Texas System Administration, 781 Higher Education Coordinating Board, 783 University of Houston System Administration

LBB Staff: JMc, SMAT, LCO, HGR, NV

LEGISLATIVE BUDGET BOARD

Austin, Texas

FISCAL NOTE, 88TH LEGISLATIVE REGULAR SESSION

March 28, 2023

TO: Honorable Todd Hunter, Chair, House Committee on State Affairs

FROM: Jerry McGinty, Director, Legislative Budget Board

IN RE: HB3447 by Bonnen (Relating to the creation, management and administration of the Texas Space Commission and the Texas Aerospace Research and Space Economy Consortium.), As Introduced

Estimated Two-year Net Impact to General Revenue Related Funds for HB3447, As Introduced : a negative impact of (\$3,787,216) through the biennium ending August 31, 2025. The impact reflects the cost to administer the Texas Space Commission. There would additionally be an indeterminate cost to provide financial assistance to eligible institutions for purposes specified in the bill. The cost would be dependent on appropriations to the Space Exploration and Aeronautics Research fund that would be established pursuant to the bill.

The bill would make no appropriation but could provide the legal basis for an appropriation of funds to implement the provisions of the bill.

General Revenue-Related Funds, Five- Year Impact:

<i>Fiscal Year</i>	<i>Probable Net Positive/(Negative) Impact to General Revenue Related Funds</i>
2024	(\$1,904,073)
2025	(\$1,883,143)
2026	(\$1,886,313)
2027	(\$1,889,573)
2028	(\$1,892,933)

All Funds, Five-Year Impact:

<i>Fiscal Year</i>	<i>Probable Savings/(Cost) from General Revenue Fund</i>	<i>Change in Number of State Employees from FY 2023</i>
2024	(\$1,904,073)	10.0
2025	(\$1,883,143)	10.0
2026	(\$1,886,313)	10.0
2027	(\$1,889,573)	10.0
2028	(\$1,892,933)	10.0

Fiscal Analysis

The bill would create the Texas Space Commission and the Texas Aerospace Research and Space Economy Consortium, which are respectively attached to the Office of the Governor (OOG) and the Texas Higher Education Coordinating Board (THECB). The Texas Space Commission would be composed of a nine-member independent board of specially qualified individuals, of which five members are appointed by the Governor. The

Commission would be directed to actively seek to promote the space, aeronautics, and aviation industries within Texas, administer contracts, create boards and committees, provide financial services, and engage in planning and implementation of aerospace-related opportunities. The Commission would be granted rulemaking abilities. The Commission would be directed to create and adopt a yearly strategic plan for its activities, to include potential projects, cost estimates, or any other information deemed necessary.

The Aerospace Research and Space Economy Consortium would be composed of a nine-member executive committee with specific qualifications, of which two members are appointed by the Governor. The Consortium would be directed to identify, promote, and enhance Texas' research and development into aerospace related industries through targeted application of funding or gifts. The Consortium would be required to submit a biannual report to the Texas Space Commission regarding Consortium activities, funding and research opportunities, legislative recommendations, prospective grants of funding the consortium may receive and any research accomplishments associated with the consortium.

The bill would also create the Space Exploration and Aeronautics Research fund outside of the state treasury. It would consist of gifts, grants, donations, and legislative appropriations. The Commission may utilize the funding to make grants to eligible institutions for the development of emerging technologies, promotion of research, workforce training, and aerospace industry promotion.

The 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 in, with, or outside the Treasury, or create a dedicated revenue sources. The fund, account, or revenue dedication included in this bill would be subject funds consolidation review by the current Legislature.

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Costs associated with the Space Exploration and Research Fund are unknown at this time and will be dependent on appropriations and the number of grants to be administered.

The OOG also indicates that additional office space would be needed to support the Commission's staff. It is anticipated that the additional space would result in a two-year cost of \$207,930, assuming the space is leased.

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LBB Staff: JMc, SMAT, LCO, HGR, NV