

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 89TH LEGISLATIVE REGULAR SESSION

May 28, 2025

TO: Honorable Dustin Burrows, Speaker of the House, House of Representatives

FROM: Jerry McGinty, Director, Legislative Budget Board

IN RE: HB4751 by Capriglione (Relating to the establishment and administration of the Texas Quantum Initiative.), **As Passed 2nd House**

Estimated Two-year Net Impact to General Revenue Related Funds for HB4751, As Passed 2nd House: a negative impact of (\$3,457,794) through the biennium ending August 31, 2027.

There would be an additional indeterminate cost related to the grant program authorized by the bill which would be dependent on the number of grant applications and appropriations made for this purpose.

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>
2026	(\$1,767,707)
2027	(\$1,690,087)
2028	(\$1,716,171)
2029	(\$1,690,086)
2030	(\$1,716,172)

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 2025</i>
2026	(\$1,767,707)	7.5
2027	(\$1,690,087)	7.5
2028	(\$1,716,171)	7.5
2029	(\$1,690,086)	7.5
2030	(\$1,716,172)	7.5

Fiscal Analysis

The bill would amend the Government Code to establish the Texas Quantum Initiative as a program within the Office of the Governor (OOG). The Initiative would be advised by an advisory committee composed of six members, appointed by the Governor. OOG would hire a director for the Initiative. The OOG would submit a strategic plan annually to the Governor, Lieutenant Governor, and Speaker of the House of Representatives, and submit a biennial report not later than December 1 of each even-numbered year to the Governor and the

Legislative Budget Board (LBB).

The bill would also create the Quantum University and Business Innovation for Texas Fund as a dedicated account within the General Revenue Fund. The fund would consist of gifts, grants, or donations to the fund, and money from any other source designated by the Legislature; and interest earned from investing money from the fund. Money in the fund would be used to provide grants to state entities and certain business entities for quantum manufacturing and design projects. The fund would also be used to pay for staffing costs.

Note: 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 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 to funds consolidation review by the current Legislature.

Methodology

It is anticipated the OOG would need an additional 7.5 FTEs to support the Texas Quantum Initiative. The following positions would be needed: 2 Research Specialist IV, 1 Financial Analyst III, 1 Compliance Analyst III, 1 General Counsel III, 1 Director VII, 1 Project Manager IV, 0.5 Programmer III. The total estimate for FTE-related costs, including travel, professional services, and other operating costs, is anticipated to be \$3,457,792 for the 2026-27 biennium.

There would be an additional indeterminate cost related to the grant program which would be dependent on the number of grant applications and appropriations made for this purpose.

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, RStu, LCO, KCu, SD, NV