

LEGISLATIVE BUDGET BOARD  
Austin, Texas

FISCAL NOTE, 89TH LEGISLATIVE REGULAR SESSION

April 30, 2025

**TO:** Honorable Brandon Creighton, Chair, Senate Committee on Education K-16

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

**IN RE: SB2430** by Hughes (Relating to measures to protect public institutions of higher education from foreign adversaries and to the prosecution of the criminal offense of theft of trade secrets; providing civil and administrative penalties; increasing a criminal penalty.), **As Introduced**

**Estimated Two-year Net Impact to General Revenue Related Funds** for SB2430, As Introduced: a negative impact of (\$844,996) through the biennium ending August 31, 2027.

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	(\$567,748)
2027	(\$277,248)
2028	(\$277,248)
2029	(\$277,248)
2030	(\$277,248)

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	(\$567,748)	1.5
2027	(\$277,248)	1.5
2028	(\$277,248)	1.5
2029	(\$277,248)	1.5
2030	(\$277,248)	1.5

Fiscal Analysis

The bill would establish measures to protect public institutions of higher education from foreign adversaries and amend provisions related to the prosecution of the criminal offense of theft of trade secrets. The bill would establish certain requirements related to gifts from and contracts with foreign adversaries, international exchange agreements and partnerships and student associations, screening of foreign researchers, foreign travel for researchers, academic partnerships, and review of education software.

The bill would require the Higher Education Coordinating Board to review certain information submitted by

institutions, investigate alleged violations, and issue reports as well as conduct operational audits related to the screening of foreign researchers and foreign travel for researchers.

### **Methodology**

It is assumed that any costs for institutions of higher education associated with the bill would be absorbed within existing resources.

The Higher Education Coordinating Board indicates that \$280,500 in fiscal year 2026 would be needed for the two required one-time operational audits. Additionally, the agency would also need to hire 1.0 general counsel and 0.5 legal assistant resulting in ongoing costs related to implementation. Total costs for salaries and wages, benefits, and other costs, total \$287,248 in fiscal year 2026 and \$277,248 in fiscal year 2027 and beyond.

Any revenue implications cannot be estimated and would be dependent on the number of violations resulting in an administrative or civil penalty. It is assumed that any impact on state correctional populations or on the demand for state correctional resources would not be significant.

### **Local Government Impact**

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

**Source Agencies:** 212 Office of Court Administration, Texas Judicial Council, 302 Office of the Attorney General, 304 Comptroller of Public Accounts, 710 Texas A&M University System Administrative and General Offices, 717 Texas Southern University, 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, 966 Howard College, 978 San Jacinto College

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