

CONFERENCE COMMITTEE REPORT FORM

Austin, Texas

5/26/2023

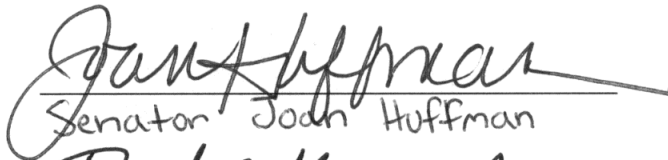
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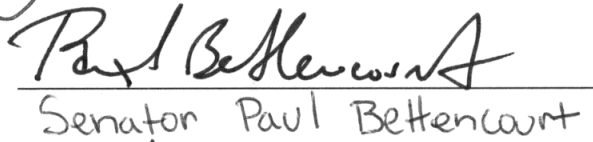
Honorable Dan Patrick
President of the Senate

Honorable Dade Phelan
Speaker of the House of Representatives

Sirs:

We, Your Conference Committee, appointed to adjust the differences between the Senate and the House of Representatives on HOUSE BILL 3447 have had the same under consideration, and beg to report it back with the recommendation that it do pass in the form and text hereto attached.


Senator Joan Huffman

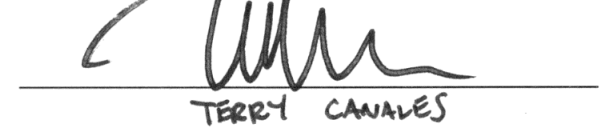

Senator Paul Bettencourt


Senator Donga Campbell

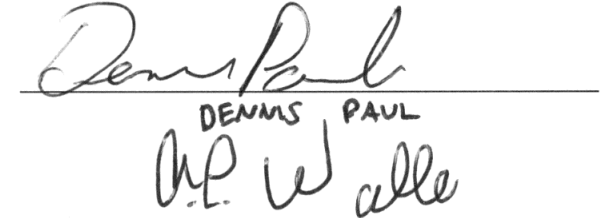

Senator Brandon Creighton

On the part of the Senate
Senator John Whitmire


GREG BONNEN, CHAIR


TERRY CAVALES


WILL METCALF


DENNIS PAUL

On the part of the House
ARMANDO WALLE

Note to Conference Committee Clerk:

Please type the names of the members of the Conference Committee under the lines provided for signature. Those members desiring to sign the report should sign each of the six copies. Attach a copy of the Conference Committee Report and a Section by Section side by side comparison to each of the six reporting forms. The original and two copies are filed in house of origin of the bill, and three copies in the other house.

CONFERENCE COMMITTEE REPORT

3rd Printing

H.B. No. 3447

A BILL TO BE ENTITLED

1 AN ACT

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

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

6 SECTION 1. Subtitle F, Title 4, Government Code, is amended
7 by adding Chapter 482 to read as follows:

8 CHAPTER 482. TEXAS AEROSPACE AND TECHNOLOGY SUPPORT

9 SUBCHAPTER A. GENERAL PROVISIONS

10 Sec. 482.001. DEFINITIONS. In this chapter:

11 (1) "Board" means the board of directors of the
12 commission.

13 (2) "Commission" means the Texas Space Commission.

14 (3) "Fund" means the space exploration and aeronautics
15 research fund.

16 (4) "Institution of higher education" has the meaning
17 assigned by Section 61.003, Education Code.

18 SUBCHAPTER B. TEXAS SPACE COMMISSION

19 Sec. 482.101. ESTABLISHMENT; PURPOSE. (a) The Texas Space
20 Commission is established to strengthen this state's proven
21 leadership in civil, commercial, and military aerospace activity.

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

1 and aviation industries into the economy of this state.

2 Sec. 482.102. ADMINISTRATIVE ATTACHMENT. (a) The
3 commission is administratively attached to the office of the
4 governor, and the office of the governor shall provide
5 administrative support to the commission as provided by this
6 section. The equal employment opportunity officer and the internal
7 auditor of the office of the governor shall serve the same functions
8 for the commission as they serve for the office of the governor.

9 (b) The office of the governor and the board shall enter
10 into a memorandum of understanding detailing:

11 (1) the administrative support the commission
12 requires from the office of the governor to fulfill the purposes of
13 this chapter;

14 (2) the reimbursement of administrative expenses to
15 the office of the governor; and

16 (3) any other provisions available by law to ensure
17 the efficient operation of the commission as attached to the office
18 of the governor.

19 Sec. 482.103. SUNSET PROVISION. The commission is subject
20 to Chapter 325 (Texas Sunset Act). Unless continued in existence as
21 provided by that chapter, the commission is abolished and this
22 chapter expires September 1, 2032.

23 Sec. 482.104. STATE AUDITOR. Nothing in this chapter
24 limits the authority of the state auditor under Chapter 321 or other
25 law.

26 Sec. 482.105. BOARD OF DIRECTORS. (a) The commission is
27 governed by a nine-member board of directors. The board is composed

1 of:

2 (1) three members appointed by the governor;

3 (2) three members appointed by the lieutenant
4 governor; and

5 (3) three members appointed by the speaker of the
6 house of representatives.

7 (b) In making appointments under Subsection (a), the
8 governor, lieutenant governor, and speaker of the house of
9 representatives shall prioritize appointing individuals with
10 experience in:

11 (1) commercial aerospace;

12 (2) civil aviation;

13 (3) military aerospace;

14 (4) space economic development;

15 (5) space-related academic research; and

16 (6) nonprofit support of the space economy.

17 (c) Members of the board appointed by the governor,
18 lieutenant governor, and speaker of the house serve at the pleasure
19 of the appointing office for staggered six-year terms, with the
20 terms of two members expiring on January 31 of each odd-numbered
21 year.

22 (d) If a vacancy occurs on the board, the appropriate
23 appointing authority shall appoint a successor, in the same manner
24 as the original appointment, to serve for the remainder of the
25 unexpired term. The appropriate appointing authority shall appoint
26 the successor not later than the 30th day after the date the vacancy
27 occurs.

1 (e) Not later than the 30th day after the date a board
2 member's term expires, the appropriate appointing authority shall
3 appoint a replacement.

4 (f) The board shall elect a presiding officer from among the
5 members of the board.

6 Sec. 482.106. EXECUTIVE DIRECTOR. (a) The board shall hire
7 an executive director. The executive director shall perform the
8 duties required by this chapter and any duty delegated by the board.

9 (b) The executive director must have a demonstrated ability
10 to lead and develop academic, commercial, military, or governmental
11 partnerships and coalitions.

12 (c) The executive director may hire staff as necessary to
13 implement the duties of the commission under this chapter.

14 Sec. 482.107. BOARD OF DIRECTORS: AUTHORITY. (a) The board
15 shall:

16 (1) direct the activities of, establish goals for, and
17 provide oversight to the commission;

18 (2) develop and execute a strategic plan in accordance
19 with Section 482.201;

20 (3) establish the appropriate standards and executive
21 bodies to ensure the proper use of funds authorized under this
22 chapter for research and facilities development;

23 (4) identify research and funding opportunities for
24 entities within this state that:

25 (A) strengthen and enhance this state's proven
26 leadership position in civil, commercial, and military aeronautics
27 research and development and space flight infrastructure;

1 (B) enhance the integration of the space,
2 aeronautics, astronautics, and aviation industries into this
3 state's economy; and

4 (C) promote and further research involving
5 materials derived from or developed through space exploration and
6 space flight;

7 (5) capitalize, promote, and assist in the development
8 of workforce training to further the development of emerging
9 technologies required for all aspects of space exploration; and

10 (6) solicit proposals on funding and research
11 opportunities related to the objectives in this chapter from the
12 Texas Aerospace Research and Space Economy Consortium established
13 under Subchapter G.

14 (b) The board shall employ a chief compliance officer to
15 monitor and report to the board regarding compliance with this
16 chapter and rules adopted under this chapter. The chief compliance
17 officer shall ensure that all grant proposals comply with this
18 chapter and rules adopted under this chapter before the proposals
19 are submitted to the board for approval.

20 (c) The board may:

21 (1) establish ad hoc advisory committees as necessary
22 to carry out the board's duties under this chapter;

23 (2) adopt and use an official seal;

24 (3) solicit and accept gifts or grants, and contract
25 with any entity;

26 (4) acquire and convey property or an interest in
27 property;

1 (5) procure insurance and pay premiums on insurance of
2 any type, in accounts, and from insurers as the board considers
3 necessary and advisable to accomplish any of the commission's
4 purposes;

5 (6) make grants to public or private persons with an
6 established presence within this state to encourage economic
7 development related to space and aerospace;

8 (7) make grants to enhance the capacity of
9 institutions of higher education to participate in and support
10 classified research;

11 (8) provide matching funding to external funding
12 provided by relevant federal agencies, private industry, or private
13 research organizations; and

14 (9) engage in the planning and implementation of
15 aerospace-related educational opportunities within this state in
16 coordination with the Texas Aerospace Research and Space Economy
17 Consortium established under Subchapter G.

18 SUBCHAPTER C. STRATEGIC PLAN

19 Sec. 482.201. STRATEGIC PLAN. (a) The commission shall
20 develop and annually update a strategic plan for the promotion of
21 space, aeronautics, and aviation economic development in this
22 state.

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

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

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

3 (c) The strategic plan may include any other information the
4 commission determines is relevant to furthering the purpose of the
5 commission.

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

9 SUBCHAPTER D. SPACE EXPLORATION AND AERONAUTICS RESEARCH FUND

10 Sec. 482.301. SPACE EXPLORATION AND AERONAUTICS RESEARCH
11 FUND; ESTABLISHMENT. (a) The space exploration and aeronautics
12 research fund is established to provide grants to eligible entities
13 as provided by this chapter.

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

16 (c) The fund is composed of:

17 (1) gifts, grants, and donations provided to the
18 commission; and

19 (2) money from any source designated by the
20 legislature.

21 Sec. 482.302. SPACE EXPLORATION AND AERONAUTICS RESEARCH
22 FUND; GRANTS. (a) Using money available in the fund, the
23 commission may provide grants to eligible entities described by
24 Subsection (b) for the purposes of:

25 (1) development of emerging technologies required for
26 any aspect of human space flight;

27 (2) research involving any aspect of space exploration

1 and space flight;

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

4 (4) curation of post-mission materials involved in
5 space exploration and space flight; and

6 (5) development of infrastructure useful or necessary
7 for the establishment or maintenance of a spaceport.

8 (b) The following entities are eligible for a grant made
9 under this subchapter:

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

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

14 (c) The board shall comply with the provisions of this
15 chapter in developing the procedures for administration and
16 approval of grants through the fund.

17 (d) The commission shall provide written notification to
18 the Legislative Budget Board not later than the 30th day after the
19 date a grant award is made from the fund.

20 SUBCHAPTER E. ETHICS AND AUDIT

21 Sec. 482.401. CONFLICT OF INTEREST. (a) The board shall
22 adopt conflict-of-interest rules to govern members of the board and
23 commission employees.

24 (b) A board member or commission employee shall recuse
25 himself or herself, as provided by Section 482.402, if the board
26 member or employee, or a person who is related to the board member
27 or employee within the second degree of affinity or consanguinity,

1 has a professional or financial interest in an entity receiving or
2 applying to receive money from the commission.

3 (c) A person has a financial interest in an entity receiving
4 or applying to receive money from the commission if the person:

5 (1) owns or controls, directly or indirectly, an
6 ownership interest, including sharing in profits, proceeds, or
7 capital gains, in an entity, or in a foundation or similar
8 organization affiliated with an entity, receiving or applying to
9 receive money from the commission; or

10 (2) could reasonably foresee that an action or
11 recommendation by the board or commission could result in a
12 financial benefit to the person.

13 (d) Nothing in this subchapter limits the authority of the
14 board to adopt additional conflict-of-interest standards.

15 Sec. 482.402. DISCLOSURE OF CONFLICT OF INTEREST; RECUSAL.

16 (a) If a board member has a conflict of interest as described by
17 Section 482.401 regarding an application that comes before the
18 board for review or other action, the board member shall:

19 (1) provide written notice to the executive director
20 and the presiding officer of the board or the next ranking member of
21 the board if the presiding officer has the conflict of interest;

22 (2) disclose the conflict of interest in an open
23 meeting of the board; and

24 (3) recuse himself or herself from participating in
25 the review, discussion, deliberation, and vote on the application
26 and from accessing information regarding the matter to be decided.

27 (b) If a commission employee has a conflict of interest

1 described by Section 482.401 regarding an application that comes
2 before the employee for review or other action, the employee shall:

3 (1) provide written notice to the executive director
4 of the conflict of interest; and

5 (2) recuse himself or herself from participating in
6 the review of the application and be prevented from accessing
7 information regarding the matter to be decided.

8 (c) A board member or commission employee with a conflict of
9 interest may seek a waiver as provided by Section 482.403.

10 (d) A board member or commission employee who reports a
11 potential conflict of interest or another impropriety or
12 self-dealing of the member or employee and who fully complies with
13 the recommendations of the general counsel and recusal requirements
14 is considered in compliance with the conflict-of-interest
15 provisions of this subchapter. The member or employee is subject to
16 other applicable laws, rules, requirements, and prohibitions.

17 (e) A board member or commission employee who intentionally
18 violates this section is subject to removal from further
19 participation in the commission's review process.

20 Sec. 482.403. EXCEPTIONAL CIRCUMSTANCES REQUIRING
21 PARTICIPATION; INVESTIGATION OF UNREPORTED CONFLICT OF INTEREST.

22 (a) The board shall adopt rules governing the waiver of the
23 conflict-of-interest requirements of this subchapter under
24 exceptional circumstances for a board member or commission
25 employee. The rules must:

26 (1) authorize the executive director or a board member
27 to propose granting a waiver by submitting to the presiding officer

1 of the board a written statement about the conflict of interest, the
2 exceptional circumstance requiring the waiver, and any proposed
3 limitations to the waiver;

4 (2) require a proposed waiver to be publicly reported
5 at a meeting of the board;

6 (3) require a majority vote of the board members
7 present and voting to grant a waiver; and

8 (4) require the commission to retain documentation of
9 each waiver granted.

10 (b) The board shall adopt rules governing the investigation
11 and consequences of unreported conflicts of interest.

12 Sec. 482.404. CODE OF CONDUCT. (a) The board shall adopt a
13 code of conduct applicable to each board member and commission
14 employee.

15 (b) The code of conduct at a minimum must include provisions
16 prohibiting the member, the employee, or the member's or employee's
17 spouse from:

18 (1) accepting or soliciting any gift, favor, or
19 service that could reasonably influence the member or employee in
20 the discharge of official duties or that the member, employee, or
21 spouse of the member or employee knows or should know is being
22 offered with the intent to influence the member's or employee's
23 official conduct;

24 (2) accepting employment or engaging in any business
25 or professional activity that would reasonably require or induce
26 the member or employee to disclose confidential information
27 acquired in the member's or employee's official position;

1 (3) accepting other employment or compensation that
2 could reasonably impair the member's or employee's independent
3 judgment in the performance of official duties;

4 (4) making personal investments or having a financial
5 interest that could reasonably create a substantial conflict
6 between the member's or employee's private interest and the member's
7 or employee's official duties;

8 (5) intentionally or knowingly soliciting, accepting,
9 or agreeing to accept any benefit for exercising the member's
10 official powers or performing the member's or employee's official
11 duties in favor of another;

12 (6) leasing, directly or indirectly, any property,
13 capital equipment, employee, or service to any entity that receives
14 a grant from the commission;

15 (7) submitting a grant application for funding by the
16 board;

17 (8) serving on the board of directors of an
18 organization established with a grant from the commission; or

19 (9) serving on the board of directors of a grant
20 recipient.

21 SUBCHAPTER F. PROCEDURE FOR MAKING AWARDS

22 Sec. 482.501. RULES FOR GRANT AWARD PROCEDURE. (a) The
23 board shall adopt rules regarding the procedure for awarding grants
24 to an applicant under this chapter, including a procedure for the
25 Texas Aerospace Research and Space Economy Consortium to make
26 recommendations to the board for grant awards.

27 (b) The board may not award a grant to an applicant who has

1 made a gift or grant to the commission or a nonprofit organization
2 established to provide support to the commission.

3 Sec. 482.502. MULTIYEAR PROJECTS. The board may grant
4 money for a multiyear project. The board shall specify the total
5 amount of money approved to fund the multiyear project. The total
6 amount specified is considered for purposes of this subchapter to
7 have been awarded in the state fiscal year that the project is
8 approved by the board. The board shall distribute only the money
9 that will be expended during that fiscal year. The board shall
10 distribute the remaining grant money as the money is needed in each
11 subsequent state fiscal year.

12 Sec. 482.503. PREFERENCE FOR TEXAS SUPPLIERS. The board
13 shall establish standards to ensure that grant recipients purchase
14 goods and services from suppliers in this state to the extent
15 reasonably possible, in a good faith effort to achieve a goal of
16 more than 50 percent of those purchases from suppliers in this
17 state.

18 Sec. 482.504. GRANT EVALUATION. (a) The executive
19 director shall determine the grant review process under this
20 section. The executive director may terminate grants that do not
21 meet contractual obligations.

22 (b) The executive director shall report at least annually to
23 the board on the progress and continued merit of each grant funded
24 by the commission.

25 (c) The board shall establish and implement reporting
26 requirements to ensure that each grant recipient complies with the
27 terms and conditions in the grant contract, including verification

1 of the amounts of matching money dedicated to the research that is
2 the subject of the grant award to the grant recipient.

3 (d) The commission shall implement a system to:

4 (1) track the dates on which grant recipient reports
5 are due and are received by the commission; and

6 (2) monitor the status of any required report that is
7 not timely submitted to the commission by a grant recipient.

8 Sec. 482.505. GRANT RECORDS. The commission shall maintain
9 complete records of:

10 (1) the review of each grant application submitted to
11 the board, including an application reviewed in accordance with
12 rules adopted under this chapter, even if the grant application is
13 not funded by the board or is withdrawn after submission;

14 (2) each grant recipient's financial reports,
15 including the amount of matching money dedicated to the research
16 specified for the grant award;

17 (3) each grant recipient's progress reports; and

18 (4) the board's review of the grant recipient's
19 financial reports and progress reports.

20 SUBCHAPTER G. TEXAS AEROSPACE RESEARCH AND SPACE ECONOMY

21 CONSORTIUM

22 Sec. 482.601. DEFINITIONS. In this subchapter:

23 (1) "Consortium" means the Texas Aerospace Research
24 and Space Economy Consortium.

25 (2) "Executive committee" means the executive
26 committee of the consortium.

27 Sec. 482.602. SUNSET PROVISION. The consortium is subject

1 to Chapter 325 (Texas Sunset Act). Unless continued in existence as
2 provided by that chapter, the consortium is abolished and this
3 subchapter expires September 1, 2032.

4 Sec. 482.603. ESTABLISHMENT; PURPOSE. The Texas Aerospace
5 Research and Space Economy Consortium is established to:

6 (1) identify research opportunities for entities
7 within this state that:

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

10 (B) enhance this state's position in aeronautics
11 research and development, astronautics, space commercialization,
12 and space flight infrastructure; and

13 (C) enhance the integration of the space,
14 aeronautics, astronautics, and aviation industries into this
15 state's economy; and

16 (2) provide funding and research recommendations to
17 the commission.

18 Sec. 482.604. CONSORTIUM COMPOSITION. The consortium is
19 composed of:

20 (1) each institution of higher education; and

21 (2) any other entity that the executive committee
22 considers necessary.

23 Sec. 482.605. ADMINISTRATIVE ATTACHMENT. The consortium is
24 administratively attached to the office of the governor for the
25 purpose of receiving and administering appropriations and other
26 funds under this subchapter. The office of the governor is not
27 responsible for providing to the consortium staff, human resources,

1 contract monitoring, purchasing, or any other administrative
2 support services.

3 Sec. 482.606. EXECUTIVE COMMITTEE COMPOSITION. (a) The
4 consortium is governed by an independent executive committee
5 composed of the following nine members:

6 (1) two members appointed by the governor;

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

8 (3) two members appointed by the speaker of the house
9 of representatives;

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

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

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

16 (b) In making appointments under Subsection (a), the
17 governor, the lieutenant governor, and the speaker of the house of
18 representatives, respectively, shall:

19 (1) prioritize appointing individuals with experience
20 in:

21 (A) aeronautics;

22 (B) space economic development; and

23 (C) academic engagement with the space economy;

24 and

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

27 (c) A vacancy on the executive committee is filled in the

1 same manner as the initial appointment.

2 (d) The executive committee shall:

3 (1) elect a presiding officer from among the members
4 of the committee; and

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

6 Sec. 482.607. GIFTS, GRANTS, AND DONATIONS. The executive
7 committee may solicit and accept on behalf of the consortium gifts,
8 grants, or donations from any public or private source for the
9 purpose of carrying out this subchapter.

10 Sec. 482.608. GENERAL DUTIES. (a) The executive committee
11 shall:

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

14 (2) gather and coordinate recommendations from
15 consortium members on funding and research opportunities in
16 accordance with the purposes of the consortium; and

17 (3) establish procedures and policies for the
18 administration of the consortium, including:

19 (A) procedures for documenting compliance by
20 members of the committee and consortium and consortium staff with
21 applicable laws governing conflicts of interest;

22 (B) designation of a member of the committee as
23 the committee's liaison to the commission; and

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

27 (b) A member of the consortium may participate in consortium

1 fact-finding and strategic planning and the formation of
2 recommendations for purposes of Subsections (a)(1) and (a)(2).
3 Before assisting the executive committee as provided by this
4 subsection, a member of the consortium must designate a liaison to
5 the executive committee to represent that member.

6 Sec. 482.609. BIENNIAL REPORT. Not later than December 31
7 of each even-numbered year, the executive committee shall submit to
8 the commission a written report that includes for that biennium:

- 9 (1) the activities and objectives of the consortium;
10 (2) a synopsis of the funding and research
11 opportunities identified by the consortium;
12 (3) legislative recommendations, if any;
13 (4) prospective grants or funding the consortium
14 members expect to receive, if any; and
15 (5) research accomplishments associated with the
16 consortium, if any.

17 SECTION 2. This Act takes effect September 1, 2023.

House Bill 3447
Conference Committee Report
Section-by-Section Analysis

HOUSE VERSION

SENATE VERSION (IE)

CONFERENCE

[The conference committee may have exceeded the limitations imposed on its jurisdiction, but only the presiding officer can make the final determination on this issue.]

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

SECTION 1. Same recitation as House version.

SECTION 1. *Subtitle F, Title 4, Government Code*, is amended by adding *Chapter 482* to read as follows:

No equivalent provision.

Same as House version.

CHAPTER 482. TEXAS AEROSPACE AND TECHNOLOGY SUPPORT

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

Same Subchapter heading as House version.

SUBCHAPTER G. TEXAS AEROSPACE RESEARCH AND SPACE ECONOMY CONSORTIUM

Sec. 61.921. DEFINITIONS.

Sec. 61.921. Same as House version.

Sec. 482.601. Same as House version.

No equivalent provision.

Same as House version.

Sec. 482.602. SUNSET PROVISION. The consortium is subject to Chapter 325 (Texas Sunset Act). Unless continued in existence as provided by that chapter, the consortium is abolished and this subchapter expires September 1, 2032.

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

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

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

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

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

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

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

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

(C) enhance the integration of the space, aeronautics,

[FA1(1)]

(C) enhance the integration of the space, aeronautics,

Sec. 482.603. Substantially the same as House version.

House Bill 3447
Conference Committee Report
Section-by-Section Analysis

HOUSE VERSION

SENATE VERSION (IE)

CONFERENCE

[The conference committee may have exceeded the limitations imposed on its jurisdiction, but only the presiding officer can make the final determination on this issue.]

astronautics, and aviation industries into this state's economy; and
(2) provide funding and research recommendations to the Texas Space Commission established under Section 481.552, Government Code.

astronautics, and aviation industries into this state's economy; and
(2) provide funding and research recommendations to the Texas Space Commission established under Section 481.552, Government Code.

Sec. 61.923. CONSORTIUM COMPOSITION.

Sec. 61.923. Same as House version.

Sec. 482.604. Same as House version.

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

Sec. 61.924. Same as House version.

Sec. 482.605. ADMINISTRATIVE ATTACHMENT. The consortium is administratively attached to the *office of the governor* for the purpose of receiving and administering appropriations and other funds under this subchapter. The *office of the governor* is not responsible for providing to the consortium staff, human resources, contract monitoring, purchasing, or any other administrative support services.

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

Sec. 61.925. EXECUTIVE COMMITTEE COMPOSITION.

Sec. 61.925. Same as House version.

Sec. 482.606. Same as House version.

Sec. 61.926. GIFTS, GRANTS, AND DONATIONS.

Sec. 61.926. Same as House version.

Sec. 482.607. Same as House version.

Sec. 61.927. GENERAL DUTIES.

Sec. 61.927. Same as House version.

Sec. 482.608. Substantially the same as House version.

Sec. 61.928. BIENNIAL REPORT.

Sec. 61.928. Same as House version.

Sec. 482.609. Substantially the same as House version.

SECTION 2. Chapter 481, Government Code, is amended by

SECTION 2. Same recitation as House version

(SECTION 1 continued.)

House Bill 3447
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adding Subchapter FF to read as follows:

SUBCHAPTER FF. TEXAS SPACE COMMISSION

No equivalent provision.

Sec. 481.551. DEFINITIONS.

See Subchapter FF heading above.

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

(b) The purpose of the commission is to promote innovation in the fields of space exploration and commercial aerospace opportunities, including the integration of space, aeronautics, and aviation industries into the economy of this state.

No equivalent provision.

No equivalent provision.

Same Subchapter heading as House version.

Same as House version.

Sec. 481.551. Same as House version.

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

(b) The purpose of the commission is to promote innovation in the fields of space exploration *and discovery* and commercial aerospace opportunities, including the integration of space, aeronautics, and aviation industries into the economy of this state. [FA1(2)]

Same as House version.

Same as House version.

See Subchapter B heading below.

SUBCHAPTER A. GENERAL PROVISIONS

Sec. 482.001. Same as House version.

SUBCHAPTER B. TEXAS SPACE COMMISSION

Sec. 482.101. Same as House version.

Sec. 482.103. SUNSET PROVISION. The commission is subject to Chapter 325 (Texas Sunset Act). Unless continued in existence as provided by that chapter, the commission is abolished and this chapter expires September 1, 2032.

Sec. 482.104. STATE AUDITOR. Nothing in this chapter limits the authority of the state auditor under Chapter 321 or

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other law.

Sec. 481.553. BOARD OF DIRECTORS; EXECUTIVE DIRECTOR. (a) The commission is governed by a nine-member board of directors. The board is composed of:
(1) three members appointed by the governor;
(2) three members appointed by the lieutenant governor; and
(3) three members appointed by the governor from a list of names submitted by the speaker of the house of representatives.
(b) In making appointments or selecting persons for inclusion on the list submitted to the governor under Subsection (a), the governor, lieutenant governor, and speaker of the house of representatives shall prioritize appointing or selecting, as applicable, individuals with experience in:
(1) commercial aerospace;
(2) civil aviation;
(3) military aerospace;
(4) space economic development;
(5) space-related academic research; and
(6) nonprofit support of the space economy.
(c) Members of the board serve two-year terms and may be reappointed for additional terms.

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

Sec. 481.553. Same as House version.

Sec. 482.105. BOARD OF DIRECTORS.
(a) The commission is governed by a nine-member board of directors. The board is composed of:
(1) three members appointed by the governor;
(2) three members appointed by the lieutenant governor; and
(3) three members appointed by the speaker of the house of representatives.
(b) In making appointments under Subsection (a), the governor, lieutenant governor, and speaker of the house of representatives shall prioritize appointing individuals with experience in:
(1) commercial aerospace;
(2) civil aviation;
(3) military aerospace;
(4) space economic development;
(5) space-related academic research; and
(6) nonprofit support of the space economy.
(c) Members of the board appointed by the governor, lieutenant governor, and speaker of the house serve at the pleasure of the appointing office for staggered six-year terms, with the terms of two members expiring on January 31 of each odd-numbered year.
(d) If a vacancy occurs on the board, the appropriate appointing authority shall appoint a successor, in the same manner as the original appointment, to serve for the

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(e) The board shall:

(1) elect a presiding officer from among the members of the board;

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

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

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

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

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

Sec. 481.554. Same as House version.

remainder of the unexpired term. The appropriate appointing authority shall appoint the successor not later than the 30th day after the date the vacancy occurs.

(e) Not later than the 30th day after the date a board member's term expires, the appropriate appointing authority shall appoint a replacement.

(f) The board shall

elect a presiding officer from among the members of the board.

Sec. 482.106. EXECUTIVE DIRECTOR.

(a) The board shall hire an executive director. The executive director shall perform the duties required by this chapter and any duty delegated by the board.

(b) The executive director must have a demonstrated ability to lead and develop academic, commercial, military, or governmental partnerships and coalitions.

(c) The executive director may hire staff as necessary to implement the duties of the commission under this chapter.

Sec. 482.102. ADMINISTRATIVE ATTACHMENT. (a)

The commission is administratively attached to the office of the governor, and the office of the governor shall provide administrative support to the commission as provided by this section. The equal employment opportunity officer and the internal auditor of the office of the governor shall serve the same functions for the commission as they serve for the office of the governor.

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(b) The office of the governor and the board shall enter into a memorandum of understanding detailing:

(1) the administrative support the commission requires from the office of the governor to fulfill the purposes of this chapter;

(2) the reimbursement of administrative expenses to the office of the governor; and

(3) any other provisions available by law to ensure the efficient operation of the commission as attached to the office of the governor.

Sec. 481.555. AUTHORITY.

Sec. 481.555. Same as House version.

Sec. 482.107. BOARD OF DIRECTORS: AUTHORITY.

(a) The board shall:

(1) direct the activities of, establish goals for, and provide oversight to the commission;

(2) develop and execute a strategic plan in accordance with Section 482.201;

(3) establish the appropriate standards and executive bodies to ensure the proper use of funds authorized under this chapter for research and facilities development;

(4) identify research and funding opportunities for entities within this state that:

(A) strengthen and enhance this state's proven leadership position in civil, commercial, and military aeronautics research and development and space flight infrastructure;

(B) enhance the integration of the space, aeronautics, astronautics, and aviation industries into this state's economy; and

(C) promote and further research involving materials

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derived from or developed through space exploration and space flight;

(5) capitalize, promote, and assist in the development of workforce training to further the development of emerging technologies required for all aspects of space exploration; and

(6) solicit proposals on funding and research opportunities related to the objectives in this chapter from the Texas Aerospace Research and Space Economy Consortium established under Subchapter G.

(b) The board shall employ a chief compliance officer to monitor and report to the board regarding compliance with this chapter and rules adopted under this chapter. The chief compliance officer shall ensure that all grant proposals comply with this chapter and rules adopted under this chapter before the proposals are submitted to the board for approval.

(c) The board may:

(1) establish ad hoc advisory committees as necessary to carry out the board's duties under this chapter;

(2) adopt and use an official seal;

(3) solicit and accept gifts or grants, and contract with any entity;

The commission may, as necessary to perform the commission's duties under this subchapter:

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

(2) conduct proceedings and other activities;

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

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(4) provide financial services to support aerospace-related development within this state, including by:

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

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

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

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

No equivalent provision.

Sec. 481.556. STRATEGIC PLAN.

No equivalent provision.

Sec. 481.557. SPACE EXPLORATION AND AERONAUTICS RESEARCH FUND; **GRANTS.**

(4) acquire and convey property or an interest in property;

(5) procure insurance and pay premiums on insurance of any type, in accounts, and from insurers as the board considers necessary and advisable to accomplish any of the commission's purposes;

(6) make grants to public or private persons with an established presence within this state to encourage economic development related to space and aerospace;

(7) make grants to enhance the capacity of institutions of higher education to participate in and support classified research;

(8) provide matching funding to external funding provided by relevant federal agencies, private industry, or private research organizations; and

(9) engage in the planning and implementation of aerospace-related educational opportunities within this state in coordination with the Texas Aerospace Research and Space Economy Consortium established under **Subchapter G.**

SUBCHAPTER C. STRATEGIC PLAN

Sec. 482.201. Same as House version.

SUBCHAPTER D. SPACE EXPLORATION AND AERONAUTICS RESEARCH FUND

Sec. 482.301. SPACE EXPLORATION AND AERONAUTICS RESEARCH FUND; **ESTABLISHMENT.**

Same as House version.

Sec. 481.556. Same as House version.

Same as House version.

Sec. 481.557. SPACE EXPLORATION AND AERONAUTICS RESEARCH FUND; **GRANTS.**

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(a) *The commission shall establish* the Space Exploration and Aeronautics Research Fund to provide grants to eligible entities as provided by this *section*.

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

(c) The fund is composed of:

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

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

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

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

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

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

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

(e) The following entities are eligible for a grant made under this *section*:

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

(a) *The commission shall establish* the Space Exploration and Aeronautics Research Fund to provide grants to eligible entities as provided by this *section*.

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

(c) The fund is composed of:

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

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

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

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

(2) research involving any aspect of space exploration *and discovery* and space flight; [FA1(3)]

(3) workforce training to promote space exploration *and discovery* and space flight; and [FA1(4)]

(4) curation *and analysis* of post-mission materials involved in space exploration *and discovery* and space flight. [FA1(5)-(6)]

(e) The following entities are eligible for a grant made under this *section*:

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

(a) The space exploration and aeronautics research fund *is established* to provide grants to eligible entities as provided by this *chapter*.

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

(c) The fund is composed of:

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

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

Sec. 482.302. SPACE EXPLORATION AND AERONAUTICS RESEARCH FUND; GRANTS.

(a) Using money available in the fund, the commission may provide grants to eligible entities described by Subsection (b) for the purposes of:

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

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

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

(4) curation of post-mission materials involved in space exploration and space flight; and

(5) development of infrastructure useful or necessary for the establishment or maintenance of a spaceport.

(b) The following entities are eligible for a grant made under this *subchapter*:

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

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

(Sec. 481.557 continued below.)

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

(Sec. 481.557 continued below.)

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

(c) The board shall comply with the provisions of this chapter in developing the procedures for administration and approval of grants through the fund.

(d) The commission shall provide written notification to the Legislative Budget Board not later than the 30th day after the date a grant award is made from the fund.

No equivalent provision.

Same as House version.

No equivalent provision.

Same as House version.

SUBCHAPTER E. ETHICS AND AUDIT

Sec. 482.401. CONFLICT OF INTEREST. (a) The board shall adopt conflict-of-interest rules to govern members of the board and commission employees.

(b) A board member or commission employee shall recuse himself or herself, as provided by Section 482.402, if the board member or employee, or a person who is related to the board member or employee within the second degree of affinity or consanguinity, has a professional or financial interest in an entity receiving or applying to receive money from the commission.

(c) A person has a financial interest in an entity receiving or applying to receive money from the commission if the person:
(1) owns or controls, directly or indirectly, an ownership interest, including sharing in profits, proceeds, or capital gains, in an entity, or in a foundation or similar organization affiliated with an entity, receiving or applying to receive money from the commission; or

(2) could reasonably foresee that an action or

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recommendation by the board or commission could result in a financial benefit to the person.

(d) Nothing in this subchapter limits the authority of the board to adopt additional conflict-of-interest standards.

No equivalent provision.

Same as House version.

Sec. 482.402. DISCLOSURE OF CONFLICT OF INTEREST; RECUSAL. (a) If a board member has a conflict of interest as described by Section 482.401 regarding an application that comes before the board for review or other action, the board member shall:

(1) provide written notice to the executive director and the presiding officer of the board or the next ranking member of the board if the presiding officer has the conflict of interest;

(2) disclose the conflict of interest in an open meeting of the board; and

(3) recuse himself or herself from participating in the review, discussion, deliberation, and vote on the application and from accessing information regarding the matter to be decided.

(b) If a commission employee has a conflict of interest described by Section 482.401 regarding an application that comes before the employee for review or other action, the employee shall:

(1) provide written notice to the executive director of the conflict of interest; and

(2) recuse himself or herself from participating in the review of the application and be prevented from accessing information regarding the matter to be decided.

(c) A board member or commission employee with a conflict of interest may seek a waiver as provided by Section 482.403.

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(d) A board member or commission employee who reports a potential conflict of interest or another impropriety or self-dealing of the member or employee and who fully complies with the recommendations of the general counsel and recusal requirements is considered in compliance with the conflict-of-interest provisions of this subchapter. The member or employee is subject to other applicable laws, rules, requirements, and prohibitions.

(e) A board member or commission employee who intentionally violates this section is subject to removal from further participation in the commission's review process.

No equivalent provision.

Same as House version.

Sec. 482.403. EXCEPTIONAL CIRCUMSTANCES REQUIRING PARTICIPATION; INVESTIGATION OF UNREPORTED CONFLICT OF INTEREST. (a) The board shall adopt rules governing the waiver of the conflict-of-interest requirements of this subchapter under exceptional circumstances for a board member or commission employee. The rules must:

(1) authorize the executive director or a board member to propose granting a waiver by submitting to the presiding officer of the board a written statement about the conflict of interest, the exceptional circumstance requiring the waiver, and any proposed limitations to the waiver;

(2) require a proposed waiver to be publicly reported at a meeting of the board;

(3) require a majority vote of the board members present and voting to grant a waiver; and

(4) require the commission to retain documentation of each

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waiver granted.

(b) The board shall adopt rules governing the investigation and consequences of unreported conflicts of interest.

No equivalent provision.

Same as House version.

Sec. 482.404. CODE OF CONDUCT. (a) The board shall adopt a code of conduct applicable to each board member and commission employee.

(b) The code of conduct at a minimum must include provisions prohibiting the member, the employee, or the member's or employee's spouse from:

(1) accepting or soliciting any gift, favor, or service that could reasonably influence the member or employee in the discharge of official duties or that the member, employee, or spouse of the member or employee knows or should know is being offered with the intent to influence the member's or employee's official conduct;

(2) accepting employment or engaging in any business or professional activity that would reasonably require or induce the member or employee to disclose confidential information acquired in the member's or employee's official position;

(3) accepting other employment or compensation that could reasonably impair the member's or employee's independent judgment in the performance of official duties;

(4) making personal investments or having a financial interest that could reasonably create a substantial conflict between the member's or employee's private interest and the member's or employee's official duties;

(5) intentionally or knowingly soliciting, accepting, or agreeing to accept any benefit for exercising the member's

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official powers or performing the member's or employee's official duties in favor of another;

(6) leasing, directly or indirectly, any property, capital equipment, employee, or service to any entity that receives a grant from the commission;

(7) submitting a grant application for funding by the board;

(8) serving on the board of directors of an organization established with a grant from the commission; or

(9) serving on the board of directors of a grant recipient.

No equivalent provision.

Same as House version.

(from Sec. 481.557 above.)

(from Sec. 481.557 above.)

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

(f) Same as House version.

No equivalent provision.

Same as House version.

SUBCHAPTER F. PROCEDURE FOR MAKING AWARDS

Sec. 482.501. RULES FOR GRANT AWARD PROCEDURE.

(a) The *board* shall *adopt rules regarding the procedure for awarding grants to an applicant under this chapter, including a procedure for the Texas Aerospace Research and Space Economy Consortium to make recommendations to the board for grant awards.*

(b) The *board* may not award a grant to an applicant who has made a gift or grant to the commission or a nonprofit organization established to provide support to the commission.

Sec. 482.502. MULTIYEAR PROJECTS. The board may grant money for a multiyear project. The board shall specify the total amount of money approved to fund the multiyear project. The total amount specified is considered for purposes

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of this subchapter to have been awarded in the state fiscal year that the project is approved by the board. The board shall distribute only the money that will be expended during that fiscal year. The board shall distribute the remaining grant money as the money is needed in each subsequent state fiscal year.

No equivalent provision.

Same as House version.

Sec. 482.503. PREFERENCE FOR TEXAS SUPPLIERS. The board shall establish standards to ensure that grant recipients purchase goods and services from suppliers in this state to the extent reasonably possible, in a good faith effort to achieve a goal of more than 50 percent of those purchases from suppliers in this state.

No equivalent provision.

Same as House version.

Sec. 482.504. GRANT EVALUATION. (a) The executive director shall determine the grant review process under this section. The executive director may terminate grants that do not meet contractual obligations.

(b) The executive director shall report at least annually to the board on the progress and continued merit of each grant funded by the commission.

(c) The board shall establish and implement reporting requirements to ensure that each grant recipient complies with the terms and conditions in the grant contract, including verification of the amounts of matching money dedicated to the research that is the subject of the grant award to the grant recipient.

(d) The commission shall implement a system to:

(1) track the dates on which grant recipient reports are due

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and are received by the commission; and

(2) monitor the status of any required report that is not timely submitted to the commission by a grant recipient.

No equivalent provision.

Same as House version.

Sec. 482.505. GRANT RECORDS. The commission shall maintain complete records of:

(1) the review of each grant application submitted to the board, including an application reviewed in accordance with rules adopted under this chapter, even if the grant application is not funded by the board or is withdrawn after submission;

(2) each grant recipient's financial reports, including the amount of matching money dedicated to the research specified for the grant award;

(3) each grant recipient's progress reports; and

(4) the board's review of the grant recipient's financial reports and progress reports.

SECTION 3. Effective date.

SECTION 3. Same as House version.

SECTION 2. Same as House version.

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 88TH LEGISLATIVE REGULAR SESSION

May 27, 2023

TO: Honorable Dan Patrick, Lieutenant Governor, Senate
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 Space Commission and the Texas Aerospace Research and Space Economy Consortium.), **Conference Committee Report**

Estimated Two-year Net Impact to General Revenue Related Funds for HB3447, Conference Committee Report : 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>	Probable Net Positive/(Negative) Impact to <i>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>	Probable Savings/(Cost) from <i>General Revenue Fund</i> 1	<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, both administratively attached to the Office of the Governor (OOG). The Texas Space

Commission would be composed of a nine-member independent board of specially qualified individuals, of which three members would be appointed by the Governor. The Commission would be established to strengthen this state's proven leadership in civil, commercial, and military aerospace activity and to promote innovation in the fields of space exploration and commercial aerospace opportunities, including the integration of space, aeronautics, and aviation industries into the economy. The Commission would have grant making authority, The Commission would 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 each institution of higher education and any other entity that its independent executive committee considers necessary. This independent executive committee, composed nine members, two of which are appointed by the governor, would be the Consortium. The executive committee's general duties would include, but are not limited to, developing and executing a comprehensive statewide strategic plan; gathering and coordinating recommendations from consortium members on funding the research opportunities; establishing procedures and policies for the administration of the consortium; and submit a biennial report to the commission. The consortium would be administratively attached to the OOG for the purposes of receiving and administering appropriations and other funds. The OOG would not be responsible for providing to the consortium staff, human resources, contract monitoring, purchasing, or any other administrative support services.

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 fund to make grants to eligible entities for the development of emerging technologies, 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 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 10.0 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 one to manage programs), 1 Research Specialist IV to provide research for the completion of the Commission duties, 1 Financial Analyst IV to provide financial services to support aerospace-related development within the state, 1 Grant Specialist III to administer and monitor grants overseen by the Commission, 1 Planner V to map out the statewide strategic plan required in the bill, 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.

It is not anticipated that the consortium created by the bill would have any significant fiscal implications for the state.

Costs associated with the Space Exploration and Research Fund are 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.

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, CMA, LCO, HGR, SD, KK, SMAT, NV

**Certification of Compliance with
Rule 13, Section 6(b), House Rules of Procedure**

Rule 13, Section 6(b), House Rules of Procedure, requires that a copy of a conference committee report signed by a majority of each committee of the conference be furnished to each member of the committee in person or, if unable to deliver in person, by placing a copy in the member's newspaper mailbox at least one hour before the report is furnished to each member of the house under Rule 13, Section 10(a). The paper copies of the report submitted to the chief clerk under Rule 13, Section 10(b), must contain a certificate that the requirement of Rule 13, Section 6(b), has been satisfied, and that certificate must be attached to the copy of the report furnished to each member under Rule 13, Section 10(d). Failure to comply with this requirement is not a sustainable point of order.

I certify that a copy of the conference committee report on House Bill 3447 was furnished to each member of the conference committee in compliance with Rule 13, Section 6(b), House Rules of Procedure, before paper copies of the report were submitted to the chief clerk under Rule 13, Section 10(b), House Rules of Procedure.


(Signature)

5/26/2023
(Date)