

SUBJECT: Establishing entities related to space exploration and the space economy

COMMITTEE: State Affairs — committee substitute recommended

VOTE: 11 ayes — Hunter, Hernandez, Anchía, Geren, Guillen, Metcalf,  
Raymond, Smithee, Spiller, S. Thompson, Turner

1 nay — Slawson

1 absent — Dean

WITNESSES: For — Trey Mendez, Helen Ramirez, City of Brownsville; Mitrah Avini, Texas 2036 (*Registered, but did not testify*: Christian Bionat, Greater Houston Partnership; Bill Kelly, Mayor's Office, City of Houston; Nathan Cook, Rice University; Megan Mauro, Texas Association of Business; Al Zito)

Against — (*Registered, but did not testify*: Susan Stewart)

BACKGROUND: Concerns have been raised that Texas needs additional resources and leadership to remain at the forefront of space exploration, research, and economic development.

DIGEST: **Texas Aerospace Research and Space Economy Consortium.**  
CSHB 3447 would establish the Texas Aerospace Research and Space Economy Consortium to identify research opportunities for entities in the state that:

- strengthened the state's leadership in aerospace activity;
- enhanced the state's position in aeronautics research and development and space-related fields; and
- enhanced the integration of the space, aeronautics, astronautics, and aviation industries into the state's economy.

The consortium also would provide funding and research recommendations to the Texas Space Commission created by this bill.

The bill would require that the consortium be made up of each institution of higher education in the state and any other entity the executive committee considered necessary, and be administratively attached to the Texas Higher Education Coordinating Board for the purpose of receiving and administering appropriations and other funds.

*Committee.* The executive committee of the consortium would be composed of:

- two members appointed by the governor;
- two members appointed by the lieutenant governor;
- two member appointed by the speaker of the House of Representatives;
- the chancellors of the Texas A&M University and The University of Texas systems or designees of the chancellors;
- the president of Rice University or the president's designee.

In making these appointments, the relevant government bodies would be required to prioritize the appointment of individuals with experience in aeronautics, space economic development, and academic engagement with the space economy, and would have to ensure that, to the extent possible, the ethnic and geographic diversity of the state was represented.

*Duties.* The executive committee would be required to:

- develop and execute a comprehensive strategic plan to further the consortium's purposes;
- gather recommendations from consortium members on funding and research opportunities;
- establish administrative procedures and policies.

*Report.* No later than December 31 of each even-numbered year, the committee would be required to submit to the Texas Space Commission a written report including:

- the activities and objectives of the consortium;
- a synopsis of identified funding and research opportunities;
- any legislative recommendations;
- any expected grants or funding; and
- any research accomplishments associated with the consortium.

**Texas Space Commission.** CSHB 3447 would establish the Texas Space Commission to strengthen the state's leadership in civil, commercial, and military aerospace activity. The commission's purpose would be to promote innovation in the fields of space exploration and commercial aerospace opportunities, including the integration of space, aeronautics, and aviation industries into the state's economy.

*Board.* The commission would be governed by a board of directors composed of:

- three members appointed by the governor;
- three members appointed by the lieutenant governor; and
- three members appointed by the governor from a list submitted by the speaker of the House of Representatives.

The appointments would have to prioritize individuals with experience in commercial aerospace, civil aviation, military aerospace, space economic development, space-related academic research, and nonprofit support of the space economy.

Board members would serve two-year terms and could be reappointed for additional terms.

*Functions.* The commission would be authorized to:

- execute contracts and other documents;
- conduct proceedings and other activities;
- establish boards, committees, or other entities, including an advisory board composed of representatives of military, federal,

- and private aeronautics entities;
- provide financial services to support aerospace-related development in the state;
- execute intergovernmental agreements and development agreements; and
- engage in the planning and implementation of aerospace-related educational opportunities in coordination with the Texas Aerospace Research and Space Economy Consortium established by the bill.

*Plan.* The commission would be required to develop and annually update a strategic plan for the promotion of space, aeronautics, and aviation economic development in the state. The bill would require that the plan include a list of potential projects along with the estimated cost of each, including a potential state matching cost, and an assessment of the availability of external funding sources. The plan would have to be submitted to the governor, lieutenant governor, and speaker of the House of Representatives by December 31 each year.

*Fund.* The commission would be required to establish the Space Exploration and Aeronautics Research Fund to provide grants to eligible entities. The fund would be a trust fund outside the treasury with the comptroller and would be administered by the commission. Money in the fund could be used to provide grants for development of technologies, research, workforce training, and the curation of post-mission materials related to space exploration and space flight. The bill would specify the entities eligible for such grants and require the commission to establish procedures for the administration and approval of grants, including procedures to ensure that a grant was in the public interest and served the public purpose of economic development and diversification.

NOTES:

According to the Legislative Budget Board, CSHB 3447 would have an estimated negative impact to general revenue related funds of about \$3.8 million through fiscal 2024-25, with similar impact in subsequent biennia.