

Texas Space Commission Board of Directors Meeting

Minutes

Tuesday, January 7, 2025

10:00 AM

**TxDOT Greer Building
125 East 11th Street
Austin, Texas 78701**

Board of Directors Members in Attendance In-Person:

Gwen Griffin

Brad Morrison

Board of Directors Members in Attendance Virtually:

Sassie Duggleby

Kathryn Lueders

John Shannon

Kirk Shireman

Dr. Heather Wilson

Board of Directors Members Not in Attendance:

Dr. Nancy Currie-Gregg

Evan Loomis

Staff in Attendance:

Joseph Behnke

Katherine Caldwell

Blake Calvert

Erin Chancellor

Adriana Cruz

Norman Garza

Andres Ramos

Call to Order

a) Roll call of meeting attendees

At 10:01 AM Chair Gwen Griffin called the meeting to order and directed staff to read the roll call. A quorum was confirmed to be present. Chair Gwen Griffin noted that Board Member Dr. Heather Wilson would join later in the meeting.

Approval of Meeting Minutes

b) October 7, 2024 meeting (*Action Item*)

Brad Morrison made a motion to approve the minutes as written for October 7, 2024 meeting of the Texas Space Commission Board of Directors and was seconded by Kirk

Shireman. The Board unanimously voted to approve the minutes of the October 7, 2024 meeting of the Texas Space Commission Board of Directors.

Acknowledgement of Gifts (Action Item)

Chair Gwen Griffin acknowledged that Chapter 575 of the Government Code requires the Board to acknowledge the acceptance of all gifts of money or property with a value of \$500 or more in an open meeting no later than the 90th day after the date the gift is accepted. Chair Griffin noted the following gift needed to be acknowledged:

Donations Over \$500

Donor	Detail & Purpose of Donation	Amount
Texas Economic Development Council	Registration for Blake Calvert, Texas Space Commission Deputy Executive Director, for the Texas Economic Development Council 2024 Annual Conference in Addison, Texas from October 23-25, 2024.	\$700.00

Sassie Duggleby made the motion to acknowledge the donation, seconded by Brad Morrison. The Board unanimously voted to approve the acknowledgement.

Updates and Discussions

a) Commission Administration, including contracting and procurement procedures, processes, and training

Chair Gwen Griffin thanked the Board and audience for attending and stated that purpose of this meeting is to be a work session to discuss several topics of the Commission’s operations including contracting and procurement procedures, processes and training. She noted that that no action will be taken at this meeting on grant applications.

b) Space Exploration and Aeronautics Research Fund (SEARF) Grant Program Administration, including:

1. Application Process

i. Status of application review

Chair Gwen Griffin asked Chief Compliance Officer Erin Chancellor to summarize the number of grant applications received, the number that are administratively correct, or complete for compliance purposes by staff and how many of those had been uploaded to the dashboards set up for Board Members to review and evaluate.

The Board then discussed the currently submitted applications, and setting a deadline for submissions, which was supported by all Board members.

The Board and Executive Director Garza also discussed a desire to provide clear guidance for grant applications by directly communicating with each applicant about where their proposal is in the evaluation process.

ii. External assessment service

Chair Gwen Griffin raised for discussion interest in entering into an interagency agreement with an external, service provider to provide technical assessments on proposals submitted by institutions of higher education. Executive Director Garza and General Counsel Joseph Behnke gave an update on opportunities that have been identified to date and legal guidance on path forward.

iii. Final submission deadline

The Board discussed whether to establish a deadline for submission of applications; staff noted the application process had been open since September 13, 2024. After discussion, the Board provided guidance to the staff that the Board would not be able to review any applications submitted after January 21, 2025. Chair Gwen Griffin directed Executive Director Garza and the Texas Space Commission staff to implement the submission deadline.

2. Frequently Asked Questions about SEARF

Grant Agreement

Chair Gwen Griffin raised the topic of permissible use of the SEARF Grant Fund. General Counsel Joseph Behnke and Deputy Executive Director Blake Calvert gave clarification around the uses of the SEARF Grant Fund as a trust fund and the flexibility of a trust fund in contrast with General Revenue funds, but also the weight on the Board to administer funds, and ultimately that funds must be used for the establishment and administration of the Space Commission and also to provide grants to eligible entities. Brad Morrison raised some other areas that could be potential uses of the fund, and General Counsel Joseph Behnke offered his initial take on whether those uses would be permissible, or what would be required for those to be proper uses of the fund.

i. Indirect Costs (IDC)

Dr. Heather Wilson raised the topic of indirect costs. Chair Gwen Griffin emphasized the importance of open discussion around and acknowledged that this has been an ongoing topic in her research across agencies, both in the state of Texas and other state space agencies. Dr. Heather Wilson

discussed indirect cost calculations and differences in state funded academic and research institutions. Chair Gwen Griffin mentioned that she believes statute is silent regarding reimbursement for indirect costs, and Brad Morrison asked if any statute would need to be changed.

General Counsel Joseph Behnke offered more clarification and standard definitions around indirect costs and perspectives on reimbursement. Texas Economic Development & Tourism Office Executive Director Adriana Cruz gave an example of the model used by the Texas CHIPS Office. The Board then discussed the impact of indirect cost reimbursement on non-profits and small and large businesses.

The Board continued to discuss and analyze the definition of an indirect cost, what does or does not constitute, and the impact or ways to potentially account for indirect costs. General Counsel Joseph Behnke reiterated that trust fund dollars have to be used for the purpose for which they were created and based on his research and understanding that his guidance is that indirect costs are higher risk and there is an inherent tension between indirect costs, which by definition are not allocable to a specific project, and trust funds, which can only be spent to further the purposes of the trust. General Counsel Joseph Behnke offered to create a one pager on indirect costs for the Board based on his research. Executive Director Garza reiterated that the organizations who have submitted applications have been told indirect costs are not eligible.

iv. *Advance Grants vs. Reimbursement*

Chair Gwen Griffin then raised the topic of the process for approving grants for reimbursement as opposed to advance grants, noting that the State generally prefers to reimburse due to the tracking capabilities. Executive Director Garza asked to begin with legal guidance that's both in the General Appropriations Act as well as other parts of state law and Comptroller of Public Accounts guidance. General Counsel Joseph Behnke led the Board through funding prohibitions specified as well as authorizations. The Board then discussed the type of reimbursement and the controls necessary, situations where an advance grant might make sense, and when this conversation would need to take place, ultimately settling on a reimbursement default with the understanding that exceptions could be made, and this discussion can take place in the evaluation period, ad hoc or in an Open Meeting of the Board. The Board then discussed the risk reimbursement places on small businesses and startups as well as the impact the quarterly reimbursement window presents.

v. *Partial Grant Funding*

Sassie Duggleby raised the topic of partial funding for grant proposals, noting that some applications requested funds over the entire SEARF Grant

fund itself. Chair Gwen Griffin then asked the Texas Space Commission staff what mechanisms or options are available to look at partial grant funding. Deputy Executive Director Blake Calvert stated the board has broad authority to award, using objective standards, any amount up to the total amount that is requested by an applicant for a project, of expenses that are statutorily eligible within that application, suggesting the Board consider the potential for a project to be fully achieved if only partial funding is awarded and the timelines and phases outlined in the application. Kathy Lueders recommended ensuring partial funding options be embedded in the application process. Deputy Executive Director Blake Calvert informed how the potential for partial funding is currently addressed in the Grant application FAQs. General Counsel Joseph Behnke noted that grantees don't have to accept partial funding and have the option to apply again in the future. The Board then discussed funding particular phases of projects.

vi. *Prioritizing National Defense and Homeland Security*

Chair Gwen Griffin raised the question of prioritizing grant awards or proposed projects that have direct impact to aerospace military- or defense-related efforts activities such as National Defense and Homeland Security from the space perspective. Dr. Heather Wilson recommended looking for two pieces of information - explicit support from a federal entity for which Texas is kind of a match or an enabler as well as if there is a basing decision or military construction upcoming. Brad Morrison recommended updating information for the Board to consider when scoring applications, and Sassie Duggleby recommended considerations for small startups are working towards things on national security.

vii. *Engaging with TARSEC*

Chair Gwen Griffin asked if the TARSEC Executive Committee can meet with any of the ad hoc work groups or subcommittees of the Board. General Counsel Joseph Behnke clarified that they can engage with subcommittees or ad hoc workgroups, as long as a quorum is not present, and attendees do not communicate with other Board Members about the content of the meeting.

viii. *Follow up actions from discussion points*

Chair Gwen Griffin asked if there were any items to revisit from this meeting's discussion points. Sassie Duggleby and Kirk Shireman expressed interest in researching the indirect costs associated with small businesses. Brad Morrison raised the potential of engaging a financial planner to help understand how to allocate direct costs to include other direct costs and provide some guidance to share with grant applicants. Sassie Duggleby raised leveraging the TARSEC workshops to understand indirect costs.

Establish Future Meeting Dates/Locations

Chair Gwen Griffin raised the item of establishing future meeting dates. She noted the date of January 24th at 9:00 AM CST as the next potential date and asked those previously cited as not available to attend to check to see if they can attend to ensure a quorum. She also noted the need to meet more regularly over the next few months.

Adjournment

At 12:05 PM, Chair Gwen Griffin moved to adjourn the meeting. There were no objections, and the meeting was adjourned.


Chair or Designee

1-24-25
Date