

Texas Space Commission (TSC) Space Exploration and Aeronautics Research Fund (SEARF) Application FAQs

TEXAS SPACE COMMISSION GENERAL FAQs:

How can the public learn about TSC Board of Directors (Board) meetings?

All agendas will be posted on <https://space.texas.gov> once they are accepted by the *Texas Register*. All previous meeting recordings and minutes are posted as well. You can also sign up for email updates from the agency [here](#).

SEARF GRANT APPLICATION FAQs:

How do I submit an application for a SEARF grant?

The SEARF application period opened on September 13, 2024, and closed at 5pm CST on Tuesday, January 21, 2025. The TSC Board of Directors discussed and announced the deadline at a [publicly noticed open meeting](#) on January 7, 2025. The deadline was posted on the [TSC website](#), [TSC Twitter](#), [TSC LinkedIn](#), and [TSC Facebook](#) that same week. It was also emailed to the [listserv](#).

When was the deadline to apply?

The Space Exploration and Aeronautics Research Fund (SEARF) applications for business and nonprofit entities and governmental entities were posted on the Texas Space Commission website on September 13, 2024, and the deadline to apply was Tuesday, January 21st, 2025 at 5:00 PM Central time.

Is there a maximum dollar amount that may be requested from the SEARF fund?

No, there is no maximum, and the amount to request is up to each applicant. However, the Board is not obligated to fund a grant at the amount requested by the grant applicant.

Is there a maximum number of applications that can be submitted from the same eligible entity?

No. An eligible entity may submit more than one SEARF proposal for different funding requests.

In the “Proposed Grant Budget” section of the application, how are “Construction Costs,” “Equipment,” “Research and Development,” “Salaries,” and “Other Direct Operating Costs” defined?

- “Construction Costs” means construction of new buildings or renovation of existing buildings (including the installation of fixed equipment, but excluding the cost of land acquisition and off-site improvements). New construction, or activities that would change the “footprint” of an existing facility (e.g., relocation of existing exterior walls, roofs, or floors, attachment of fire escapes), is considered an allowable construction cost.
- “Equipment” means tangible, nonexpendable personal property (including information technology systems) having a useful life of more than one year and an acquisition cost of \$5,000 or more per unit. Applicant may use equipment paid for with TSC funds for any purpose related to space exploration or aeronautics research, as long as the primary use of such equipment remains for grant-related purposes.

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- “Research” is defined as a systematic study directed toward fuller scientific knowledge or understanding of the subject studied.
- “Development” is the systematic use of knowledge and understanding gained from research directed toward the production of useful materials, devices, systems, or methods, including design and development of prototypes and processes.
- “Salaries” means actual wages paid to employees of the grantee, incurred during the term of the grant agreement, that are directly attributable to accomplishing the purposes of the grant project. The term does not include fringe benefits, insurance, retirement plan contributions, paid leave, workers’ compensation, payroll taxes, flexible spending accounts, overtime, shift premiums, travel, sabbatical pay, tuition reimbursement or loans, or other compensation that is not directly attributable to the execution of the grant project.
- “Other direct operating costs” means costs not included in another category that are directly related and attributable to the day-to-day operation or execution of the grant project and approved as a category by TSC.

SEARF GRANT ELIGIBILITY FAQs:

What entities are eligible to receive SEARF funding?

The SEARF was established to provide grants for businesses or non-profits involved in the space exploration, research, or aeronautics industry, and a governmental entity with which TSC has entered an intergovernmental agreement for that purpose.

May a private or independent institution of higher education apply for a SEARF grant?

Yes, a private or independent institution of higher education may apply if it is a business or nonprofit entity with an established presence in this state and is involved in the space exploration, research, or aeronautics industry.

Can independent school districts, community colleges, universities, health science centers, and state agencies defined as institutions of higher education submit a SEARF application?

Yes. Those are defined as governmental entities.

What project types are eligible to receive grant funding from the SEARF?

Applicants may choose one or several options outlined in the application as categories that the Board may provide grants for specific purposes:

- Development of emerging technologies required for any aspect of human spaceflight;
- Research involving any aspect of space exploration and spaceflight;
- Workforce training to promote space exploration and spaceflight;
- Curation of post-mission materials involved in space exploration and spaceflight; and
- Development of infrastructure useful or necessary for the establishment or maintenance of a spaceport.

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How may an entity determine whether it has an “established presence” in Texas, in accordance with Texas Government Code § 482.107(c)(6)?

To be eligible to receive a grant, an applicant must engage in business in the state of Texas. An entity has an established presence if it (1) maintains employees in the state of Texas, (2) has a fixed place of business in the state of Texas, or (3) provides any service in the state of Texas, whether or not the individuals performing the services are residents of the state. Applicants may be located outside the state of Texas when the application is submitted and reviewed; however, the applicant must demonstrate that it engages in business in the state of Texas as a condition of the award of grant funds.

Can Texas Space Commission tell me if my project is eligible for a SEARF grant?

TSC staff is unable to determine whether a specific project falls within the scope of the grant program without a full review of the application. If you think the project, research, or application of the research would fall under the statutorily permissible uses, you may apply. In your application, please provide sufficient information about the endeavor for which you are applying and describe how it will satisfy at least one of the five aforementioned purposes. TSC will not review a grant request without first receiving a completed application.

Do governmental entities, including all public institutions of higher education, need to enter into an intergovernmental agreement with TSC prior to applying for an SEARF grant?

No. Governmental entities may apply without first entering an agreement with the TSC. If TSC deems the application complete, then TSC staff will follow up with the applicant to discuss next steps.

Is there a maximum length of time as the project’s duration period?

No. If an applicant submits a proposal as a multiyear project, regardless of the total length of time, then the applicant should explain that in the “phases” portion on SEARF application.

If an applicant does not have “three consecutive years of independent, audited financial statements” for their business, will that immediately disqualify its SEARF application?

No. However, an applicant should be prepared to receive extensive follow-up questions from TSC staff during the internal application vetting process—led by the Chief Compliance Officer—before a proposal can be reviewed by the Board.

SEARF GRANT FUNDING FAQs:

May funds be awarded directly to a business or non-profit for its proposed project?

Yes, the Board may award grants directly to businesses and non-profits. For more information on that process, please [click here](#). Grant recipients must enter a grant agreement with the TSC that details recipients’ duties regarding use of funds as well as reporting requirements and other responsibilities.

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May grants from the Space Exploration and Aeronautics Research Fund be used by businesses, non-profits, or governmental entities (including institutions of higher education) to pay for indirect costs such as “maintenance and operations” (M&O) or “facilities, selling, general, and administrative” (FSG&A)?

No. Eligible entities may not use a SEARF grant award for indirect costs. The Commission will direct its limited resources to specific costs rather than estimated costs associated with a proposal. As such, costs related to operations or overhead are estimates that cannot be easily controlled or accounted for. Therefore, only funds applied toward cost objectives which specifically align with the purposes of the Commission—as set forth in its enabling statute, Chapter 482, Texas Government Code—will be approved.

Is the Board required to fully fund a requested grant amount? What could a partial funding award look like?

No, the Board is not obligated to fully fund a grant at the amount requested by an applicant. The application allows for entities to dictate, by phase, proposed project costs. Using objective measures in the evaluation process, the Board may recommend funding for all phases, individual phases, or portions of phases as identified in the application.

Will the entire \$150 million be awarded in fiscal year 2025?

In House Bill 1, article IX, section 18.28 (88th Legislature, Regular Session – 2023), \$150 million was appropriated to the SEARF grant program in fiscal year 2024. That same budget rider authorizes any unexpended and unobligated funds to be used during fiscal year 2025. Senate Bill 1 (89th Legislature, Regular Session – 2025), as introduced, authorizes unexpended and unobligated balances from fiscal year 2025 to be used for the same purpose during fiscal year 2026.

Will there be a second round of awards?

The SEARF grant application window was open from September 13, 2024 until January 21, 2025. All applications received during this timeframe are being processed by TSC staff for compliance requirements. Once an application is deemed ‘administratively complete,’ TSC staff completes a thorough review of the application, which can include corresponding with the applicant for additional information and/or documentation. After TSC staff review is complete, the application is sent to unconflicted TSC Board members for individual evaluation of proposals.

The TSC Board of Directors is charged with considering all eligible applications for funds, and only SEARF applications submitted by the deadline (i.e., January 21, 2025) are eligible for consideration for funding from the currently available \$150 million in appropriations. Once those funds are depleted, there is no further known sources of funding for the SEARF grant program. At this time, it is unknown whether the Texas Legislature will allocate additional funds to TSC for awarding additional SEARF grants.

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Is a local economic development incentive required to receive SEARF funding?

No. An incentive from a local economic development organization or local government is not required to apply, but a local incentive would demonstrate local support of a proposed project.

SEARF GRANT PROCESS FAQs:

What is the general process for application processing? How may an applicant request an update on the status of a submitted application?

Applications are processed in the order in which they were received. TSC staff conducts a completeness review to ensure all required fields and documentation have been submitted, as well as to ensure compliance with applicable laws, regulations, and policies. An acknowledgment email is sent to an applicant to confirm receipt of a submitted application. If, during the completeness review, TSC staff determine information is missing, then an applicant will be contacted. Otherwise, an applicant will be contacted by TSC staff to inform them that our internal completeness review has concluded, and their application is awaiting Board evaluation. An applicant may request an update on the status of their application by emailing TSC staff at SEARF@space.texas.gov.

What categories will the Board contemplate when evaluating SEARF grant program applications?

The Board may review the following categories when reviewing an application:

1. Return on investment;
2. Team, expertise, and execution;
3. Innovation
4. Broader impact; and
5. Budget, financial sustainability, and milestones.

Why might an applicant receive follow-up questions regarding financial information requested under the “Business Applicant Information” section of the application?

Under the Texas Constitution and state law, TSC staff must conduct sufficient due diligence to ensure proper safeguards are in place when granting state funds to entities. The SEARF application specifies the financial information that is needed for staff to adequately assess the risk to the State, and TSC cannot deem an application complete and ready for Board of Directors review until the Applicant provides all requested financial information.

If an application has moved forward to the TSC Board of Directors for evaluation, can an applicant still supplement or edit its application?

Applicants may submit supplemental information at any time.

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What is the 80% threshold?

During the Open Meeting on January 7, 2025, the TSC Board of Directors provided guidance on TSC staff establishing an 80% threshold score to determine which applications are eligible to advance for funding consideration.

The guidance is as follows: (1) each Board member who does not have a conflict of interest for a specific application will evaluate that proposal; (2) based on these individual evaluations, each Board member will individually complete a confidential, proprietary scoring matrix; (3) all scores will be averaged (i.e., scores are determined by dividing the average of all evaluations completed for an application by the total possible maximum score); and (4) proposals with an average of 80% or more will advance for consideration by the full Board at an Open Meeting.

What metrics are measured—or what criteria is used—to reach the 80% threshold or be in the top 20% of applications?

The TSC Board of Directors established a “Funding Process Subcommittee” that adopted criteria by which to evaluate all applications. The scoring metrics are confidential and proprietary.

How many applications advanced to full Board review, how many met the 80% threshold, and who were the applicants?

During the January 24, 2025 Open Meeting, the TSC Board of Directors took action on four applications that met an 80% threshold and were determined eligible for consideration of funding. More information can be found [here](#). During the February 24, 2025 Open Meeting, the TSC Board of Directors took action on five applications that met an 80% threshold and were determined eligible for consideration of funding. More information can be found [here](#).

Were all administratively complete applications sent to the Board for individual Board member evaluation?

No. Once an application is received, the first step is a review by TSC chief compliance officer to determine if it meets compliance requirements according to statute and rules. Thereafter, the second step is for the TSC chief compliance officer to certify an application is administratively complete only after all necessary documents have been received. The third step is for TSC staff to conduct a thorough application review—in accordance with agency rules and policies—wherein an applicant may be asked for additional documentation and/or information. The next step is submittal of the application to the Board for individual Director’s evaluation.

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SEARF GRANT AWARDS FAQs:

Will the total SEARF program be equally split between the two defined types of eligible entities?

The Board has not pre-determined what amount of SEARF dollars will be awarded to which type of eligible entities.

What kind of agreement is required to receive funds, and what will the terms be?

In order to receive grant funds, all entities will be required to enter a grant agreement with the TSC. A link to the template grant agreement for reimbursement of allowable expenses is available on TSC's website, space.texas.gov.

What is expected of applicants if the Board grants an award (e.g., what additional information will need to be provided, what is the timeline to executing a Grant Agreement and receiving grant funds)?

During an Open Meeting, the TSC Board of Directors will vote on applications eligible for consideration. If a grant application is approved, then the TSC Board Chair will instruct the TSC Executive Director to move forward on awarding a grant, pending an applicant's successful completion of all administrative and contractual requirements. The next step—within three weeks of the Open Meeting during which an application was approved for funding—is for TSC staff to provide information about all the necessary elements an awardee should prepare, including, but not limited to: (1) risk assessment survey; (2) detailed budget breakdown; (3) refined timeline and milestones; and (4) implementation workplan. Furthermore, an awardee will be directed to download the applicable Grant Agreement template from the [TSC website](#) to begin reviewing TSC terms.