LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 79TH LEGISLATIVE REGULAR SESSION

March 6, 2005

TO: Honorable Robert Puente, Chair, House Committee on Natural Resources

FROM: John S. O'Brien, Deputy Director, Legislative Budget Board

IN RE: **HB1657** by Hope (Relating to the administration by the Texas Water Development Board of certain water-related programs financed by federal funds.), **As Introduced**

Estimated Two-year Net Impact to General Revenue Related Funds for HB1657, As Introduced: an impact of $0 through the biennium ending August 31, 2007.

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:

Fiscal Year	Probable Net Positive/(Negative) Impact to General Revenue Related Funds
2006	$0
2007	$0
2008	$0
2009	$0
2010	$0

All Funds, Five-Year Impact:

Fiscal Year	Probable (Cost) from *FEDERAL FUNDS* 555	Probable Revenue Gain from *FEDERAL FUNDS* 555
2006	($176,945)	$176,945
2007	($128,620)	$128,620
2008	($128,620)	$128,620
2009	$0	$0
2010	$0	$0

Fiscal Analysis

The bill would broaden the Water Development Board's authority to receive federal assistance from any federal agency for water supply projects, treatment works, or structural or nonstructural flood control measures. The bill would allow the agency to administer certain types of grants from the U.S. Environmental Protection Agency (EPA) for water and wastewater projects. This authority would include the authority to receive and administer grants and loans awarded to local governments.

Methodology

The Water Development Board would have the ability to request reimbursement of expenses for up to 3 percent of the total amount of an award to a local government to cover related administrative costs. Assuming the agency would oversee 20 projects involving Federal Fund awards to local governments

totaling $14 million over three years, it is estimated that the agency could draw down $434,185 in Federal Funds over the three-year period. These funds would be used to pay the salary expenses of two FTEs, as well as related operating and overhead costs. Because the Water Development Board currently operates well below its FTE cap, no increase to that cap is expected to be needed.

Local Government Impact

This estimate assumes that three local governments would receive a combined total of $14 million in additional funds from the EPA to implement projects over the 2006-08 period. No additional costs to these local governments are expected.

Source Agencies: 580 Water Development Board

LBB Staff: JOB, WK, ZS, TL