

**LEGISLATIVE BUDGET BOARD**  
**Austin, Texas**

**FISCAL NOTE, 79TH LEGISLATIVE REGULAR SESSION**

**May 16, 2005**

**TO:** Honorable Kenneth Armbrister, Chair, Senate Committee on Natural Resources

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

**IN RE: SB1512** by Averitt (Relating to the use and management of surface water resources. ),  
**Committee Report 1st House, Substituted**

**Estimated Two-year Net Impact to General Revenue Related Funds** for SB1512, Committee Report 1st House, Substituted: a negative impact of (\$3,422,366) 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:**

<b>Fiscal Year</b>	<b>Probable Net Positive/(Negative) Impact to General Revenue Related Funds</b>
2006	(\$1,577,433)
2007	(\$1,844,933)
2008	(\$2,013,433)
2009	(\$2,001,933)
2010	(\$2,013,433)

**All Funds, Five-Year Impact:**

<b>Fiscal Year</b>	<b>Probable Savings/(Cost) from GENERAL REVENUE FUND 1</b>	<b>Change in Number of State Employees from FY 2005</b>
2006	(\$1,577,433)	8.0
2007	(\$1,844,933)	11.0
2008	(\$2,013,433)	14.0
2009	(\$2,001,933)	14.0
2010	(\$2,013,433)	14.0

**Fiscal Analysis**

The bill would provide that existing water rights could be converted temporarily or permanently to use for environmental flow protection. The bill would replace the Study Commission on Water for Environmental Flows to the Texas Environmental Flows Commission (TEFC). The TCEQ would continue to provide staff support to the modified TEFC. The TEFC would develop flow regime recommendations based on a priority schedule by river basin. The bill would create the Texas Environmental Flows Science Advisory Committee (TEFSAC) and the Basin and Bay Area Stakeholders Committee (BBASC). The TCEQ, the Texas Water Development Board (TWDB), and the Texas Parks and Wildlife Department (TPWD) would be responsible for coordinating with the TEFC, TEFSAC, and the BBASC, providing reports regarding the groups' recommendations, and providing technical assistance.

The bill would allow the TWDB to use money in the research and planning fund of the Water Assistance Fund No. 480 to compensate members of the TEFSAC and the Bay and Basin Expert Science Teams (BBEST) for meeting expenses. It would also allow the TWDB to pay contract costs for technical assistance to TFEC advisory committees and the BBESTs and costs incurred by political subdivisions designated as representatives of the BBASC.

### **Methodology**

To provide technical support to the committees established in the bill, complete hydrological modeling, geographic information systems applications related to instream flows, and to evaluate economic factors, 6.0 additional FTEs and related costs are expected to be needed by the TCEQ. In addition, the TCEQ would have contract service costs of \$250,000 per year to upgrade and maintain water availability models. Total costs for the TCEQ would range from a high of \$718,433 in fiscal year 2006 to \$414,933 in later years.

The TWDB also expects to need additional staff and related costs to provide data and expertise to the committees established in the bill, as well as funding for costs incurred by the TEFSAC, BBEST, as well as administrative costs for designated political subdivisions and studies relating to bays and estuaries. The agency expects that the number of FTEs needed would increase from 2.0 in fiscal year 2006 to 8.0 FTEs in fiscal year 2008. Total costs to implement the bill would range from \$859,000 in fiscal year 2006 to \$1,598,500 in fiscal year 2010.

No significant fiscal implications to the TPWD are anticipated to result from the bill's provisions relating to the agency's coordination with newly created councils and committees.

### **Local Government Impact**

Councils and committee created, expanded or modified by the bill could incur administrative costs. However, these costs are not expected to be significant, since state agencies are required to provide technical and staff support to these entities.

**Source Agencies:** 580 Water Development Board, 582 Commission on Environmental Quality

**LBB Staff:** JOB, SD, WK, ZS, TL