

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 80TH LEGISLATIVE REGULAR SESSION

April 16, 2007

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

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

IN RE: HB3073 by Creighton (Relating to the transfer of authority for dam safety and levee management from the Texas Commission on Environmental Quality to the division of emergency management in the office of the Governor and the transfer of authority for the National Flood Insurance Program from the commission to the Texas Water Development Board.), **As Introduced**

Estimated Two-year Net Impact to General Revenue Related Funds for HB3073, As Introduced: a negative impact of (\$136,000) through the biennium ending August 31, 2009.

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
2008	(\$68,000)
2009	(\$68,000)
2010	(\$68,000)
2011	(\$68,000)
2012	(\$68,000)

All Funds, Five-Year Impact:

Fiscal Year	Probable Savings/(Cost) from <i>GENERAL REVENUE FUND</i> 1	Probable Savings/(Cost) from <i>WATER RESOURCE MANAGEMENT</i> 153
2008	(\$68,000)	\$68,000
2009	(\$68,000)	\$68,000
2010	(\$68,000)	\$68,000
2011	(\$68,000)	\$68,000
2012	(\$68,000)	\$68,000

Fiscal Analysis

The bill would transfer responsibility for the dam and levee safety programs from the Commission on Environmental Quality (TCEQ) to the Division of Emergency Management (DEM) in the Office of the Governor (which is housed within the Department of Public Safety). On January 1, 2008, all powers, duties, records, assets, property, funds and appropriations to the TCEQ that relate primarily to the administration of the dam and levee safety programs would be transferred to DEM.

The bill would transfer responsibility for the National Floodplain Insurance Program (NFIP) from the TCEQ to the Texas Water Development Board (TWDB). On January 1, 2008, all powers, duties,

records, assets, property, funds and appropriations to the TCEQ that relate primarily to the administration of the NFIP would be transferred to the TWDB.

Methodology

The TCEQ reports that the dam and levee safety program has a current budget of \$350,000 General Revenue (State Dollars) per fiscal year and 7.0 FTEs in Strategy A.1.2, Water Assessment and Planning. In addition, the program currently receives \$240,000/year in Federal Funds related to a Federal Emergency Management Agency (FEMA) grant. The program's budget, personnel, equipment, more than 8,000 sets of records, and responsibilities would transfer to DEM. The fiscal note assumes that DEM would spend the same amount of General Revenue and Federal Funds that were expended by the TCEQ. There would be no net fiscal impact resulting from the transfer of the dam and levee safety program; however, appropriations to the DEM (Department of Public Safety's bill pattern, Strategy D.1.1, Emergency Planning, would need to be increased by \$350,000 in General Revenue and the agency's FTE cap increased by 7.0, while the TCEQ's budget would be reduced by the same amounts.

Currently the TCEQ reports that it receives approximately \$203,000 per fiscal year in Federal funds from the Federal Emergency Management Agency (FEMA) for NFIP. The agency reports that it provides matching funds from the General Revenue-Dedicated Water Resource Management Account No. 153 in the amount of \$68,000 per fiscal year, and it has 2.0 FTEs in A.2.2., Water Resource Permitting. This estimate assumes that the TWDB would spend approximately the same amount as the TCEQ on the NFIP program; however, because the TCEQ spends funds on the program from the Water Resource Management Account No. 153, an account for which the TWDB lacks statutory authority, this estimate assumes that the Water Development Board would receive an additional \$68,000 out of the General Revenue Fund each fiscal year, while the TCEQ's appropriations would be reduced by that same amount out of the Water Resource Management Account No. 153. The TWDB's FTE cap would be increased by 2.0.

The TCEQ's FTE cap would be reduced by a total of 9.0 for the transfer of the two programs.

Local Government Impact

No fiscal implication to units of local government is anticipated.

Source Agencies: 301 Office of the Governor, 454 Department of Insurance, 580 Water Development Board, 582 Commission on Environmental Quality

LBB Staff: JOB, WK, ZS, TL, KJG