

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 80TH LEGISLATIVE REGULAR SESSION

May 16, 2007

TO: Honorable Royce West, Chair, Senate Committee on Intergovernmental Relations

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

IN RE: SB1583 by Gallegos (Relating to the prompt and efficient response to flooding and evacuations.), **As Introduced**

Estimated Two-year Net Impact to General Revenue Related Funds for SB1583, As Introduced: a negative impact of (\$284,000,000) 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	(\$284,000,000)
2009	\$0
2010	\$0
2011	\$0
2012	\$0

All Funds, Five-Year Impact:

Fiscal Year	Probable Savings/(Cost) from GENERAL REVENUE FUND 1
2008	(\$284,000,000)
2009	\$0
2010	\$0
2011	\$0
2012	\$0

Fiscal Analysis

The bill would establish the Disaster and Emergency Humanitarian Contingency Fund to provide relief to persons during flooding and evacuations for short term shelter, food, clothing and fuel and/or transportation expenses. The fund would consist of appropriations, federal awards, gifts, grants, and donations.

The bill would authorize the Chairman of the Senate Subcommittee on Flooding and Evacuations to make funds available from the Disaster or Emergency Humanitarian Contingency Fund if the demands placed on funds regularly appropriated to state and local agencies for humanitarian relief during flooding and or evacuations are unreasonably great for coping with a particular disaster.

Currently, Section 418.022, Government Code, authorizes the governor to accept a grant by the

federal government to fund the financial assistance in the case of a disaster, subject to the terms and conditions imposed on the grant. The bill would authorize the lieutenant governor to accept equipment, supplies, materials, or funds as a gift, grant, or loan from the federal government or a public or private agency on behalf of the state.

Three panels would be established after a flooding and evacuation emergency to conduct hearings to make recommendations to the legislature on lessons learned from the flooding and evacuation event.

The chairman of the Senate Subcommittee on Flooding and Evacuation would appoint an executive director responsible for establishing a credentialing and re-entry identification program to allow essential personnel to enter and leave an area subject to control.

SECTION 6 of the bill would require school districts to maintain at least one-fourth of their bus fleets as ambulances – vehicles capable of carrying both ambulatory passengers in seats and non-ambulatory passengers in litters. The funds for retrofitting or converting school buses would be made available by direct appropriation or grant funds awarded for that purpose.

The Department of Public Safety (DPS) would be required to transmit to all law enforcement agencies the approved credential for those persons authorized for entering and leaving before the general public in the affected area(s). The DPS would also assist those persons through road blocks established by Texas law enforcement agencies.

Methodology

The Office of Homeland Security at the Texas A&M University System Health Science Center has analyzed the cost of a standard passenger bus similar to those typically used by school districts to that of an ambulance-configured bus, which converts from a 40-seat bus to a 12 litter ambulance or some combination thereof. The cost increase for each ambulance-configured bus is estimated at \$32,000. The bill would require districts to retrofit one-quarter of the statewide fleet of approximately 35,500 school buses, or 8,875 buses, at an estimated one-time cost of \$284 million statewide. Because the bill would require the funds for the cost of retrofitting to come from direct appropriations or grant funds, this is assumed to be a state cost. The bill's effective date would suggest that the cost would be incurred in fiscal year 2008.

The Texas A&M Office of Homeland Security analysis suggests that this estimated cost may decrease if the cost of retrofitting is lower than the marginal cost increase of an ambulance-configured bus, and if districts or the state could contract for a discounted rate given the number of retrofits required. The bill does not specify configuration criteria for ambulances; should districts be allowed to retrofit buses in a less complete configuration than assumed for this fiscal note, costs could be lower than represented above.

No significant fiscal impact is anticipated for the Department of Public Safety. It is anticipated that any additional amounts for the executive director's salary and operational expenses would come from existing resources.

There are no comprehensive estimates of the fiscal impact of the legislation because it would be dependent on the number of declared disasters in the state in any given fiscal year. The fiscal impact to the state cannot be determined due to the unknown size, duration, and location of any future disaster.

Local Government Impact

The number and amount of distributions to an eligible local government from the disaster or emergency humanitarian contingency fund would depend on the amount of available funds, the number of declared disasters in the state in any given fiscal year, and the number of applications for assistance made to the state.

School districts would be required to maintain one-quarter of their bus fleets as ambulances. State appropriations or grant funds would cover the cost of retrofitting. However, districts would be required to ensure that new bus purchases maintained the 25 percent ambulance ratio. According to the

Texas Education Agency, in 2004-05, school districts statewide purchased 2,550 new buses. Assuming that one-quarter of these would need to be ambulances, at \$32,000 in additional cost, districts statewide may incur approximately \$20.4 million in increased annual costs. However, it is assumed that districts would retrofit (at state cost) their newest buses, thus avoiding the need for new replacement buses to be ambulances. As a result, it is estimated that districts would not incur these additional costs for several years after the effective date of the bill.

Source Agencies: 301 Office of the Governor, 304 Comptroller of Public Accounts, 405 Department of Public Safety, 701 Central Education Agency

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