LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 81ST LEGISLATIVE REGULAR SESSION

May 11, 2009

TO: Honorable Frank Corte Jr., Chair, House Committee on Defense & Veterans' Affairs

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

IN RE: **SB1741** by Carona (Relating to emergency management.), **As Engrossed**

There are provisions of the bill that are anticipated to have no significant impact to the State or that are assumed could be reasonably be absorbed with existing resources. The fiscal impact of other provisions of the bill cannot be determined due to the unavailability of reliable data or information.

The bill would amend the Government Code relating to disaster preparedness and emergency management.

Three sections of the bill would address the disaster contingency fund. All three provisions (Section 5, 7, and 10) related to the disaster contingency fund could have a significant fiscal impact to the state; however, due to the unknown size, duration, and location of any particular disaster or the scope of the state's recovery efforts, the fiscal impact cannot be determined. Additionally, the Comptroller reports that the Disaster Contingency Fund (0453) currently has no available balance and no existing funding mechanism that would appropriate funds to the account in the future.

Section 5 of the bill states the Governor’s Division of Emergency Management (GDEM) may employ or contract with temporary personnel from division funds, federal funds, or funds from the disaster contingency fund. The bill also states GDEM may enroll, organize, train and equip a cadre of disaster reservists to temporarily augment its permanent staff. GDEM may also activate and pay enrolled disaster reservists to support recovery operations in the aftermath of a disaster or major emergency. Current law allows GDEM to contract for these services from funds appropriated to the division, from federal funds, or from the disaster contingency fund. Section 7 of the bill states a hospital may request funding from the disaster contingency fund or through a mutual aid agreement with a political subdivision for deployment of hospital services. The bill states that if funds are not available for the required insurance, an agency may request funding from the disaster contingency fund. Section 10 of the bill allows an agency to request funding from the Disaster Contingency Fund for the purpose of purchasing insurance in order to qualify for federal disaster assistance funds. Section 5154 of the federal Stafford Act requires that insurance purchased in order to qualify for federal disaster assistance must be maintained for the life of the structure to protect against future loss to such property. This could have a significant fiscal impact to the state; however, due to the unknown cost of such policies, the number of agencies seeking assistance, and the life of such structures, the cost cannot be determined.

The bill requires the Texas Engineering Extension Service of the Texas A&M University to implement online courses for elected or appointed officials, volunteers, or employees regarding the responsibilities of state and local governments for emergency management and preparedness. The bill requires a public awareness plan to expand the information and referral network under Government Code, Section 531.0312 and improve the integration of volunteer groups and faith based organizations. The bill states a post disaster evaluation shall be conducted to review the entities response to a disaster, identify areas of improvement, and issue an evaluation report. The bill requires the development of an annex to the state emergency management plan to include provisions for medical special needs (for both long-term and short-term shelter operations) and regional plans for personnel surge capacity during disasters. These provisions of the bill are not expected to have a

significant fiscal impact or could be absorbed with existing resources.

The bill would repeal Government Code, Section 418.072 regarding the Disaster Emergency Funding Board and Government Code, Chapter 2302 regarding the State Cogeneration Council.

Local Government Impact

There are provisions of the bill that are anticipated to have no significant fiscal impact to units of local government or that are assumed could be reasonably absorbed with existing resources. The fiscal impact of other provisions of the bill cannot be determined due the unavailability of reliable data or information.

Source Agencies: 405 Department of Public Safety, 537 State Health Services, Department of, 716 Texas Engineering Extension Service

LBB Staff: JOB, KK, KJG, MS, BTA, LG, SK