

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 83RD LEGISLATIVE REGULAR SESSION

March 18, 2013

TO: Honorable Patricia Harless, Chair, House Committee On Environmental Regulation

FROM: Ursula Parks, Director, Legislative Budget Board

IN RE: **HB378** by Burnam (Relating to the development of a climate adaptation plan by certain entities.), **As Introduced**

Estimated Two-year Net Impact to General Revenue Related Funds for HB378, As Introduced: a negative impact of (\$679,828) through the biennium ending August 31, 2015. Other agencies would also incur costs to implement provisions of the bill but these costs could be absorbed using existing resources.

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
2014	(\$559,199)
2015	(\$120,629)
2016	(\$120,629)
2017	(\$122,029)
2018	(\$355,129)

All Funds, Five-Year Impact:

Fiscal Year	Probable Savings/(Cost) from General Revenue Fund 1	Change in Number of State Employees from FY 2013
2014	(\$559,199)	1.0
2015	(\$120,629)	1.0
2016	(\$120,629)	1.0
2017	(\$122,029)	1.0
2018	(\$355,129)	1.0

Fiscal Analysis

The bill would amend the Health and Safety Code to add Chapter 395 requiring multiple state agencies to publish a state climate adaptation plan every four years. The plan is subject to audit by the State Auditor's Office. This Act takes effect immediately if it receives a vote of two-thirds of all the members elected to each house, as provided by Section 39, Article III, Texas Constitution. If this Act does not receive the vote necessary for immediate effect, this Act takes effect September 1, 2013.

Methodology

The estimated General Revenue cost to comply with the provisions of the bill would be \$559,199 in fiscal year 2014; \$120,629 in fiscal years 2015 and 2016; \$122,029 in fiscal year 2017, and \$355,129 in fiscal year 2018. This cost would be incurred by two agencies affected by the bill. Other agencies would also incur costs, but these costs could be absorbed by these agencies using existing resources.

The Public Utility commission estimates a cost of \$234,500 in General Revenue in fiscal year 2014 and in fiscal year 2018 to contract for professional services plan every four years to complete a climate adaptation plan. The agency based its cost estimate using costs for two prior professional services contracts.

The Texas Water Development Board estimates a cost of \$324,669 in fiscal year 2014 and \$120,629 in subsequent years. The agency estimates a cost of \$117,829 in General Revenue in salary, benefits and travel for one additional Project Manager IV per year and operating and equipment costs ranging from \$2,800 to \$6,870 in General Revenue per year. The agency also estimates a cost of \$200,000 in General Revenue in fiscal year 2014 for professional services to fund research grants for the expertise needed to complete the required climate adaptation plan.

Multiple agencies including the Texas A&M University System, the Texas Department of Housing and Community Affairs, the Texas Department of Insurance, and the State Auditor's Office indicate that any costs associated with the bill could be absorbed within each agency's existing resources. Other agencies including the Comptroller of Public Accounts, Texas A&M Forest Service, the Department of Public Safety, the Texas Department of Agriculture, the Texas Commission on Environmental Quality, the General Land Office, and the Texas Parks and Wildlife Department estimate that there would be costs associated with implementing the provisions of the bill. It is assumed any such costs could be absorbed within current resources.

Local Government Impact

No significant fiscal implication to units of local government is anticipated.

Source Agencies: 304 Comptroller of Public Accounts, 305 General Land Office and Veterans' Land Board, 308 State Auditor's Office, 332 Department of Housing and Community Affairs, 405 Department of Public Safety, 454 Department of Insurance, 473 Public Utility Commission of Texas, 551 Department of Agriculture, 576 Texas A&M Forest Service, 580 Water Development Board, 582 Commission on Environmental Quality, 710

Texas A&M University System Administrative and General Offices, 802
Parks and Wildlife Department

LBB Staff: UP, SZ, JI, JJO, DE, JP, TL, TB