

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

**FISCAL NOTE, 84TH LEGISLATIVE REGULAR SESSION**

**April 6, 2015**

**TO:** Honorable Geanie Morrison, Chair, House Committee on Environmental Regulation

**FROM:** Ursula Parks, Director, Legislative Budget Board

**IN RE: HB3810** by Walle (Relating to an alert system for notification of the release of toxic chemicals by a manufacturing facility.), **As Introduced**

**Estimated Two-year Net Impact to General Revenue Related Funds** for HB3810, As Introduced: a negative impact of (\$6,791,588) through the biennium ending August 31, 2017.

It is assumed there would also be also costs associated with electronically delivering the notifications required by the bill. Such costs would presumably depend significantly on the frequency and scale of exigent events, as well as the costs of providing the notifications, and are therefore indeterminate.

**General Revenue-Related Funds, Five-Year Impact:**

Fiscal Year	Probable Net Positive/(Negative) Impact to General Revenue Related Funds
2016	(\$3,987,310)
2017	(\$2,804,278)
2018	(\$2,804,278)
2019	(\$2,804,278)
2020	(\$2,804,278)

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

Fiscal Year	Probable Savings/(Cost) from <i>General Revenue Fund</i> 1	Change in Number of State Employees from FY 2015
2016	(\$3,987,310)	4.0
2017	(\$2,804,278)	4.0
2018	(\$2,804,278)	4.0
2019	(\$2,804,278)	4.0
2020	(\$2,804,278)	4.0

## **Fiscal Analysis**

The bill would amend the Health and Safety Code to establish an alert system providing mass notification to persons in the affected area if there is a release of toxic chemicals by a manufacturing facility that would substantially endanger human health. The bill would require the State Emergency Response Commission (SERC) to develop the alert system by no later than September 1, 2016.

Except as noted above, the bill would take effect September 1, 2015.

## **Methodology**

The bill would require the State Emergency Response Commission to develop a warning system to alert individuals of a chemical spill that could substantially endanger human health. This system would include a reverse notification system, text messages, e-mails, social media, and other instant messaging systems and require a means for an individual to determine how they would receive the warning.

It is assumed implementing the provisions of the bill would require additional resources for the Department of Public Safety (DPS). This fiscal note assumes all such costs would be out of the General Revenue Fund 01.

It is assumed DPS would require one Management Analyst III (Warning and Notification Technician) to oversee the establishment and maintenance of the warning system. In addition, it is assumed one Program Specialist III (Warning and Notification Coordinator) would be required to manage the warning and notification program on a day to day basis. This position would also be required to compile a list of facilities that maintain chemicals that are dangerous to health and safety of individuals in their area. The cost for these two FTEs would be \$163,036 in each fiscal year (\$121,778 for salaries and an additional \$41,258 for associated benefits).

It is also assumed DPS would need to acquire a plume modeling system, which is an atmospheric dispersion model that relies on computer programs to simulate how pollutants disperse in the atmosphere. The agency has indicated the cost of such a modeling system is \$350,000. It is assumed there would be no costs for this system after fiscal year 2016.

It is assumed DPS would need to obtain the capability to provide required warning and notification for a population affected by a chemical spill. DPS has indicated this warning system could be obtained through a contract. DPS has estimated the cost of a system capable of servicing Texas' largest metropolitan areas would be \$2,500,000 per year.

It is assumed there would also be costs associated with delivering notifications electronically, such as through text messaging. Such costs would depend greatly on the frequency and scale of exigent events, as well as the costs of providing the notifications. Such costs presumably would vary widely based on the scale of the notifications required. DPS has suggested a cost of ten cents per notification by text message. How many such notifications are sent would depend on the area of effect of the exigent event and the number of individuals who would require notification.

## **Technology**

It is assumed implementing the bill would require additional Information Technology resources for DPS.

The agency's IT Division would presumably need to coordinate with the Texas Division of Emergency Management to develop and implement an emergency warning system to allow registered individuals to receive emergency warning messages through their land lines and various social media including text messaging, instant messaging, Facebook, Twitter and cellular devices. It is assumed two FTEs would be required to ensure the proper functioning of the emergency response notification system is fully implemented: a Network Specialist III and a Systems Support Specialist III. The cost for these positions would be \$141,242 in each fiscal year 2016 (\$105,499 for salaries and \$35,743 for associated benefits).

It is also assumed the agency's IT Division would need to procure certain specialized IT contracting services. It is assumed 7,311 contractor hours costing \$833,032 would be required to implement the IT components of the bill. It is assumed these contractor costs would be incurred in fiscal year 2016 only.

## **Local Government Impact**

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

**Source Agencies:** 301 Office of the Governor, 405 Department of Public Safety, 582  
Commission on Environmental Quality

**LBB Staff:** UP, SZ, AI, JAW, RC, TL