

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 84TH LEGISLATIVE REGULAR SESSION

April 21, 2015

TO: Honorable Troy Fraser, Chair, Senate Committee on Natural Resources & Economic Development

FROM: Ursula Parks, Director, Legislative Budget Board

IN RE: SB1398 by Hall (Relating to protection of critical infrastructure from electromagnetic, geomagnetic, terrorist, and cyber-attack threats.), **As Introduced**

Estimated Two-year Net Impact to General Revenue Related Funds for SB1398, As Introduced: a negative impact of (\$4,967,130) through the biennium ending August 31, 2017.

General Revenue-Related Funds, Five-Year Impact:

Fiscal Year	Probable Net Positive/(Negative) Impact to General Revenue Related Funds
2016	(\$2,933,065)
2017	(\$2,034,065)
2018	(\$2,034,065)
2019	(\$2,034,065)
2020	(\$2,034,065)

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	(\$2,933,065)	20.0
2017	(\$2,034,065)	20.0
2018	(\$2,034,065)	20.0
2019	(\$2,034,065)	20.0
2020	(\$2,034,065)	20.0

Fiscal Analysis

The bill would amend the Government Code to require the Texas Division of Emergency Management (TDEM) to develop capabilities pertaining to securing the state's critical infrastructure and vital utility facilities from electromagnetic, geomagnetic, and cyber-attack threats. Such capabilities would include: developing expertise in the protection of the state's electric grid against certain attacks; providing education about such attacks; identifying assets that are vulnerable; developing emergency plans; evaluating technologies and capabilities related to protecting utility infrastructure; and developing a plan to protect all critical assets in the state against electromagnetic, geomagnetic, and cyber-attacks.

The bill would require the Governor to develop a cost recovery mechanism for the utilities to recover the costs.

Methodology

It is assumed implementing the bill would require additional resources for the Texas Division of Emergency Management to establish a new unit dedicated to implementing the provisions of the bill. It is assumed any such resources would be out of the General Revenue Fund.

It is assumed each of DPS' six regions would require 2 Program Specialist V positions to perform an array of technical, training, research, planning, policy, program assessment, and administrative activities in the operations section, including the division's contact and distribution database, vendor management, and capital asset inventory. Salaries for these 12 positions would be \$751,836 per fiscal year.

It is assumed supporting these Program Specialists would require a Planner III position to perform basic planning and research (\$62,653). A Technical Writer would oversee and/or compose, review, and edit technical documents, material, and reports (\$58,573). A Training Specialist would coordinate training and educational programs, services, deliveries, and activities with both training participants and training providers (\$62,653).

It is assumed considerable travel around the state would be required (\$200,000 per fiscal year) to conduct visits of key facilities.

It is assumed management of the new unit would require a Director II (\$101,172), three Manager III positions (\$230,049) and an Executive Assistant (\$46,976).

The benefits cost associated with these 20 new positions is assumed to be \$445,153 in each year.

In fiscal year 2016 only, it is assumed the new unit would require 12 vehicles (\$39,500 each) as well as \$500,000 to equip the new FTEs with computers, office furniture and other supplies. Ongoing operating expenses are assumed to be \$75,000 per year.

The Office of the Governor indicates that there is a cost associated with implementing the provisions of the bill. However, the costs of developing a cost recovery mechanism cannot be determined.

Technology

No significant technology impact is anticipated.

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

LBB Staff: UP, SZ, AI, JAW