

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 86TH LEGISLATIVE REGULAR SESSION

May 17, 2019

TO: Honorable Donna Campbell, Chair, Senate Committee on Veteran Affairs & Border Security

FROM: John McGeady, Assistant Director Sarah Keyton, Assistant Director
Legislative Budget Board

IN RE: **HB4306** by Biedermann (Relating to border security infrastructure enhancement projects and the creation of a fund to pay for those projects; allocating the earnings on the balance of that fund and reimbursement of related expenditures; including a study on water retention infrastructure near the border.), **As Engrossed**

Estimated Two-year Net Impact to General Revenue Related Funds for HB4306, As Engrossed: a negative impact of (\$2,485,015) through the biennium ending August 31, 2021.

The fiscal implications of the bill relating to border security infrastructure enhancement projects cannot be determined at this time. The fiscal impact would depend on the amount of funding appropriated to the new Border Security Enhancement Fund and therefore cannot be estimated.

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 |
|-------------|--|
| 2020 | (\$2,485,015) |
| 2021 | \$0 |
| 2022 | \$0 |
| 2023 | \$0 |
| 2024 | \$0 |

All Funds, Five-Year Impact:

| Fiscal Year | Probable Savings/(Cost) from General Revenue Fund 1 | Change in Number of State Employees from FY 2019 |
|-------------|--|--|
| 2020 | (\$2,485,015) | 3.0 |
| 2021 | \$0 | 0.0 |
| 2022 | \$0 | 0.0 |
| 2023 | \$0 | 0.0 |

| | | |
|------|-----|-----|
| 2024 | \$0 | 0.0 |
|------|-----|-----|

Fiscal Analysis

The bill would amend the Government Code to create a new Border Security Enhancement Fund in the state treasury outside of the General Revenue Fund to be administered by the Governor. The fund would consist of appropriations made by the legislature to the fund. Interest made on the fund and any reimbursement from the federal government would be credited to the Foundation School Fund.

The bill would require the Governor to administer a pilot program starting November 1, 2019, in certain border counties, to provide grants utilizing the new Border Security Enhancement Fund.

The bill would require the Texas Water Development Board (TWDB) and the Texas Commission on Environmental Quality (TCEQ) to conduct a joint study on the effects of the construction of a border wall on storm drainage, water quality, and environmental contamination and that would provide recommendations for mitigation of any negative effects. The bill would require this study to be completed no later than March 1, 2020.

The bill would take effect immediately upon receiving a two-thirds vote of all members of each house, otherwise this bill would take effect on September 1, 2019.

Methodology

The specific fiscal impact to the state relating to border security infrastructure enhancement projects is unknown as the amount of funds to be appropriated to the new Border Security Enhancement Fund is subject to legislative discretion and therefore cannot be estimated.

The fiscal impact relating to the study on water retention infrastructure near the border is based on information provided by the TWDB and TCEQ, and assumes that production of the joint study within the time frames provided in the bill would require 3.0 FTEs at the TWDB only in fiscal year 2020. This would include an Engineer IV (\$48,278 plus benefits of \$16,139, or \$64,417), an Engineer II (\$59,004 plus benefits of \$19,725, or \$78,729), and a Natural Resource Specialist IV (\$51,614 plus benefits of \$17,255, or \$64,417) for total salary costs of \$212,015 and an additional \$3,000 in travel costs. This estimate assumes TWDB and TCEQ combined would require an additional \$2,270,000 for contracting costs associated with completion of this study. Total costs for this study under the provisions and time frames established in the bill would be \$2,485,015 in fiscal year 2020.

This legislation would do one or more of the following: create or recreate a dedicated account in the General Revenue Fund, create or recreate a special or trust fund either in, with, or outside of the Treasury, or create a dedicated revenue source. Legislative policy, implemented as Government Code 403.095, consolidated special funds (except those affected by constitutional, federal, or other restrictions) into the General Revenue Fund as of August 31, 1993 and eliminated all applicable statutory revenue dedications as of August 31, 1995. Each subsequent Legislature has reviewed bills that affect funds consolidation. The fund, account, or revenue dedication included in this bill would be subject to funds consolidation review by the current Legislature.

Local Government Impact

The fiscal implications of the bill relating to border security infrastructure enhancement projects cannot be determined at this time

Source Agencies: 300 Trusted Programs Within the Office of the Governor, 580 Water Development Board, 582 Commission on Environmental Quality, 304 Comptroller of Public Accounts

LBB Staff: WP, SLE, NV, JSm, PBO, CMa, SZ, MW, GDz