

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 86TH LEGISLATIVE REGULAR SESSION

May 21, 2019

TO: Honorable Dan Patrick, Lieutenant Governor, Senate

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

IN RE: SB289 by Lucio (Relating to disaster housing recovery.), As Passed 2nd House

Estimated Two-year Net Impact to General Revenue Related Funds for SB289, As Passed 2nd House: a negative impact of (\$10,905,644) through the biennium ending August 31, 2021.

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	(\$6,049,763)
2021	(\$4,855,881)
2022	(\$4,104,371)
2023	(\$5,216,091)
2024	(\$4,104,371)

All Funds, Five-Year Impact:

Fiscal Year	Probable (Cost) from <i>General Revenue Fund</i> 1	Change in Number of State Employees from FY 2019
2020	(\$6,049,763)	30.2
2021	(\$4,855,881)	30.2
2022	(\$4,104,371)	30.2
2023	(\$5,216,091)	30.2
2024	(\$4,104,371)	30.2

Fiscal Analysis

The bill would amend the Government Code relating to natural disaster housing recovery. It would designate the General Land Office (GLO) as the state agency responsible for receiving and administering federal and state funds appropriated for long-term natural disaster recovery. The bill would require the Hazard Reduction and Recovery Center at Texas A&M University (the Center) to review and certify local housing recovery plans submitted by units of local government located in coastal counties and would establish criteria for approving those plans. It would require the Center to provide recommendations to the Texas Department of Insurance (TDI) regarding the development of policies, procedures, and education programs to enable the efficient reporting and settling of housing claims following disasters. It would require GLO to work with the Texas Division of Emergency Management and the Federal Emergency Management Agency as necessary to review and approve local housing recovery plans. A plan approved by GLO would be valid for four years. The bill would give GLO the ability to limit the number of plans it reviews annually and would require GLO to keep sufficient permanent staff to review the plans.

The bill would amend statute to require the Texas Division of Emergency Management (TDEM) to establish a recovery task force that would provide specialized assistance for communities and individuals to address financial issues, available federal assistance programs, and recovery and resiliency planning to speed recovery efforts at the local level.

The bill would take effect September 1, 2019.

Methodology

GLO currently administers federal funds from the Community Development Block Grants for Disaster Recovery (CDBG-DR). However, these funds are appropriated to states on a disaster by disaster basis and can only be used for affected areas by a specific disaster. Accordingly, this analysis assumes that CDBG-DR funds would not be available to permanently fund and staff the division required by the bill. This analysis assumes that General Revenue funding would be necessary for this purpose.

Based on GLO's analysis, an additional 2.0 Grant Coordinator III (salary \$84,479) would be needed to review and approve local housing recovery plans. Total costs for the 2.0 FTEs, including salary, benefits, and travel, would be \$260,413 in fiscal year 2020 and \$238,401 each subsequent year.

Based on information provided by the Office of the Governor, TDI, the Department of Public Safety, and the Texas A&M University System Administration, the provisions of the bill could be implemented with existing resources.

TDEM previously provided information for an exceptional item for the disaster recovery task force, which is included in the bill. Using this information from TDEM, it was determined that the provision in the bill for the disaster recovery task force would cost \$10,406,830 and require 28.2 Full-time Equivalent positions.

Local Government Impact

According to the Texas Association of Counties, the bill would provide long-term benefits to counties affected by future disasters, but the extent of the benefit to specific counties cannot be determined at this time.

Source Agencies: 305 General Land Office and Veterans' Land Board, 405 Department of Public Safety, 710 Texas A&M University System Administrative and General Offices

LBB Staff: WP, AF, SD, MW, PBO