

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 86TH LEGISLATIVE REGULAR SESSION

March 24, 2019

TO: Honorable Eddie Lucio, Jr., Chair, Senate Committee on Intergovernmental Relations

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

IN RE: SB289 by Lucio (Relating to natural disaster housing recovery.), **As Introduced**

Estimated Two-year Net Impact to General Revenue Related Funds for SB289, As Introduced: a negative impact of (\$2,865,224) 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	(\$1,504,151)
2021	(\$1,361,073)
2022	(\$1,361,073)
2023	(\$1,361,073)
2024	(\$1,361,073)

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 2017
2020	(\$1,504,151)	13.0
2021	(\$1,361,073)	13.0
2022	(\$1,361,073)	13.0
2023	(\$1,361,073)	13.0
2024	(\$1,361,073)	13.0

Fiscal Analysis

The bill would amend the Government Code relating to natural disaster housing recovery. The bill 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 GLO to collaborate with the Texas Department of Emergency Management and

the Federal Emergency Management Agency to secure reimbursement for housing needs in areas affected by natural disasters. Additionally, the bill would require GLO to maintain a staff and administrative support to carry out the duties related to long-term natural disaster recovery. The bill would authorize the Governor to designate an agency other than GLO to be responsible for long-term natural disaster recovery.

The bill would require the Hazard Reduction and Recovery Center at Texas A&M University to review and certify local housing recovery plans submitted by units of local government. The bill would establish criteria for approving the local housing recovery plans and would establish duties and responsibilities regarding plans that would be submitted to GLO and the Governor for approval.

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 information provided by GLO, an additional 13.0 FTEs would be needed to establish a new division to handle long-term natural disaster recovery. The following FTEs would be necessary: Director I (1.0 FTEs, salary \$93,406), Manager III (2.0 FTEs, individual salary \$77,862), Program Specialist VI (4.0 FTEs, individual salary \$72,789), Program Specialist VII (4.0 FTEs, individual salary \$83,298), and Administrative Assistant IV (2.0 FTEs, individual salary \$42,511). Salary, benefits, and other costs for the new FTEs would total \$1,439,151 in fiscal year 2020, and \$1,296,073 each subsequent fiscal year. Travel costs of \$5,000 per FTE per year would be an additional \$65,000 each fiscal year.

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

Local Government Impact

According to the Texas Municipal League and Texas Association of Counties, if a local government entity chooses to develop a local housing recovery plan under the provisions of the bill, there could be costs; however, the fiscal impact is not anticipated to be significant.

Source Agencies: 405 Department of Public Safety, 454 Department of Insurance, 300 Trusteed Programs Within the Office of the Governor, 305 General Land Office and Veterans' Land Board, 710 Texas A&M University System Administrative and General Offices

LBB Staff: WP, AF, MW, PBO, ESC, JGa