

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 86TH LEGISLATIVE REGULAR SESSION

May 25, 2019

TO: Honorable Dan Patrick, Lieutenant Governor, Senate
Honorable Dennis Bonnen, Speaker of the House, House of Representatives

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

IN RE: SB799 by Alvarado (Relating to emergency management and disaster recovery.),
Conference Committee Report

Estimated Two-year Net Impact to General Revenue Related Funds for SB799, Conference Committee Report: a negative impact of (\$10,406,830) 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	(\$5,789,350)
2021	(\$4,617,480)
2022	(\$3,865,970)
2023	(\$4,977,690)
2024	(\$3,865,970)

All Funds, Five-Year Impact:

Fiscal Year	Probable Savings/(Cost) from General Revenue Fund	Change in Number of State Employees from FY 2019
	1	
2020	(\$5,789,350)	28.2
2021	(\$4,617,480)	28.2
2022	(\$3,865,970)	28.2
2023	(\$4,977,690)	28.2
2024	(\$3,865,970)	28.2

Fiscal Analysis

Under the provisions of the bill, the Texas Emergency Management Division (TDEM) would be transferred from the Department of Public Safety (DPS) to the Texas A&M University System as an agency in the Texas A&M University System. The chief of TDEM would be appointed by the Governor. Employees of TDEM would become an employee of TDEM under the Texas A&M University System, and eligible to transfer from the Employees Retirement System of Texas to the Teacher Retirement System of Texas without interruption of services. Under the provisions of the bill, DPS and the Texas A&M University System must enter into a memorandum of understanding no later than June 1, 2019 to transfer of all powers, duties, obligations, rights, contracts, leases, records, real or personal property, and unspent and unobligated appropriations and other funds relating to TDEM to Texas A&M System on September 1, 2019.

According to the State Auditor's Office (SAO), to complete the work described by this legislation, in accordance with Section 321.013, Government Code, all additional duties and responsibilities prescribed by the legislation would be proposed in the SAO's annual audit plan submitted to the Legislative Audit Committee. This scope of work is estimated to require 3,500 audit hours to complete at a cost of \$325,500 using the SAO's standard billing rate. SAO's participation is subject to approval by the Legislative Audit Committee for inclusion in the audit plan. It is assumed that the SAO could perform duties described by this bill using existing resources.

The bill would amend statute to require 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 also create a business advisory council to provide advice on economic recovery following a disaster.

Methodology

In regards to the transfer of TDEM to the Texas A&M University System, the state appropriations would transfer with TDEM. According to information provided by DPS, any administrative costs associated with the transfer can be absorbed using existing funds.

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.

It is assumed that the provisions of the bill relating to creation of a business advisory council to provide advice on economic recovery following a disaster could be absorbed using existing resources.

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: 304 Comptroller of Public Accounts, 308 State Auditor's Office, 405

Department of Public Safety, 555 Texas A&M AgriLife Extension Service, 556 Texas A&M AgriLife Research, 557 Texas A&M Veterinary Medical Diagnostic Laboratory, 576 Texas A&M Forest Service, 710 Texas A&M University System Administrative and General Offices, 712 Texas A&M Engineering Experiment Station, 716 Texas A&M Engineering Extension Service, 720 The University of Texas System Administration, 727 Texas A&M Transportation Institute, 781 Higher Education Coordinating Board

LBB Staff: WP, LBO, AKi, CLo, AI, SMi, AF