

HOUSE COMMITTEE ON APPROPRIATIONS

SUBCOMMITTEE ON ARTICLES VI, VII, VIII

INTERIM CHARGE 1:

Monitor the agencies and programs under Articles VI, VII, and VIII, and oversee the implementation of relevant legislation and riders passed by the 86th Legislature.

The following constitute responses to a request for information regarding the above interim charge posted on August 5, 2020.



Lisa R. Collier,
CPA, CFE, CIDA,
First Assistant State Auditor

September 30, 2020

The Honorable Toni Rose
House Committee on Appropriations – Subcommittee on Articles VI, VII, and VIII
Texas House of Representatives
Room E2.306
Austin, TX 78701

Dear Chair Rose,

I want to take this opportunity to provide you with current information regarding the interim charge for monitoring the State Auditor's review of agencies and programs under the jurisdiction of the House Committee on Appropriations – Subcommittee on Articles VI, VII, and VIII.

The State Auditor's Office (SAO) released audit reports in fiscal years 2019 and 2020 that have a potential impact for your subcommittee's interim charges. Those completed audits are listed in the attachment, which also includes hyperlinks to the full reports on the SAO's website. The SAO originally submitted a similar document to your subcommittee in January 2020. We have updated this document to respond to your subcommittee posting.

Additionally, the State Auditor's Office is completing audits in the fiscal year 2020 audit plan that may be relevant to the Subcommittee's work. I will notify you of those audits as they near completion.

I hope this information is helpful to you. I am available to you and your staff at your convenience. Thank you for the work that you do.

My best,

Lisa R. Collier

Lisa R. Collier, CPA, CFE, CIDA
First Assistant State Auditor

Attachment

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STATE AUDITOR'S OFFICE

Lisa R. Collier, CPA, CFE, CIDA, First Assistant State Auditor

House Committee on Appropriations – Subcommittee on Articles VI, VII, and VIII

The State Auditor's Office (SAO) reports below may be of interest to the Subcommittee while addressing the Speaker of the House of Representatives' interim charge regarding monitoring the State Auditor's review of agencies and programs. The reports included were released during fiscal years 2019 and 2020. Since the previous document was provided, the list of reports has been updated to include reports released since January 28, 2020. These reports may relate to the agencies under the Subcommittee's jurisdiction and/or other interim charges issued to the Subcommittee. Our Office will continue to keep the Subcommittee informed of any additional reports released that may be of interest.


The reports listed below are divided into two sections: (1) audit and review reports and reports completed by the State Classification Team and (2) reports on work completed to follow up on select recommendations previously issued by the SAO and/or the Sunset Advisory Commission.

The issue ratings for each applicable performance audit are included to indicate the rating categories identified for the report. Individual results contribute to the overall chapter/subchapter issue ratings. However, some types of reports are not rated on this scale. See Appendix 2 in each audit report for additional information regarding the issue ratings. Each report number is hyperlinked to the full report on the SAO website.


State Auditor's Office Contact Information

First Assistant State Auditor Lisa R. Collier, CPA, CFE, CIDA, and the State Auditor's Office personnel are available as a resource to the Subcommittee on any of our reports.

For additional information regarding any report, please contact:

 Verma Elliott, Assistant State Auditor, (512) 936-9300, verma.elliott@sao.texas.gov

 State Auditor's Office website: <https://www.sao.texas.gov>

 Address: Robert E. Johnson, Sr. Building, 1501 North Congress Ave., Austin, TX 78701



STATE AUDITOR'S OFFICE

Report Title	Report Number	Release Date	Report Ratings
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Reports Released

An Audit Report on Licensing and Enforcement at the Board of Chiropractic Examiners	20-041	08/28/2020	● ● ● ●
An Audit Report on Incentive Compensation at the Permanent School Fund, General Land Office, Teacher Retirement System, and Employees Retirement System	20-040	08/24/2020	● ● ● ●
Best Practices Guide: Applying for an Occupational License After Conviction or Deferred Adjudication	20-327	08/14/2020	
An Audit Report on the Dam Safety Program at the Commission on Environmental Quality	20-036	07/13/2020	● ● ● ●
An Audit Report on Cybersecurity at the Texas Medical Board	20-031	05/29/2020	● ● ● ●
An Audit Report on Contract Change Management at the Department of Transportation	20-027	03/26/2020	● ● ● ●
A Classification Compliance Audit Report on Information Technology Positions at Business and Economic Development Agencies	20-701	01/28/2020	● ● ● ●
Entities included: <ul style="list-style-type: none">▪ Department of Housing and Community Affairs▪ Department of Motor Vehicles▪ Texas Lottery Commission▪ Department of Transportation▪ Texas Workforce Commission			
A Report on the Audit of the Permanent School Fund's Fiscal Year 2019 Financial Statements	20-018	12/31/2019	
A Report on the Audit of the Department of Housing and Community Affairs' Fiscal Year 2019 Financial Statements	20-016	12/31/2019	
A Report on Analysis of Quality Assurance Team Projects	20-010	11/22/2019	
Entities included: <ul style="list-style-type: none">▪ Department of Insurance▪ Department of Motor Vehicles▪ Health and Human Services Commission▪ Texas Workforce Commission▪ Department of State Health Services			



STATE AUDITOR'S OFFICE

Report Title	Report Number	Release Date	Report Ratings
An Audit Report on Performance Measures at the Office of Public Insurance Counsel	20-009	11/21/2019	
An Audit Report on Hurricane Harvey Disaster Recovery Funds Administered by the General Land Office	20-006	10/25/2019	● ● ● ●
An Audit Report on Child Care Services for Children in Protective Services at the Texas Workforce Commission and the Department of Family and Protective Services	20-005	10/15/2019	● ● ● ●
An Audit Report on the Ombudsman Program at the Office of Injured Employee Counsel	20-004	10/10/2019	● ● ● ●
An Audit Report on Regulatory Activities at the Manufactured Housing Division	20-002	10/04/2019	● ● ● ●
An Audit Report on Facilities-related Contracts at the Department of Transportation	19-050	08/28/2019	● ● ● ●
An Audit Report on Health-related Programs at the Department of Licensing and Regulation	19-049	08/28/2019	● ● ● ●
An Audit Report on Incentive Compensation at the Permanent School Fund, General Land Office, Teacher Retirement System, and Employees Retirement System	19-048	08/21/2019	● ● ● ●
An Audit Report on Financial Management at the Railroad Commission	19-045	07/26/2019	● ● ● ●
An Audit Report on the Vendor Performance Tracking System at the Office of the Comptroller of Public Accounts and Its Use by the Texas Workforce Commission and the Parks and Wildlife Department	19-042	07/18/2019	● ● ● ●
An Audit Report on Selected Groundwater Conservation Districts	19-039	07/08/2019	● ● ● ●
Entities included:			
<ul style="list-style-type: none">▪ Barton Springs/Edwards Aquifer Conservation District▪ Gonzales County Underground Water Conservation District▪ Mesa Underground Water Conservation District▪ Calhoun County Groundwater Conservation District▪ Headwaters Groundwater Conservation District▪ Evergreen Underground Water Conservation District▪ Live Oak Underground Water Conservation District			



STATE AUDITOR'S OFFICE

Report Title	Report Number	Release Date	Report Ratings
An Audit Report on the Texas Peer Assistance Program for Nurses	19-036	06/11/2019	● ● ● ●
An Audit Report on Complaint Processing at the Public Utility Commission of Texas	19-034	05/29/2019	● ● ● ●
A Classification Compliance Audit Report on Information Technology Positions at Natural Resources Agencies	19-706	02/28/2019	● ● ● ●
Entities included:			
<ul style="list-style-type: none">▪ Animal Health Commission▪ General Land Office▪ Soil and Water Conservation Board▪ Commission on Environmental Quality▪ Parks and Wildlife Department▪ Water Development Board▪ Department of Agriculture▪ Railroad Commission			
A Report on an Audit of Financial Transactions Associated with the Suspension of Operations of the Texas Health Reinsurance System	19-033	02/27/2019	
An Audit Report on Selected Contracts at the Department of Motor Vehicles	19-029	02/13/2019	● ● ● ●
An Audit Report on Information Technology Contract Oversight at the Department of Transportation	19-024	01/30/2019	● ● ● ●
A Report on the Audit of the Permanent School Fund's Fiscal Year 2018 Financial Statements	19-021	01/18/2019	
A Summary Report on Senate Bill 1289 Provisions Related to the Water Development Board's Financial Assistance of Construction Projects	19-019	12/28/2018	
A Report on the Audit of the Department of Housing and Community Affairs' Fiscal Year 2018 Financial Statements	19-017	12/28/2018	
A Report on Analysis of Quality Assurance Team Projects	19-007	11/09/2018	
Entities included:			
<ul style="list-style-type: none">▪ Office of the Comptroller of Public Accounts▪ Texas Workforce Commission▪ Commission on State Emergency Communications▪ Department of State Health Services			



STATE AUDITOR'S OFFICE

Report Title	Report Number	Release Date	Report Ratings
<p>An Audit Report on Vehicle Fleet Management at Selected State Entities</p> <p>Entities included:</p> <ul style="list-style-type: none">Animal Health CommissionDepartment of TransportationParks and Wildlife Department	19-006	10/29/2018	<div><div></div><div></div><div></div><div></div></div>
<p>An Audit Report on the Commission on Environmental Quality's Administration of the Texas Emissions Reduction Plan Grants</p>	19-005	10/15/2018	<div><div></div><div></div><div></div><div></div></div>
<p>An Audit Report on Incentive Compensation at the Permanent School Fund, General Land Office, Employees Retirement System, and Teacher Retirement System</p>	19-003	09/18/2018	<div><div></div><div></div><div></div><div></div></div>
<p>A Report on the State's Law Enforcement Salary Schedule (Salary Schedule C) for the 2020-2021 Biennium</p>	19-701	09/04/2018	
<h2>Review of Prior Recommendations</h2>			
<p>A Report on the Implementation Status of Prior State Auditor's Office Recommendations</p> <p>Implementation status verified for:</p> <ul style="list-style-type: none">Alcoholic Beverage CommissionDepartment of State Health ServicesTexas Facilities CommissionDepartment of AgricultureDepartment of TransportationDepartment of Public SafetyParks and Wildlife Department	20-030	04/27/2020	
<p>A Report on the Implementation Status of Prior State Auditor's Office Recommendations</p> <p>Implementation status verified for:</p> <ul style="list-style-type: none">Department of Motor VehiclesOffice of the Attorney GeneralWater Development BoardDepartment of State Health ServicesOffice of the Comptroller of Public AccountsGeneral Land OfficeSchool for the Deaf	19-027	02/06/2019	
<p>A Report on the Self-reported Implementation of Sunset Advisory Commission Management Actions</p> <p>Implementation status verified for:</p> <ul style="list-style-type: none">Board of Chiropractic ExaminersDepartment of Licensing and RegulationPalo Duro Water DistrictSulphur River Basin AuthorityUpper Colorado River AuthorityBoard of PharmacyEmployees Retirement SystemRailroad CommissionTexas Board of NursingBoard of Veterinary Medical ExaminersOptometry BoardState Bar of TexasDepartment of Transportation	19-012	11/30/2018	



Coleman H. Locke
Chairman

Andy Schwartz, D.V.M.
Executive Director

September 30, 2020

The Honorable Toni Rose
Chairman, House Appropriations Committee – S/C on Articles VI, VII and VIII
Texas House of Representatives
P.O. Box 2910
Austin, TX 78768

Dear Chairman Rose and Committee Members:

The Texas Animal Health Commission appreciates the opportunity to offer input on Interim Charge 1 regarding the implementation of relevant legislation and riders passed by the 86th Legislature.

I. Texas Animal Health Commission Background

The Texas Animal Health Commission (TAHC) is one of the oldest state agencies, established by the legislature in 1893 as the Texas Livestock Sanitary Commission to combat the fever tick that plagued the Texas cattle industry. Today, the agency's mission has expanded to protect the health and marketability of the approximate \$14.35 billion¹ Texas livestock industry, which includes cattle, swine, poultry, sheep, goats, equine, exotic fowl, and exotic livestock. The TAHC works to prevent, control, and eradicate contagious or infectious diseases in livestock and poultry, as well as prepare for and respond to natural disasters and emergency situations involving animals.

The TAHC team is comprised of veterinarians, epidemiologists and animal health inspectors as well as emergency management, laboratory, legal and compliance and administrative and support personnel. The TAHC team works closely with veterinarians, ranchers, livestock markets, slaughter plants, and other livestock industry stakeholders. The TAHC works cooperatively with local, state, federal and international agencies to protect animal health and coordinate multi-jurisdictional responses.

The TAHC's mission is as follows:

- Protect the animal industry from and mitigate the effects of domestic, foreign and emerging diseases
- Increase the marketability of Texas livestock commodities at the state, national and international levels
- Promote and ensure animal health and productivity

¹ USDA Economic Research Service "2019 Cash Receipts by Selected Commodity." Updated September 2, 2020.

William Edmiston, Jr., D.V.M.
Jim Eggleston
Ken Jordan
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Wendee C. Langdon, Ph.D.
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Mike Vickers, D.V.M.
Eric D. White

- Protect human health from animal diseases and conditions transmissible to people
- Prepare for and respond to emergency situations involving animals by conducting agency business in a responsive, cooperative and transparent manner

The TAHC's 13 Governor-appointed commissioners serve six-year staggered terms. The TAHC is comprised of representatives from each discipline: veterinary medicine, dairy, beef cattle, feedlot, livestock marketing, swine, sheep and goats, poultry, equine, exotic livestock and fowl, and three members from the general public. The Executive Director of the TAHC, also the Texas State Veterinarian, manages and oversees the daily operations of the agency. The Central Office is located in Austin. There are six regional offices strategically located across the state: Amarillo, Beeville, Laredo, Rockdale, Stephenville, and Sulphur Springs.

II. Update: Rider #3 Laboratory Testing

In accordance with Rider 3, page VI-13, H.B. 1, Acts of the 86th Legislature, Regular Session, 2019 (the General Appropriations Act), the TAHC has entered into a memorandum of understanding with the Texas A&M Veterinary Medical Diagnostic Laboratory (TVMDL) and is finalizing its report to the Legislative Budget Board regarding testing and associated costs performed at the TAHC State-Federal Laboratory.²

The TAHC is currently under the Sunset Advisory Commission Review process. One of the key findings of the Sunset Advisory Commission-Staff Report is that the remaining TAHC State-Federal Laboratory should be closed. The report highlighted, along with other issues, that the loss of federal funds for cattle brucellosis eliminated most of the laboratory's workload.

Although the Sunset Commission has not completed their deliberations and made official recommendations, the TAHC has contemporaneously assessed the current laboratory services and costs and determined that the TAHC Austin Laboratory, Lease #20415, is no longer the most cost-effective means to serologically test livestock for regulatory and reportable diseases. As such, the TAHC Commissioners approved and the Executive Director requested the Texas Facilities Commission to consider the TAHC Austin Laboratory lease for cancellation. If the lease is cancelled or another tenant is located, the TAHC will continue to provide parasitic identification and limited serological testing (cattle and swine Brucellosis, Pseudorabies, and Equine Infectious Anemia) at an existing TAHC facility to reduce costs and ensure there is no gap in regulatory testing.

III. Update: Rider #8 Information Technology, Reporting Requirement

In accordance with Rider 8, page VI-14, H.B. 1, Acts of the 86th Legislature, Regular Session, 2019 (the General Appropriations Act), the TAHC will submit the annual report before October

² **Rider 3. Laboratory Testing.** Laboratory testing for animal diseases shall be performed at the Texas Veterinary Medical Diagnostic Laboratory (TVMDL) to the extent of its capabilities, unless the Texas Animal Health Commission (TAHC) State-Federal Laboratory can perform the testing for TAHC programs more cost effectively. Out of funds appropriated above in Strategy B.1.1. Central Administration, the agency shall report annually the testing performed at the State-Federal Laboratory for TAHC programs and how the testing was deemed more cost effective than utilizing testing services at the TVMDL. The agency shall provide the Legislative Budget Board the annual report regarding laboratory testing within 60 days after the close of each fiscal year. Furthermore, the TAHC will use funds appropriated by this Act to enter into an interagency memorandum of understanding to work with TVMDL to reduce duplication and ensure that all testing is performed in Texas to the extent possible.

31, 2020 regarding the agency's efforts to improve information technology capabilities.³ Key improvements include the following.

The TAHC entered into a service contract with TraceFirst Inc. to provide CoreOne (an Animal Health Traceability System) via a cloud-based solution. The TAHC expects that analytics will improve and data silos will be eliminated with the consolidation of 4 databases and 11 spreadsheets into a single system allowing for greater efficiencies and transparency.

The TAHC is taking advantage of low-cost virtual solutions to upgrade and update system and technology capabilities. The TAHC has upgraded all server OS and database systems to the latest levels. The TAHC implemented a monthly maintenance schedule to keep all systems secured and patched to the latest level. Additionally, the TAHC development staff upgraded multiple applications and databases to current supportable technology. During FY 2020, the TAHC upgraded the Square 9 application, server OS and database system to current levels.

IV. Implementation of Other Relevant Legislation

The TAHC's procurement staff evaluate each purchase order on a case by case basis to ensure compliance with all applicable contracting and procurement requirements, including those enacted during the 86th Legislative Session. In addition to this review, the TAHC recently updated the standard contracting and procurement terms and conditions to incorporate the requirements of House Bills 793 and 1152 and Senate Bills 20 and 943.

I look forward to working with you and the Texas Legislature to continue protecting the health and marketability of Texas' livestock and poultry.

Sincerely,

A handwritten signature in black ink that reads "Andy Schwartz, D.V.M." The signature is written in a cursive, flowing style.

Andy Schwartz, D.V.M.
Executive Director and State Veterinarian
Texas Animal Health Commission

³ **Rider 8. Information Technology, Reporting Requirement.** Out of amounts appropriated above in Strategy B.1.1, Central Administration, the Texas Animal Health Commission shall report annually the agency's efforts to improve information technology capabilities. The report shall include information on database systems utilized by agency staff, information technology limitations encountered by agency staff and the public, agency resource allocations undertaken to improve information technology capabilities, and recommendations to enhance the agency's information technology capabilities with associated estimated costs and project duration. The recommendations shall include details regarding improved analytics, status of data silos, and transparency initiatives. The Texas Animal Health Commission shall provide the Legislative Budget Board (LBB) and Governor an annual report regarding the agency's information technology capabilities and recommendations within 60 days after the close of each fiscal year.



TEXAS DEPARTMENT OF LICENSING & REGULATION

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September 30, 2020

House Appropriations Committee Formal Request for Information – Charge One

During the 86th Session, the Texas Legislature appropriated funding to the Texas Department of Licensing and Regulation (TDLR) to assist in the fight against the scourge of human trafficking. We used this opportunity to create and implement TDLR's Anti-Trafficking Unit (ATU), which has been assembled, trained, and continues its important work despite the constraints imposed by the COVID-19 pandemic.

TDLR began the hiring process for this eight-member team in October 2019. In-depth training began in January 2020, both internally with TDLR's investigative and inspection staff and externally with other partners combating human trafficking, including victim support organizations and law enforcement personnel. Please see the chart below for more details on the ATU's training and partnership efforts.

TDLR's Anti-Trafficking Unit (ATU) Partners in Training



In March 2020, following their training and based on data analysis and research, the ATU began conducting on-site inspections. Inspections were paused as the team adhered to the Governor's Executive Order mandating limited physical contact due to the COVID 19 pandemic.



TEXAS DEPARTMENT OF LICENSING & REGULATION

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Though faced with physical limitations, the ATU continues fighting human trafficking by scouring illicit advertising platforms for evidence of ongoing trafficking activity, reaching out to local law enforcement organizations concerning trafficking activity within their jurisdiction, and referring trafficking activities to both TDLR's enforcement staff and local law enforcement. To date, 23 referrals have been made to law enforcement and law enforcement has made 8 referrals to the ATU for further investigation.

The two links below provide both newspaper and TV news stories about recent law enforcement activity regarding illicit massage parlors in El Paso, an effort to which TDLR provided important information:

- <https://www.elpasotimes.com/story/news/crime/2020/09/09/el-paso-massage-parlors-raided-texas-dps-fbi-and-hsi-agents/5765236002/>
- <http://kfoxtv.com/news/local/human-trafficking-reports-at-el-paso-massage-parlors-prompt-raids>



86th Legislature, Interim Charge 1, Request for Information

House Committee on Appropriations

September 30, 2020

Interim Charge 1.

Monitor & Oversight: Monitor and oversee the implementation of appropriations bills and other relevant legislation passed by the 86th Legislature. In conducting this oversight, the Committee will also specifically monitor implementation of appropriations for:

- *Human and sex trafficking legislation; and*
- *Implementation of procurement and contracting reforms at state agencies.*

Human and Sex Trafficking Legislation

Senate Bill 1219 – Relating to human trafficking signs at certain transportation hubs.

SB 1219 adds Section 402.0351, Texas Government Code, to require the Attorney General to require and enforce the posting of signage for services and assistance available to victims of human trafficking at certain transportation hubs as determined by the Attorney General (buses, bus stops, trains, train stations, safety rest areas, and airports).

SB 1219 requires the Attorney General, by rule, to prescribe the design and content of the sign, the manner for displaying the sign, and any exceptions to the posting requirements. SB 1219 also requires the Attorney General to consult with the Texas Department of Transportation (TxDOT) when adopting the rules regarding the design and content of the sign, which must include in both English and Spanish the telephone number and internet website of the National Human Trafficking Resource Center and the key indicators that a person is a victim of human trafficking.

TxDOT only has direct oversight and control of certain transportation hubs (rest areas) as defined by SB 1219. TxDOT operates 76 safety rest areas and an additional 12 Travel Information Centers, which also serve as safety rest areas. As part of human trafficking awareness campaigns prior to the passage of SB 1219, TxDOT posted signage in each rest area and Travel Information Center bathroom stall and other locations around the facilities. These signs provide information to potential human trafficking victims in English and Spanish and include the National Human Trafficking Hotline's phone number.

As required in SB 1219, TxDOT has held multiple coordination meetings with the Office of the Attorney General to share TxDOT's efforts and current signage, contacts around the state for transit operators and general aviation airports, and lessons learned while implementing TxDOT's human trafficking awareness campaigns.

Currently, TxDOT is awaiting final adoption of rules from the Attorney General. Upon final adoption, TxDOT will work to place the updated signage prominently in all safety rest areas and Travel Information Centers and engage other transportation hub operator contacts to ensure the entities are aware of the provisions of SB 1219.

In addition to SB 1219, Rider 49, TxDOT Bill Pattern, General Appropriations Act, 86th Regular Legislative Session (2019), appropriated \$200,000 in General Revenue to install signage or to provide grants to install signage at locations determined in SB 1219. Because TxDOT can use other appropriated funds (State Highway Fund) from TxDOT's current budget to install signage at TxDOT facilities, in response to the recent five percent

General Revenue budget cut request by the Legislative Budget Board, TxDOT proposed cutting the General Revenue funding for this program. Once the Office of the Attorney General adopts rules on signage design and rules, TxDOT will place the appropriate signs at its safety rest areas and Travel Information Centers.

SB 1593 –Relating to training by the Texas Department of Transportation on the recognition and prevention of smuggling and trafficking of persons.

SB 1593 adds Section 201.407, Texas Transportation Code, to require TxDOT to develop and make available to employees of TxDOT a training course on the recognition and prevention of smuggling and trafficking of persons. The bill requires TxDOT, in collaboration with the Office of the Attorney General, to establish the content of the training developed. Finally, SB 1593 requires TxDOT, on the date an employee begins employment with TxDOT, to provide notice to the employee of the availability of the training. Since September 1, 2019, when the training became a requirement, over 2,500 newly hired TxDOT employees have completed human trafficking training.

TxDOT began requiring all new hires to take human trafficking awareness training within 30 days of hire in December of 2018. TxDOT advises all new employees of their mandatory training requirements on the first day of employment during new employee orientation. The video training course is mandatory for new employees and is not a recurring requirement. TxDOT structured the human trafficking training around the Attorney General's existing human trafficking resources.

In addition to the required training, TxDOT makes all employees aware of the importance of recognizing the signs of human trafficking with the distribution of information on human trafficking. On April 12, 2019, TxDOT's executive director sent a video message to all TxDOT employees that detailed TxDOT's efforts regarding human trafficking and encouraged employees to be aware of the issue.

Ongoing TxDOT Efforts and Campaigns on Human Trafficking Awareness:

Beginning in 2019, TxDOT joined a statewide effort to encourage everyone to know, watch for, and report human trafficking signs. To end human trafficking, TxDOT launched its "On the Road to End Human Trafficking" initiative.

To raise awareness among employees, industry partners, and the public, TxDOT provides the following materials:

- Information cards for all TxDOT vehicles;
- Wallet cards that include details on what to look for and how to report suspected trafficking;
- Large posters; and
- Restroom stall signs for TxDOT's safety rest areas and TICs throughout the state.

These materials raise public awareness and provide human trafficking victims with critical information on how to reach out for help. The materials may be found on TxDOT's public website at the following hyperlink for

anyone to download and use as needed: <https://www.txdot.gov/inside-txdot/media-center/psas/prevent-human-trafficking.html>.

In addition to the previously mentioned new employee training and ongoing awareness campaigns, TxDOT's Austin District held a more in-depth, in-person training in January of 2020 for their maintenance and Highway Emergency Response Operator (HERO) employees. These employees are on the front lines every day and are best suited to recognize human trafficking signs on Texas' roadways. This training was developed in partnership with the Governor's Commission for Women. TxDOT has suspended further in-person training due to COVID-19 but is exploring ways to share this training virtually with other TxDOT districts moving forward.

TxDOT also works to ensure human trafficking awareness remains front and center by posting messages on its social media channels regularly. Most recently, TxDOT posted messages on July 30, 2020 in recognition of World Day against Trafficking in Persons.

Implementation of Procurement and Contracting Reforms at State Agencies

In accordance with Texas Government Code, Section 2261.258 (as added by Senate Bill 65, 86th Regular Session (2019)), the State Auditor's Office (SAO) assigned contract monitoring ratings of additional monitoring warranted, no additional monitoring warranted, or reduced monitoring warranted to each of the 25 largest state agencies. Those agencies were determined by the Legislative Budget Board (LBB). That statute requires a report on those ratings to be submitted to the Office of the Comptroller of Public Accounts (CPA) and the Department of Information Resources (DIR) by September 1 of each year. The CPA and DIR are responsible for developing guidelines for additional and reduced monitoring.

For this statute, the SAO reviewed and analyzed relevant contracting-related information from multiple sources specified in Section 2261.258, Texas Government Code. Contracting-related information reviewed included audits conducted by the SAO, audits conducted by agencies' internal audit divisions, purchase audits conducted by the CPA, Quality Assurance Team reviews, Contract Advisory Team reviews, LBB reviews, Sunset Advisory Team reviews, and self-reported improvements and analyses provided by the agencies rated.

No single source was used to assign a rating of additional monitoring warranted or reduced monitoring warranted. The Texas Department of Transportation (TxDOT) was assessed a rating of "No Additional Monitoring Warranted (For Any Contracting Period)."¹

¹ A Report on Contract Monitoring Assessment at Certain State Agencies, State Auditor's Office (April 2020); <http://www.sao.texas.gov/SAOReports/ReportNumber?id=20-028>

TDI Response to House Appropriations Committee,
Subcommittee on Articles VI, VII, and VIII
Request for Information of August 5, 2020
October 2, 2020

Texas Department of Insurance

Response to House Appropriations, Subcommittee on Article VI, VII, and VIII

October 2, 2020

Interim Charge 1: Monitor the agencies and programs under Articles VI, VII, and VIII, and oversee the implementation of relevant legislation and riders passed by the 86th Legislature.

Three-Share funding

Since 2008, the Texas Legislature has provided grant funding for developing and operating local government sponsored employer health care programs. These programs help employees of small businesses get health coverage if they earn less than 300% of federal poverty level. Premiums are typically split three ways – among the employer, the employee, and a third, usually a state or local, funding source. TDI administers state grant funding for the program.

A rider to the TDI budget authorizes funding for the Three-Share program grants from fines (Account 3222) and prompt pay penalties (Account 3221) TDI collects in excess of the Comptroller's estimate, up to a maximum of \$2.25 million per year.

This means future appropriations for the Three-Share program are unknown and dependent on TDI penalty collections.

At the beginning of fiscal year 2020, the Three-Share program had about \$4.1 million for its two grantees, TexHealth Central Texas and UTMB. All funds available at the beginning of the fiscal year were awarded to the grantees for the 2020-21 biennium. Combined, they received approximately \$172,000 monthly for 24 months, through August 2021.

In FY2020, TDI exceeded the estimate for penalties and was able to allocate the full \$2.25 million in additional funding to the Three-Share program. This will guarantee state funding is available for approximately 13 months into the 2022-23 biennium at the current enrollment level. If there is no change made in the funding source for the program, there is no guarantee additional funding will be available for 2022-23.

Questions? Contact GovernmentRelations@tdi.texas.gov



Texas House of Representatives
House Committee on Appropriations - Articles VI, VI, and VII
86th Legislature

Interim Committee Charges

September 30, 2020

TPWD

House Committee on Appropriations- Articles VI, VII, and VII

TABLE OF CONTENTS

House Committee on Appropriations - Articles VI, VII, and VIII 3

TPWD Responses to relevant interim charges..... 4

Interim Charge 1 Response 4

Interim Charge 4 Response 13

HOUSE COMMITTEE ON APPROPRIATIONS - ARTICLES VI, VII, AND VIII

1. Monitor the agencies and programs under Articles VI, VII, and VIII, and oversee the implementation of relevant legislation and riders passed by the 86th Legislature.
2. Monitor the status of the operation, maintenance, and structural repairs of low hazard and high hazard dams throughout the state, as well as implementation of funds appropriated to the Texas State Soil and Water Conservation Board's Flood Control Program during the 86th Legislature. (Joint charge with the House Committee on Agriculture & Livestock).
3. Monitor the use of additional funds provided to the Texas Department of Transportation in SB 500 for the Transportation Infrastructure Fund. Examine existing fund balances and determine if the funds should be held in a more efficient manner.
4. Evaluate funding provided to the Texas Parks and Wildlife Department for the repair, maintenance, and upgrade of state park facilities. Determine the facilities that are in most need of repair, maintenance, or upgrade and examine the costs associated with such repairs, maintenance, or upgrades.

TPWD RESPONSES TO RELEVANT INTERIM CHARGES

Interim Charge 1 Response

Monitor the agencies and programs under Articles VI, VII, and VIII, and oversee the implementation of relevant legislation and riders passed by the 86th Legislature

- **Sporting Goods Sales Tax (SGST)**

In light of the passage of S.B. 26 (86th Regular Session), SJR 24, and Proposition 5, which allows for automatic appropriation of 93% of SGST to TPWD, several modifications will need to be made to the language of the SGST informational rider (Rider #15) for the 2022-23 biennium. These include changes to reflect TPWD's requested allocation of SGST to cover appropriations, estimated amounts required for employee benefits, as well as estimated cash transfers to the Employees Retirement System of Texas (ERS) for retiree insurance and to the Texas Public Finance Authority (TPFA) for debt service. Due to the nature of benefits and transfers, it is important that these be reflected as estimated rather than sum-certain amounts. Additionally, the modified rider provisions will outline alternatives to ensure direct line-item appropriations are not impacted in the event actual costs for these items exceed estimates.

- **Status of state historical site transfers to Texas Historical Commission (H.B. 1422/Contingency Rider #39)**

Management responsibilities of six State Historical Sites were transferred from TPWD to the Texas Historical Commission (THC) on September 1, 2019, as directed by H.B. 1422 (86th R.S.). The management transfer included all property, equipment, and vehicles assigned to these sites as specified in a Memorandum of Agreement between the agencies and executed by TPWD on August 28, 2019. TPWD administrative staff worked closely with THC staff to accomplish a seamless transfer of operations, ensuring that utility services and other operational functions were maintained through the transition, and coordinated the transfer of Texas Commission on Environmental Quality (TCEQ) and other regulatory permits to THC. TPWD staff members working at the sites became employees of THC at the time of the transfer and were able to maintain continuous state employment status as employees of THC. Repair projects at Monument Hill, San Jacinto Monument, and Washington-on-the-Brazos, that had been initiated prior to the passage of the transfer legislation, were completed by TPWD after the site transfers in order to ensure the needed actions were accomplished in an efficient manner and the sites were transferred in good condition. The transfer of the voluminous records, media productions, and other documents related to the six historic sites is ongoing, in accordance with a records transfer plan agreed to by both agencies.

Under the terms of the agreement, TPWD retained the title to the land at San Jacinto Battlefield in order to receive credit for a federal Land and Water Conservation Fund matching grant from an earlier land purchase. This match of \$300,000 was approved by the National Park Service on September 27, 2019, and the transfer of all real property has been completed and deeds recorded. TPWD has entered into an agreement with THC to

lease space at San Jacinto Battlefield to facilitate temporary storage and curation of artifacts from the Battleship *Texas* that must be secured while the ship is moved to a drydock facility for repairs.

- **Status of Battleship *Texas* (S.B. 1511/Contingency Rider #40)**

A Memorandum of Agreement between TPWD and the Battleship Texas Foundation (BTF or “the Foundation”) was executed on August 28, 2019, setting out the responsibilities of each party and establishing the obligations and duties of care for repairing the ship. The Agreement establishes the deliverable project milestones and related payment schedule for transport of the ship to drydock and the needed repairs to be conducted. Transfer of operations and management responsibilities for the ship was completed on August 1, 2020 and \$1,312,470 in operational funding support has been transferred to the BTF in accordance with the General Appropriations Act.

Because the Battleship *Texas* is a State Antiquities Landmark (SAL), Texas Antiquities Code permits for work on the ship are required from the Texas Historical Commission (THC). On March 24, 2020, THC approved applications presented to their commission for the relocation and rehabilitation of the Battleship *Texas*. TPWD and BTF worked together to develop the required Battleship *Texas* Restoration Plan, which was submitted to the Legislative Budget Board on May 21, 2020 and was approved on July 23, 2020. The plan incorporates the Secretary of Interior’s “Standards for Historic Vessel Preservation Projects with Guidelines for Applying the Standards” and operational funding transfers to BTF. All repair work covered by this restoration plan will comply with the State Antiquities Landmark (SAL) permits issued by THC and adhere to the Secretary of the Interior’s Standards. To protect the State’s interests, BTF and its subcontractors will maintain proper insurance coverages on the ship during transport and repair work. Artifacts on the ship have been removed for storage and curation by TPWD during the repair process to ensure their safety and security.

BTF has contracted with Valkor Incorporated to act as the project manager for transporting the vessel to a selected shipyard and oversight of repairs to the ship. In the first year of the project, Valkor has conducted numerous hull surveys and other preliminary work to ensure that transport to the selected shipyard can be conducted in a safe manner, as well as planning for the dredging of the ship’s current berth in order to facilitate access of the Battleship *Texas* into the Houston Ship Channel. Prior to the ship’s move, an expanding closed cell foam will be injected into the external blister tanks that are the most deteriorated portions of the ship. This work is currently underway and as of September 29, 2020, more than half of the tanks have had foam inserted. This foam will provide more stability and buoyancy during transport and prohibit the intrusion of water into these tanks. Once the vessel arrives at the shipyard, repairs will include removal of the deteriorated steel plates from the external blister tanks, sides, and bottom shell of the hull from the waterline, approximately 30 feet above the bottom of the ship. During this stage, the vessel will undergo a thorough inspection of the structural members, which may require reinforcement or replacement to ensure the structural integrity of the ship.

Once the old shell plating is removed, new hull plating will be attached with welded connections, and the structural framing of the blister tanks will be rebuilt due to severe deterioration and wastage. The repairs will create a new, welded, water-tight envelope that should extend the life of the Battleship *Texas* for a minimum of 30 years while maintaining its historic appearance.

Payments to BTF for ship repairs are distributed in accordance with the completion of all or portions of eleven “Funding Disbursement Milestones” established in the TPWD’s agreement with the BTF. As of August 31, 2020, BTF has been paid \$4,631,875 or 13.23% of the \$35 million appropriated for the repairs for project management services and work performed to date as shown in *Attachment A*. TPWD staff will continue to monitor the project to ensure that historical standards are maintained in accordance with the Agreement and S.B. 1511. Upon the completion of repairs, the ship will be operated as a public museum by the Battleship Texas Foundation at a location yet to be determined. TPWD will also incur moderate costs for the curation and storage of artifacts that have been removed from the ship for safekeeping while repairs are being made.

- **Managed Lands Deer Program Participation Fees**

In the last 20 years, the Managed Lands Deer (MLD) Program has grown considerably, but in that time the Wildlife Division has not had a source of funding to hire new staff to help address the challenges associated with that growth. S.B. 733, as well as Article IX, Sec. 18.72 of the General Appropriations Act (GAA, 86th Legislature R.S.), were intended to address this issue by authorizing the Texas Parks and Wildlife Commission to charge a fee for participation in the MLD Program and appropriating collections to the Texas Parks and Wildlife Department (TPWD or “the Department”) for use in the MLD Program. In January 2020, the Texas Parks and Wildlife Commission adopted rules that instituted fee amounts ranging from \$30 to \$300 for participation in the MLD Program dependent upon the level of enrollment voluntarily selected by the participant. The MLD Program continues to experience annual growth of 1.5%. The appropriation authority was limited to a set amount, did not allow the carry forward of any unspent balances, and did not clearly specify use for FTEs and capital purposes. Given the Department’s growing needs in this area, and the timing of when fee collection will likely be launched (April 2021), these restrictions on authority pose challenges to meaningfully engaging with MLD Program participants, meeting technical guidance requests, and administering the MLD Program as intended.

TPWD will be requesting that the current Article IX contingency rider (Sec. 18.72) be moved to TPWD’s bill pattern and modified to reflect inclusion of associated amounts above the line. In addition, TPWD will request that the language be amended to “estimated” to allow appropriation of the full amount of estimated MLD Program license fee revenue (estimated at approximately \$1.6 million per year), allow carry forward of unexpended balances for use within and across biennia, and to specify that amounts may be spent on FTEs and for increasing capital budget authority for the MLD Program. These

changes will allow the Department to more effectively use the fees generated from participation in the MLD Program, as intended by the bill authors and stakeholders.

- **Capital Construction Unexpended Balance (UB) Authority**

The 86th Legislature authorized the carry-forward of any unexpended 2018-2019 Sporting Goods Sales Tax appropriations for capital construction/deferred maintenance into FY2020. For the reasons outlined below, it is critical that TPWD retain this UB authority going into the 2022-2023 biennium. In addition, since the UB authority provided for FY2020-2021 does not appear to apply to General Revenue-Dedicated sources of funding (Fund 9 divisions), TPWD will be requesting UB authority for GR-Dedicated funding sources as well.

Ensuring the continued and consistent ability to carry-forward unexpended construction authority for all capital construction funding streams is critical to the capital construction program. Lack of UB authority has proven to be a huge impediment to efficient use of capital funding and very problematic for a capital repair program that includes an enormous backlog of deferred maintenance, shifting priorities due to antiquated and failing infrastructure, and dispersed assets that are critically impacted by natural disasters.

Further, the very nature of the design-and-construction industry, the many unknowns that exist with critical repair projects, and the fact that capital projects (from planning and design through completion of construction) typically last five years or more creates additional challenges to encumbering 100% of the capital construction funding within the same biennium in which it was appropriated. Therefore, flexibility in the ability to carry over capital construction funding partially mitigates the risk of that funding being unavailable for the use for which it was intended. With authority to carry over funds, TPWD would be better able to strategically plan and carry out a portfolio of capital construction projects that carry a five-year life cycle. This would ensure that the time and money spent on design would not go to waste as projects could be carried out to fruition through construction.

- **State Parks Business System Contract Costs**

TPWD's State Parks Business System allows visitors to go online to pick specific campsites or overnight facilities in advance, purchase a "Save the Day" pass to ensure access to a park on a specific date and time, and to buy a State Parks Pass. The contract for the system is structured on a percent of revenue basis, meaning that contract costs will fluctuate depending on park revenues in any given year. Flexibility to address contract cost increases, that are driven by increases in park revenues, would help ensure TPWD could pay the vendor without sustaining budget reductions in other areas of park operations.

TPWD will be requesting a new rider that would grant TPWD flexibility to pay increased contract costs out of increased revenues without adverse impact to other state park operations budgets.

- **Cultivated Oyster Mariculture**

H.B. 1300 (86th R.S.) authorized the Texas Parks and Wildlife Commission to establish a Cultivated Oyster Mariculture program. Article IX, Section 18.06 of the 2020-21 GAA appropriated all fees collected from the related permits and activities to TPWD. The Texas Parks and Wildlife Commission adopted new rules concerning the Cultivated Oyster Mariculture program during the May 21, 2020 commission meeting, and it is expected that the program will be underway in FY2021. Site inspections will need to occur within a year after permit issuance (beginning in FY2022).

TPWD will be requesting that the current Article IX contingency rider (Sec. 18.06. Contingency for H.B. 1300) be moved to TPWD's bill pattern and modified to reflect inclusion of estimated amounts above the line. In addition, TPWD is requesting that the language be expanded to allow carry forward of estimated unexpended balances across biennia. These changes will ensure that TPWD is able to use the fees generated from the Cultivated Oyster Mariculture program as intended by the Legislature and consistent with expectations of those paying the fees.

- **Oyster Shell Recovery and Cultch Replacement Receipts**

Rider #27 in TPWD's GAA bill pattern (Article VI) allows receipts from the sale of oyster shell recovery tags and oyster cultch replacement fees to be used for the recovery and enhancement of public oyster reefs. Although the rider allows any unexpended balances at the end of FY2020 to be appropriated for the same purpose for FY2021, it does not allow TPWD to carry-forward receipts into the next biennium. Cultch placement efforts often require accumulation of a sufficient balance prior to initiation of activities. As such, the current two-year cycle hampers the Department's ability to ensure effective cultch placement projects and activities.

During the upcoming legislative session, TPWD plans to request that if there are any cash or budget balances in the Oyster Shell Recovery & Replacement Account at the end of FY2021, TPWD will have the authority to expend those amounts in the 2022-23 biennium for the purpose of oyster reef recovery and enhancement. This change would allow TPWD to better optimize programmatic decisions regarding cultch placement and also ensure that TPWD is able to use the funds consistent with legislative intent and expectations of the commercial entities that pay the fees.

- **Marl, Sand, Gravel, Shell, and Mudshell Permits (H.B. 2805)**

H.B. 2805 (86th R.S.) amended Texas Parks and Wildlife Code Chapter 86, relating to marl, sand, gravel, shell and mudshell permits. The bill resulted in statutory changes to permit application forms and procedures, permitting requirements, permit exemptions, and reporting requirements. The bill specifically required the Texas Parks and Wildlife Commission to adopt rules regarding the delivery and format of a final permit report. The statutory changes necessitated changes to sand and gravel rules in 31 Texas Administrative Code Chapter 69. The Texas Parks and Wildlife Commission adopted

necessary rules changes during its August 21, 2019 commission meeting and the final rules were published in the Texas Register on September 13, 2019.

- **Statewide Aquatic Vegetation and Invasive Species Management (Rider #29)**

Aquatic invasive species negatively affect water infrastructure, municipal and agricultural water supplies, waterfront property values, boating and other water-based recreation, fish and wildlife, and related fishing and hunting opportunities. To combat these issues, the 84th, 85th, and 86th Legislatures allocated a substantial and previously unprecedented level of funding for statewide management of aquatic invasive species in the amount of approximately \$3.2 million per year. These resources have enabled TPWD and partners to implement a comprehensive, statewide program to combat aquatic invasive species. It includes a public outreach campaign designed to increase awareness of aquatic invasive species issues and prevent their spread. The campaign uses diverse media ranging from billboards to geofenced digital radio ads and social media to reach Texans and has made more than 850 million "impressions" over the past five years. Aquatic invasive vegetation, such as giant salvinia and water hyacinth, impede boater access and impact ecosystems, and TPWD has made meaningful progress in management of these species on over 50 water bodies statewide. Eradication of aquatic invasive species has occurred on five lakes. River and creekside invasive plants such as giant reed and saltcedar that degrade these sensitive habitats are being managed in partnership with landowners on nearly 450 properties located along six ecologically-important riverscapes. Through TPWD-coordinated partnership efforts, early detection and population monitoring for zebra mussels is being conducted on 60 water bodies each year.

- **Recreation Grants and the status of special Local Park Grants (Rider #37)**

Local parks provide invaluable outdoor recreational and educational opportunities for communities around the state and help contribute to the physical, social, and mental well-being of its residents. They also offer positive and demonstratable economic impacts to communities. Funding for the Local Park Grant Program comes from a portion of the state sales tax on sporting goods through the Texas Recreation and Parks Account and the Texas Large County & Municipality Recreation & Parks Account. Additional funds come from off-shore gas royalties through the federal Land and Water Conservation Fund.

On August 27, 2020, the Texas Parks and Wildlife Commission approved over \$15 million in competitive local park grants to help fund projects that will create and enhance outdoor recreational opportunities like nature trails, native gardens, playgrounds, splash pads, dog parks, and sports fields at 30 community parks across the state. The grants, allocated to local government entities, appropriate state and federal funding dedicated for the acquisition and/or development of public recreation areas and facilities in Texas on a 50/50 reimbursement match basis. Once funded, all grant-assisted sites must be dedicated as parkland in perpetuity, properly maintained and open to the public. The

Texas Parks and Wildlife Commission administers the local park grants program for the state of Texas and awards projects in various categories based on community population size and scope. Urban Outdoor Recreation Grants are reserved for cities having populations exceeding 500,000, with projects in three communities receiving grants. The Non-Urban Outdoor Recreation Grants are dedicated to funding park projects in municipalities under 500,000 and the Texas Parks and Wildlife Commission approved awards to projects in 15 communities. The Small Community Recreation Grants are for park projects in towns of less than 20,000 and were awarded to 12 communities.

An issue has arisen that some local park grants may expire at the end of the 2020-2021 biennium that have not finished construction because of delays due to the COVID-19 pandemic. TPWD is working to assist the communities where possible so that they do not lose their grant funding mid-project. If a resolution is not available, TPWD will evaluate options to seek assistance from the Legislature if appropriate.

In addition, the 86th Legislature specifically appropriated \$12 million to TPWD in FY2020 for certain local park grants in the following cities, which includes the current status of the grants.

a. *\$1 million for construction and renovation of park facilities in the City of Edcouch*

The MOA between the City of Edcouch and TPWD was signed on October 6, 2019. The project is about 60% completed, with expected completion of the community center and renovated swimming pool by November 2020.

b. *\$1 million for construction and renovation of park facilities in the City of La Feria*

The MOA between the City of La Feria and TPWD was signed on October 9, 2019. Final plans and specifications have been finalized. The procurement process is anticipated to begin before the end of September 2020.

c. *\$1 million for the development of the Amalie L. "Amy" Koppel Memorial All-Inclusive Playground in the City of Harlingen*

The MOA between the City of Harlingen and TPWD was signed on October 6, 2019. The City anticipates beginning park improvements and construction in November 2020.

d. *\$1 million for construction and renovation of the Keith-Weiss Park in the City of Houston*

The MOA between the City of Houston and TPWD was signed on February 14, 2020. Work has begun on identifying the needs of the community and establishing the priority process for the park. A Community Survey is currently underway to develop a project scope.

e. \$1 million for development of the Alma Allen Park in Harris County

The MOA between Harris County and TPWD was signed on August 24, 2020. Funds are anticipated to be disbursed in October 2020.

f. \$1 million for construction and renovation of Melrose Park in the City of Houston

The MOA between the City of Houston and TPWD was signed on February 14, 2020. The City of Houston has begun work on identifying the needs of the community and establishing the priority process for the park.

g. \$5 million for development of the Northside Research, Innovation, Wellness Center, and Multi-Specialty Facility in the City of Pharr

The MOA between the City of Pharr and TPWD was signed on October 14, 2019. The City of Pharr is finalizing the design phase. The project is expected to begin construction in early November 2020. All facets of the project are slated to be constructed by April 2021.

h. \$1 million for development of the Judge Charles Rose, Sr. Park in the City of Dallas

The MOA between the City of Dallas and TPWD was signed on January 22, 2020. The City of Dallas and The Trust for Public Land have entered into a design and development agreement and are holding virtual public meetings in the coming weeks to gather public input. Project design is expected to be completed this winter with construction commencing shortly thereafter.

Battleship TEXAS Restoration Project

Invoice #: BTF/ESRP-012
Invoice Date: 8/15/20
TPWD Project #: 190085
Contract / PO #: 526402
Valley Project 131901

Bill to: Craig Mueller / Craig Mueller@tpwd.texas.gov
Texas Parks and Wildlife Department
Infrastructure Division
4000 Smith School Road
Austin, Texas 78744

Email to: Craig Mueller@tpwd.texas.gov
Ray.Mueller@tpwd.texas.gov
Neil.Thomas@tpwd.texas.gov

Total of All Payments Not to Exceed: \$ 35,000,000.00

Funding Disbursement Milestones			Deliverables to TPWD				Individual % of the Milestone	Value	Previously Drawn	Amount this Draw	Drawn to Date	% Drawn to Date - Milestone	% Drawn to Date - Category	% Drawn to Date - Overall	
Preparation/Permitting	2.25%	\$ 57,700,000	5%			Basic Engineering Reports and Contract executed between STP & Agent	25%	\$ 437,500	\$ 437,500	\$ -	\$ 437,500	100.00%	25.00%	5.68%	1.12%
						Project Charter approved by STP	10%	\$ 175,000	\$ 175,000	\$ -	\$ 175,000	100.00%	10.00%	2.27%	0.50%
						ICOM - "Kick off Meeting" - Meetings Minutes	10%	\$ 175,000	\$ 175,000	\$ -	\$ 175,000	100.00%	10.00%	2.27%	0.50%
						Marine Survey & Current Assessment Report	10%	\$ 175,000	\$ 175,000	\$ -	\$ 175,000	100.00%	10.00%	2.27%	0.50%
						Transport Engineering Report issued for Comments to MNWS	10%	\$ 175,000	\$ 175,000	\$ -	\$ 175,000	100.00%	10.00%	2.27%	0.50%
Preparation/Permitting	2.25%	\$ 57,700,000	5%			Transport Engineering Report Approved by MNWS	10%	\$ 175,000	\$ -	\$ -	\$ -	0.00%	0.00%	0.00%	
						Certificate of Insurance for Project	25%	\$ 437,500	\$ 196,875	\$ -	\$ 196,875	45.00%	11.25%	2.56%	0.56%
						Subtotal	\$ 1,750,000	\$ 1,334,375	\$ -	\$ 1,334,375	76.25%	17.33%	3.81%		
	5%	\$ 51,750,000	5%	Tow Out		Monthly Progress Report for Monthly Drawdown	100%	\$ 1,750,000	\$ 1,300,000	\$ 120,000	\$ 1,320,000	75.43%	17.14%	3.77%	
						Subtotal	\$ 1,750,000	\$ 1,300,000	\$ 120,000	\$ 1,320,000	75.43%	17.14%	3.77%		
	5%	\$ 51,750,000	12%			Agent & Dredging subcontractor - Execution Window (Time Slot) T&C Contract	25%	\$ 1,050,000	\$ 1,050,000	\$ -	\$ 1,050,000	100%	25.00%	13.64%	3.00%
						Agent & Towing subcontractor Execution Window (Time Slot) T&C Contract	25%	\$ 1,050,000	\$ -	\$ -	\$ -	0%	0.00%	0.00%	0.00%
						Dredging Complete - Dredging Report	40%	\$ 1,680,000	\$ -	\$ -	\$ -	0%	0.00%	0.00%	0.00%
						Dead Ship Tow Plan Completed - Dead Ship Tow Letter issued by USCG	10%	\$ 420,000	\$ -	\$ -	\$ -	0%	0.00%	0.00%	0.00%
						Subtotal	\$ 4,200,000	\$ 1,950,000	\$ -	\$ 1,950,000	25.00%	13.64%	3.00%	10.55%	
	5%	\$ 51,750,000	5%	Tow Out		Ship Preparation Services Contract - Confirmation of Mobilization/Arrival of equipment and personal	10%	\$ 175,000	\$ 175,000	\$ -	\$ 175,000	100.00%	10.00%	0.50%	
						Buoyancy Aid Equipment Contract - Purchasing of Equipment Receipt	30%	\$ 325,000	\$ 325,000	\$ -	\$ 325,000	100%	30.00%	30.00%	1.50%
						Buoyancy Aid Confirmation of Receipt / Delivery	20%	\$ 350,000	\$ 35,000	\$ 157,500	\$ 192,500	55%	11.00%	11.00%	0.25%
						Buoyancy Equipment Installed - Installation Report	20%	\$ 350,000	\$ 35,000	\$ -	\$ 35,000	10%	2.00%	2.00%	0.10%
						Towing Equipment Installed - Installation Report	15%	\$ 262,500	\$ -	\$ -	\$ -	0%	0.00%	0.00%	0.00%
	5%	\$ 51,750,000	10%			Insurance Clearance - Release from Marine Warranty Surveyor or Insurance Rep.	5%	\$ 87,500	\$ -	\$ -	\$ -	0%	0.00%	0.00%	
						Subtotal	\$ 1,750,000	\$ 770,000	\$ 157,500	\$ 927,500	53.00%	53.00%	2.65%	2.65%	
Shipyard Repair	63%	\$ 22,050,000	13%			Agent and Shipyard Execution Window (Time Slot) with T&C Contract	20%	\$ 4,410,000	\$ -	\$ -	\$ -	0.00%	0.00%	0.00%	
						Battiship Received Report Issued by Shipyard	20%	\$ 4,410,000	\$ -	\$ -	\$ -	0.00%	0.00%	0.00%	0.00%
						Progress Report including Shipyard Progress Report & Agent QA/QC Report	15%	\$ 3,307,500	\$ -	\$ -	\$ -	0.00%	0.00%	0.00%	0.00%
						Progress Report including Shipyard Progress Report & Agent QA/QC Report	15%	\$ 3,307,500	\$ -	\$ -	\$ -	0.00%	0.00%	0.00%	0.00%
						Progress Report including Shipyard Progress Report & Agent QA/QC Report	15%	\$ 3,307,500	\$ -	\$ -	\$ -	0.00%	0.00%	0.00%	0.00%
Tow Back	5%	\$ 22,050,000	3%			Agent & Towing subcontractor Execution Window (Time Slot) T&C Contract	60%	\$ 1,050,000	\$ -	\$ -	\$ -	0.00%	0.00%	0.00%	
						Insurance Clearance to Return	40%	\$ 700,000	\$ -	\$ -	\$ -	0.00%	0.00%	0.00%	0.00%
						Subtotal	\$ 1,750,000	\$ -	\$ -	\$ -	0.00%	0.00%	0.00%	0.00%	
Tie Up	5%	\$ 51,750,000	5%			Acceptance from Receiving Port / Insurance Release / Marine Warranty Surveyor Release / Shipyard Release of Lien	100%	\$ 1,750,000	\$ -	\$ -	\$ -	0.00%	0.00%	0.00%	
						Subtotal	\$ 1,750,000	\$ -	\$ -	\$ -	0.00%	0.00%	0.00%	0.00%	
Grand Totals							\$ 35,000,000	\$ 4,354,375	\$ 277,500	\$ 4,631,875				13.23%	

Interim Charge 4 Response

Evaluate funding provided to the Texas Parks and Wildlife Department for the repair, maintenance, and upgrade of state park facilities. Determine the facilities that are in most need of repair, maintenance, or upgrade and examine the costs associated with such repairs, maintenance, or upgrades.

The following information and sets of project data address Interim Charge 4 by providing both active project information as well as future project needs.

- **Active Capital Construction State Parks Projects (See Attachment B)**

State Park projects currently underway within the Department's Capital Construction portfolio.

- Total Project Estimate - sum of all costs estimated to deliver a project
- Sum of Budgeted - funds allocated for use on a project
- Sum of Encumbered - services bound by a contract not yet expended
- Sum of Expended - payment for services received
- Sum of Available – Budgeted less Encumbered less Expended

- **Future State Park Needs: Legislative Appropriations Request (LAR) proposed project list**

The Legislative Appropriations Request (LAR) proposed project list includes the Department's proposed capital construction needs which have been identified and priority ranked via coordination between the Infrastructure Division and other divisions. TPWD utilizes a methodology in which the Infrastructure Division, in conjunction with the appropriate divisions (specifically, State Parks, Wildlife, Coastal Fisheries, Inland Fisheries, Support Resources, and Law Enforcement), develops a list of the priority projects in preparation for the biennial LAR. This list of division-specific priority projects is evaluated and ranked according to certain criteria, including such things as health and safety needs, regulatory compliance, business continuity, potential funding, and other factors.

Those priority projects are then presented and discussed with the Executive Office for final review before submittal in the LAR at the start of each biennial funding opportunity. Additionally, individual divisions have the authority to address smaller dollar maintenance and repair projects as necessary.

The LAR proposed project list is currently under development as the agency prepares its biennial Legislative Appropriations Request which is due in early October. Once the list is finalized, it will be provided to the House Appropriations Committee as an addendum to this response.

- **State Parks Minor Repair Projects**

The State Parks Minor Repair Program prioritizes repair projects that ensure that park facilities are safe, accessible, and open to the public. Typical projects include air conditioner repairs, pump replacements, roof replacements, and severe weather damage repairs along with agency priorities such as accessibility improvements.

In FY2020, the Minor Repair Program was allocated approximately \$4.2 million (for both Minor Repair and Housing Emoluments). The program executed approximately \$3.2 million in funding during FY2020. The impacts of the agency's COVID-19 operational adjustments, along with the CAPPs Financials transition, resulted in a delay of several planned projects. This resulted in approximately \$800,000 of remaining FY2020 funds that will UB into FY2021.

The FY2021 forecast includes \$4.2 million in appropriations, plus the FY2020 UB authority for a total program budget of approximately \$5 million. The forecast for the FY2021 Minor Repair Program budget is as follows: 50% (\$2.5 million) for known and priority projects, 10% (\$500,000) for accessibility improvement specific projects, 7% (\$350,000) for interpretive services, 3% (\$150,000) for program systems, and the remainder for unforeseen and emergency projects. Any remaining funds in the Minor Repair Program will be allocated towards accessibility improvements throughout the State Parks System.

Texas Parks and Wildlife Department
Active Capital Construction
State Parks Projects

Project #	Project/Location/Description	Total Project Estimate	Sum of Budgeted	Sum of Encumbered	Sum of Expended	Sum of Available
1110100	BIG BEND RANCH SP. BUILDING RENOVATIONS	\$ 521,182.31	\$ 521,182.31	\$ 384,838.20	\$ 100,439.27	\$ 35,904.84
1110116	FORT PARKER SP. NATURE CENTER REPAIRS	\$ 167,925.00	\$ 167,925.00	\$ 167,925.00	\$ -	\$ -
1110146	HUECO TANKS SHS. INTERPRETIVE CENTER RENOVATIONS	\$ 825,084.00	\$ 75,000.00	\$ -	\$ -	\$ 75,000.00
1110147	BALMORHEA SP. HEADQUARTERS REPLACEMENT	\$ 87,500.00	\$ 87,500.00	\$ -	\$ -	\$ 87,500.00
1110151	SOUTH LLANO RIVER SP. WATER UTILITY UPGRADES	\$ 314,660.00	\$ 314,660.00	\$ 172,197.00	\$ 118.97	\$ 142,344.03
1110153	REGION 5 SP. ROOF REPLACEMENTS	\$ 648,688.00	\$ 648,688.00	\$ -	\$ -	\$ 648,688.00
1110156	BALMORHEA SP. WASTEWATER SYSTEM ASSESSMENT AND REPAIRS	\$ 1,067,530.39	\$ 1,067,530.39	\$ 351,464.63	\$ 280,382.95	\$ 435,682.81
1110159	FT RICHARDSON SP. REPLACE FISHING PIER	\$ 23,215.25	\$ 23,215.25	\$ 21,870.00	\$ -	\$ 1,345.25
1110160	BALMORHEA MANAGER'S RESIDENCE ROOF REPLACEMENT	\$ 1,041,376.32	\$ 1,041,376.32	\$ 153,226.40	\$ 858,640.15	\$ 29,509.77
1110166	WYLER AERIAL TRAMWAY UPGRADES TO DRIVE SYSTEM	\$ 5,408,073.70	\$ 5,408,073.70	\$ 33,393.64	\$ 372,942.07	\$ 5,001,737.99
1110169	MONAHANS SP. VISITOR CENTER REPAIRS AND HQ RESTROOM REPLACEMENT	\$ 2,574,168.00	\$ 2,574,168.00	\$ 536,007.18	\$ 24,170.91	\$ 2,013,989.91
1110206	SEMINOLE CANYON SHS. HEADQUARTERS REPAIRS	\$ 250,000.00	\$ 250,000.00	\$ -	\$ 2,266.22	\$ 247,733.78
1110210	PALO DURO SP. WATER LINES REPLACEMENTS	\$ 145,000.00	\$ 145,000.00	\$ -	\$ -	\$ 145,000.00
1110211	BALMORHEA SP. HISTORIC COMPLEX RENOVATIONS	\$ 125,000.00	\$ 125,000.00	\$ -	\$ -	\$ 125,000.00
1110212	ENCHANTED ROCK SNA. SECONDARY WATER TOWER CONSTRUCTION	\$ 178,165.50	\$ 178,165.50	\$ 174,902.50	\$ 20.08	\$ 3,242.92
1110241	BIG BEND RANCH SP. COMPOSTING TOILET REPLACEMENTS	\$ 100,000.00	\$ 100,000.00	\$ 34,524.75	\$ -	\$ 65,475.25
1110246	INDIAN LODGE SP. UTILITIES ENVELOPE AND PARKING LOT UPGRADES	\$ 529,725.00	\$ 529,725.00	\$ 352,412.00	\$ -	\$ 177,313.00
1110305	Indian Lodge - Black Bear Restaurant Roof Replacement	\$ 992,985.87	\$ 992,985.87	\$ 446,317.59	\$ 541,684.62	\$ 4,983.66
1110331	GARNER SP. REPLACE HQ ROOF	\$ 85,000.00	\$ 85,000.00	\$ -	\$ 84,053.08	\$ 946.92
1110348	LAKE MINERAL WELLS SP. REPLACE ROOFS ON ADMINISTRATION AND TRAINING CENTER AND PARK HQ BUILDINGS	\$ 85,000.00	\$ 85,000.00	\$ -	\$ 85,000.00	\$ -
1110393	LONGHORN CAVERN SP. VISITOR CENTER ROOF REPAIRS AND REPLACEMENT	\$ 204,000.00	\$ 204,000.00	\$ -	\$ -	\$ 204,000.00
1110394	GARNER SP. REPLACE ROOFS ON CABINS 4, 9, 10, AND 13	\$ 113,470.24	\$ 113,470.24	\$ 3,015.80	\$ 110,454.44	\$ (0.00)
1110464	BALMORHEA SP. REPLACE CCC PERGOLA AND FENCE	\$ 1,355,540.90	\$ 1,355,540.90	\$ 664,125.03	\$ 541,860.32	\$ 149,555.55
1110586	DINOSAUR VALLEY SP. WASTEWATER TREATMENT PLANT UPGRADE	\$ 150,000.00	\$ 150,000.00	\$ 79,819.00	\$ 6,540.20	\$ 63,640.80
1112741	TYLER SP. REPLACE PARK HQ BUILDING TO BE ADA COMPLIANT	\$ 974,428.99	\$ 974,428.99	\$ 159,373.52	\$ 760,636.38	\$ 54,419.09
114228	COLORADO BEND SP. WATER TREATMENT PLANT REPLACEMENT	\$ 1,366,158.58	\$ 1,366,158.58	\$ 229,493.30	\$ 1,064,663.53	\$ 72,001.75
114238	INKS LAKE SP. REPLACE HEADQUARTERS BUILDING	\$ 723,881.19	\$ 723,881.19	\$ 515,957.35	\$ 146,671.83	\$ 61,252.01
114243	PEDERNALES FALLS SP. UPGRADE WATER AND WASTEWATER SYSTEM	\$ 1,364,312.25	\$ 1,364,312.25	\$ 297,349.81	\$ 1,064,985.92	\$ 1,976.52
114525	PALO DURO CANYON SP. WATER SUPPLY UTILITY UPGRADES	\$ 5,254,196.76	\$ 5,254,196.76	\$ 4,100,768.61	\$ 919,587.65	\$ 233,840.50
116020	FRANKLIN MOUNTAINS SP. BUILD NEW VISITOR CENTER	\$ 6,810,603.49	\$ 6,810,603.49	\$ 161,680.14	\$ 5,495,688.49	\$ 1,153,234.86
116036	INKS LAKE SP. BOAT RAMP	\$ 753,205.61	\$ 753,205.61	\$ 88,256.20	\$ 655,999.88	\$ 8,949.53
116151	SEMINOLE CANYON SHS. CAMP LOOP UPGRADES	\$ 2,744,465.43	\$ 2,744,465.43	\$ 329,556.18	\$ 2,414,664.76	\$ 244.49
116471	BALMORHEA SP. RENOVATE CCC MOTOR COURT, UPGRADE UTILITIES AND REPLACE HQ	\$ 12,379,079.94	\$ 12,379,079.94	\$ 4,893,889.33	\$ 6,627,197.69	\$ 857,992.92
116769	BASTROP SP. DAM REHABILITATION AND SHORE STABILIZATION	\$ 1,599,577.34	\$ 1,599,577.34	\$ 870,744.76	\$ 721,251.05	\$ 7,581.53
116921	PALO DURO SP. REPLACE HQ BUILDING	\$ 688,391.71	\$ 688,391.71	\$ 21,201.77	\$ 655,108.92	\$ 12,081.02
117106	INDIAN LODGE. REPLACE EXTERIOR PLASTER AND HVAC	\$ 1,916,677.99	\$ 1,916,677.99	\$ 107,275.67	\$ 1,784,482.72	\$ 24,919.60

Texas Parks and Wildlife Department
Active Capital Construction
State Parks Projects

Project #	Project/Location/Description	Total Project Estimate	Sum of Budgeted	Sum of Encumbered	Sum of Expended	Sum of Available
117503	INKS LAKE SP.RESTROOM REPLACEMENT	\$ 2,810,241.96	\$ 2,810,241.96	\$ 0.00	\$ 2,788,854.27	\$ 21,387.69
117504	GARNER SP.WATER SYSTEM UPGRADES	\$ 3,968,729.61	\$ 3,968,729.61	\$ 1,897,673.90	\$ 2,010,946.46	\$ 60,109.25
117505	STATEWIDE.RESTROOM REPLACEMENT	\$ 4,368,377.66	\$ 4,368,377.66	\$ 1,600,602.43	\$ 2,715,477.48	\$ 52,297.75
118265	RAY ROBERTS SP.RENOVATE LANTANA LODGE AND MARINA	\$ 41,926.79	\$ 41,926.79	\$ 1,337.67	\$ 29,293.49	\$ 11,295.63
118271	PALO PINTO MOUNTAINS SP.PLANNING & DESIGN TO DEVELOP A NEW PARK	\$ 19,269,833.95	\$ 19,269,833.95	\$ 2,811,268.74	\$ 5,180,861.52	\$ 11,277,703.69
118540	DEVIL'S RIVER SNA.SITE DEVELOPMENT AND VISITOR CHECK-IN	\$ 3,356,363.95	\$ 3,356,363.95	\$ 507,734.50	\$ 434,936.30	\$ 2,413,693.15
118686	BUFSCHER SP.LAKE DAM SPILLWAY EROSION REPAIRS.HARVEY	\$ 8,272,956.87	\$ 8,272,956.87	\$ 963,061.38	\$ 1,488,184.40	\$ 5,821,711.09
1210019	SAN JACINTO BATTLEGROUND SHP.NORTHSHORE RESTORATION	\$ 230,080.34	\$ 230,080.34	\$ 729.90	\$ 200,559.83	\$ 28,790.61
1210062	GOLIAD SHS.HARVEY REPAIRS	\$ 452,994.52	\$ 452,994.52	\$ 76,166.21	\$ 358,756.01	\$ 18,072.30
1210094	GOOSE ISLAND SP.PARK FACILITY REPAIRS.HARVEY	\$ 2,970,467.12	\$ 2,970,467.12	\$ 15,609.75	\$ 2,952,150.15	\$ 2,707.22
1210136	EISENHOWER SP.RESTROOM REPLACEMENT	\$ 1,010,000.00	\$ 1,010,000.00	\$ 231,899.41	\$ 36,002.57	\$ 742,098.02
1210194	CEDAR HILL SP.CAMP LOOP REPAIRS	\$ 500,000.00	\$ 500,000.00	\$ 19,408.00	\$ -	\$ 480,592.00
1210196	LAKE CORPUS CHRISTI SP.RESTROOM REPLACEMENT	\$ 500,000.00	\$ 500,000.00	\$ 244,212.20	\$ 30,565.27	\$ 225,222.53
1210220	STATEWIDE.ROOF REPLACEMENTS	\$ 250,000.00	\$ 250,000.00	\$ 39,697.00	\$ -	\$ 210,303.00
1210222	MARTIN CREEK LAKE SP.ROOF REPLACEMENTS	\$ 140,000.00	\$ 140,000.00	\$ 110,449.30	\$ -	\$ 29,550.70
1210224	PURTIS CREEK SP.ROOF REPLACEMENTS	\$ 61,020.74	\$ 61,020.74	\$ 51,020.74	\$ -	\$ 10,000.00
1210229	BONHAM SP. ROOF REPLACEMENTS	\$ 350,000.00	\$ 350,000.00	\$ 74,112.72	\$ -	\$ 275,887.28
1210230	CEDAR HILL SP.RENOVATIONS TO PENN FARM HISTORIC BUILDINGS	\$ 500,000.00	\$ 500,000.00	\$ 40,983.00	\$ -	\$ 459,017.00
1210232	MARTIN DIES JR SP.LIFT STATION REPAIRS	\$ 358,997.25	\$ 358,997.25	\$ -	\$ -	\$ 358,997.25
1210233	MARTIN DIES JR SP.FISHING PIERS REPLACEMENT	\$ 50,000.00	\$ 50,000.00	\$ -	\$ -	\$ 50,000.00
1210239	MISSION TEJAS SHS.UTILITY UPGRADES	\$ 477,023.00	\$ 477,023.00	\$ 442,170.27	\$ 4,175.84	\$ 30,676.89
1210250	BRAZOS BEND SP.REPAIR LEVEE.HARVEY	\$ 2,359,571.55	\$ 2,359,571.55	\$ 277,750.85	\$ 310,005.02	\$ 1,771,815.68
1210251	HUNTSVILLE SP.TOWER AND INTAKE STRUCTURE REPLACEMENT	\$ 355,000.00	\$ 355,000.00	\$ 34,086.00	\$ 11,646.55	\$ 309,267.45
1210280	STATEWIDE SP.IT UPGRADES	\$ 750,000.00	\$ 750,000.00	\$ -	\$ -	\$ 750,000.00
1210293	GOLIAD SP.PHASE 2 MAINTENANCE COMPLEX.HARVEY	\$ 773,488.00	\$ 162.80	\$ -	\$ 162.80	\$ (0.00)
1210294	STEPHEN F AUSTIN SHS.PHASE 2 FLOOD DAMAGE REPAIRS	\$ 237,497.20	\$ 237,497.20	\$ 203,473.00	\$ 34,024.20	\$ (0.00)
1210367	RAY ROBERTS LAKE SP-ISLE DE BOIS UNIT.REPLACE ROOFS ON ELM POINT EAST AND WEST BOAT RAMP COMFORT STATIONS	\$ 63,000.00	\$ 63,000.00	\$ 0.00	\$ 60,560.31	\$ 2,439.69
1210375	MARTIN CREEK LAKE SP.REPLACE ROOFS ON THREE BUILDINGS	\$ 90,000.00	\$ 90,000.00	\$ -	\$ 85,804.54	\$ 4,195.46
1210381	LAKE TAWAKONI SP.REPLACE ROOFS ON SP HQ AND RESTROOM	\$ 86,500.00	\$ 86,500.00	\$ -	\$ 85,259.31	\$ 1,240.69
1210447	MUSTANG ISLAND SP.REPLACE RESIDENCES	\$ 207,655.10	\$ 207,655.10	\$ 55,692.97	\$ 139,803.63	\$ 12,158.50
1210843	LAKE CORPUS CHRISTI SP.NATURAL PLAYSCAPE	\$ 125,000.00	\$ 125,000.00	\$ 1,675.00	\$ 175.00	\$ 123,150.00
122178	LAKE SOMERVILLE SP - BIRCH CREEK.REPLACE WASTEWATER TREATMENT PLANT	\$ 2,640,000.00	\$ 2,640,000.00	\$ 22,919.55	\$ 2,614,314.45	\$ 2,766.00
122865	HUNTSVILLE SP.REPAIR CCC BOATHOUSE AND LODGE PATIO WALL	\$ 279,644.10	\$ 279,644.10	\$ 13,415.92	\$ 259,443.33	\$ 6,784.85
124553	FORT BOGGY SP.PHASE II DEVELOPMENT	\$ 1,834,704.15	\$ 1,834,704.15	\$ 696,300.77	\$ 852,667.20	\$ 285,736.18
126107	SAN JACINTO BATTLEGROUND SHP.REFLECTION POOL PRELIMINARY ENGINEERING REPORT	\$ 231,363.53	\$ 231,363.53	\$ 729.20	\$ 223,766.12	\$ 6,868.21
126472	GOLIAD SHS.WASTEWATER SYSTEM UPGRADE	\$ 325,048.13	\$ 325,048.13	\$ 79,100.32	\$ 215,905.33	\$ 30,042.48

Texas Parks and Wildlife Department
Active Capital Construction
State Parks Projects

Project #	Project/Location/Description	Total Project Estimate	Sum of Budgeted	Sum of Encumbered	Sum of Expended	Sum of Available
126912	CADDO LAKE SP.UPGRADE WATER SYSTEM	\$ 557,197.83	\$ 557,197.83	\$ 5,837.39	\$ 547,648.55	\$ 3,711.89
127361	STATEWIDE - STATE PARKS.EL CAMINO REAL PROGRAM-REPAIRS/TENOVATIONS TO EXISTING FACILITIES	\$ 6,619,256.12	\$ 6,619,256.12	\$ 19,456.59	\$ 6,532,027.65	\$ 67,771.88
127381	SEA RIM SP.H IKE - STATE PARK IMPROVEMENTS - BP	\$ 618,333.64	\$ 618,333.64	\$ 0.00	\$ 534,412.12	\$ 83,921.52
127436	GALVESTON ISLAND SP.H IKE - CONSTRUCTION OF BEACHSIDE FACILITIES - BP	\$ 12,812,963.51	\$ 12,812,963.51	\$ 302,122.96	\$ 2,019,550.30	\$ 10,491,290.25
127438	LAKE LIVINGSTON SP.REPAIR AND UPGRADE MARINA AREA AND FISHING PIER ACCESSIBILITY	\$ 2,356,473.00	\$ 2,356,473.00	\$ 1,204,435.49	\$ 792,356.97	\$ 359,680.54
127490	BATTLESHIP TEXAS.STRUCTURAL REPAIRS	\$ 25,121,416.85	\$ 25,121,416.85	\$ 0.00	\$ 25,120,916.85	\$ 500.00
127510	STEPHEN F AUSTIN SHS.INSTALL WASTEWATER TREATMENT PLANT EQUALIZATION BASIN	\$ 912,301.40	\$ 912,301.40	\$ 8,063.24	\$ 869,106.13	\$ 35,132.03
127842	BRAZOS BEND SP.RADIO TOWER PERMITTING	\$ 155,754.64	\$ 155,754.64	\$ 0.00	\$ 155,754.64	\$ 0.00
128106	PALMETTO SP.GROUP CAMP AREA EROSION CONTROL AND BANK STABILIZATION	\$ 384,748.38	\$ 384,748.38	\$ 3,050.25	\$ 116,341.82	\$ 265,356.31
128269	CEDAR HILL SP.CEDAR HILL FLOOD REPAIRS	\$ 19,336,923.24	\$ 19,336,923.24	\$ 7,775,749.80	\$ 11,547,547.27	\$ 13,626.17
128302	RAY ROBERTS LAKE SP.FLOOD DAMAGE REPAIRS	\$ 3,788,174.54	\$ 3,788,174.54	\$ 334,398.07	\$ 2,952,703.00	\$ 501,073.47
128406	STEPHEN F AUSTIN SP.FLOOD DAMAGE REPAIRS	\$ 3,695,381.87	\$ 3,695,381.87	\$ 1,286,404.08	\$ 2,404,321.79	\$ 4,656.00
128676	ROCKPORT OFFICE.ROOF REPAIRS AND WEATHER RELATED REPAIRS.HARVEY	\$ 610,467.21	\$ 610,467.21	\$ 0.00	\$ 596,897.49	\$ 13,569.72
128695	VILLAGE CREEK SP.FACILITY DAMAGE REPAIRS.HARVEY	\$ 616,000.00	\$ 616,000.00	\$ 51,700.16	\$ 532,600.36	\$ 31,699.48
128702	MUSTANG ISLAND SP.FACILITY REPAIRS.HARVEY	\$ 1,656,260.61	\$ 1,656,260.61	\$ 933,887.33	\$ 531,374.53	\$ 190,998.75
132416	HILL COUNTRY SP.WATER SYSTEM REPLACEMENT AND DISTRIBUTION	\$ 1,445,317.95	\$ 1,445,317.95	\$ 0.22	\$ 1,423,652.07	\$ 21,665.66
132907	BASTROP SP.RENOVATE GROUP BARRACKS COMPLEX	\$ 3,879,637.18	\$ 3,879,637.18	\$ 48,843.83	\$ 3,830,307.73	\$ 485.62
134232	HILL COUNTRY SNA.REPLACE WELL AT GROUP LODGE	\$ 681,081.05	\$ 681,081.05	\$ 1,006.09	\$ 670,227.78	\$ 9,847.18
134234	GARNER SP.RESTROOM REPLACEMENT	\$ 1,125,257.35	\$ 1,125,257.35	\$ 66,818.89	\$ 978,770.85	\$ 79,667.61
134245	SOUTH LLANO RIVER SP.HEADQUARTERS BUILDING RENOVATION AND EXPANSION	\$ 3,547,921.93	\$ 3,547,921.93	\$ 279,513.07	\$ 525,615.17	\$ 2,742,793.69
136423	DAVIS MOUNTAINS SP.COMPLEX.COMMUNICATIONS BLDG WILDFIRE REPAIRS	\$ 254,744.17	\$ 254,744.17	\$ 15,719.06	\$ 230,276.90	\$ 8,748.21
137357	BALMORHEA SP.REPAIR MOTEL ROOM ROOFS AND REPLACE LAUNDRY FACILITY	\$ 2,587,911.25	\$ 2,587,911.25	\$ 380,283.23	\$ 2,110,625.16	\$ 97,002.86
137394	MCKINNEY FALLS SP.SMITH VISITOR CENTER FLOOD REPAIRS	\$ 2,073,237.94	\$ 2,073,237.94	\$ 408,614.86	\$ 1,413,407.06	\$ 251,216.02
137395	MCKINNEY FALLS SP.RESTROOM #4 UPPER FALLS NORTH FLOOD REPAIRS	\$ 266,331.18	\$ 266,331.18	\$ 4,452.14	\$ 261,879.04	\$ 0.00
Grand Total		\$ 208,968,848.12	\$ 207,445,438.92	\$ 38,995,222.81	\$ 115,142,134.71	\$ 53,308,081.40

House Committee on Appropriations

Subcommittee on Articles VI, VII & VIII

Interim Charge 1 Written Testimony

Texas Water Development Board

Kevin Kluge, Director, Conservation and Innovative Water Technology
September 2020

Aquifer Storage and Recovery (ASR) and Aquifer Recharge Statewide Assessment
(HB 721)

Background

HB 721 of the 86th Texas Legislature directs the Texas Water Development Board (TWDB) to conduct studies of and prepare and submit reports on aquifer storage and recovery (ASR) and aquifer recharge (AR) projects.

Texas Water Code Section 11.155, as amended by HB 721, directs the TWDB to work with appropriate interested persons to conduct studies of such ASR and AR projects identified in the state water plan or by interested persons and to share the results of those studies with regional water planning groups and interested persons.

In addition, Texas Water Code Section 11.155 as amended requires the TWDB to conduct a statewide survey to identify the suitability of various major and minor aquifers for use in ASR or AR projects based on

- hydrogeological characteristics, with a focus on storage potential, transmissivity, infiltration characteristics, storativity, recoverability, and water quality;
- the frequency, volume, and distance to excess water available for potential storage; and
- the current and future water supply needs identified in the state water plan.

A report that includes an overview of the statewide survey will be submitted to the Governor, Lieutenant Governor, and Speaker of the House of Representatives by December 15, 2020.

Studies of aquifer storage and recovery and aquifer recharge projects

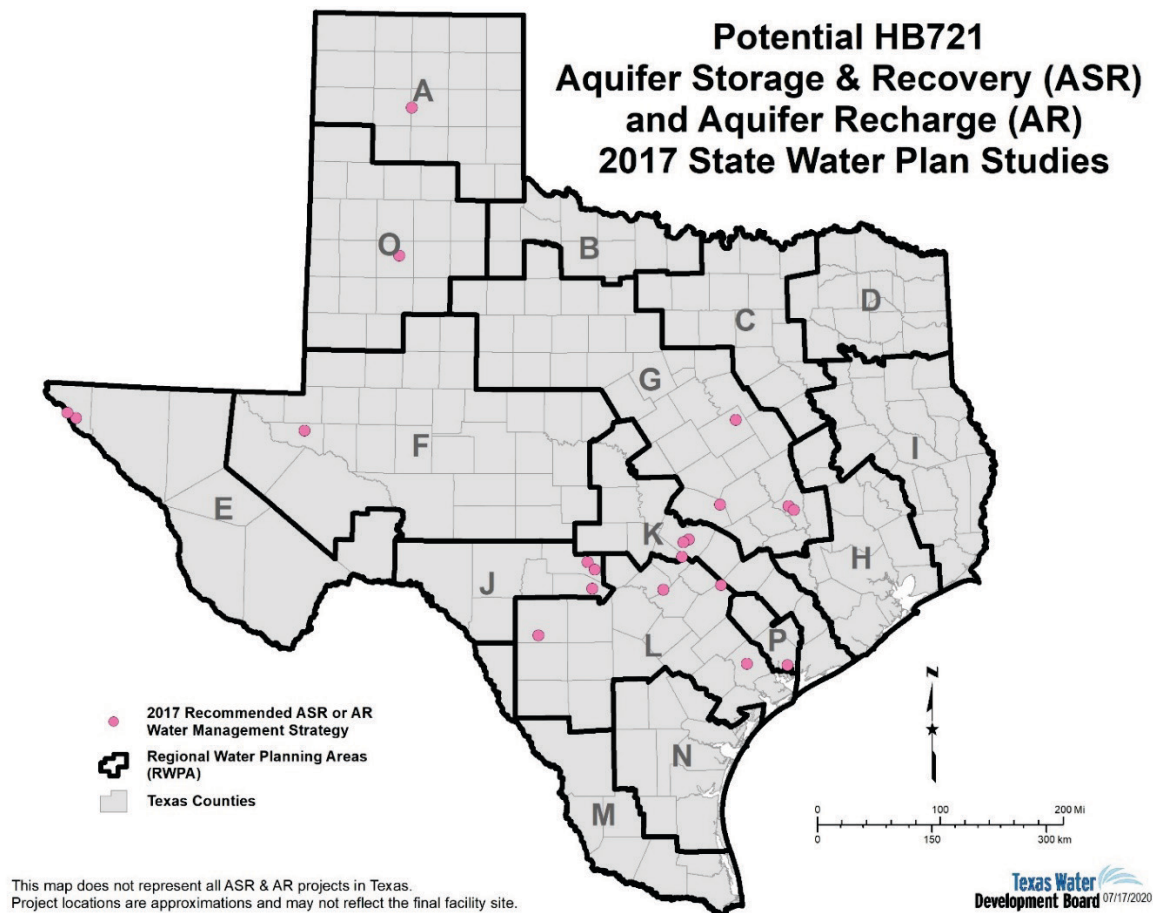
There are 19 ASR and 1 AR water management strategy projects recommended in the 2017 State Water Plan (Figure 1). HB 721 directs the TWDB to conduct individual studies of

these projects and to share the study results with the regional water planning groups and interested persons.

TWDB staff have preliminarily ordered state water plan projects for study based on the following criteria:

- Decade in which the project is scheduled to be completed (2020 through 2040)
- Project status (no studies, desktop study, exploratory well(s), pilot system testing, or facility built)
- Data availability (overlap with a completed, ongoing, or planned brackish groundwater study)
- Source water type (groundwater, surface water, reclaimed water, or mixed)
- Staff experience and skillsets
- Project sponsor interest

Figure 1. Recommended ASR and AR projects in the 2017 State Water Plan



Staff have begun to research and compile existing information on ASR and AR projects, contact project sponsors from the 2017 State Water Plan to determine their levels of interest and status of the projects, and draft study proposals for projects with interested sponsors. In some cases, project sponsors have already completed studies and testing that exceed the benefit that a TWDB study can provide or they are no longer interested in pursuing the project. Of the 20 recommended projects in the 2017 State Water Plan, initial research and communications indicate that

- 9 projects have sponsors that are interested in studies,
- 3 projects are on hold by the sponsor due to the economics of the project,
- 2 projects are not included in the draft 2021 regional water plans,
- 4 projects already have exploratory or pilot wells drilled, and
- 2 projects are expansions of existing facilities.

In addition, the TWDB is directed to study additional projects not in the state water plan if requested by interested persons. No additional projects have been submitted to the TWDB for study to date. When such a study request is received, the project will be evaluated based on the applicable criteria mentioned above and added into the ordered list of project studies.

The first project study will begin in September of 2020, and completion of the work along with the establishment of procedures and methods for subsequent studies is anticipated to take about a year. Subsequent studies may be done concurrently and may take more or less time to complete depending on the scope of work for each project. Following the approval of the 2022 State Water Plan, staff will update the list of projects to review for study.

Statewide survey of aquifer suitability for aquifer storage and recovery and aquifer recharge projects

The TWDB has contracted with HDR Inc. to undertake the statewide suitability survey and deliver a draft report by July 31, 2020 and a final report by September 30, 2020.

As part of the initial phase of the study, the contractor identified recent ASR and AR demonstration and feasibility studies and evaluated the methodologies of such studies in order to propose a plan for the statewide survey. The project team looked at 18 studies within Texas and 15 studies outside of Texas. Based upon this literature review, the team developed methodologies for applying the three primary screening criteria: 1) hydrogeological parameters, 2) excess water, and 3) water supply needs.

Hydrogeological parameter screening

This initial screening is done to evaluate the relative suitability of aquifers for ASR and AR projects based on hydrogeologic characteristics that are important to the probable success

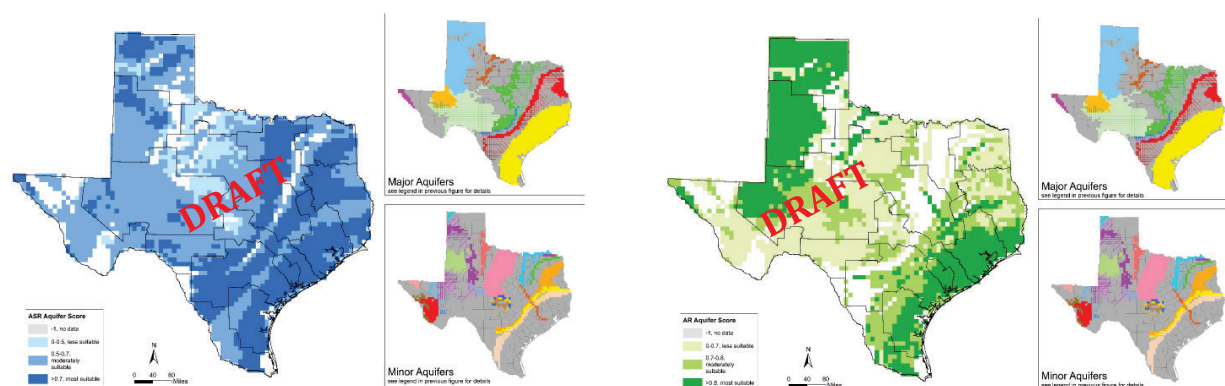
of an ASR or AR project, including those specified in HB 721 (see Table 1, taken from the draft report, for parameters listed in HB 721 and their associated applications in the survey).

Table 1 - HB 721 focus areas for hydrogeological characterization

HB-721 focus area	Description
Storage potential	AR and ASR primary category- <i>Storage</i>
Transmissivity	AR and ASR primary category- <i>Recharge</i>
Infiltration characteristics	AR primary category- <i>Recharge</i>
Storativity	AR and ASR primary category- <i>Storage</i>
Recoverability	ASR primary category- <i>Recoverability</i>
Water quality	ASR primary category- <i>Recoverability</i>

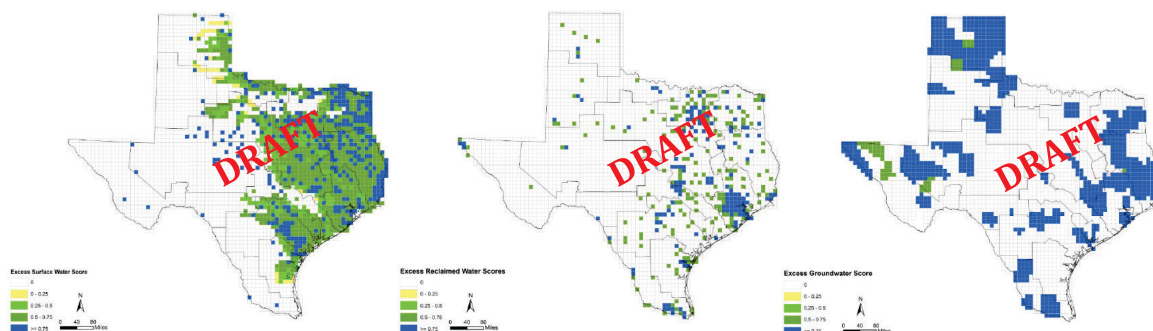
A statewide grid consisting of cells 50,000 feet by 50,000 feet (roughly 10 miles by 10 miles or 89.5 square miles) was created to allow a spatially consistent evaluation of each of the suitability parameters by aquifer. The data for each of the major and minor aquifers was categorized, scored, and assigned to survey grid cells. For the draft final maps, the score from the highest scoring aquifer was applied to grid cells with more than one aquifer (Figure 2).

Figure 2. Draft grid cell results for hydrogeological parameter screening



was based on groundwater supply estimates in the draft 2021 regional water plans. This data was then categorized, scored, and assigned to survey grid cells for each of the three excess water types (Figure 3).

Figure 3. Draft grid cell results for the excess surface water, reclaimed water, and groundwater screening



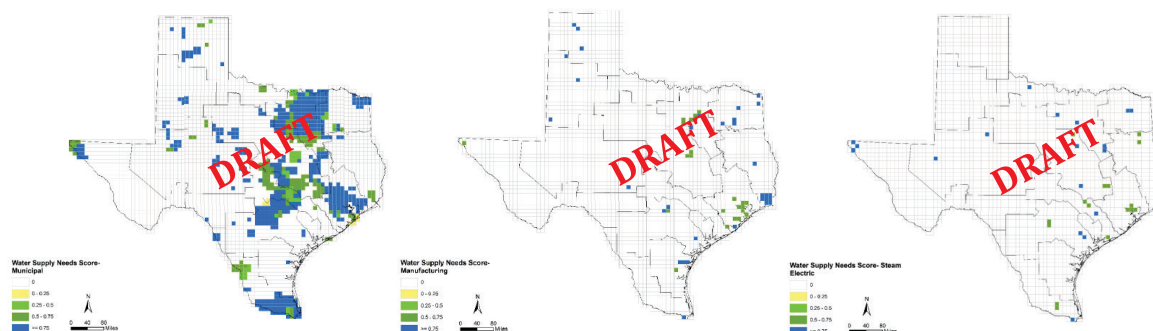
Water supply needs screening

The final screening is to evaluate the relative suitability of aquifers for ASR and AR, based upon water supply needs for municipal, manufacturing, and steam-electric water user groups. Data to assess these needs are from the draft 2022 State Water Plan database. The key parameters used to evaluate water supply needs for each water user group included

1. the volume of water supply need,
2. the first decade of need between 2020 and 2070, and
3. the volume of need as a percent of total water demands.

The parameter data was then categorized, scored, and assigned to survey grid cells (Figure 4).

Figure 4. Draft grid cell results for municipal, manufacturing, and steam electric water supply needs screening

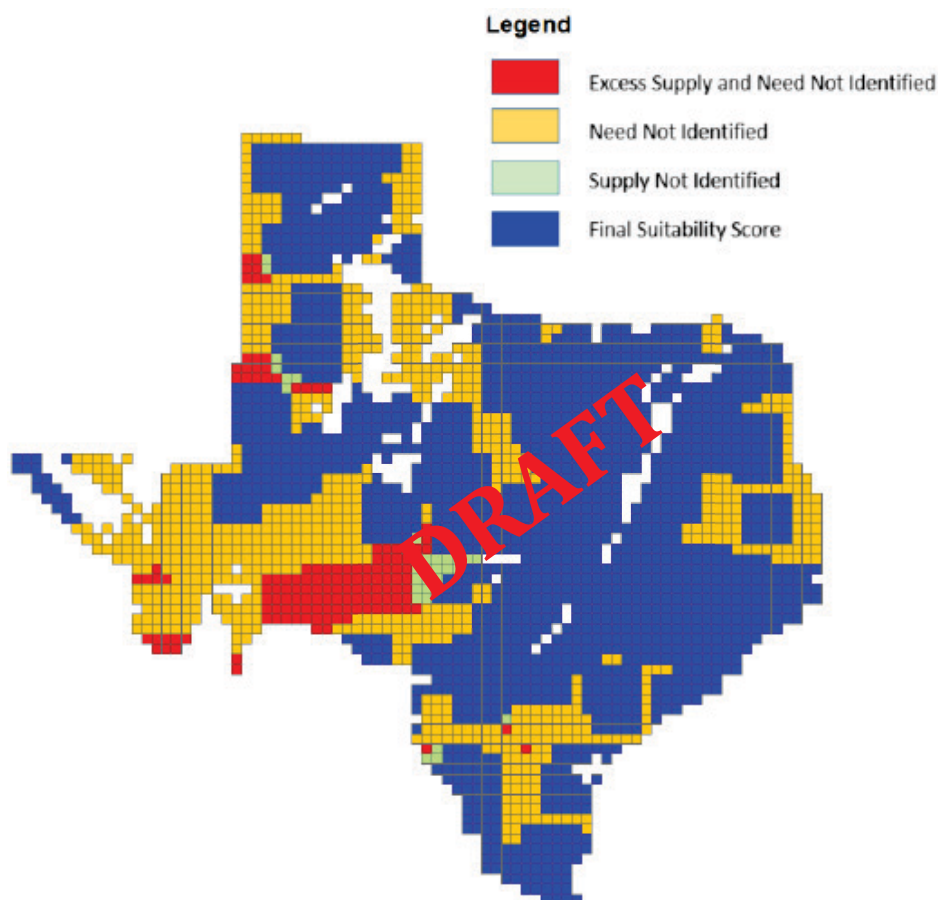


Final suitability rating

The final suitability rating for each grid cell is the highest hydrogeological parameter score for that cell combined with the highest-scoring excess water cell and highest-scoring water supply need cell within a distance of two cells away. For a grid cell to receive a final suitability score, it must have a major or minor aquifer, excess water within approximately 20 miles, and a water supply need within approximately 20 miles. Figure 5 illustrates the draft results of the cells with final suitability ratings. For some grid cells, the aquifer(s) may be suitable for ASR or AR projects; however, the cells may be located more than 20 miles from excess water (green cells), water supply needs (yellow cells), or both (red cells). White areas within the figure indicate the lack of a major or minor aquifer.

It is important to note that results of the survey, including results for each screening criterion above, are preliminary and may be subject to change in the final report.

Figure 5. Draft summary of grid cells with a final relative suitability score



Public data display

The study contract will result in an online display that will allow the public to explore the hydrogeological parameter, excess water, and water supply needs data that went into the

final project suitability ratings without license subscriptions or specialized expertise. The online display will consist of a story map and a web map application.

Next steps

The draft final report of the statewide survey was submitted to the TWDB on July 31. TWDB staff provided comments to the contractor end of August for inclusion in the final report. The final report from the contractor with TWDB comments addressed and incorporated will be submitted to TWDB by the end of September. After final internal review by TWDB staff, the final report and links to the story map and web map application will then be submitted to the Governor, Lieutenant Governor, and Speaker of the House of Representatives by December 15, 2020.

House Committee on Appropriations

Subcommittee on Articles VI, VII & VIII

Interim Charge 1 Written Testimony

Texas Water Development Board

*Kevin Kluge, Director, Conservation and Innovative Water Technology
September 2020*

*Designation of Brackish Groundwater Production Zones and Adoption of
Permitting Rules in Zones (HB 722)*

Background

In 2015, the 84th Texas Legislature passed HB 30, directing the Texas Water Development Board (TWDB) to identify and designate brackish groundwater production zones in areas of the state with moderate to high availability and productivity of brackish groundwater that can be used to reduce the use of fresh groundwater and that meet certain criteria.

In 2019, the 86th Texas Legislature appropriated funding to the TWDB for contract and administrative costs to support designation of brackish groundwater production zones in aquifers of the state, excluding the Dockum Aquifer. The legislature also passed SB 1041, which extended the deadline to complete zone designations from December 1, 2022, to December 1, 2032, and HB 722, which established a permitting framework for developing water supplies from TWDB-designated brackish groundwater productions zones.

Status of brackish groundwater production zone designations

The work process to complete zone designations can be summarized in the following three steps:

1. Conduct aquifer characterization of the whole or portion of the aquifer
2. Apply HB 30 criteria and evaluate areas for zone designation
3. TWDB staff recommend potential production zones to be considered and designated by the Board

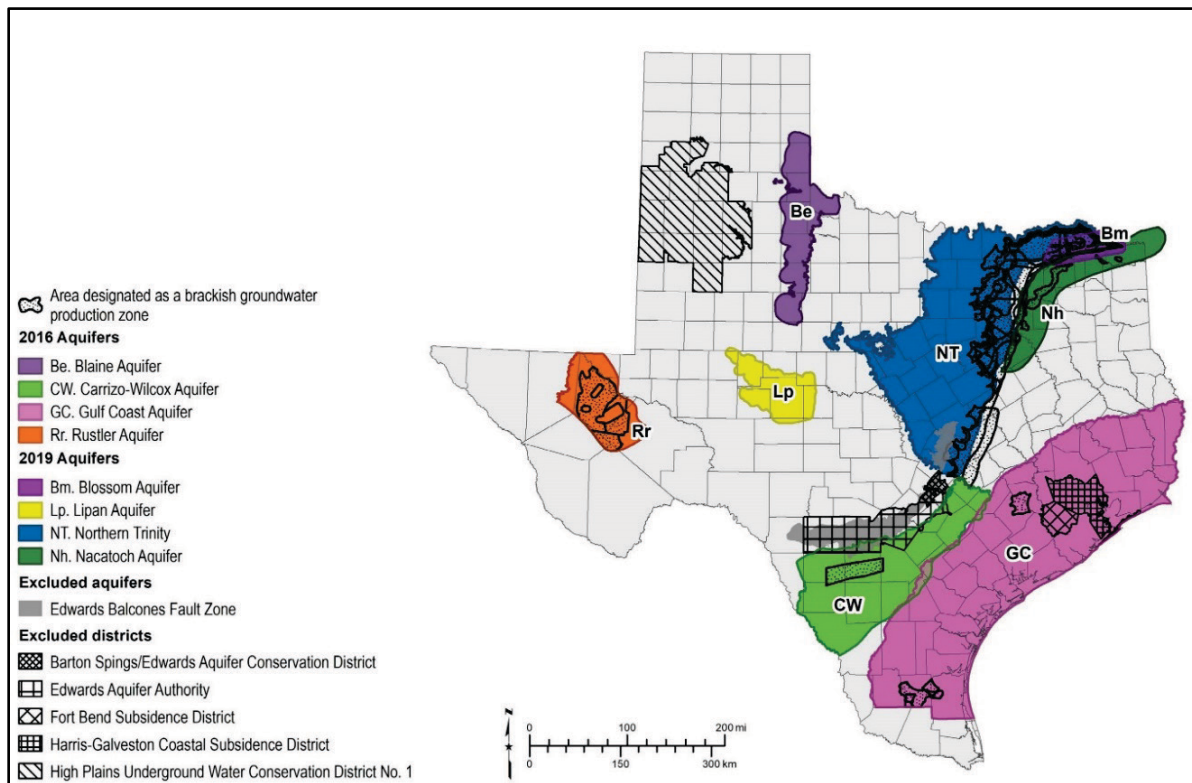
At each step, the work is documented, and deliverables - including well data, GIS files, and reports - are made publicly available and are downloadable from the TWDB's website.

In accordance with HB 30, passed by the 84th Texas Legislature in 2015, the TWDB designated brackish groundwater production zones with consideration of the following criteria:

- Areas with moderate to high availability and productivity of brackish groundwater
- Areas separated by hydrogeologic barriers sufficient to prevent significant impacts to water availability or water quality in geologic strata that have average total dissolved solids concentrations of 1,000 milligrams per liter or less
- Areas not located in
 - the Edwards Aquifer located within the Edwards Aquifer Authority;
 - the boundaries of the Barton-Springs Edwards Aquifer Conservation District, Harris-Galveston Subsidence District, or the Fort Bend Subsidence District;
 - aquifers, subdivisions of aquifers, or geologic strata that have an average total dissolved solids concentration of more than 1,000 milligrams per liter and serve as a significant source of water supply for municipal, domestic, or agricultural purposes; or
 - geologic formations that are designated or used for wastewater injection through the use of injection or disposal wells permitted under Texas Water Code Chapter 27.

To date, the TWDB has designated a total of 31 brackish groundwater production zones in the state with moderate to high availability and productivity of brackish groundwater that meet these criteria (Figure 1).

Figure 1. Areas designated as brackish groundwater production zones and legislatively excluded aquifers and districts

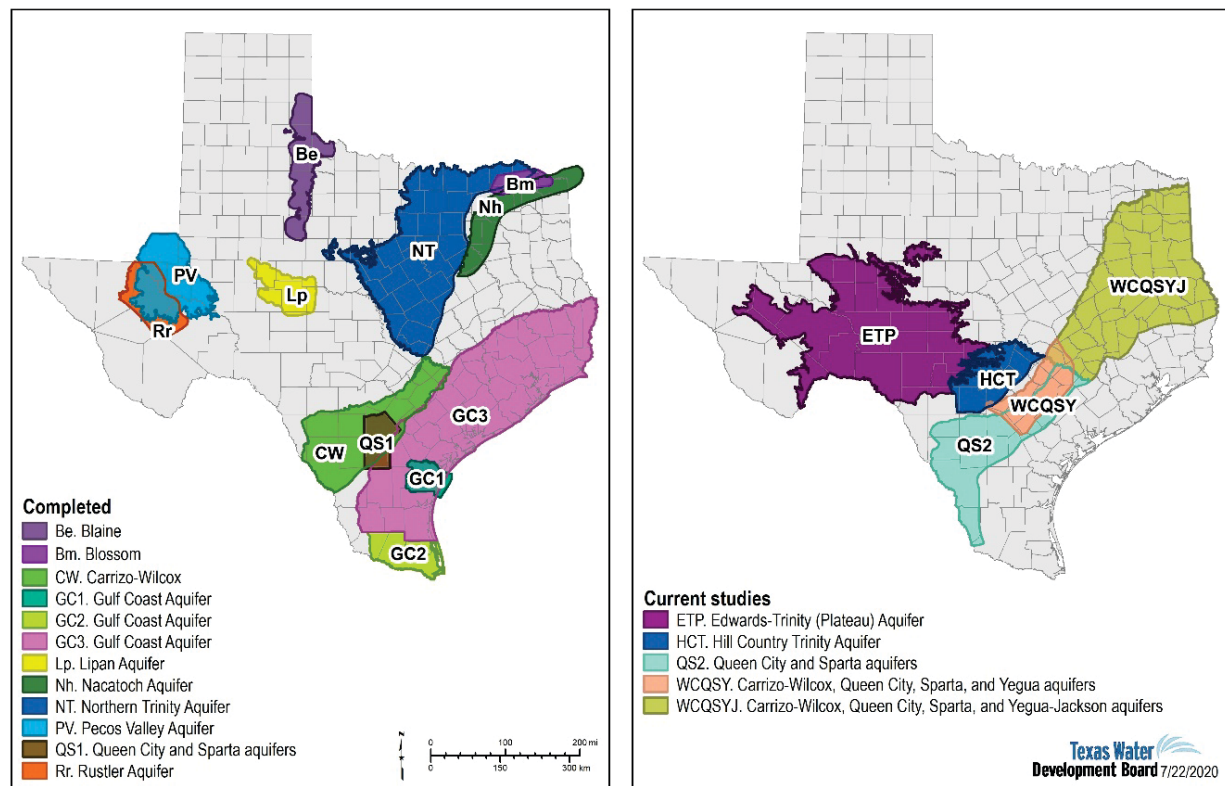


On October 20, 2016, the TWDB designated eight brackish groundwater production zones in the following aquifers: no zones in the Blaine Aquifer, one zone in the Carrizo-Wilcox Aquifer south of the Colorado River, four zones in the Gulf Coast Aquifer and bordering sediments, and three zones in the Rustler Aquifer (Figure 1).

On March 28, 2019, the TWDB designated a total of 23 brackish groundwater production zones in the following aquifers: 3 zones in the Blossom Aquifer, no zones in the Lipan Aquifer, 5 zones in the Nacatoch Aquifer, and 15 zones in the Northern Trinity Aquifer (Figure 1). Summaries of the recent aquifer studies will be included in the 2020 Biennial Report on Seawater and Brackish Groundwater Desalination due to the Texas Legislature by December 1, 2020.

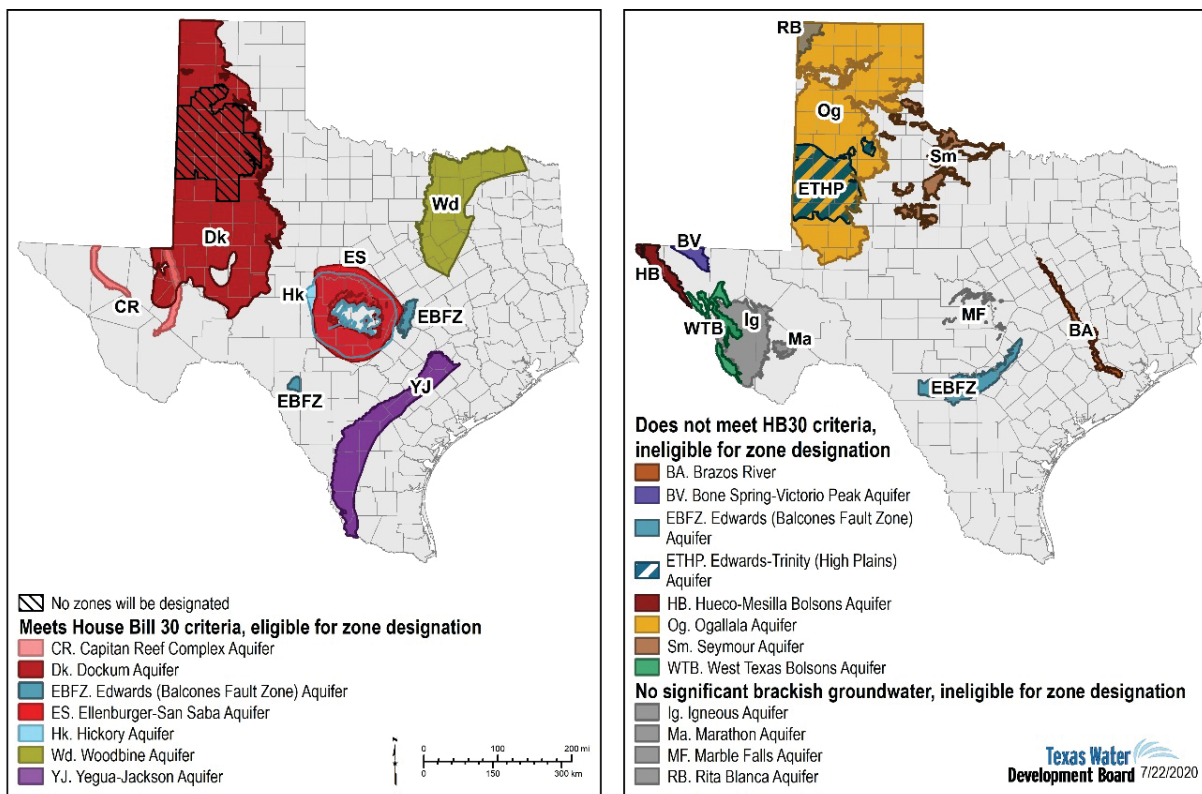
The TWDB is currently working on five regional brackish aquifer studies (Figure 2, right-side map).

Figure 2. Brackish groundwater aquifer studies completed and currently in process



In addition, the TWDB has identified seven aquifers that meet HB 30 criteria and are eligible for zone designation, noting that the Dockum Aquifer within the area of the High Plains Underground Water Conservation District No. 1 is not eligible (Figure 3, left-side map). The remaining 12 aquifers do not meet HB 30 criteria and will be mapped and characterized after the TWDB meets the December 1, 2032, legislative deadline for completing the zone designations for qualifying aquifers (Figure 3, right-side map).

Figure 3. Future brackish groundwater studies



Contracted studies to support brackish groundwater zone designations

The 86th Texas Legislature appropriated funding for professional technical service contracts to support the designation of brackish groundwater production zones. The TWDB has executed one interagency contract and contracted with four firms to undertake certain technical tasks related to brackish groundwater studies and the designation of zones. For the interagency contract, the U.S. Geological Survey will obtain higher salinity samples (3,000 to 35,000 milligram per liter total dissolved solids) and analyze for constituents of interest to help with calibrating estimates of groundwater salinity derived from geophysical well logs. Work orders to initiate specific tasks will be issued to the entities by September of 2020, including

- collecting new geophysical well logs (e.g., gamma ray, neutron density, spontaneous potential, resistivity, and sonic) for a whole or portions of an aquifer;
- entering data from geophysical well logs in the BRACS unprocessed collection into the BRACS Database;
- defining stratigraphy (tops and bottoms of an aquifer) and lithology (clay or sand content of an aquifer) using geophysical well logs;

- testing and analyzing cores of brackish aquifers for mineralogy, porosity, permeability, and cementation exponent; and
- studying the comingling of groundwaters with different salinities and constitutes with Texas Department of Licensing and Regulation (TDLR) as a stakeholder;
- preparing a resource document on how to drill and log the ideal exploratory brackish groundwater wells;
- depth calibrating geophysical well logs to prepare for stratigraphy;
- exploring the application of seismic data for mapping brackish aquifers (1,000 to 5,000 feet depth);
- other study tasks as determined by the TWDB.

In addition to the technical task contracts, the TWDB is contracting a study to develop procedures and tools for delineating areas designated or used for wastewater injection, specifically for Class II injection wells. One HB 30 criterion is that brackish groundwater production zones cannot be designated “...in an area of a geologic stratum that is designated or used for wastewater injection through the use of injection wells or disposal wells permitted under Chapter 27...” Given the uncertainty in readily available public data and methodologies, to date the TWDB has applied a conservative estimate of 15 miles to buffer all Class II injection wells within geologic stratum shared with mapped brackish groundwater to address this criterion.

The contractor will conduct a study to develop technically defensible mapping procedures and tools to improve and refine the existing default 15-mile buffer distance. The TWDB will form an advisory workgroup consisting of federal and state agencies and stakeholders that will be engaged throughout the study to build scientific consensus on appropriate buffers. The contract study will extend through the remainder of the current biennium with deliverables expected by August 2021.

Brackish groundwater permitting activities (HB 722)

In 2019, the 86th Texas Legislature passed HB 722 and created a framework for groundwater conservation districts (GCDs) to establish permitting rules for a person interested in producing brackish groundwater from the TWDB designated brackish groundwater production zones for a municipal drinking water project or an electric generation project.

HB 722 directed the TWDB to conduct technical reviews of operating permit applications submitted to GCDs and, when requested by a GCD, investigate the impacts of brackish groundwater production as described in the annual reports of the permitted production. HB 722 does not apply to a district that: (1) overlies the Dockum Aquifer and (2) includes wholly or partly 10 or more counties, which is the High Plains Underground Water Conservation District No. 1.

Permit application review

For a technical review of a brackish groundwater production zone operating permit application, the TWDB will submit a report to the GCD that includes (1) findings regarding the compatibility of the proposed well field design with the designated brackish groundwater production zone, and (2) recommendations for a monitoring system. The TWDB does not have a required timeline to conduct the technical review and prepare a report for the GCD. To date, no such permit applications have been submitted to the TWDB for technical review.

Review of annual production reports

In response to a GCD request for an investigation into permitted brackish groundwater production in the designated production zones, the TWDB will submit a report to the GCD that addresses whether the production from the permitted project is projected to cause (1) significant, unanticipated aquifer level declines, or (2) negative effects on water quality in the same or an adjacent aquifer, subdivision of an aquifer, or geologic stratum. The report will also include analysis of subsidence projected to be caused by brackish groundwater production during the permit term, if the brackish groundwater production zone is in the Gulf Coast Aquifer. The TWDB has 120 days to conduct the technical investigations and return the report to the GCD after receiving a request.

Next steps: proposed rulemaking

To clarify the process for technical reviews of operating permit applications and associated annual production reports as required by HB 722, the Board approved the publication of proposed amendments to 31 Texas Administrative Code (TAC), Chapter 356, at the August 5, 2020 Board meeting. The proposed rulemaking will define two new terms that will be used in a new subchapter: 'brackish groundwater production zone operating permit' and 'designated brackish groundwater production zone.'

In addition, the new Subchapter G would include three sections:

- Section 356.70 will clarify how the agency identifies and designates local or regional brackish groundwater production zones in areas of the state that meet specific criteria and the information required to be provided for each zone
- Section 356.71 will outline how the agency will conduct assessments and technical reviews of brackish groundwater production zone operating permit applications
- Section 356.72 will outline how the agency will investigate and conduct technical reviews of annual reports, upon request by GCDs

Sections 356.71 and 356.72 will also discuss the information required to conduct technical reviews and the information contained in the reports that the agency will return to requesting GCDs. The proposed rules were posted to the *Texas Register* on August 21, 2020,

with a 30-day comment period that ended on September 21, 2020. The TWDB received five public comments. The TWDB will review all comments and respond to relevant comments and subsequently request that the Board approve the adoption of the rules with any recommended revisions in a future Board meeting.

House Committee on Appropriations Subcommittee on Articles VI, VII & VIII Interim Charge 1 Written Testimony Texas Water Development Board

*Larry French, P.G., Director, Groundwater
September 2020*

Groundwater Availability Model Funding (SB 1)

Background

Groundwater, along with surface water, is important for maintaining the viability of the state's natural resources, health, and economic development. Groundwater is more challenging to observe and measure than surface water because it resides below the land surface and responds to rainfall much more slowly than rivers and lakes do. Aquifer systems are also complex due to groundwater flows into and out of the aquifer, the interaction between surface water and groundwater, and the variability of aquifer properties.

Because groundwater flow is complex and difficult to directly measure, computer models are excellent tools for assessing the effect of groundwater flow, natural discharges, and pumping on groundwater availability. Groundwater availability models are computer-based, three-dimensional, numerical groundwater flow models used to simulate groundwater flow systems on a regional scale. Groundwater availability modeling is the process of developing and using computer programs to estimate future trends in the amount of water available in an aquifer and is based on hydrogeologic principles, actual aquifer measurements, and technical data from scientists and stakeholders. These models can also be used to predict water levels and spring flows in response to different pumping and drought scenarios. In addition, they use and provide other important information, such as recharge estimates, total estimated recoverable storage, and the configuration of the aquifer beneath the surface.

Purpose and scope of the program

The 76th Texas Legislature established the Groundwater Availability Modeling Program and required the Texas Water Development Board (TWDB) to obtain or develop groundwater availability models for all major and minor aquifers in Texas in coordination with groundwater conservation districts and regional water planning groups (Texas Water Code Section 16.012). The purpose of the program is to provide useful and timely

information for determining groundwater availability for the citizens of Texas. The Groundwater Availability Modeling Program produces standardized, thoroughly documented, and publicly available groundwater models. These models are important tools for groundwater conservation districts and regional water planning groups in evaluating water management strategies and assessing present and future groundwater availability trends under drought and non-drought conditions. Since the program was established, the TWDB has completed groundwater availability models for all 9 of the state's major aquifers (Figure 1) and 19 of the state's 22 minor aquifers (Figure 2). The remaining minor aquifers are scheduled to be completed within the next five years.

Figure 1. Major Aquifers of Texas

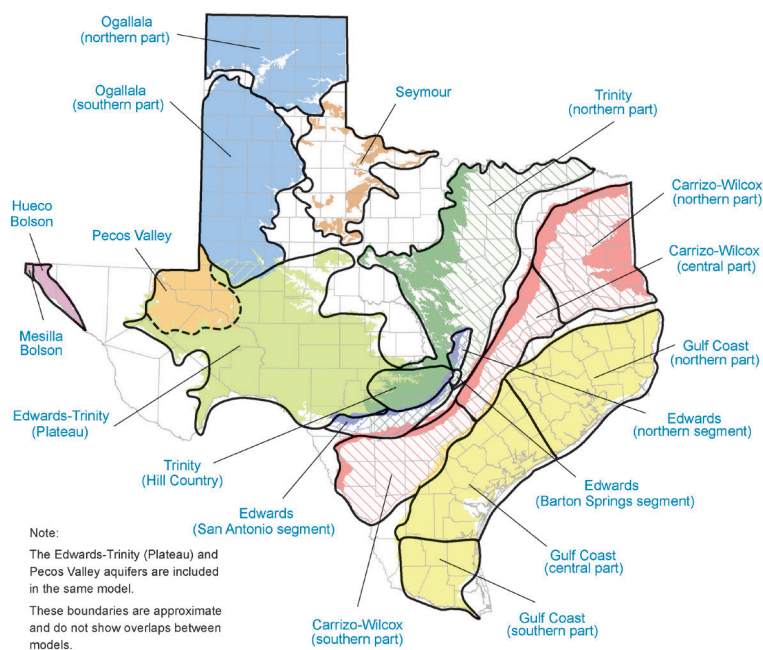
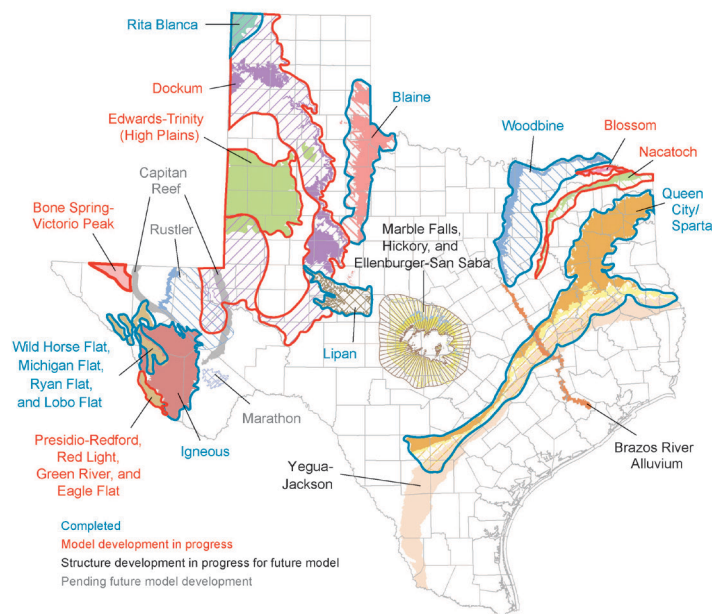


Figure 2. Minor Aquifers of Texas



Since the program was established, the legislature has provided funding to develop the original groundwater availability models, upgrade the original models, and conduct technical studies to gather information and data to improve models. In recent years the legislature has included in TWDB's base budget an amount of \$1,440,000 each biennium for model improvement, technical studies, and data collection to ensure models can provide the best possible information to water managers and decision-makers across the state.

In 2019, the 86th Texas Legislature appropriated an additional \$240,000 in General Revenue funds for additional technical studies and equipment as well as four additional staff to upgrade the 28 existing groundwater availability models to current software codes and improve the performance of the models' capabilities to address evolving groundwater issues and management strategies. As of August 2020, the TWDB has completed upgrades of about 25% of these models to current software codes. Another 30% of the groundwater availability models are being upgraded by TWDB staff or by outside experts. Work is prioritized on models that address aquifers with a high degree of groundwater-surface water interaction. These include the Edwards-Trinity (Plateau) Aquifer, the Trinity Hill Country Aquifer, and the Northern Edwards (Balcones Fault Zone) Aquifer. Improvements are also underway for the Central and Southern Gulf Coast Aquifer model, and the Southern and Northern Carrizo-Wilcox Aquifer models. The remaining models will be upgraded over the next few years. Three of the four additional TWDB modeling staff have been hired and are actively supporting the work to upgrade the groundwater availability models. Work

continues to identify and hire an experienced and qualified modeler for the fourth staff position.

Major aquifers that have groundwater availability models

The 9 major aquifers (Figure 1) in Texas currently require 16 different models to provide full coverage. The current models (with non-TWDB sponsors listed, where applicable) are the following:

- Hill Country segment of the Trinity Aquifer
- Northern segment of the Edwards (Balcones Fault Zone) Aquifer
- Barton Springs segment of the Edwards (Balcones Fault Zone) Aquifer
- San Antonio segment of the Edwards Aquifer (U.S. Geological Survey and Edwards Aquifer Authority)
- Central and southern part of the Gulf Coast Aquifer System
- Northern part of the Gulf Coast Aquifer System (Houston Area Groundwater Model)
- Edwards-Trinity (Plateau) and Pecos Valley aquifers
- High Plains Aquifer System
- Northern, central, and southern parts of the Carrizo-Wilcox Aquifer
- Seymour Aquifer
- Mesilla and Hueco Bolsons aquifers (El Paso Water Utilities and U.S. Geological Survey)

Data and information in a groundwater availability model

Groundwater availability models include comprehensive information on each aquifer, such as recharge (amount of water entering the aquifer); geology and how that conveys into the model framework; rivers, lakes, and springs; water levels; aquifer properties; and pumping. Each model is calibrated to ensure that it can reasonably reproduce past water levels and groundwater flows.

Stakeholder involvement

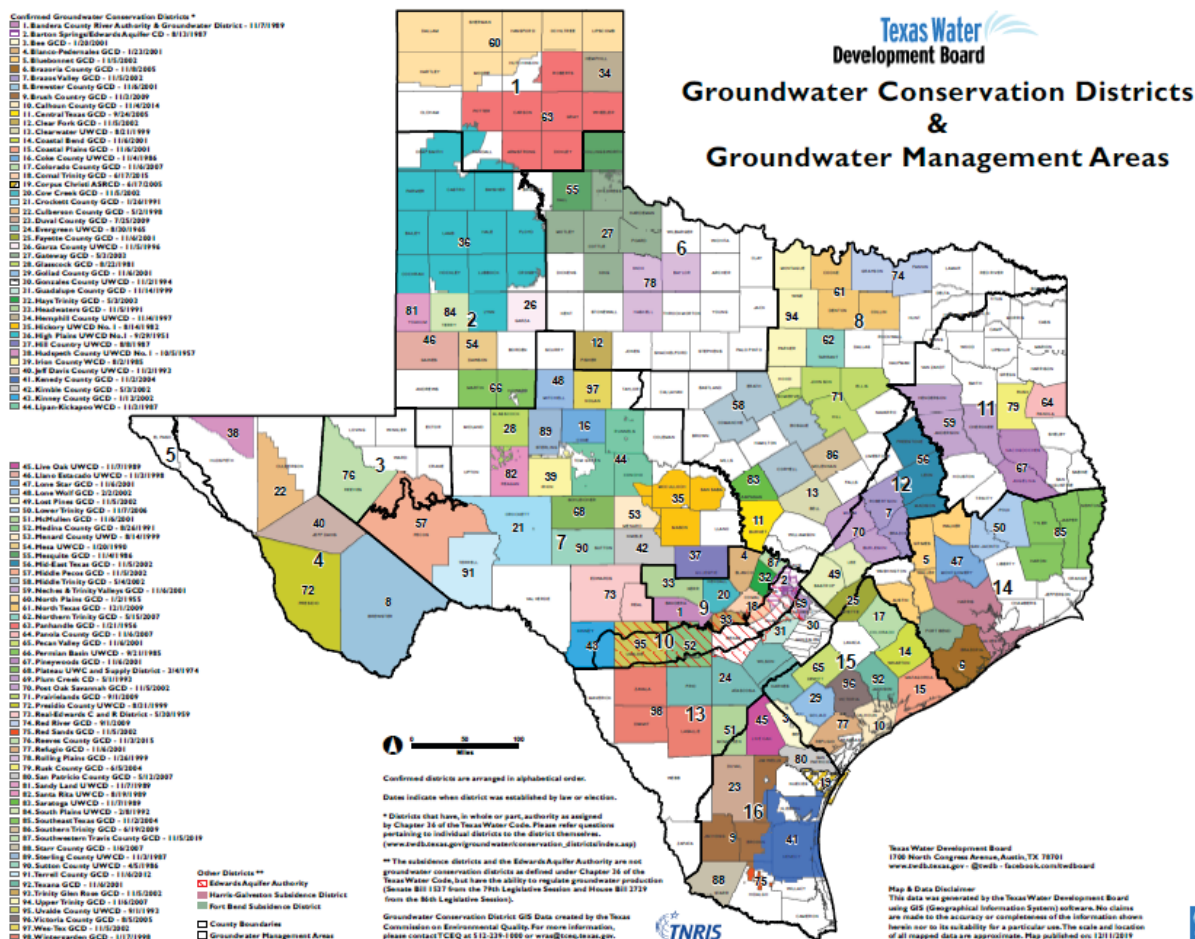
The TWDB relies on stakeholders participating in stakeholder advisory forums to provide information and data and to ask questions concerning model development. Stakeholder input ensures the models address the important water resources issues for each aquifer represented in the models. The forums typically consist of representatives from groundwater conservation districts, regional water planning groups, the Texas Commission on Environmental Quality, the Texas Department of Agriculture, the Texas Parks and Wildlife Department, industry, water utilities, higher education, agriculture, and private landowners.

Desired future conditions and modeled available groundwater

Groundwater is managed locally by groundwater conservation districts where they have been established. Groundwater conservation districts are required to consider groundwater availability modeling information in the management of groundwater resources. However, statute also provides some flexibility with respect to how the districts manage groundwater resources.

Groundwater conservation districts are also required to consider information from groundwater availability models when they adopt desired future conditions for their aquifers. The desired future conditions of an aquifer are the quantified conditions of groundwater resources at a specified time or times in the future or in perpetuity as identified by groundwater conservation districts in a groundwater management area (Figure 3). The TWDB uses groundwater availability models to calculate modeled available groundwater based on the desired future conditions of aquifers as identified by the groundwater conservation districts. A modeled available groundwater value is the amount of groundwater pumping, on an average annual basis, that will achieve a desired future condition. The desired future condition in a specific location may not be achieved if pumping volumes exceed the modeled available groundwater volume over the long term.

Figure 3. Groundwater conservation districts and groundwater management areas



Groundwater management plans

Statute requires groundwater conservation districts and regional water planning groups to use values of total pumping and modeled available groundwater in their groundwater management and regional water plans. Groundwater conservation districts are also required to include the modeled available groundwater value in their groundwater management plan and to use it for groundwater availability permitting. Districts use this information generated from groundwater availability models to assist with permitting decisions related to groundwater production limits and minimum spacing of wells within their jurisdictions.

Groundwater availability models and the data that inform them are used to develop information that groundwater conservation districts include in their groundwater management plans. The information includes:

- annual amount of recharge from precipitation, if any, to groundwater resources within the district;

- annual volume of water that discharges to springs and any surface water bodies, including lakes, streams, and rivers; and
- annual volume of flow into and out of the district within each aquifer and between aquifers in the district.

Modeled available groundwater and regional water planning

Regional water plans consider the volume of groundwater that is anticipated to be pumped during a drought in any planning decade. Statute requires that regional water plans be “consistent with the desired future conditions.” Water planning rules (Texas Administrative Code Chapter 357.32(d)) require that regional water planning groups “shall use modeled available groundwater volumes for groundwater availability” unless there is no modeled available groundwater volume.

Regional water planning focuses on anticipated pumping volumes in each planning decade rather than on permitted groundwater pumping volumes. In addition, the total anticipated pumping volume in any planning decade (total pumping volume includes the quantities both from existing water supplies and from any recommended water management strategies) may not exceed the modeled available groundwater volume in any county-aquifer location. Planning groups may not recommend water management strategy supply volumes that result in exceeding (e.g., “overdrafting”) the modeled available groundwater volumes unless authorized with an approved modeled available groundwater peak factor. Finally, for areas without a desired future condition or modeled available groundwater, regional water planning groups may determine groundwater availability that is consistent with neighboring desired future conditions. The allocation of groundwater may impact the identified water needs and/or the strategy options available to meet needs.

Future updates of groundwater availability models

New information, data, and technology are being continuously developed and applied to the challenge of understanding the complexities of groundwater flow and aquifers in Texas. The groundwater availability models need to be upgraded to respond to both improving software codes and evolving regional water demands to ensure that these tools are the best possible to serve the needs of the state. The frequency of upgrades varies according to the demands for the model. Upgrades are usually needed to address changing conditions in certain areas and to maintain sensitivity to regional water planning needs. More attention may be required for aquifers in heavy demand compared to those with relatively low demands. All of the groundwater availability models for the major aquifers and several of the models for the minor aquifers have been upgraded at least once, and several are currently being revised to reflect new data and conceptual understandings related to groundwater flow and groundwater-surface water relationships. These models include the three models for the Carrizo-Wilcox Aquifer, the three models for the Gulf Coast Aquifer System, the model of the High Plains Aquifer System, and the models for the Edwards and

Trinity aquifers. Together these aquifers represent the sources of most of the groundwater currently being pumped in the state.

Information and reports on existing models are available to the public on the TWDB's website, and the currently completed models are available on upon request to the TWDB.

House Committee on Appropriations

Subcommittee on Articles VI, VII & VIII

Interim Charge 1 Written Testimony

Texas Water Development Board

Temple McKinnon, Director, Water Use, Projections, and Planning
September 2020

Interregional Planning Council (HB 807)

Background

HB 807 of the 86th Texas Legislative Session directed the Texas Water Development Board (TWDB) to appoint an Interregional Planning Council (Council) made up of one regional water planning group member from each planning group. Council membership is to be appointed by the Board each five-year cycle prior to the adoption of a new state water plan, and appointments expire once a new state water plan is adopted. The Council is charged by statute to:

- (1) improve coordination among the regional water planning groups, and between each regional water planning group and the board, in meeting the goals of the state water planning process and the water needs of the state as a whole;*
- (2) facilitate dialogue regarding water management strategies that could affect multiple regional water planning areas; and*
- (3) share best practices regarding operation of the regional water planning process. The Council is required to: “(1) hold at least one public meeting; and (2) prepare a report to the Board on the Council’s work.”*

On April 27, 2020, Texas House Natural Resources Committee Chairman Lyle Larson sent letters to each of the individual Council members that included six additional topics for the Council to consider, as follows:

- 1. review and make recommendations regarding any identified interregional conflicts;*
- 2. review the viability and justification of projects included in the State Water Plan;*
- 3. make recommendations on how to encourage the inclusion of alternative projects, including innovative strategies such as aquifer storage and recovery and desalination;*
- 4. provide an outline of a plan to facilitate better interregional coordination in the future;*

5. *identify potential new multi-regional projects for consideration that serve the state as a whole; and*
6. *identify additional ways that the TWDB might assist in interregional coordination and planning at the statewide level.*

Rulemaking

The TWDB initiated rulemaking to implement the requirements of HB 807 as follows:

- 7/19/19 – Solicitation of preliminary input to address HB 807 requirements
- 2/13/20 – TWDB approves publishing proposed amendments to 31 TAC Ch. 357 which include HB 807 requirements.
- 3/3/20 – Draft Regional Water Plans (also known as Initially Prepared Plans, or IPPs) due to TWDB
- 6/4/20 – TWDB adopted revisions to 31 TAC Ch. 357 (Interregional Planning Council addressed in 31 TAC §357.11(k))
- 7/3/20 – TWDB EA sets Council report due date of 10/16/20

Designation of council members

On July 8, 2019, the TWDB's EA requested each of the state's 16 regional water planning groups to submit at least one nominee to serve on the Council, and the TWDB appointed the Council's members on January 16, 2020. Although alternates were not appointed and therefore cannot be utilized during this inaugural Council, provisions for alternates were included for the appointment of future Councils in the revisions to the TWDB's administrative rules. Inaugural Council Members and their current positions as determined by subsequent Council activities are:

Region	Member
A	Steve Walthour (Chair, Best Management Practices Committee)
B	Russell Schreiber
C	Kevin Ward
D	Jim Thompson
E	Scott Reinert
F	Allison Strube
G	Gail Peek (Chair, Enhancing Interregional Coordination Committee)
H	Mark Evans (Chair, Planning Water Resources Committee)
I	Kelley Holcomb (Vice-Chair, Interregional Planning Council)
J	Ray Buck
K	David Wheelock
L	Suzanne Scott (Chair, Interregional Planning Council)
M	Tomas Rodriguez
N	Carl Crull
O	Melanie Barnes
P	Patrick Brzozowski

Logistics and facilitation

The TWDB contracted the services of The University of Texas Center for Public Policy Dispute Resolution to facilitate meetings of the full Interregional Planning Council. Staff from the TWDB have assisted each of the committee chairs with facilitating the numerous committee meetings.

Council meetings to date have been conducted virtually as allowed by Governor Abbott's declaration of a state of disaster in Texas due to the COVID-19 pandemic, and subsequent allowance of virtual and telephonic open meetings to maintain government transparency.

Meetings held to date

As of the date of this written testimony, the full Council has held nine public meetings and is scheduled to hold at least one more public meeting prior to submitting their report to TWDB by October 16, 2020. The first four meetings of the Council were conducted by TWDB and its contracted facilitator. These meetings consisted of guided Council member brainstorming of issues and potential solutions around the legislative charges to the Council as well as the additional issues identified by Representative Larson in his letter to the Council.

At the Council's meeting on June 22, 2020, Suzanne Scott was appointed as Chair and Kelley Holcomb as Vice-Chair of the Council. At its meeting on June 29, 2020, the Council

established three Committees to further conduct its work. In addition to many planning and preparation meetings with staff and the chairs, these Committees themselves have held more than 13 public meetings thus far to address their specific Council-adopted problem statements which include:

1. **Enhancing Interregional Coordination** - *In creating regional water plans that comprise the state water plan, the expectations for the scale at which planning groups coordinate is not clear, throughout the state. Although there have been few interregional conflicts, Regions may not be coordinating effectively on issues related to shared water resources and the development of multi-regional projects. Coordination requirements are not fully formalized in statute or rule, coordination roles of consultants and liaisons are not fully specified, and regions are not always coordinating early enough in the process.*
2. **Planning Water Resources for the State as a Whole** - *Planning Water Resources for Texas as a whole is hindered by the varied and unique characteristics of different regions of the state, land use patterns and trends, the costs of such planning, the protective nature of regions and states over their natural resources, the ownership of water supplies and the impacts of water development, constraints of existing laws and rules, and the many competing needs for the water.*
3. **General Best Practices for Future Planning** - *Formal requirements may stymie the use of best practices. Formalized sharing of information between planning groups is not always facilitated timely in the planning cycle by TWDB, including group processing of Chapter 8 recommendations. Funding may be inadequate to devote time and effort for reviewing best practices.*

Additionally, a work group made up of two Council members that have been directly involved in past identified interregional conflicts, was established to discuss issues related to interregional conflict in support of the facilitator's development of future agendas for the Council's discussion of the topic. This work group held a conference call with TWDB, the contracted facilitator, and Council Chair Suzanne Scott on July 20, 2020. At the Council meeting on July 29, 2020, the topic was assigned to the Enhancing Interregional Coordination Committee. Prior to the meeting of this interregional conflict work group, the Council-adopted the following problem statement for interregional conflicts:

The current roles (planning group, TWDB, Legislature, others), responsibilities, and timelines for identifying interregional conflicts, and the rules for addressing them, may not be appropriate. Clear criteria are needed to define what may constitute an interregional conflict, what is the planning group's role in defining and resolving conflict, and when should these actions occur in the planning process.

All meeting documentation and supporting materials provided to the Council and its Committees can be found on the TWDB's website at

- <http://www.twdb.texas.gov/waterplanning/rwp/ipc/index.asp>, and
- <http://www.twdb.texas.gov/waterplanning/rwp/ipc/committees.asp>.

Anticipated schedule

The anticipated schedule for Council activities prior to their dissolution for this five-year regional water planning cycle is:

- 10/14/20 – Final adopted Regional Water Plans due to the TWDB
- 10/16/20 – Council report due to the TWDB
- Prior to adoption of 2022 State Water Plan – Potential Council meetings to address issues prior to dissolution
- Summer 2021 – Anticipated adoption of 2022 State Water Plan and dissolution of current Interregional Planning Council
- Summer – Fall 2021 – Anticipated TWDB solicitation of members for Interregional Planning Council

Other HB 807 requirements

HB 807 added these additional requirements to the 2021 Regional Water Plans:

1. “identify unnecessary or counterproductive variations in specific drought response strategies, including outdoor watering restrictions, among user groups in the regional water planning area that may confuse the public or otherwise impede drought response efforts” (TWC §16.053(e)(3)(E)).
2. “if a RWPA has significant identified water needs, provides a specific assessment of the potential for aquifer storage and recovery projects to meet those needs” (TWC §16.053(e) (10)).
3. “set one or more specific goals for gallons of water use per capita per day in each decade of the period covered by the plan for the municipal water user groups in the RWPA” (TWC §16.053(e)(11)).
4. “assess the progress of the RWPA in encouraging cooperation between water user groups for the purpose of achieving economies of scale and otherwise incentivizing strategies that benefit the entire region” (TWC §16.053(e)(12)).
5. Planning group should make legislative recommendations “for any other changes that the members of the planning group believe would improve the water planning process.” (TWC §16.053(i)).

The implementation timeline for these new requirements:

- 6/13/19 – TWDB notified planning groups via email that the bill was effective immediately and requirements were to be addressed in the regional water plans currently under development.
- 6/25 and 7/11/19 – TWDB provided guidance and supporting data to planning groups on how the requirements could be addressed prior to development and adoption of rules.
- 7/19/19 – Solicitation of preliminary input to initiate rulemaking to address HB 807 requirements
- 2/13/20 – TWDB approves publishing proposed amendments to 31 TAC Ch. 357 which include HB 807 requirements. Public comment period open until March 30, 2020
- 3/3/20 – Draft Regional Water Plans (aka Initially Prepared Plans, or IPPs) due to the TWDB
- 6/4/20 – TWDB adopted revisions to 31 TAC Ch. 357
- 10/14/20 – Final adopted Regional Water Plans due to the TWDB

House Committee on Appropriations

Subcommittee on Articles VI, VII, & VIII

Interim Charge 1 Written Testimony

Texas Water Development Board

*Jessica Zuba, Deputy Executive Administrator, Water Supply and Infrastructure
September 2020*

State Participation Fund (HB 1052)

Background

HB 1052, as passed by the 86th Texas Legislature, provided for changes to the Texas Water Development Board's (TWDB's) State Participation Program. The program enables the TWDB to provide funding and assume a temporary ownership interest in certain projects when local sponsors are unable to assume debt for an optimally-sized facility. The TWDB can fund excess capacity for future use, which local entities can purchase back as population and/or demand is realized.

State Participation Account

The bill authorized the existing State Participation Account to fund interregional water supply projects and directed the TWDB to identify, establish selection criteria for, and issue a request for proposals for water supply projects that benefit multiple water planning regions. Selection criteria established under this section must prioritize projects that maximize the use of private financial resources; combine the financial resources of multiple water planning regions; and have a substantial economic benefit to the regions served by affecting a large population, creating jobs in the regions served, and meeting a high percentage of the water supply needs of the water users served by the project. HB 1052 directs the TWDB and the Texas Commission on Environmental Quality to enter into a memorandum of understanding for the expedited approval of permits for these projects.

State Participation Account II

HB 1052 also created the State Participation Account II, a sub-account within the State Participation Account, to be used for development of a desalination or aquifer storage and recovery facility. In providing financial assistance from the State Participation Account II, the TWDB may enter into partnerships with private entities and is removed from limitations to the TWDB's share of capacity in the project. The TWDB must prioritize projects seeking financial assistance, and funding for this purpose is limited to \$200

million. If no projects are funded by September 1, 2024, the TWDB may not provide assistance to any facility from the State Participation Account II.

No funds were appropriated for this purpose during the 86th Texas Legislative Session.

Implementation

Rulemaking

Proposed rules for implementation of the Memorandum of Understanding with the Texas Commission on Environmental Quality have been drafted with an anticipated proposal for public comment by the end of 2020.

Proposed rules for selection criteria for water supply projects that benefit multiple water planning regions are anticipated to be published for public comment by the end of 2020.

Request for Information

The TWDB issued a Request for Information (RFI) on April 1, 2020 to seek information and comments regarding water supply projects that would benefit multiple water planning regions. The RFI provided a means for stakeholders to share ideas regarding the types of interregional projects that could be considered for funding at a later date.

The TWDB received responses from nine entities. Responses identified the following projects:

- Development of water supplies from the Toledo Bend Reservoir, the Simsboro Aquifer, and the Gulf of Mexico
- Allens Creek Reservoir Project
- Lake Whitney Reallocation Project
- Freeport Seawater Desalination Project
- Regional water reservoirs and interconnected supply lines in the Rio Grande Area
- South Texas Water Sharing Pipeline Project
- Groundwater conveyance and storage (including aquifer storage and recovery) in the South-Central Texas area
- Pilot testing of produced water treatment technologies
- Hidalgo County Irrigation District #6 Expansion Project 2022
- Estelline Project, Texas Saltwater Aquifer Treatment in the West Texas area
- Surface water, brackish groundwater, or seawater desalination public-private partnership (P3) (area undefined)

The deadline for responses to this RFI was July 1, 2020. Full details on these submissions may be found at

[https://www.twdb.texas.gov/publications/reports/special legislative reports/index.asp](https://www.twdb.texas.gov/publications/reports/special_legislative_reports/index.asp).

This information has been provided to the Interregional Planning Council for consideration. The Council was established by HB 807 passed during the 86th Legislative Session, and it is tasked with improving interregional coordination and dialogue regarding water management strategies that could affect multiple regional water planning areas.

UTMB HEALTH MULTI-SHARE PLAN FREQUENTLY ASKED QUESTIONS

What is the UTMB Health Multi-Share Plan?

The UTMB Health Multi-Share Plan is a health benefits program offered to employees of small businesses within Galveston County. The program allows qualified employers the opportunity to offer affordable health benefits to their employees, assisting with access to local healthcare.

How much does the UTMB Health Multi-Share Plan cost?

The base monthly premium for the UTMB Health Multi-Share Plan is \$300; however, premium subsidy assistance is available to qualified employees.

What are the qualifications for premium subsidy assistance on the UTMB Health Multi-Share Plan?

Employees of an enrolled business in the UTMB Health Multi-Share Plan who earn 300% or less of the Federal Poverty Level (FPL) qualify for a \$200 per month premium subsidy, made possible through a grant from the Texas Department of Insurance (TDI). After the \$200 premium subsidy is applied, the monthly premium for the UTMB Health Multi-Share Plan would be \$100, which is then split 50/50 between the employee and the employer. For Calendar Year (CY) 2020, the FPL for an individual is based on an annual salary of \$38,280 or less (equating to an hourly wage of \$18.40 or less).



What are the main eligibility requirements for the UTMB Health Multi-Share Plan?

- **Employer:**
 - Business located within Galveston County
 - In operation for at least one year prior to enrollment
 - Employs between two and 50, W-2 employees
 - Enrolls 50% of eligible employees
- **Employee:**
 - W-2 employment status
 - Between the ages of 18 and 64
 - Averages 20 hours per work week on an annual basis
 - Not covered by any other group insurance plan providing medical benefits
 - Not currently eligible for, or covered under, any government-sponsored health plans, such as Medicare, Medicaid, or Veterans benefits

What benefits and provider network are associated with the UTMB Health Multi-Share Plan?

The UTMB Health Multi-Share Plan has a network comprised primarily of UTMB facilities and providers located within the 873 square mile radius of Galveston County.

A few key plan benefits include:

- Primary, specialty, behavioral, emergency, and urgent care visits
- Hospitalization
- Scans and images
- Outpatient surgery
- Physical and occupational therapy
- Outpatient pharmacy coverage

Response to Request for Information
Appropriations Committee VII
Texas House of Representatives



Interim Charge #1: Monitor agencies and programs until Article VII

- **Monitor Texas Workforce Commission's implementation of relevant legislation passed by the 86th Legislature**

Review of the Purpose of House Bill 680

In 2019, the Texas Legislature passed House Bill 680 (Deshotel | Lopez).ⁱ The bill created new measures for the accountability, transparency, and coordination around the state's subsidized child care program. In addition, the legislation improved professional development opportunities for the workforce in child care centers across the state. Finally, the bill also made it easy for local school districts to partner with quality child care centers to provide Pre-K – an important cost-saving tool as districts expand Pre-Kindergarten opportunities under newly passed public school finance reform.

Background on Child Care in Texas

In Texas, Early Childhood Education (ECE) funding is complex and funded in multiple federal streams. There are nine categories of early childhood funding that are allocated from the U.S. Department of Health and Human Services, United States Department of Agriculture (USDA), or the U.S. Department of Education.ⁱⁱ Child Care Services is funded through the Office of child Care under Health and Human Services and focuses on providing subsidized child care for children from low-income families.

There are more than 2 million Texas children under the age of 5, half of whom are living in low-income households. Because we have so many young children, the subsidized child care program for working families in Texas is vast. Child care subsidies are the largest expenditure in the Texas Workforce Commission's (TWC) budget – more than half a billion dollars in federal dollars via the Child Care and Development Block Grant per year, making it nearly 50% of the agency's budget.ⁱⁱⁱ These dollars support around 8,000 licensed child care centers and homes and serve over 130,000 children per day.^{iv} The current subsidy system serves roughly over 136,000 children from low-income working families daily, only 10% of eligible children.^v

Interim Charge #1: Monitor agencies and programs until Article VII

- **Monitor Texas Workforce Commission's implementation of relevant legislation passed by the 86th Legislature**

Child care is all about people. Parents, children, and the early childhood workforce. The quality and training of educators is one of the most important factors contributing to child care quality. Educators play a critical role in shaping the developmental outcomes a child receives from

For questions please contact:
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quality child care. Unfortunately, child care educators face challenges that prevent them from providing the highest quality of care.

Decades of racism and misogyny have led to the historic under-investment in child care and to the under-compensation of the child care workforce. Many – if not most – child care centers are owned, managed, and/or operated by women, including many women of color. Current child care teacher salaries, especially those in programs accepting subsidy payments, do not reflect the complexity of and skills needed for the work. COVID-19 made this disparity more complex as educators are working to implement additional safety requirements without a commensurate increase in compensation.

In an effort to address the low wages, several Local Workforce Development Boards (LWDBs) offer modest, but important, programs such as wage supplements for teachers who earn credentials or degrees and retention bonuses for teachers who remain with their current employer for a specified minimum length of time. While these efforts encourage providers to pursue higher education and to reduce staff turnover, these supports vary widely across Texas.

No “Quality” Child Care without Respecting, Training, and Paying the Child Care Workforce

Families from all backgrounds struggle to find high-quality and affordable child care. The backbone of child care quality is the early education workforce. Child care educators are among the least respected and lowest paid workers in the entire American economy. As long as child care educators’ needs are ignored, child care quality for most children in Texas will remain poor.

The average child care educator is earning poverty-level wages, making access to higher education, job training, and a path to a real career often out of reach. Texas only requires a child care educator to have a high school diploma and 24 hours of pre-service training in order to be qualified to teach.^{vi} Child care workers want more training and know that appropriate education, knowledge, and skills allow them to better serve children and to earn more money.

- Only one-in-four child care educator in Texas has an associate’s degree or higher.^{vii}
- In Texas 56% of child care workers qualify for at least one government assistance program.^{viii}
- In Texas, the average child care educator earns about \$19,000 per year, with an average hourly wage of \$9/hour.^{ix}
- On average, an educator working in child care with a bachelor’s degree makes 50% less than their public school counterpart with the same degree.^x With no clear path to a higher paying job within the child care industry, child care teachers who earn a bachelor’s degree often leave for higher wages within a public school system or Head Start program.^{xi}

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Low wage jobs often result in high turnover, which negatively impacts program quality. Many child care providers cannot afford to pay their teachers higher wages because most providers are often operating on slim, unsustainable margins. Child care programs cannot reach the TRS 4-Star level without staff that has relevant degrees or extensive experience.

Specific Policy Recommendation #2: Use Data to Support and Improve Child Care Quality by Supporting and Improving the Child Care Workforce

Paying educators equitable wages reduces turnover and provides stability for both child care providers and families seeking quality care. CHILDREN AT RISK offers the following recommendations to improve the quality of Texas child care centers and the quality and stability of the early education workforce in Texas:

- **Create a State Strategic Plan for the Child Care Workforce:** No agency knows more about what workers need than the Texas Workforce Commission. TWC understands that both workers and employers rely upon quality child care to do business. CHILDREN AT RISK urges the Texas Legislature to require TWC create a statewide plan to strengthen the child care workforce, address race- and gender-based disparities in compensation, and set statewide goals to help teachers increase training and wages. House Bill 680 began the conversation about better coordinating higher education and training for child care workers, but much work remains to be done.
- **Child Care Apprenticeships:** Sometimes, the old way is the best way. Teachers need to be empowered with a clear and affordable path to training and higher education that will benefit all early childhood education settings – publicly-funded or private parent paid. This career path can be built through an apprenticeship program that recognizes that child care workers need to earn and learn at the same time. To read more on CHILDREN AT RISK’s report on Early Childhood Apprenticeship Programs, [click here](#).
- **Expand Registry of Child Care Workers:** CHILDREN AT RISK urges the Texas Legislature to encourage the utilization of the Texas Early Childhood Professional Development System (TECPDS) Workforce Registry (WFR) at TWC to assist teachers with professional development and career growth. When teachers are prepared to teach, compensated adequately, and supported professionally, they are better prepared to contribute to a thriving early childhood workforce by contributing to the quality of care children receive.

ⁱ H.B. 680, 2019 Leg., 86th Sess. (Tex. 2019). Retrieved from <https://www.capitol.state.tx.us/BillLookup/History.aspx?LegSess=86R&Bill=HB680>

ⁱⁱ Early Childhood Funding in Texas. (2019). The Early Learning Lab. Retrieved from <https://earlylearninglab.org/enabling-smart-early-childhood-technology-in-public-systems/early-childhood-funding-in-texas>

ⁱⁱⁱ Texas Workforce Commission (2020). Child Care & Early Learning Services. Retrieved from <https://www.twc.texas.gov/programs/childcare#authorityFunding>

^{iv} Children at Risk. (2020, June). Child Care Deserts Across Texas. <https://childrenatrisk.org/childcaredeserts/>

^v Children at Risk. (2020, June). Child Care Deserts Across Texas. <https://childrenatrisk.org/childcaredeserts/>

^{vi} Staff qualifications and competency requirements.

Retrieved from <https://eclkc.ohs.acf.hhs.gov/>

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[policy/45-cfr-chap-xiii/1302-91-staff-qualificationscompetency-requirements](#)

^{vii} Texas Early Childhood Workforce Compensation Study (2013). Retrieved from

<https://www.childrenslearninginstitute.org/media/154233/texas-early-childhood-workforce-compensation-study.pdf>

^{viii} Center for the Study of Child Care Employment. University of California, Berkeley. (2018). Early childhood workforce index 2018 – Texas. Retrieved from

<https://cscce.berkeley.edu/files/2018/06/2018-Index-Texas.pdf>

^{ix} Texas Early Childhood Workforce Compensation Study (2013). Retrieved from

<https://www.childrenslearninginstitute.org/media/154233/texas-early-childhood-workforce-compensation-study.pdf>

^x CHILDREN AT RISK Calculations using American Community Survey 5-Year Estimates, 2012-2016. IPUMS-USA, University of Minnesota, www.ipums.org

^{xi} U.S. Department of Education (2016). Troubling Pay Gap for Early Childhood Teachers. Retrieved from <https://www.ed.gov/news/press-releases/fact-sheet-troubling-pay-gap-early-childhood-teachers>

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To the members of the House Committee on Appropriations - S/C on Articles VI, VII & VIII.
Via email to Appropriations@house.texas.gov.

September 30, 2020

Re: ART678 – Comments by Public Citizen on the TCEQ Legislative Appropriation Request

Dear Chair Rose and members of the committee:

Public Citizen appreciates the opportunity to provide these comments on the Texas Commission on Environmental Quality's Legislative Appropriation Request for 2022-2023. We also delivered oral comments on this subject to the TCEQ Commissioners Work Session on September 30, 2020.¹ Our comments are based on the Sept. 30, 2020 document "Summary of the Recommended 2022-2023 Legislative Appropriations Request."

I. TCEQ Should Seek Additional Mobile Monitoring Funds

During the 86th legislative session, this committee approved a one-time appropriation of \$947,500 for mobile air monitoring equipment. Those funds are being used to upgrade three existing mobile monitoring vehicles operated by the TCEQ.² Public Citizen and our allies in the One Breath Partnership have long advocated for quicker, more thorough, and more transparent air monitoring response to natural disasters such as Hurricanes Harvey and Laura, and manmade disasters such as the ITC fire in Deer Park in March 2019 and the TPC explosion in Port Neches in November 2019.

TCEQ does not have the funding necessary to place mobile air monitoring vehicles permanently along the Texas Gulf Coast. This leads to delay in deploying these resources. Hurricane Laura, for example, made landfall overnight on Wednesday/Thursday August 26/27, 2020. The TCEQ moved its vehicles from Austin to East Texas on Thursday and was not able to begin monitoring until the morning of Friday, August 28.

During the September 24, 2020 TCEQ Commissioner's Work Session, TCEQ Executive Director voiced his desire that TCEQ find funding to retrofit three of its vehicles to serve as mobile monitoring vehicles located permanently in Houston, Beaumont, and Corpus Christi.³ We support this wish and suggest that the legislature appropriate sufficient funds for these three vehicles and staff.

¹ Available online at <https://www.youtube.com/watch?v=90g-ZJVtwfw&t=840>.

² TCEQ Executive Director Toby Baker discussed this investment and its use after Hurricane Laura at a recent TCEQ Commissioners' work session. See *TCEQ Commissioner's Work Session – September 24, 2020* at <https://www.youtube.com/watch?reload=9&v=UBb5jYOD49Y&t=950>.

³ See *TCEQ Commissioner's Work Session – September 24, 2020* at <https://www.youtube.com/watch?reload=9&v=UBb5jYOD49Y&t=997>.



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The only request from TCEQ in the LAR for mobile air monitoring is \$298,200 for “Mobile Monitoring Equipment (DUVAS).” This subcommittee should also determine whether TCEQ has enough funding to maintain and effectively deploy the three mobile monitoring vehicles it upgraded with last session’s appropriation.

II. TCEQ Should Seek Additional Funding for the Ambient Air Monitoring Network

TCEQ should seek additional funding to implement recommendations for improvements to the Ambient Air Monitoring Network. On May 14, 2020, comments were jointly submitted to the TCEQ on its 2020 Annual Monitoring Network Plan by Sierra Club, Environmental Defense Fund, Environmental Integrity Project, Public Citizen, Environment Texas, and Texas Environmental Justice Advocacy Services on behalf of their members and supporters.⁴ These comments made the following recommendations for additional monitoring:

- Fine particulate matter (PM2.5) monitoring in the Houston region, including in Houston’s Fifth Ward and in West Houston where monitoring by Environmental Defense Fund had showed the potential for elevated PM2.5 levels in communities.
- Ozone pollution monitoring in the Greater San Antonio Area
- Monitoring in the Permian Basin, including additional ozone monitors and sulfur dioxide monitors and modeling
- Monitoring of sulfur dioxide (SO₂) to support compliance with the 1-hour SO₂ National Ambient Air Quality Standard (NAAQS)
- Monitoring in El Paso, including real-time fence-line monitoring at Western Refining and a near-road monitor for NO₂/CO.

We recommend additional funding for these recommended additions to the Ambient Air Monitoring Network. These additional monitors will help us to reach and maintain attainment of federal air pollution standards. They will also ensure that public health is protected and not threatened by excessive air pollution.

III. We Support the following Expenditures

a. Air Monitoring and Capital Equipment

Given the above considerations about air monitoring needs, we are supportive of the request for Monitoring and Analysis Equipment. We are also supportive of allocations for air monitoring sites, mobile monitoring, optical gas imaging, and emergency response.

⁴ See “Re: Public comment and public hearing request on proposed 2020 Annual Monitoring Network Plan by Sierra Club, Environmental Defense Fund, Environmental Integrity Project, Public Citizen, Environment Texas, and Texas Environmental Justice Advocacy Services, Air Alliance Houston.” Submitted via email to monops@tceq.texas.gov (14 May 2020).



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b. Exceptional Item 1: Targeted Salary Increases

We agree with TCEQ that recruitment and retention of talented staff is necessary for the Agency to operate effectively.⁵ We understand from TCEQ staff discussion during the Sept. 30, 2020 Commissioners Work Session that hiring 1 FTE costs an average of \$30,000, and that with as many as 40-50 FTEs to restaff each year in the investigation division, the annual cost of poor retention is as much as \$1.5 million per year.

TCEQ salaries lag behind those of their peers in Harris County and the City of Houston, TCEQ turnover rates are higher than those of other Texas natural resource agencies. For these reasons, we support Exceptional Item 1, Targeted Salary Increases for Investigators, Enforcement Coordinators, Engineers, Permit Specialists, and Attorneys.

c. We Support Rider 19: TERP Cash Flow Difficulties Funds

We support this rider to fund TERP administration during the transition to the newly created TERP Fund. We note that if the fund operates as HB 3745 (86R) intended, and if revenue sources for the fund continue and are not altered by the legislature, then the TERP Fund will be well funded in future years. TCEQ should provide revenue estimates now for the TERP Fund over the biennium. TCEQ should also include recommended allocation amounts for each TERP program.

IV. We Oppose the Following Items

a. Rider 27: Expedited Processing of Permit Applications, unless it is revenue neutral

During the 86th legislative session, SB 698 by Senator Birdwell was passed to authorize TCEQ to add a surcharge to its air permit application fees in order to fund expedited processing of air permit applications. We believed the intent of that legislation was that additional funding for expedited permit processing would come through additional surcharges—and that the expedited permitting program would therefore be revenue neutral. The bill passed and was effective on September 9, 2019, meaning that TCEQ could have begun assessing the surcharge then.

In Rider Number 27, TCEQ states that it has collected \$0 in expedited permit review surcharges. Yet it has increased its requested appropriation from Clean Air Account 151 from \$1,250,000 to \$2,500,000. It appears that the Commission is asking for an additional \$1.25 million for expedited permitting even though it has collected no surcharges to fund the program. TCEQ should provide an accounting of the expedited permitting program and its funding, from surcharges or elsewhere. If the program is not revenue neutral, we would oppose this expense.

⁵ ED Baker discussed this problem recently. See *TCEQ Commissioner's Work Session – September 24, 2020* at <https://www.youtube.com/watch?reload=9&v=UBb5jYOD49Y&t=800>.



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b. Rider 26: Barnett Shale Permit By Rule Study

We join the Lone Star Chapter of the Sierra Club in opposing Rider 26. Ostensibly for a permit study in the Barnett Shale, Rider 26 actually prevents TCEQ from studying controls on oil and gas operations by requiring specific authorization from the Legislature for any study outside of the Barnett Shale.

We oppose unnecessary restrictions on the Commissions' ability to study new controls. We believe this is especially important given rollbacks of federal regulations under the Trump administration, including recently the methane rules.

V. Conclusion

Thank you for the opportunity to provide these written comments, if you wish to discuss our position further, I can be reached by email at ashelley@citizen.org or by phone at 713-702-8063.

Respectfully,

Adrian Shelley, Texas Office Director
Public Citizen

CC:

Chair Toni Rose, Vice Chair Cecil Bell, Rep. Ina Minjarez, Rep. Sergio Muñoz, Jr., Rep. Reggie Smith, Rep. Steve Toth, Rep. Terry M. Wilson
TCEQ Commissioners Jon Niermann, Emily Lindley, and Bobby Janecka
TCEQ Executive Director Toby Baker



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September 25, 2020

The Honorable Toni Rose
Chairman
House Subcommittee on Appropriations
Article VI, VII, VIII
P.O. Box 2910
Austin, Texas 78768

RE: ART 678 Texas Department of Agriculture Budget – Removal of Rider 26

Chairman Rose,

On behalf of the membership of Plains Cotton Growers, Inc., (PCG), in consideration of the 2021-2022 biennium budget for the Texas Department of Agriculture (TDA), we write to the committee to respectfully request the removal of TDA's Appropriations Rider 26 (adopted in 2017). This rider restricts the TDA from using appropriated funds for the implementation of warfarin for feral hog abatement.

Feral hogs are a hazardous species and pose a significant risk to the well-being of native and endangered species throughout Texas. Here in the High Plains region of Texas, it is heavily concentrated with feral hogs, which not only destroy crops but also threaten wildlife and livestock with deadly diseases. Despite their best efforts by night hunting, aerial hunting, and trapping, farmers and ranchers are at a loss when it comes to combating feral hogs due to the fact that they can reproduce at a faster rate than current control methods can mitigate.

Kaput® Feral Hog Bait, a once registered feral hog abatement in Texas is one example of an abatement tool that if Rider 26 is removed could be re-activated and used to combat feral hogs. The active ingredient in Kaput® is warfarin. Kaput began being developed in 2000. This product was developed by scientists at reputable institutions which include; Texas Tech University, Auburn University, Mississippi State University, and the Eglin Air Force Base in Pensacola, Florida. Experts at the University of Georgia, Mississippi State University, and Texas Tech University tested Kaput® in pen trails in 2008, and field trials were conducted from 2015-2017. Kaput® was registered by the U.S. Environmental Protection Agency (EPA) in 2017 under the Federal Insecticide, Fungicide and Rodenticide (FIFRA) Act. This Act requires a comprehensive review and testing of the environmental and safety impact before any product can be approved.

Due to the sensitivity that feral hogs have to warfarin, Kaput® has less active ingredients than most of the warfarin-based products available, including rat poisoning and Kaput's Australian-made competitor product. This low dosage of warfarin in Kaput® requires numerous feedings by feral hogs to be lethal and alleviates the risks to non-target species. Additionally, this product is formulated with a blue dye to turn the carcass tissue blue to lessen the risk of human consumption. Kaput® if re-approved in Texas, will provide an effective, safe alternative for controlling feral hogs, in addition to the current methods being used, when used in accordance to products label and by producers that are licensed pesticide applicators.

On behalf of the membership of Plains Cotton Growers, Inc., I appreciate the efforts of this committee and thank you for considering our request for removal of TDA's Appropriations Rider 26 (adopted in 2017) to allow for funds appropriated to TDA to be used for the implementation of warfarin for feral hog abatement.

Sincerely,



Kody Bessent
V.P. of Operations & Legislative Affairs
Plains Cotton Growers, Inc.



SUPPORTER OF COTTON INCORPORATED



Comments to the Committee on Appropriations - S/C on Articles VI, VII & VIII

Chair Toni Rose
Members, Appropriations Committee

- Sent via Email to Appropriations@house.texas.gov (ART678)

Dear Chairman Rose,

The Lone Star Chapter of the Sierra Club is pleased to offer these brief comments on issues related to the Railroad Commission of Texas, TCEQ, TWDB and TPWD, and Interim Charges 1 and Interim Charge 4.

Separately, we will be sharing more in-depth comments on LARs for the 2022-2023 to the committee as public input is scheduled with the Legislative Budget Board.

Interim Charge 1

Interim Charge 1: Monitor the agencies and programs under Articles VI, VII, and VIII, and oversee the implementation of relevant legislation and riders passed by the 86th Legislature.

While it is beyond the scope of these comments to review all riders and legislation, we wanted to highlight a few budgetary issues related to TCEQ, RRC, TWDB and the TPWD.

Texas Commission on Environmental Quality **Air Pollution and Monitoring**

COVID-19 has made it clear that there is a connection to mortality from COVID-19 and exposure to air pollution which hurts lung function. This has in Texas particularly

impacted residents of areas like Houston, and Beaumont-Port Arthur. Thus, investing in efforts to reduce pollution and monitor air pollution are vitally important.

During the last legislative session, SB 1 provided additional monies to TCEQ for mobile monitoring needed after natural and human-made disasters. A total of roughly \$950,000 was made available to the agency. We are pleased with efforts made by TCEQ to upgrade their mobile monitoring vans and make them available for assistance. As an example, all three upgrade mobile devices were employed in the Beaumont/Port Arthur area following Hurricane Laura.

We do believe there will be a continued need to expand this mobile, emergency monitoring efforts. While the LAR submitted by TCEQ includes some funding for continued maintenance of optical imaging and mobile monitoring, we think that actually providing more funding so that major communities can have access to mobile monitoring and optical imaging cameras is of utmost importance.

In addition to mobile monitoring, to protect the public and assure compliance, more stationary monitoring is needed in Houston's Fifth Ward and Ship Channel area, Corpus Christi and San Patricio County, San Antonio and the Permian Basin. The Sierra Club has provided detailed comments to the TCEQ and EPA about the need for these additional monitoring stations for ozone, sulfur dioxide, particulate matter and volatile organic compounds. Again, we will be providing more details in our LAR comments but there is a clear need for more funding.

Water Availability Modeling

TCEQ is tasked with providing water availability modeling and analysis of our major watersheds. During 2019, the Legislature approved HB 723 and a related rider to provide funding to the TCEQ to begin additional modeling in four river basins. While not yet completed, we believe TCEQ has been expending the funds and preparing these models and related analysis. Still, even after these studies are complete, there are remaining river basins, where additional modeling is still needed. The Appropriations Committee should consider whether these models can be performed under TCEQ's existing budgetary constraints or whether exceptional items are needed to conclude these WAMs.

TERP

During the 2019 session, HB 3745 was approved which will beginning in September of 2021 establish a trust fund outside the normal budgetary process so that TCEQ can be allocated all of the fees needed to help clean up and reduce ozone pollution. In the meantime, TCEQ has been running the programs successfully with the limited monies it has available.

According to TCEQ's LAR, the TCEQ will need some funding from the existing TERP account to pay for staffing needs while the trust fund balance and revenues grows. The

Sierra Club is supportive of this transition funding to allow TCEQ to pay for the staff time needed to oversee the grants.

We would also support further transparency. While the trust fund will be outside the normal budget process, TCEQ should be required to provide estimates of expected revenues and allocation of monies to different programs as per statutory requirements. Thus, the budget documents should at least provide the legislature with information about program expenses and outcomes. In addition, there is some TERP money that flows to another agencies – TEES – at Texas A & M – and a discussion is needed about whether this money comes out of the Trust Fund or out of the existing TERP account. Perhaps the legislature should add a quarterly reporting requirement as part of the budgetary process.

In addition to these issues, the legislature has failed to address the large balance within the Clean Air Account 151 which was generated from fees related to LIP and LIRAP, local air quality programs in the Houston, Dallas and Austin area to reduce emissions from local vehicles. We believe there will be a need during the session to identify these monies and make them available for local air pollution efforts, either through a budgetary rider or new legislation. The money has been collected from the public, but not spent for its intended purposes in the last two budget cycles.

Rider 28

Existing Rider 28, which in the new LAR is Rider 26, as we have argued for more than 10 years, must be eliminated.

Rider 26/28 prevents TCEQ from looking at the need for additional controls on oil and gas operations outside of the Barnett Shale is unnecessary and prevents TCEQ from doing its job. Statutorily, TCEQ must already look at real monitoring data before considering additional controls on oil and gas operations, and can't rely on worst-case modeling. But a rider that states they can't spend any money to look at the need for additional controls unless specifically authorized by the Legislature, is overkill. With the recent rollback by the Trump Administration of methane rules, in fact, TCEQ should be looking at additional controls on oil and gas operations. TCEQ should have the ability to consider the need for additional controls on oil and gas operations without interference from the legislature. We instead would propose that funding be provided to TCEQ to do the studies needed to see if there would be benefit in considering additional controls. It is time for our state to grow up, recognize that there are pollution impacts from oil and gas activities, and do the studies needed to consider what are cost-effective controls, rather than ignore real-world problems and protect the oil and gas industry.

Railroad Commission of Texas

IT Upgrades

We have been supportive of money allocated to the RRC for information technology upgrades. During the last few years, the RRC has successfully used those monies to make more data available to the public, including OIL (Oil Inspection Lookup) which provides data on enforcement, inspections and compliance and CASES, which provides documents related to permits, and hearings that are being evaluated by RRC staff. While these two new online systems in our view took perhaps too long to be made available, we are appreciative of the hard work that went into them and believe they serve the public well.

We would still note however that other data – such as the lack of a complaints database similar to what is found at TCEQ – hampers the ability of the public to track complaints at the agency.

More Transparency Still needed on Enforcement

While the sunset bill of a few sessions ago, did require the RRC to public an annual enforcement strategy with public input, the report provides very high-level aggregated data which is not particularly useful for establishing trends. Unfortunately, the legislature eliminated a rider (Rider 11) that required the posting of quarterly enforcement more detailed data. The Sierra Club calls on the legislature to require similar data be posted either monthly or quarterly on the RRC website. We are happy to provide an example of the type of data which the RRC used to report which is no longer available online or in the annual report.

Continued need for additional inspectors and mobile monitoring

Recent data from the Railroad Commission through a special enforcement process found that about a quarter of operators were violating their flaring exceptions, in some cases illegally venting methane, a climate cooker and public health menace. The RRC has increased the number of inspections and inspectors in recent years, but still is only inspecting wells about once every four years. We should aim for higher inspections, and also consider investing in new technologies like optical cameras and drones to catch environmental law-breakers.

Clean-up of abandoned wells

While the RRC has made substantial progress with the additional money provided by the leg to clean up abandoned and orphaned wells, we believe both bonding reform – requiring higher bonds at the front end – and more focus on clean-up is needed, especially with the downturn in the economy. We would suggest an exceptional item to continue making progress. Again, we believe that money allocated for cleanup should also be met by bonding reform.

Enforcement Policy

We continue to believe that enforcement policy at the RRC needs more focus. While outside of the appropriations process, current statutes limit maximum penalties for oil and gas violations to \$10,000 per day for major violations, with no consideration for the economic benefit of non-compliance. While we note recent improvements at the RRC in terms of the amount of inspections, we believe the RRC should look at its penalty matrix rule, while the Legislature should assess the existing statutory limits.

Comments on Texas Water Development Board (TWDB) Appropriations Needs for FY2022/FY 2023

The Lone Star Chapter of the Sierra Club, whose staff and volunteers have interacted with TWDB on a variety of water issues over a period of several decades, believes that TWDB is well-managed under its current governing board and executive staff. We also believe that TWDB is carrying out its water planning and financing responsibilities as best it can with the financial resources that have been provided to the agency by the Texas Legislature. However, we also see the need for TWDB to have additional funding in the coming years, including – if possible – in the FY 2022/FY 2023 biennium. Priority areas in this regard are as follows:

Debt Service for the Economically Distressed Areas Program (EDAP)

The 86th Texas Legislature proposed and the voters of Texas approved last year a state constitutional amendment authorizing TWDB to issue additional general obligation bonds to continue EDAP, a critical 30-year old program for providing water and wastewater services in low-income and socially vulnerable areas of the state that lack a clean and dependable water supply and the financial resources to obtain those services on their own. The constitutional amendment approved in 2019 will allow this program to continue so long as the outstanding principal in bonds does not exceed \$200 million. However, the authorized bonds can only be issued if the Legislature provides TWDB with legislative appropriations to service the debt on those bonds. The Sierra Club understands that TWDB will request an exceptional item of approximately \$2.5 million for the coming biennium in order to allow the agency to issue an estimated \$30 million in general obligation bonds to provide EDAP funding to eligible communities with inadequate water or wastewater services. The Sierra Club wholeheartedly supports that request for this critical program.

Additional Funding for Water Conservation Activities, including Water Loss Control

TWDB has been given significant responsibilities to promote and achieve water conservation, which is a key water management strategy in the state water plan and the 16 regional water plans that feed into the state plan. Roughly one-third of the state's future water demands are projected to come from water conservation by 2070, according to the 2017 state water plan (currently being updated). While the majority of the effort to achieve that goal will come at the local level, TWDB is a critical resource agency to assist local communities in attaining that conservation target and is the primary agency tasked with reviewing local water conservation plans, annual implementation reports, and water loss audits conducted by retail water utilities. The agency is also tasked with supporting the state Water Conservation Advisory Council

(WCAC) in its monitoring of water conservation activities and its development of proposals to enhance water conservation. WCAC has prepared and will soon release its biennial report to the Legislature, which includes recommendations for funding needs to promote conservation, including proposed funds to assure the validity of water loss audits (approximately one-third of the water utilities required to conduct water loss audits report a total water loss of almost 14% of the water pumped through their systems). The Sierra Club supports the funding proposals in the WCAC report.

Funding for Flood Planning and Flood Mitigation

The 86th Texas Legislature made great strides in addressing flood issues confronting communities around Texas, including the establishment of a state and regional flood planning process that mirrors in many respects the nationally recognized Texas state and regional water (supply) planning process and the commitment of significant funds from the so-called “rainy day fund” to provide grants and loans for flood mitigation. The 87th Texas Legislature will need to appropriate additional funds for FY 2022/FY 2023 to carry out the flood planning process to produce the first regional plans and the first state plan by the required deadlines. Also, the Legislature should consider the allocation of additional money from the rainy day fund for flood mitigation. The \$700+ million allocated to the new Flood Infrastructure Fund (FIF) by the 86th Legislature, while commendable, will not go far enough to meet the needs of communities facing flooding challenges, despite local commitments for funding for flood mitigation. TWDB’s call for initial applications for that \$700+ million resulted in requests for well over \$2 billion in flood mitigation funds, dramatically demonstrating the need. Sierra Club strongly urges the 87th Texas Legislature to put more funding into FIF for flood mitigation, especially to encourage and support non-structural flood management projects.

In conclusion, the Sierra Club strongly recommends additional funding for TWDB as delineated above. If the state’s financial situation – due to Covid-19 and other factors – does not provide the opportunity to provide that additional funding, then Sierra Club urges at the very least that the current funding levels for activities such as conservation and flood programs be maintained for the FY 2020/FY 2023 biennium and that EDAP be a high priority for the subsequent biennium.

Comments on budget issues at Texas Parks and Wildlife Department

While Sierra Club supported the legislation and constitutional amendment that led to dedicated funding for Parks and Wildlife through the sporting good sales tax, and is pleased with the increased dedicated funding for the department, we would note that there are important budgetary issues that remain for the Legislature to address. In addition to these comments, we would again bring up funding issues in general related to Parks and Wildlife, including additional monies for planning and funding adequacy of new parks.

PLANNING AND FUNDING ADEQUACY FOR STATE PARKS AND WILDLIFE

Examine the issues of the never-opened state parks and natural areas. For example, the Davis Hill SNA in East Texas has never been opened in over 35 years.

What is required to open state parks and natural areas that have **never** opened to the public. A lack of state park planning staff has been a hindrance to opening these public assets, but the problem would not end with the hiring of adequate planning staff. The current practice is to request a large appropriation to fund construction necessary to open a single named state park, while others lie fallow. Davis Hill SNA in southeast Texas is a prime example. For over 35 years, no progress has been made in furthering the accessibility of this important SNA to the general public, even on a limited basis. Volunteers have worked to control invasive plant species and assurances have been given that planning will begin so the park can open. Yet there has been no planning and no action. Much the same can be said for the Chinati Mountains and the Big Satan Unit of Devils River SNA.

Study gaps in the need for new state parks across Texas and provide funding

While the Sierra Club supports the recent recommendation from the Sunset Commission that the Land and Water Plan focus on land and water resources, we urge the legislature to direct the TPWD develop a long-range plan to acquire and develop new state parks and protected areas to meet the needs of Texas' booming population and protect threatened wildlife habitats. We also think it is imperative that TPWD be directed to assure that all Texans - whatever their age, socioeconomic status, gender or ethnic background -- have access to parks and other Texas public lands. The TPWD should be directed to assure that all Texans have equal access and are encouraged to take advantage of these opportunities. In particular, Texas's relatively young population means outreach to new audiences and potential users are of utmost importance. Thus, the legislature should consistently appropriate funds for acquisition of new parkland.

A budget item or budget flexibility is needed to expand the boundaries of existing state parks and wildlife management areas (WMAs) as the opportunity arises.

Expansion of existing state parks and WMAs is the most cost-effective means of adding additional acreage for recreation and habitat to the state inventory. Generally, there is minimal planning; basic development and staffing is already in place. Either a specific budget item aimed at expansion of existing state parks or WMAs **or** legislative rider authorizing flexibility to utilize appropriated funds for the same purpose could allow TPWD to take advantage of such acquisition opportunities when they arise. Note that the funds could be used to acquire property in fee or to purchase a conservation easement. The intent of this rider would be permissive authority for TPWD to use only if the opportunities present themselves. An example of such a rider is as follows:

In the event that suitable lands become available for acquisition to expand existing state parks or Wildlife management areas, Texas Parks and Wildlife Department may transfer an amount not to exceed \$2,000,000 over the 202x-2x biennium from Strategy A.1.1. Wildlife Conservation and/or Strategy B.1.1. State Park Operations to Strategy D.1.2. Land Acquisition. In the event lands are identified for acquisition, the capital budget is adjusted accordingly and only in the amounts necessary to complete the acquisition.

Diversify funding for the Wildlife Diversity Program (non-game) so that it can better implement the Texas Conservation Action Plan

The Wildlife Diversity Program (WDP) has been chronically underfunded. The WDP is the Wildlife Division program that specifically addresses the sustainability and habitat issues of non-game species - including plants. The number of game species is dwarfed by non-game species.

The WDP is charged with implementing the Texas Conservation Action Plan, which was formerly entitled as the Texas Comprehensive Wildlife Conservation Strategy 2005 - 2010 or Texas Wildlife Action Plan. Each state must complete such a plan. The highest priority is given to the Species of Greatest Conservation Need (SGCN).

There is a need to evaluate the level of funding that would be required to allow WDP to implement the Texas Conservation Action Plan and to compare that estimate to the funding supplied by existing sources. As part of the analysis, attention should be given to opportunities to diversify funding sources for the WDP. Possibilities include (a) setting up an ad hoc committee to explore funding options and (b) giving the interested public an opportunity to support the non-game wildlife program, much as interested hunter and fishermen support Wildlife Division's work to benefit the game species

LOCAL PARKS GRANTS

Local parks grant funding is the most important point of intersection between municipalities and TPWD. In the past, such funding has experienced severe swings. However, local parks grant funding has **not** recognized inflationary effects. During the 81st legislative session, the Legislature appropriated \$31.0 million over the biennium, but was thereafter reduced because of budget shortfall. Subsequent appropriations have increased, but have not accounted for inflation.

It is important to maintain a balance in recipients between small communities and large metropolitan areas. Especially in urban areas, there is a need for green spaces; which can be supported by balancing active recreation and nature appreciation purposed grants. There are specialized grant categories for recreational needs. Likewise, specific grants should benefit urban nature habitat acquisition or restoration. Generally, there should be a balance between active recreation and nature appreciation in the availability of local parks grants **and** the scoring of grant applications.

INVASIVE SPECIES CONTROL

During the 84th legislative session, a concerted effort was made by TPWD to alert the Legislature about the impacts of invasive species – but in the aquatic environment only. Specific information was given on threats by animal species (e.g., zebra mussels) and plant species (e.g., salvinia). The requested funding of \$18 million was supported by detail identifying vulnerable locations and proposed expenditures. In response, the Legislature appropriated significantly more funds to control aquatic invasive species that

it had ever done before (\$5.1 million). There is a need to identify the level of financial support to adequately control invasive aquatic species, while recognizing control of any invasive species is **not** a one-time appropriation. Control of invasive species is a long-term management issue requiring consistent financing that is adjusted for appropriate inflation.

A program to control invasive plant species in Texas state parks and Wildlife Management Areas (WMAs) and the role of volunteers

TPWD has specifically targeted the problem of aquatic invasive species. However, there is not a plan that addresses the invasive plant problem as an issue across all state parks and WMAs. There is a need for a plan identifying invasive plant species at each state park and WMA, defining their locations, estimating their numbers, and setting up a prioritized management plan for their control. The level of long-term financial support required to implement the plans should be estimated, recognizing that the control of any invasive species is not a one-time appropriation.

Volunteers could be a major source of assistance in implementing invasive species control at state parks and WMAs. For example, local Master Naturalists or “Friends” groups could be part of teams working at specific state parks or WMAs.

WILDLIFE MANAGEMENT AND PROTECTION

Lack of predator data and predator hunting

There is a severe lack of predator population data and predator hunting data, which precludes formulating a knowledgeable plan for predator management in Texas. Predator hunts in various Texas locales promote unlimited take (i.e., killing) of multiple predator species and unregulated species without TPWD having any knowledge of the effects such events are having upon the sustainability of the target species. The proliferation of predator hunts and the lack of management plans for predator species (e.g., mountain lions, bobcats, foxes) could precipitate negative ecosystem dynamics if unregulated predator hunting affects species sustainability.

There is also the issue of incidental take of non-target species, such as black bear, which is fostered by the current state of trapping regulations. The population of black bears in West Texas is a state-listed endangered species.

There is a need for evaluation of the adequacy of predator population data and the adequacy of hunting and trapping regulations to sustain predator populations.

Address adequacy of compensation policies regarding O&G leasing and ROW for pipelines, high-voltage lines, and wind turbines with respect to wildlife and habitat protection on TPWD public lands

The proliferation of oil and gas pipelines and affiliated transport facilities is increasingly affecting Texas’ public lands, particularly the Wildlife Management Areas (WMAs). The right-of-way (ROW) corridors have both short-term impacts during construction and long-term impacts during operation upon habitat and wildlife. Impacts can include

actual taking of land, disturbance of habitat, introduction of invasive species into disturbed area, wildlife disturbance, and wildlife mortality.

There should be a matching of impacts to compensation and mitigation. A simple one-time payment for the taking of ROW does not address issues of open-ended wildlife mortality and long-term expenses to control invasive species. Long-term impacts require long-term solutions instead of a single compensation payment. Alternative compensation should be considered to mitigate for long-term impacts, such as assistance with monitoring, restoration, or retrofitting infrastructure.

Interim Charge 4: Evaluate funding provided to the Texas Parks and Wildlife Department for the repair, maintenance, and upgrade of state park facilities. Determine the facilities that are in most need of repair, maintenance, or upgrade and examine the costs associated with such repairs, maintenance, or upgrades.

The larger need to plan for resilience in state park facilities and for Disaster Contingency Funding needs to be addressed by the Texas legislature and TPWD. Every year, the park system faces the consequences of flood or wind damage or fire. The system currently plays a game of catch-up to fund repairs of specified natural disasters. Such repairs occur every biennium but cannot be prioritized as planned major or minor repairs. Rather than shifting funds intended for normal repairs to handle emergency situations, there would be a benefit to establishing a Disaster Contingency Fund, which could handle at least some of the emergency repairs.

With respect to resilience, the National Oceanic and Atmospheric Administration (NOAA) has issued its Atlas 14, Volume 11 Precipitation-Frequency Atlas of the United States, Texas. The new data in this Atlas has changed the definition of the 100-year, 500-year rainfall event, etc. Consequently, the floodplain maps will change. It would be useful for TPWD to review the impact that the revisions will have on the vulnerability of their infrastructure in order to reduce future damages via any upgrades.

The Lone Star Chapter appreciates the opportunity to provide comments to the Appropriations Subcommittee on Article VI, VII and VIII.

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September 8, 2020

The Honorable Toni Rose, Chairman
House Subcommittee on Appropriations
Article VI, VII, VIII
P.O. Box 2910
Austin, Texas 78768

RE: ART 678 Texas Department of Agriculture Budget – Removal of Rider 26

Chairman Rose,

On behalf of the members of South Texas Cotton & Grain Association, I am requesting removal of Texas Department of Agriculture Appropriations Rider 26 (adopted in 2017). This rider restricts the Texas Department of Agriculture from using appropriated funds for the implementation of warfarin for feral hog abatement.

South Texas Cotton & Grain Association is a regional agricultural association representing farmers in 33 counties that cover the Coastal Bend, Upper Coast, and the Winter Garden. The primary crops for our farmers are cotton, grain sorghum, corn, soybeans, and wheat.

Our region has high concentrations of feral hogs, which are devastating to crops and threaten livestock and wildlife with deadly diseases. As omnivores, feral hogs will eat almost anything and pose a significant risk to native and endangered species in Texas. In addition, habitat destruction by feral hogs poses a threat to native pollinators and other native species. Feral hogs also pose a public health threat by contaminating watersheds, like the Lavaca River watershed, that some communities in our state rely on for drinking water. Despite their best efforts of control by aerial hunting, night hunting, and trapping, farmers are losing the battle against feral hogs because they reproduce faster than currently available control measures can keep up.

Warfarin, the active ingredient in Kaput Feral® Hog Bait, is not a new product. It has been available for years for rodent control. Warfarin is also an approved pharmaceutical for human use as a blood thinner. Kaput® Feral Hog Bait was registered by the U.S. Environmental Protection Agency (EPA) in 2017 under the Federal Insecticide, Fungicide and Rodenticide (FIFRA) Act, which requires exhaustive review and testing of safety and environmental impact before a product can be approved.

Because feral hogs are extremely sensitive to warfarin, Kaput® Feral Hog Bait has less active ingredient than most warfarin-based products – including rat poison and Kaput's Australian-made competitor product. The low dosage of warfarin in Kaput® Feral Hog Bait requires multiple feedings by feral hogs to be lethal and mitigates the risk to non-target species. In addition, the product is formulated with a blue dye that turns carcass tissue blue to mitigate the risk of human consumption. When used according to the product label by producers that are licensed pesticide applicators, Kaput Feral Hog Bait will provide a safe, effective alternative for controlling feral hogs in addition to the methods currently being used.

In the past, the feral hog problem in Texas was viewed as mainly a rural issue affecting farmers and ranchers. This changed in November 2019, when a woman in Chambers County was killed by feral hogs between her home and her car. Feral hogs cause millions of dollars in economic damages each year and are a public health threat in Texas. It is time to take action to make every legal means for controlling feral hogs available to farmers and ranchers to reduce feral hog populations in order to limit the economic damages and the threat to public health they cause in our state.

I appreciate the work of this committee and thank you for considering our request for removal of Texas Department of Agriculture Appropriations Rider 26 (adopted in 2017).

Sincerely,

A handwritten signature in blue ink, appearing to read "Jeff Nunley", with a stylized flourish at the end.

Jeff Nunley
Executive Director

Comments related to Interim Charge 1: Monitor and oversee the implementation of appropriations bills and other relevant legislation passed by the 86th Legislature.

RE: Feral Hog Abatement

On behalf of our Texas Corn Producer members, we want to make the Committee on Appropriations aware of the adverse impact on Texas agriculture from Department of Agriculture Appropriations Rider 26, prohibiting the registration of warfarin for use in feral hog control. In addition, we want to make the Committee aware of new developments since the rider was first adopted in 2017.

Feral hogs ruin thousands of acres of corn and other agricultural products each year. The hogs destroy crops, devastate grazing lands, threaten livestock and wildlife with deadly diseases, and reproduce at rates much faster than any current control measures can keep up with.

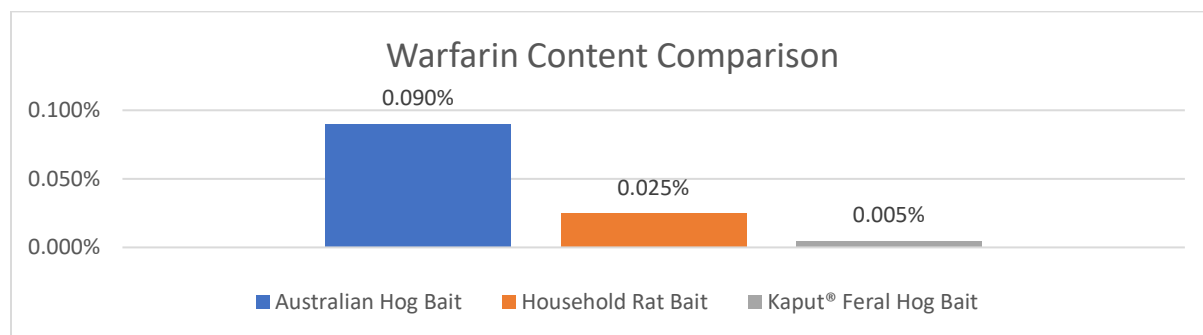
Kaput® is not a new product. The U.S. Environmental Protection Agency review of the product began 11 years ago. Field trials were conducted in 2015-2017 and EPA granted approval for the use of Kaput®. The product was developed and tested by experts at multiple universities including Texas Tech University.

It is low risk to domestic animals and non-target wildlife, but not feral hogs. The required regulatory protections include:

- administration through a feeder with a minimum of a 17-pound door.
- removal of livestock from baited areas.
- use only by state-licensed pesticide applicators.

Biological protections include:

- turning the carcass tissue blue to protect against human consumption
- low warfarin dosage to protect against non-target species harm – see chart



Since the adoption of the rider in 2017, EPA has revised its assessment resulting in the following updated and less restrictive product use restrictions:

- Reclassified by EPA as a lower toxicity Category IV pesticide.
- No longer requires a "CAUTION" label for EPA compliance.
- No longer requires first aid instructions on label for EPA compliance.

- No longer requires glove-wearing instructions on label for EPA compliance.
- No longer requires livestock to be removed from baited area except *during* baiting program.
- Reduction of conditioning period required for EPA compliance.
- Added cracked and whole corn to EPA-acceptable conditioning feeds.
- EPA no longer deems it necessary to bury carcasses 18 inches deep as a measure to protect against off target species consuming residual toxins. (NOTE: Product manufacturer continues to recommend burial to minimize feral hog disease transmission to humans, domestic animals, and other wildlife.)

Removing this rider would allow the scientific process to work with EPA to register feral hog control measures and enable the fee collection on such products to help fund the inspection programs to protect the public and farmers.

The Texas Corn Producers Association encourages the committee to take actions that will allow the use of this product to reduce the severe economic damage caused by feral hogs in Texas.

Submitted by:

David Gibson, Executive Director
Texas Corn Producers Association
September 3, 2020



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ZACHARY X. YANTA
Runge

SCOTT FRAZIER
Chapman Ranch

September 20, 2020

To: Appropriations Committees - S/C on Articles III, VI, VII & VIII

From: Texas Farm Bureau

Re: Interim Charge 1

Thank you for the opportunity to present comments on Interim Charge 1 regarding appropriation riders passed by the 86th Legislature.

Texas Farm Bureau opposes rider Number 8 of the Texas A&M AgriLife (AgriLife) budget, and rider Number 26 of Texas Department of Agriculture's (TDA) budget. These riders prevent AgriLife from researching the use of the toxicant warfarin to control feral hogs and the implementation of the use of the toxicant warfarin on feral hogs by TDA. We have included the rider language at the end of this document.

Feral hogs are a common predator among the very diverse ecological regions of Texas. They are prevalent in all Texas counties. Farmers, ranchers, landowners and homeowners have had major difficulties in curtailing feral hog populations and the damages they leave behind. Despite the best efforts put forth – Texas has failed to stop feral hogs for many decades.

The use of firearms, traps, aircraft and state sponsored events and programs are helpful but terminate just a very small portion of the population that rapidly grows each year. Our landowner members cannot continue this fight with only these current, methods and tools. More tools are necessary to actually help eradicate feral hogs.

In 2017, the Environmental Protection Agency (EPA) approved the use a warfarin-based toxicant product for feral hogs. The active ingredient is also found in numerous other formulations that have been successfully used to control pest populations for many decades across the United States.

Texans are familiar with warfarin-based toxicants for rodents like mice and rats. These baits can be easily purchased at a grocery store. Additional warfarin products are available to control gophers, moles and prairie dogs on yards, pastures and rangelands, but they require applicator training and certification that is administered by TDA. A feral hog toxicant would have similar requirements, but these appropriations riders prevent all opportunity, including certification requirements, to put the product to use.

The safe use of all pesticides is a priority. The EPA is charged with protecting human health and the environment, and their experts deemed this feral hog toxicant safe for use as a category IV pesticide. This classifies it with lower risk than many common rodenticides and the mandatory safety label does not require signals words for applicators such as "CAUTION" in bold text.

The trade name of the available product is "Kaput Feral Hog Bait" and it has been in development since the early 2000's. Research in laboratories, feral hog pens and field settings have been completed and were utilized by the EPA in their approval evaluation. Since 2017, universities have performed additional studies to investigate personal safety through identification of baited hogs by the blue dye marker in the bait as well as monitoring pigs for signs of pain prior to death. The results confirmed that EPA approved a safe, humane and effective toxicant bait.

This invasive species has garnered federal attention. The United States Department of Agriculture (USDA) identifies feral hogs as a major threat and has been working on control and eradication efforts for years.

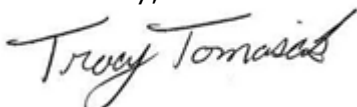
The 2018 Farm Bill designated \$75 million to fund research and pilot projects for feral hog control, and Texas already started three. A toxicant will be another tool used in the work to control feral hogs, but Texas research partners are not able to consider any warfarin toxicant in their trials due to the effects of these appropriations riders.

The state needs access to more feral hog control tools. We will see more agricultural losses and greater damages to the natural resources of Texas if we continue to prevent research and use of the available warfarin toxicant to protect our farms, ranches, crops and livestock from predation by feral hogs.

TFB members are steadfast in supporting ways to maintain clean water, food and fiber production, high quality of life and health for ourselves, neighbors and of our lands. However, the growing feral hog population hinders all of these best practices.

We urge you to remove these riders and allow these agencies to become assets in researching and implementation of warfarin-based products to control feral hogs.

Sincerely,



Tracy Tomascik
Associate Director
Commodity & Regulatory Activities

Rider Language:

TEXAS A&M AGRILIFE RESEARCH, ARTICLE III - page 241

8. Appropriation Restriction on Feral Hog Abatement Using Toxic Substances. Notwithstanding any other provision of this Act, none of the funds appropriated to the Texas A&M AgriLife Extension Service in this Act may be used for the implementation of warfarin on feral hogs

DEPARTMENT OF AGRICULTURE, ARTICLE VI – page 10

26. Appropriation Restriction on Feral Hog Abatement Using Toxic Substances. None of the funds appropriated to the Department of Agriculture in this Act may be used for the implementation of warfarin on feral hogs.



The Honorable Toni Rose, Chair
Appropriations Subcommittee on Articles VI, VII, and VIII
Texas House of Representatives
PO Box 2910
Austin, Texas. 78768-2910

RE: Interim Charge 1: Monitor the agencies and programs under Articles VI, VII, and VIII, and oversee the implementation of relevant legislation and riders passed by the 86th Legislature.

Dear Chairwoman Rose and Members of the Subcommittee:

Thank you for the opportunity to provide written comments on programs administered by the Texas Department of Agriculture (TDA). The agency has statutory authority to administer two programs for seed producers, processors, and sellers. The seed certification program, a voluntary marketing program is used by certain crop seed sectors such as wheat and peanuts. The seed certification process documents genetic purity and seed origin. Additionally, sorghum, sunflower, and millet require additional evaluation in certified seed winter grow-outs; a collaborative program between TDA and Texas Seed Trade Association. TDA also manages the state seed quality program based on the Federal Seed Act to verify seed purity and germination through testing and inspections.

These programs have dwindled in use since the last Sunset Review due to consolidations in the seed industry, changes in international requirements, and advancements in seed breeding, testing, and evaluation techniques. A review of past TDA budget documents reveals a significant reduction in the number of certified acres, and seed samples collected and tested. The implementation of cost recovery negotiated by our industry with TDA in 2011 has created continuous fee increases to cover increasing fixed costs to a declining number of users. Small and medium size seed companies are experiencing difficulty competing with seed sellers in neighboring states due to their relatively higher fees paid to support TDA's programs.

We support the statutory designation of the state's seed certifying entity to be changed to the Texas Crop Improvement

Association (TCIA), a nonprofit organization that would operate under USDA/AOSCA guidance as similar organizations do in 36 other states. This is a nonregulatory, marketing program that would operate under TCIA with the same standards but at a lower cost and greater flexibility to member/users. The functions of the Texas State Seed and Plant Board would be assumed by a comparable entity within the TCIA.

TSTA also supports the transfer of the Seed Law program to the Texas Department of Licensing and Regulations. With oversight by TDLR the verifying seed quality program could be administered in a modernized approach by the TCIA. Production process audits would largely replace ongoing, and largely ineffective, site inspections and duplicate seed testing.

Crop improvement associations across the country routinely service a highly competitive seed industry utilizing commercial accredited seed laboratories, minimizing overhead, while maintaining federal seed standards. Our concern is that the seed programs maintained by the state will soon prove untenable and may be eliminated without the necessary statutory authority for the industry to manage these programs. TSTA member companies successfully strive to maintain seed quality pursuant to, and higher than, federal standards or their customers go elsewhere.

We appreciate your consideration of our requests and are available to provide additional information or to discuss this issue further.

Respectfully,

A handwritten signature in cursive script, reading "Bryan J. Gentsch".

Bryan J. Gentsch, PhD
Executive Vice President
Texas Seed Trade Association
PO Box 1588
Goldthwaite, Texas 76844
512 944 5052
bryan@txseed.org



Making Health Insurance Affordable

Now Every Business in Central Texas Can Afford Health Insurance

September 23, 2020

TexHealth Central Texas Thumbnail

Testimonial:

“If I didn’t have TexHealth I could not afford insurance. It has helped me with our quality of life by providing me health insurance that I would not have otherwise.” Employee - Anthony

Economic Development:

- ❖ Small businesses are the economic engines for our Texas communities. This program provides them the ability to recruit and retain employees, improving productivity and workplace stability and strengthening competitive viability. Healthy employees perform better on the job.
- ❖ Reduce the high number of the Texas working uninsured.
- ❖ Lessens taxpayer burden by reducing costs of uninsured on counties, hospital districts and other safety net hospitals and clinics.
- ❖ Addresses working poor not qualified for Medicaid.
- ❖ Three-Share Plans are the only solution to the uninsured problem plaguing Texas

Authority to Operate: TexHealth structure and governance complies with Chapter 75 of the Texas Health & Safety Code, operating under Section 75.052(a)(2) and (b).

Current Number of Businesses: 123 small businesses

Current Number of enrolled employees: 1211 covered lives

Waiting list: Currently we have 5 groups with 106 employees

When Started: TexHealth Central Texas opened in February 2009 as a Limited Benefit Health Plan

History: From 2010 to 2013 TexHealth successfully operated a Health Plan and provided health benefits to over 1600 members. With the Affordable Care Act and the 10 Essential Benefits requirement TexHealth discontinued the Health Plan and converted to the current model where lower wage employees of small business may receive premium reimbursement regardless of the insurer.

Staffing: TexHealth has 2 FTE staff members and a referral relationship with over 12 independent insurance agents and brokers.

Other Revenue Sources: TexHealth helps small businesses and individuals who do not have an agent, apply for and obtain commissionable group and individual insurance policies. TexHealth also enjoys support from companies such as Lilly, IBM and PhRMA.

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