

**LEGISLATIVE BUDGET BOARD**  
**Austin, Texas**

**FISCAL NOTE, 87TH LEGISLATIVE REGULAR SESSION**

**May 19, 2021**

**TO:** Honorable Bryan Hughes, Chair, Senate Committee on State Affairs

**FROM:** Jerry McGinty, Director, Legislative Budget Board

**IN RE: HB3** by Burrows (Relating to state and local government responses to a pandemic disaster, including the establishment of the Pandemic Disaster Legislative Oversight Committee, and to in-person hospital visitation during a disaster.), **As Engrossed**

**Estimated Two-year Net Impact to General Revenue Related Funds** for HB3, As Engrossed : a negative impact of (\$22,491,686) through the biennium ending August 31, 2023.

The bill would make no appropriation but could provide the legal basis for an appropriation of funds to implement the provisions of the bill.

**General Revenue-Related Funds, Five- Year Impact:**

<i>Fiscal Year</i>	<i>Probable Net Positive/(Negative) Impact to General Revenue Related Funds</i>
2022	(\$12,333,171)
2023	(\$10,158,515)
2024	(\$10,158,515)
2025	(\$10,201,274)
2026	(\$10,158,515)

**All Funds, Five-Year Impact:**

<i>Fiscal Year</i>	<i>Probable (Cost) from General Revenue Fund 1</i>	<i>Change in Number of State Employees from FY 2021</i>
2022	(\$12,333,171)	16.8
2023	(\$10,158,515)	16.8
2024	(\$10,158,515)	16.8
2025	(\$10,201,274)	16.8
2026	(\$10,158,515)	16.8

**Fiscal Analysis**

Section 418A.151 of the bill would require the Texas Division of Emergency Management (TDEM) to support the direction, oversight, and management of the development of regional plans for surge capacity during pandemic disasters, including plans for personal protective equipment.

Section 418A.152 of the bill would require TDEM to implement a statewide disaster alert system.

**Methodology**

The provision of the bill relating to planning would affect operations at TDEM in two ways, impacting the agency's Preparedness and Response Divisions. First, Section 418A.151 of the bill would task TDEM with direction, oversight, and management of the development of regional plans for surge capacity during pandemic disasters, including plans for personal protective equipment. Per Section 418.044(a) of the Government Code, TDEM must "employ or otherwise secure the services of professional and technical personnel capable of providing expert assistance to political subdivisions and emergency management agencies." In addition to supporting plan development and administration, the agency's Response Division would require additional logistics staff and resources to support long-term deployment relating to pandemic emergency management. TDEM estimates that \$2,518,849 in General Revenue for the biennium and 9.0 additional FTEs would be necessary to undertake its responsibilities under the bill. The FTE estimate includes 5.0 planner II's (estimated salary of \$291,204 per year); 1.0 Unit Chief (\$99,500 per year); 1.0 Supervisor (\$75,000 per year); 1.0 Planner III with specific expertise in public health (\$65,000 per year) and a Program Specialist V (\$63,616 per year). Salaries included in this estimate total \$594,320 per year as well as \$8,640 in personnel costs per year and \$196,083 in benefits per year. Additionally, the estimate includes one-time costs of \$88,904 in fiscal year 2022 relating to standing up the new unit for pandemic response and annual operating costs of \$74,913. The estimate also includes assumed costs for supplies, fuel, travel, office space (including rent and utilities), and equipment, these annual costs total \$312,872. Finally, the estimate includes estimated capital costs of \$42,788 in FY 2022 and \$30,000 in FY 2025 for assumed space modification costs.

To implement the provision that would require TDEM to implement a state-wide disaster alert system, the agency would require an additional 7.8 FTEs and additional costs of \$19,986,338 for the biennium. This includes an estimated \$10 million for the procurement of the system, based on market assumptions provided by the agency. This cost decreases to \$8 million per year in subsequent years. The additional 7.8 FTEs would include 5.0 program specialist (estimated salaries total \$239,632), 1.0 Program Specialist IV (\$75,000 per year), 0.8 Program Specialist V (estimated salary of \$50,893), and 1.0 Unit Chief (\$99,500 per year). In addition to the total \$465,025 in salaries and wages, the estimate assumes \$151,226 in benefits per year and \$7,488 in personnel costs per year. Additionally, the estimate includes \$390,912 in operating costs, including travel, fuel, rent and utilities, and startup costs associated with new staff and establishing a new program. These operating costs decrease to \$347,948 in fiscal years 2023, 2024 and 2026, increasing to \$360,707 in fiscal year 2025 for anticipated technology maintenance costs.

## **Technology**

This estimate includes costs for the procurement and maintenance of laptops and other technology necessary for the agency to fulfil its responsibilities under the legislation.

## **Local Government Impact**

El Paso County is unable to quantify the fiscal impact but estimate that local governments might not receive funding in a timely matter, if at all, resulting in a potentially significant fiscal impact to the county. The fiscal impact to other counties cannot be estimated at this time.

According to the Texas Municipal League, the bill's provisions would limit the property tax rate of a city or county if the governor's office determines that the city or county took action during a pandemic that had the effect of closing a private business. If that occurs, it would have a significant negative impact on those particular cities.

**Source Agencies:** 300 Trusteed Programs - Gov, 302 Office of the Attorney General, 304 Comptroller of Public Accounts, 307 Secretary of State, 313 Department of Information Resources, 327 Employees Retirement System, 452 Dept of License & Reg, 455 Railroad Commission, 473 Public Utility Commission of Texas, 529 Hlth & Human Svcs Comm, 537 State Health Services, 575 TX Division of Emergency Management, 582 Commission on Environmental Quality, 601 Department of Transportation, 608 Department of Motor Vehicles, 701 Texas Education Agency, 710 Texas A&M Univ System Admin, 720 UT Sys Admin, 783 Univ of Houston Sys Admin

**LBB Staff:** JMc, SMAT, JSM, MC, CMA, AF