

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 87TH LEGISLATIVE REGULAR SESSION

May 1, 2021

TO: Honorable Joan Huffman, Chair, Senate Committee on Jurisprudence

FROM: Jerry McGinty, Director, Legislative Budget Board

IN RE: HB12 by Raymond (Relating to a study on a statewide disaster alert system and implementation of that system and to notice to elected officials of a widespread power, water, or natural gas outage or emergency.), **As Engrossed**

Estimated Two-year Net Impact to General Revenue Related Funds for HB12, As Engrossed : a negative impact of (\$11,622,816) 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	(\$550,500)
2023	(\$11,072,316)
2024	(\$9,029,352)
2025	(\$9,032,176)
2026	(\$9,042,111)

All Funds, Five-Year Impact:

<i>Fiscal Year</i>	<i>Probable Savings/(Cost) from General Revenue Fund 1</i>	<i>Change in Number of State Employees from FY 2021</i>
2022	(\$550,500)	1.0
2023	(\$11,072,316)	7.8
2024	(\$9,029,352)	7.8
2025	(\$9,032,176)	7.8
2026	(\$9,042,111)	7.8

Fiscal Analysis

Section 418.3015 of the bill requires the Texas Division of Emergency Management (TDEM) to conduct a study on the efficacy of existing mass notification deployments by local governmental entities throughout this state and the feasibility of establishing a statewide disaster alert system.

Section 418.302 of the bill states that TDEM shall develop and implement a disaster alert system to activate in the event of disaster affecting the state.

Methodology

TDEM estimates that to complete the study required by the bill it would require an additional 1.0 FTE and \$740,982 in General Revenue for the biennium. This estimate is broken out to be \$550,500 in fiscal year 2022 and \$190,482 in fiscal year 2023. The FTE would be a Unit Chief (estimated salary of \$99,500 per year along with \$32,357 in benefits costs and \$960 in personnel costs per year) to manage the study and oversee work with whatever contractors the agency partners with to conduct the study. This Unit Chief would also be responsible for overseeing the disaster alert program upon the completion of the study and the implementation and management therein. This portion of the estimate includes annual travel costs of \$10,000 per year, estimated rent and utility costs of \$19,966 in fiscal year 2022 and \$18,466 in fiscal year 2023 and subsequent years for the space and equipment occupied and utilized by the program operations. The estimate assumes annual costs of \$42,117 in operating expenses, including supplies, fuel and various start-up costs in fiscal year 2022, these operating costs are reduced to \$29,199 in fiscal year 2023 and subsequent years with the exception of fiscal year 2025 where these costs increase to \$32,023 to include costs associated with technology maintenance. Finally, the estimate assumes, based on market assumptions provided by the agency, that the cost of contracting with consultants to conduct the study would be a one-time cost of \$345,600 in fiscal year 2022.

The agency estimates that to design, implement, activate, and maintain the disaster system required by the bill it would need an additional 6.8 FTEs, in addition to the 1.0 FTE required for conducting the study, for a total of 7.8 FTEs and additional costs of \$10,881,834 occurring in fiscal year 2023 when the agency would be responsible for implementing the system. 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 addition 6.8 FTEs would include 5.0 program specialist (estimated salaries total \$239,632), one Program Specialist IV (\$75,000 per year) and 0.8 Program Specialist V (estimated salary of \$50,893). In addition to salaries wages, the estimate assumes \$125,397 in personnel costs and benefits per year, totaling \$490,922 in staff costs beginning in fiscal year 2023 and carrying through to subsequent fiscal years. Additionally, the estimate includes \$390,912 in operating costs, including travel, fuel, rent and utilities, and start-up costs associated with new staff and establishing a new program. These operating costs decrease to \$347,948 in fiscal years 2024 and 2025, prior to increasing to \$360,707 in fiscal year 2026 for anticipated technology maintenance costs.

Technology

The bill would require TDEM to procure and manage a disaster alert system. Additionally, this estimate includes costs for the procurement of laptop computers and other relevant technology.

Local Government Impact

The Public Utility Commission anticipates that this bill could have a fiscal impact on local governments that choose to participate in the alert system established by this bill, however the cost of that impact cannot be determined at this time. Additionally, the bill would require localities to notify various elected officials in certain situations relating to disasters, the cost of these provisions cannot be determined at this time.

Source Agencies: 300 Trusted Programs - Gov, 473 Public Utility Commission of Texas, 475 Office of Public Utility Counsel, 575 TX Division of Emergency Management

LBB Staff: JMc, SLE, JSM, MC, SMAT