

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

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

**March 22, 2021**

**TO:** Honorable Chris Paddie, Chair, House Committee on State Affairs

**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.), **Committee Report 1st House, Substituted**

**Estimated Two-year Net Impact to General Revenue Related Funds** for HB12, Committee Report 1st House, Substituted : a negative impact of (\$740,982) through the biennium ending August 31, 2023; or a negative impact of (\$11,622,816) through the biennium ending August 31, 2023, if, under the conditions presented in the bill, it is deemed necessary to implement a state-wide disaster alert system.

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

The first table outlines the projected costs, as estimated by the Texas Division of Emergency Management (TDEM), to complete the study of the efficacy of existing mass notification deployments by local entities in the state and assess the feasibility of establishing a statewide disaster alert system, as required by Section 418.3015 of the bill.

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

<i>Fiscal Year</i>	<i>Probable Savings/(Cost) from General Revenue Fund</i>	<i>Change in Number of State Employees from FY 2021</i>
2022	(\$550,500)	1.0
2023	(\$190,482)	1.0
2024	(\$190,482)	1.0
2025	(\$193,306)	1.0
2026	(\$190,482)	1.0

The second scenario outlines the projected costs if, in addition to conducting the aforementioned study as required by the bill, the agency is responsible for implementing the disaster alert system as required by Section 418.303 of the bill. The bill states that TDEM would be responsible for undertaking this with funds made available for this purpose. This scenario outlines the costs, based on market estimates provided by the agency, of the funds needed to be made available to develop and implement this system. The table for this scenario appears on the following page.

<i>Fiscal Year</i>	<i>Probable Revenue Gain/(Loss) 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 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 418.303 of the bill states that if TDEM and the Office of the Governor determine that TDEM, using funds made available for this purpose, TDEM is responsible for the development and implementation of that system. The agency estimates that this will require additional FTEs and funding to design, implement, activate, and maintain the alert system.

## **Methodology**

Scenario number one is based on the assumption that only the study must be conducted and that it is not deemed necessary to implement the new system. The agency estimates that it would require an additional 1.0 FTE and \$740,982 in General Revenue to complete this task. The estimate is based on the agency's estimated cost to increase staff and manage the project.

Scenario number two is based on the assumption that the development and implementation of the system is deemed necessary. The agency estimates that to accomplish this objective it would need an additional 6.8 FTEs, in addition to the 1.0 required for conducting the study, for a total of 7.8 and a total cost of \$11,622,816 in General Revenue for the biennium. This includes an estimated \$10 million for the procurement of the system, alongside staff costs to implement and manage the program.

## **Technology**

If deemed necessary, the bill would require TDEM to procure and manage a disaster alert system.

## **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.

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

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