

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 87TH LEGISLATIVE REGULAR SESSION

May 5, 2021

TO: Honorable Kelly Hancock, Chair, Senate Committee on Business & Commerce

FROM: Jerry McGinty, Director, Legislative Budget Board

IN RE: SB1606 by Hall (relating to the resilience of the electric grid and certain municipalities.),
Committee Report 1st House, Substituted

Estimated Two-year Net Impact to General Revenue Related Funds for SB1606, Committee Report 1st House, Substituted : a negative impact of (\$323,888) 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	(\$169,357)
2023	(\$154,531)
2024	(\$154,531)
2025	(\$154,531)
2026	(\$154,531)

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	(\$169,357)	1.2
2023	(\$154,531)	1.2
2024	(\$154,531)	1.2
2025	(\$154,531)	1.2
2026	(\$154,531)	1.2

Fiscal Analysis

The bill would require the Texas Division of Emergency Management (TDEM) to establish, appoint membership to and operate the Texas Grid Security Commission (Security Commission).

The bill would require certain members of the Security Commission to apply for a secret security clearance.

The bill would require the Security Commission to evaluate various threats to the state's electric grid.

The bill would require the Security Commission to prepare an all-hazards resilience plan relating to

weatherization, cyber vulnerabilities, etc. and submit report to the legislature communicating recommendations and costs associated therein.

Methodology

The estimate is based on amounts submitted by TDEM to fulfill its role in establishing and supporting the Security Commission created by the bill. To support the planning and evaluation functions of the Security Commission, TDEM estimates that it would require 1.2 FTEs and \$323,888 in General Revenue for the biennium. The FTEs would be responsible for providing expertise in emergency response planning and operational support to the Security Commission. TDEM estimates that it will require 1.0 Planner III (Estimated annual salary of \$65,000) with relevant expertise in all-hazards response to support the development of the resilience plan required by the bill. TDEM additionally estimates the need for 0.2 Program Specialist V (\$13,000 per year) to pay the cost of support staff for the operations of the Security Commission. The estimate includes \$1,152 in annual personnel costs and \$25,366 in annual employee benefits.

Additionally, the estimate assumes the following operational costs relating to the agency's role in evaluation activities, planning and report development activities, and other logistical and administrative responsibilities associated with administering the Security Commission. These costs include \$6,568 in equipment rentals; \$5,523 in fuel per year; \$3,000 in travel; \$13,644 in supplies; and \$10,020 per year in technology and other operating costs. The first year of the estimate includes assumed one-time costs of \$14,826 related to technology procurement and other costs associated with staff onboarding.

The estimate also assumes a portion of the cost for space to be utilized by the new employees. It is assumed that TDEM will continue to operate out of space leased from private vendors as is the agency's current practice. These costs include \$4,008 in utilities per year and \$7,250 in rent per year.

Technology

It is assumed that this estimate includes costs associated with the procurement of laptop computers and other technology necessary for the agency to fulfill its responsibilities under the bill.

Local Government Impact

No fiscal implication to units of local government is anticipated.

Source Agencies: 300 Trusted Programs - Gov, 304 Comptroller of Public Accounts, 401 Military Department, 473 Public Utility Commission of Texas, 477 Comm/Emer Communicat, 479 State Office of Risk Management, 575 TX Division of Emergency Management

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