

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 88TH LEGISLATIVE REGULAR SESSION

April 18, 2023

TO: Honorable Tracy O. King, Chair, House Committee on Natural Resources

FROM: Jerry McGinty, Director, Legislative Budget Board

IN RE: HB583 by Raymond (Relating to the production by the Texas Commission on Environmental Quality of an annual report on public drinking water supply systems.), **As Introduced**

Estimated Two-year Net Impact to General Revenue Related Funds for HB583, As Introduced : an impact of \$0 through the biennium ending August 31, 2025.

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>	Probable Net Positive/(Negative) Impact to General Revenue Related Funds
2024	\$0
2025	\$0
2026	\$0
2027	\$0
2028	\$0

All Funds, Five-Year Impact:

<i>Fiscal Year</i>	Probable (Cost) from Water Resource Management 153	Change in Number of State Employees from FY 2023
2024	(\$1,051,620)	10.0
2025	(\$1,001,620)	10.0
2026	(\$1,001,620)	10.0
2027	(\$1,001,620)	10.0
2028	(\$1,001,620)	10.0

Fiscal Analysis

The bill would amend the Health and Safety Code to require the Texas Commission on Environmental Quality (TCEQ) to produce an annual report on public drinking water supply systems. The report would include an analysis of significant events that affected public drinking public water supply systems and their consequences; challenges experienced by public water supply systems; changes in condition of public water supply systems; the effect of population growth on public drinking water supply systems; and recommendations for preventing public water supply outages during a disaster. The bill authorizes TCEQ to work in tandem with other state agencies, political subdivisions, and public drinking water supply systems to produce the report. The bill would require TCEQ to submit the report by September 1 of each year with the first report due no later than

September 1, 2024.

Methodology

The following analysis is based on information provided by TCEQ.

This analysis assumes that there are over 7,100 public water systems and that every public water system would comply with a reporting method set by TCEQ. According to TCEQ, the agency would develop, collect, and review a template for public water systems to self-report information related to noteworthy events, challenges, and vulnerabilities experienced within the previous year. This analysis assumes that TCEQ would develop a standard definition of noteworthy events, challenges, and vulnerabilities. The information that TCEQ would require to create the report required by the bill cannot be collected during inspections that are currently being performed as these inspections occur every three to five years or as the agency receives complaints instead of annually.

This analysis assumes TCEQ would require additional staff to review and analyze events at public water systems; compile and assess changes in water system conditions; create plans to prevent unplanned downtime during a disaster, construct a self-reporting template for public drinking water supply systems to utilize; develop a new database; and draft the require report.

This analysis assumes that TCEQ would require 3.0 Natural Resources Specialist II's (B18), 4.0 Natural Resources Specialist IV (B22), 1.0 Natural Resources Specialist V (B24), 1.0 Systems Analyst IV (B 23), and 1.0 Program Supervisor VI (B23). As reflected in the table above, TCEQ would require \$723,079 for salaries and wages, \$219,310 for payroll related benefits, \$36,154 for other operating expenses, and \$10,846 for agency payroll contribution costs in fiscal years 2024 to 2028, and \$50,000 for one-time employee costs in fiscal year 2024 out of General Revenue-Dedicated Water Resource Management Account No. 153. This analysis also assumes that any information technology costs related to creating a new database to collect the self-reporting templates can be absorbed using existing resources.

Based on information provided by the Division of Emergency Management and the Water Development Board, any costs required by the bill could be absorbed using existing resources.

Local Government Impact

The fiscal implications of the bill cannot be determined at this time due to the unknown cost related to increased reporting that would be required to implement the provisions of this bill.

Source Agencies: 405 Department of Public Safety, 575 Texas Division of Emergency Management, 580 Water Development Board, 582 Commission on Environmental Quality

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