

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 89TH LEGISLATURE 1st CALLED SESSION 2025

August 7, 2025

TO: Honorable Charles Perry, Chair, Senate Committee on Disaster Preparedness & Flooding, Select

FROM: Jerry McGinty, Director, Legislative Budget Board

IN RE: SB2 by Bettencourt (Relating to outdoor warning sirens in flood-prone areas.), **As Introduced**

Estimated Two-year Net Impact to General Revenue Related Funds for SB2, As Introduced: a negative impact of (\$5,574,218) through the biennium ending August 31, 2027.

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>
2026	(\$3,468,309)
2027	(\$2,105,909)
2028	(\$2,105,909)
2029	(\$2,105,909)
2030	(\$2,147,909)

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 2025</i>
2026	(\$3,468,309)	13.0
2027	(\$2,105,909)	13.0
2028	(\$2,105,909)	13.0
2029	(\$2,105,909)	13.0
2030	(\$2,147,909)	13.0

Fiscal Analysis

The bill would amend the Water Code related to outdoor warning sirens (sirens) in flood-prone areas. The bill would define flood-prone areas as areas in Texas identified in the Governor's disaster declaration issued for the July 2025 floods, and any other areas identified in Senate Bill 3, Eighty-ninth Legislature, First Called Session, 2025.

The bill would require the Texas Water Development Board (TWDB) to identify areas with a history of consistent or severe flooding, and if flood-prone areas warrant installation, maintenance, and operation of sirens. The bill would allow TWDB to consider other factors deemed relevant in making these determinations. The bill would also allow TWDB to require local entities within flood-prone areas (locals) to

install/maintain/operate sirens based on standards established by TWDB, unless the locals have already installed/maintained/operated sirens that meet those standards, and locals may jointly install/maintain/operate sirens by written agreement. The bill would require local entities to regularly test the functionality of its sirens and document the results to TWDB. The bill would establish that TWDB's determinations of whether an area would be prone to flooding or would require a siren would be considered final and binding. The bill would require TWDB to adopt rules and procedures related to the installation/maintenance/operation standards of sirens in flood-prone areas, including standards related to siren backup operating systems, and would allow TWDB to consult with other entities when considering rules and procedures.

The bill would require TWDB to establish and administer a grant program to assist locals with covering the costs of installing sirens. Under the provisions of the bill, TWDB would be responsible for establishing details related to applicants eligibility criteria, application procedures, grant amount guidelines, evaluations of applications, and monitoring procedures of the grant program.

The bill would take effect immediately if it receives a two-thirds vote of both houses, or on the ninety-first day after the last day of the legislative session, if a two-thirds vote is not received.

Methodology

Based on information provided by TWDB, it is assumed that additional staff and resources would be needed for TWDB to implement the provisions of the bill related to: identifying flood-prone areas; developing procedures for operating flood warning sirens; implementing the required grant program; and performing inspections of sirens.

According to TWDB, 13.0 Full-Time Equivalent (FTE) positions and associated costs from General Revenue Funds totaling \$3,468,309 in fiscal year 2026 and \$2,105,909 in fiscal year 2027 would address these responsibilities, with certain FTEs serving multiple functions. A sub-total of 5.0 FTEs would address the responsibilities of identifying flood-prone areas and developing procedures for operating sirens which include: one Contract Specialist IV, one Data Analyst III, one Data Analyst V, one Engineer V, and one Project Manager IV. A sub-total of 8.0 FTEs would address the responsibilities of implementing the required grant program and performing inspections of sirens which include: one Accountant IV, one Accountant V, one Contract Specialist IV, one Grant Specialist III, one Grant Specialist IV, one Information Technology Business Analyst III, one Inspector III, and one Project Manager IV.

Salary and wage costs for the 13.0 FTEs would total \$1,401,460 per fiscal year from 2026 to 2030. Benefit costs would total \$398,295 per fiscal year from 2026 to 2030. Professional service fee costs would total \$1,350,000 (\$750,000 related to developing siren operating procedures and \$600,000 to assess and enhance grant management software) in fiscal year 2026, and \$200,000 (ongoing maintenance/services) per fiscal year from 2027 to 2030. Other administrative and staff costs would total \$318,554 in fiscal year 2026, \$106,154 per fiscal year from 2027 to 2029, and \$148,154 in fiscal year 2030. This includes initial capital costs for licenses, furniture, and equipment in fiscal year 2026.

NOTE: This analysis assumes that General Revenue funds would be required to provide funding for the new grant program to assist locals with covering the costs of installing sirens; however, the exact amounts and timing of any appropriations that would be provided for grants for the new program are unknown at this time.

According to TWDB, although the exact amounts and timing of any appropriations for providing grants for the required grant program are unknown, the staffing and associated costs to administer the grant program would require the 8.0 FTE sub-total discussed above. Additionally, the exact scope of flood-prone areas to be assessed by TWDB is not fully defined and is unknown at this time because it depends on potential areas identified in Senate Bill 3, Eighty-ninth Legislature, First Called Session, 2025, which has not been filed at the time this fiscal note was prepared.

Technology

According to TWDB, enhancements to existing grant management software to automate application intake and processing as well as compliance review of documentation, would be needed for TWDB to implement the grant program, which would require professional service fee costs of \$600,000 in fiscal year 2026.

Local Government Impact

The fiscal impact to local government entities cannot be determined at this time. Local entities may receive grants for the installation of sirens through the new grant program. However, the amount and timing of such grants is unknown at this time. Additionally, any costs local government entities may incur to meet the requirements of installing/maintaining/operating sirens cannot be determined at this time.

Source Agencies: 580 Water Development Board

LBB Staff: JMc, FV, MW, AJL