

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 89TH LEGISLATURE 1st CALLED SESSION 2025

August 10, 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.), **Committee Report 1st House, Substituted**

Estimated Two-year Net Impact to General Revenue Related Funds for SB2, Committee Report 1st House, Substituted: a negative impact of (\$2,695,396) 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>	Probable Net Positive/(Negative) Impact to <i>General Revenue Related Funds</i>
2026	(\$1,795,298)
2027	(\$900,098)
2028	(\$900,098)
2029	(\$900,098)
2030	(\$918,098)

All Funds, Five-Year Impact:

<i>Fiscal Year</i>	Probable Savings/(Cost) from <i>General Revenue Fund 1</i>	<i>Change in Number of State Employees from FY 2025</i>
2026	(\$1,795,298)	6.0
2027	(\$900,098)	6.0
2028	(\$900,098)	6.0
2029	(\$900,098)	6.0
2030	(\$918,098)	6.0

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 in response to the July 2025 Hill Country floods.

The bill would require the Office of the Governor (OOG) to establish and administer a grant program, using any money available for that purpose, to assist municipalities, counties, and other governmental entities (local entities) with covering the costs of installing outdoor warning sirens. Under the provisions of the bill, OOG 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 also allow the OOG to delegate authority to administer the grant program to another state agency.

The bill would require the Texas Water Development Board (TWDB) to identify areas within flood-prone areas with a history of consistent or severe flooding, and if those 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 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 their 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 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: (1) identifying flood-prone areas; (2) developing procedures for operating flood warning sirens; and (3) performing inspections of sirens.

According to TWDB, 6.0 Full-Time Equivalent (FTE) positions and associated costs from General Revenue Funds totaling \$1,795,298 in fiscal year 2026 and \$900,098 in fiscal year 2027 would address these responsibilities, with certain FTEs serving multiple functions. The 6.0 FTE positions would include: one Data Analyst III, one Data Analyst V, one Engineer V, two Program Specialist IV, and one Project Manager IV. The Data Analyst and Engineer positions would perform duties related to functions 1 and 2 above, the two Program Specialists positions would perform duties related to function 3 above, and the Project Manager positions would oversee functions 1, 2, and 3.

Salary and wage costs for the 6.0 FTEs would total \$657,074 per fiscal year from 2026 to 2030. Benefit costs would total \$186,740 per fiscal year from 2026 to 2030. Professional service fee costs would total \$750,000 only in fiscal year 2026 for consulting related to developing siren operating procedures. Other administrative and staff costs would total \$201,884 in fiscal year 2026, \$56,284 per fiscal year from 2027 to 2029, and \$74,284 in fiscal year 2030. This includes initial capital costs for licenses, furniture, and equipment in fiscal year 2026.

According to OOG, no significant fiscal implication is anticipated to administer the new grant program.

NOTE: This analysis assumes that General Revenue funds would be required for OOG or a delegated agency 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, if authority to administer the grant program were delegated from OOG to TWDB, and depending on the exact amounts and timing of any appropriations for providing grants, additional staff and resources would be needed to administer the grant program.

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: 300 Trusteed Programs Within the Office of the Governor, 580 Water Development Board

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