

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 84TH LEGISLATIVE REGULAR SESSION

May 1, 2015

TO: Honorable Eddie Lucio Jr., Chair, Senate Committee on Intergovernmental Relations

FROM: Ursula Parks, Director, Legislative Budget Board

IN RE: SB1376 by Lucio (Relating to natural disaster housing recovery.), **Committee Report 1st House, Substituted**

Estimated Two-year Net Impact to General Revenue Related Funds for SB1376, Committee Report 1st House, Substituted: an impact of \$0 through the biennium ending August 31, 2017.

There would be an estimated net negative impact to General Revenue Related funds of (\$2,339,152) through the biennium ending August 31, 2019.

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:

Fiscal Year	Probable Net Positive/(Negative) Impact to General Revenue Related Funds
2016	\$0
2017	\$0
2018	(\$1,169,576)
2019	(\$1,169,576)
2020	(\$1,169,576)

All Funds, Five-Year Impact:

Fiscal Year	Probable (Cost) from General Revenue Fund 1
2016	\$0
2017	\$0
2018	(\$1,169,576)
2019	(\$1,169,576)
2020	(\$1,169,576)

Fiscal Analysis

The bill would amend the Government Code relating to natural disaster housing recovery. It would

designate the General Land Office (GLO) or the Governor's designee state agency to receive and administer federal and state funds appropriated for long-term natural disaster recovery and work with the Texas Department of Emergency Management (TDEM) and the Federal Emergency Management Agency (FEMA) to secure reimbursement for housing needs in areas affected by natural disasters. Additionally, the bill would require the GLO or the Governor's designee to maintain a staff and administrative support to carry out the agency's duties related to long-term natural disaster recovery.

The bill would also require the Hazard Reduction and Recovery Center at Texas A&M University to review and certify local housing recovery plans submitted by units of local government. The bill establishes certain criteria for approving the local housing recovery plans. Under provisions of the bill, approved local housing recovery plans would be submitted to the designated state agency and the Governor for approval.

The bill would take effect September 1, 2015.

Methodology

Currently, TDEM administers local disaster grants funded from FEMA as an existing function. Additionally, the GLO currently distributes disaster-related Community Development Block Grant funding from the United States Department of Housing and Urban Development (HUD).

Both the Office of the Governor and the Department of Public Safety on behalf of TDEM responded they could implement the provisions of the bill within existing resources. The Texas A&M University System Administrative and General Offices indicated it may have minimal costs to implement bill provisions. GLO would need funding to retain staff administering disaster funds.

GLO indicates it has sufficient funding in place through the 2016-17 biennium from existing federal grants from previous natural disasters to implement the provisions of the bill. According to GLO, beginning in fiscal year 2018 the agency would need funding to retain 13.0 FTEs beginning in fiscal year 2018. The FTEs would include 1.0 director, 2.0 managers, 8.0 program specialists and 2.0 administrative assistants. Salaries, benefits and associated administrative costs would total \$1,169,576 each fiscal year from the General Revenue Fund.

Local Government Impact

There would be cost to a local government to develop and adopt a local housing recovery plan; however, fiscal impact would vary depending on the local government's resources and number of plans developed and cannot be determined at this time.

Source Agencies: 301 Office of the Governor, 305 General Land Office and Veterans' Land Board, 332 Department of Housing and Community Affairs, 405 Department of Public Safety, 454 Department of Insurance, 710 Texas A&M University System Administrative and General Offices

LBB Staff: UP, KVe, MW, TB, ER, DEH, JP, SD, JAW