

**Commission on Environmental Quality
Summary of Recommendations - House**

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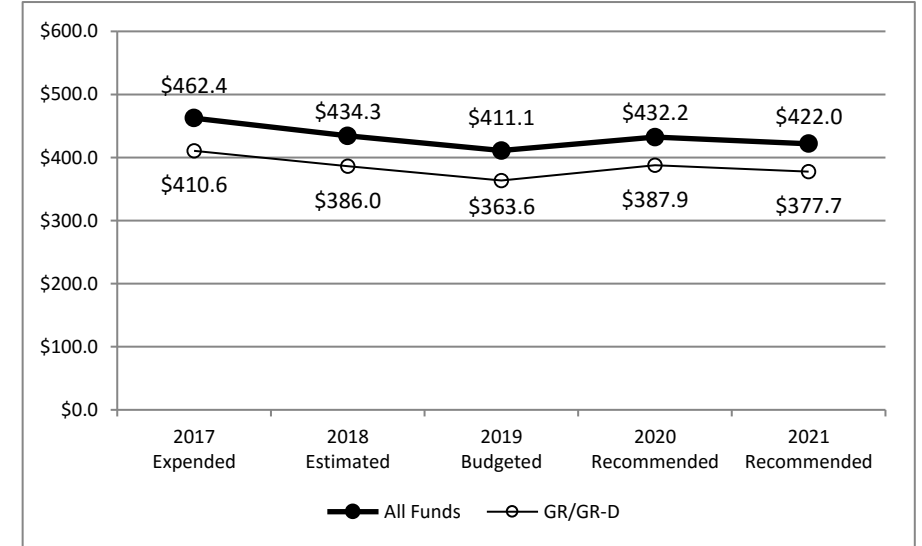
Toby Baker, Executive Director

George Dziuk, LBB Analyst

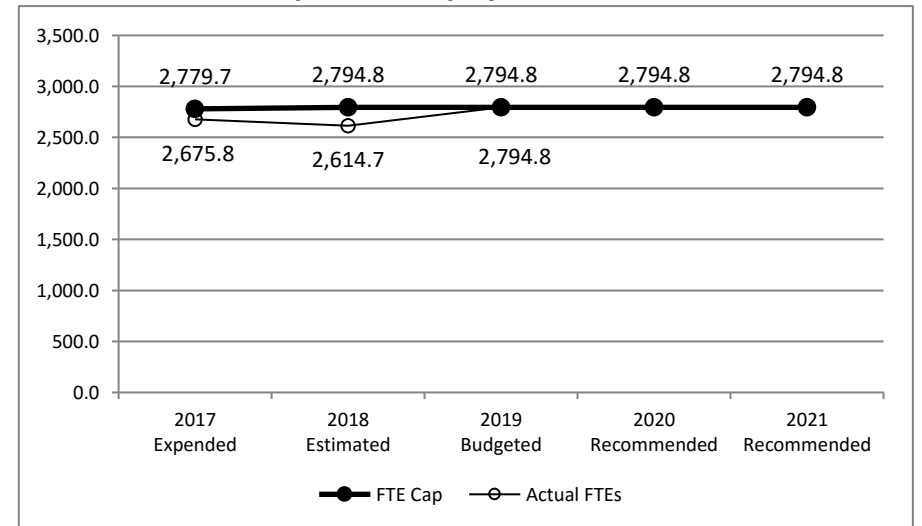
Method of Financing	2018-19 Base	2020-21 Recommended	Biennial Change (\$)	Biennial Change (%)
General Revenue Funds	\$35,268,758	\$35,951,871	\$683,113	1.9%
GR Dedicated Funds	\$714,238,307	\$729,695,196	\$15,456,889	2.2%
<i>Total GR-Related Funds</i>	<i>\$749,507,065</i>	<i>\$765,647,067</i>	<i>\$16,140,002</i>	<i>2.2%</i>
Federal Funds	\$75,717,534	\$72,820,800	(\$2,896,734)	(3.8%)
Other	\$20,124,360	\$15,787,840	(\$4,336,520)	(21.5%)
All Funds	\$845,348,959	\$854,255,707	\$8,906,748	1.1%

	FY 2019 Budgeted	FY 2021 Recommended	Biennial Change	Percent Change
FTEs	2,794.8	2,794.8	0.0	0.0%

Historical Funding Levels (Millions)



Historical Full-Time-Equivalent Employees (FTEs)



The bill pattern for this agency (2020-21 Recommended) represents an estimated 100% of the agency's estimated total available funds for the 2020-21 biennium.

**Commission on Environmental Quality
Summary of Funding Changes and Recommendations - House**

Funding Changes and Recommendations for the 2020-21 Biennium compared to the 2018-19 Base Spending Level (in millions)	General Revenue	GR-Dedicated	Federal Funds	Other Funds	All Funds	Strategy in Appendix A
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SIGNIFICANT Funding Changes and Recommendations (each issue is explained in Section 3 and additional details are provided in Appendix A):

A)	Funding to provide for the Low-Income Vehicle Repair, Replacement, Retrofit, and Accelerated Vehicle Retirement Program (LIRAP) at levels appropriated by the Eighty-fifth Legislature.	\$0.0	\$96.6	\$0.0	\$0.0	\$96.6	A.1.1
B)	Funding to provide for air quality planning activities to reduce ozone in near nonattainment areas at levels appropriated by the Eighty-fifth Legislature.	\$0.0	\$6.0	\$0.0	\$0.0	\$6.0	A.1.1
C)	Increase in funding to cleanup radioactive material at a former uranium mining/processing site in Live Oak County.	\$0.0	\$3.6	\$0.0	\$0.0	\$3.6	A.3.1
D)	Increase in funding to maintain Data Center Services at current obligation levels.	\$0.7	\$1.3	\$0.0	\$0.0	\$2.0	F.1.2
E)	Decrease in funding for vehicle replacements.	\$0.0	(\$1.5)	\$0.0	\$0.0	(\$1.5)	A.1.1, A.1.2, C.1.1, C.1.2, F.1.1
F)	Decrease in funding for various capital budget projects.	\$0.0	(\$0.6)	\$0.0	\$0.0	(\$0.6)	A.1.1, F.1.1, F.1.2

OTHER Funding Changes and Recommendations (these issues are not addressed in Section 3 but details are provided in Appendix A):

G)	Decrease in funding for one-time emergency funding transferred to the Texas Division of Emergency Management for debris removal associated with Hurricane Harvey recovery.	\$0.0	(\$90.0)	\$0.0	\$0.0	(\$90.0)	A.1.3
H)	Decrease in funding due to expiring grants, changes in distribution methodology, and one-time Hurricane Harvey reimbursements.	\$0.0	\$0.0	(\$2.9)	\$0.0	(\$2.9)	A.1.1, A.1.2, A.2.1, A.2.3, C.1.1

**Commission on Environmental Quality
Summary of Funding Changes and Recommendations - House**

Funding Changes and Recommendations for the 2020-21 Biennium compared to the 2018-19 Base Spending Level (in millions)		General Revenue	GR-Dedicated	Federal Funds	Other Funds	All Funds	Strategy in Appendix A
I)	Decrease in Appropriated Receipts due to one-time disaster recovery reimbursements from the City of West and anticipated reductions in recovered costs from superfund cleanups and disasters.	\$0.0	\$0.0	\$0.0	(\$3.8)	(\$3.8)	A.1.1, C.1.1, D.1.2
J)	Decrease in Interagency Contracts with the Office of the Governor to administer the RESTORE grant and change benefit rates for the Drinking Water State Revolving Fund.	\$0.0	\$0.0	\$0.0	(\$0.5)	(\$0.5)	A.1.2
TOTAL SIGNIFICANT & OTHER Funding Changes and Recommendations (in millions)		\$0.7	\$15.4	(\$2.9)	(\$4.3)	\$8.9	As Listed
<i>SIGNIFICANT & OTHER Funding Increases</i>		\$0.7	\$107.5	\$0.0	\$0.0	\$108.2	As Listed
<i>SIGNIFICANT & OTHER Funding Decreases</i>		\$0.0	(\$92.1)	(\$2.9)	(\$4.3)	(\$97.3)	As Listed

NOTE: Totals may not sum due to rounding.

**Texas Commission on Environmental Quality (TCEQ)
Selected Fiscal and Policy Issues - House**

- 1) **Low-Income Vehicle Repair, Replacement, Retrofit, and Accelerated Vehicle Retirement Program (LIRAP):** Recommendations include \$96.6 million in General Revenue–Dedicated Clean Air Account No. 151 (Account No. 151), for LIRAP which provides funding at amounts appropriated by the Eighty-fifth Legislature. Funding for LIRAP was eliminated for the 2018–19 biennium due to the Governor’s Veto Proclamation removing Rider 24, LIRAP. The Veto Proclamation stated that LIRAP provided little measureable improvement to air quality and that previous appropriations had yet to be fully spent by local entities that administer the program. Recommendations also reinstate the LIRAP rider, with revised revenue estimates and establish targets of 11,200 vehicles being repaired or replaced for the related performance measure in fiscal year 2020 and 17,000 in fiscal year 2021 (See also, Rider Highlights - House #23. The fiscal year 2021 amount equals the performance measure target for each year of the 2018–19 biennium established by the Eighty-fifth Legislature.

LIRAP was previously funded through fees collected by participating counties and deposited to the credit of Account No. 151. As a result of the veto, all 16 participating counties withdrew from the voluntary program in fiscal year 2018 and terminated LIRAP fee collection; however, counties have continued to spend remaining LIRAP funds during fiscal year 2018 granted and encumbered by TCEQ in the 2016–17 biennium. Beginning in fiscal year 2019, \$39.0 million in total available funding remains at the local level for LIRAP programs drawn primarily from fiscal year 2017 allocations carried forward. Any of this amount remaining unspent by the counties at the end of fiscal year 2019 will be lapsed.

Recommendations assume all 16 counties that previously participated in the program will resume participation and LIRAP fee collections in an amount estimated to be \$89.3 million for the 2020–21 biennium. Estimated revenues for fiscal year 2020 (\$35.5 million) are anticipated to be less than fiscal year 2021 estimates of \$53.8 million due to the Department of Motor Vehicles typically taking at least 120 days to implement required changes associated with resuming the fee collection. Recommendations rely on estimated fund balances of \$236.8 million in Account No. 151 at the beginning of the 2020–21 biennium to cover this one-time revenue shortfall in fiscal year 2020.

- 2) **Air Quality Planning.** Recommendations include \$6.0 million in Account No. 151 funding for air quality planning activities to reduce ozone in areas not designated as nonattainment areas. Funding for air quality planning activities was eliminated for the 2018–19 biennium due to the Governor’s Veto Proclamation removing Rider 7, Air Quality Planning. Prior to this veto, the areas identified by this rider as eligible for funding were those with an eight hour ozone level standard that placed the area close to a nonattainment designation, traditionally referred to as near-nonattainment. The Veto Proclamation stated the program funds items that could be funded at the local government level and that Account No. 151 should be prioritized to address air quality in non-attainment areas of the state. Recommendations also reinstate a modified Rider 7, Air Quality Planning, which removes San Antonio from the list of eligible areas due to Bexar County’s recent nonattainment designation.
- 3) **Texas Emissions Reduction Program (TERP):** Recommendations provide \$154.7 million in General Revenue–Dedicated Texas Emissions Reduction Plan Account No. 5071 (TERP Account) funding which continues 2018–19 spending levels. The Comptroller’s Biennial Revenue Estimate anticipates \$1.8 billion in the TERP Account on August 31, 2019. There are no revenue collections estimated for either year of the 2020–21 biennium because fees, surcharges, and transfers to this account are set to expire at the end of fiscal year 2019. At recommended appropriations for the 2020–21 biennium of \$155.6 million across all Articles, the estimated ending fund balance at the end of fiscal year 2021 would be \$1.6 billion.

Enactment of Senate Bill 1731, Eighty-fifth Legislature, 2017, (1) extended the authorization of the TERP program to the end of the biennium in which Texas attains national ambient air quality standards for ground-level ozone; (2) authorized TCEQ to reallocate funding among TERP programs based on demand for grants, and (3) removed various caps and minimum spending levels on programs. In addition, two new programs were made eligible for TERP funding, the Light-Duty Motor Vehicle Purchase or Lease Incentive program and the Governmental Alternative Fuel Fleet Grant Program. Recommendations maintain funding allocations between TERP programs each year according to statute, which includes reallocating \$6.0 million in fiscal year 2021 from the Emissions Reduction Incentive Grant program to the Alternative Fueling Facilities Program (See also, Rider Highlights – House #19).

The table below provides a description of each TERP program and allocations recommended in Rider 19, Texas Emissions Reduction Plan (TERP): Grants and Allocations including information on changes to the programs for the 2018–19 resulting from enactment of Senate 1731, Eighty-fifth Legislature, 2017.

Program	Description	Statutory Citation (Health and Safety Code)	Statutory Annual Allocation	2020–21 Recommended
Administration	Direct and indirect costs for administering the TERP program, including outreach and education activities.	§386.252(a)(9)	Between \$6.0 and \$8.0 million	\$16,000,000
Regional Air Monitoring Program	Funding for air monitoring, including operation and data validation, in North Texas.	§386.252(a)(4)	\$3.0 million max	\$6,000,000
Emissions Reduction Incentive Grants ¹	Grants and rebates to reduce emissions from mobile sources, non-road equipment, stationary equipment, and other sources.	§386.252(a)(14); Ch. 386, Subch. C	Balance	\$66,343,623
Clean School Bus	Grants to install retrofit systems on school buses to reduce emissions from diesel exhaust.	§386.252(a)(1); Ch. 390	4% max	\$6,189,590
Alternative Fueling Facilities Program ^{2,4}	Grants for facilities to provide alternative fuel along major highways and in nonattainment areas.	§386.252(a)(7); Ch. 393	\$6.0 million max	\$12,000,000
Clean Fleet Program	Grants to replace heavy-duty on-road diesel vehicles with alternative fuel and hybrid vehicles.	§386.252(a)(3); Ch. 392	5% max	\$7,736,987
Natural Gas Vehicle Grant Program	Grants to replace medium and heavy-duty vehicles with natural gas vehicles.	§386.252(a)(5); Ch. 394	10% max	\$15,473,974
Light-Duty Motor Vehicle Incentive Program ³	Rebate grants for the purchase of light-duty vehicles powered by alternative fuel or electricity.	§386.252(a)(11); Ch. 356, Subch D	5% max	\$7,736,987
Cargo Movement Studies/Pilot Program ²	Funding for port authority related studies or pilot programs to encourage cargo movement that reduces emissions.	§386.252(a)(13)	\$500,000 max	\$1,000,000
New Technology Implementation Grants	Grants for advanced clean energy projects, projects that reduce emissions from point sources and upstream/midstream oil and gas activities, and electricity storage projects.	§386.252(a)(2); Ch. 391	3% max	\$4,642,192
Health Effects Study	Funding for research to determine the effects of air pollution on human health.	§386.252(a)(8)	\$200,000 max	\$400,000
Air Quality Research	Funding for contracted air quality research by a nonprofit organization or institution of higher education.	§386.252(a)(7); Ch. 387	\$750,000 max	\$1,500,000
Energy Systems Laboratory Contract	Contract with Texas Engineering Experiment Station Energy Systems Laboratory for development and computation of creditable statewide emission reductions from renewable energy resources.	§386.252(a)(12)	\$216,000 max	\$432,000
Seaport and Rail Yard Areas Emissions Reduction ⁵	Grants to replace older drayage trucks operating in seaports and railyards.	§386.252(a)(10); Ch. 386, Subch. D-1	6% max	\$9,284,384
TOTAL				\$154,743,778

Notes:

1. The balance remaining from appropriated TERP funds once all other statutory allocation requirements are met is to be used for the Emissions Reduction Incentive Grant program (ERIG)
2. These programs were new beginning in the 2018–19 biennium.
3. The Light-Duty Motor Vehicle Incentive program was renewed for the 2018–19 biennium after expiring at the end of the 2014–15 biennium.
4. The Alternative Fueling Facilities Program includes the former Clean Transportation Triangle Program which was combined beginning in the 2018–19 biennium.
5. The Drayage Truck Incentive Program was renamed the Seaport and Rail Yard Areas Emissions Reduction Program beginning in the 2018–19 biennium.

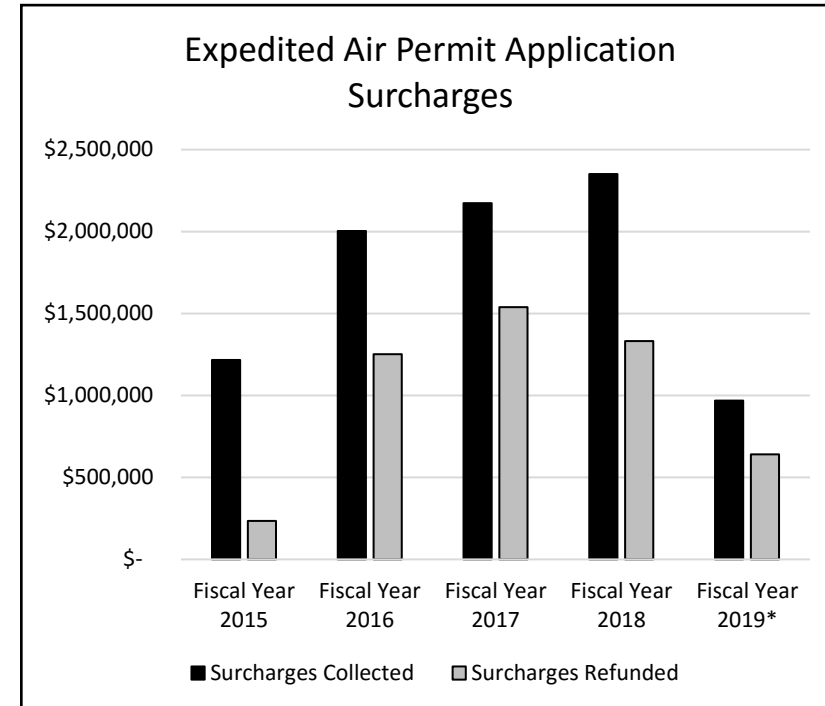
Based on the Comptroller’s Biennial Revenue Estimate in fiscal year 2019, it is assumed that if these fees and the Texas Mobility Fund transfer were to be continued by the 86th Legislature at 2019 levels, an estimated \$521.2 million would be collected during the 2020–21 biennium. Including this revenue estimate, all appropriations (agencies and payroll related benefits), and required transfers, it is assumed that balances in the TERP Account would grow to approximately \$2.1 billion by August 31, 2021.

- 4) **Expedited Air Permit Applications:** Recommendations include \$1.3 million in Account No. 151 funding for the processing of expedited air permit applications and revise associated Rider 28, Expedited Processing of Permit Applications, to increase appropriation authority for surcharge revenue collected above the Comptroller’s Biennial Revenue Estimate from \$250,000 to \$2.2 million for the biennium and requires TCEQ to provide quarterly reports on fee revenues collected from expedited permit review surcharges each fiscal year to the Comptroller of Public Accounts and the Legislative Budget Board (See also, Rider Highlights – House #28).

Entities seeking to construct a new facility or engage in the modification of an existing facility that admits air contaminants into the atmosphere may request expedited permit processing and TCEQ is statutorily authorized to use a surcharge and additional resources to expedite the processing these applications. TCEQ has established a surcharge on the standard permit application sufficient to cover all expenses related to the expedited permit review. Since the program’s inception, TCEQ has seen an increase in the number of expedited permit requests from 226 in fiscal year 2015 to 441 in fiscal year 2018. The agency anticipates this increase to continue into the 2020–21 biennium.

For the 2018–19 biennium, TCEQ was appropriated \$1.0 million (\$500,000 each year) in Account No. 151 funding for processing expedited air permit applications. In addition, Rider 29, Expedited Processing of Permit Applications, granted TCEQ appropriation authority in an amount not to exceed \$250,000 for the biennium from surcharge revenue for amounts collected in excess of the Comptroller’s Biennial Revenue Estimate. When expedited permit processing demand exceeds available resources, the agency only retains the portion of the surcharge used for processing that application in an expedited manner. The remainder of the surcharge is then returned to the applicant.

For fiscal year 2018, TCEQ collected \$2.4 million in surcharge revenue. TCEQ subsequently used the full \$250,000 in available authority to meet expedited application processing demand. Recommendations continue this \$250,000 within the recommended \$1.3 million for the 2020–21 biennium. However, the agency reports that the total amounts of \$1.3 million for the 2018–19 biennium has been insufficient to meet workload demands resulting in an inability for the agency to process the entire volume of expedited applications that were submitted with surcharges within the shorter expedited time frame. The table to the right provides a comparison of the amount in surcharges received by the agency as compared to refunded amounts from fiscal year 2015 through 2018.



Source: TCEQ
 Note: Fiscal Year 2019 amounts reflect transactions as of January 2019

Not included in Recommendations are two requests related to expending air permit applications:

1. \$2.1 million in Account No. 151 funding with authority for 10.0 FTEs that would focus exclusively on processing expedited air permit applications (See also, Items Not Included in Recommendations – House #1).
2. Amending Rider 28, Expedited Processing of Air Permit Applications, to:
 - a. Increase amounts included in appropriations from \$1.0 million to \$1.25 million.
 - b. Expand appropriation authority to any surcharge revenues received from expedited permit applications above amounts included in the Comptroller’s Biennial Revenue Estimate.

3. Provide unexpended balance authority from fiscal year 2019 into 2020.

See also, Rider Highlights – House #28 and Items Not Included in Recommendations – House #11.

5) **Capital Budget Projects:** Recommendations include the following changes to the agency's capital budget from 2018–19 spending levels.

- **Personal Computer Replacement:** Recommendations include \$1.3 million in General Revenue-Related funding which includes a reduction of \$217,362 compared to 2018–19 spending levels.
- **Technology Operation and Security Infrastructure:** Recommendations include \$1.1 million in General Revenue–Dedicated funding which includes a reduction of \$154,813 compared to 2018–19 spending levels.
- **Air Modeling for State Implementation Plan:** Recommendations include a funding reduction of \$148,628 in General Revenue–Dedicated Clean Air Account No. 151 funding.
- **Printer Replacement:** Recommendations include a funding reduction of \$121,876 in General Revenue–Dedicated funding.
- **Vehicle Replacement:** Recommendations include \$1.3 million in General Revenue-Related funding in alignment with the 10 year/150,000 mile vehicle replacement schedule which includes a \$1.5 million decrease. The agency has 29 vehicles that qualify and these would be replaced at an average cost of \$30,000 per vehicle (See Items, Not Included in Recommendations – House #5).
- **Data Center Services:** Recommendations include \$25.6 million in General Revenue-Related funding for the Data Center Consolidation project which includes an increase of \$2.0 million, to align with DIR's estimate of needed services.

6) **Environmental Radiation and Perpetual Care Account.** Recommendations include \$7.1 million in General Revenue–Dedicated Environmental Radiation and Perpetual Care Account No. 5158 (Account 5158) funding, which exceeds 2018–19 spending levels by \$3.6 million, to mitigate radioactive pollution resulting from incidents involving the release of radioactive material. In addition, recommendations continue estimated appropriation authority for revenues received during the biennium for mitigating radioactive pollution through Rider 14, Environmental Radiation and Perpetual Care, contingent upon the occurrence of an incident involving the release of radioactive material. The agency has estimated that it will use \$3.6 million of the \$4.2 million in revenues anticipated to be collected in the 2018–19 biennium for use in cleanup of two former uranium mining/processing sites in Live Oak County. Recommendations (1) provide \$7.1 million of which \$3.6 million is included in the agency's baseline appropriations with the remaining approximately \$3.6 million to continue the previously existing policy of appropriating all revenues collected for mitigation during the biennium and (2) do not appropriate any Account 5158 balances estimated to \$9.4 million as reported in the Comptroller's Biennial Revenue Estimate at the end of fiscal year 2019.

As of November 2018, the agency has expended \$2.3 million on these sites and estimates that an additional \$31.0 million will be needed to complete this work. In addition to continuing estimated appropriation authority for revenues collected for radioactive pollution mitigation projects initiated in the 2018–19 biennium, recommendations update Rider 14, Environmental Radiation and Perpetual Care, to reflect amounts appropriated from estimated revenues collected for mitigation projects that could be initiated in 2020–21. Not included in recommendations is an agency request to revise Rider 14 to increase appropriation authority to all revenues and balances within Account 5158 and to remove contingency language within the rider. (See also, Rider Highlights - House #14 and Items Not Included in Recommendations - House #10)

7) **Rio Grande Compact Commission Litigation Funding and Case Status.** Recommendations continue 2018–19 spending levels of \$3.1 million in General Revenue funding for litigation expenses for the Rio Grande Compact Commission. Recommendations also modify Rider 26, Litigation Expenses for the Rio Grande Compact Commission, to increase the litigation expenses that may be expended without prior written approval of the Legislative Budget Board (LBB) from \$500,000 to \$728,152 in fiscal year 2020, but continue the exclusion of \$199,996 each fiscal year for administrative costs.

On October 10, 2017, the Court denied New Mexico's motion to dismiss Texas' complaint and the United States Supreme Court subsequently ruled on March 5, 2018 that the United States may pursue Compact claims. A new special master was appointed by the United States Supreme Court on April 2, 2018 and an accelerated litigation schedule was created based on an anticipated trial date for the fall of 2020. Discovery for the case began on September 1, 2018 and must be completed by January 1, 2020. Due to this accelerated schedule, the

agency anticipates that all available funding for litigation expenses will be used by November 2018 with remaining obligations for the 2018–19 biennium of \$3.4 million of which the agency is using salary savings to cover \$2.0 million and is seeking supplemental appropriations for the remaining \$1.4 million. The agency is currently considering options to meet this demand which may include requiring supplemental General Revenue appropriations from the 86th Legislature.

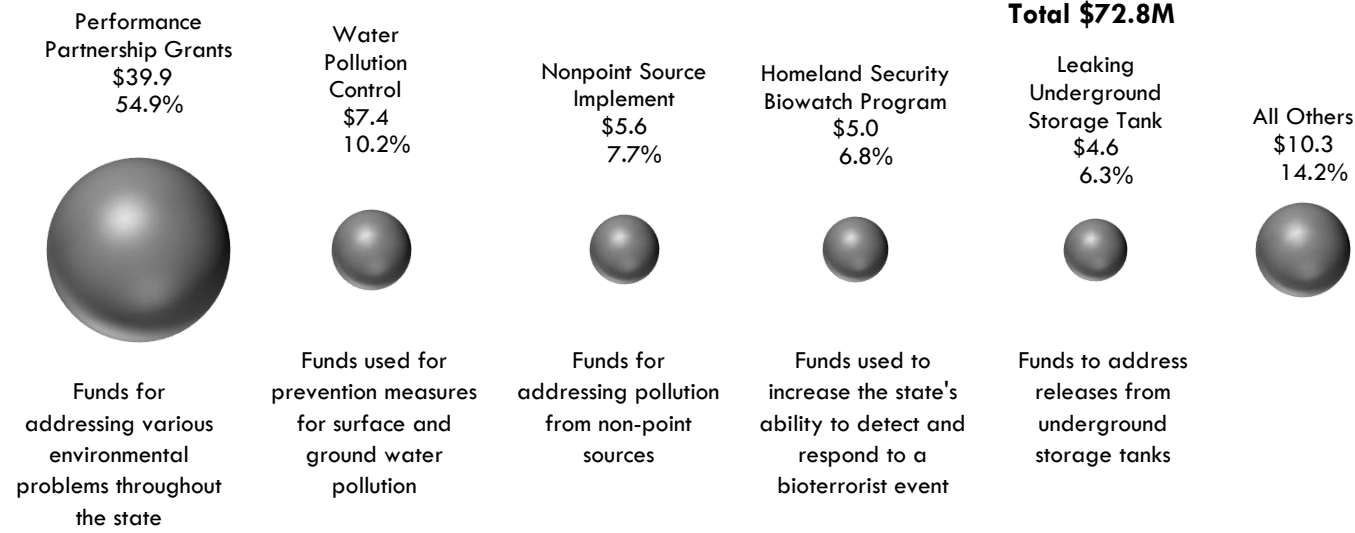
Not included in recommendations is (1) a \$2.4 million request for General Revenue funding for anticipated litigation expense obligations in 2021 and (2) a request to amend Rider 26, Litigation Expenses for the Rio Grande Compact Commission, to no longer include unobligated and unexpended balances from the prior biennium in the appropriations covered by the rider and to change the automatic approval deadline from 30 business days from when the LBB concludes its review of the request to 30 business days from when the LBB receives the request (See also, Items Not Included in Recommendations – House #8).

The table below provides information on total litigation expenses to date and future expenses anticipated by the agency since the 2012–13 biennium.

Biennium	Amount
2012–13	\$1,500,000
2014–15	\$4,392,810
2016–17	\$2,738,039
2018–19 (expended as of July 1, 2018)	\$1,281,320
2018–19 (estimated remaining obligations)	\$4,628,030
2020–21 (baseline request)	\$2,728,152
2020–21 (Exceptional Item #8)	\$2,351,629
Total	\$19,619,980

- 8) **Reallocations Between Strategies.** Recommendations include the following funding and program transfers between strategies to more accurately align responsibilities within the agency’s budget structure. The new allocation takes into account the number of FTEs in each strategy and program with no net change across all Methods of Finance.
- Transfer of the Watermaster Administration program with \$4.3 million in General Revenue–Dedicated Water Master Administration Account No. 158 and 32.0 FTEs from Strategy A.2.2, Water Resource Permitting, to Strategy C.1.1, Field Inspections. The Watermaster Administration program ensures compliance with water rights by monitoring stream flows, reservoir levels, and water use and coordinates diversions with Watermaster program staff conducting regular inspections. Transferring this program to the Field Inspections strategy more accurately aligns the program responsibilities with related performance measures on Watermaster diversion site inspections and investigations performed located in Strategy C.1.1, Field Inspections.
 - Transfer of the following FTEs and associated funding from three strategies to Strategy F.1.1, Central Administration, to more accurately reflect these FTE’s indirect administration responsibilities within the bill pattern:
 - \$5.9 million in General Revenue–Dedicated Texas Emissions Reduction Plan Account No. 5071 with 34 FTEs from Strategy A.1.1, Air Quality Assessment and Planning, associated with the TERP program;
 - \$2.0 million in General Revenue–Dedicated Petroleum Storage Tank Remediation Account No. 655 with 11 FTEs from Strategy C.1.1, Field Inspections and Complaints, associated with the Petroleum Storage Tank program; and
 - \$2.2 million in General Revenue–Dedicated Petroleum Storage Tank Remediation Account No. 655 with 10 FTEs from Strategy D.1.1, Storage Tank Administration and Cleanup, associated with the Petroleum Storage Tank program.

Commission on Environmental Quality
 Summary of Federal Funds (2020 - 21) - House

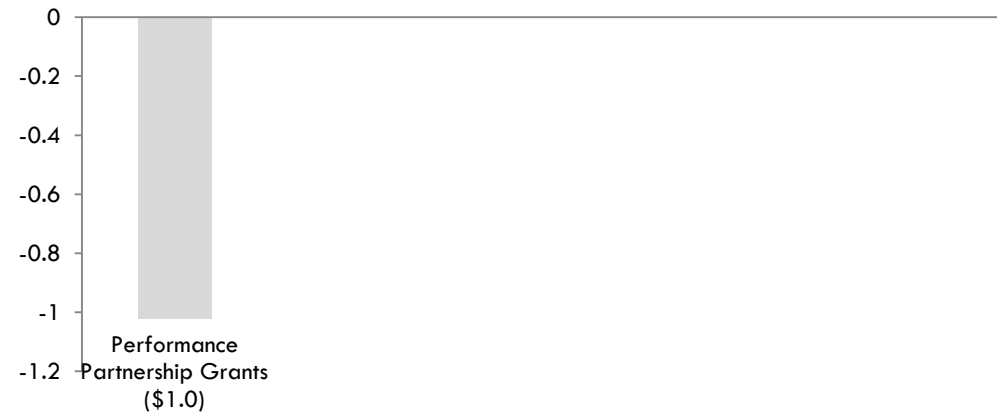


Selected Federal Fiscal and Policy Issues

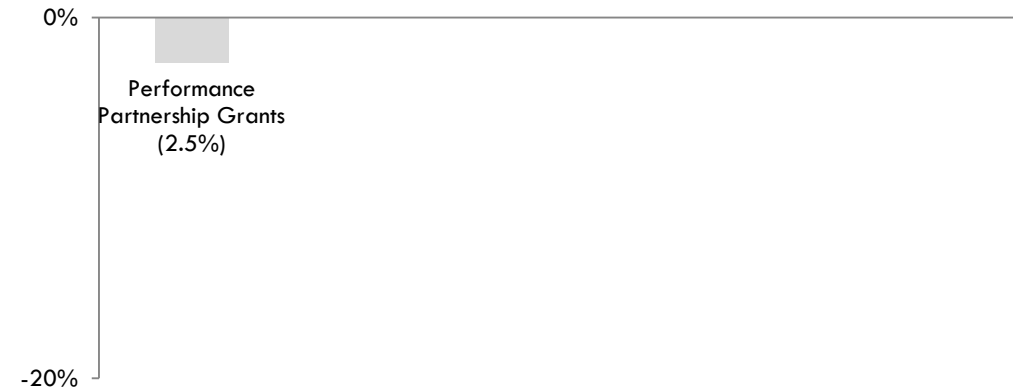
The EPA changed its methodology for allocating the Resource Conservation and Recovery Act (RCRA) federal funds, impacting programs overseeing and regulating waste management which is one of several Performance Partnership Grants.

Programs with Federal Funding Changes from 2018 - 19

Program-by Amount



Program-by Percentage



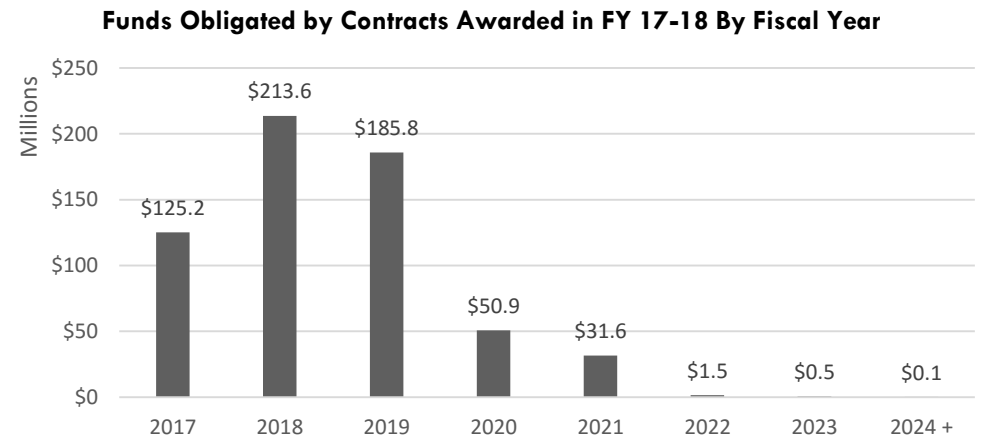
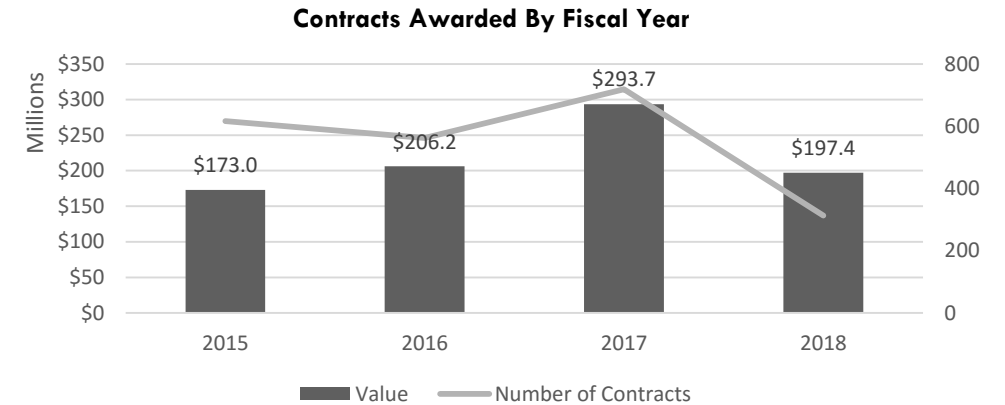
Commission on Environmental Quality Contracting Highlights - House

As of 8/31/2018, the Commission on Environmental Quality had 2,272 active procurement contracts valued at \$1.1 billion and 8 revenue generating contracts worth \$118.1 million.

Summary of Contracts Awarded in Fiscal Years 2017-2018 and Reported to LBB Contracts Database ¹

(Dollar values rounded to the nearest tenth of a million)

	Number	Total Value	Average Value	% of total
Procurement Contracts	1,032	\$ 491.1	\$ 0.5	100%
Award Method				
Total Competitive Contracts	823	\$ 284.0	\$ 0.3	57.8%
Total Non-Competitive	209	\$ 207.1	\$ 1.0	42.2%
Emergency	0	-	\$ -	0.0%
Sole Source	26	\$ 3.0	\$ 0.1	0.6%
Interagency Agreement	183	\$ 204.1	\$ 1.1	41.6%
Procurement Category				
Information Technology	36	\$ 41.6	\$ 1.2	8.5%
Security	48	\$ 95.6	\$ 2.0	19.5%
Construction	4	\$ 1.2	\$ 0.3	0.2%
Goods	50	\$ 17.6	\$ 0.4	3.6%
Management Services	60	\$ 23.8	\$ 0.4	4.8%
Consulting	17	\$ 18.4	\$ 1.1	3.7%
Other Services	817	\$ 292.9	\$ 0.4	59.6%
Revenue Generating Contracts				
Competitive	5	\$ 28.0	\$ 5.6	23.7%
Non-competitive	2	\$ 90.1	\$ 45.0	76.3%



¹These figures reflect the total value of reported contracts awarded in FY 17-18 and reported to the LBB contracts database. Values can include planned expenditures for subsequent years and represent the amounts contracted which may include funds from sources other than appropriated or General Revenue Funds. INDEF represents contracts without a completion date.

Commission on Environmental Quality

Contracting Highlights - House

(Dollar values rounded to the nearest tenth of a million)

Largest Active Contracts from Previous Fiscal Years	Award Method	Total Value	% Change*	Award Date	Length	Renewals	Vendor
1 Data Center-with DIR	Interagency	\$ 85.0	137.3%	05/01/12	8 years	5	Department Of Information Resources
2 Lease for Building F TCEQ Headquarters-Austin, TX	Competitive	\$ 55.3	2,233.0%	05/27/92	35 years	7	The Colonnade Office Center
3 Low Income Vehicle Repair Assistance	Interagency	\$ 38.6	590.7%	04/11/12	7 years	3	Harris County
4 Low Income Vehicle Repair Assistance	Interagency	\$ 22.4	301.6%	01/13/12	7 years	3	Dallas County
5 Low Income Vehicle Repair Assistance	Interagency	\$ 16.1	366.6%	01/13/12	7 years	3	Tarrant County

Largest Competitive Contracts Awarded in FY 17-18

1 Assessment, Investigation, & Remediation Services	Competitive	\$ 16.0	-	08/11/17	4 years	-	Aecom Technical Services
2 Assessment, Investigation, & Remediation Serv	Competitive	\$ 12.0	-	08/25/17	4 years	-	Aptim Environmental & Infrastructure Inc
3 Drinking Water Compliance Sampling Services	Competitive	\$ 12.0	-	08/08/18	3 years	-	Antea
4 FY17 Superfund Engineering Services Contract	Competitive	\$ 8.0	-	09/01/16	4 years	-	Aecom Technical Services
5 Assessment, Investigation, & Remediation Services	Competitive	\$ 8.0	-	08/11/17	4 years	-	Ensafe, Inc

Largest Non-Competitive Contracts Awarded in FY 17-18

1 Hurricane Harvey Solid Waste Disposal	Interagency	\$ 90.0	-	12/05/17	2 years	-	Texas Department Of Public Safety
2 DIR Shared Services Interagency Contract	Interagency	\$ 17.7	-	07/02/18	1 year	-	Department Of Information Resources
3 Receivable: Drinking Water State Revolving Fund	Interagency	\$ 10.5	-	09/01/16	1 year	-	Texas Water Development Board
4 DWSRF Set-Aside Activities Contract	Interagency	\$ 9.5	-	09/01/17	1 year	-	Texas Water Development Board
5 RESTORE: Bayou Greenways (Bucket 2)	Interagency	\$ 7.1	-	01/29/18	1 year	1	Houston Parks Board Lgl Inc

*Note: The percent change is the difference in contract value between initial the award amount and the current contract value. This calculation includes contract amendments and renewals.

**Texas Commission on Environmental Quality
Rider Highlights - House**

Modification of Existing Riders

14. **Environmental Radiation and Perpetual Care.** Recommendations identify \$3,560,000 in General Revenue–Dedicated Environmental Radiation Perpetual Care Account No. 5158 each year to provide continued funding for radioactive material cleanup projects initiated in the 2018–19 biennium and appropriate any new revenues to Account No. 5158 collected above the Comptroller’s Biennial Revenue Estimate contingent on an incident involving the release of radioactive material at a disposal, source material recovery, processing, or storage facility licensed by TCEQ (See also, Selected Fiscal and Policy Issues – House #6 and Items Not Included in Recommendations - House #10).
19. **Texas Emissions Reduction Plan (TERP): Grants and Administration.** Recommendations reallocate funding according to statute which continues funding allocations at 2018–19 levels with the exception of reallocating \$6.0 million in fiscal year 2021 from the Emissions Reduction Incentive Grant program to the Alternative Fueling Facilities Program (See also, Selected Fiscal and Policy Issues - House #3).
26. **Litigation Expenses for the Rio Grande Compact Commission.** Recommendations increase the exclusion for litigation expenses that may not be expended without prior written approval of the Legislative Budget Board (LBB) from \$500,000 to \$728,152 in fiscal year 2020 (See also, Selected Fiscal and Policy Issues - House #7 and Items Not Included in Recommendations – House #8).
28. **Expedited Processing of Permit Applications.** Recommendations revise the rider to increase appropriation authority for surcharge revenue collected above the Comptroller’s Biennial Revenue Estimate from \$250,000 to \$2.0 million for the biennium and to require TCEQ to provide quarterly reports on fee revenues collected from expedited permit review surcharges each fiscal year to the Comptroller of Public Accounts and the Legislative Budget Board (See also, Selected Fiscal and Policy Issues – House #4, Items Not Included in Recommendations – House #1 and #11)

New Riders

7. **Air Quality Planning.** Recommendations reinstate the Air Quality Planning rider with language adopted by the Eighty-fifth Legislature with the exception of removing San Antonio from the list of eligible areas for which the funding can be used because Bexar County is now designated as being in nonattainment for the National Ambient Air Quality Standard established in October 2015 (See also, Selected Fiscal and Policy Issues - House #2).
23. **Low-Income Vehicle Repair Assistance, Retrofit, and Accelerated Vehicle Retirement Program (LIRAP).** Recommendations reinstate the LIRAP rider with language adopted by the Eighty-fifth Legislature with one change. Estimated fee revenue amounts for Travis and Williamson county are based on TCEQ estimates for the 2020–21 biennium and assume these counties participate in the reinstated program (See also, Selected Fiscal and Policy Issues – House #1).

Deleted Riders

- Former 8. **Contract with the State Office of Administrative Hearings.** Recommendations delete the rider to maintain consistency with how the State Office of Administrative Hearing’s contracts with other agencies for administrative hearing services. In addition, these interagency contract requirements exist in statute (Government Code, Section 2003.024) making this rider unnecessary. Historically, TCEQ actual costs have been below the contracted amount
- Former 30. **Authorization: Transfer of Fund Balance.** Recommendations delete this rider. Enactment of Senate Bill 1105 abolished General Revenue–Dedicated Used Oil Recycling Account No. 146 and transferred balances, revenues, and appropriations to General Revenue–Dedicated Water Resource Management Account No. 153. Recommendations reflect this statutory change and this rider has been implemented.
- Former 31. **Registration Program for Certain Nonhazardous Industrial Solid Wastes.** Recommendations delete this rider. The rider has been implemented and amounts are included in the agency’s baseline request.

**Commission on Environmental Quality
Items Not Included in Recommendations - House**

	2020-21 Biennial Total			Information Technology Involved?	Contracting Involved?	Estimated Continued Cost 2022-23
	GR & GR-D	All Funds	FTEs			

Agency Exceptional Items Not Included (in agency priority order)

1)	General Revenue-Dedicated funding and additional FTEs to provide for the expedited processing of an increasing number of air quality permit applications each year (See also, Selected Fiscal and Policy Issues - House #3 and Rider Highlights - House #28).	\$2,140,000	\$2,140,000	10.0	No	Yes	\$2,140,000
2)	General Revenue-Dedicated funding and additional FTEs to allow for routine, comprehensive investigations of active municipal solid waste landfills every three years and on a risk-assessed basis at inactive or closed sites. The agency currently has 31 FTEs allocated to investigations to conduct compliance investigations on an as needed by demand basis.	\$932,016	\$932,016	8.0	No	Yes	\$775,416
3)	General Revenue-Dedicated funding to offset Resource Conservation and Recovery Act Federal Funds reductions of \$1.5 million during the 2020-21 biennium. This reduction is in alignment with new EPA methodologies for allocating hazardous waste grants to states.	\$1,048,000	\$1,048,000	0.0	No	No	\$1,048,000
4)	<p>Enhance and Expand Mobile Monitoring for Field Investigators General Revenue-Dedicated funding with capital budget authority for the following:</p> <p>1) \$947,500 to upgrade two vehicles with mass spectrometers and to replace and additional vehicle to expand mobile air monitoring capabilities to assess a wider range of target pollutants, reduce sampling frequencies, and allow in-transit monitoring;</p> <p>2) \$400,000 to purchase optical gas imaging cameras to better detect emissions for use in determining emission compliance and to measure health and environmental indicators;</p> <p>3) \$184,000 to replace a Scanning Electron Microscope that has exceeded its lifecycle.</p>	\$1,531,500	\$1,531,500	0.0	No	Yes	\$0
5)	General Revenue and General Revenue-Dedicated funding with capital budget authority for replacement of vehicles and boats that have exceeded their recommended lifecycles (See also, Selected Fiscal and Policy Issues - House #5).	\$2,376,000	\$2,376,000	0.0	No	Yes	\$0

**Commission on Environmental Quality
Items Not Included in Recommendations - House**

		2020-21 Biennial Total			Information Technology Involved?	Contracting Involved?	Estimated Continued Cost 2022-23
		GR & GR-D	All Funds	FTEs			
6)	General Revenue—Dedicated funding with capital budget authority and additional FTEs for implementing the Centralized Accounting and Payroll/Personnel System (CAPPS) Human Resource and Payroll System. Outgoing costs reflect the agency's request to retain these FTEs into the 2022-23 biennium to support CAPPS Financials implementation.	\$1,602,993	\$1,602,993	10.0	Yes	No	\$1,383,962
7)	General Revenue—Dedicated funding to move the Corpus Christi Regional Office housed at Texas A&M University at Corpus Christi and support a new lease agreement. TCEQ will be requesting a 5-year term with the University from 3/1/19 through 2/28/24 through the Texas Facilities Commission delegated process. The agency currently uses these facilities at no cost and does not have a lease agreement with the University.	\$822,730	\$822,730	0.0	No	Yes	\$1,186,819
8)	General Revenue funding for additional litigation expenses for the Rio Grande Compact Commission. This is in addition to \$3.1 million included in the Recommendations (See also, Selected Fiscal and Policy Issues - House #7 and Rider Highlights - House #26).	\$2,351,629	\$2,351,629	0.0	No	Yes	\$0
Agency Rider Requests Items Not Included							
9)	Amend Rider 8, Federal Funds and Capital Budget Expenditures, to include disaster-related recoveries among the funds exempted from capital budget provisions. The requested change would also remove the requirement that eligible funding under the revised authority be designated solely for the purpose of specific capital items.	\$ -	\$ -	0.0	No	No	\$0
10)	Amend Rider 13, Environmental Radiation and Perpetual Care, to appropriate all available balances in General Revenue-Dedicated Environmental Radiation Perpetual Care Account No. 5158 at the end of fiscal year 2019 in fiscal year 2020 for continuing radioactive pollution mitigation projects initiated in the 2018-19 biennium (See also, Rider Highlights - House #14).	\$ 9,401,000	\$ 9,401,000	0.0	No	No	\$0

**Commission on Environmental Quality
Items Not Included in Recommendations - House**

		2020-21 Biennial Total			Information Technology Involved?	Contracting Involved?	Estimated Continued Cost 2022-23
		GR & GR-D	All Funds	FTEs			
11)	<p>Rider 26, Expedited Processing of Permit Applications</p> <p>1. Amend the rider to increase the amounts appropriated above from \$1.0 million to \$1.25 million.</p> <p>2. Amend the rider to expand appropriation authority to any surcharge revenues received from expedited permit applications</p> <p>3. Amend the rider to provide unexpended balance authority from fiscal year 2019 into 2020. (See also, Selected Fiscal and Policy Issues - House #4 and Rider Highlights - House #28).</p>	\$ -	\$ -	0.0	No	No	\$0
TOTAL Items Not Included in Recommendations		\$22,205,868	\$22,205,868	28.0			\$6,534,197

**Texas Commission on Environmental Quality
Appendices - House**

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* Appendix is not included - no significant information to report

** Information is included in the presentation section of the packet

**Commission on Environmental Quality
Funding Changes and Recommendations - House, by Strategy -- ALL FUNDS**

Strategy/Goal	2018-19 Base	2020-21 Recommended	Biennial Change	% Change	Comments
AIR QUALITY ASSESSMENT AND PLANNING A.1.1	\$227,791,124	\$323,114,398	\$95,323,274	41.8%	<p>All Funds increase resulting from:</p> <ul style="list-style-type: none"> a) An increase of \$96.6 million in General Revenue-Dedicated Clean Air Account No. 151 funding for the Low-Income Vehicle Repair, Replacement, Retrofit, and Accelerated Vehicle Retirement Program (LIRAP) at 2018-19 appropriated levels set by the Eighty-fifth Legislature (See also, Selected Fiscal and Policy Issues - House #1). b) An increase of \$6.0 million in General Revenue-Dedicated Clean Air Account No. 151 funding for Local Air Pollution Grants at 2018-19 appropriated levels set by the Eighty-fifth Legislature (See also, Selected Fiscal and Policy Issues - House #2). c) A decrease of \$5.9 million in General Revenue–Dedicated Texas Emission Reduction Plan No. 5071 funding with 34 FTEs that were reallocated to Strategy F.1.1, Central Administration to more accurately reflect these position's indirect administration responsibilities (See also, Selected Fiscal and Policy Issues - House #3). d) A decrease of \$1.0 million in Federal Funds due to expiring grants. e) A decrease of \$0.1 million in General Revenue-Dedicated Clean Air Account No. 151 and \$67,261 in General Revenue-Dedicated Operating Permit Fees Account No. 5094 to reflect estimated costs to replace vehicles that have mileage over 150,000 miles or are over 10 years old by the end of fiscal year 2019 (see also, Selected Fiscal and Policy Issues - House #5 and Items Not Included in Recommendations - House #5)

**Commission on Environmental Quality
Funding Changes and Recommendations - House, by Strategy -- ALL FUNDS**

Strategy/Goal	2018-19 Base	2020-21 Recommended	Biennial Change	% Change	Comments
					<p>f) A decrease of \$0.2 million in Appropriated Receipts due to one-time reimbursements for disaster recovery in the City of West during the 2018-19 biennium not continued in the 2020-21 biennium.</p> <p>g) A decrease of \$0.2 million in General Revenue-Dedicated Clean Air Account No. 151 for the Air Monitoring Capital Budget Project (See also, Selected Fiscal and Policy Issues - House #5)</p> <p>h) An increase of \$0.1 million in General Revenue-Dedicated Clean Air Account No. 151 due to minor strategy adjustments.</p>
WATER ASSESSMENT AND PLANNING A.1.2	\$57,145,130	\$56,538,866	(\$606,264)	(1.1%)	<p>All Funds decrease resulting from:</p> <p>a) a net decrease of \$0.3 million in Federal Funds due primarily to expiration of the National Lakes Assessment Grant and minor decreases and increases among various Federal Funds</p> <p>b) a decrease of \$0.3 million in Interagency Contracts with the Office of the Governor associated with administration of the RESTORE grant.</p> <p>c) A decrease of \$0.1 million in General Revenue-Dedicated Water Resource Management Account No. 153 to reflect estimated costs to replace vehicles that have mileage over 150,000 miles or are over 10 years old by the end of fiscal year 2019 (see also, Selected Fiscal and Policy Issues - House #5 and Items Not Included in Recommendations - House #5)</p>

**Commission on Environmental Quality
Funding Changes and Recommendations - House, by Strategy -- ALL FUNDS**

Strategy/Goal	2018-19 Base	2020-21 Recommended	Biennial Change	% Change	Comments
WASTE ASSESSMENT AND PLANNING A.1.3	\$103,352,149	\$13,336,826	(\$90,015,323)	(87.1%)	<p>d) an increase of \$0.1 million in General Revenue primarily due to reallocation from Strategies B.1.1, Safe Drinking Water Oversight, and C.1.1, Field Inspections (See also, Selected Fiscal and Policy Issues - House #8).</p> <p>Decrease of \$90 million in General Revenue—Dedicated Solid Waste Disposal Account No. 5000, for one-time funding in the 2018-19 biennium transferred to the Texas Division of Emergency Management for debris management associated with Hurricane Harvey recovery efforts.</p>
AIR QUALITY PERMITTING A.2.1	\$31,578,446	\$31,303,740	(\$274,706)	(0.9%)	<p>All Funds decrease resulting from:</p> <p>a) a decrease of \$0.2 million in Federal Funds due to expiration of the Environmental Information Exchange Network grant.</p> <p>b) a decrease of \$0.1 million in General Revenue—Dedicated Clean Air Account No. 151 due to minor strategy adjustments.</p>
WATER RESOURCE PERMITTING A.2.2	\$30,915,752	\$26,577,086	(\$4,338,666)	(14.0%)	<p>Decrease is primarily due to a reduction in General Revenue—Dedicated Watermaster Administration Account No. 158 funding due to reallocation to Strategy C.1.1, Field Inspections, to reflect transfer of the Watermaster program with 32.0 FTEs (See also, Selected Fiscal and Policy Issues - House #8).</p>

**Commission on Environmental Quality
Funding Changes and Recommendations - House, by Strategy -- ALL FUNDS**

Strategy/Goal	2018-19 Base	2020-21 Recommended	Biennial Change	% Change	Comments
WASTE MANAGEMENT AND PERMITTING A.2.3	\$19,355,380	\$19,074,442	(\$280,938)	(1.5%)	Decrease is primarily due to anticipated reductions for the Resource Conservation and Recovery Act grant resulting from revision of the federal funding distribution methodology by the Environmental Protection Agency (See also, Items Not Included in Recommendations - House #3)
OCCUPATIONAL LICENSING A.2.4	\$2,619,165	\$2,619,168	\$3	0.0%	
RADIOACTIVE MATERIALS MGMT A.3.1	\$9,632,515	\$13,192,514	\$3,559,999	37.0%	Increase of \$3.6 million in General Revenue-Dedicated Environmental Radiation Perpetual Care Account No. 5158 for radioactive pollution cleanup at a former uranium mining/processing site in Live Oak County (See also, Selected Fiscal and Policy Issues - House #6, Rider Highlights - House #14, and Items Not Included in Recommendations - House #10)
Total, Goal A, ASSESSMENT, PLANNING AND PERMITTING	\$482,389,661	\$485,757,040	\$3,367,379	0.7%	
SAFE DRINKING WATER B.1.1	\$35,168,342	\$34,907,086	(\$261,256)	(0.7%)	Decrease in Interagency Contracts due to changes in benefits rates for the Drinking Water State Revolving Fund and a \$0.1 million decrease in General Revenue reallocated to other strategies within the agency's baseline request.
Total, Goal B, DRINKING WATER	\$35,168,342	\$34,907,086	(\$261,256)	(0.7%)	
FIELD INSPECTIONS & COMPLAINTS C.1.1	\$97,273,157	\$96,864,108	(\$409,049)	(0.4%)	All Funds decrease resulting from: a) an increase of \$4.3 million in General Revenue–Dedicated Watermaster Administration Account No. 158 reallocated from Strategy A.2.2, Water Resource Permitting, with 32 FTEs to reflect transfer of the Watermaster Program from Strategy A.2.2, Water Resource Permitting (See also, Selected Fiscal and Policy Issues - House #8).

**Commission on Environmental Quality
Funding Changes and Recommendations - House, by Strategy -- ALL FUNDS**

Strategy/Goal	2018-19 Base	2020-21 Recommended	Biennial Change	% Change	Comments
					<p>b) a decrease of \$2.0 million in General Revenue-Dedicated Petroleum Storage Tank Account No. 655 reallocated to Strategy F.1.1, Central Administration, with 11 FTEs to more accurately reflect the indirect administration function of these positions (See also, Selected Fiscal and Policy Issues - House #8).</p> <p>c) a decrease of \$1.1 million in General Revenue and various General Revenue-Dedicated accounts to reflect estimated costs to replace vehicles that have mileage over 150,000 miles or are over 10 years old by the end of fiscal year 2019 (see also, Selected Fiscal and Policy Issues - House #5 and Items Not Included in Recommendations - House #5).</p> <p>d) a decrease of \$1.1 million in Federal Funds due to one-time reimbursements in 2018-19 associated with Hurricane Harvey recovery and anticipated decreases for the Resource Conservation and Recovery Act grant resulting from revision of the federal funding distribution methodology by the Environmental Protection Agency (See also, Items Not Included in Recommendations - House #3)</p> <p>f) a decrease of \$0.5 million in Appropriated Receipts due to one-time reimbursements for disaster recovery in the City of West during the 2018-19 biennium not continued in the 2020-21 biennium.</p>
ENFORCEMENT & COMPLIANCE SUPPORT C.1.2	\$26,681,407	\$26,281,580	(\$399,827)	(1.5%)	Decrease is primarily due to a reduction in General Revenue–Dedicated Petroleum Storage Remediation Account No. 655 reallocated to Strategy F.1.1, Central Administration, to more accurately reflect indirect administration costs (See also, Selected Fiscal and Policy Issues - House #8)
POLLUTION PREVENTION RECYCLING C.1.3	\$5,943,147	\$5,958,182	\$15,035	0.3%	

**Commission on Environmental Quality
Funding Changes and Recommendations - House, by Strategy -- ALL FUNDS**

Strategy/Goal	2018-19 Base	2020-21 Recommended	Biennial Change	%Change	Comments
Total, Goal C, ENFORCEMENT AND COMPLIANCE SUPPORT	\$129,897,711	\$129,103,870	(\$793,841)	(0.6%)	
STORAGE TANK ADMIN & CLEANUP D.1.1	\$37,987,777	\$35,736,270	(\$2,251,507)	(5.9%)	Decrease is primarily due to a reduction in General Revenue—Dedicated Petroleum Storage Tank Remediation Account No. 655 funding with 11 FTEs that were reallocated to Strategy F.1.1, Central Administration to more accurately reflect these position's indirect administration responsibilities (See also, Selected Fiscal and Policy Issues - House #8).
HAZARDOUS MATERIALS CLEANUP D.1.2	\$49,853,982	\$46,783,510	(\$3,070,472)	(6.2%)	Decrease is primarily due to a reduction in Appropriated Receipts due to anticipated reductions in the amount of recovered costs from Superfund cleanups and disasters.
Total, Goal D, POLLUTION CLEANUP	\$87,841,759	\$82,519,780	(\$5,321,979)	(6.1%)	
CANADIAN RIVER COMPACT E.1.1	\$33,838	\$33,838	\$0	0.0%	
PECOS RIVER COMPACT E.1.2	\$273,300	\$273,300	\$0	0.0%	
RED RIVER COMPACT E.1.3	\$71,078	\$71,078	\$0	0.0%	
RIO GRANDE RIVER COMPACT E.1.4	\$3,128,144	\$3,128,144	\$0	0.0%	
SABINE RIVER COMPACT E.1.5	\$124,222	\$124,222	\$0	0.0%	
Total, Goal E, RIVER COMPACT COMMISSIONS	\$3,630,582	\$3,630,582	\$0	0.0%	

**Commission on Environmental Quality
Funding Changes and Recommendations - House, by Strategy -- ALL FUNDS**

Strategy/Goal	2018-19 Base	2020-21 Recommended	Biennial Change	% Change	Comments
CENTRAL ADMINISTRATION F.1.1	\$40,304,559	\$51,049,599	\$10,745,040	26.7%	<p>All Funds increase resulting from:</p> <p>a) an increase in General-Revenue Dedicated funding among the following accounts due to reallocation of FTEs with associated funding from the listed strategies to more accurately reflect these position's indirect administration responsibilities:</p> <p>1) \$5.9 million in General Revenue-Dedicated Texas Emission Reduction Plan No. 5071 with 34 FTEs reallocated from Strategy A.1.1, Air Quality Assessment and Planning</p> <p>2) \$2.2 million in General Revenue-Dedicated Petroleum Storage Tank Remediation Account No. 655 with 10 FTEs reallocated from Strategy D.1.1, Storage Tank Administration and Cleanup</p> <p>3) \$2.0 million in General Revenue-Dedicated Petroleum Storage Tank Remediation Account No. 655 with 11 FTEs reallocated from Strategy C.1.1, Field Inspections</p> <p>4) \$0.4 million in General Revenue-Dedicated Petroleum Storage Tank Remediation Account No. 655 reallocated from Strategy D.1.1, Storage Tank Administration and Cleanup</p> <p>(See also, Selected Fiscal and Policy Issues - House #8)</p>

**Commission on Environmental Quality
Funding Changes and Recommendations - House, by Strategy -- ALL FUNDS**

Strategy/Goal	2018-19 Base	2020-21 Recommended	Biennial Change	% Change	Comments
					b) A net increase of \$0.3 million among various General Revenue-Dedicated Accounts reversing one-time transfers to Strategy F.1.2, Information Resources, in 2018-19 to support capital budget increases.
INFORMATION RESOURCES F.1.2	\$48,392,614	\$49,564,018	\$1,171,404	2.4%	All Funds increase resulting from: a) A net decrease of \$0.3 million among various General Revenue-Dedicated Accounts reversing one-time transfers from Strategy F.1.1, Central Administration, in 2018-19 to support capital budget increases. b) A net decrease of \$0.5 million in General Revenue and among various General Revenue-Dedicated Accounts removing funding for one-time expenses in 2018-19 for the following capital budget projects: Personal Computer Replacement, Printer Replacement, and Technology Operations and Security Infrastructure (See also, Selected Fiscal and Policy Issues - House #5) c) An increase of \$2.0 million in General Revenue and among various General Revenue-Dedicated Accounts for the Data Center Consolidated Capital Budget Item (See also, Selected Fiscal and Policy Issues - House #5)
OTHER SUPPORT SERVICES F.1.3	\$17,723,731	\$17,723,732	\$1	0.0%	
Total, Goal F, INDIRECT ADMINISTRATION	\$106,420,904	\$118,337,349	\$11,916,445	11.2%	
Grand Total, All Strategies	\$845,348,959	\$854,255,707	\$8,906,748	1.1%	

**Commission on Environmental Quality
Summary of Federal Funds - House
(Dollar amounts in Millions)**

Program	Est 2018	Bud 2019	Rec 2020	Rec 2021	2018-19 Base	2020-21 Rec	2020-21 Rec % Total	Recommended Over/(Under) Base	% Change from Base
Performance Partnership Grants	\$20.7	\$20.2	\$20.0	\$20.0	\$41.0	\$39.9	54.9%	(\$1.0)	(2.5%)
Water Pollution Control	\$3.8	\$3.7	\$3.7	\$3.7	\$7.5	\$7.4	10.2%	(\$0.1)	(0.9%)
Nonpoint Source Implementation	\$2.8	\$2.8	\$2.8	\$2.8	\$5.6	\$5.6	7.7%	\$0.0	0.8%
Homeland Security Biowatch Program	\$2.6	\$2.5	\$2.5	\$2.5	\$5.1	\$5.0	6.8%	(\$0.1)	(1.7%)
Leaking Underground Storage Tank	\$2.3	\$2.3	\$2.3	\$2.3	\$4.6	\$4.6	6.3%	(\$0.0)	(0.4%)
All Other Grants*	\$6.3	\$5.8	\$5.2	\$5.2	\$12.1	\$10.3	14.2%	(\$1.7)	(14.5%)
TOTAL:	\$38.4	\$37.3	\$36.4	\$36.4	\$75.7	\$72.8	100.0%	(\$2.9)	(3.8%)

*All Other Grants include:

- a) State Underground Storage Tank Program
- b) Surveys, Studies, Research, Investigations, Demonstrations, and Special Purpose Activities Relating to the Clean Air Act
- c) Water Quality Management Planning

**Commission on Environmental Quality
FTE Highlights - House**

Full-Time-Equivalent Positions	Expended 2017	Estimated 2018	Budgeted 2019	Recommended 2020	Recommended 2021
Cap	2,767.2	2,794.8	2,794.8	2,794.8	2,794.8
Actual/Budgeted	2,675.8	2,614.7	2,794.8	N/A	N/A

Schedule of Exempt Positions (Cap)

Executive Director, Group 7	\$210,695	\$211,415	\$211,415	\$211,415	\$211,415
Commissioner, (Chair) Group 6	\$189,500	\$189,500	\$189,500	\$189,500	\$189,500
Commissioner, Group 6	(2) \$189,500	(2) \$189,500	(2) \$189,500	(2) \$189,500	(2) \$189,500
Red River Compact Commissioner	\$24,831	\$24,831	\$24,831	\$24,831	\$24,831
Rio Grande Compact Commissioner	\$42,225	\$42,225	\$42,225	\$42,225	\$42,225
Sabine River Compact Commissioner	(2) \$9,007	(2) \$9,007	(2) \$9,007	(2) \$9,007	(2) \$9,007
Canadian River Compact Commissioner	\$11,036	\$11,036	\$11,036	\$11,036	\$11,036
Pecos River Compact Commissioner	\$33,053	\$33,053	\$33,053	\$33,053	\$33,053

Notes:

a) The State Auditor's Office Report, Executive Compensation at State Agencies (Report 18-705, August 2018), indicates a market average salary of \$235,028 for the Executive Director position at the Texas Commission on Environmental Quality.

b) The agency's request and recommendations do not include any changes to exempt position salary levels.

**Texas Commission on Environmental Quality
Performance Measure Highlights - House**

	Expended 2017	Estimated 2018	Budgeted 2019	Recommended 2020	Recommended 2021
<ul style="list-style-type: none"> Percentage Pollution Reduction in Nonattainment Areas <p><i>Measure Explanation: This measure quantifies changes in criteria pollutants or precursors for criteria pollutants from emission sources within an area that failed to meet the ozone National Ambient Air Quality Standard. Recommendations continue percentage targets at percentages reported for the fiscal year 2018, the most recent actual performance measure data available.</i></p>	11	11	3	11	11
<ul style="list-style-type: none"> Number of vehicles repaired and/or replaced through LIRAP assistance. <p><i>Measure Explanation: This measure provides a target for the number of vehicle (units) repaired or replaced in the Low-Income Vehicle Repair Retrofit and Accelerated Retirement Assistance Program (LIRAP). Recommendations provide a target for this measure as set by the 85th Legislature.</i></p>	6,322	6,628	6,628	11,200	17,000
<ul style="list-style-type: none"> Average Cost of LIRAP Vehicle Emissions Repairs/Retrofits <p><i>Measure Explanation: This efficiency measure tracks the average cost of repairs/retrofits to cars participating in the Low-Income Vehicle Repair Assistance, Retrofit, and Accelerated Vehicle Retirement Program (LIRAP) that fail the vehicle emissions portion of the Inspection and Maintenance test. Recommendations provide a target for this measure as set by the 85th Legislature.</i></p>	\$549	\$555	\$555	\$525	\$525

**Commission on Environmental Quality
Summary of Ten Percent Biennial Base Reduction Options Recommendations - House**

Priority	Item	Description/Impact	Biennial Reduction Amounts			Potential Revenue Loss	Reduction as % of Program GR/GR-D Total	Program GR/GR-D Total	Included in Introduced Bill
			GR & GR-D	All Funds	FTEs				
1)	Dry Cleaning Remediation Cleanup	A reduction would eliminate contract dollars to initiate site assessments or to conduct corrective action at dry cleaner remediation program (DCRP) sites resulting in a lack of funding for corrective action. The agency anticipates that program applications would continue to be submitted, reviewed, and ranked within the statutory required timeframes (approximately 12 sites eligible/year). While eligible sites would be prioritized, they would have to be postponed as site assessments could not be initiated because funding would not be available for site assessments. The agency may need to pursue alternative funding to address emergencies or actual/potential impacts to human health and the environment at eligible sites.	\$6,651,171	\$6,651,171	0.0	\$0	99.6%	\$6,678,384	No
2)	Municipal Solid Waste Grants	A reduction in the municipal solid waste grant funds would reduce the amount of funding to the 24 councils of governments (COG) for solid waste planning activities and pass-thru projects that enhance the regional solid waste plans. The reduced available funds would be allocated based on the formula and would result in a diminished allocation for multiple COGs that would present extreme challenges to administer functions for which the grant funds are provided. The impact of this reduction may not be immediate or notable in FY 2020 and FY 2021; however, with this reduction in funds for planning and pass-thru projects over multiple years, there could be negative impacts to the percentage of waste diverted from landfills, the annual change in disposal rates, and the number of COGs with 10 or more years of landfill capacity.	\$8,239,743	\$8,239,743	0.0	\$0	75.0%	\$10,986,324	No

**Commission on Environmental Quality
Summary of Ten Percent Biennial Base Reduction Options Recommendations - House**

Priority	Item	Description/Impact	Biennial Reduction Amounts			Potential Revenue Loss	Reduction as % of Program GR/GR-D Total	Program GR/GR-D Total	Included in Introduced Bill
			GR & GR-D	All Funds	FTEs				
3)	Local Air Pollution Grants	A proposed reduction of 19 FTEs that conduct field investigations of air sites and Local Air Program contracts, which equates to a 47% reduction. This reduction would decrease the number of investigations of air sites by 1,633 per year. A reduction in FTEs and contractors will result in decreased agency responsiveness to citizen complaints and would increase reaction time that could result in unnecessary impacts to human health and the environment. This would include a reduced number of investigations in areas containing petroleum storage tank facilities that may result in violations taking longer to be discovered and corrected, which may impact public health and the environment.	\$1,596,763	\$1,596,763	19.0	\$0	15.0%	\$10,632,912	No
4)	Local Air Pollution Grants	A complete reduction in funding for Local Air Program contracts would eliminate two contract management FTEs needed for the five contracts at a cost estimated at \$125,974 per year. Funding available for Local Air Program contracts in Dallas, El Paso, Fort Worth, Galveston County Health District, and the University of Texas at Arlington would also be reduced. There would be a 100 percent reduction in air site investigations. Without investigations, some regulated entities may not operate in a manner to prevent or minimize contaminants and wastes released to the environment. The Local Air Program contract deliverables include responding to citizen-filed complaints. Many complaints are concerning odor or dust; therefore, an increased reaction time for investigations could result in unnecessary impacts to human health. The contracts include Stage I Vapor Recovery investigations at petroleum storage tank facilities. A complete reduction in funding would result in 1,000 fewer waste site investigations per year and may result in violations taking longer to be discovered and corrected which could impact public health and the environment.	\$3,719,693	\$3,719,693	2.0	\$0	35.0%	\$10,632,912	No

**Commission on Environmental Quality
Summary of Ten Percent Biennial Base Reduction Options Recommendations - House**

Priority	Item	Description/Impact	Biennial Reduction Amounts			Potential Revenue Loss	Reduction as % of Program GR/GR-D Total	Program GR/GR-D Total	Included in Introduced Bill
			GR & GR-D	All Funds	FTEs				
5)	TERP Grants	A reduction in TERP appropriations would result in less funding allocated to the DERI Programs of \$4,246,790 per year in FY 2020 and FY 2021. In addition, other TERP programs would also be reduced according to the allocation percentages set out in statute and the appropriations rider.	\$12,767,984	\$12,767,984	0.0	\$0	9.7%	\$131,907,734	No
6)	TERP Grants	A reduction in TERP appropriations would result in less funding allocated to the DERI Programs of \$6,669,515 each year in FY 2020 and FY 2021. This includes the reduction from Item 6. Other TERP programs would also be reduced according to the allocation percentages set out in statute and the appropriations rider.	\$7,232,016	\$7,232,016	0.0	\$0	5.5%	\$131,907,734	No
7)	Petroleum Storage Tank Cleanup	A reduction in petroleum storage tank (PST) funding would decrease the number of sites cleaned up in FY 2020 and FY 2021; however, the reduction would not be expected to impact the percentage of PST sites cleaned up in the 2020-21 biennium due to the large number of sites that have been in the program and the large number of sites cleaned up to date. The program would continue to perform emergency response actions at PST sites as needed. These actions would be prioritized over other program activities and would reduce the funding available for site cleanups. The TCEQ anticipates that the reduction in PST cleanup dollars would result in less state lead cleanups being completed. The projection of number of PST cleanup completed would be reduced from the current target of 200 to 185. The reductions will also result in fewer site assessments being completed which may delay cleanups in future bienniums.	\$9,049,814	\$9,049,814	0.0	\$0	40.0%	\$22,634,482	No

**Commission on Environmental Quality
Summary of Ten Percent Biennial Base Reduction Options Recommendations - House**

Priority	Item	Description/Impact	Biennial Reduction Amounts			Potential Revenue Loss	Reduction as % of Program GR/GR-D Total	Program GR/GR-D Total	Included in Introduced Bill
			GR & GR-D	All Funds	FTEs				
8)	Superfund Remediation	With a reduction in Superfund Remediation funding, TCEQ would continue to prioritize compulsory program activities to include response actions addressing imminent threats to human health and the environment and cost-sharing and funding obligations with EPA at Federal Superfund sites. Remaining funding would be allocated as available for assessment, evaluation, cleanup, and post-completion activities; however, a number of sites would go unfunded such that the "pipeline" of sites progressing through the program would stagnate. In the 2020-21 biennium, the state's obligations at federal sites will increase based on specific sites entering the operation and maintenance phase that is 100% state funded. In addition, there is one federal site where the state's cost share for remedial action is estimated to be range from \$5.6M to \$9.7M. Because of efforts in the current 2018-19 biennium, it is expected that the proposed target of two Superfund remedial actions could be met in FY 2020; however, reduced funding in FY 2020 and FY 2021 would likely mean that no remedial actions would be completed in FY 2021. The impact would be more significant in future years as site cleanup is prolonged and projected remedial action completion pushed out to later years at an increased cost. Furthermore, it is unlikely that contingency funding would be available should more than one immediate response action be necessary to protect human health and the environment.	\$205,847	\$205,847	0.0	\$0	1.0%	\$21,062,528	No

**Commission on Environmental Quality
Summary of Ten Percent Biennial Base Reduction Options Recommendations - House**

Priority	Item	Description/Impact	Biennial Reduction Amounts			Potential Revenue Loss	Reduction as % of Program GR/GR-D Total	Program GR/GR-D Total	Included in Introduced Bill
			GR & GR-D	All Funds	FTEs				
9)	Superfund Remediation	<p>A reduction in funding for superfund remediation would have the following impact:</p> <ol style="list-style-type: none"> 1) Two fewer Superfund remedial actions completed by fiscal year 2021 2) Seven fewer Superfund site assessments 3) One fewer Superfund sites undergoing evaluation and cleanup 4) Two fewer Superfund remedial actions completed <p>Funding would continue to be prioritized for compulsory program activities to include response actions addressing imminent threats to human health and the environment and cost-sharing and funding obligations with EPA at Federal Superfund sites pursuant to 40 CFR Sec. 300.510(b). Remaining funding would be allocated as available for assessment, evaluation, cleanup, and post-completion activities; however, a number of sites would go unfunded such that the "pipeline" of sites progressing through the program would stagnate. Because of efforts in the current 2018-19 biennium, it is expected that the proposed target of two Superfund remedial actions could be met in FY 2020; however, reduced funding in FY 2020 and FY 2021 would likely mean that no remedial actions would be completed in FY 2021. The impact would be more significant in future years as site cleanup is prolonged and projected remedial action completion pushed out to later years at an increased cost. Furthermore, it is unlikely that contingency funding would be available should more than one immediate response action be necessary to protect human health and the environment.</p>	\$5,185,077	\$5,185,077	0.0	\$0	24.6%	\$21,062,528	No

**Commission on Environmental Quality
Summary of Ten Percent Biennial Base Reduction Options Recommendations - House**

Priority	Item	Description/Impact	Biennial Reduction Amounts			Potential Revenue Loss	Reduction as % of Program GR/GR-D Total	Program GR/GR-D Total	Included in Introduced Bill
			GR & GR-D	All Funds	FTEs				
10)	Permitting	The proposed reductions would reduce 40 FTEs from air permitting, which would result in an inability to conduct core functions in a timely manner. Performance Measures (PM) impacts are: New Source Review (NSR) permits issued for PM 1.2.1 EX 1 (# of state and federal air quality permits issued) would be reduced by 1,240/year and the # of Title V Operating Permits issued for PM 1.2.1 EX 2 (# of federal air quality permits issued) would be reduced by 290/year. Municipal solid, industrial and solid waste programs reduction would result in the loss of 11 FTEs resulting in an increase in overall review and processing times. PM Impacts: 1.2 OC4 - % of waste management permit applications reviewed within established time frames are (16)/year, 1.2.3 OP1 - # of new system waste evaluations conducted are (106)/year, 1.2.3 OP2 - # of municipal non-hazardous waste permit applications reviewed are (39)/year, 1.2.3 OP3 - # of industrial & hazardous waste permits applications reviewed are (119)/year, 1.2.3 EX1 - # of municipal non-hazardous waste permits issued are (31)/year, and 1.2.3 EX2 - # of industrial and hazardous waste permits issued are (119)/year. Animal feeding operations and NPDES permits reductions would result in the loss of 14 FTEs directly involved in the processing of applications and issuance of permits. PM Impacts: 1.2.2 OC2 - % of water quality permit applications reviewed within established time frames (13%) per year, 1.2.2 OP3 - # of concentrated animal feeding operation (CAFO) authorizations reviewed (55) in 2020 and (7) in 2021 and 1.2.2 EX1 - # of water quality permits issued (92) in 2020 and (7) in 2021. The reduction of funding for the issuance of surface water right permits and processing of change of water right ownership applications would result in the loss of 10 FTEs in 2020 and an additional 7 FTEs in 2021. The reduction will result in longer processing times; PM impacts are a reduction in water rights review of (351) in 2020 and (230) in 2021.	\$11,302,599	\$11,302,599	68.0	\$0	16.4%	\$69,082,910	No
TOTAL, 10% Reduction Options			\$65,950,707	\$65,950,707	89.0	\$0			