

Texas Division of Emergency Management
Summary of Budget Recommendations - House

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Method of Financing	2020-21 Base	2022-23 Recommended	Biennial Change (\$)	Biennial Change (%)
General Revenue Funds	\$30,802,976	\$29,762,827	(\$1,040,149)	(3.4%)
GR Dedicated Funds	\$0	\$0	\$0	0.0%
Total GR-Related Funds	\$30,802,976	\$29,762,827	(\$1,040,149)	(3.4%)
Federal Funds	\$3,635,629,521	\$681,545,289	(\$2,954,084,232)	(81.3%)
Other	\$55,864,523	\$25,506,242	(\$30,358,281)	(54.3%)
All Funds	\$3,722,297,020	\$736,814,358	(\$2,985,482,662)	(80.2%)

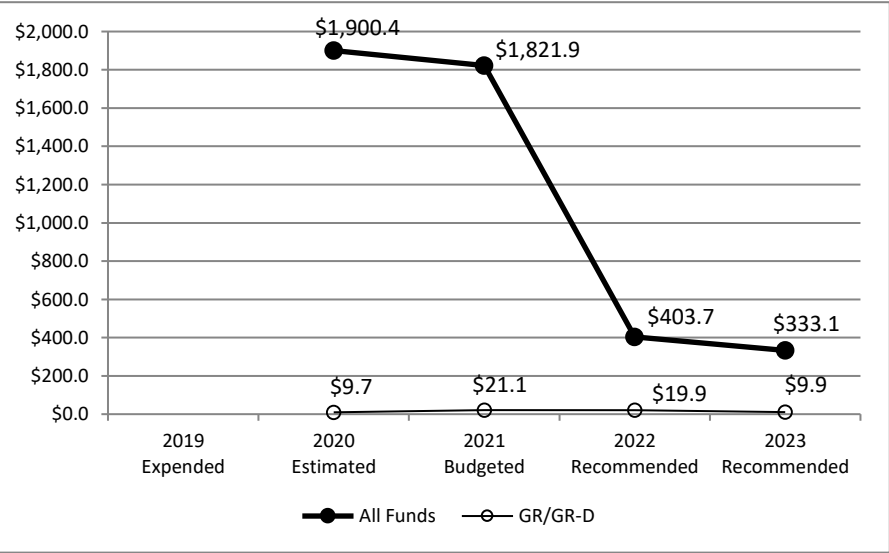
	FY 2021 Budgeted	FY 2023 Recommended	Biennial Change	Percent Change
FTEs	332.2	332.2	0.0	0.0%

Agency Budget and Policy Issues and/or Highlights

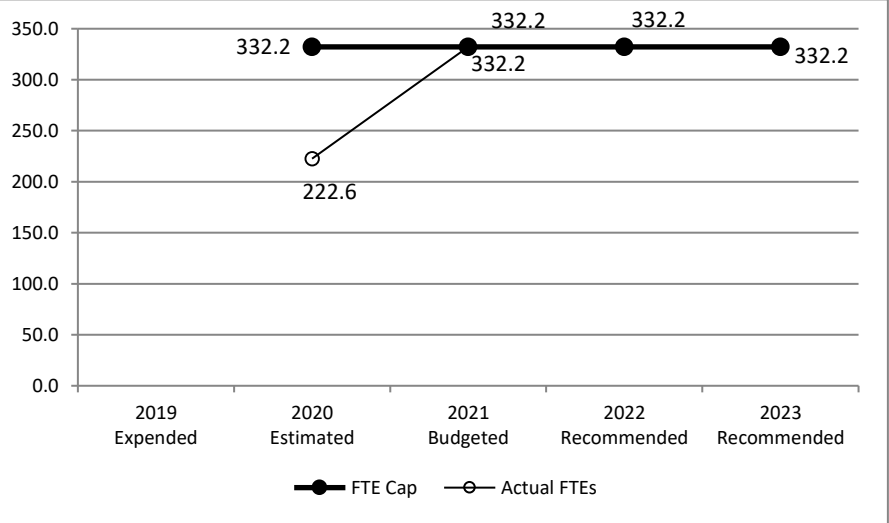
HB 2794, Eighty-Sixth Legislature, 2019, transferred the Texas Division of Emergency Management (TDEM) from the Department of Public Safety to the Texas A&M University System as one of the System's state agencies. Government Code, Section 418, mandates specific responsibilities assigned to TDEM. Among these responsibilities, the agency coordinates the efforts of other state agencies in disaster response, coordinates emergency planning, provides an extensive array of specialized training for emergency responders and local officials, and administers disaster recovery and hazard mitigation programs in the State of Texas.

The bill pattern for this agency (2022-23 Recommended) represents an estimated 100.0% of the agency's estimated total available funds for the 2022-23 biennium.

Historical Funding Levels (Millions)



Historical Full-Time-Equivalent Employees (FTEs)



Texas Division of Emergency Management
Summary of Funding Changes and Recommendations - House

Section 2

Funding Changes and Recommendations for the 2022-23 Biennium compared to the 2020-21 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)	Decrease due to reduction of General Revenue to meet biennial base funding target. Reductions include a \$500,000 reduction to the Disaster Loan Recovery Program and a \$1,040,149 reduction to the Disaster Recovery Task Force.	(\$1.5)	\$0.0	\$0.0	\$0.0	(\$1.5)	1.1.3
B)	Recommendations remove \$9.5 million in new funding for the Disaster Recovery Loan Program submitted as part of the agency's base request while providing for additional authority to transfer unexpended balances for this program from the 2020-21 biennium, estimated to be \$10 million.	\$0.5	\$0.0	\$0.0	\$0.0	\$0.5	1.1.3

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

A)	Decrease due to adjustments to federal and state Hurricane Harvey recovery funding, including a \$6.9 million net increase across Harvey-related Public Assistance Grants and Hazard Mitigation Grants; a \$7.4 million decrease due to the conclusion of an interagency contract with Texas Commission on Environmental Quality for Debris Removal; and a \$15 million decrease in estimated Harvey Resilience Funds from the Texas Water Development Board and Texas Environmental Quality Commission.	\$0.0	\$0.0	\$6.9	(\$22.4)	(\$15.5)	1.1.3
B)	Decrease due to conclusion of federal hazard mitigation grants, fire management assistance grants, pre-disaster Mitigation Grants, and Earthquake Hazards Reduction State Assistance grants.	\$0.0	\$0.0	(\$59.2)	\$0.0	(\$59.2)	1.1.3
C)	Decrease due to conclusion of current federal support for COVID-related costs, with the exception of \$1.8 million in residual state management costs associated with FEMA projects.	\$0.0	\$0.0	(\$2,708.0)	\$0.0	(\$2,708.0)	1.1.3, 1.1.4
D)	Decrease due to reduction in regular emergency funding streams until disaster costs are incurred.	\$0.0	\$0.0	(\$193.7)	(\$8.0)	(\$201.7)	1.1.1, 1.1.3

TOTAL SIGNIFICANT & OTHER Funding Changes and Recommendations (in millions)	(\$1.0)	\$0.0	(\$2,954.0)	(\$30.4)	(\$2,985.5)	As Listed
<i>SIGNIFICANT & OTHER Funding Increases</i>	\$0.5	\$0.0	\$6.9	\$0.0	\$7.4	As Listed
<i>SIGNIFICANT & OTHER Funding Decreases</i>	(\$1.5)	\$0.0	(\$2,960.9)	(\$30.4)	\$2,992.8	As Listed

NOTE: Totals may not sum due to rounding.

**Texas Division of Emergency Management
Selected Fiscal and Policy Issues - House**

1. **Indirect Administration Costs.** As part of the strategic planning process during the interim, an indirect administration strategy was added to the bill pattern. While a part of the Department of Public Safety, the agency did not have a standalone strategy for its indirect administration expenses. In fiscal year 2020, the agency leveraged \$5.8 million in federal grant funding to support its indirect administration costs and support agency services. Included in the indirect administration costs, the agency has entered into a shared services agreement with the Texas A&M University System totaling \$827,680 for the biennium. The agreement includes costs for salaries, benefits and operating costs with TAMUS for financial management operations, payroll services and accounting services. In FY 2020, the agency expended \$5,832,096 in all funds across the following areas:
 - \$975,677 for information technology and cyber-security, including the use of the System's ;
 - \$893,977 for rent;
 - \$2,945,602 for administrative salaries;
 - \$87,398 for procurement fees through the System's AggieBuy Program and the Texas A&M Engineering Experiment Station;
 - \$827,680 for the shared services agreement with TAMUS;
 - \$101,762 for operating expenses including insurance costs, assessment services, and governmental relations staff.

The agency included as its first exceptional item a request for \$5,829,815 and 22.0 FTEs per fiscal year to support its indirect administration costs. The funding requested in the agency's exceptional item would be allocated per year as follows:

- \$1,184,040 for information technology, cybersecurity, including maintenance of the agency's laptop computers;
 - \$1,611,360 for rent;
 - \$2,777,651 for administrative salaries, including HR, IT, Finance and Procurement staff; and
 - \$256,764 in miscellaneous personnel costs, operating expenses, and utilities.
2. **Base Funding Reduction.** The agency was exempt from the five-percent reduction exercise during the 2020-21 biennium; however, pursuant to the August 2020 policy letter, a five-percent, \$1,540,149, reduction was applied to the agency's base. To achieve this reduction, the agency proposed a \$500,000 reduction to the Disaster Recovery Loan Program and a \$1,040,149 reduction to the Disaster Recovery Task Force. Recommendations mirror the reduction to the Disaster Recovery Task Force, but do not reflect the \$500,000 reduction to the Disaster Recovery Loan Program. Instead, recommendations remove the requested new funding for the Disaster Recovery Loan Program and transfer of all unexpended balances from 2020-21 biennium, projected to be \$10 million in General Revenue.
 3. **Disaster Recovery Loan Program.** Senate Bill 6, Eighty-Sixth Legislature, 2019, established the Disaster Recovery Loan Program to provide short-term loans for disaster recovery projects to eligible political subdivisions. The 86th Legislature appropriated \$10 million for this program to be transferred into the Disaster Recovery Loan Program Account. As of January 2021, the Agency has not yet made this transfer, nor has it received any applications for the program or made any loans through the first year of the program. As part of their base funding request, the agency requested an additional \$9.5 million for this program for the 2022-23 biennium. This request for additional funding is not included in recommendations, however, the rider language directing the appropriation of these funds has been modified to allowed for the transfer of all unexpended balances from 2020-21 biennium, projected to be \$10 million in General Revenue.
 4. **Emergency Response Funding Overview.** The agency received a high volume of federal and state funding for its role in emergency response during the 2020-21 biennium. With the exception of ongoing responses, these funds are not included in recommendations for 2022-23, as costs for future disasters have not yet been incurred nor has federal assistance been requested. This results in a regular decrease in the agency's bill pattern when compared to the expended and estimated levels of the previous biennium. These specific reductions are detailed in Appendix A. The Agency received \$3,638,917,858 in federal and state funding in response to disasters and emergencies occurring in the 2020-21 biennium, these funds, except for anticipated residual costs are not carried forward to the 2022-23 biennium. A more detailed breakdown of this funding is included on the next page.

COVID Response

As part of the total emergency funding received, the agency received \$2,709,832,323 in funding allocated specifically for the state's response to the COVID-19 pandemic. This amount was comprised of:

- \$1,915,146,361 in Coronavirus Relief Funds from the US Treasury that the agency used to pass through to local entities, local education agencies, and cover the non-federal share of FEMA funded projects;
- \$5,862,529 in FEMA COVID-19 Crisis Counseling funding for COVID response. These funds are used to fund immediate and regular counseling services for people affected by federally declared disasters;
- \$782,969,569 in FEMA COVID-19 Public Assistance Grants for COVID response which funds the purchase of and deployment of emergency protective measures; and
- \$5,853,864 in FEMA COVID-19 Emergency Management Performance Grant funding, which provided supplemental funds to assist state, local, territorial, and tribal governments in coordinating responses to the pandemic.

Non-COVID Disaster Response

The agency received \$277,294,373 in federal relief for its various non-COVID responses during the 2020-21 biennium, including its responses to wild-fires, and the 2019 and 2020 tropical weather season, as well as capacity building for earthquake response. This amount includes:

- \$92,968 in FEMA Crisis Counseling Funds;
- \$218,059,958 in FEMA Public Assistance Grants for the state's federally declared disasters and emergencies. For the 2020-21 biennium, this included Tropical Storm Imelda, Hurricane Hanna, and Tropical Storms Laura and Marco. This also includes funding associated with declarations that occurred prior to the beginning of the 2020-21 biennium including the August 2019 Copper Breaks Fire and severe flooding in September 2018 and June 2019;
- \$50,667,034 in FEMA Hazard Mitigation Grants which provide funding to implement long-term hazard reduction measures after a major disaster declaration;
- \$6,897,080 in Fire Management Assistance Grants;
- \$1,547,333 in Pre-Disaster Mitigation Grants;
- \$30,000 in Earthquake Hazards Reduction State Assistance funding; and
- \$8,012,547 in Disaster grants from the Office of the Governor to support disaster response during the 2020 tropical weather season.

Ongoing Hurricane Harvey Response

In addition to the funding noted above, the agency continues to receive funding for its activities relating to Hurricane Harvey recovery. In 2020-21, the agency received \$643,778,615 in Hurricane Harvey related funding from federal and state sources, including:

- \$585,498,342 in FEMA Public Assistance Grants for restoration activities;
- \$23,873,421 in FEMA Hazard Mitigation Grants to implement hazard reduction strategies in areas affected by Hurricane Harvey;
- \$39,019,232 in Harvey Resilience Funds (Senate Bill 7, Eighty-Sixth Legislature, 2019) provided by the Texas Water Development Board for infrastructure projects; and
- \$7,387,620 in TCEQ Debris Removal Funds. The latter two items are reported under the agency's Interagency Contracts MOF.

In 2022-23, the Agency estimates \$640,270,503 in federal and state funding for Hurricane Harvey response and recovery. The estimates in 2022-23 include:

- \$480,793,051 in Public Assistance Grants;
- \$135,477,452 in Hazard Mitigation Grants; and
- \$24,000,000 in Harvey Resilience Funds.

**Texas Division of Emergency Management
Rider Highlights - House**

Modification of Existing Riders

5. Contingency for House Bill 6. This rider originally established the Disaster Recovery Task Force and is modified from a contingency rider to instead reflect the active status of the program.
7. Contingency for Senate Bill 6. This rider originally established the Disaster Recovery Loan program and is modified to give the agency the authority to transfer unexpended balances in the Disaster Recovery Loan Program from the 2020-21 biennium to the 2022-23 biennium.

New Riders

6. Informational listing of funds: Pass-through funds to cities, counties and other entities. This rider is added to reflect the volume of appropriated funds in the bill pattern that are intended to be passed through to localities or other state agencies for the purpose of disaster preparedness, response and mitigation.

Deleted Riders

6. Contingency for Senate Bill 982. This rider instructed the agency to use funds appropriated to implement SB 982, a bill relating to the provision of disaster and emergency services, including health care services, to certain populations. This legislation has been implemented and the rider is removed.

Texas Division of Emergency Management
Items Not Included in Recommendations - House

	2022-23 Biennial Total			Information Technology Involved?	Contracting Involved?	Estimated Continued Cost 2024-25
	GR & GR-D	All Funds	FTEs			

Agency Exceptional Items Not Included (in agency priority order)

1)	Agency Support and Services Base Funding Increase Request - Agency requests General Revenue to cover indirect administration costs, including human capital management, fleet operations, internal and external communications, dispute resolution, purchasing, reprographics, and mail service.	\$11,659,631	\$11,659,631	22.0	Yes	Yes	\$11,708,606
2)	5% Reduction Restoration Request - Agency requests General Revenue to restore the agency's decreased funding from the five-percent reduction to its GR limit. This reduction impacted the Disaster Recovery Task Force.	\$1,040,149	\$1,040,149	0.0	No	No	\$3,080,298
3)	Fleet Base Funding - Agency requests General Revenue to cover scheduled replacement and maintenance of the agency's vehicle fleet.	\$5,519,258	\$5,519,258	0.0	No	Yes	\$2,173,084
4)	Regional Storage/Staging Areas for Emergency Management Resources - Agency requests General Revenue to support the procurement and management of four regional warehouses.	\$5,783,977	\$5,783,977	2.3	No	Yes	\$3,704,064
5)	Regional Response Team Coordination Program - Agency requests General Revenue to create new FTE positions to support regional coordination staff.	\$6,843,002	\$6,843,002	18.0	No	No	\$4,652,562

TOTAL Items Not Included in Recommendations	\$30,846,017	\$30,846,017	42.3				\$25,318,614
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Texas Division of Emergency Management
Appendices - House

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Texas Division of Emergency Management
Funding Changes and Recommendations by Strategy - House -- ALL FUNDS

Strategy/Goal	2020-21 Base	2022-23 Recommended	Biennial Change	% Change	Comments
EMERGENCY PREPAREDNESS A.1.1	\$22,394,480	\$24,137,536	\$1,743,056	7.8%	<p>Recommendations include:</p> <ul style="list-style-type: none"> • \$661,935 increase in General Revenue due to the reallocation of \$331,830 in lease and utility estimates from 1.1.2 and realignment of \$330,105 previously used by 1.1.2 in fiscal years 2020-21 to cover operating costs; • \$739,881 increase in Federal Funds due to the anticipation of being fully staffed for the 2022-23 biennium; • \$275,845 increase in appropriated receipts as TDEM's annual conference was not held in 2020 due to COVID; and • \$65,395 increase in interagency contracts.
RESPONSE COORDINATION A.1.2	\$6,257,113	\$11,147,662	\$4,890,549	78.2%	<p>Recommendations include:</p> <ul style="list-style-type: none"> • \$752,934 decrease in General Revenue due to the shifting from rent to other strategies, including \$661,935 reallocated to 1.1.1 and \$90,999 reallocated to 1.1.3; • \$5,643,483 increase in Federal Funds due to the transfer of FTEs, travel expenses, and operating costs from 1.1.4 to 1.1.2.

Texas Division of Emergency Management
Funding Changes and Recommendations by Strategy - House -- ALL FUNDS

Strategy/Goal	2020-21 Base	2022-23 Recommended	Biennial Change	% Change	Comments
RECOVERY AND MITIGATION A.1.3	\$1,760,400,845	\$689,898,969	(\$1,070,501,876)	(60.8%)	Recommendations include: <ul style="list-style-type: none"> • \$1,040,149 decrease in General Revenue due to reductions made to the Disaster Recovery Task Force Program to meet the agency's base reduction requirements; • \$90,999 increase in General Revenue due to reallocation from 1.1.2; • \$792,868,185 reduction in Coronavirus Relief Funds as COVID-related costs have not yet been projected for the 2022-23 biennium. Remaining CRF funds included in bill pattern are to fund state management cost projections for oversight of FEMA projects; • \$246,042,398 decrease in Federal Funds due to the reduction or closing of various grants and contracts; • \$280,122 decrease in appropriated receipts as disaster related payments are not projected in the future biennium; • \$22,406,852 decrease in interagency contracts due to reduced projections for Hurricane Harvey Resiliency Funds for the 2022-23 biennium; • \$8,012,547 decrease in Disaster/Deficiency/Emergency Grants as disaster costs for the 2022-23 biennium are not yet projected.
STATE OPERATIONS CENTER A.1.4	\$1,933,244,582	\$11,630,191	(\$1,921,614,391)	(99.4%)	Recommendations include: <ul style="list-style-type: none"> • \$57,378 decrease in General Revenue due to reallocation to 1.1.3; • \$1,915,146,361 decrease in Coronavirus Relief Funds as COVID-related costs have not yet been projected for the 2022-23 biennium; • \$6,410,652 decrease in federal funds due to the transfer of FTEs, travel expenses and operating costs to 1.1.2.
Total, Goal A, EMERGENCY MANAGEMENT	\$3,722,297,020	\$736,814,358	(\$2,985,482,662)	(80.2%)	
INDIRECT ADMINISTRATION 2.1.1	\$0	\$0	\$0	0.0%	Funds not yet appropriated to this strategy.
Total, Goal 2, INDIRECT ADMINISTRATION	\$0	\$0	\$0	0.0%	
Grand Total, All Strategies	\$3,722,297,020	\$736,814,358	(\$2,985,482,662)	(80.2%)	

Texas Division of Emergency Management
Summary of Federal Funds - House
(Dollar amounts in Millions)

Appendix B

Program	Est 2020	Bud 2021	Rec 2022	Rec 2023	2020-21 Base	2022-23 Rec	2022-23 Rec % Total	Recommended Over/(Under) Base	% Change from Base
Hurricane Harvey Public Assistance Grants	\$289.0	\$296.5	\$260.4	\$220.4	\$585.5	\$480.8	70.5%	(\$104.7)	(17.9%)
Hurricane Harvey Hazard Mitigation	\$18.9	\$5.0	\$72.9	\$62.5	\$23.9	\$135.5	19.9%	\$111.6	467.5%
Emergency Management Performance Grants	\$17.6	\$18.1	\$18.1	\$18.1	\$35.7	\$36.3	5.3%	\$0.6	1.6%
Public Assistance Grants	\$114.5	\$103.5	\$16.3	\$8.0	\$218.1	\$24.3	3.6%	(\$193.7)	(88.8%)
Interagency Hazardous Material Public Sector Training & Planning	\$2.0	\$1.5	\$1.4	\$1.4	\$3.4	\$2.9	0.4%	(\$0.6)	(16.7%)
COVID19 Public Assistance Category B (Emergency Protective Meas	\$526.4	\$256.6	\$1.8	\$0.0	\$783.0	\$1.8	0.3%	(\$781.2)	(99.8%)
COVID19 Coronavirus Relief Fund	\$859.8	\$1,055.3	\$0.0	\$0.0	\$1,915.1	\$0.0	0.0%	(\$1,915.1)	(100.0%)
Crisis Counseling	\$0.1	\$5.9	\$0.0	\$0.0	\$6.0	\$0.0	0.0%	(\$6.0)	(100.0%)
Hazard Mitigation Grant	\$20.2	\$30.4	\$0.0	\$0.0	\$50.7	\$0.0	0.0%	(\$50.7)	(100.0%)
COVID19 Emergency Management Performance Grants (EMPG)	\$0.0	\$5.9	\$0.0	\$0.0	\$5.9	\$0.0	0.0%	(\$5.9)	(100.0%)
Fire Management Assistance Grant	\$6.9	\$0.0	\$0.0	\$0.0	\$6.9	\$0.0	0.0%	(\$6.9)	(100.0%)
Pre-disaster Mitigation	\$0.3	\$1.2	\$0.0	\$0.0	\$1.5	\$0.0	0.0%	(\$1.5)	(100.0%)
Earthquake Hazards Redctn State Assistance	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	0.0%	(\$0.0)	(100.0%)
TOTAL:	\$1,855.6	\$1,780.0	\$371.1	\$310.5	\$3,635.6	\$681.5	100.0%	(\$2,954.1)	(81.3%)

**Texas Division of Emergency Management
FTE Highlights - House**

Full-Time-Equivalent Positions	Expended 2019	Estimated 2020	Budgeted 2021	Recommended 2022	Recommended 2023
Cap	0.0	332.2	332.2	332.2	332.2
Actual/Budgeted	0.0	222.6	332.2	NA	NA

Notes:

- a) TDEM became a standalone agency in fiscal year 2020 and continues the process of hiring and onboarding staff.
- b) 2020 actual reflects final SAO numbers.