

Soil and Water Conservation Board Summary of Budget Recommendations - House

Page VI-60
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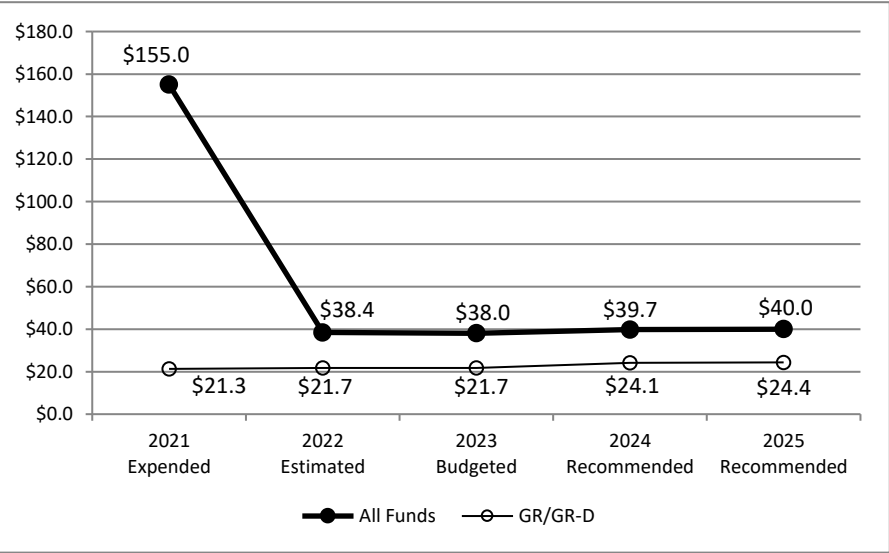
| Method of Financing | 2022-23 Base | 2024-25 Recommended | Biennial Change (\$) | Biennial Change (%) |
|-------------------------------|---------------------|------------------------|-------------------------|------------------------|
| General Revenue Funds | \$43,499,203 | \$48,499,913 | \$5,000,710 | 11.5% |
| GR Dedicated Funds | \$0 | \$0 | \$0 | 0.0% |
| <i>Total GR-Related Funds</i> | <i>\$43,499,203</i> | <i>\$48,499,913</i> | <i>\$5,000,710</i> | <i>11.5%</i> |
| Federal Funds | \$30,244,274 | \$31,203,367 | \$959,093 | 3.2% |
| Other | \$2,657,266 | \$0 | (\$2,657,266) | (100.0%) |
| All Funds | \$76,400,743 | \$79,703,280 | \$3,302,537 | 4.3% |

| | FY 2023 Budgeted | FY 2025 Recommended | Biennial Change | Percent Change |
|------|---------------------|------------------------|--------------------|-------------------|
| FTEs | 73.6 | 77.0 | 3.4 | 4.6% |

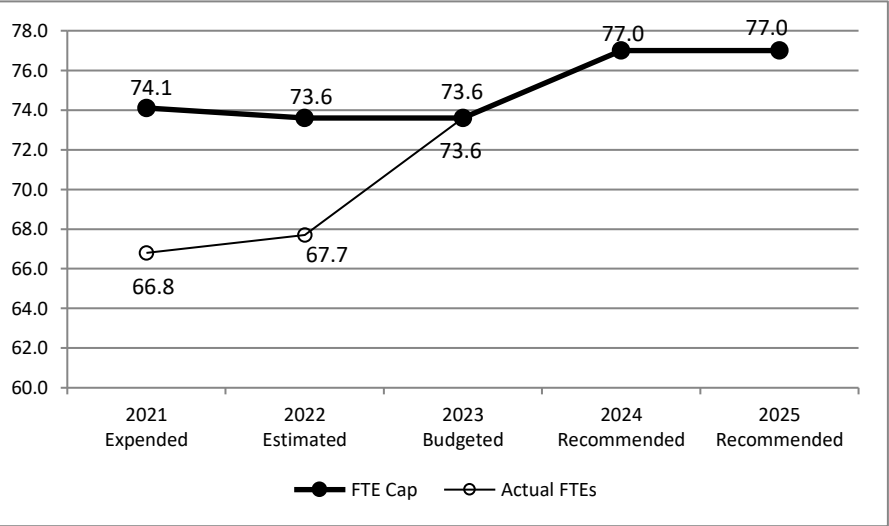
Agency Budget and Policy Issues and/or Highlights

The agency is currently undergoing Strategic Fiscal Review and Sunset Review.

Historical Funding Levels (Millions)



Historical Full-Time-Equivalent Employees (FTEs)



The bill pattern for this agency (2024-25 Recommended) represents an estimated 99.9% of the agency's estimated total available funds for the 2024-25 biennium.

Soil and Water Conservation Board
Summary of Funding Changes and Recommendations - House

Section 2

| Funding Changes and Recommendations for the 2024-25 Biennium compared to the 2022-23 Base Spending Level (in millions) | | General Revenue | GR-Dedicated | Federal Funds | Other Funds | All Funds | Strategy in Appendix A |
|---|--|--------------------|--------------|------------------|----------------|--------------|---------------------------|
| <i>SIGNIFICANT Funding Changes and Recommendations (each issue is explained in Section 3 and additional details are provided in Appendix A):</i> | | | | | | | |
| A) | Increase in General Revenue funding for the Carrizo Cane Eradication program which includes \$4.0 million to offset and biennialize one time deficiency grant funding (Other Funds) provided by the Governor's Office in 2022-23 and \$0.3 million to provide for an additional 2.0 FTEs to manage and administer the increased funds (See also, Fiscal and Policy Issues #1). | \$4.3 | \$0.0 | \$0.0 | (\$2.6) | \$1.7 | C.1.2 |
| <i>OTHER Funding Changes and Recommendations (these issues are not addressed in Section 3 but details are provided in Appendix A):</i> | | | | | | | |
| B) | Increase in Federal Funds primarily for a new Feral Swine Eradication and Control Pilot Program that began in Fiscal Year 2021 | \$0.0 | \$0.0 | \$0.9 | \$0.0 | \$0.9 | A.1.1 |
| C) | Increase of General Revenue and Federal Funds for salary adjustments | \$0.7 | \$0.0 | \$0.1 | \$0.0 | \$0.8 | E.1.1 |
| TOTAL SIGNIFICANT & OTHER Funding Changes and Recommendations (in millions) | | \$5.0 | \$0.0 | \$1.0 | (\$2.6) | \$3.4 | As Listed |
| <i>SIGNIFICANT & OTHER Funding Increases</i> | | \$5.0 | \$0.0 | \$1.0 | \$0.0 | \$6.0 | As Listed |
| <i>SIGNIFICANT & OTHER Funding Decreases</i> | | \$0.0 | \$0.0 | \$0.0 | (\$2.6) | (\$2.6) | As Listed |

NOTE: Totals may not sum due to rounding.

**Soil and Water Conservation Board
Selected Fiscal and Policy Issues - House**

1. **Carrizo Cane Eradication.** Recommendations provide \$7.2 million in General Revenue for Carrizo Cane eradication, which includes an increase of \$1.6 million above 2022-23 spending levels. This provides an increase of \$4.3 million in General Revenue funding which includes \$4.0 million to offset and biennialize one time deficiency grant funding of \$2.6 million (Other Funds) provided by the Governor's Office in 2022-23. Recommendations also include an increase of \$0.3 million to provide an additional 2.0 FTEs to manage and administer the additional program funding.
2. **Soil and Water Conservation District Funding.** The agency provides funding to local Soil and Water Conservation Districts (SWCDs) to address gaps between the districts' needs and local revenue. Recommendations include \$16.8 million across all SWCDs, which includes an increase of \$1.1 million from 2022-23 funding in alignment with the agency's request. Recommendations do not include \$5.5 million in additional General Revenue funds to offset inflation costs to allow local SWCDs to provide services at current levels across multiple programs. Recommendations also do not include \$0.8 million and 4.0 FTEs to provide additional field representatives to work with SWCDs (See also, #8 below, Rider Highlights #2, and Items Not Included in Recommendations #1 and #6).
3. **Flood Control Dams.** Recommendations include \$37.5 million in All Funds, which includes \$16.9 million in General Revenue Funds and \$20.6 million in Federal Funds, to address the structural repair, operation, and maintenance of earthen flood control dams. This continues the 2022-23 funding level for General Revenue and includes an anticipated reduction of \$0.3 million in Federal Funds.

Recommendations do not include \$53.4 million, which includes \$34.0 million dollars in General Revenue and \$19.4 million in Federal Funds, to provide an additional 2.0 FTEs for continued rehabilitation, maintenance and repair of dam structures in the state. The agency indicates that the \$19.4 million in Federal Funds would be a match provided through the United States Department of Agriculture (USDA) Natural Resources Conservation Service. The agency indicates that the additional funding would provide an opportunity to keep pace with inflation and increased costs of construction (See also Items Not Included in Recommendations #2).

Recommendations also do not include \$150.0 million for the agency to address dam structures included in the agency 10-year plan for flood control dams, which included \$2.0 billion in projects. The agency was appropriated \$150.0 million in 2017 from the Economic Stabilization Fund (ESF) to begin addressing projects in the plan. Those funds have all been obligated and will be completed within the next two years (See also, Items Not Included in Recommendations #3).

4. **Unexpended Balance Authority.** Recommendations include a new rider to expand unexpended balance authority for the agency both between biennia and within the biennia. Recommendations remove specific strategy Unexpended Balance (UB) authority from Strategies A.2.1 Flood Control Dam Maintenance, A.2.2 Flood Control Dam Construction, and C.1.1 Carrizo Cane Eradication as well as existing Riders #4 and #6 and add a new UB rider to allow the agency to carry forward any unobligated and unexpended balances remaining from the first year of the biennium into the second year of the biennium for all strategies. The new UB rider also allows the agency to carry forward any unobligated and unexpended balances for Flood Control Dams (estimated to be \$0) in Strategy A.2.2 from the 2022-23 biennium to the 2024-25 biennium (See also, item #8 below and Rider Highlights #8).
5. **Water Quality Management Plan Program.** The agency provides funds administered through local SWCDs to develop water quality management plans (WQMPs). WQMPs are voluntary, incentive-based, natural resource conservation planning services provided to agricultural producers and other rural landowners. Recommendations include \$8.3 million for the 2024-25 biennium, continuing 2022-23 funding levels. Recommendations do not include \$4.3 million to provide increases in material costs and inflation. The agency reports that the program has also had difficulty recruiting and retaining qualified personnel (See also, Items Not Included in the Recommendations #4).
6. **On-the-Ground Conservation Program.** The On-the-Ground (OTG) Conservation Program established by Senate Bill 1118, Eighty-seventh Legislature, Regular Session, 2021, authorizes the Texas State Soil and Water Conservation Board (TSSWCB) to form partnerships with other state and federal agencies, soil and water conservation districts, local governments, nonprofits, universities, non-governmental and private organizations for the purpose of leveraging funds from multiple sources to address a wide variety of conservation projects. There were no state funds appropriated for the program at the time of inception (beginning in Fiscal

Year 2022) and recommendations do not include \$1.3 million and 1.0 FTEs requested to fund this program (See also Items Not Included in the Recommendations #5).

7. **Agency FTE Cap.** Recommendations include an increase of 1.4 FTEs in the agency's FTE cap without additional funding. The cap increase includes an additional 0.7 FTEs in strategy 1.1.1 Program Expertise, Financial and Conservation Implementation and 0.7 FTEs in strategy 1.2.1 Flood Control Dam Maintenance, Operations and Engineering to convert two currently filled part-time positions to full time positions.
8. **Strategic Fiscal Review.** Two key findings were identified during the Strategic Fiscal Review (SFR) process:

Finding 1: Soil and Water Conservation Funding. Based on budget requests submitted to the agency by SWCDs to maintain a base level of program funding across all SWCDs in the 2022-23 biennium, the combined funding provided by the State (through the agency) and revenue generated for this purpose at the local level is estimated to be \$5.3 million less than the total amount needed. For the 2024-25 biennium, the agency is requesting an additional \$5.5 million in General revenue above 2022-23 spending levels, which is also anticipated to result in generated local revenue increasing by \$1.0 million for the program (See also, item #2 above, and Items Not Included in Recommendations #1 and #6)

Finding 2: Flood Control Dam Projects. During the 2022-23 biennium, the agency experienced a number of construction project delays due primarily to unanticipated cost increases resulting from economic factors following the COVID pandemic as well as operational protocols issues in the Dam Structural Repair Program discussed in the Sunset Advisory Commission Staff Report provided to the Eighty-eighth legislature. When obligated construction project appropriations (funding under contract) have to be cancelled at the end of an appropriation period for unforeseen circumstances, the appropriation authority will be lapsed (no longer available) unless it can be obligated for another viable project (contract secured) within the time remaining for the existing appropriation period.

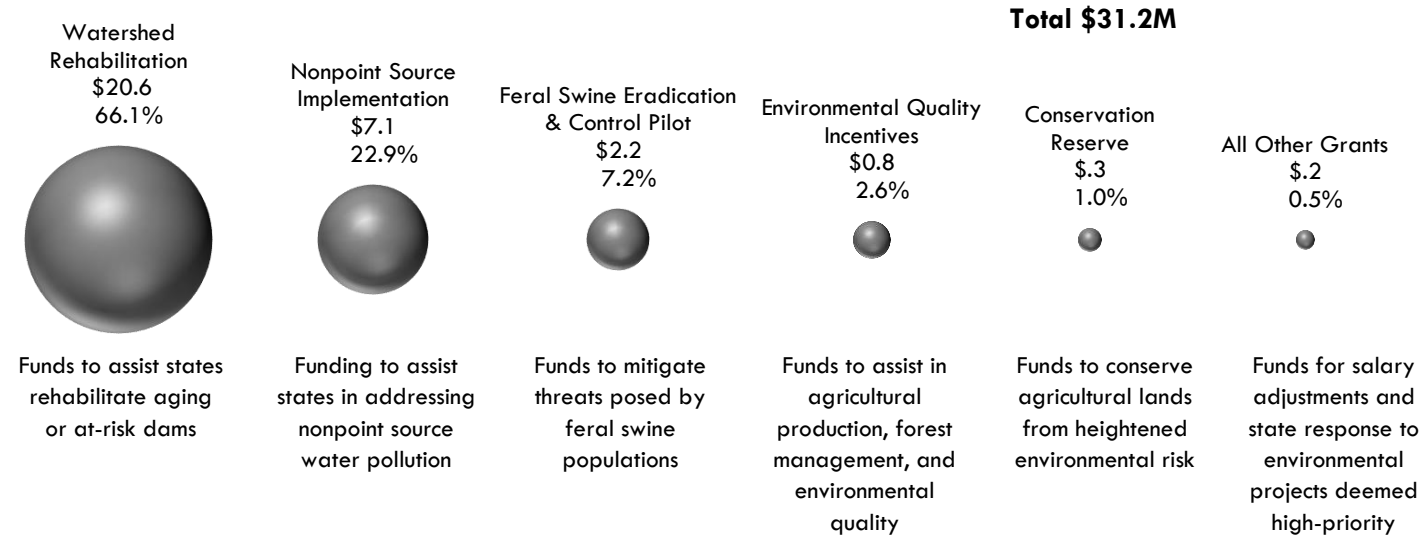
Recommendations include the SFR options of adding new riders to require TSSWCB to provide a report outlining SWCDs needs and to provide UB authority for all strategies within the biennium as well as UB authority from the 2022-23 biennium into the 2024-25 biennium for strategy A.2.2 Flood Control Dam Construction (See also, items #2 and #4 above and Rider Highlights #2 and #8).

9. **Sunset Review.** The agency is currently under Sunset Review and will be abolished on September 1, 2023, unless continued by the Eighty-eighth Legislature, 2023. Sunset Commission Staff Report recommends continuing the agency and includes standard statutory adjustments, improvements to the administration of the dam structural repair program, and additional accountability measures that are not anticipated to have a fiscal impact on the state (See also, Rider Highlights #9).

Soil and Water Conservation Board

Summary of Federal Funds (2024-25)

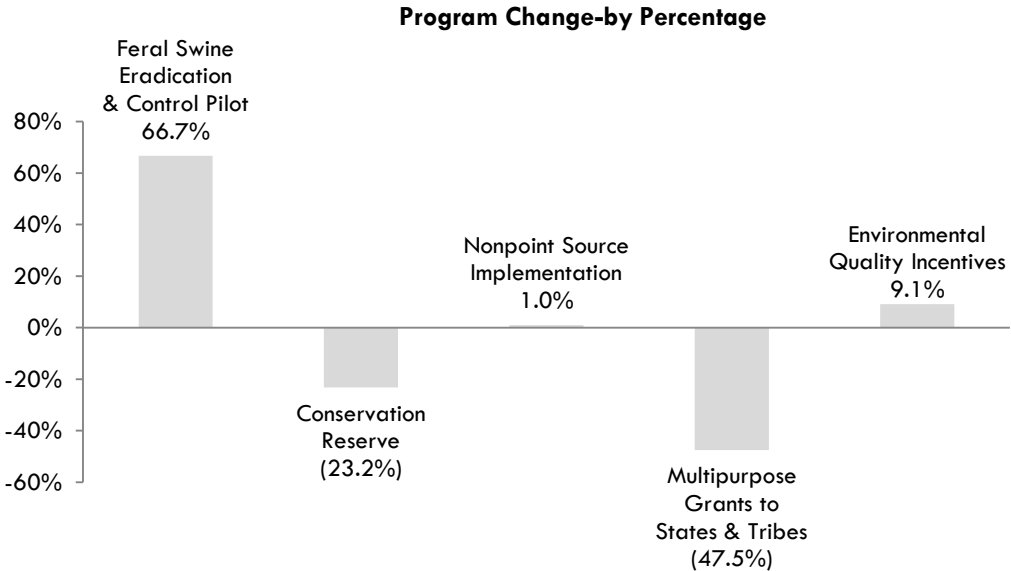
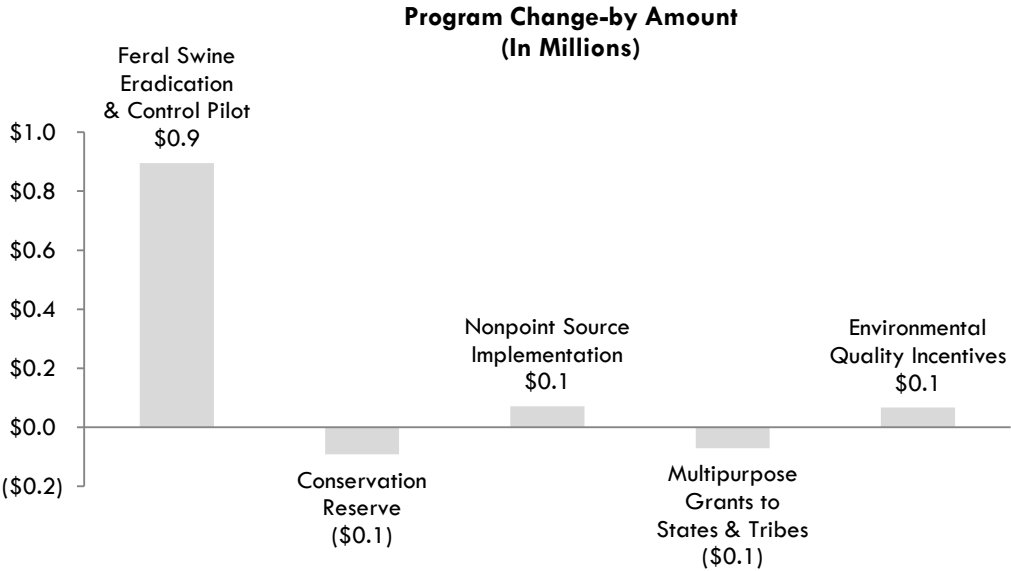
Section 3a



Selected Federal Fiscal and Policy Issues

Federal Funds estimates maintain funding levels for 2024-25 relatively level compared to 2022-23. The slight increase of \$1.0 million is attributable to increase awards in the Feral Swine and Control Pilot Program.

Programs with Significant Federal Funding Changes from 2022-23



**Soil and Water Conservation Board
Rider Highlights - House**

New Riders

2. **Soil and Water Conservation Districts.** Recommendations add a new rider to include the provisions of existing Rider #2, Conservation Assistance to the Soil and Water Conservation Districts and Rider #5, Matching Requirements to reflect multiple rider requirements under one rider in the agency's bill pattern. The rider also includes a new requirement for the agency to produce a report that provides a financial needs assessment of all Soil and Water Conservation Districts statewide, identifies the qualitative and quantitative factors with that needs assessment, determines the amount of additional funding required to meet those needs, includes an inventory of additional services that could be provided, identifies optional funding level impacts, and provides recommendations for which programs should be prioritized for additional funding (See also, Selected Fiscal and Policy Issues #2 and #8).
8. **Unexpended Balances Between Biennia.** Recommendations add a new rider allowing the agency to carry forward any unobligated and unexpended remaining balances from the fiscal year ending August 31, 2024, into the fiscal year beginning September 1, 2024 for the same purposes. Recommendations also allow the agency to carry forward any unobligated and unexpended balances remaining in Strategy A.2.2, Flood Control Dam Construction, from the fiscal year ending August 31, 2023, into the fiscal year beginning September 1, 2023 for the same purposes. Recommendations also remove strategy specific UB authority which is now provided in the new rider (See also, Selected Fiscal and Policy Issues #4 and #8).
9. **Sunset Contingency.** Recommendations add a contingency provision for the agency's Sunset review (See also, Selected Fiscal and Policy Issues #9).

Soil and Water Conservation Board
Items Not Included in Recommendations - House

| | | 2024-25 Biennial Total | | | | | |
|--|--|------------------------|---------------|------|----------------------------------|-----------------------|----------------------------------|
| | | GR & GR-D | All Funds | FTEs | Information Technology Involved? | Contracting Involved? | Estimated Continued Cost 2026-27 |
| Agency Exceptional Items Not Included (in agency priority order) | | | | | | | |
| 1) | Soil and Water Conservation District (SWCD) Assistance. General Revenue Funds to offset cost increases in order to maintain base service levels in SWCD assistance programs. Items include funding for the following: 1. \$972,000 for Conservation Assistance Matching Funds 2. \$216,000 for Conservation Activity Programs to offset the increased cost of completing the ten core conservation activities. 3. \$259,200 for District Director Mileage and Per Diem expenditures. 4. \$977,000 for Conservation Implementation Assistance to reimburse SWCDs for employee wages. This would allow SWCDs to raise hourly wage rates from \$16.50 to \$20. 5. \$3,069, for Conservation Implementation Assistance to reimburse SWCDs for expanded hours (See also, Selected Fiscal and Policy Issues #2). | \$5,493,624 | \$5,493,624 | 0.0 | No | Yes | \$5,493,624 |
| 2) | Flood Control Dam Maintenance and Construction. General Revenue funds to allow for the draw down of additional Federal Funds and to assist with alleviating further inflationary cost impacts and moving forward with projects awaiting funding (See also, Selected Fiscal and Policy Issues #3). | \$34,000,000 | \$53,426,664 | 2.0 | No | Yes | \$326,000 |
| 3) | Flood Control Dam Construction. General Revenue funds for the agency to address dam structures included in the agency 10 year plan for flood control dams, which included \$2.0 billion in total projects. | \$150,000,000 | \$150,000,000 | 0.0 | No | No | \$0 |
| 4) | Water Quality Management Plan Program. General Revenue funds to allow the WQMP to maintain current planning and development levels (See also, Selected Fiscal and Policy Issues #5). | \$4,280,000 | \$4,280,000 | 0.0 | No | No | \$4,280,000 |

Soil and Water Conservation Board
Items Not Included in Recommendations - House

| | | 2024-25 Biennial Total | | | Information Technology Involved? | Contracting Involved? | Estimated Continued Cost 2026-27 |
|--|--|------------------------|----------------------|------------|--|--------------------------|--|
| | | GR & GR-D | All Funds | FTEs | | | |
| 5) | On-The-Ground Conservation Program. Funding for the OTG Conservation program and 1 FTE (See also, Selected Fiscal and Policy Issues #6). | \$1,326,000 | \$1,326,000 | 1.0 | No | Yes | \$1,326,000 |
| 6) | Field Representatives. General revenue for four additional field representatives to reduce the number of SWCDs each field representative covers (See also, Selected Fiscal and Policy Issues #2). | \$777,000 | \$777,000 | 4.0 | No | No | \$777,000 |
| TOTAL Items Not Included in Recommendations | | \$195,876,624 | \$215,303,288 | 7.0 | | | \$12,202,624 |

Soil and Water Conservation Board
Appendices - House

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Soil and Water Conservation Board
Funding Changes and Recommendations by Strategy - House -- ALL FUNDS

| Strategy/Goal | 2022-23 Base | 2024-25 Recommended | Biennial Change | % Change | Comments |
|---|---------------------|------------------------|--------------------|-------------|--|
| PROGRAM MANAGEMENT & ASSISTANCE A.1.1 | \$14,069,084 | \$15,141,122 | \$1,072,038 | 7.6% | Recommendations include an All Funds increase for additional grants. This includes: a) an increase of \$0.2 million in General Revenue reallocated from Strategy A.2.2, Flood Control Dam Construction; b) an increase of \$0.9 million in Federal Funds. |
| FLOOD CONTROL DAM MAINTENANCE A.2.1 | \$24,377,708 | \$25,685,951 | \$1,308,243 | 5.4% | Recommendations include an All Funds increase for additional grants that includes: a) an increase of \$3.3 million in General Revenue reallocation from Strategy A.2.2, Flood Control Dam Construction; b) a decrease of \$2.0 million in federal funds reallocated to strategy A.2.2 Flood Control Dam Construction. |
| FLOOD CONTROL DAM CONSTRUCTION A.2.2 | \$13,419,293 | \$11,819,550 | (\$1,599,743) | (11.9%) | Recommendations include an All Funds decrease that includes: a) a decrease of \$3.6 million reallocated to Strategy A.1.1, Program Management and Assistance; Strategy A.2.1, Flood Control Dam Maintenance; Strategy B.1.2 Pollution Abatement Plan; and Strategy D.1.1, Indirect Administration. b) an increase of \$2.0 million in Federal Funds re-allocated from Strategy A.2.1, Flood Control Dam Maintenance. |
| Total, Goal A, SOIL & WATER CONSERVATION ASSIST. | \$51,866,085 | \$52,646,623 | \$780,538 | 1.5% | |
| STATEWIDE MANAGEMENT PLAN B.1.1 | \$9,131,600 | \$9,131,600 | \$0 | 0.0% | |
| WATER QUALITY MANAGEMENT PLANS B.1.2 | \$8,252,676 | \$8,282,676 | \$30,000 | 0.4% | Recommendations include an increase in General Revenue reallocated from strategy A.2.2, Flood Control Dam Construction. |
| Total, Goal B, NONPOINT SOURCE POLLUTION ABATEMENT | \$17,384,276 | \$17,414,276 | \$30,000 | 0.2% | |

| Soil and Water Conservation Board | | | | | |
|--|---------------------|------------------------|--------------------|---------------|---|
| Funding Changes and Recommendations by Strategy - House -- ALL FUNDS | | | | | |
| Strategy/Goal | 2022-23 Base | 2024-25 Recommended | Biennial Change | % Change | Comments |
| CARRIZO CANE ERADICATION C.1.2 | \$5,491,724 | \$7,165,458 | \$1,673,734 | 30.5% | Recommendations include \$4.0 million in General Revenue to offset and biennialize one time deficiency grant funding totaling \$2.6 million (Other Funds) provided by the Governor's Office in 2022-23. Recommendations also include an increase of \$0.3 million and 2.0 FTEs to manage and administer the increased funds (See also, Selected Fiscal and Policy Issues #1). |
| Total, Goal C, WATER SUPPLY ENHANCEMENT | \$5,491,724 | \$7,165,458 | \$1,673,734 | 30.5% | |
| INDIRECT ADMINISTRATION D.1.1 | \$1,658,658 | \$1,722,627 | \$63,969 | 3.9% | Recommendations include General Revenue reallocated from Strategy A.2.2, Flood Control Dam Construction and a salary adjustment for the Executive Director Exempt Position of \$14,969. |
| Total, Goal D, INDIRECT ADMINISTRATION | \$1,658,658 | \$1,722,627 | \$63,969 | 3.9% | |
| SALARY ADJUSTMENTS E.1.1 | \$0 | \$754,296 | \$754,296 | 100.0% | Recommendations include a new strategy for salary adjustments which includes \$0.7 million in General Revenue and \$0.1 in federal funds. |
| Total, Goal E, SALARY ADJUSTMENTS | \$0 | \$754,296 | \$754,296 | 100.0% | |
| Grand Total, All Strategies | \$76,400,743 | \$79,703,280 | \$3,302,537 | 4.3% | |

Soil and Water Conservation Board
Summary of Federal Funds
(In Millions)

| Program | Est 2022 | Bud 2023 | Rec 2024 | Rec 2025 | 2022-23 Base | 2024-25 Rec | 2024-25 Rec % Total | Recommended Over/(Under) Base | % Change from Base |
|---|----------|----------|----------|----------|-----------------|-------------|------------------------|----------------------------------|-----------------------|
| Watershed Rehabilitation Program | \$10.3 | \$10.3 | \$10.3 | \$10.3 | \$20.6 | \$20.6 | 65.9% | \$0.0 | 0.0% |
| Nonpoint Source Implementation Grants | \$3.5 | \$3.5 | \$3.5 | \$3.6 | \$7.1 | \$7.1 | 22.8% | \$0.1 | 1.0% |
| Feral Swine Eradication and Control Pilot Program | \$0.4 | \$1.0 | \$1.0 | \$1.3 | \$1.3 | \$2.2 | 7.2% | \$0.9 | 66.7% |
| Environmental Quality Incentives Program | \$0.3 | \$0.4 | \$0.4 | \$0.4 | \$0.7 | \$0.8 | 2.6% | \$0.1 | 9.1% |
| Conservation Reserve Program | \$0.1 | \$0.3 | \$0.3 | \$0.0 | \$0.4 | \$0.3 | 1.0% | (\$0.1) | (23.2%) |
| Multipurpose Grants to States and Tribes | \$0.1 | \$0.1 | \$0.1 | \$0.0 | \$0.1 | \$0.1 | 0.3% | (\$0.1) | (47.5%) |
| Salary Adjustments | \$0.0 | \$0.0 | \$0.0 | \$0.1 | \$0.0 | \$0.1 | 0.3% | \$0.1 | 0.0% |
| TOTAL: | \$14.7 | \$15.6 | \$15.6 | \$15.6 | \$30.2 | \$31.2 | 100% | \$1.0 | 3.2% |

Soil and Water Conservation Board
FTE Highlights - House

| Full-Time-Equivalent Positions | Expended 2021 | Estimated 2022 | Budgeted 2023 | Recommended 2024 | Recommended 2025 |
|--------------------------------|------------------|-------------------|------------------|---------------------|---------------------|
| Cap | 74.1 | 73.6 | 73.6 | 77.0 | 77.0 |
| Actual/Budgeted | 66.8 | 67.7 | 73.6 | NA | NA |

Notes:

| Schedule of Exempt Positions (Cap) | | | | | |
|------------------------------------|-----------|-----------|-----------|-----------|-----------|
| Executive Director, Group 4 | \$150,283 | \$150,283 | \$150,283 | \$155,273 | \$160,262 |

Notes:

- a) Recommendations include an additional 2.0 FTEs in Strategy C.1.2, Carrizo Cain Eradication. Recommendations also include 0.7 FTEs in Strategy A.1.1 Program Expertise, Financial and Conservation Implementation Assistance and 0.7 FTEs in strategy A.2.1 Flood Control Dam Maintenance, Operations and Engineering in the 2024-25 biennium to convert two currently filled part-time positions to full-time positions. Total increase from 2023 budgeted amounts is 3.4 FTEs (See also, Selected Fiscal and Policy Issues #1).
- b) Recommendations include a salary adjustment of \$4,990 in 2024 and \$9,979 in 2025 to increase the Executive Director's annual salary from \$150,283 in 2023 to \$155,273 in 2024 and \$160,262 in 2025, which is the State Auditor's Office (SAO) determined market average for the position in the SAO Report, Executive Compensation at State Agencies (Report 20-706, August 2022). The position remains in the Group 4 Salary Group.