



LEGISLATIVE BUDGET BOARD

Flood Infrastructure Fund

**PRESENTED TO HOUSE APPROPRIATIONS COMMITTEE
LEGISLATIVE BUDGET BOARD STAFF**

JULY 2022

Statement of Interim Charge

9. Monitor the use of appropriated funds by the Texas Water Development Board (TWDB) from the Flood Infrastructure Fund (FIF). Examine the criteria used by TWDB in making loan and grant awards and any unintended consequences that limit the competitiveness of projects in certain communities.

Flood Infrastructure Fund Creation and Purpose

The Eighty-sixth Legislature enacted Senate Bill 7 and Senate Bill 8 to address needs identified following the floods and disasters of 2015, 2016, and 2017.

Senate Bill 7, relating to flood planning, mitigation, and infrastructure projects, created the Flood Infrastructure Fund (FIF), to provide grants and loans for drainage, flood mitigation, and flood control. The FIF is:

- administered by the Texas Water Development Board (TWDB)
- under the oversight authority of the State Water Implementation Fund for Texas (SWIFT) Advisory Committee; and
- authorized to issue revenue bonds.

Currently, appropriations from the FIF can be used toward various flood projects in the state. Once the statewide flood plan is adopted, appropriations from the FIF are restricted to projects in the plan.

Senate Bill 8, relating to state and regional flood planning, requires TWDB to create a statewide flood plan by September 1, 2024, which will guide state and local flood control policy and incorporate regional flood plans.

The Eighty-sixth Legislature also passed a constitutional amendment, **House Joint Resolution 4**, that was approved by voters on November 5, 2019, to establish the FIF in the state treasury outside the General Revenue Fund and provide constitutional appropriation authority. FIF provisions became effective January 1, 2020.

FIF Funding and Implementation

The Eighty-sixth Legislature enacted **Senate Bill 500** which provided \$793.0 million in Economic Stabilization Fund appropriations to capitalize the FIF in fiscal year 2019, along with 9.0 FTEs in fiscal year 2020 and 15.0 FTEs in fiscal year 2021 to implement the program.

The Eighty-seventh Legislature appropriated an additional \$5.1 million in FIF funding with an additional 5.0 FTEs each fiscal year in the 2022-23 biennium through the General Appropriations Act to provide administrative support, including staff travel, training, operational expenses, professional services, and information technology expenses necessary for continued implementation.

During the 2020-21 biennium the agency received over 280 applications requesting an estimated \$2.3 billion.

TWDB reports approving \$770.0 million for projects with allocations of \$539.0 million (70 percent) for loans and \$231.0 million (30 percent) for grants. Projects are prohibited from receiving in grants more than \$23.1 million, or 10 percent of the total grant allocation.

TWDB reports having committed \$407.9 million to more than 120 projects as of April 30, 2022 and anticipates obligating the remaining \$385.1 million by the end of fiscal year 2023.

FIF Expenditures and Obligations (As of 4/30/2022) (in millions)

Expenditures	Appropriation Year 2020	Appropriation Year 2021	Appropriation Year 2022	Remaining Encumbrance	Total Obligated
Loans	\$0.0	\$159.4	\$0.0	\$66.3	\$225.7
Grants	\$0.0	\$112.6	\$38.7	\$26.2	\$177.4
FIF Admin.	\$0.7	\$2.9	\$1.0	\$0.1	\$4.8
TOTAL	\$0.7	\$274.9	\$39.7	\$92.6	\$407.9

Source: Texas Water Development Board



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Contact the LBB

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512.463.1200